

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	5941	50	<b>0.9</b>
<b>NZX 50</b>	11515	-192	<b>-1.6</b>
<b>DJIA Futures</b>	25985	16	0.1
<b>S&amp;P 500 Futures</b>	3166	2	0.1
<b>NASDAQ Futures</b>	10671	9	0.1

**Local Markets Commentary**

The Australian market opens today's trade with material data due for China by the middle of the day, together with a domestic lending update, following an ultimate overnight return to gains across US equities markets.

Key commodities also proved in favour.

**Regionally today, China is scheduled to release June producer prices and CPI growth 11.30am AEST.**

**Locally today, the Australian Bureau of Statistics reports May new lending figures, also at 11.30am.**

In overnight commodities trade, **oil** turned higher.

US **gold** futures (August) continued to gain, heading above \$US1820.5/oz.

**Iron ore** (Nymex CFR China, 62% Fe) also extended its current run higher, surpassing \$US105.00/t.

LME **copper, nickel** and **aluminium** recorded firm gains.

The **SA** essentially trod water after trading at ~US69.45c early yesterday evening.

This morning, the **SA** has traded beyond US69.80c.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26067	177	<b>0.7</b>
<b>S&amp;P 500</b>	3170	25	<b>0.8</b>
<b>NASDAQ</b>	10493	149	<b>1.4</b>
<b>FTSE 100</b>	6156	-34	<b>-0.6</b>
<b>DAX 30</b>	12495	-122	<b>-1.0</b>
<b>Shanghai Comp</b>	3403	58	<b>1.7</b>

**Overseas Markets Commentary**

Swinging, choppy trade featured across major European and US equities markets overnight, but with the tech sector generally in favour, key US indices ultimately settled with firm gains.

The NASDAQ notably reached a new peak close.

In a summer budget statement, the UK chancellor revealed support for the restaurant sector and company payments to reinstate employees from furlough.

In scant overnight **data** releases, **US** weekly mortgage applications rose 2.2% after declining 1.8% the previous week. 30-year mortgage rates averaged 3.26% against 3.29%.

**China – June CPI and PPI – 11.30am AEST**
**Today's Stock Watch**
**Treasury Wine Estates (TWE)**

Teleconference commencing **10am** AEST. Anticipating \$530M - \$540M FY20 EBITs, down 21% on FY19. Performance and strategy update lodged pre-trade.

**Netwealth Group (NWL)**

35% higher year-on-year \$31.5B FUA at 30 Jun. \$7.3B FUM at 30 June.

**Praemium Ltd (PPS) / Powerwrap Ltd (PWL)**

PPS and PWL have agreed a proposed PPS \$55.6M off-market conditional takeover bid for PWL.

PPS is planning to offer 7.5c-per-PWL share cash plus one PPS share for every two PWL shares.

PPS intends to use a recently secured \$15M loan facility to pay the cash component of the intended bid. PPS has traded at 36.5c – 40c for the week to date, and PWL at 17c – 19.5c.

**Recce Pharmaceuticals (RCE)**

RCE compounds RECCE 327 and New RECCE 529 have been selected as Priority 1 candidates for a SARS-CoV-2 antiviral screening program.

The program, to be conducted by the CSIRO and the University of Melbourne, will use Priority 1 candidates in stage one laboratory screening trials.

RCE anticipates stage one company expenditure will tally \$35,000. RCE last traded at 68c.

**Worley Ltd (WOR)**

WOR has paid \$20M cash for the 50% balance of TW Power Services from Ferrovial.

Details and supporting transaction strategy lodged pre-trade.

**Resources**
**Rio Tinto (RIO) / Meridian Energy (MEZ) / Mercury NZ (MCY) / Contact Energy (CEN)**

RIO has confirmed it will terminate the MEZ supply contract for the RIO-Sumitomo Chemical Company Tiwai Point aluminium smelter on and from 31 August, as the operational wind-down towards an ultimate August 2021 closure commences.

CEN asserted all commercial parties related to the smelter operations had contributed to electricity cost reductions and that CEN was 'very disappointed' with the decision. CEN predicted New Zealand energy transmission costs would rise due to the smelter wind-down and closure.

MCY sought to assure that the NZ energy sector can weather the closure and a rebalance of the New Zealand power system. RIO owns 79.36% of the smelter JV.



May consumer credit, reported post-US trade, fell by \$US18.2B, following a \$US70.2B April drop.

**Tonight** in the **US**, weekly new unemployment claims and May wholesale inventories are due.

Delta Air Lines and Walgreens Boots Alliance are scheduled to report earnings.

In overnight corporate news, **Airbus** reported first-half 2020 deliveries at a 16-year low.

In the US, menswear specialist **Brooks Brothers** commenced bankruptcy proceedings.

**United Airlines** warned of needing to cut up to 45% of employee positions.

Meanwhile, **AirAsia** remained in a trading halt following a four quarterly finance report early-week, followed by survival speculation.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Aug)	<b>1820.6</b>	oz	10.7	<b>0.6</b>
<b>Silver (NY)</b> (Sep)	<b>19.161</b>	oz	0.46	<b>2.5</b>
<b>Gold (LON)</b> (6 Jul)	<b>1788</b>	oz		
<b>Platinum</b>	<b>847</b>	oz	14	<b>1.7</b>
<b>WTI Crude</b> (NYMEX Aug)	<b>40.90</b>	bbl	0.28	<b>0.7</b>
<b>Brent Crude</b> (ICE EUR Sep)	<b>43.29</b>	bbl	0.21	<b>0.5</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>105.03</b>	t	1.99	<b>1.9</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>6237</b>	t	46	<b>0.7</b>
<b>Nickel</b>	<b>13475</b>	t	85	<b>0.6</b>
<b>Aluminium</b>	<b>1667</b>	t	32	<b>1.9</b>
<b>Lead</b>	<b>1817</b>	t	9	<b>0.5</b>
<b>Zinc</b>	<b>2129</b>	t	64	<b>3.1</b>
<b>Tin</b>	<b>17100</b>	t	130	<b>0.8</b>

### Commodities Commentary

**Oil** – WTI and Brent crude settled at four-month (front-month contract) highs overnight.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 5.65MMbbl climb for stored crude, but 4.84MMbbl draw on petrol stocks.

Commercial crude imports notably tallied 7.39MMbbl/d.

US production was calculated static, at ~11MMbbl/d.

Meanwhile, OPEC+ members are expected to start offering plenty of market stability and output agreement commentary ahead of talks scheduled for next week.

**Gold** – gold continued in favour overnight, supported by ongoing support assurances from central banks including the US Federal Reserve and Reserve Bank of Australia this week.

Among the predictors, one industry executive proffered silver prices in the \$US20s/oz, pending gold continuing beyond \$US1800/oz.

**Base metals** – copper continued higher overnight, trading on the LME at 5.5-month peaks as new gains sparked further technical buying. Shanghai Futures Exchange copper had earlier traded at 14-month highs.

## Pre-Open Announcements

### Summerset Group Holdings (\* SNZ)

Anticipating \$NZ40M - \$NZ45M interim underlying profit, down 6% - 16% on 1HFY19.

During the June quarter, SNZ sold 123 occupation rights, 58 as new sales and 65 resales.

### Etherstack Plc (\* ESK)

40% higher, \$US2.4M 1H FY20 revenue.

Additional statistics lodged this morning.

### Incannex Healthcare (\* IHL)

Agreements secured with The Alfred Hospital, Melbourne and Novotech regarding the planned Phase 2b dose trial of IHL-42X for the treatment of obstructive sleep apnoea.

Details lodged this morning.

### iSentric Ltd (\* ICU)

ICU has appointed ICU founding and executive director Lee Chin Wee as interim chair, following the resignation of Tim Monger from the ICU board.

In addition, ICU has appointed Traverse Accountants founding director Jarrod White as company secretary on the resignation of Gary Stewart.

ICU has also appointed corporate lawyer Andrew Bristow as a non-executive director.

Further, ICU has received commitments totalling \$1.5M for a placement at 1.58c per share.

ICU is resuming from suspension after last trading at 1.6c.

### Vicinity Centres (VCX)

VCX's \$1.44-per-security SPP attracted applications for \$32.6M worth of new securities.

VCX has traded lower the past four trading sessions, settling at \$1.315 yesterday.

### Magellan Global Equities Fund (MGE)

MGE will pay a final 16c distribution for the year ending 30 June.

### Integrated Payment Technologies (IP1)

IP1's \$2.316M 1.5c-per-share entitlement offer attracted ~\$1.883M worth of applications from ~81% take-up. The shortfall will be placed by IP1's broker for a 6%-plus-GST-of-gross-proceeds fee.

IP1 has traded at 1.5c – 1.8c for the week to date.

## Resources

### Antipa Minerals (\* AZY) / Independence Group (\* IGO)

IGO is proposing a \$A30M farm-in to AZY's WA Paterson province holdings.

Initially, IGO is subscribing for \$A3.27M worth of AZY shares at 2.75c each, gaining a 4.9% interest in AZY.

Together with an AZY placement to Newcrest Mining (NCM), this will boost AZY cash-at-bank to \$9M.



Initially, increasing demand, in particular from China, plus Covid-19 - related supply concerns pushed prices higher, but price inflation warnings have increased this past week.

Among the major trading nations reporting yesterday, **Japan** revealed May bank lending had jumped 6.2% higher year-on-year, following a 4.8% April increase on April 2019 lending.

**China's** June producer prices and CPI growth, anticipated today, could influence some of tonight's trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6987	0.0006	0.08
<b>EUR – USD</b>	1.1336	0.0006	0.05

### Australian Data Today

ABS	New lending indicators (business, personal)	May
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### US Data Tonight

Initial jobless claims	4 Jul
Wholesale inventories	May

### Other Overseas Data Today & Tonight

<b>China</b>	Producer prices	Jun
China	CPI	Jun
<b>Japan</b>	Machinery orders	May
Japan	Machine tool orders (4pm AEST)	Jun
<b>Germany</b>	Trade balance	May

### Need More Information?

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AZY has traded at 2.4c – 2.6c for the week to date.

### Chalice Gold Mines (\* CHN)

Heralding Julimar drilling results.

### Jupiter Mines (\* JMS)

Assessing a potential IPO of the WA Central Yilgarn iron ore project.

93.4% of JMS shareholders voted against adopting the remuneration report at yesterday's AGM.

### Hawkstone Mining (\* HWK)

Early options exercising has delivered \$1.77M (pre-costs) to HWK, supporting Idaho, US Lone Pine gold project exploration.

### Focus Minerals (\* FML)

WA goldfields Greenfields open pit resource remodelling has delivered an 81% boost to resources, now measured at 2.66Mt @ 1.62g/t for 139,123oz.

### Trading Halts

Company	Code	Resuming
Accelerate Resources	AX8	9 Jul
Cellmid Ltd	CDY	9 Jul
Estrella Resources	ESR	9 Jul
LBT Innovations	LBT	9 Jul
Xped Ltd	XPE	9 Jul
Xstate Resources	XST	9 Jul
Ausgold Ltd	AUC	10 Jul
Chesser Resources	CHZ	10 Jul
Kleos Space	KSS	10 Jul
Red Metal	RDM	10 Jul
RooLife Group	RLG	10 Jul
Victory Offices	VOL	10 Jul
Krakatoa Resources	KTA	13 Jul

### Suspensions (select)

Company	Code	Since
9 Spokes International	9SP	30 Jun
Blossomvale Holdings	BLV	7 Jul
Cougar Metals	CGM	1 Jul
Freedom Foods Group	FNP	26 Jun
Global Petroleum	GBP	8 Jul
Netlinkz Ltd	NET	19 Jun

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AGD</b>	Today	<b>0.9</b>	0	0.00
<b>MEC</b>	Today	<b>1</b>	100	1.08
CAM	Tomorrow	1.05	100	4.69



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KAT	Mon	0.5	100	2.13
TRA	Mon	5.61	85	5.68
CKF	15 Jul	10.5	100	2.11

**Reports & Events**

(selected)

When	Company	Report/Event
<b>Today</b>	<b>CYC</b>	AGM (11.30am)
	<b>ICQ</b>	Jun Q
	<b>NWL</b>	Jun Q
<b>15 Jul</b>	SXY	Jun Q (teleconf 10am)