

## Markets

SFE 200 Futures (9.30am AEST)	6622
NZX 50	10713
DJIA Futures	30794
S&P 500 Futures	3806
NASDAQ Futures	11651

## Local Markets Commentary

The Australian market begins Thursday's trading day with 2 key domestic reports concerning Consumer Inflation Expectations for June and Labour Force data from the ABS.

The ASX is set to rebound after the US hiked interest rates once again, coupled with positive US equities results

**Locally** today, the Consumer Inflation Expectations for June is due at 11:00am (AEST). Previous monthly inflation declined from 5.2% in April 2022 to 5.0% in May 2022.

Another report to be released, is the Labour Force data for May from the ABS at 11:30am (AEST). March – April 2022 saw an increase of 4,000 employed people, while the market forecasted 30,000. Additionally, there was a 0.1% dip in the participation rate from March – April 2022.

The RBA publish their Bulletin for June.

**Regionally**, Bank of England (BoE) host their June Policy Meeting regarding interest rates at 9:00pm AEST. BoE raised the key Bank Rate to 1% during its May 2022 meeting, which is the 4th consecutive rate hike, pushing borrowing costs to the highest since early 2009.

**New Zealand** release their GDP figures for Q1 at 8:45am AEST, on the back of December's 2021 Quarter growth of 3.0%.

**United States** publish their jobless claims figures for 11/June. The number of American's filing new claims for unemployment benefits increased by 27K to 229K in the week ended June 4th, the highest since mid-January. Also to be released is the Philadelphia Fed Manufacturing Index for June, with the Index dropping sharply to 2.6 in May of 2022, the lowest in 2 years, and well below forecasts of 16.

Additional key data from the **US** will be releasing today.

In overnight commodities trade, **brent crude** for August settled lower to \$US118.51.

US **gold** futures for August delivery rose to \$US1819.60/oz

**Iron ore** (Nymex CFR China, 62% Fe) lost 2% overnight to \$US135.47/t

LME (3mth evening) **copper**, **aluminium** and **nickel** experienced mixed results.

The **\$A** gained ~US1.06c after trading around ~US68.73c~US70.25c early yesterday evening.

## S&P/ASX 200 Index Quarterly Rebalance: effective 20 June 2022

## Today's Stock Watch

### Crown Resorts Ltd (CWN)

Crown Resorts will be removed from the S&P/ASX 200, following the Federal Court approval of the acquisition by Blackstone Inc. CWN was suspended at the end of yesterday's close of trading.

### Bubs Australia (BUB)

Enters into a supplier agreement with Walmart and is planning to deliver its second aircraft containing 85,000 tins of baby formula at 5:00pm AEST.

## Pre-Open Announcements

### Humm Group Ltd (HUM)

Performance of Humm's Consumer Finance remains under significant pressure, with May fiscal YTD cash net profit post tax down 61%. On the other hand, Humm Commercial's May fiscal YTD holds a steady growth of 47%.

### Hotel Property Investments (HPI)

Announced a distribution amount of 10.3c with payment on the 2<sup>nd</sup> of September. Ex-dividend date will be the 29<sup>th</sup> of this month.

### Australian Ethical Investment (AEF)

Underlying unaudited profit after tax and before fees for year ending June 2022 expected approx. \$9.8 - \$10.2 million. FUM as at 31 May 2022 was \$6.64 billion, down 3%.

### Scentre Group (SCG)

Andrew Clarke appointed as CFO, effective 1 October 2022.

### VGI Partners Global Investments Ltd (VG1)

Director of the company, Robert Luciano, has resigned.

### The Reject Shop Ltd (TRS)

Phillip Bishop appointed as CEO, effective 11 July 2022.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	30669	303.7	1
<b>S&amp;P 500</b>	3790	54.5	1.5
<b>NASDAQ</b>	11099	270.8	2.5
<b>FTSE 100</b>	7273	86	1.2
<b>DAX 30</b>	13485	180.9	1.4
<b>Shanghai Comp</b>	3305	16.5	0.5

**Overseas Markets Commentary**

Major European, UK and US equities markets were in the green overnight.

In the **US**, the Fed announced its interest rate hike of 0.75%, in line with market expectations. Chair Jerome Powell announced that the market should expect another rate hike of 50-75bp in July's policy meeting. Retail sales also took a hit in the month of May, with a fall of 0.3% due to high inflation.

Biden will keep an open mind regarding the relaxation of tariffs on Chinese goods.

Out of the **Eurozone**, the European Central Bank has remarked it intends to raise interest rates by 0.25% in next month's meeting.

Elsewhere, shut out of bond market **Chinese** local government reveal they are starved of cash and desperate for it. Infrastructure backed Local Government Financing Vehicles (LGFVs) are offering to remunerate yields of over 8%, approx. triple the benchmark lending rate.

Industrial production figures for YoY May were released yesterday afternoon. A rise of 0.7% was recorded, beating market expectations of -0.7%, compared to last month's 2.9% drop. Manufacturing output rebounded following a relaxation in COVID-19 restrictions in some major cities. Mining production continued to rise.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Jun)	1834.8	oz	+21.3	+1.2
<b>Silver (NY)</b> (Jul)	21.8	oz	+0.83	+4
<b>Gold (LON)</b> (14 Jun)	1818.3	oz		
<b>Platinum</b>	937.1	oz		
<b>WTI Crude</b> (NYMEX Jul)	115.31	bbbl	-3.62	-3
<b>Brent Crude</b> (ICE EUR Aug)	118.51	bbbl	-2.7	-2.2
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	135.47	t	-0.27	-2
<b>Copper</b> (LME 3mth Evening)	9227.8	t	-3	-0.03
<b>Nickel</b>	25854	t	+596	+2.4
<b>Aluminium</b>	2591.5	t	+22	+0.9
<b>Lead</b>	2077	t	+1.25	+0.06
<b>Zinc</b>	3641.5	t	+46.5	+1.29
<b>Tin</b>	32434	t	+1360	+4.4

**Resources****Vimy Resources Ltd (VMY)**

The Supreme Court of Western Australia has made orders for the convening of the Scheme Meeting and approving the dispatch of the Scheme Booklet to shareholders.

**Resolute Mining Ltd (RSG)**

Significant gold intersections recorded with higher grade results at Syama North and may significantly contribute to the upgrade of the existing approx. 1 million ounces in Sulphide Mineral Resources. Drilling results have outlined potential for a new open pit sulphide deposit.



## Commodities Commentary

**Oil** – an interest rate hike by the Fed resulted in decreased demand for oil, as USD priced oil becomes more expensive for holders of other currencies. On a positive note, US crude oil production was up to 100,000 barrels per day last week. Libya’s recent political crisis has hurt OPEC+ monthly crude production quotas, translating to a supply deficit of approx. 1.5 million barrels per day.

**Gold** – recent global tightening of monetary policies amid inflation concerns results in a steady increase in demand for the safe haven.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7004	0.0106	1.54
<b>EUR – USD</b>	1.0446	-0.0018	-0.17

### Australian Data Today

ABS	Labour Force	Jun
RBA	Bulletin	Jun

### US Data Today & Tonight

Housing Starts	May
Philadelphia Fed Manufacturing Index	Jun
Initial Jobless Claims	Jun
Building Permits	May

### Other Overseas Data Today & Tonight

<b>Japan</b>	Balance of Trade	May
	Import/Export Prices	May
	Stock Investment by Foreigners	Jun
	Foreign Bond Investment	Jun
<b>South Korea</b>	Import/Export Prices	May
<b>New Zealand</b>	GDP Q1	Q1
<b>UK</b>	BoE Interest Rate Decision	Jun
<b>Germany</b>	Bundesbank Wuermeling Speech	Jun
<b>Euro zone</b>	New Car Registrations	May
	Labour Cost Index	Q1
	Wage Growth	Q1

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