

Markets

SFE 200 Futures (9.30am AEST)	6573	103	1.6
NZX 50	10929	115	1.1
DJIA Futures	31428	-59	-0.2
S&P 500 Futures	3910	-7	-0.2
NASDAQ Futures	12124	-17	-0.1

Local Markets Commentary

The Australian market opens a new week's trade with global recession commentary and international geopolitical relations remaining firmly in focus, on the fourth last trading session for the domestic financial year.

US equities markets posted decisive gains overnight Friday.

Key commodities trade proved decidedly mixed.

Since overnight Friday trade, a three-day G7 leaders' summit commenced in the Bavarian alps, southern Germany, with Canada, Japan, the UK and US announcing plans to prohibit Russian gold imports.

Meanwhile, Russia resumed strikes against several regions across Ukraine after securing a strategic eastern Ukraine city, some missiles reportedly launched from above the Caspian Sea and others from above Belarus.

Locally today, no major economic reports are due for release.

Regionally today, **China** is expected to release May **industrial profits** at **11.30am** AEST.

The **Bank of Japan** has released a **summary of opinions** from its June policy meeting just before ASX open.

In overnight Friday commodities trade, **oil** swung higher.

US **gold** futures added just US50c/oz, trading beyond \$US1830.00/oz.

Iron ore (Nymex CFR China, 62% Fe) turned lower, falling beneath \$US130/t.

LME (3mth evening) **copper** and other key base metals continued lower, **nickel** plunging.

The **\$A** approached US69.50c after trading at ~US69.15c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31501	823	2.7
S&P 500	3912	116	3.1
NASDAQ	11608	375	3.3
FTSE 100	7209	188	2.7
DAX 30	13118	206	1.6
Shanghai Comp	3350	30	0.9

Today's Stock Watch
Metcash Ltd (MTS)

Paying an 11c fully franked final dividend.

2.7% higher, \$245.4M full year NPAT.

5.9% higher, \$15.16B sales revenue.

30.2c NTA from 55.0c.

In addition, MTS plans to open a 115,000sq m distribution centre in Truganina, Victoria, contracting Goodman Group (ASX: GMG) for the construction and ultimate lease. Completion is anticipated mid-2024.

The centre will replace MTS's Laverton operation.

RPMGlobal Holdings (RPM)

Year-to-date software licence sales total contracted value (TCV) has reached \$50.3M, rising \$3.2M in the past two weeks.

Centrepoint Alliance (CAF)

Unimpressed with an indicative acquisition proposal in hand from Diverger Ltd (ASX: DVR).

Kelsian Group (KLS)

KLS has completed the £20M sale of tower Transit Lea Interchange (East London public bus) operations. KLS remains in the London bus market with a 12.5% RATP Dev Transit London JV holding and a 100% freehold interest in the Westbourne Park bus depot.

Financing update, outlining \$A620.5M in facilities, also lodged this morning.

Fleetwood Ltd (FWD)

Anticipating a similar 2H FY22 EBITA to that reported for 1H, due to several factors. Expecting to return to profitability in FY23. Planning to release full year results 25 August.

Generation Development Group (GDG)

The Innovation Investment Committee of Industry, Innovation and Science Australia (PDF committee) is planning to revoke GDG's pooled development fund (PDF) status. GDG intends to make submissions to the committee by the 22 July deadline.

Resources
Cyprum Metals (CYM)

LoI secured with Glencore International covering 100% of Nifty copper project phase one restart copper cathode output, together with a \$A50M secured off-take prepayment facility. CYM is continuing financing talks with other parties.

Eastern Metals (EMS)

Heralding Browns Reef Evergreen discovery zone drilling. Details lodged this morning. Mineralisation open along strike and at depth.



Overseas Markets Commentary

Sentiment turned positive across major European, UK and US equities markets overnight Friday, key US indices jumping on opening and recording gains for the week.

Recession considerations appeared to buoy defensive stocks, while growth stocks seemed to benefit from lower sovereign bond yields.

Among overnight Friday **data** releases, the IFO business climate index for **Germany** came in at 92.3 for June from 93 for May.

The expectations component index fell 1.1 points to 85.8 against expectations for a 1.2-point improvement to 88.1.

In the **UK**, retail sales were reported to have fallen by 0.5% during May after rising 0.4% in April. Economists had expected a 0.3% fall.

Against May 2021, sales were down 4.7%. April sales were 5.7% lower year-on-year.

In the **US**, May new home sales encouraged, jumping 10.7% against forecasts for a 1% fall after dropping 12% in April.

The University of Michigan finalised the index for June US consumer confidence at 50 from 58.4 for May.

The consumer expectations component index declined from 55.2 to 47.5.

The current conditions index tumbled to 53.8 from 63.3.

Tonight in the **US**, May durable goods orders and pending home sales are due, together with the June Dallas Fed (Texas region) manufacturing index.

Elsewhere, the European Central Bank (ECB) hosts a central banking forum in Sintra, Portugal. The forum is scheduled to continue through Wednesday.

In corporate news tonight, **Nike** and **Trip.com** are expected to report earnings.

Better-than-anticipated quarterly profit and a positive forecast helped push **Fed Ex** more than 7% higher overnight Friday.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Aug)	1830.3	oz	0.5	0.0
Silver (NY) (Jul)	21.13	oz	0.08	0.4
Gold (LON)	1825	oz		
Platinum	908	oz	1	0.1
WTI Crude (NYMEX Jul)	107.62	bbbl	3.35	3.2
Brent Crude (ICE EUR Aug)	113.12	bbbl	3.02	2.8
Iron Ore (NYMEX CHN port;62%Fe)	129.71	t	-1.74	-1.3
Copper (LME 3mth Evening)	8384	t	-27	-0.3
Nickel	22401	t	-1636	-6.8
Aluminium	2456	t	-21	-0.9
Lead	1916	t	-33	-1.7
Zinc	3354	t	-145	-4.2
Tin	24615	t	-2389	-8.8

Commodities Commentary

Oil – overnight Friday trade appeared ultimately influenced by a \$US drop and northern hemisphere summer demand optimism.

Pre-Open Announcements

InteliCare Holdings (* ICR)

The WA Country Health Service has chosen ICR's technology for a remote care residential aged care pilot program.

60% of the \$101,691 project funding will be awarded to ICR on commencement.

The balance will be granted pending milestone achievements.

EMVision Medical Devices (* EMV)

First Responder milestone achieved, qualifying EMV for a \$600,000 payment under the Commonwealth of Australia Medical Research Future Fund program in conjunction with the Australian Stroke Alliance (ASA) 'ambulance device planning'.

Under a project agreement with the ASA, EMV can potentially receive a total \$8M over five years.

Dimerix Ltd (DXB)

Non-critically ill patient recruitment for the REMAP-CAP Covid-19 study has been closed, due to decreasing availability, and to hence enable results-to-date to be analysed and reported.

Incannex Healthcare (IHL)

IHL is scheduled to present a psychedelic medicine program update at the HC Wainwright First annual Mental Health conference this week and will also virtually host institutional investor meetings.

Additional details, including a webcast link, lodged this morning.

Resources

Perseus Mining (PRU)

Mourning the death of an employee of PRU's Côte d'Ivoire Yaouré gold mine mining contractor on Friday.

The employee was injured while working at the mine.

Tyranna Resources (TYX)

Share sale agreement reached for TYX's proposed acquisition of Angolan Minerals, which holds lithium exploration territory in Angola.

TYX shareholders are yet to vote on the acquisition, but this will likely take place late July.

Kin Mining (KIN)

Reporting additional 'highly encouraging' WA eastern goldfields Cardinia gold project RC drilling results.

Assays lodged pre-trade.

Bindi Metals (* BIM)

Exploration company scheduled to list on the ASX midday AEST **tomorrow**, following a \$4.8M IPO at 20c per share.

~26.48M quoted shares.



OPEC+ is scheduled to meet Thursday and expected to retain the further July and August production curb easings agreed at the last meeting. The additional output, if achieved, is expected to have little impact on an anticipated summer gap between demand and supply.

A weekly US petroleum drill rig report published overnight Friday included 594 operational oil rigs, representing 10 additional rigs in operation compared with the previous week. The US operational gas rigs tally was boosted by three.

Brent crude settled ~4% lower for the week and WTI down ~3%.

Gold – a weaker \$US (~-0.2%) ultimately helped support overnight gold prices, despite strong support for equities trade and some profit-taking.

Comex futures settled 0.7% lower for the week, however.

Recession talk and additional central bank commentary are expected to influence sentiment this week, together with a smattering of GDP, CPI and PMI updates and some end-of-quarter positioning ahead of a US Monday public holiday.

Base metals – global recession fear pushed LME *nickel* prices to their lowest in five months overnight Friday.

Tin (smaller volume trade and hence more volatile) traded at just 50% of its March price peak.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6953	0.0005	0.07
EUR – USD	1.0570	0.0010	0.09

US Data Tonight

Durable goods orders	May
Pending home sales	May
Dallas Fed manufacturing index	Jun

Other Overseas Data Today & Tonight

China	Industrial profits	May
Japan	BoJ summary of opinions	Jun
Japan	Leading economic index (final)	Apr

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Holds the Biloela copper-gold project, Queensland.
Eddie King non-executive chair.

Energy

Strike Energy (* STX) / Warrego Energy (WGO)

WA Perth Basin EP469 JV West Erregulla 3 drilling update, including initial logging indications, lodged this morning.

STX 50% and operator; WGO 50%.

Trading Halts

Company	Code	Resuming
Diatreme Resources	DRX	27 Jun
Nuheara Ltd	NUH	27 Jun
Panther Metals	PNT	27 Jun
Widgie Nickel	WIN	27 Jun
YPB Group	YPB	27 Jun
BWX Ltd	BWX	28 Jun
Centrepnt Alliance	CAF	28 Jun
Orthocell Ltd	OCC	28 Jun

Suspensions (selected)

Company	Code	Since
Orbital Corporation	OEC	24 Jun

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.