

Markets

SFE 200 Futures (9.30am AEST)	6592	-84	-1.3
NZX 50	10937	-82	-0.7
DJIA Futures	30966	33	0.1
S&P 500 Futures	3830	5	0.1
NASDAQ Futures	11692	17	0.2

Local Markets Commentary

The Australian market opens mid-week trade on the second last trading day of the domestic financial year with key domestic and regional economic indicators due, further domestic energy market comments anticipated, material economic data due for the US and Germany tonight, and geopolitical relations remaining firmly in focus.

US equities markets settled firmly lower overnight.

Locally today, the Australian Bureau of Statistics (ABS) is due to publish May **retail sales** figures **11.30am** AEST.

Also today, Australia's **energy minister** Chris Bowen is scheduled to speak at the National Press Club, **12.30pm** AEST.

Stocks trading **ex-dividend** today include a plethora from the property sector.

Regionally today, **Japan** was scheduled to release May retail sales just prior to the ASX open.

Earlier this morning, **South Korea** revealed a 102.6 to 96.4 drop in the consumer confidence index during June. Economists had predicted an improvement to 102.9.

In overnight commodities trade, **oil** continued higher, Brent crude approaching \$US118/bbl.

US **gold** futures declined further, but slightly so, remaining above \$US1821.0/oz.

Iron ore (Nymex CFR China, 62% Fe) extended Monday's gain a little, trading above \$US131.00/t.

LME (3mth evening) **copper** and **aluminium** turned variously lower. **Nickel** posted a further gain.

The **\$A** fell to US69.05c after appreciating to US69.60c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30947	-491	-1.6
S&P 500	3822	-79	-2.0
NASDAQ	11182	-343	-3.0
FTSE 100	7323	65	0.9
DAX 30	13232	46	0.4
Shanghai Comp	3409	30	0.9

Today's Stock Watch
Insurance Australia Group (IAG)

Malaysia Minister of Finance and Bank Negara Malaysia approvals in hand for the proposed sale by IAG's 49%-held AmGeneral Holdings of AmGeneral Insurance to Liberty Insurance.

IAG expects to receive ~\$340M cash from the sale. An ~\$90M post-tax net loss was recognised in IAG FY21 results.

Completion is anticipated by year's end. This is expected to bolster IAG's regulatory capital position by ~\$150M.

carsales.com.au Ltd (CAR)

Resuming from a trading halt having raised \$A842M in a 90%-take-up institutional entitlement offer.

CAR is raising \$1.207B via the fully underwritten entitlement offer at \$A17.75 per share, to support the proposed \$US809M acquisition of the balance 51% holding in Trader Interactive.

In addition, CAR is boosting its debt facilities by \$A500M to \$A1.4B.

The retail component of the entitlement offer is scheduled for 1 – 13 July. CAR traded at \$19.655 - \$20.91 last week.

The Star Entertainment Group (SGR) / Tyro Payments (TYR)

SGR has appointed former Tatts Group lotteries, wagering and gaming CEO and current TYR MD Robert Cooke as MD and CEO, pending regulatory approvals. Mr Cooke will step down from his TYR position in six months' time. He is also a former Wotif.com MD.

Macquarie Telecom Group (MAQ)

Anticipating FY22 EBITDA at the upper end of the \$85M - \$88M previous guidance range.

Meanwhile, the first stage of construction for the proposed ICS Super West project within the Macquarie Park Data Centre campus is not expected to be completed until up to mid-2025. Construction and funding remain subject to final MAQ board approvals.

Planning to lodge full year results post-ASX trade 25 August.

Resources
Liontown Resources (LTR)

FID in hand for WA Kathleen Valley lithium project construction to commence. LTR is targeting spodumene concentrate output by mid-2024. LTR plans to host a webinar 5 July (Tuesday next week).

Latin Resources (LRS)

Heralding 'exceptionally bright' kaolinised granite identified by in-fill drilling within the Cloud Nine halloysite-kaolin project. Assays lodged this morning.



Overseas Markets Commentary

Trade diverged across major European, UK and US equities markets overnight, key US indices soon losing early gains and ultimately closing decisively lower.

Some end-of-quarter positioning was noted as the US also heads towards a Monday public holiday weekend. Economic indicators proved largely disappointing and key releases are yet due this week.

Earlier yesterday, **China** announced less onerous quarantine requirements for international travellers, this initially buoying interest in travel stocks.

A **NATO** summit commenced in Madrid, Spain late yesterday with pre-opening comments underscoring a focus on unity and bolstering capacity.

Meanwhile, Turkey signed an agreement effectively lifting a veto position on Finland and Sweden becoming NATO members.

Overnight, **European Central Bank** (ECB) president Christine Lagarde told the ECB-hosted annual central banking forum in Portugal that the ECB still planned to initially raise interest rates at a measured pace but would watch for longer-term inflation indications and act accordingly.

In overnight **data** releases, GfK reported a -27.4 July consumer confidence estimate for **Germany** from -26.2 for June. Forecasters had anticipated -27.9.

A five-year bond auction in Germany notably produced a 1.41% yield from 0.79%.

In the **US**, May wholesale inventories rose 2.0%, roughly in line with expectations, and following a 2.3% April increase.

The Conference Board-calculated June consumer confidence reading came in at 98.7 from 103.2.

The June Richmond Fed manufacturing index dropped to -19 from -9, the shipments component index tumbling to -29 from -14.

The June Dallas Fed (Texas region) services index plunged to -12.4 from 1.5 for May.

The S&P/Case-Shiller April home price report included a 2.3% increase for the month and 21.2% appreciation since April 2021.

April home prices as assessed by the FHFA rose 1.6% and 18.8% respectively.

Tonight in the **US**, the final March quarter **GDP** reading is due, together with weekly mortgage applications.

Elsewhere, US Federal Reserve chair Jerome Powell and Bank of England governor Andrew Bailey are scheduled to speak at the ECB-hosted central banking forum in Portugal.

In addition, the NATO forum continues in Madrid, Spain.

Meanwhile, **Germany** is expected to announce June **CPI** growth.

In corporate news, post-US trade Monday, a **Nike** forecast disappointed, in particular due to caution of how further Covid containment restrictions in China could hurt key business. Earnings for the past quarter exceeded expectations however and approval was confirmed for an \$US18B buy-back.

Overnight, Germany's **Siemens** announced plans to outlay ~\$US1.9B for US-headquartered **Brightly Software**.

Pre-Open Announcements

Weebit Nano (* WBT)

Releasing for manufacturing the ReRAM demonstration chip to SkyWater foundry.

Details lodged pre-trade.

Hazer Group (* HZR)

HZR has appointed experienced international petroleum sector executive Glenn Corrie as CEO, taking over from MD Geoff Ward 10 October.

Mr Corrie is an executive board member of Suriname State oil company Staatsolie and was formerly MD of Sino Gas & Energy. Additional professional roles listed this morning.

Biome Australia (BIO)

BIO has been invited to present at the International Scientific Conference Probiotics, Prebiotics, Gut Microbiota and Health (IPC) conference scheduled for this week in Bratislava, Slovakia.

Presentation lodged post-trade yesterday.

Antisense Therapeutics (ANP)

Presented at a Science/AAAS webinar earlier this morning by invitation.

ANP planned to upload the webinar presentation on completion.

Resources

BHP Group (* BHP)

Updated company social value position lodged post-trade yesterday in presentation format.

Strandline Resources (* STA)

WA Coburn mineral sands project open pit mine starter pits development will commence next month, two months ahead of scheduled.

Additional project update information lodged this morning.

Kore Potash (* KP2)

HoA secured for the construction of the Kola potash project, Republic of Congo.

A financing proposal remains in place, pending agreement on EPC terms. KP2 97%.

KP2 recouped 18.9%, settling at 2.2c yesterday, after releasing Kola optimisation study outcomes.

Firefinch Ltd (FFX)

FFX has entered suspended trade, ahead of an operational performance and guidance update.

Two recently appointed FFX non-executive directors resigned Monday while FFX remained in a trading halt.

Widgie Nickel (WIN)

AMEC investor presentation lodged post-trade yesterday.

WIN dropped 17.6% yesterday, settling at 30.5c after adding 51% Monday to close at 37c.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1821.2	oz	-3.60	-0.2
Silver (NY) (Jul)	21.17	oz	-0.36	-1.7
Gold (LON) (27 Jun)	1826	oz		
Platinum	910	oz	3	0.3
WTI Crude (NYMEX Jul)	111.76	bbbl	2.19	2.0
Brent Crude (ICE EUR Aug)	117.98	bbbl	2.89	2.5
Iron Ore (NYMEX CHN port;62%Fe)	131.01	t	0.08	0.1
Copper (LME 3mth Evening)	8368	t	-53	-0.6
Nickel	23159	t	277	1.2
Aluminium	2490	t	-4	-0.2
Lead	1972	t	-33	-1.7
Zinc	3339	t	17	0.5
Tin	26855	t	-186	-0.7

Commodities Commentary

Oil – prices settled higher for a third consecutive session overnight, China’s easing of Covid requirements for international travellers helping bolster demand views.

OPEC+ meets tomorrow and is expected to maintain status quo for previously agreed plans to slightly increase output in July and August.

In the meantime, OPEC 2021 oil revenue was reported at \$US561B, 77% more than for 2020. OPEC’s active oil rig tally rose 11% to 489. Completed wells fell by 280 to 1588, reportedly the least since 2017.

A weekly US petroleum is anticipated tonight, after last week’s was unable to be published.

Overnight post-US trade, the American Petroleum Institute (API) has released a weekly report which includes an estimated 3.8MMbbl decline for US crude stocks last week.

Gold – a turn higher for the \$US constrained overnight gold interest, ultimately pushing Comex futures to another lower settlement.

A GDP reading for the US and CPI report out of Germany tonight could swing some sentiment, but end-of-quarter positioning is also anticipated.

Base metals – overnight trade reacted to China’s easing of international traveller Covid-related requirements and a stronger \$US, resulting in price swings and mixed settlements.

Some end-of-quarter positioning is expected to commence tonight, especially with the US heading towards a Monday public holiday weekend.

China manufacturing PMI updates, due tomorrow and Friday, however, could also produce some caution.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6905	-0.0021	-0.30
EUR – USD	1.0521	-0.0050	-0.47

Navarre Minerals (NML)

\$A216,500 raised in the company’s recent 6.6c-per-share SPP.

Together with the earlier placement, NML is \$A4.5M better off.

NML traded at 4.8c – 5.5c last week, representing the last five trading sessions of the SPP period.

Bindi Metals (* BIM)

Explorer BIM completed its ASX listing yesterday, following a \$4.8M IPO at 20c per share.

Opened at its day one low of 15c and traded as high as 17.5c before settling at 17c.

~1M shares changed hands across 72 transactions.

~26.48M quoted shares.

BIM holds the Biloela copper-gold project, Queensland.

Eddie King non-executive chair.

Energy**Arafura Resources (ARU)**

ARU MD and CEO Gavin Lockyer sold ~2.34M ARU shares on-market during 22 – 27 June, to support personal tax payments.

Trading Halts

Company	Code	Resuming
3D Resources	DDD	29 Jun
Equity Story Group	EQS	29 Jun
Grand Gulf Energy	GGE	29 Jun
Corella Resources	CR9	30 Jun
Cyprium Metals	CYM	30 Jun
Electro Optic Systems Holdings	EOS	30 Jun
Field Solutions Holdings	FSG	30 Jun
Medlab Clinical	MDC	30 Jun
Volt Resources	VRC	30 Jun

Suspensions (selected)

Company	Code	Since
Firefinch Ltd	FFX	29 Jun
Hannans Ltd	HNR	3 Jun
Nuheara Ltd	NUH	27 Jun
Orbital Corporation	OEC	24 Jun
Oventus Medical	OVN	8 Jun
Pure Hydrogen Corporation	PH2	27 Jun

**Australian Data Today**

ABS	Retail sales	May
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US Data Tonight

GDP (3 rd & final reading)		Mar Q
MBA mortgage applications		24 Jun

Other Overseas Data Today & Tonight

Japan	Retail sales	May
Japan	Consumer confidence (3pm AEST)	Jun
Germany	CPI (preliminary)	Jun
Euro zone	Economic sentiment	Jun
Euro zone	Loans to businesses & households	May

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