

Markets

SFE 200 Futures (9.30am AEST)	6775	52	0.8
NZX 50	11289	154	1.4
DJIA Futures	32152	-20	-0.1
S&P 500 Futures	4021	-3	-0.1
NASDAQ Futures	12584	-35	-0.3

Local Markets Commentary

The Australian market opens the second last trading day for July with the \$A approaching US70c, an economic statement due from Australia's treasurer, material domestic economic data due late morning, further major domestic and international corporate reports today through tonight, and with influential data out of the US and Germany, also tonight.

Overnight, US equities rallied on a US Federal Reserve rate increase, accompanied with a vow to fight inflation and acknowledgement of slowing economic growth, but a view the US was not in recession and that the pace of rate increases would slow.

Locally today, the Australian Bureau of Statistics (ABS) is scheduled to release its preliminary June **retail sales** report at **11.30am AEST**.

At the same time, the ABS reveals June quarter **import and export prices**.

Meanwhile, Australia's treasurer is expected to deliver an assessment of the nation's economic position.

In addition, as the end of the month approaches, a deluge of domestic companies releases AGM, June quarter and interim updates.

Regionally today, no major economic indicators are scheduled for release.

In overnight commodities trade, **oil** turned again, this time to a gain.

US **gold** futures settled slightly higher.

Iron ore (Nymex CFR China, 62% Fe) continued a little higher, trading beyond \$US106.20/t.

Overnight LME (3mth evening) **copper** extended Tuesday's gain. **Nickel** swung higher. **Aluminium** closed essentially flat.

The **\$A** appreciated to US69.95c after trading at US69.40c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	32198	436	1.4
S&P 500	4024	103	2.6
NASDAQ	12032	470	4.1
FTSE 100	7348	42	0.6
DAX 30	13166	69	0.5
Shanghai Comp	3276	-2	-0.1

* Gold & base metals exploration listing – 2pm AEST – CBH *

Today's Stock Watch
Macquarie Group (MQG)

Today's AGM materials, including a 1Q FY23 trading update, lodged pre-trade.

Resources
Rio Tinto (RIO)

Paying a \$US2.67 (\$A3.837) fully franked interim dividend, against \$US3.76 interim and \$US1.85 special dividends a year ago.

28% lower, \$US8.908B interim NPAT.

10% lower, \$US29.775B sales revenue.

\$US291M net cash at 30 June, from \$US1.576B at 31 December 2021

Citing reduced commodity prices, increased operational energy costs plus broader inflated operating costs and closure liabilities as major impacts on results.

Full year C1 cash costs guidance by production divisions also lodged post-trade yesterday.

Fortescue Metals Group (FMG)

Shipped a record 49.5Mt of iron ore during the June quarter, pushing FY22 shipments to 189.0Mt.

Recorded a \$US108/t (dry) June quarter average realised price and \$US100/t for FY22.

\$US17.19/t June quarter C1 cost; \$US15.92/t FY C1 cost.

\$US5.2B cash on hand; \$US0.9B net debt.

Anticipating shipping 187Mt – 192Mt during FY23.

Ramelius Resources (RMS)

Produced 258,625oz of gold for FY22 at a \$A1523/oz AISC.

June quarter output tallied 67,418oz at \$A1564/oz.

\$172.9M cash and gold.

Sandfire Resources (SFR)

\$US922.7M FY sales revenue.

June quarter C1 came in at \$US1.57/lb and the FY C1 at \$US1.27/lb.

\$US463.1M cash; \$US324.7M net debt.

Syrah Resources (SYR)

\$US102M binding loan in hand from the US Department of Energy in support of the active anode material (AAM) Vidalia facility in Louisiana, US.

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

WA Perth Basin West Erregulla gas field 2P reserves have been upgraded 41% in an independent review.

Overseas Markets Commentary

Major European, UK and US equities markets opened higher overnight, but US indices remained stable until rallying following the **US Federal Reserve's** post-policy meeting statement.

The Fed's announcement of a second consecutive 0.75% rise in rates, together with a statement deeming further increases were likely to prove 'appropriate,' was followed by the Fed chair confirming he did not consider the US economy as in recession, albeit with indications of slowing growth.

The target range for the Fed funds rate is now 2.25% - 2.50%, with the chair further suggesting the pace of rate increases would slow.

Earlier yesterday, **China's** January – June industrial profits were calculated to have risen by 1%, as had profits for January – May, but economists had anticipated a 2% increase.

Against June 2021, June profits had risen just 0.8%, although forecasters had anticipated a 4% tumble.

In overnight **data** releases, the -30.6 August GfK consumer confidence reading for **Germany** represented a 2.9-point fall from the July estimate. Economists had anticipated a slighter fall, to -28.1.

A 10-year German bond auction in the meantime resulted in a 0.94% yield from 1.22% previously.

Euro zone June household and business lending grew 4.6% and 6.8% year-on-year respectively, against expectations of 4.3% and 5.6% growth.

Russia reported an annualised 4.9% contraction in GDP for June and 4.0% fall for January – June.

In the **US**, June pending home sales dropped 8.6% for the month following a 0.4% rise in May.

Forecasters had anticipated a 2.1% June fall.

Against June 2021, sales were down 20%.

June durable goods orders surprised on the upside, rising by 1.9% against expectations of a 0.3% decline following May's 0.8% increase.

June wholesale inventories were also reported 1.9% higher for the month.

Weekly mortgage applications fell 1.8% after dropping by 6.3% the previous week.

The mean average 30-year mortgage rate was calculated at 5.74% from 5.82%.

Tonight in the US, an initial June quarter GDP reading, weekly new jobless claims and the Kansas City Fed July manufacturing index.

Elsewhere, Germany reports an initial July CPI growth estimate.

Companies scheduled to report earnings include: Air Liquide, Amazon, Anheuser Busch InBev, Apple, Arcelor Mittal, Comcast, Diageo, Fuji Electric, Intel, Kia Corp, Konica Minolta, Linde, Mastercard, Merck & Co, Mitsubishi Electric, NEC, Nestlé, Nissan Motor, Northrop Grumman, L'Oréal, Panasonic, Petrobras, Pfizer, Samsung Electronics, Sanofi, Shell, Takeda Pharmaceutical, TotalEnergies, Vale and Volkswagen.

In overnight corporate news, Facebook owner **Meta Platforms** has reported, post-US trade, an inaugural fall in quarterly sales revenue.

Pre-Open Announcements

Australian Agricultural Company (AAC)

Today's AGM materials lodged pre-trade.

NRW Holdings (NWH)

CFO Andrew Walsh intends to retire by year's end.

NWH has appointed Clough Ltd CFO Richard Simons to take over from Mr Walsh.

Kogan.com Ltd (KGN)

Unaudited 9.4% estimated fall in gross profit for FY22.

Gross sales rose by 0.1%.

Additional details lodged this morning.

Resources

Coolabah Metals (* CBH)

Gold and base metals explorer scheduled to list on the ASX **2pm** AEST, following a \$6M IPO at 20c per share.

33.7M quoted shares.

CBH holds three multi-mineral projects, two in NSW and one in the Mt Isa region, Queensland.

Sierra Rutile Holdings (* SRX) / Iluka Resources (ILU)

SRX, a Sierra Leone-focused mineral sands miner demerged from ILU, completed its ASX listing yesterday.

Opened at 45c and traded at 30.5c – 65c before settling at 43c.

~37.5M shares were traded across 3209 transactions.-

~424.2M quoted shares.

Trading commenced on a deferred settlement basis.

Normal (T+2) trade is expected to commence 5 August (Friday next week).

Energy

Gti Energy (GTR)

Conference presentation lodged post-trade yesterday.

NuEnergy Gas (NGY) / Helios Energy (HE8)

NGY and HE8 each pleaded ignorance in response to ASX price queries in relation to yesterday's trade.

HE8 climbed as high as 9.3c before settling at 9.2c, 27.78% higher for the session.

NGY was forced into a trading halt after trading as high as 3.1c. NGY's last trade was at 2.9c, up 70.59% from Monday, the last time the stock had traded.

Post-ASX trade yesterday, NGY also lodged June quarter activities and cash flow reports.

Trading Halts

Company	Code	Resuming
De.mem Ltd	DEM	28 Jul
Godolphin Resources	GRL	28 Jul
Rimfire Pacific Mining	RIM	28 Jul



A **Qualcomm** revenue forecast also disappointed, and appeared to impact broader post-settlement sentiment on indications of slowing smartphone demand.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Aug)	1719.1	oz	1.4	0.1
Silver (NY) (Sep)	18.60	oz	0.07	0.3
Gold (LON) (26 Jul)	1720	oz		
Platinum	887	oz	13	1.5
WTI Crude (NYMEX Sep)	97.26	bbbl	2.28	2.4
Brent Crude (ICE EUR Sep)	106.62	bbbl	2.22	2.1
Iron Ore (NYMEX CHN port;62%Fe)	106.24	t	0.23	0.2
Copper (LME 3mth Evening)	7640	t	100	1.3
Nickel	21812	t	241	1.1
Aluminium	2434	t	0.25	0.0
Lead	2017	t	-11	-0.5
Zinc	3062	t	15	0.5
Tin	24394	t	-111	-0.5

Commodities Commentary

Oil – overnight price gains were attributed to US inventories and Russia's pre-flagged reduction in gas supply to Europe via Germany coming into effect Wednesday morning GMT.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 4.52MMbbl fall in crude stocks and 3.30MMbbl decline for petrol in storage.

Petrol production rose by 29,000bbl/d.

Net crude imports fell by 1.144MMbbl/d.

Post-US trade Tuesday, the American Petroleum Institute (API) published a weekly report which included an estimated 4.04MMbbl draw on US crude stocks last week.

Gold – a 0.625% fall in the \$US index benefited overnight gold interest.

The US Federal Reserve's post-policy meeting comments buoyed equities demand, but sentiment has since soured some on corporate results and outlooks.

Base metals – overnight trade influences included a weaker \$US, some China optimism, inventories, and commentary regarding the avoidance of recession in the US.

Among the forecasters, Citigroup ventured *copper* at \$US6600/lb within six – nine months.

China's June industrial profits, reported yesterday, undershot year-to-date expectations but exceeded year-on-year growth for the month.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6997	0.0057	0.83
EUR – USD	1.0203	0.0057	0.56

Australian Data Today

ABS	Retail sales (prelim)	Jun Q
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Creso Pharma	CPH	29 Jul
Cygnus Gold	CY5	29 Jul
dorsaVi Ltd	DVL	29 Jul
K-TIG Ltd	KTG	29 Jul
Linus Technologies	LNU	29 Jul
Memphasys Ltd	MEM	29 Jul
Metro Mining	MMI	29 Jul
New World Resources	NWC	29 Jul
Sezzle Inc	SZL	29 Jul
Siren Gold	SNG	29 Jul
Way 2 Vat	W2V	29 Jul

Suspensions (selected)

Company	Code	Since
Globe Metals & Mining	GBE	27 Jul
Lindian Resources	LIN	27 Jul
Montem Resources	MR1	25 Jul
Ovato Ltd	OVT	21 Jul
Reward Minerals	RWD	21 Jul
Wiluna Mining Corporation	WMC	21 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
EZL	Today	8.5	100	1.43
GCI	Today	0.97	0	4.77
KKC	Today	~0.011	0	6.44
PCI	Today	0.42	0	4.49
TCF	Today	3	0	6.49
MOT	Tomorrow	0.98	0	6.61
MXT	Tomorrow	0.87	0	4.37
PGG	Tomorrow	0.88	0	5.50
NBI	Mon	0.71	0	6.76

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	AAC	AGM
	AMI	Jun Q
	FMG	Jun Q
	JHG	Jun Q; interim
	MQG	AGM
	MMM	Jun Q (NB tele Fri 29 Jun 9am)
	OGC	Jun Q (NB w/cast tele Fri 29 Jun 7.30am)
	PAN	Jun Q
	PLS	Jun Q (w/cast tele 4.30pm)
	RMS	Jun Q (tele 11am)
	RSG	Jun Q (tele noon AND 5.30pm)
	SFR	Jun Q (w/cast tele midday)



ABS Import & export prices Jun Q

US Data Tonight

GDP (first estimate of three) Jun Q
 Initial jobless claims 23 Jul
 Kansas City Fed manufacturing Jul

Other Overseas Data Today & Tonight

UK Domestic vehicle production (~9am AEST) Jun
Germany CPI (initial) Jul

Need More Information?

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

	URW	Interim
Tomorrow	PBH	Jun Q (w/cast tele 10am)

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