

Markets

SFE 200 Futures (9.30am AEST)	7799	36	0.5
NZX 50	11591	-27	-0.2
DJIA Futures	39688	11	0.0
S&P 500 Futures	5272	2	0.0
NASDAQ Futures	18418	3	0.0

Local Markets Commentary

The Australian market commences mid-week trade with a plethora of analysis and interpretation of yesterday evening's annual national budget announcement, and a key domestic economic report due late morning, ahead of a US CPI update tonight.

US equities markets settled 0.3% - 0.8% higher overnight.

Locally today, the Australian Bureau of Statistics (ABS) publishes the March quarter wage price index at 11.30am AEST.

Regionally today, no major economic reports that could influence ASX sentiment are anticipated during ASX trade.

Markets in South Korea and Hong Kong are closed today, due to public holidays.

In overnight **commodities** trade, **oil** continued to seesaw, again turning from a one-session gain to a fall, this time by a minimum 1.2%.

Likewise with US **gold** (Comex) futures, which turned greater than 0.5% higher.

Iron ore (Nymex CFR China, 62% Fe) was pushed decisively below \$US117.0/t.

LME (3mth evening) **copper** and **nickel** turned, closing greater than 0.5% lower. **Aluminium** continued moderately higher.

The **\$A** appreciated to ~US66.25c after trading at ~US66.10c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	39558	127	0.3
S&P 500	5247	25	0.5
NASDAQ	16511	123	0.8
FTSE 100	8428	13	0.2
DAX 30	18716	-26	-0.1
Shanghai Composite	3146	-2	-0.1

Overseas Markets Commentary

Choppy, swinging trade featured across major European, UK and US equities markets overnight, this mostly attributed to mixed data releases and monetary policy expectations. US markets turned notably higher and maintained a positive trend during second half trade, however.

*** Silver-gold exploration listing – 11am AEST – SS1 ***

Today's Stock Watch
CSR Ltd (CSR)

No final dividend (in association with the proposed CSR acquisition by Compagnie de Saint-Gobain), from 20c, fully franked a year ago. 6% higher, \$A231.0M full year NPAT. Flat, \$A2.625B revenue. \$2.43 NTA from \$2.30.

Australian Agricultural Company (AAC)

\$94.6M full year net loss from a \$4.6M FY23 net profit. \$336.1M revenue from \$313.4M. Meat sales revenue rose 10% to \$268.7M. Cattle sales revenue fell 1% to \$67.4M. \$2.51 NTA from \$2.59.

GUD Holdings (GUD)

Today's investor day presentation lodged post-trade yesterday. GUD gained 12.18% yesterday, closing at \$10.96, following a pre-trade trading update and associated guidance.

Virgin Money UK (VUK)

Anticipating H1 FY24 NIM to come in at the upper end of 190 – 195bps. 14.5%+ CET1 is expected. Customer loans will likely prove stable. Planning to lodge interim results 13 June.

Treasury Wine Estates (TWE) / Duxton Water (D2O)

D2O anticipates \$25.2M from the previously-flagged TWE buy back of 2799 megalitres of water entitlements.

Resources
South32 Ltd (S32)

Strategy and business update presentation, including the proposed sale of the Illawarra metallurgical coal operation, lodged post-trade yesterday. (Bank of America) Global Metals, Mining & Steel conference, Miami, US, where S32 was scheduled to present overnight. Webcast link also lodged.

AIC Mines (A1M)

North Queensland Eloise copper mine drilling has returned several significant-width and/or high-grade intersections. Assays lodged this morning.

Australian Gold and Copper (AGC)

Heralding South Cobar project Achilles gold and silver drilling intersections. Assays lodged pre-trade. Last traded at 12c.

Fortescue Ltd (FMG)

Global Metals, Mining & Steel conference presentation lodged post-trade yesterday. FMG has settled lower the past five sessions, closing at \$25.81 yesterday.

Rio Tinto (RIO) / BHP Group (BHP)

Global Metals, Mining & Steel conference presentations lodged, together with replay links.



US Federal Reserve chair Jerome Powell appeared keen to assuage concerns at a larger than expected increase in US producer prices, indicating little desire for any further interest rate push higher.

Further, Mr Powell pushed back expectations of any move on rates, again offering ‘time will tell’ regarding the efficacy and impact of current monetary policy.

Earlier, Germany’s final CPI reading for April had confirmed a 0.1% increase in the inflation rate for the month, but a stable annualised rate.

Among geopolitical developments, the US administration revealed a raft of significantly higher import tariffs against select goods from China.

Taxes on electric vehicles from China would increase from 25% to 100%, the administration revealed, lithium battery tariffs from 7.5% to 25%, semiconductor and solar cell taxes from 25% to 50% and critical minerals tariffs from 0% to 25%.

Steel and aluminium imports from China would also attract a 25% tariff, up from a current 7.5% maximum.

The new taxes announcement came ahead of a G7 finance ministers’ forum in Italy late next week, with global trade risks featuring on the agenda.

Earlier yesterday, Japan had reported a 0.3% increase in April producer prices for the month, and a 0.9% annualised rise. In March, prices had been reported respectively 0.2% and 0.8% higher, but the year-on-year rate of increase was revised to 0.9% in yesterday’s report.

Among overnight **economic data** releases, a final April CPI estimate for **Germany** confirmed 0.5% inflation growth for the month, following 0.4% for March.

The April annualised inflation rate remained at 2.2% the same rate as recorded for March.

ZEW’s 47.1 May economic sentiment index for Germany represented a 4.2-point improvement for the month.

The current conditions index rose by seven points, albeit to -72.9.

The ZEW May economic sentiment index for the **euro zone** rose by 3.1 points to 47.0.

In the **UK**, unemployment claims rose by 8,900 during April, against expectations for a 13,900 jump.

This followed March’s 2,400 decline, a notable revision from the 10,900 climb initially reported.

March quarter average earnings (excluding bonuses) were in the meantime reported 6.0% higher year-on-year, the same annualised increase as recorded for the three months to the end of February.

The March unemployment rate rose, as anticipated, by 0.1% to 4.3%.

March quarter labour productivity fell by 0.3% for the three months, following a 0.9% drop for the December quarter 2023.

The UK also hosted a 50-year index-linked treasury gilt auction overnight, this producing a 0.994% yield from -0.3877%.

US April producer prices were calculated 0.5% higher for the month, against expectations for a 0.3% increase following a 0.1% March decline (initially reported as a 0.2% rise).

Against April 2023, prices were up 2.2% from March’s annualised

Pre-Open Announcements

Iress Ltd (* IRE)

OneVue client data has been accessed in the unauthorised access incident announced on Monday.

Ongoing investigations.

Additional details lodged this morning, with the promise of further information.

Waypoint REIT (WPR)

Today’s AGM materials lodged.

Auckland International Airport (AIA)

April operational statistics lodged this morning.

Rectifier Technologies (RFT)

Reducing the RFT workforce by 10% - 15%, in favour of productivity and efficiency.

Focusing on developing a ‘dynamic’ sales team.

New company governance policies are also planned.

Resources

Sun Silver (* SS1)

Silver and gold explorer scheduled to list on the ASX **11am** AEST, following a \$13M IPO at 20c per share. 69.679M quoted shares.

Holds the Maverick Springs silver-gold project in Nevada, US. James Bay Minerals (ASX: JBY) non-executive chair, former Battery Age Minerals (ASX: BM8) CEO and MD, and previous project manager for Pilbara Minerals’ (ASX: PLS) WA Pilgangoora lithium project, Gerard O’Donovan is SS1’s executive director.

Galan Lithium (GLN)

\$2.25M better off by using an at-the-market subscription agreement with Acuity Capital.

Details lodged post-trade yesterday.

Energy

Boss Energy (BOE)

Reporting ‘encouraging’ copper results from initial First Quantum Minerals drilling within BOE’s Honeymoon uranium project, South Australia.

Trading Halts

Company	Code	Resuming
AML3D Ltd	AL3	16 May
Control Bionics	CBL	15 May
Cosmos Exploration	C1X	15 May
IperionX Ltd	IPX	15 May
Killi Resources	KLI	15 May
Maronan Metals	MMA	16 May
Oceana Lithium	OCN	15 May



1.8%.

An April small business optimism index improved by 1.2 points to 89.7, against consensus for a slight decline to 88.1.

March quarter household debt came in at \$US17.7 trillion from \$US17.5 trillion for the December quarter 2023.

Tonight in the **US**, the April CPI estimate and April retail sales are keenly anticipated.

March business inventories, the New York Fed May manufacturing index and a housing market index are also due, together with weekly mortgage applications and 30-year mortgage rates.

Elsewhere, the euro zone releases a second March quarter GDP estimate and Russia an initial March quarter GDP reading.

Also tonight, the UK hosts a 10-year green gilt auction and Germany a 30-year bond offer.

Companies listed to report earnings later today or tonight include: Allianz, Cisco Systems, Commerzbank, Foxconn Industrial Internet Co, JD.com, Merck, Mitsubishi UFJ Financial, Rosneft, Sumitomo Mitsui Financial Group and Toyota Motor.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Jun)	2359.9	oz	16.90	0.7
Silver (COMEX 5000 Jul)	28.70	oz	0.26	0.9
Platinum	1036	oz	38	3.8
WTI Crude (NYMEX Jun)	78.02	bbl	-1.10	-1.4
Brent Crude (ICE EUR Jul)	82.38	bbl	-0.98	-1.2
Iron Ore (NYMEX CHN port;62%Fe)	116.65	t	-0.66	-0.6
Copper (LME 3mth Evening)	10120	t	-73	-0.7
Nickel	19095	t	-159	-0.8
Aluminium	2555	t	10	0.4
Lead	2264	t	8	0.4
Zinc	3006	t	6	0.2
Tin	33376	t	453	1.4

Commodities Commentary

Oil – overnight crude sentiment was pushed and pulled by OPEC forecasts and another indication that US inflation levels remained beyond sustainable containment.

In addition, three fires in Canada were on watch regarding possible crude production and transport disruptions.

OPEC's monthly report, published overnight, included status quo 2024 and 2025 demand growth forecasts, but ventured 2024 global economic growth could prove greater than previously anticipated.

OPEC also reported 26.58MMbbl/d of output across the organisation for April, down by 48,000bbl for the month. OPEC+ members produced a total 41.02MMbbl/d.

The International Energy Agency's (IEA) May oil report is anticipated tonight.

Also tonight, a weekly US petroleum inventories report is due from US government agency the EIA.

Overnight post-US trade, the American Petroleum Institute (API) published a weekly report which included an ~3.1MMbbl draw on US crude stocks last week.

Parkway Corporate	PWN	15 May
Perpetual Resources	PEC	15 May
Queensland Pacific Metals	QPM	16 May

Suspensions *(selected)*

Company	Code	Since
Nexion Group	NNG	26 Apr
Openn Negotiation <i>(in admin)</i>	OPN	3 May
Orexplora Technologies	OXT	13 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SNC	Today	2.75	100	7.33
WMA	Today	2.6	100	2.55
ASG	Tomorrow	10	100	7.36
DDR	Tomorrow	11	100	4.26
EZZ	Tomorrow	1.5	100	1.87
PL8	Tomorrow	0.55	100	5.50
PTL	Tomorrow	18	0	19.18
TWD	Tomorrow	11	100	5.37
WMI	Fri	5.25	100	3.57

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	AAC	Full year (w/cast tele 9.30am)
	AIA	Apr
	CEN	Apr
	CSR	Full year (webcast 10am)
	GUD	Investor day
	WPR	AGM
Tomorrow	ALX	AGM
	FDV	AGM
	GNC	Interim
	IPL	Interim
Mon	ELD	Interim (w/cast tele 10am & 6pm Tue 21 May)
	GTK	Interim (webcast 8.30am)
	MLX	AGM
Tue	MMI	AGM
	VEA	AGM
	VGL	AGM
22 May	APE	AGM
	PLT	Full year
	TLX	AGM



Gold – prices swung overnight, pushed lower immediately following a higher-than-anticipated increase in US producer prices and an associated move higher for the \$US.

Comments from the US Federal Reserve chair appeared to soothe fears of any near-term move higher for US interest rates, however.

Base metals – overnight trade in part reacted to increased US taxes on select China imports, including aluminium and steel, and \$US moves following a US producer prices update.

China copper demand was again reported lower than usual, but also again, attributed to elevated prices.

Some caution is anticipated ahead of material new data for April, including fixed asset investment and industrial output, due out of China on Friday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6625	0.0024	0.36
EUR – USD	1.0815	0.0029	0.27

Australian Data Today

ABS	Wage price index	Mar Q
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US Data Tonight

CPI inflation	Apr
Retail sales	Apr
Business inventories	Mar
New York Fed (Empire State) manufacturing	May
NAHB housing market index	May
MBA mortgage applications	10 May

Other Overseas Data Today and Tonight

Euro zone	GDP (2 nd)	Mar Q
Euro zone	Industrial production	Mar
Russia	GDP (prelim)	Mar Q
Russia	International trade	Mar

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Full year

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