

Markets

SFE 200 Futures (9.30am AEST)	7157	13	0.2
NZX 50	11231	57	0.5
DJIA Futures	32082	6	0.0
S&P 500 Futures	3974	-3	-0.1
NASDAQ Futures	11910	-32	-0.3

Local Markets Commentary

The Australian market opens today's trade ahead of key domestic economic reports and a regional central bank announcing policy meeting outcomes by late morning, plus material data out of the US tonight, amid a continued watch on Pacific region security policy and alliances.

Overnight, US equities markets traded higher in concert.

Locally today, the Australian Bureau of Statistics (ABS) releases three reports at **11.30am** AEST, these revealing March quarter **private sector capital spending**, additional detail regarding April **employment** figures released a week ago, and May **business conditions and sentiment**.

At the same time, the Reserve Bank of Australia (RBA) reports foreign exchange turnover.

In addition today, **ALL, IAP, JHX** and **NUF** trade **ex-dividend**. *Please see p3 for a detailed ex-dividends list.*

Regionally today, the **Bank of Korea** announces outcomes from its policy meeting at **11am** AEST. Economists are anticipating the benchmark interest rate to be raised from 1.50% to 1.75%.

In overnight commodities trade, both Brent and WTI **crude** settled higher.

US **gold** futures swung lower.

Iron ore (Nymex CFR China, 62% Fe) traded a few cents lower.

LME (3mth evening) **copper** and **aluminium** fell further but **nickel** turned higher.

The **\$A** approached US70.90c after trading at US70.80c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	32120	192	0.6
S&P 500	3979	37	1.0
NASDAQ	11435	170	1.5
FTSE 100	7523	38	0.5
DAX 30	14008	88	0.6
Shanghai Comp	3107	37	1.2

Overseas Markets Commentary

Major European, UK and US equities markets traded higher early overnight, US indices further buoyed in second-half trade, this appearing mostly in response to May policy meeting minutes

*** Multi-mineral exploration listing – 11am AEST – DRM ***

*** Gold, lithium, nickel exploration listing – 1pm AEST – TG6 ***

Today's Stock Watch
Appen Ltd (APX)

Seeking an improvement in the terms of an indicative and conditional \$A9.50 cash-per-share takeover proposal from Telus International.

In addition, APX is reporting 14% growth, to \$US297M, for year-to-date revenue plus orders in hand as at 30 April.

Year-to-date revenue is lower year-on-year, but revenue is expected to be greater in 2H than for 1H FY22.

Anticipating 'materially lower' 1H EBITDA.

APX hosts the group's AGM tomorrow.

Endeavour Group (EDV)

Presentations lodged pre-trade for today's investor day and one scheduled for tomorrow.

Eden Innovations (EDE) / Tasman Resources (TAS)

EDE has secured a three-year supply agreement with US-headquartered Delta Industries. Initial orders, for 3000 gallons of EdenCrete are worth \$US75,000.

TAS holds 29.56% of EDE.

Resources
Demetallica Ltd (* DRM) / Sandfire Resources (SFR)

Explorer and former Minotaur Exploration spinoff scheduled to list on the ASX **11am** AEST, following a \$15M IPO at 25c per share.

~86.85M quoted shares.

One gold, one gypsum and three multi-mineral projects across South Australia and Queensland.

SFR holds 9.31%.

TG Metals (* TG6)

Exploration company scheduled to list on the ASX **1pm** AEST, following a \$6M IPO at 20c per share.

~39.097M quoted shares.

Chasing gold, lithium and nickel in the WA Lake Johnston region.

Galileo Mining (GAL)

Heralding new WA Norseman project Callisto palladium-platinum-copper-nickel discovery RC drilling results.

Assays from five holes lodged this morning.

RC drilling is scheduled to resume Thursday next week.

Resuming from a trading halt.

GAL last traded at 94.5c after dropping ~9.1% Monday and 10% Tuesday.



published by the **US Federal Reserve**.

The Fed policy meeting minutes revealed broad agreement on the strength of the US economy and hence confidence in significant rate increases.

Also overnight, a **European Central Bank (ECB)** financial stability review report included a warning of a pullback in residential property prices as the bank began lifting interest rates.

In addition, the bank anticipated inflation levels and higher costs, together with broader impacts of the Russia-Ukraine conflict, would push more companies into default.

The banking system, while facing higher credit risk and weaker profits, was determined to be remaining resilient even in the face of a general deterioration in financial stability conditions.

In opening remarks at a **Bank of Japan**-hosted conference, Japan's central bank governor warned a jump in geopolitical risk from the Russia-Ukraine conflict, raised uncertainty for all central banks.

In addition, rising inflation was producing different supply and demand scenarios across nations and regions, also complicating central bank policy decisions.

Yesterday, the **Reserve Bank of New Zealand** had raised its official cash rate, as anticipated, from 1.50% to 2.00%.

The Bank of Korea and Central Bank of Russia are due to announce respective policy meeting decisions today and tonight.

In Russia-Ukraine developments, Russia offered support for improving agricultural supplies out of Ukraine in return for sanctions being cancelled.

In overnight **data** releases, **Germany's** finalised March quarter GDP reading confirmed 0.2% growth for the three months and a 3.8% annualised growth rate.

Germany's GDP fell 0.3% during the December quarter 2021 and represented 1.8% growth for the year.

The GfK June consumer confidence reading for Germany improved, albeit to -26 from -26.6.

A 15-year bond auction in Germany in the meantime produced a 1.15% yield from 0.99%.

Russia's April producer prices rose 6.3% for the month against forecasts for a 4.1% increase following a 5.9% March appreciation.

Against April 2021, prices were 31.5% higher.

In the **US**, April durable goods orders rose 0.4% for the month, in line with forecasts, following a 0.6% March increase

Weekly mortgage applications were reported 1.2% lower following an 11.0% drop the previous week.

30-year mortgage rates came in at 5.46% from 5.49%.

Tonight in the **US**, the second (of three) March quarter **GDP** estimate is keenly anticipated, together with weekly new unemployment claims. April pending home sales and the Kansas City Fed May manufacturing index are also due.

Companies scheduled to report earnings later today or tonight include: Alibaba Group, Autodesk, Baidu, Costco Wholesale, Dell Technologies, Dollar General, Dollar Tree, Gap, Macy's, Marvell Technology, Medtronic and PetroChina.

In overnight corporate news, **Nvidia** issued a disappointing revenue forecast post-US trade pushing the stock's price lower post-settlement. This could impact some of tonight's sentiment.

US markets will be closed Monday due to the Memorial Day public

Pre-Open Announcements

Fisher & Paykel Healthcare (FPH)

Today's investor day information lodged pre-trade.

Civmec Ltd (CVL)

\$120M worth of new contracts secured with large-cap mining and petroleum companies.

Anteris Technologies (AVR)

Treatment underway of the second cohort of patients in the first in-human study for AVR's DurAVR transcatheter heart valve system.

Boom Logistics (BOL)

Reporting unauthorised access to the company's IT systems.

The systems have been shut down and will be safely brought back online by commissioned experts following an investigation.

BOL has enacted business plans to ensure continued service delivery.

Resources

Metals Australia (* MLS)

Underwriting agreement secured for MLS options expiring at a 7c-per-share exercise price 1 June.

MLS will pay the underwriter 1.5% of the shortfall.

MLS has traded at 9.2c – 11.5c for the week to date.

Bellavista Resources (* BVR)

Explorer completed a successful ASX listing yesterday, following a \$6.5M IPO at 20c per share.

Opened at 26c and traded at 23.5c – 30c before settling at 24.5c.

~3.67M shares changed hands across 322 transactions.

~36.498M quoted shares.

Chasing several minerals across a suite of WA projects.

Mel Ashton non-executive chair; Michael Wilson executive director.

Energy

New Hope Corporation (* NHC)

April quarter activities report lodged pre-trade.

Byron Energy (* BYE)

SM58 G5 update lodged this morning.

Stanmore Resources (SMR)

Yesterday's AGM materials lodged post-ASX trade yesterday.

Trading Halts

Company	Code	Resuming
Moho Resources	MOH	26 May

*holiday.***Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1846.3	oz	-19.1	-1.0
Silver (NY) (Jul)	21.87	oz	-0.19	-0.9
Gold (LON) (24 May)	1867	oz		
Platinum	946	oz	-8	-0.8
WTI Crude (NYMEX Jul)	110.33	bbl	0.56	0.5
Brent Crude (ICE EUR Jul)	114.03	bbl	0.47	0.4
Iron Ore (NYMEX CHN port;62%Fe)	133.27	t	-0.04	-0.0
Copper (LME 3mth Evening)	9374	t	-82	-0.9
Nickel	26791	t	239	0.9
Aluminium	2872	t	-28	-1.0
Lead	2104	t	-67	-3.1
Zinc	3754	t	-40	-1.1
Tin	34126	t	-44	-0.1

Commodities Commentary

Oil – demand versus supply appeared a major factor in pushing prices higher overnight.

New Covid containment measures in Beijing contained prices, however.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 1.02MMbbl fall in crude stocks and 482,000 fewer barrels of stored petrol.

Net oil imports fell by 903,000bbl/d and daily petrol production by 151,000bbl.

Refiner processing was reported at 93.2% capacity.

Overnight Tuesday post-US trade, the American Petroleum Institute released a weekly report, which had included a 567,000bbl increase in crude stocks last week.

Gold – a turn higher for the \$US, more attractive bond yields and equities in favour pushed gold prices lower overnight.

Tonight's US GDP reading and additional central bank decisions today and tonight are expected to keep sentiment fluid through week's end.

Base metals – a stronger \$US, news of increased Covid containment measures for Beijing and a string of weaker-than-hoped for economic indicators constrained overnight base metals trade sentiment.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7095	-0.0013	-0.18
EUR – USD	1.0691	-0.0017	-0.16

Australian Data Today

ABS	Private sector capital spending;	Mar Q
ABS	Workforce (additional detail)	Apr
ABS	Business conditions & sentiment	May

Lindian Resources	LIN	27 May
Sayona Mining	SYA	27 May
xReality Group	XRG	27 May

Suspensions (selected)

Company	Code	Since
AVZ Minerals	AVZ	11 May
Broo Ltd	BEE	11 May
Canyon Resources	CAY	4 May
Locality Planning Energy Holdings	LPE	23 May
Osprey Medical	OSP	3 May
Sensera Ltd	SE1	23 May
The Sustainable Nutrition Group	TSN	18 May
Wiluna Mining Corporation	WMC	11 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALL	Today	26	100	1.22
IAP	Today	4.67	0	4.72
JHX	Today	32.66	0	1.15
NUF	Today	4	0	0.76
CSR	Tomorrow	18	100	5.73
WHF	Tomorrow	10.25	100	3.70
CRN	Mon	6.82	0	3.66
ELD	Mon	28	30	1.59
GCI	Mon	0.82	0	4.61
TCF	Mon	3	0	6.29
IFT	Tue	10.86	0	2.29
MFB	Tue	3.62	0	3.85
ORI	Tue	13	0	1.49
PIA	Tue	1.35	100	4.93

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	CIA	Full year (NB post-ASX; w/cast tele 10.30pm)
	EDV	Investor day
	FPH	Investor day
	GEN	AGM
	HFR	AGM
Tomorrow	NHC	Apr Q
	A1M	AGM
	APX	AGM
	CTM	AGM
	EDV	Investor day (#2)
	FFX	AGM (5pm)
SHV	Interim (w/cast 1pm)	

**US Data Today & Tonight**

Initial jobless claims	21 May
GDP (2 nd estimate of three)	Mar Q
Pending home sales	Apr
Kansas City Fed manufacturing	May

Other Overseas Data Today & Tonight

South Korea	Bank of Korea policy meeting outcomes	May
UK	Domestic vehicle production (9am AEST)	Apr
Russia	Bank of Russia interest rate decision	May

Need More Information?

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

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.

	SNG	AGM
Mon	D20	AGM
	LRS	AGM
	LOM	AGM
	TGA	Full year
	YAL	AGM
Tue	AGY	AGM
	CPH	AGM
	IKE	Full year
	KNI	AGM