

Markets

SFE 200 Futures (9.30am AEST)	7271	83	1.2
NZX 50	11102	37	0.3
DJIA Futures	33234	76	0.2
S&P 500 Futures	4171	15	0.4
NASDAQ Futures	12749	71	0.6

Local Markets Commentary

The Australian market opens a new week's trade on the second last trading day for May with US markets closed tonight during a US public holiday and a continuing close watch on Asia-Pacific political relations and Russia-Ukraine events.

US equities markets posted strong gains overnight Friday.

Since overnight Friday, **China** has reopened some public venues in Beijing following weeks of Covid containment restrictions, with Shanghai reportedly set to resume pre-Covid conditions mid-week.

Also over the weekend, **Russia** has been reported to have secured a further strategic position in **eastern Ukraine**.

In addition, the leaders of Germany and France were reported to have spoken with Russia's president, urging him to talk directly with Ukraine with a view to ending the conflict.

Russia's foreign minister subsequently told French media yesterday that liberating (from Ukraine) the eastern Ukraine region of Donbas remained an 'unconditional priority' for Russia.

Locally today, no major economic data releases are due, but several will be published during the week, including March quarter GDP on Wednesday.

Stocks trading **ex-dividend** today include **ELD**. Please see p3 for a detailed ex-dividends list.

Also today, Australia's major opposition political parties choose their leaders.

Regionally today a quiet economic data day is also anticipated.

In overnight Friday commodities trade, oil continued to settle higher.

US **gold** futures picked up the pace extending Thursday's slim gain.

Iron ore (Nymex CFR China, 62% Fe) turned slightly higher, trading beyond \$US133.15/t.

LME (3mth evening) **copper** and other key base metals were pushed higher, **nickel** sharply so and **aluminium** just slightly.

The **\$A** rose to US71.65c after trading at ~US71.45c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	33213	576	1.8
S&P 500	4158	100	2.5
NASDAQ	12131	390	3.3

Today's Stock Watch
Australia & New Zealand Banking Group (ANZ)

The Australian Securities & Investments Commission (ASIC) has begun civil penalty proceedings against ANZ regarding certain credit card cash advance fees.

AGL Energy (AGL)

Abandoning plans to separate the company into the proposed AGL Australia and Accel Energy separate entities, after having spent \$160M of the estimated \$260M cost of the planned demerger.

Further: chairman **Peter Botten** is resigning; **Graeme Hunt** is stepping down as CEO; Jacqueline Hey has resigned as an AGL director, effective today; and director Diane Smith-Gander also plans to resign her AGL board position, following the release of full year results in August.

Promising a strategic review update with the results.

Bubs Australia (BUB)

US FDA discretionary decision enabling BUB infant formula products to be immediately imported and sold in the US.

Vista Group International (VGL)

Ten-year agreement secured to move an existing Latin American enterprise client's ~300 sites to Vista Cloud.

Commercial arrangements remain subject to final terms and conditions and are deemed confidential.

Growthpoint Properties Australia (GOZ)

Outlaying \$165M for the Victorian Government-leased 165 – 169 Thomas Street, Dandenong, Victoria.

Resources
Province Resources (PRL)

Sweden Skåne vanadium project metallurgical test work has indicated 'no viable process option' for the project mineralisation. The vanadium is mostly contained within muscovite and the percentage has been determined not to be consistent. PRL will consider 'new and innovative' processing options and is deferring in the meantime a planned techno-economic study. Project drilling will continue, as a court has rejected appeals against PRL's approval for a 10-hole programme at the project's Tomelilla target.

PRL is hoping to replicate historical drilling and sampling results which indicated consistent higher grades.

Energy
Yancoal Australia (YAL)

YAL has appointed an independent board committee to evaluate the expression of interest in the potential acquisition of a further holding in YAL by Yankuang Energy Group Company, as presented last week.



FTSE 100	7585	21	0.3
DAX 30	14462	231	1.6
Shanghai Comp	3130	7	0.2

Overseas Markets Commentary

US equities markets posted strong gains from open overnight Friday, trade appearing to celebrate data releases indicating slowing inflation growth but satisfactory economic activity, in that these pointed to the US avoiding both stagflation and recession, and more tempered US rate increases from the northern Autumn.

Major European and UK equities markets traded hesitantly early, the FTSE continuing to chop throughout amid a mix of domestic economic and political concerns, and with interest rates having already increased multiple times.

Friday, **China's** January - April industrial profits were reported 3.5% higher than for the same period last year, against forecasts for just a 2.0% increase due to the impact of Covid restrictions.

January – March profits had been previously calculated 8.5% higher year-on-year.

Late-Thursday, the US administration had assured the US was not looking to stifle China's economic growth, even while admonishing the republic to follow established international policies, this interpreted as a positive sign for future relations.

Overnight Friday, as Russia's control appeared to broaden across eastern Ukraine, Ukraine's president accused western nations of continuing to support Russia with \$US1.5B worth of petroleum imports on a daily basis, the president in particular targeting the European Union, the leaders of which will meet again later today and tomorrow.

In overnight Friday **data** releases, **euro zone** April lending to households and businesses was reported 4.5% and 5.2% higher year-on-year respectively.

In the **US**, April personal income rose by 0.4% for the month, following a 0.5% March increase and expectations for a new 0.6% rise.

April personal spending climbed by 0.9%, against forecasts for a 0.8% new increase after rising 1.4% during March.

In the meantime, the personal consumption expenditure (PCE) index was estimated to have risen by 0.2%, ~33% less than the 0.3% predicted, and after having jumped 0.9% in March.

Economists were quick to point out the new monthly PCE growth rate as the slowest since November 2020.

Against April 2021, the PCE index was up 6.3% after growing by 6.6% in March. Forecasters had anticipated a 6.4% new increase.

April wholesale inventories grew by 2.1% during the month, after swelling by 2.7% in March, and against expectations of a 1.5% new rise. This tempted commentators to predict retailer discounts.

The final May consumer sentiment reading from the University of Michigan represented a 6.8-point tumble for the month, coming in at 58.4 from April's 65.2. The preliminary May estimate had been 59.1.

The current conditions and consumer expectations component indices respectively declined to 63.3 (from 69.4) and 55.2 (from 62.5).

Tonight, Germany's initial May inflation reading is due, together

Pre-Open Announcements

Telix Pharmaceuticals (TLX)

TLX prostate cancer imaging agent Illuccix launch updates lodged pre-trade, highlighting full reimbursement in the US from 1 July and patient use in Australia also from 1 July.

Paradigm Biopharmaceuticals (PAR)

PAR has appointed Mallinckrodt and Sandoz executive Marco Polizzi as full-time CEO, effective 1 July.

Fisher & Paykel Healthcare (FPH)

FPH has appointed physics and chemical sciences professor Cather Simpson as an independent non-executive director, effective Wednesday.

PharmAust Ltd (PAA)

PAA has appointed recent Novartis Pharmaceuticals regional sales manager Fiona Milner as GM of PAA subsidiary Epichem, effective 29 June.

Ms Milner was also a former Sanofi Aventis WA manager.

Thorn Group (TGA)

Full year results anticipated today.

Fonterra Shareholders' Fund (FSF)

Chairman's capital restructure commentary and third quarter update, as provided to farmers today, lodged pre-trade.

A third quarter financial results webinar is scheduled for 5pm AEST 9 June (Thursday next week).

Advanced Human Imaging (AHI)

AHI director Edward Greissing Jr has resigned from the AHI board.

Fiji Kava (FIJ)

Non-executive FIJ director Jack Lowenstein has resigned from the FIJ board.

Marley Spoon (MMM)

Chairman and CEO AGM addresses lodged post-trade Friday.

MMM is hosting the company AGM in Berlin later tomorrow.

OpenLearning Ltd (OLL)

OLL recorded 96.49% and 93.28% respective proxy and poll votes against the company's remuneration report at Friday's AGM.

RPM Automotive Group (RPM)

Non-executive director Damian Banks plans to retire from the RPM board 30 June.

Resources

Antipa Minerals (AZY) / Rio Tinto (RIO)

WA Paterson province RIO-AZY Citadel JV drilling results lodged his morning, the last from the 2021 program.

AZY 35%; RIO 65%.



with April import and export prices.

There are no scheduled US economic data releases, due to a public holiday.

US markets are scheduled to be closed tonight due to the Memorial Day public holiday.

Markets in the UK, including the London Metals Exchange (LME) will be closed Thursday and Friday this week.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1857.3	oz	3.4	0.5
Silver (NY) (Jul)	22.1	oz	0.16	0.6
Gold (LON)	1852	oz	4	0.2
Platinum	954	oz	7	0.7
WTI Crude (NYMEX Jul)	115.07	bbbl	0.98	0.9
Brent Crude (ICE EUR Jul)	119.43	bbbl	2.03	1.7
Iron Ore (NYMEX CHN port;62%Fe)	133.17	t	0.19	0.1
Copper (LME 3mth Evening)	9460	t	107	1.1
Nickel	28287	t	1087	4.0
Aluminium	2869	t	6	0.2
Lead	2162	t	32	1.5
Zinc	3849	t	110	2.9
Tin	34171	t	476	1.4

Commodities Commentary

Oil – expectations of demand outpacing global demand, plus a weaker \$US and equities optimism supported overnight Friday price gains.

In addition, Iran was reported to have seized two Greek vessels carrying oil through the Persian Gulf, in a tit-for-tat response.

Expectations of ongoing increased petroleum products demand also supported Brent's weekly 6% gain and an ~5% rise for WTI.

A weekly US petroleum drill rig report, published overnight Friday, included two fewer operational oil rigs, the first weekly decline in 10 weeks.

Gold – overnight Friday trade was supported by easing US treasury yields and a weaker \$US (the ICE \$US index at one-month lows), but price gains were constrained by optimistic US equities trade, in a large part due to economic data releases.

The coming week's trade is expected to continue to be largely influenced by geopolitical relations plus central bank activity and expectations.

Base metals – overnight Friday trade appeared to benefit from expectations China's administration will move to avoid a further deterioration in domestic economic growth, and in particular, from this week's hopes for activity in at least Shanghai to return to pre-lockdown conditions from Wednesday.

In addition, a restrained \$US supported buying.

In the meantime, industrial action was reported at a large bauxite operation in Guinea operated by Russia's Rusal.

Some positioning is anticipated by mid-week, due to the LME being closed Thursday and Friday during UK public holidays.

In addition, China is scheduled to release May PMIs tomorrow and Caixin to publish a May manufacturing PMI for China Wednesday, this likely to influence base metals trade.

Magnetic Resources (MAU)

WA eastern goldfields Lady Julie gold project Lady Julie North 4 deposit RC drilling has returned several significant-width intersections.

Assays lodged pre-trade.

Mineralisation has been determined to remain open down dip and to the east and south-east.

Trading Halts

Company	Code	Resuming
Apiam Animal Health	AHX	30 May
Crowd Media Holdings	CM8	30 May
Predictive Discovery	PDI	30 May
Alkane Resources	ALK	31 May
Living Cell Technologies	LCT	31 May
Mighty Kingdom	MKL	31 May
Astro Resources	ARO	1 Jun
Greenvale Mining	GRV	1 Jun

Suspensions (selected)

Company	Code	Since
AVZ Minerals	AVZ	11 May
Broo Ltd	BEE	11 May
Locality Planning Energy Holdings	LPE	23 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 (%)
CRN	Today	6.82	0	3.85
DBI	Today	4.57	0	6.46
ELD	Today	28	30	1.63
GCI	Today	0.82	0	4.59
KKC	Today	1	0	6.04
PCI	Today	0.46	0	4.04
QRI	Today	0.82	0	5.88
TCF	Today	3	0	6.29
IFT	Tue	10.86	0	2.28
MFB	Tue	3.62	0	3.66
MOT	Tue	1.06	0	6.67
MXT	Tue	0.86	0	4.11
ORI	Tue	13	0	1.45
PGG	Tue	0.72	0	5.37
PIA	Tue	1.35	100	5.00
NBI	Wed	0.8	0	7.25
UMG	Wed	1.5	0	1.46
TNE	Thu	4.2	60	1.33

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7158	-0.0008	-0.10
EUR – USD	1.0728	-0.0008	-0.08

Overseas Data Today & Tonight

Germany	Inflation rate (preliminary)	May
Germany	Import & export prices	Apr
Euro zone	Economic sentiment	May
Euro zone	Consumer inflation expectations	May
Euro zone	Consumer confidence (final)	May

Need More Information?

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Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	D20	AGM
	LRS	AGM
	LOM	AGM
	TGA	Full year
	YAL	AGM
Tomorrow	AGY	AGM
	CPH	AGM
	IKE	Full year (webinar 11am)
	KNI	AGM
	MMM	AGM (Berlin)