

Markets

SFE 200 Futures (9.30am AEST)	7020	-45	-0.6
NZX 50	12649	10	0.1
DJIA Futures	34154	-29	-0.1
S&P 500 Futures	4141	-5	-0.1
NASDAQ Futures	13324	-22	-0.2

Local Markets Commentary

The Australian market commences mid-week trade with a major domestic bank and three large-cap stocks reporting earnings, and the Australian treasurer promoting yesterday's post-ASX trade national budget release, ahead of influential data from the US and UK tonight.

Overnight international equities trade leads are negative. Key commodities trade proved mixed.

Locally today, the Australian Bureau of Statistics (ABS) is due to publish supplementary information to go with March building approvals, reported last month.

Also today, Australia's treasurer Josh Frydenberg presents his post-**budget** delivery address to the National Press Club, **12.30pm** AEST.

Views of funding packages for various sectors are likely to push and pull select trade today.

In overnight commodities trade, **oil** settled higher.

US **gold** futures closed barely changed.

Qingdao **iron ore** (CFR China, 62% fines) turned \$US1.63/t lower, to \$US228.93/t.

Nymex iron ore (CFR China, 62%) also declined slightly, but remained above \$US215.25/t.

LME **copper** and **nickel** turned and rallied. **Aluminium** settled essentially flat.

The **\$A** rose to US78.40c, after briefly falling below US78.25c early yesterday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34269	-474	-1.4
S&P 500	4152	-36	-0.9
NASDAQ	13389	-12	-0.1
FTSE 100	6948	-176	-2.5
DAX 30	15120	-281	-1.8
Shanghai Comp	3442	14	0.4

Overseas Markets Commentary

Major European, UK and US equities markets again headed lower on opening overnight, and apart from the NASDAQ, never looked like recovering through their respective sessions.

Australia – Treasurer at National Press Club – 12.30pm AEST

* Energy and water management listing – 11am – EPX *

Today's Stock Watch
Commonwealth Bank of Australia (CBA)

\$A2.4B (unaudited) March quarter NPAT and cash NPAT. 2% higher, \$5.98B operating income, on an average quarterly basis for 1H FY21. 0.1% higher CET1, to 12.7%.

CSR Ltd (CSR)

14.5c final and 9.5c special dividends, each fully franked. 17% higher, \$A146.1M full year NPAT. 4% lower, \$2.12B revenue. \$2.16 NTA from \$2.04 a year ago.

Pushpay Holdings (PPH)

95% higher, \$US31.18M full year NPAT. 39% higher, \$US181.05M continuing operations revenue. In addition, former PPH chair Bruce Gordon plans to retire from the PPH board at the 16 June AGM.

carsales.com Ltd (CAR)

Planning to outlay \$US624M for a 49% holding in US-headquartered Trader Interactive.

In association, CAR is conducting a \$A600M, \$A17-per-share fully underwritten entitlement offer, the retail component scheduled for 17 May – 2 June.

Trading halt called pre-trade, to conduct the institutional offer. CAR will also extend existing debt facilities to help fund the purchase.

In addition, CAR is anticipating 8% - 12% higher, \$A130M - \$A134M FY21 NPAT, and 7% - 8% higher, \$A422M - \$A426M revenue.

AusNet Services (AST)

3.9% higher, \$302.1M full year NPAT. 2.7% lower, \$1.9245B revenue. 4.75c, 1.9c-franked final dividend, against 5.1c, 50%-franked a year ago. 77c NTA from 66c.

PuriFIOH Ltd (PO3)

HoA secured with Aspen Medical, for PO3 to supply air conditioning disinfection and room air purifier products to Aspen.

Mosaic Brands (MOZ)

March quarter cash flow report, including \$45.11M net cash operating activities outflow, lodged post-trade yesterday. \$48.6M cash at 31 March. \$51.5M owing on finance facilities. A working capital facility expires 6 July.

Anticipating customer purchasing momentum to continue to pick up in association with the availability and uptake of Covid vaccinations. MOZ recouped 6.94% yesterday, settling at 77c.



This week's drop in risk sentiment has been attributed to reactions to views, including that of the US Federal Reserve chair this month, of over-heated equities trade, combined with fears of inflation growth that could push lending rates higher earlier than anticipated.

Yesterday, China reported a 6.8% year-on-year jump in April producer prices, following a 4.4% March increase.

Germany followed this overnight, with a similar rise in wholesale prices.

Middle East concerns were also cited by some, in particular deadly Israeli-Palestinian air attacks.

Among overnight data releases, the April ZEW economic sentiment index for the **euro zone** was reported at 84, from 66.3 and against forecasts for a fall to 65.

In **Germany**, April wholesale prices were estimated 1.1% higher for the month, following a 1.7% March rise and against expectations of a new 0.8% increase.

Prices were 7.2% higher than for April 2020.

Meanwhile, the April ZEW economic sentiment index for Germany was estimated at 84.4, from 70.7, also following expectations of a decline, to 69.

In the **US**, a small business optimism index rose to 99.8 from 98.2.

A March job opportunities report included 8.123M job openings following 7.526M for February.

Meanwhile, a 10-year bond auction in **Japan** yesterday afternoon produced 0.07% yield from 0.123%.

Tonight in the **US**, April CPI and the April budget statement are due, together with weekly mortgage applications.

The US also hosts a 10-year note auction.

Elsewhere, the UK reports March quarter GDP and March trade figures. Germany releases a final April CPI reading.

Bank of England governor Andrew Bailey is also expected to speak publicly.

Companies scheduled to report earnings later today and tonight include: Allianz, Bayer, Hapag Lloyd, Kirin Holdings, Merck, NEC, Rinnai, and Shiseido.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1837.4	oz	-0.21	-0.0
Silver (NY) (Jul)	27.73	oz	0.24	0.9
Gold (LON) (10 May)	1840	oz		
Platinum	1232	oz	-11	-0.9
WTI Crude (NYMEX Jun)	65.28	bbl	0.36	0.6
Brent Crude (ICE EUR Jul)	68.55	bbl	0.23	0.3
Iron Ore (NYMEX,CHN,62%)	215.29	t	-0.19	-0.1
Copper (LME Ind)	10506	t	124	1.2
Nickel	17950	t	183	1.0
Aluminium	2532	t	-0.1	-0.0
Lead	2215	t	-0.8	-0.0
Zinc	3012	t	19	0.6
Tin	29930	t	220	0.7

Pre-Open Announcements

EP&T Global (* EPX)

Commercial building energy and water management specialist scheduled to list on the ASX **11am AEST**, following an \$11M IPO at 20c per share.

~116.18M quoted shares.

Washington H Soul Pattinson & Co (ASX: SOL) holds 4.90%.

Electro Optic Systems Holdings (* EOS)

\$41.5M cash at 31 March. \$43M cash in-flow since 1 April, \$30M from an export contract disrupted for a year by Covid-19. \$100M worth of completed goods ready for handover, and expected to be receipted by Q4 2021.

InvoCare Ltd (* IVC)

Today's strategy day presentation lodged pre-trade.

Marley Spoon (MMM)

Investor forum hosted 3pm – 6pm AEST yesterday.

MMM settled 2.8% lower for the session yesterday, at \$2.40, after lodged the investor forum presentation.

AGM scheduled for 11 June.

Hiremii Ltd (HMI)

Online labour hire and recruitment specialist completed its ASX listing yesterday, following a \$6M IPO at 20c per share.

Opened at 16.5c and traded at 14c – 17.5c before settling at 14.5c.

~10.1M shares changed hands, across 543 transactions.

53.336M quoted shares.

Resources

Carpentaria Resources (* CAP)

Agreement in hand to lead to the completion of the Hawsons iron project 24.149% purchase from Pure Metals.

In addition, anticipating a 90.8M share sale to Pure Metals investors.

Australasian Gold (* A8G)

Explorer scheduled to list on the ASX 12.30pm AEST **tomorrow**, following a \$5.51M IPO at 20c per share.

33.11M quoted shares.

Three gold projects, one in the WA Pilbara region, and two in Queensland.

Impact Minerals (ASX: IPT) holds 2.19%.

AIM-listed IronRidge Resources holds 12.07%.

Energy

Marmota Ltd (* MEU)

Executive directors Kevin Wills (exploration) and Shane Barker (production) have resigned from the MEU board, effective immediately.

MEU has appointed former Gold Fields Australia VP and Jubilee Mines GM operations Neville Bergin as non-executive



Commodities Commentary

Oil – OPEC's monthly market report, published overnight, retained expected 2021 international crude demand at 5.95MMbbl/d, 6.6% higher than for 2020. The organisation lifted the forecast for its own crude by 200,000bbl/d.

In the meantime, the IAEA reported Iran had enriched uranium to 63%, up from ~60% previously.

This was viewed as potentially risking indirect US-Iran talks aimed at reinstating a 2015 nuclear agreement, and hence lifting petroleum production sanctions against Iran.

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

Overnight post-US trade, an API report estimated a 2.533M draw on US crude stocks last week.

Also tonight, the **International Energy Agency** (IEA) is expected to publish a monthly report.

Gold – prices swung overnight, early falls almost erased by reported bargain-buying.

Tonight's CPI and budget updates from the US are expected to swing some sentiment. The UK's March quarter GDP could also prove influential, pending any significant difference from expectations. Likewise, a subsequent speech from Bank of England governor Andrew Bailey.

Base metals – overnight trade appeared mostly influenced by new data out of China, China's moves to contain commodity prices, and a continuing relatively weak \$US, in addition to select supply and demand commentary.

China's April producer prices, reported yesterday, included a 6.8% year-on-year jump, following forecasts of 6.5% appreciation.

The April **CPI**, also published yesterday, represented ongoing deflation, 0.3% for the month following 0.5% deflation for March.

Against April 2021, the CPI was calculated 0.9% higher.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7838	-0.0001	-0.02
EUR – USD	1.2147	0.0004	0.03

Australian Data Today

ABS	Building approvals (additional info)	Mar
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US Data Tonight

CPI	Apr
Budget statement	Apr
MBA mortgage applications	7 May

Other Overseas Data Today & Tonight

Japan	Forex reserves	Apr
Japan	Leading economic index (prelim; 3.30pm AEST)	Mar

director production.

In addition, MEU has appointed MEU senior geologist Aaron Brown as executive director exploration.

Dr Wills will be a consulting geologist to MEU, in particular with respect to the Aurora Tank and Jumbuck projects.

Trading Halts

Company	Code	Resuming
Artemis Resources	ARV	12 May
CFOAM Ltd	CFO	12 May
Okapi Resources	OKR	12 May
Thomson Resources	TMZ	12 May
Alterra Ltd	1AG	13 May
Emyria Ltd	EMD	13 May
Helix Resources	HLX	13 May
HeraMED Ltd	HMD	13 May
Netlinkz Ltd	NET	13 May
QX Resources	QXR	13 May
carsales.com Ltd	CAR	14 May

Suspensions (select)

Company	Code	Since
Buddy Technologies	BUD	23 Apr
DomaCom Ltd	DCL	11 May
Titanium Sands	TSL	23 Apr
Walkabout Resources	WKT	6 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
RMD	Today	3.5	0	0.62
NAB	Tomorrow	60	100	1.12
PDL	Tomorrow	17	10	4.99
WBC	Tomorrow	58	100	1.19
ASG	Fri	2	100	0.00
PL8	Fri	0.4	100	3.98
SSR	Fri	4.84	0	0.22
MQG	Mon	335	40	2.02
QVE	Mon	1.1	100	4.33
SNC	Mon	2.5	100	2.53
WAA	18 May	3	100	2.59
KMD	20 May	1.57	100	0.00
ZEL	20 May	13.03	0	0.00
AMC	25 May	15.12	0	4.13
IAP	27 May	4.53	0	5.83
PIA	28 May	1.25	100	3.98
FPC	31 May	3	100	0.00
WAM	31 May	7.75	100	3.33
WGB	31 May	5	100	1.48



UK	GDP	Mar Q
UK	Trade balance	Mar
UK	Industrial production	Mar
Germany	CPI (final)	Apr
Euro zone	Industrial production	Mar

Need More Information?

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Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	AST	Full year
	CBA	Mar Q
	CSR	Full year
	IVC	Strategy day
	PPH	Full year (tele 9am)
	SIG	AGM
	SIQ	AGM
	TLX	AGM
	URW	AGM (6.30pm)
Tomorrow	ALD	AGM
	GPT	AGM
	GNC	Interim
	IME	AGM
	ORI	Interim
	WPR	AGM
Mon	XRO	Full year
	ELD	Interim
	IPL	Interim
Tue	SUN	Investor forum (banking; 10am)
	JHX	Mar Q; full year (tele 9am)