

Markets

SFE 200 Futures (9.30am AEST)	6993	-28	-0.4
NZX 50	12519	-45	-0.4
DJIA Futures	33578	70	0.2
S&P 500 Futures	4063	5	0.1
NASDAQ Futures	13011	12	-0.4

Local Markets Commentary

The Australian market opens today's trade with an overnight \$A depreciation, two major domestic banks trading ex-dividend, new data in hand from China since yesterday's ASX close, and overnight falls across US equities markets.

In other overnight developments, the US announced it was sending an envoy to Israel in response to escalating Israeli-Palestinian attacks.

Locally today, the Melbourne Institute publishes its monthly **inflation expectations** report.

Also today, the Reserve Bank of Australia (RBA) releases April **business lending** figures.

Regionally today, **Japan** reports April **bank lending** and also conducts a 30-year government bond auction.

Post-ASX trade yesterday, **China** has reported 1470B yuan worth of **new lending** for April, following 2730B yuan during March, and against forecasts for 1850B yuan worth of new lending.

April **vehicle sales** were reported 8.6% higher than for April 2020.

In overnight commodities trade, **oil** continued to trade higher.

US **gold** futures declined.

Qingdao **iron ore** (CFR China, 62% fines) seesawed \$US8.64/t higher, to \$US237.57/t.

Nymex iron ore (CFR China, 62%) also swung decisively higher.

LME **copper** and other key base metals were pushed variously lower.

The **\$A** dropped to ~US77.25c after trading at US78.00c early yesterday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34588	-682	-2.0
S&P 500	4063	-89	-2.1
NASDAQ	13032	-358	-2.7
FTSE 100	7005	57	0.8
DAX 30	15150	30	0.2
Shanghai Comp	3463	21	0.6

Overseas Markets Commentary

Major European, UK and US equities trade diverged markedly overnight, amid a plethora of material economic indicators,

* Gold exploration listing – 12.30pm AEST – A8G *

Today's Stock Watch
Orica Ltd (ORI)

7.5c interim dividend, from 16.5c a year ago.

53.6% lower, \$73.4M interim NPAT.

8.9% lower, \$2.62B operational revenue.

\$3.358 NTA, against \$4.665.

GrainCorp Ltd (GNC)

8c fully franked interim dividend from nil a year ago.

87.0% lower, \$50.5M interim NPAT.

30.8% higher, \$2.56B revenue.

Xero Ltd (XRO)

\$NZ19.77M full year NPAT, from \$NZ3.34M a year ago.

18% higher, \$NZ2848.78M revenue. \$NZ1.78 NTA from NZ56c.

Perenti Global (PRN)

Anticipating revenue growth challenges to continue into FY22.

Margins impacted by tight Australian labour market.

An investor briefing and Q&A was scheduled for 9am AEST.

humm group (HUM)

33% higher year-on-year, \$255.3M March quarter transaction volume. BNPL volume rose to a record \$100.8M; cards volume dropped 26.5%.

Customer tally grew 40% to 2.7M.

\$18.7M net loss, representing a 31.4% year-on-year improvement.

Treasury Wine Estates (TWE)

Today's investor day presentation lodged pre-trade.

Proteomics International (PIQ)

Heralding independent modelling results for PIQ's PromarkerD diabetic kidney disease test.

Resources
Lynas Rare Earths (LYC)

LYC's processing plant in Malaysia continues to operate under the national Covid-19 containment lockdown (movement control order) which commenced yesterday. Relevant health and hygiene protocols are in place. The lockdown is set to remain in place until 7 June.

Energy
New Hope Corporation (NHC) / Vintage Energy (VEN) / Metgasco Ltd (MEL)

The Australian Competition & Consumer Commission (ACCC) is allowing Vali JV joint gas marketing arrangements proposed by NHC subsidiary Bridgeport, VEN and MEL.



forecasts and commentary, and an escalation of the Israel-Palestinian conflict.

The European Commission (EC) raised its euro zone 2021 GDP forecast from 3.8% to 4.3%, and the 2022 prediction from 3.8% to 4.4%.

The commission said it anticipated euro zone economic output to return to pre - Covid-19 levels by year's end.

The EC also forecast 2021 and 2022 euro zone inflation growth at 1.7% and 1.3% respectively.

Bank of England governor Andrew Bailey in the meantime warned of money market funds vulnerability.

In overnight data releases, a preliminary **UK** March quarter **GDP** reading represented a 1.5% fall for the three months and 6.1% drop from a year earlier.

However, the March GDP estimate represented 2.1% growth for the month and was 1.4% higher against March 2020.

March **trade** figures included a £2B deficit, against forecasts for £6.1B, and following a £0.9B shortfall for February.

March **industrial production** was calculated 3.6% higher than for March 2020 and 1.8% higher for the month.

Germany's finalised April **CPI** was confirmed at 0.7% higher for the month and 2% year-on-year.

The **euro zone** reported 0.1% higher March industrial production for the month, this representing a 10.9% improvement on March 2020.

In the **US**, April **CPI** growth came in at 0.8% for the month, following forecasts of 0.3% and a 0.6% March rise.

Against April 2020, inflation was 4.2% higher.

10-year bond yields were subsequently pushed to 1.693% and a \$US index rose 0.7%.

In the meantime, a 10-year note auction produced a 1.684% yield from 1.680% previously.

The April **budget** statement included a \$US226B **deficit** following a \$US660B shortfall for March. A \$US260B new deficit had been anticipated for April.

Tonight in the **US**, weekly initial jobless claims are due, together with April producer prices.

A 30-year US bond auction is also scheduled.

Elsewhere, Bank of England governor Andrew Bailey is again scheduled to speak publicly.

Companies listed to report earnings later today and tonight include: Airbnb, Alibaba, Asics, BT, Burberry, Casio Computer, Inpex, Isuzu Motors, Nikon, Petrobras, Suzuki Motor and Walt Disney.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1815.9	oz	-21.2	-1.2
Silver (NY) (Jul)	27.07	oz	-0.6	-2.2
Gold (LON) (11 May)	1829	oz		
Platinum	1208	oz	-24	-2.0
WTI Crude (NYMEX Jun)	66.08	bbl	0.80	1.2
Brent Crude (ICE EUR Jul)	68.98	bbl	0.43	0.6
Iron Ore (NYMEX,CHN,62%)	218.38	t	3.09	1.4

Pre-Open Announcements

Australian Clinical Labs (* ACL)

Pathology services provider scheduled to list on the ASX 12.30pm AEST **tomorrow**, following a \$408.6M IPO at \$4.00 per share.

202.333M quoted shares.

Trading will commence on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence 19 May (Wednesday next week).

EP&T Global (EPX)

Commercial building energy and water management specialist completed its ASX listing yesterday, following an \$11M IPO at 20c per share.

Opened at 21.5c and traded as high as 23c before settling on par at 20c.

4.32M shares changed hands across 317 trades.

~116.18M quoted shares.

Washington H Soul Pattinson & Co (ASX: SOL) held 4.90% on listing.

Resources

Australasian Gold (* A8G)

Explorer scheduled to list on the ASX **12.30pm** AEST, 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%.

Lefroy Exploration (* LEX)

WA goldfields Burns copper-gold prospect diamond drilling has intersected significant mineralisation.

Stanmore Resources (SMR)

CFO Frederick Kotzee has resigned, effective 12 August.

Pursuit Minerals (PUR)

Results from a WA far eastern goldfields Gladiator project soil sampling program reported in the December 2020 and March 2021 quarterly reports lodged post-trade yesterday.

Additional Gladiator work is planned for this year.

Juno Minerals (* JNO) / Jupiter Mines (JMS)

Iron ore-focused explorer JNO, demerged from JMS, is scheduled to list on the ASX midday AEST **tomorrow**, following a \$3.91M IPO at 25c per share.

135.658M quoted shares.

JNO holds the Central Yilgarn iron ore project, located ~110km NW of Menzies, WA, and comprising two project areas, namely Mount Mason (DSO haematite) and Mount Ida (magnetite).



Copper (LME Ind)	10446	t	-15	-0.1
Nickel	17810	t	-132	-0.7
Aluminium	2481	t	-40	-1.6
Lead	2189	t	-35	-1.6
Zinc	2965	t	-45	-1.5
Tin	29850	t	53	0.2

Commodities Commentary

Oil – overnight trade appeared mostly influenced by monthly and weekly market reports, and a \$US turn higher largely ignored.

A monthly report from the International Energy Agency (IEA), published overnight, ventured that international crude demand was exceeding supply and that the imbalance would grow significantly by year's end.

OPEC+ supply alone represented a 150,000bbl/d shortfall for the June quarter and was expected to burgeon to 2.5MMbbl/d by late-year, the IEA noted.

Should Iran be enabled to restore production, the end-of-year shortfall would be ~1.7MMbbl/d, the IEA estimated.

A weekly US petroleum inventories report, also released overnight, included a 427,000bbl fall in stored crude last week, and 378,000bbl rise for petrol stocks.

Net crude imports were estimated at 2.363MMbbl/d.

Overnight Tuesday, post-US trade, an American Petroleum Institute (API) report estimated a 2.533M draw on US crude stocks last week.

Meanwhile, the major eastern US fuel supply pipeline network impacted by a cyberattack over the weekend, was reported to be commencing to re-commission, as panic-buying continued.

Gold – influential international economic data, new forecasts and a \$US rise pushed and pulled overnight trade.

Base metals – overnight LME trade reacted to US CPI, UK GDP and euro zone economic forecast updates, a \$US push higher, and copper demand commentary.

Some overnight commodities buying was attributed to inflation hedging.

Copper stocks in LME-registered warehouses in the meantime were reported 33% lower than in mid-April, at 222,924t. International supplies were deemed at only a few weeks' worth, this appearing to contain overnight price falls.

China's April industrial production, fixed asset investment, retail sales and house prices are anticipated Monday, and could produce further caution leading into late-week trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7732	-0.0062	-0.80
EUR – USD	1.2075	-0.0047	-0.39

Australian Data Today

MelInst	Inflation expectations	May
RBA	Business lending	Apr
RBA	Aust Govt securities & semis holdings	Apr

JMS CEO and executive director Priyank Thapliyal is JNO non-executive chair.

Energy

Buru Energy (* BRU)

Update lodged pre-trade.

Trading Halts

Company	Code	Resuming
Alterra Ltd	1AG	13 May
HeraMED Ltd	HMD	13 May
Netlinkz Ltd	NET	13 May
QX Resources	QXR	13 May
carsales.com Ltd	CAR	14 May
Creso Pharma	CPH	14 May

Suspensions (select)

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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
NAB	Today	60	100	1.13
PDL	Today	17	10	4.81
WBC	Today	58	100	1.20
ASG	Tomorrow	2	100	0.00
DDR	Tomorrow	9	100	3.64
PL8	Tomorrow	0.4	100	3.90
SSR	Tomorrow	4.84	0	0.23
MQG	Mon	335	40	2.04
QVE	Mon	1.1	100	4.31
SNC	Mon	2.5	100	2.48
WAA	Tue	3	100	2.61
AST	20 May	4.75	40	tbc
KMD	20 May	1.57	100	0.00
ZEL	20 May	13.03	0	0.00
AMC	25 May	15.12	0	4.16
IAP	27 May	4.53	0	5.78
PIA	28 May	1.25	100	4.03
FPC	31 May	3	100	0.00
WAM	31 May	7.75	100	3.33
WGB	31 May	5	100	1.48



US Data Tonight

Producer prices	Apr
Initial jobless claims	8 May

Other Overseas Data Today & Tonight

Japan	Bank lending	Apr
Japan	Eco watchers survey (3pm AEST)	Apr

Need More Information?

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Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	ALD	AGM
	GPT	AGM
	GNC	Interim
	IME	AGM
	ORI	Interim
	TWE	Investor day
	WPR	AGM
	XRO	Full year
Tomorrow	AVH	Mar Q (NB: Thu US; w/cast tele 6.30am AEST 14 May)
Mon	ELD	Interim
	IPL	Interim
	SUN	Investor forum (banking; 10am)
Tue	JHX	Mar Q; full year (tele 9am)