

Market Opener

Friday, 13 May 2022

Please see disclaimer at end of this document

Markets

	CLOSE	+/-	%
S&P 200 Futures (9.30am AEST)	6911	-5	-0.1
NZX 50	11102	-75	-0.7
DJIA Futures	31692	40	0.1
S&P 500 Futures	3936	8	0.2
NASDAQ Futures	11990	43	0.4

Local Markets Commentary

The Australian market opens Friday trade with new data in hand from China and South Korea, and with domestic national parliamentary election campaigning heading into its final week, amid a backdrop of international economic and geopolitical uncertainty.

Major international equities markets settled mixed overnight.

Locally today, Reserve Bank of Australia (RBA) deputy governor Michele Bullock is listed to participate in a panel scheduled for **1pm AEST** at the FINSIA Regulators 2022, Sydney.

Also today, **JHG** trades **ex-dividend**. Please see pp2-3 for a detailed ex-dividends list.

Regionally, post-ASX trade yesterday, **China** reported a 20.5% rise in January - April **foreign direct investment (FDI)**, following forecasts of an 18% increase.

For January – March, China recorded 25.6% year-on-year FDI growth.

Pre-trade today, **South Korea** has released April **import and export prices**, these rising 35% and 21.4% respectively.

March prices were reported respectively 35.9% and 23.4% higher year-on-year.

No other material data releases are scheduled for release today regionally, but China has several economic indicators still to report for April.

Monday, China's April fixed asset investment, industrial production and retail sales updates are anticipated middle of the day.

In overnight commodities trade, Brent **crude** settled US6c/bbl lower for the session. WTI crude closed with a moderate further gain.

US **gold** futures swung lower.

Iron ore (Nymex CFR China, 62% Fe) also seesawed to a new fall, trading below \$US132/t.

LME (3mth evening) **copper** and **aluminium** fell. **Nickel** settled essentially flat.

The **\$A** fell to US68.55c after trading at ~US68.75c – ~US68.90c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31730	-104	-0.3

Today's Stock Watch

Bigtincan Holdings (BTH)

Partnership agreement secured with Oracle, to become a member of the Oracle PartnerNetwork (OPN).

Details lodged this morning.

Anticipating reporting a FY22 maiden positive adjusted EBITDA.

Avita Medical (AVH)

March quarter report, as lodged in the US, lodged with the ASX this morning.

\$US7.539M revenue against \$US8.765M for the March quarter 2021.

\$US9.463M net loss, from a \$US5.997M loss.

\$US23.736M cash and equivalents, and restricted cash, from \$US115.080M.

Resources

Neometals Ltd (NMT)

The NMT-SMS group 50:50 battery recycling JV, Primobius has secured a co-operation agreement with Mercedes-Benz recycling subsidiary Licular GmbH.

The agreement is conditional on Licular issuing a purchase order for the engineering, supply and installation of equipment for the recycling facility. Additional details lodged.

Resolution Minerals (RML) / OZ Minerals (OZL)

OZL has agreed a farm-in to RML's Northern Territory Benmara copper project.

OZL can earn a 51% holding with a \$4M exploration spend over five years. Additional staged earn-in arrangements lodged pre-trade.

RML will remain operator during the earn-in.

5E Advanced Materials (5EA)

March quarter financial results and activity update lodged this morning.

Alkane Resources (ALK)

Conference presentation lodged this morning.

ALK will be presenting today.

Energy

Buru Energy (BRU)

BRU has appointed Beach Energy (ASX: BPT) development executive Thomas Nador as CEO.

Mr Nador will commence with BRU no later than 1 September.

BRU executive chairman Eric Streitberg will continue in this role for a transition period, but ultimately become BRU's non-executive chair.



S&P 500	3930	-5	-0.1
NASDAQ	11371	7	0.1
FTSE 100	7233	-114	-1.6
DAX 30	13740	-89	-0.6
Shanghai Comp	3055	-4	-0.1

Overseas Markets Commentary

Fragile risk sentiment was again demonstrated across major European, UK and US equities markets overnight, amid some disappointing data releases and broadening geopolitical concerns.

The \$US was propelled to new ~20-year highs.

High-profile cryptocurrencies continued to tumble, as US treasury secretary Janet Yellen called for more fixed regulatory stablecoin policy, but maintained this week's slide did not represent a risk to financial stability.

In Russia-Ukraine conflict developments, just as Russia had initially declared Ukraine's intention to become a NATO member as a reason for concern for security in the region, Russia reacted negatively to Finland's leaders' proposal to go ahead with a NATO application ASAP, warning of 'serious' ramifications.

At least one media report speculated Russia could stop supplying gas to Finland from as early as today.

Among overnight **data** releases, **UK** March quarter GDP was calculated 0.8% higher for the three months following 1.2% December quarter growth and forecasts for a new 0.9% increase.

On an annualised basis the new GDP reading represented 8.7% growth.

A 0.1% GDP pullback was estimated for March, however, following a flat February result, fuelling recession fears. Forecasters had anticipated 0.1% March growth.

Against March 2021, the GDP reading was up 6.4%.

The NIESR GDP tracker reading for April came in at 0.3% growth, against forecasts for 0.6%.

March UK trade figures were also reported overnight, these including a £11.552B deficit against forecasts of a £10.6B shortfall.

March industrial and manufacturing production each fell 0.2% for the month.

Against March 2021, industrial output was up 0.7% and manufacturing by 1.9%.

In the **US**, April producer prices rose 0.5% for the month and 11% against April 2021, in line with expectations. Prices had climbed 1.6% in March, representing an 11.5% annualised appreciation.

Weekly new unemployment claims tallied 203,000, following expectations for 205,000. The previous week's total was revised to 202,000.

A 30-year US bond auction in the meantime produced a 2.997% yield from 2.815%.

Earlier, a 30-year bond auction in Japan delivered a 1.015% yield from 0.989%.

Tonight in the **US**, April import and export prices are due, together with an initial May consumer sentiment estimate from the University of Michigan.

Companies listed to report earnings later today or tonight include: Fujitec, Honda Motor, LG Corp, Mazda Motor, Sumitomo Mitsui

Pre-Open Announcements

Zelira Therapeutics (ZLD)

Non-executive vice chair Harry Karelis has resigned from the ZLD board.

Resources

Industrial Minerals (IND)

Presentation lodged this morning.

Greenstone Resources (GSR)

In response to an ASX price and volume query, GSR has pointed out its JV with Conico Ltd (ASX: CNJ) holds tenements near those for which exploration results, released Thursday, sent Galileo Mining (GAL) 217.5% higher for the session. GSR traded 28.57% higher Thursday.

Southern Cross Gold (* SXG)

Explorer and TSX-listed Mawson Gold spinoff scheduled to list on the ASX 11.30am AEST **Monday**, following a \$9.093M IPO at 20c per share.

~62.26M quoted shares.

Tom Eadie non-executive SXG chair; Mawson Gold founder and director Michael Hudson MD.

Mawson Gold, which holds 60.00% of SXG, is now focusing on a gold-cobalt project in northern Finland, having spun out three Australian subsidiaries into SXG.

Trading Halts

Company	Code	Resuming
Step One Clothing	STP	16 May
Talon Energy	TPD	16 May
Tyranna Resources	TYX	16 May

Suspensions (*selected*)

Company	Code	Since
AVZ Minerals	AVZ	11 May
Broo Ltd	BEE	11 May
Canyon Resources	CAY	4 May
Osprey Medical	OSP	3 May
Wiluna Mining Corporation	WMC	11 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
JHG	Today	39	0	4.18
ASG	Mon	7	100	4.50
DDR	Mon	13	100	3.39
FFG	Mon	3	100	2.40
MQG	Mon	350	40	3.46

Financial Group and Yamaha Motor.

In overnight corporate news, **SoftBank** Group reported a record, \$US26.2B annual loss for its Vision Fund.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1824.6	oz	-29.1	-1.6
Silver (NY) (Jul)	20.77	oz	-0.81	-3.9
Gold (LON) (11 May)	1852	oz		
Platinum	938	oz	-56	-6.0
WTI Crude (NYMEX Jun)	106.13	bbl	0.42	0.4
Brent Crude (ICE EUR Jul)	107.45	bbl	-0.06	-0.1
Iron Ore (NYMEX CHN port;62%Fe)	131.98	t	-2.28	-1.7
Copper (LME 3mth Evening)	9089	t	-249	-2.7
Nickel	27811	t	7	0.0
Aluminium	2741	t	-36	-1.3
Lead	2092	t	-24	-1.1
Zinc	3529	t	-138	-3.8
Tin	33745	t	2017	-5.6

Commodities Commentary

Oil – reduced volume trade was reported overnight, as traders considered comments and forecasts out of monthly market reports released by both **OPEC** and the **International Energy Association (IEA)**.

OPEC lowered its anticipated 2022 international demand growth for a second consecutive month, this time by 310,000bbl/d, to 3.36MMbbl/d.

OPEC cited ‘ongoing geopolitical developments in Eastern Europe’, Covid restrictions and elevated inflation in delivering the revision, and in lowering the organisation’s global 2022 GDP growth prediction from 3.9% to 3.5%.

OPEC April output was estimated at 28.65MMbbl/d, an increase of 153,000bbl/d for the month, against the agreed 254,000bbl/d rise. For its part, the IEA assured there was sufficient oil to match international demand, even in the face of sanctions against Russia. However, it acknowledged a potential oil challenge during the northern summer and potential gas challenge during the winter.

The IEA maintained IEA members would release more crude from strategic reserves if required.

The IEA report also estimated Russia’s crude production could fall by 3MMbbl/d during the second half of 2022.

A weekly US petroleum drill rig report is due tonight.

Gold – interest rate expectations pushed the \$US index higher overnight, this damaging gold interest.

Economic data releases will continue to be monitored closely in relation to likely monetary policy moves and their timing.

Base metals – \$US strength coupled with global economic growth prospects-related demand concerns pushed copper prices to seven-month lows overnight.

An official in China once again promoted supportive policy, but revealed this would be implemented as needed, and not all potential measures at once.

In the meantime, China’s refined zinc output (from 52 key smelters) was reported to have risen during April.

PL8	Mon	1.1	100	4.51
QVE	Mon	1.2	100	4.42
RHI	Mon	20	100	0.00
SNC	Mon	2.75	100	6.06
WAA	Mon	3	100	5.88
WGB	Mon	5.5	100	4.85
PDL	Tue	21	10	8.27
VUK	Tue	4.35	0	0.76
WBC	Tue	61	100	4.96

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	VMT	AGM
	WAF	AGM
Mon	TNR	AGM
Wed	APE	AGM
	TLX	AGM
Thu	ABC	AGM
	AVR	AGM
	BWX	Strategy day
	GOR	AGM (4pm)
	WEB	Full year
	WPL	AGM (midday)
Fri (20 May)	AMP	AGM
	CWN	AGM
	DDR	AGM
	IVC	AGM
	RSG	AGM
	SYR	AGM



China's industrial production, fixed asset investment and retail sales are anticipated Monday.

Exchange Rates

CURRENCIES	LAST	+-	%
AUD – USD	0.6863	-0.0018	-0.26
EUR – USD	1.0378	-0.0123	-1.17

US Data Today & Tonight

Export & import prices	Apr
Uni of Michigan consumer sentiment (initial)	May

Other Overseas Data Today & Tonight

South Korea	Import & export prices	Apr
Euro zone	Industrial production	Mar
Russia	Inflation rate	Apr

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