

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	7100	23	0.3
<b>NZX 50</b>	11166	9	0.1
<b>DJIA Futures</b>	32143	-16	-0.1
<b>S&amp;P 500 Futures</b>	4004	-1	0.0
<b>NASDAQ Futures</b>	12254	9	0.1

**Local Markets Commentary**

The Australian market commences today's trade with an overnight \$A appreciation, and Reserve Bank of Australia (RBA) 3 May policy meeting minutes keenly anticipated late morning.

Overnight international equities trade proved mixed amid new inflation forecasts and global economic progress warnings.

**Locally** today, the RBA publishes the **minutes** of the May **policy meeting** at **11.30am** AEST.

Commentary on the conditions for, and pace of, any further interest rate increases could swing the \$A.

At the same time, the Australian Bureau of Statistics (ABS) reports April Covid household impacts.

National parliamentary election debate is expected to intensify ahead of Saturday's official polling day.

**Regionally** today, Japan's March tertiary index is due.

In overnight commodities trade, **oil** extended Friday's rally.

US **gold** futures turned modestly higher.

**Iron ore** (Nymex CFR China, 62% Fe) traded higher for a second consecutive session, approaching \$US133/t.

LME (3mth evening) **copper** and **aluminium** continued higher, and **nickel** lower.

The **\$A** was pushed to ~US69.70c after trading at ~US69.10c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	32223	27	0.1
<b>S&amp;P 500</b>	4008	-16	-0.4
<b>NASDAQ</b>	11663	-142	-1.2
<b>FTSE 100</b>	7465	47	0.6
<b>DAX 30</b>	13964	-64	-0.5
<b>Shanghai Comp</b>	3074	-11	-0.3

**Overseas Markets Commentary**

Choppy, swinging trade featured across most major European, UK and US equities markets overnight.

International economic growth prospects and warnings were firmly in focus.

Earlier yesterday, during ASX trade, **China** released April updates for industrial production, fixed asset investment and retail sales.

**Today's Stock Watch**
**James Hardie Industries (JHX)**

75% higher, \$US459.1M full year NPAT. 24% higher, \$US3.61B net sales. \$US2.18 NTA from \$US1.52.

March quarter figures also lodged this morning.

**Brambles Ltd (BXB)**

Abandoning talks with proposed suitor CVC Capital Partners, citing 'external market volatility'.

**Sezzle Inc (SZL)**

\$US27.58M March quarter net loss, against a \$US11.22M loss a year ago. \$58.37M cash and equivalents.

**OFX Group (OFX)**

102% higher, \$24.5M full year NPAT. 18% higher, \$158.42M revenue. 34.4c NTA from 26.23c a year ago.

**Incannex Healthcare (IHL)**

Heralding a 'positive' pre-investigational new drug application meeting with the US FDA regarding IHL-42X.

**Resources**
**OZ Minerals (OZL) / Havilah Resources (HAV)**

HAV and OZL have agreed a terms sheet for an option for OZL to acquire HAV's South Australia Kalkaroo copper project for \$205M.

Additional details, including required HAV shareholder approval, lodged this morning.

**Critical Resources (CRR)**

Heralding further visual spodumene noted during drilling within the Mavis Lake lithium project, Ontario, Canada.

Statistics from four holes lodged pre-trade.

**Morella Corporation (1MC)**

LoI secured for a 60% earn-in to the North Big Smoky brine and sediment lithium project, Nevada, US.

Details lodged this morning.

**Euro Manganese (EMN)**

The second and final shipment of modules for EMN's planned demonstration facility at the Czech Republic Chvaletice manganese project has left Shanghai, China.

**Energy**
**Woodside Petroleum (WPL) / BHP Group (BHP)**

Given that National Offshore Petroleum Titles Administrator approval is in hand for the proposed WPL merger with BHP's petroleum division, a positive shareholder vote at Thursday's WPL AGM represents the sole outstanding required approval for the merger to proceed.

WPL settled at \$30.50 yesterday, after closing out April at \$31.15, and BHP at \$45.31 after settling at \$48.01 29 April.

These generally reflected the impact of lockdowns in Shanghai and Beijing and Covid restriction measures in additional select areas.

Overnight, **Bank of England** governor Andrew Bailey told a parliamentary committee he viewed rising food prices as a 'major worry', with Russia's war on Ukraine adversely impacting food supply.

Mr Bailey maintained higher food and energy prices would prove of greater consequence than increases in interest rates.

The governor warned rising prices would prove a 'very big income shock', impacting the economy and pushing unemployment higher.

In the meantime, **European Union** (EU) forecasts, as updated and published by the European Commission (EC), included 6.8% inflation for 2022.

For the euro zone, the EC forecast 6.1% inflation growth and reduced its predicted 2022 GDP growth from 4.0% six months ago to 2.7%.

The EC cited Russia's war on Ukraine and resultant higher commodity prices as the main reason for its forecast revisions, describing 'soaring energy prices as 'the most important negative factor'.

On the flipside, yesterday in China, Shanghai officials ventured the city will largely have resumed regular activity by 1 June, after announcing on the weekend plans to reopen select retail areas from yesterday. The city was closed off weeks ago as part of Covid management measures. Hence the new declarations spawned some optimism, despite reports more than 45 cities in China remain under some form of lockdown.

In addition to hopes for a return to normal activity in China, a select 0.2% home loan interest rate cut, announced by the People's Bank of China and the Banking and Insurance Regulatory Commission late-weekend, signalled a small step in implementing economic support measures promised several times by officials in recent weeks.

Meanwhile, NATO military exercises, scheduled prior to Russia's entry into Ukraine, commenced in Estonia, one of a series of NATO drills which commenced last week across several European regions.

While not NATO members, Sweden and Finland were listed among 14 nations involved in the 15,000 troop-size Estonia drills. Like Estonia, Finland borders Russia.

Among overnight **data** releases, **euro zone** March trade figures concerned, including a €16.4B deficit against predictions of a €19.8B surplus.

In **Germany**, March wholesale prices were calculated 2.1% higher for the month and 23.8% higher than for March 2021. Prices had risen by 6.9% during February.

Japan's April producer prices, published yesterday, rose 10% for the month. On an annualised basis, prices were up 1.2%.

In the **US**, the New York Fed Empire State manufacturing index for April plunged to -11.6 from the 24.6 recorded for March. Economists had predicted a decline, but one of ~10 points only.

**Tonight** in the **US**, US Federal Reserve chair Jerome Powell is scheduled to speak publicly at a conference sponsored by *The Wall Street Journal*. Up to four additional Fed officials are expected to speak on the record also.

## Pre-Open Announcements

### The A2 Milk Company (\* A2M)

CFO Race Strauss has resigned, effective today, but will assist A2M through the FY22 year-end.

A2M has appointed DIM Brands International (formerly Hanes Europe Innerwear) David Muscat as CFO, likely to commence October.

### FBR Ltd (FBR)

\$11M cash balance after fully drawing the Hadrian X lease finance and R&D tax finance facilities negotiated with FC Capital.

## Resources

### Perseus Mining (\* PRU)

PRU's acquisition of Orca Gold Inc could complete by week's end, given Orca shareholders have approved the proposed plan of arrangement.

### Sandfire Resources (SFR)

SFR non-executive director Jennifer Morris has outlaid \$29,999.52 to purchase 5976 SFR shares on-market, boosting her SFR holding to 9484 shares.

SFR has ~409.98M shares on issue.

SFR traded at \$4.75 - \$5.33 last week and at \$4.93 - \$5.05 yesterday.

### Aeon Metals (AML)

Investor briefing link lodged post-trade yesterday.

AML will host the virtual briefing, focusing on Queensland Walford Creek copper-cobalt project exploration plans at 11am AEST tomorrow.

### Southern Cross Gold (\* SXG)

Explorer and TSX-listed Mawson Gold spinoff completed a successful ASX listing yesterday, following a \$9.0933M IPO at 20c per share.

Opened at 24c, the company's day one high, and slipped to 20c before settling at 20.5c.

~2M shares were traded across 127 transactions.

~62.26M quoted shares.

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

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

## Energy

### Aurora Energy Metals (\* 1AE)

Explorer and project developer scheduled to list on the ASX 11am AEST **tomorrow**, following an \$8M IPO at 20c per share.

~116.48M quoted shares.

Holds the Aurora project located in Oregon, USA.

The project hosts a defined uranium resource and is also



April retail sales and industrial production are due, together with March business inventories and the April NAHB housing market index.

Elsewhere, a euro zone March quarter GDP reading is anticipated.

In addition, the UK hosts a 30-year treasury gilt auction.

Companies listed to report earnings later today or tonight include Home Depot, JD.com, Vodafone and Walmart.

In overnight corporate news, **McDonald's** announced it was selling outlets in Russia and intended to leave the nation, while retaining trademarks there.

For its part, **Renault** revealed it was offloading its 68% holding in Russian domestic vehicle manufacturer AvtoVAZ to a Russian science institute and all shares in Renault Russia to the City of Moscow.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Jun)	1814	oz	5.8	0.3
<b>Silver (NY)</b> (Jul)	21.55	oz	0.55	2.6
<b>Gold (LON)</b> (13 May)	1812	oz		
<b>Platinum</b>	942	oz	1	0.1
<b>WTI Crude</b> (NYMEX Jun)	114.20	bbl	3.71	3.4
<b>Brent Crude</b> (ICE EUR Jul)	114.24	bbl	2.69	2.4
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	132.96	t	0.63	0.5
<b>Copper</b> (LME 3mth Evening)	9236	t	81	0.9
<b>Nickel</b>	26545	t	-716	-2.6
<b>Aluminium</b>	2832	t	45	1.6
<b>Lead</b>	2095	t	37	1.8
<b>Zinc</b>	3564	t	75	2.2
<b>Tin</b>	33863	t	505	1.5

### Commodities Commentary

**Oil** – China optimism, largely based on plans to reopen Shanghai by 1 June, pushed prices yet higher overnight.

In addition, US strategic petroleum reserves were reported by the US Department of Energy at 538MMbbl, reportedly the least since 1987.

Meanwhile, EU foreign ministers revealed they had not yet found unilateral agreement on embargoing oil from Russia.

**Gold** – prices turned higher overnight amid a weaker \$US and lower US bond yields, plus some concerning economic data releases and warnings.

**Base metals** – overnight trade was in part influenced by new data out of China, which had largely undershot albeit tepid expectations.

Further positive comments from Shanghai officials regarding a staged return to normal activity by 1 June supported gains, however.

**Aluminium** was further supported by inventories reported at 17-year lows across LME-registered warehouses.

**China's** April fixed asset investment, industrial production and retail sales updates, published yesterday, mostly confirmed a slowdown in activity, due to significant Covid containment restrictions in place throughout the month.

**Industrial production** came in 2.9% lower than for April 2021,

deemed prospective for lithium.

White Rock Minerals (ASX: WRM) and Helix Resources (ASX: HLX) chair Peter Lester is 1AE's non-executive chairman.

Recent Reward Minerals (ASX: RWD) CEO and former Deep Yellow (ASX: DYL) MD Greg Cochran is 1AE's MD.

### Trading Halts

Company	Code	Resuming
Blue Star Helium	BNL	17 May
Ragnar Metals	RAG	17 May
EMVision Medical Devices	EMV	18 May
Future First Technologies	FFT	18 May
Resolution Minerals	RML	18 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 (%)
PDL	Thu	21	10	4.71
VUK	Thu	4.35	0	0.74
WBC	Thu	61	100	2.46
KPG	Fri	0.36	100	1.11

### Reports & Events

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>OFX</b>	Full year
	<b>SZL</b>	Mar Q
<b>Tomorrow</b>	APE	AGM
	TLX	AGM
<b>Thu</b>	ABC	AGM
	ALL	Interim
	AVR	AGM
	BWX	Strategy day
	GOR	AGM (4pm)
	NUF	Interim
	WEB	Full year
	WPL	AGM (midday)



against forecasts for nonetheless weak 0.4% growth.

January – April **fixed asset investment** grew 6.8% year-on-year, exceeding expectations for a 6.0% improvement, but appeared tepid against January – April 2021 investment, which had been reported 9.3% higher year-on-year. Last year's growth was against a particularly low 2020 base, however.

April **retail sales** surprised the most, a 6% year-on-year drop expected, but calculated instead as an 11.1% plunge.

In addition, China's April **unemployment** rate was estimated at 6.1% from 5.8% for March.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6970	0.0081	<b>1.18</b>
<b>EUR – USD</b>	1.0438	0.0037	<b>0.36</b>

### Australian Data Today

RBA	Policy meeting minutes	3 May
ABS	Covid household impacts	Apr

### US Data Today & Tonight

Retail sales	Apr
Industrial production	Apr
Business inventories	Ma
NAHB housing market index	May

### Other Overseas Data Today & Tonight

<b>Japan</b>	Tertiary industry index	Mar
<b>UK</b>	Unemployment claims	April
UK	Average earnings	Mar
UK	Unemployment rate	Mar
<b>Euro zone</b>	GDP	Mar Q

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<b>Fri</b>	AMP	AGM
	CWN	AGM
	DDR	AGM
	IVC	AGM
	RSG	AGM
	SYR	AGM

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