

Markets

SFE 200 Futures (9.30am AEST)	7181	70	1.0
NZX 50	11224	87	0.8
DJIA Futures	32628	47	0.1
S&P 500 Futures	4090	5	0.1
NASDAQ Futures	12569	9	0.1

Local Markets Commentary

The Australian market opens mid-week trade with material data freshly released from Japan, ahead of two key domestic economic reports and new April data from China due this morning, amid a domestic focus on likely economic prospects following Saturday's national parliamentary election.

Major international equities markets rose in concert overnight.

Locally today, the Westpac-Melbourne Institute April **leading index** report is anticipated **10.30am** AEST.

The Australian Bureau of Statistics (ABS) publishes the March quarter **wage price index** at **11.30am** AEST.

Early afternoon, Australia's opposition leader will be quizzed at the National Press Club, ahead of policy costings releases tomorrow, and as the **national election campaign** enters its final phase.

Regionally today, **Japan** is scheduled to report **March quarter GDP** growth just prior to the ASX open.

April **residential property prices** are expected out of **China** 11.30am.

In overnight commodities trade, **oil** swung lower, Brent crude notably settling lower than WTI.

US **gold** futures again settled modestly higher.

Iron ore (Nymex CFR China, 62% Fe) seesawed modestly lower.

LME (3mth evening) **copper** and **aluminium** were pushed higher again. **Nickel** extended its current run of declines, however.

The **\$A** rose to US70.30 after trading at ~US70.25c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	32655	431	1.3
S&P 500	4089	81	2.0
NASDAQ	11985	322	2.8
FTSE 100	7518	54	0.7
DAX 30	14186	222	1.6
Shanghai Comp	3094	20	0.7

Overseas Markets Commentary

Major European, UK and US equities markets were pulled higher on opening overnight, such that some subsequent marked chop

* Uranium & lithium exploration listing – 11am AEST – 1AE *

Today's Stock Watch
Metcash Ltd (MTS)

Supply contract with Drakes Supermarkets, Queensland extended for five years.

Worley Ltd (WOR)

WOR has secured a technology cooperation agreement with strategic partner Avantium Renewable Polymers and will commence delivering EPC services to the Avantium maximum 5000tpa facility in Delfzifl, Netherlands.

In addition, WOR has secured a three-year EP services contract with Shell for five Gulf of Mexico, US assets.

Resources
BlueScope Steel (BSL) / Fortescue Metals Group (FMG)

Anticipating \$1.375B - \$1.475B 2H FY22 EBIT, against previous guidance of \$1.2B - \$1.35B.

In addition, non-executive director Mark Hutchinson has resigned from the BSL board due to an executive appointment with Fortescue Future Industries.

BSL plans to release full year results 15 August.

Fortescue Metals Group (FMG)

Founder Andrew Forrest re-appointed executive chairman. Former GE Europe president and CEO Mark Hutchinson has been appointed Fortescue Future Industries (FFI) projects director from July, and FFI CEO by year's end, taking over from Julie Shuttleworth who will remain an FFI executive.

Further, former Man Group China chair (Ms) Li Yifei is to be appointed as an FMG director.

Additional appointments lodged this morning.

BHP Group (BHP)

Miami, Florida the Global Metals Mining & Steel Conference presentation lodged post-trade yesterday. BHP was scheduled to present overnight, with a webcast also available.

South32 Ltd (S32)

Strategy and business update lodged post-trade yesterday. S32 presented the update at the Global Metals Mining & Steel Conference in Miami, Florida, US early this morning (AEST). S32 planned to upload a presentation webcast this morning.

Newcrest Mining (NCM)

Global Metals Mining & Steel Conference presentation and a webcast link lodged post-trade yesterday.

Northern Star Resources (NST)

Global Metals Mining & Steel Conference presentation lodged post-trade yesterday.

could not erase overall sessional gains.

Some better than anticipated economic data, and optimism regarding China's reopening from Covid containment restrictions supported sentiment, as did some reassurances of inflation control.

Overnight, **US Federal Reserve** chair Jerome Powell declared US interest rates would keep rising until the Fed could see inflation definitively slowing.

A **European Central Bank** (ECB) official ventured the ECB could commence raising rates in July with an initial increase of as much as 0.5%. This propelled the euro higher.

In Russia-Ukraine developments, attempts to evacuate Ukrainian troops from the Azovstal iron and steel facility in Mariupol were reportedly continuing, effectively cementing a victory for Russia in securing the key port city. The evacuation began late Monday, with hundreds, including dozens with serious injuries, reportedly moved to Russian-controlled parts of eastern Ukraine.

In overnight **data** releases, the **euro zone's** initial March quarter **GDP** estimate indicated 0.3% growth for the three months, the same rate of growth reported for the December quarter 2021. Economists had expected 0.2% March quarter growth.

On an annualised basis the March quarter estimate represented 5.1% growth.

UK unemployment claims were reported to have fallen by 56,900 during April. Forecasters had anticipated a 46,000 decline following an 81,600 drop for March.

March average earnings, excluding bonuses, were calculated 4.2% higher for the month after rising 4.1% during February.

The March unemployment rate came in at 3.7% from 3.8% for February.

March quarter labour productivity was estimated to have fallen 0.7% for the three months, following February's 1.3% increase and expectations for a new 0.4% rise.

A 30-year UK treasury gilt auction produced a yield of 2.040% from 1.580%.

India in the meantime reported April annualised wholesale price inflation at 15.08%.

In the **US**, April retail sales exceeded expectations, rising 0.9% against forecasts of a 0.6% increase to follow a 1.4% March climb.

Against April 2021, sales were up 8.2%.

April industrial production was calculated 1.1% higher for the month and 6.4% higher year-on-year. Economists had predicted a 0.4% monthly increase following March's 0.9% rise.

Business inventories grew 2% in March after rising 1.8% in February.

Contrasting with other releases, the April NAHB housing market index had been expected to decline to 75 from 77 but dropped to 69.

Tonight in the **US**, April housing starts and building applications are due, together with weekly mortgage applications.

In addition, the US conducts a 20-year bond auction.

Elsewhere, the **UK** announces April **CPI**, following the Bank of England governor's warnings overnight Monday that price increases had become a 'major worry' for the central bank.

Meanwhile, **Russia** is expected to report March quarter **GDP**.

Pre-Open Announcements

Imugene Ltd (* IMU)

Initial patient dosing in the phase 1 trial of cancer-killing virus CF33-hNIS achieved.

Smartpay Holdings (SMP)

SMP has appointed VCF Capital partners executive chair Geoff Carrick as an independent non-executive director, in association with Bill Pulver's resignation from the SMP board, effective 1 June.

Kleos Space (KSS)

Corporate brochure lodged post-trade yesterday.

Tabcorp Holdings (TAH)

The Lottery Corporation (XASX: TLC) will be added to the S&P/ASX prior to the ASX open 24 May (Tuesday next week) at a zero price.

This is in conjunction with TAH's scheme of arrangement demerger of The Lottery Corporation, under which one share of TLC will be spun off for every one TAH share.

Resources

Champion Iron (* CIA)

Acquiring the Pointe Noire iron ore pelletising facility, Sept-Iles, Quebec for \$C2.5M.

Further, CIA has secured a MoU with an international steelmaker to complete feasibility into the potential re-commissioning of the facility and producing direct reduction grade pellets.

29Metals Ltd (29M)

Attending the Global Metals, Mining & Steel conference in Miami, Florida, US this week.

29M will promote the company using presentation materials previously released to the ASX.

Link lodged post-trade yesterday.

Energy

Aurora Energy Metals (* 1AE)

Explorer and project developer scheduled to list on the ASX **11am** AEST, 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 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.

Cooper Energy (* COE)

Otway Basin update, highlighting Annie gas field development plans, lodged this morning.



Also overnight, Germany hosts a **G7** central bankers and finance ministers' forum. In addition, the nation is scheduled to conduct a 30-year bond auction.

Companies listed to report earnings later today or tonight include: Analog Devices, Burberry, Cisco Systems, Lowe's, Premier Foods, Synopsys, Target, Tencent Holdings and TJX.

In overnight corporate news, US retailer **Walmart** was pushed more than 10% lower after lowering the company's full year profit forecast. Other lower-cost retailers also fell.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1818.9	oz	4.9	0.3
Silver (NY) (Jul)	21.75	oz	0.20	0.9
Gold (LON) (16 May)	1810	oz		
Platinum	952	oz	10	1.1
WTI Crude (NYMEX Jun)	112.40	bbbl	-1.80	-1.6
Brent Crude (ICE EUR Jul)	111.93	bbbl	-2.31	-2.0
Iron Ore (NYMEX CHN port;62%Fe)	132.61	t	-0.35	-0.3
Copper (LME 3mth Evening)	9366	t	130	1.4
Nickel	26406	t	-139	-0.5
Aluminium	2891	t	59	2.1
Lead	2102	t	7	0.3
Zinc	3662	t	98	2.8
Tin	34065	t	202	0.6

Commodities Commentary

Oil – prices fell overnight, after US Federal Reserve chair Jerome Powell vowed the central bank would keep pushing rates higher until inflation was under control, and on reports the US administration was reviewing some Venezuela restrictions, raising the prospect of a return to Venezuelan international petroleum trade.

The US Venezuelan shift centred on US giant Chevron's licence to operate in the South American jurisdiction.

On the flip side, Russia's April crude production was reported 9% lower than for March, at 9.16MMbbl/d.

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

Overnight, post-US trade, the American Petroleum Institute (API) has published a weekly report, this including an estimated 2.445MMbbl draw on US crude stocks last week.

Gold – overnight trade was pushed and pulled by comments from the US Federal Reserve chair, a weaker \$US and some stronger-than-anticipated US economic data.

Meanwhile, Peru's March gold production was estimated 9.4% lower than for March 2021, at 7460kg. March quarter output fell 2.1%, this mostly attributed to lower grade ore.

Base metals – further promises of support from China's administrators, this time for manufacturing and services sectors, and for small businesses, helped buoy overnight China demand sentiment and hence pushed select prices higher.

In addition, optimism remained regarding Shanghai's gradual reopening following reports of three consecutive days on no new Covid infections in non-quarantine areas.

Further, the \$US continued to pull back from 20-year peaks, and

Trading Halts

Company	Code	Resuming
EMVision Medical Devices	EMV	18 May
Future First Technologies	FFT	18 May
Resolution Minerals	RML	18 May
Clime Investment Management	CIW	19 May
Krakatoa Resources	KTA	19 May
Wiseway Group	WWG	19 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	Tomorrow	21	10	4.72
USQ	Tomorrow	59.44	0	0.00
VUK	Tomorrow	4.35	0	0.74
WBC	Tomorrow	61	100	2.45
KPG	Fri	0.36	100	1.11
AMC	Tue	16.68	0	3.45

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	APE	AGM
	MEZ	Apr
	SKO	Full year
	TLX	AGM
Tomorrow	ABC	AGM
	ALL	Interim
	AVR	AGM
	BWX	Strategy day
	GOR	AGM (4pm)
	NUF	Interim
	WEB	Full year
	WPL	AGM (midday)
Fri	AMP	AGM
	CWN	AGM
	DDR	AGM



LME-registered warehouse copper stocks were estimated 18% lower than on 5 May.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7032	0.0025	0.36
EUR – USD	1.0549	0.0101	0.97

Australian Data Today

Westpac/MelbInstitute	Leading index	Apr
ABS	Wage price index	Mar Q

US Data Today & Tonight

Housing starts	Apr
Building approvals	Apr
MBA mortgage applications	13 May

Other Overseas Data Today & Tonight

China	Residential property price index	Apr
Japan	GDP (initial)	Mar Q
Japan	Industrial production (final)	Mar
UK	CPI	Apr
Euro zone	CPI (final)	Apr
Euro zone	Domestic vehicle registrations	Apr
Russia	GDP	Mar Q

Need More Information?

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