

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6982	-79	-1.1
<b>NZX 50</b>	12395	-33	-0.3
<b>DJIA Futures</b>	33965	-31	-0.1
<b>S&amp;P 500 Futures</b>	4120	-3	-0.1
<b>NASDAQ Futures</b>	13210	-2	0.0

**Local Markets Commentary**

The Australian market opens mid-week trade with two material domestic economic reports due by late morning and negative overnight US equities trade leads, ahead of European Central Bank and US Federal Reserve reports, plus a UK CPI update, tonight.

**Locally** today, Westpac and the Melbourne Institute publish their monthly **consumer sentiment** report, 10.30am AEST.

The March quarter **wage cost index**, as calculated by the Australian Bureau of Statistics (ABS), is due for release 11.30am AEST.

In mixed overnight commodities trade, **oil** swung lower.

US **gold** futures closed with a minimal gain.

Qingdao **iron ore** (CFR China, 62% fines) added to Monday's turn higher, climbing \$US6.67/t to \$US224.44/t.

Nymex iron ore (CFR China, 62%) turned lower, to settle below \$US213.25/t.

LME **copper** and **nickel** continued to settle higher, but just slightly so. **Aluminium** turned and fell.

The **\$A** was pushed back to US77.90c after trading beyond US78.05c early yesterday evening.

**Overseas Markets.**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34061	-267	-0.8
<b>S&amp;P 500</b>	4128	-35	-0.9
<b>NASDAQ</b>	13304	-75	-0.6
<b>FTSE 100</b>	7034	1	0.0
<b>DAX 30</b>	15387	-10	-0.1
<b>Shanghai Comp</b>	3529	11	0.3

**Overseas Markets Commentary**

Early and varied positive sentiment ultimately declined across major European, UK and US equities markets overnight, key US indices settling at session lows.

Select sector trade vacillated with **Argentina** yesterday announcing a 30-day **beef** export ban in order to lower domestic prices, and the **International Energy Agency** (IEA) concluding funding of new **coal, gas and oil** development projects would need to cease should a net international zero emissions target remain for 2050.

\* Lithium & graphite exploration listing – midday AEST – LEL \*

**Today's Stock Watch**
**Kathmandu Holdings (KMD)**

KMD has appointed Rip Curl CEO Michael Daly as KMD CEO and MD, effective immediately.

KMD is yet to appoint a new Rip Curl CEO.

**Webjet Ltd (WEB)**

\$156.6M full year net loss (nine months 1 July – 31 March), following a \$143.5M loss a year ago (12 months).

86% lower, \$38.5M revenue.

**Serko Ltd (SKO)**

\$NZ29.39M full year net loss.

37% lower, \$NZ16.90M revenue. NZ75c NTA, from NZ47c.

**HT&E Ltd (HT1)**

A non-binding term sheet has been agreed by shareholders of 25% HT1-held Soprano Design, for Soprano to be sold to Norway-listed CPaaS provider Link Mobility Group Holdings for ~\$A560M (NOK 3590M) in cash and equity.

The proposed deal values HT1's Soprano holding at ~\$A139M. Pending Soprano and Link Mobility satisfactory due diligence and a binding agreement, HT1 is anticipating receiving \$A6.2M cash upfront and an ~6.15% of the combined Link/Soprano in shares.

In addition, HT1 is also due to receive a \$A10M pre-transaction Soprano dividend payment.

**Infratil Ltd (IFT)**

NZ11.5c final dividend, from NZ9.65c a year ago.

\$NZ377.2M full year operating earnings, from \$NZ341.5M. \$NZ1.24B revenue from \$NZ1.19B.

Anticipating \$NZ470M- \$NZ520M FY22 proportionate EBITDAF.

Planning a new bond offer and expecting to announce details next week.

**Cettire Ltd (CTT)**

Partnership secured with BNPL (buy now pay later) provider Klarna, for CTT Australia and US customers to be able to use Klarna payments and shopping services.

**G8 Education (GEM)**

Today's AGM materials lodged pre-trade.

**Resources**
**Rio Tinto (RIO) / BHP Group (BHP)**

Global Metals, Mining & Steel conference presentations lodged post-trade yesterday. Webcast replay details also lodged.

In the meantime, the \$US retreated further, to 2.5-month lows.

Among mixed overnight data releases, the **euro zone's** finalised March quarter GDP reading confirmed a 0.6% decline for the three months and 1.8% drop from 31 March 2020.

In addition, employment fell by 0.3% across the three months, and by 2.1% year-on-year.

Euro zone March trade figures included a €15.8B surplus from €23B at the end of February and against expectations of an increase to €26.5B.

In the **UK**, April new unemployment claims fell by 15,100 after dropping by 19,400 during March. Forecasters had anticipated a 25,000 increase.

The March unemployment rate was calculated 0.1% lower, at 4.8%.

March average earnings (excluding bonuses) rose 4.6% after increasing 4.4% during February.

Also in the UK, a 20-year treasury gilt auction produced a 1.392% yield from 1.223%.

In the **US**, April housing starts dropped 9.5%, following forecasts of a 2.8% decline, and against a 19.8% March jump.

Building permits rose 0.3% following a 1.7% March increase and predictions of a 0.9% fall.

**Tonight** in the **US**, **Federal Reserve** policy meeting minutes are due, together with weekly mortgage applications.

In addition, a 20-year bond auction is scheduled.

Elsewhere, the **UK** reports April **CPI**.

In the euro zone, the **European Central Bank's** financial stability review is due, together with a final April CPI reading.

Germany hosts a 10-year bond auction.

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

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Jun)</b>	<b>1868</b>	oz	0.40	0.1
<b>Silver (NY) (Jul)</b>	<b>28.33</b>	oz	0.06	0.2
<b>Gold (LON) (17 May)</b>	<b>1854</b>	oz		
<b>Platinum</b>	<b>1214</b>	oz	-21	-1.7
<b>WTI Crude (NYMEX Jun)</b>	<b>65.49</b>	bbbl	-0.78	-1.2
<b>Brent Crude (ICE EUR Jul)</b>	<b>68.71</b>	bbbl	-0.75	-1.1
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>213.23</b>	t	-1.76	-0.8
<b>Copper (LME Ind)</b>	<b>10393</b>	t	20	0.2
<b>Nickel</b>	<b>17950</b>	t	40	0.2
<b>Aluminium</b>	<b>2465</b>	t	-34	-1.4
<b>Lead</b>	<b>2228</b>	t	20	0.9
<b>Zinc</b>	<b>3061</b>	t	47	1.6
<b>Tin</b>	<b>30310</b>	t	455	1.5

### Commodities Commentary

**Oil** – reports of **US-Iran** indirect talks progress pushed and pulled prices overnight, with some emphasising no final agreement.

Another **\$US** decline also constrained price falls, and even

## Pre-Open Announcements

### Nuix Ltd (\* NXL)

Recouped 11.46% during yesterday's investor day trade, settling at \$3.50.

### Auckland International Airport (AIA)

53.8% year-on-year drop in the March passengers tally to 500,944.

Additional breakdown statistics lodged pre-trade.

### Neuroscientific Biopharmaceuticals (NSB)

Non-executive chair Brian Leedman has resigned from the NSB board, effective yesterday.

NSB non-executive director Anton Uvarov has been appointed interim NSB chair.

### Audeara Ltd (AUA)

Hearing device and health specialist completed its ASX listing yesterday, following a \$7M IPO at 20c per share.

Opened at 19c and traded as high as 20.5c before settling at 17c.

~6.84M shares changed hands across 406 transactions.

63.92M quoted shares.

## Resources

### Lithium Energy (\* LEL) / Strike Resources (SRK)

SRK spinoff and Argentina Solaroz brine lithium project 90% holder LEL is scheduled to list on the ASX **midday** AEST, following a \$9M IPO at 20c per share.

45M quoted shares.

LEL also owns the Queensland Burke graphite project.

SRK holds 43.01%.

### European Metals (\* EMH)

Heralding the results of new metallurgical processing testing.

Details lodged pre-trade.

### Fortescue Metals Group (\* FMG)

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

### Mineral Resources (\* MIN)

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

### Western Areas (WSA)

Presentation lodged post-trade yesterday.

### Image Resources (IMA)

Non-executive director Fei (Eddy) Wu has resigned from the IMA board, effective yesterday.

Mr Wu had been an IMA director since 2016.

### Metalicity Ltd (MCT)

Non-executive chair Mathew Longworth has resigned from the MCT board.

Non-executive MCT director Andrew Daley is assuming the



supported intra-session trade beyond Monday prices, Brent reportedly trading at \$US70.24/bbl.

Demand views, amid additional evidence of eased Covid-19 – related restrictions across several nations, but new outbreak containment measures in others including Singapore and Taiwan, also toyed with trade.

Further, the **International Energy Agency** (IEA) conceded no funding for new coal, gas and oil supply operations would be required if net global zero emissions remained a target for 2050.

The IEA also recognised the technologies needed to support this target were not yet commercially available.

WTI traded as low as \$US64.11/bbl during the fluctuations.

A weekly US petroleum inventories report is due tonight from government agency the EIA.

Overnight post-US trade, industry group the API published a weekly report which included an estimated 620,000bbl increase in (US) stored crude last week.

**Gold** – Comex futures settled higher, albeit barely, for a fourth consecutive session overnight, supported by a further \$US decline, some inflation fear and talk of over-valued equities.

Prices swung intra-session, however, despite a 200-day moving average breakout the previous session, the vacillating attributed in part to US treasury yields temporarily rising beyond 1.66%.

**Base metals** – overnight traders faced several considerations, including a yet weaker \$US, new supply-demand predictions, inventory updates and industry news.

The International Wrought Copper Council (IWCC) predicted *refined copper* demand would rise by 3.3% during 2022, to 25.275Mt, and that supply would increase by 5.4% to 25.25Mt.

The IWCC expects 2021 demand to rise 4.9% to 24.458Mt, but for supply to reach just 23.95Mt.

Additional IWCC forecasts included China's 2021 and 2022 demand, estimated respectively as 3.3% higher, and then at 13.306Mt (up 2.6%).

Meanwhile, Glencore was reported to be considering resuming DRC Mutanda *cobalt-copper* operations in 2022.

Also yesterday and overnight, Citigroup forecast shortfalls in international aluminium supply for both 2022 and 2023, of ~480,000t and 1.08Mt respectively.

Citi also ventured a price prediction, of \$US3000/t by the end of 2022.

China's administration confirmed plans for greater steel and *iron ore* price stability.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7795	0.0009	0.12
<b>EUR – USD</b>	1.2224	0.0057	0.47

### Australian Data Today

Wstpc/Melbnst	Consumer sentiment	May
ABS	Wage cost index	Mar Q

chairman's role.

### Trading Halts

Company	Code	Resuming
BPM Minerals	BPM	19 May
EML Payments	EML	19 May
Great Boulder Resources	GBR	19 May
IXU Ltd	IXU	19 May
Tymlez Group	TYM	19 May
Artemis Resources	ARV	20 May
Charter Hall Long Wale REIT	CLW	20 May
Laybuy Group Holdings	LBY	20 May
Manas Resources	MSR	20 May
Province Resources	PRL	20 May
QMines Ltd	QML	20 May
Wiluna Mining Corporation	WMX	20 May

### Suspensions (select)

Company	Code	Since
DomaCom Ltd	DCL	11 May
Holista Colltech	HCT	18 May
Roots Sustainable Agricultural Tech	ROO	17 May

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AST	Tomorrow	4.75	40	5.52
KMD	Tomorrow	1.57	100	0.00
KPG	Tomorrow	0.33	100	2.04
ZEL	Tomorrow	13.03	0	0.00
CNI	24 May	5.5	38.18	3.76
ELD	24 May	20	20	1.87
PWG	24 May	2.9	64.48	3.45
AMC	25 May	15.12	0	4.13
IAP	27 May	4.53	0	5.79
CSR	28 May	24	100	1.39
PIA	28 May	1.25	100	4.10
FPC	31 May	3	100	0.00
ORI	31 May	7.5	0	2.35
WAM	31 May	7.75	100	3.30
WGB	31 May	5	100	1.47

### Reports & Events

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>AIA</b>	Mar
	<b>GEM</b>	AGM (11am)

**US Data Tonight**

Fed Reserve policy meeting minutes	Apr
MBA mortgage applications	14 May

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Industrial production (final)	Mar
<b>Euro zone</b>	CPI (final)	Apr
Euro zone	ECB financial stability review	May
Euro zone	Domestic vehicle registrations	Apr

**Need More Information?**

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	<b>IFT</b>	Full year (w/cast tele 8am)
	<b>SKO</b>	Full year (tele 9.30am)
	<b>WEB</b>	Full year
<b>Tomorrow</b>	APE	AGM (9am)
	AAC	Full year (w/cast 10am)
	GXY	AGM (4pm)
	NUF	Interim (w/cast tele 10am)
<b>Fri</b>	88E	AGM (midday)
	ABC	AGM (10am)
	BRK	AGM (midday)
	SYD	AGM (11am)
	SYR	AGM (10am)