

Markets

SFE 200 Futures (9.30am AEST)	6932	4	0.1
NZX 50	12340	59	0.5
DJIA Futures	33740	-91	-0.3
S&P 500 Futures	4101	-11	-0.3
NASDAQ Futures	13187	-46	-0.4

Local Markets Commentary

The Australian market commences today's trade with an \$A depreciation and material domestic data due by late morning, following weak overnight international equities sentiment and price drops for most major commodities.

Locally today, the Australian Bureau of Statistics (ABS) publishes April **workforce** figures, including jobs, wages growth and the unemployment rate, **11.30am AEST**.

Also this morning, the Melbourne Institute releases **May consumer inflation expectations**.

The Reserve Bank of Australia (RBA) reports monthly foreign exchange transactions and official reserve assets.

Local stocks trading **ex-dividend** today include **AST** and **KMD**. Please see p3 for a detailed ex-dividends list.

Regionally today, **Japan** is due to publish April **trade** statistics just prior to ASX open.

The People's Bank of **China** is expected to announce one- and five-year **loan prime rates** **11.30am AEST**.

In overnight commodities trade, **oil** picked up the pace of Tuesday's fall.

US **gold** futures were pushed higher.

Qingdao **iron ore** (CFR China, 62% fines) fell \$US8.28/t to \$US216.16/t.

Nymex iron ore (CFR China, 62%) declined further, falling below \$US212.00/t.

LME **copper** and other key base metals dropped.

The **\$A** dropped to US77.25c after trading below US77.55c early yesterday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	33896	-165	-0.5
S&P 500	4116	-12	-0.3
NASDAQ	13300	-4	-0.0
FTSE 100	6950	-84	-1.2
DAX 30	15114	-273	-1.8
Shanghai Comp	3511	-18	-0.5

Overseas Markets Commentary

Major European, UK and US equities markets fell on opening

Today's Stock Watch
Qantas Airways (QAN)

Anticipating \$400M - \$450M FY21 EBITDA. \$2.4B cash at 30 April, \$1.6B undrawn debt facilities. Domestic travel revenue is expected to jump ~100% between 1H FY21 and 2H FY21. All Qantas and Jetstar domestic craft have returned to service.

Australian Agricultural Co (AAC)

45% higher, \$45.5M full year NPAT. Meat sales revenue fell 13% to \$200M. Cattle sales revenue dropped 37% to \$65.5M.

Nufarm Ltd (NUF)

NB: NUF has changed its financial year-end. \$58.89M interim (six months to 31 March) NPAT, against a \$121.74M net loss for the six months to 31 January 2020. \$1.65B revenue from \$1.48B, up 11.7%.

Lendlease Group (LLC)

LLC has appointed Hongkong Land CFO and board member Simon Dixon as LLC CFO. LLC acting CFO Frank Krile has been appointed chief risk officer, effective 1 July. Mr Krile remains acting CFO until 30 September.

Advanced Human Imaging (AHI)

Binding terms sheet secured with Jana Care for Jana to integrate its on-device fingerstick blood screening tool Aina with AHI's CompleteScan.

Australian Pharmaceutical Industries (API)

Pfizer (Australia) is transitioning from direct distribution to wholesaler distribution and has chosen API to distribute PBS products non-exclusively to community pharmacies from 1 September. The product list does not include the Pfizer Covid-19 vaccine. API anticipates an additional annualised \$4M EBIT from the new arrangements.

Beacon Lighting (BLX)

Anticipating \$35.5M - \$37.5M FY21 NPAT, against underlying \$20.4M for FY20. Planning to lodge full year results 19 August.

Peppermint Innovation (PIL)

Payments facilitator agreement secured with GCash – G-Exchange, such that bizmoto users can accept direct payments from registered GCash mobile wallet holders in the Philippines.

Resources
Iluka Resources (ILU)

Suspending Sierra Leone rutile operations from 19 November, and withdrawing 2021 Sierra Leone production guidance. Global Metals, Mining & Steel conference presentation lodged post-trade yesterday. ILU dropped 3.55% yesterday, settling at \$8.16.



overnight, but key US indices were ultimately pushed to settle at or near session highs.

US Federal Reserve late-April policy meeting minutes confirmed policy committee member agreement that domestic inflation growth this year would prove transitory.

The minutes also contained talk of pulling back asset purchases should US economic recovery turn broad and 'rapid'.

US treasury yields and the \$US were subsequently pushed higher.

A **European Central Bank** (ECB) financial stability review included warnings regarding corporate debt, weak banking sector profitability, and uneven economic recovery.

Bitcoin and other crypto currencies dropped again.

Yesterday, **China's** regulators prohibited bank and payment businesses from servicing crypto currency transactions.

In the meantime, Wells Fargo joined the list of US banks planning to offer managed funds type crypto investments for select clients.

In overnight data releases, the **UK's** April CPI growth estimate came in at 0.6% for the month and 1.5% year-on-year, roughly in line with expectations.

The rate of increase was double that for March, however.

A final April CPI reading for the **euro zone** confirmed 0.6% growth for the month and 1.6% for the year.

Euro zone new domestic vehicle registrations were reported 218.6% higher for April than for a year earlier.

A 10-year bond auction hosted by **Germany** produced a -0.09% yield from -0.25% previously.

In the **US**, a 20-year bond auction delivered a 2.286% yield, from 2.144%.

US 30-year mortgage rates averaged 3.15% for the week ending 14 May, from 3.11% the previous week.

Weekly mortgage applications rose 3.15% against 3.11%.

Tonight in the **US**, weekly new unemployment claims are due, together with the May Philadelphia Fed manufacturing index and April Conference Board leading index.

Companies listed to report earnings later today and tonight include: Applied Materials, easyJet, Hormel Foods, Kohl's, and Ross Stores.

Germany's markets in the meantime, are heading towards a Monday public holiday weekend.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1881.5	oz	13.5	0.7
Silver (NY) (Jul)	28.03	oz	-0.31	-1.1
Gold (LON) (18 May)	1867	oz		
Platinum	1184	oz	-30	-2.5
WTI Crude (NYMEX Jun)	63.36	bbbl	-2.13	-3.3
Brent Crude (ICE EUR Jul)	66.66	bbbl	-2.05	-3.0
Iron Ore (NYMEX,CHN,62%)	211.96	t	-1.27	-0.6
Copper (LME Ind)	10015	t	-389	-3.7
Nickel	17360	t	-608	-3.4
Aluminium	2417	t	-61	-2.5
Lead	2188	t	-41	-1.8
Zinc	2940	t	-117	-3.8

Pre-Open Announcements

Auckland International Airport (* AIA)

CEO Adrian Littlewood plans to step down late-2021, following ~nine years as AIA CEO.

Mainstream Group (MAI)

MAI has determined an unsolicited \$2.65 cash-per-share scheme of arrangement takeover proposal from Apex Group is superior to that submitted by SS&C.

MAI is enabling SS&C until 25 May (Tuesday next week) to come up with a matching proposal or one that offers more favourable terms.

MAI has traded at \$2.62 - \$2.69 for the week to date.

PainChek Ltd (PCK)

All regulatory clearances in hand to market and sell PainChek Infant in Australia, Canada, Europe, New Zealand, Singapore and the UK.

ResApp Health (RAP)

Presentation lodged pre-trade.

Resources

American Rare Earths (ARR)

Acquiring the Searchlight rare earths elements (REE) exploration project, Nevada, US.

Details lodged pre-trade.

Sunstone Metals (STM)

Selling 70M Copperstone Resources shares off-market at 0.80 SEK (~A12.3c) per share, in a block sale.

STM has also recently sold !12.63M Copperstone shares on-market, at a mean average 0.866 SEK per share.

The combined sales mean an additional \$A10.3M cash for STM.

Funds will be allocated to Ecuador exploration.

STM retains ~71.4M (6.4%) Copperstone shares, valued at ~\$A9.2M.

Hammer Metals (HMX)

The HMX 9.5c-per-share \$1M SPP has closed early and oversubscribed.

HMX has traded at 9.6c – 11.5c for the week to date.

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

SRK spinoff and Argentina Solaroz brine lithium project 90% holder LEL completed a stellar ASX listing yesterday, following a \$9M IPO at 20c per share.

Opened at 38c and traded at 31c - 41c before settling at 37c. 7.17M shares changed hands across 860 transactions.

45M quoted shares.

LEL also owns the Queensland Burke graphite project.

SRK held 43.01% on LEL's listing.



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Commodities Commentary

Oil – Covid-19 containment struggles across a broadening number of nations including India, Singapore, Taiwan, Thailand and Vietnam appeared the largest impact on overnight demand sentiment

In the meantime, Russia indicated it would not be willing to pull back on output plans, the deputy PM offering that markets were sufficiently stable.

A weekly US petroleum inventories report, released overnight by government agency the EIA, included a 1.321MMbbl rise in stored crude, double that indicated by an industry group report released post-US trade Tuesday.

Petrol stocks fell 1.963MMbbl, with production rising 165,000bbl/d against a 442,000bbl daily increase the previous week.

Distillates inventories were estimated 2.324MMbbl lower over the week.

Net crude imports fell by 587,000bbl/d.

Gold – Comex futures were pushed higher overnight as equities sentiment remained weak and after crypto currencies suffered further price drops on China's regulators prohibiting banks and payments firms from offering crypto transaction services.

A stronger \$US (ICE \$US up ~0.5%) did not seem to detract from gold interest.

Base metals – a turn higher for the \$US and an inflation focus appeared the major influences across overnight LME trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7723	-0.0067	-0.86
EUR – USD	1.2175	-0.0065	-0.53

Australian Data Today

ABS	Employment (incl jobs, wages, unemployt rate)	Apr
MelbInst	Consumer inflation expectations	May
RBA	Official reserve assets	Apr
RBA	Forex transactions	Apr

US Data Tonight

Philadelphia Fed manufacturing	May
Initial jobless claims	15 May
Conference Board leading index	Apr

Other Overseas Data Today & Tonight

Japan	Trade balance	Apr
Japan	Tankan indices	Mar
Japan	Machinery orders	Mar

Trading Halts

Company	Code	Resuming
Artemis Resources	ARV	20 May
Manas Resources	MSR	20 May
Province Resources	PRL	20 May
Wiluna Mining Corporation	WMX	20 May
Encounter Resources	ENR	21 May
Equus Mining	EQE	21 May
Toro Energy	TOE	21 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	Today	4.75	40	5.55
KMD	Today	1.57	100	0.00
KPG	Today	0.33	100	2.00
ZEL	Today	13.03	0	0.00
CNI	Mon	5.5	38.18	3.76
ELD	Mon	20	20	1.88
PWG	Mon	2.9	64.48	3.43
AMC	Tue	15.12	0	4.21
IAP	27 May	4.53	0	5.87
CSR	28 May	24	100	1.41
PIA	28 May	1.25	100	4.08
FPC	31 May	3	100	0.00
IPL	31 May	1	100	0.00
ORI	31 May	7.5	0	2.40
WAM	31 May	7.75	100	3.33
WGB	31 May	5	100	1.47

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	APE	AGM (9am)
	AAC	Full year (w/cast tele 10am)
	GXY	AGM (4pm)
	NUF	Interim (w/cast tele 10am)
Tomorrow	88E	AGM (midday)
	ABC	AGM (10am)
	BRK	AGM (midday)



UK	CBI industrial trends orders	Apr
Germany	Producer prices	Apr
Euro zone	Construction output	Mar

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	SYD	AGM (11am)
	SYR	AGM (10am)
Mon	AFP	Full year (tele 10am)
	ALL	Interim
	SHM	AGM
Tue	AWC	AGM
	EN1	AGM
	GRR	AGM
	JHX	Investor day (w/cast 7am)
Wed	GGG	AGM
	VEA	AGM
Thu (27 May)	CGC	AGM
	GOR	AGM
	RSG	AGM
	SKI	AGM
	VHT	Full year (webinar 9am)
Fri (28 May)	APX	AGM
	BFC	AGM
	BNL	AGM
	CTM	AGM
	D2O	AGM
	FNP	AGM
	IVC	AGM
	SNZ	AGM
	XST	AGM
	YAL	AGM