

Markets

SFE 200 Futures (9.30am AEST)	7081	-35	-0.5
NZX 50	12370	29	0.2
DJIA Futures	34322	51	0.2
S&P 500 Futures	4194	8	0.2
NASDAQ Futures	13692	36	0.3

Local Markets Commentary

The Australian market commences mid-week trade with two key domestic economic indicator reports due by late morning.

Overnight international equities trade leads are weak.

Key commodities trade proved mixed.

Locally today, the Australian Bureau of Statistics (ABS) publishes March quarter **construction work**, 11.30am AEST.

Also this morning, Westpac and the Melbourne Institute release a monthly **leading indicators** report, with the leading index expected to continue to come in above trend.

Regionally pre-trade, **New Zealand** has reported a \$NZ388M April trade surplus, following forecasts for a \$NZ100M deficit, and against a \$NZ39M March surplus.

In overnight commodities trade, **oil** prices diverged, Brent crude settling slightly higher and WTI slipping a few cents.

US **gold** futures posted a second consecutive gain.

Qingdao **iron ore** (CFR China, 62% fines) added US45c/t to \$US192.87/t.

Nymex iron ore (CFR China, 62%) continued to fall, settling barely above \$US207.00/t.

LME **copper**, **nickel** and **aluminium** turned slightly lower.

The **\$A** fell below US77.55c after trading at ~US77.70c early yesterday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34312	-82	-0.2
S&P 500	4188	-9	-0.2
NASDAQ	13657	-4	-0.0
FTSE 100	7030	-22	-0.0
DAX 30	15465	28	0.2
Shanghai Comp	3581	84	2.4

Overseas Markets Commentary

Major European, UK and US equities markets opened higher overnight but all key indices settled at or near session lows.

Germany's markets traded for the first time this week.

Trader considerations included mixed data releases, inflation talk and US budget commentary, including proposed corporate tax increases were in focus.

Today's Stock Watch
ALS Ltd (ALQ)

14.6c, 10.2c-franked final dividend, from 6.1c, 1.8c-franked a year ago. 35.1% higher, \$A172.6M full year NPAT. 5.2% lower, \$1.76B revenue.

Mosaic Brands (MOZ)

Anticipating \$48M full year EBITDA, excluding EziBuy, and pending lockdowns.

In addition, MOZ has successfully negotiated a working capital facility extension with a major domestic bank, and new credit facility with top (36%) shareholder Alceon.

Further, MOZ has extended the option period for the proposed acquisition of EziBuy by three months to 30 September.

Fletcher Building (FBU)

Anticipating \$NZ650M - \$NZ665M FY21 EBIT. Today's investor day materials lodged. Conducting a \$NZ300M on-market share buy-back from next month.

IVE Group (IGL)

Anticipating \$98M - \$100M FY21 underlying continuing operations EBITDA. Expecting \$90M - \$100M net debt.

Sezzle Inc (SZL)

New partnership secured with US specialty lighting retailer Lamps Plus, whereby Lamps Plus is offering SZL's buy now, pay later service on an exclusive BNPL option basis.

Etherstack Plc (ESK)

ESK subsidiary Auria Wireless has secured a \$A515,000 Australian Department of Home Affairs contract. ESK has secured six contracts with federal government departments in Australia, Canada and the US within the past 12 months.

Micro-X Ltd (MX1)

US FDA approval in hand for the Rover bedside imager with a new flat panel detector and software.

LiveVerdure Ltd (LV1)

LV1 '13 seeds' oil capsule sales underway on Amazon US.

APA Group (APA)

Today's investor day materials lodged pre-trade.

Resources
Podium Minerals (POD)

Parks Reef PGM project infill drilling has confirmed continuity of mineralisation along a 15km strike.

Element 25 (E25) / OM Holdings (OMH)

OMH is purchasing E25's initial WA Butcherbird manganese project 30% - 35% concentrate. Shipping anticipated June.

Northern Star Resources (NST)

WA 'Super Pit' site visit presentation lodged pre-trade.



Among the overnight data releases, a final March quarter GDP reading for **Germany** represented a 1.8% pullback, following the December 2020 quarter's 0.5% gain, and forecasts of a 1.7% fall for the first quarter of the year.

Year-on-year, GDP was down 3.1%.

The IFO business climate index for Germany came in as a 2.6-point rise to 99.2. Both the current conditions and expectations component indices rose beyond expectations.

In the **UK**, April public sector borrowing remained high, this mostly attributed to Covid-19 management measures.

The CBI industrial trades index fell from 20 to 18, against forecasts of a jump to 34.

In the **US**, April new home sales dropped 5.9% for the month, market watchers mostly citing rising prices.

The May Richmond Fed manufacturing index surprised on the upside, rising from 17 to 18 and defying expectations of a decline to 15.

The Conference Board consumer confidence index slipped to 117.2 from 117.5.

The FHFA March residential property price index came in 1.4% higher for the month and 13.9% higher year-on-year.

Case-Shiller's home price index represented a 2.2% monthly increase and 13.3% year-on-year gain.

The \$US in the meantime traded at 4.5-month lows.

Tonight in the **US**, weekly mortgage applications are due.

No major data releases are due for other key trading nations, either.

Companies scheduled to report earnings later today and tonight include: Lukoil, Marks & Spencer, NVIDIA, Pinduoduo, Snowflake, Williams-Sonoma and Workday.

Meanwhile, UK and US markets are heading towards a Monday public holiday weekend.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1898	oz	13.5	0.7
Silver (NY) (Jul)	28.06	oz	0.15	0.5
Gold (LON) (24May)	1880	oz		
Platinum	1188	oz	18	1.5
WTI Crude (NYMEX Jun)	66.01	bbbl	-0.04	-0.1
Brent Crude (ICE EUR Jul)	68.63	bbbl	0.17	0.3
Iron Ore (NYMEX,CHN,62%)	207.01	t	-1.19	-0.6
Copper (LME Ind)	9937	t	-11	-0.1
Nickel	17090	t	-25	-0.2
Aluminium	2384	t	-2	-0.1
Lead	2162	t	21	1.0
Zinc	2981	t	34	1.1
Tin	29510	t	-205	-0.7

Commodities Commentary

Oil – overnight prices appeared mostly pushed and pulled by varying supply and demand scenarios, a further \$US fall, and caution displayed across major equities markets.

Pre-Open Announcements

Link Administration Holdings (LNK)

LNK lodged an extract of additional draft information provided by PEXA to LNK post-trade yesterday.

LNK continues to investigate options for its PEXA holding.

AMA Group (AMA)

Workshop vehicle volumes are continuing to improve, almost reaching pre-Covid levels.

Fonterra Shareholders' Fund (FSF)

2% higher year-on-year, \$NZ603M NPAT for the nine months to 30 April.

Normalised NPAT came in at \$NZ587M, 61% higher year-on-year.

Challenges continue, such that full year earnings are expected within the middle of the forecast range.

New FY20-21 and FY21-22 farmgate milk price range forecast lodged pre-trade.

1st Group (1ST)

Following a request for a board spill meeting, the 1st board has reigned, together with interim CEO Louise McElvogue.

The 1ST board now comprises directors Klaus Bartosch, Stephe Wilkes and Ross McCreath.

TZ Ltd (TZL)

TZL has extended the company's 12c-per-share retail rights issue offer until 7 June.

TZL has traded at 12c – 16.5c over the past five trading sessions, settling each session at 12c – 12.5c.

Metal Tiger Plc (* MTR)

Natural resources-focused investment company scheduled to list on the ASX 10.30am AEST **tomorrow**, on a 1:1 CDI : ordinary share basis

~9.11M quoted shares/CDIs.

Pepper Money (PPM)

Non-bank loans provider completed its ASX listing yesterday, following an ~\$500M IPO at \$2.89 per share.

Opened at \$2.61 and traded at \$2.41 - \$2.735 before settling back at \$2.61.

~16.83M shares were traded across ~9000 transactions.

Trading commenced on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence Thursday.

439.5M quoted shares.

BSP Financial Group (BFL)

Papua New Guinea National Stock Exchange (PNGX) - listed banking and financial services provider in PNG, South Pacific and South East Asia completed its ASX listing yesterday.

The ASX listing will be BFL's primary listing.

467.22M quoted shares.



Weekly US inventories are due from government agency the EIA tonight.

A US petroleum industry report published overnight, post-US trade, included a 439,000bbl draw on stored crude.

Gold – consecutive overnight price gains were attributed mostly to a yet lower \$US and ongoing inflation talk.

Comex futures failed to settle above \$US1900/oz, however.

US budget commentary and key data are expected to influence sentiment through the second half of the week.

Base metals – a \$US at 4.5-month lows, and indications of tight supply for *copper*, contained select overnight price falls.

Yesterday, **China's** National Development and Reform Commission outlined a five-year (2021 – 2025) plan which included a proposed mechanism for ensuring commodity price stability.

China is expected to report April industrial profits tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7751	-0.0002	-0.03
EUR – USD	1.2251	0.0028	0.23

Australian Data Today

ABS	Construction work done (prelim)	Mar Q
Wstpc/MelbInst	Leading index	Apr

US Data Tonight

MBA mortgage applications	21 May
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Other Overseas Data Today & Tonight

Japan	Leading economic index (final)	Mar
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Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Resources

WA Kaolin (WAK)

15-year LNG supply deal secured with Mid-West LNG for WAK's WA Wickepin kaolin project.

VRX Silica (VRX)

WA Arrowsmith North silica sand project update lodged post-trade yesterday.

In response to an ASX query, VRX says market speculation regarding environmental approval and permitting processes could be responsible for price drops amid relatively high-volume trade the past two trading sessions.

VRX settled 12.28% and 12% lower Monday and yesterday respectively, settling at 22c yesterday after closing out last week at 28.5c.

Hyperion Metals (HYM)

Tennessee, US Titan mineral sands-rare earths project holding boosted 55% to 5964 acres via additional option agreements.

European Lithium (EUR)

Battery Metals Day webinar scheduled to commence 1pm AEST tomorrow.

Energy

Strike Energy (STX) / Warrego Energy (WGX)

Planning to recommence WA onshore Perth Basin EP 469 WE4 clean-up and flow testing early June.

WE5 intermediate section pressure tested, ahead of final production section drilling to primary targets.

STX 50% and operator; WGX 50%.

Deep Yellow (DYL)

Conference presentation lodged post-trade yesterday.

Trading Halts

Company	Code	Resuming
1414 Degrees	14D	26 May
Aldoro Resources	ARN	26 May
BNK Banking Corporation	BBC	26 May
Envirosuite Ltd	EVS	26 May
Latitude Consolidated	LCD	26 May
MyState Ltd	MYS	26 May
Navarre Minerals	NML	26 May
Odyssey Gold	ODY	26 May
Vital Metals	VML	26 May
Winchester Energy	WEL	26 May
DevEx Resources	DEV	27 May
Memphasys Ltd	MEM	27 May
Mercantile Investment Company	MVTHA	27 May
Metro Mining	MMI	27 May
Suvo Strategic Minerals	SUV	27 May
VRX Silica	VRX	27 May

**Suspensions** *(select)*

Company	Code	Since
DomaCom Ltd	DCL	11 May
Holista Colltech	HCT	18 May
Roots Sustainable Agricultural Tech	ROO	17 May
Sayona Mining	SYA	25 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
WHF	Today	10.25	100	3.45
IAP	Tomorrow	4.53	0	5.93
ALL	Fri	15	100	0.24
CSR	Fri	24	100	1.46
GCI	Fri	0.77	0	4.25
PIA	Fri	1.25	100	4.02
QRI	Fri	0.82	0	5.97
TCF	Fri	3	0	1.44
FPC	Mon (31 May)	3	100	0.00
IPL	Mon	1	100	0.00
ORI	Mon	7.5	0	2.45
WAM	Mon	7.75	100	3.30
WGB	Mon	5	100	1.46

Reports & Events*(selected; all times AEST)*

When	Company	Report/Event
Today	ALQ	Full year
	APA	Investor day
	BLY	AGM
	CAT	Full year
	FBU	Investor day (w/cast 9am)
	GGG	AGM
	RKN	AGM
	VEA	AGM
Tomorrow	CGC	AGM
	FPH	Full year (w/cast 8am)
	GOR	AGM
	RSG	AGM
	SKI	AGM
	VHT	Full year (webinar 9am)
Fri	APX	AGM
	BFC	AGM
	BNL	AGM
	CTM	AGM
	D2O	AGM



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IVC	AGM
SHV	Interim (webinar & w/cast 1pm)
SNZ	AGM
TGA	Full year
XST	AGM
YAL	AGM