

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	7181	6	0.1
<b>NZX 50</b>	12245	63	0.5
<b>DJIA Futures</b>	34561	48	0.1
<b>S&amp;P 500 Futures</b>	4210	7	0.2
<b>NASDAQ Futures</b>	13717	30	0.2

**Local Markets Commentary**

The Australian market opens a new week's trade on the last trading day for May with material domestic and regional economic data due ahead of a Reserve Bank of Australia (RBA) policy meeting tomorrow.

UK and US markets are closed tonight. Overnight Friday UK and US equities trade sentiment proved weak.

Since then, Vietnam has announced the determination of a hybrid Covid-19 variant, comprising both the UK and Indian strains, further fuelling concerns at rising Covid-19 daily diagnoses across several greater Asia regions, and the likely pace of global economic recovery.

Locally today, the RBA publishes monthly financial aggregates, including **private sector credit**, **11.30am AEST**.

Also this morning, the Melbourne Institute releases its monthly **inflation gauge**.

Post-ASX trade, the RBA reports monthly international reserves and foreign currency liquidity.

Stocks trading **ex-dividend** today include **IPL, ORI** and **WAM**. Please see p3 for a detailed ex-dividend list.

**Regionally** today, **China** is expected to reveal official (NBS) May **PMIs** at **11am AEST**.

**Japan** is scheduled to report initial April **industrial production** and **April retail sales** **9.50am**.

In overnight Friday commodities trade, WTI **crude** swung lower. Brent crude continued to settle higher, albeit slightly.

US **gold** futures posted a moderate rise.

Qingdao **iron ore** (CFR China, 62% fines) turned US78c/t higher, to \$US190.51/t, marking a 10% decline for the week.

Nymex iron ore (CFR China, 62%) declined modestly to close below \$US206.40/t.

LME **copper, nickel** and **aluminium** continued variously stronger, aluminium just slightly so.

The **\$A** declined further, to ~US77.10c, after falling to ~US77.25c early Friday evening.

**Overseas Markets.**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34529	65	0.2
<b>S&amp;P 500</b>	4204	3	0.1
<b>NASDAQ</b>	13749	12	0.1

**Last trading day for May**
**Today's Stock Watch**
**Link Administration Holdings (LNK) / Domain Holdings Australia (DHG)**

44% LNK-held PEXA is proposing to conduct an IPO. An underwritten price from a bookbuild has valued PEXA at \$3.3B. LNK anticipates at least \$50M cash from the IPO.

DHG confirms a consortium plan to acquire a holding in PEXA owner Torrens Group Holdings has been called off.

**Noxopharm Ltd (NOX)**

An independent clinical trial involving Novartis' Lu-PSMA as a treatment for late-stage progressive metastatic castrate-resistant prostate cancer produced an 11.6-month median overall survival. However, a previous trial, using both Lu-PSMA and NOX's Veyonda, resulted in a 19.7-month survival.

**Nuix Ltd (NXL)**

Anticipating \$173M - \$182M FY21 pro forma revenue, against \$180M - \$185M predicted 21 April. Proforma EBITDA remains unchanged at \$64.6M - \$66.6M. Expecting \$165M - \$172M annualised contract value, against \$168M - \$177M. NXL says its forecasts remain 'susceptible to a number of risk factors'.

**REA Group (REA)**

Proposing to combine the REA Malaysia and Thailand businesses with PropertyGuru. REA expects to receive an 18% holding in PropertyGuru, and an overall \$A10M divestment gain. REA will also nominate a representative to the PropertyGuru board. Completion is anticipated in July.

**Dexus Property Group (DXS)**

Expecting FY21 3% distribution growth, against previous on-par with FY20 guidance. Full year results due 17 August.

**Advanced Human Imaging (AHI)**

Binding term sheet secured to integrate CompleteScan with Netherlands-headquartered Inter-Psy's Health I Check.

**Resources**
**OM Holdings (OMH) / Lynas Rare Earths (LYC)**

OMH is withdrawing FY21 production guidance, as a result of temporarily shutting down the group's Sarawak, Malaysia smelter operations.

OMH was ordered on Friday to close three worker dormitories at the smelter complex due to some employees testing positive for Covid-19. The dormitories housed a majority of the operations' skilled production workers. In addition, existing inventory shipments are expected to be delayed.

An LYC Malaysia operations update is anticipated.



FTSE 100	7023	3	0.0
DAX 30	15520	113	0.7
Shanghai Comp	3601	-8	-0.2

### Overseas Markets Commentary

Domestic and select sector considerations largely impacted trade across major European, UK and US equities markets overnight Friday, each opening positive, but the NASDAQ and S&P500 settling almost at session lows, the DJIA mostly maintaining gains, the FTSE100 featuring marked chop and the DAX30 trending higher.

The US president's FY 22 budget proposal speech, scheduled to commence as US equities markets closed, proved in focus as did Covid-19 developments.

In Covid-19 developments, UK experts and administrators continued to differ over views of summer restriction easings, as France confirmed quarantine arrangements for UK travellers.

Earlier Friday, Japan extended by 20 days a Covid-19 state of emergency covering Tokyo and several other regions across the nation.

During overnight Friday international trade, Malaysia announced a two-week lockdown, commencing tomorrow, following a fourth consecutive day of record Covid-19 daily diagnosis tallies.

Overnight Friday data releases included a **euro zone** economic confidence reading of 114.5, representing a four-point rise for the month, exceeding increase expectations by ~50%.

**Germany's** April import prices were reported 1.4% higher for the month following a 1.8% March increase and against expectations of a new 0.8% rise.

Against April 2020, prices were 10.3% higher.

In the **US**, April personal **income** dropped 13.1% against a 20.9% March jump.

By contrast, personal **spending** was estimated 0.5% higher.

April wholesale inventories grew 0.8% following a 1.1% March rise.

The Chicago PMI was estimated at 75.2, from 72.1, following forecasts of a 3.1-point decline.

The University of Michigan's national May **consumer sentiment** reading was finalised at 82.9, representing a 5.4-point drop for the month.

In the meantime a **personal consumption expenditures** (PCE) index was estimated 0.6% higher for the month.

The PCE reading was up 3.6% against that for April 2020.

**Tonight**, Germany is scheduled to reveal an initial May CPI estimate.

**NB: UK and US markets will remain closed tonight due to public holidays.**

Commodities				
COMMODITY	CLOSE	\$/US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1905.3</b>	oz	6.8	0.4
<b>Silver (NY) (Jul)</b>	<b>28.05</b>	oz	0.10	0.4
<b>Gold (LON)</b>	<b>1890</b>	oz	9	0.5

## Pre-Open Announcements

### The a2 Milk Company (\* A2M)

In response to media reports of a potential calls action under investigation by a law firm, A2M says it has not been made aware of any legal proceedings having been filed, and believes the company has remained in compliance with disclosure regulations.

### Mastermyne Group (\* MYE)

\$600M - \$660M, seven-year mining services contract secured with the Sojitz Blue-operated Gregory Crinum project.

### Global Energy Ventures (\* GEV)

MoU secured with German-headquartered ILF Beratend Ingenieure for the proposed identification and development of green hydrogen projects in Europe and Australia.

### Air New Zealand (\* AIZ)

Carried 866,000 passengers during April, against 15,000 for April 2020. For the financial year-to-date, the passenger tally is 47% below that of a year ago.

### Spark Infrastructure (\* SKI)

SKI 15% - held TransGrid has reached FID to construct the 900km Robertstown, SA – Wagga Wagga NSW electricity interconnector.

### Zimi Ltd (\* ZMM)

Steel-Line Garage Doors has ordered 3250 ZMM devices worth a total \$200,000.

### Synlait Milk (\* SM1)

Raising the 2020 - 2021 forecast base milk price to \$NZ7.55 per kilogram of milk solids (kgMS) from \$NZ7.20/kgMS. Anticipating releasing full year results 27 September and confirming the final milk price at that time. A 2021 – 2022 price update is promised for then, also.

### Thorn Group (TGA)

1c final dividend from nil a year ago and a 8.5c special dividend paid November 2020. \$8.396M full year NPAT, from an \$81.068M net loss a year ago. 49% lower, \$104.134M continuing operations revenue.

### TZ Ltd (TZL)

Anticipating \$3M FY22 recurring revenue, against previous \$2.5M guidance. Expecting US purchase orders closed during FY21 in the US to exceed \$US9M.

## Resources

### Twenty Seven Co (\* TSC)

Mt Dimer gold and silver project initial resource estimated at 722,000t @ 2.10g/t Au and 3.84g/t Ag, for 48,545oz of gold and 89,011oz of silver.



Platinum	1177	oz	3	0.3
WTI Crude (NYMEX Jun)	66.32	bbl	-0.53	-0.8
Brent Crude (ICE EUR Jul)	69.63	bbl	0.17	0.2
Iron Ore (NYMEX,CHN,62%)	206.37	t	-0.64	-0.3
Copper (LME Ind)	10259	t	37	0.4
Nickel	18109	t	217	1.2
Aluminium	2480	t	2	0.1
Lead	2192	t	-10	-0.4
Zinc	3059	t	-1	-0.0
Tin	31075	t	890	3.0

### Commodities Commentary

**Oil** – demand and supply views reportedly mostly influenced overnight Friday trade.

An OPEC+ meeting scheduled to commence later tomorrow is expected to continue with a plan agreed earlier this year to gradually ease output curbs.

Extended and new Covid-19 - related lockdowns across the greater Asia region tested increased demand optimism, as speculation continued as to the chances of Iranian petroleum trade sanctions being lifted this year.

Also overnight Friday, a weekly US petroleum drill rig report included a further three operating oil rigs, taking the tally to 359 against 222 the same time last year.

In the meantime, US government data revealed March crude output rose 14.3% to 11.2MMbbl/d.

Brent crude closed out May 3.5% higher, and WTI up 4.3%.

**Gold** – overnight Friday trade was influenced by a plethora of commentary ahead of the US president's speech outlining his economic growth vision and the total FY22 budget spend he would like to see approved by Congress in support of this.

Comex futures added ~7.7% for May.

Key data out this week, in particular out of the US and Asia, is expected to swing some gold sentiment.

**Base metals** – overnight Friday LME trade featured swings, in part due to expectations of improved US infrastructure spending, supply constraints amid end-of month considerations.

Meanwhile, the Democratic Republic of Congo (DRC) was reported to have given the go-ahead to select producers to export *copper* and *cobalt* concentrate.

Tin prices continued to benefit from disrupted DRC exports, however.

China's official (NBS) May PMIs are anticipated today but will not influence any LME or Comex trade until tomorrow night as UK and US markets are closed tonight.

### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7713	0.0001	0.02
EUR – USD	1.2194	0.0000	0.00

### Australian Data Today

RBA	Financial aggregates (incl private sector credit)	Apr
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### Black Cat Syndicate (BC8)

The Fingals mining centre resource has grown 150%, to 3.7Mt @ 1.9g/t Au, for 222,000oz of gold, since BC8's acquisition.

### Trading Halts

Company	Code	Resuming
3D Resources	DDD	31 May
Centaurus Metals	CTM	31 May
DevEx Resources	DEV	31 May
Immuron Ltd	IMC	31 May
Kingwest Resources	KWR	31 May
Prominence Energy	PRM	31 May
Genetic Technologies	GTG	1 Jun
Latin Resources	LRS	1 Jun
Odyssey Gold	ODY	1 Jun
Traka Resources	TKL	1 Jun

### Suspensions (select)

Company	Code	Since
DomaCom Ltd	DCL	11 May
Metro Mining	MMI	27 May

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FPC	Today	3	100	0.00
IPL	Today	1	100	0.00
MOT	Today	0.92	0	6.91
MXT	Today	0.76	0	4.61
ORI	Today	7.5	0	2.40
PGG	Today	0.68	0	4.89
WAM	Today	7.75	100	3.33
WGB	Today	5	100	1.47
ISU	Tomorrow	1	0	0.00
NBI	Tomorrow	0.7	0	4.75
UMG	Wed	2	0	0.89
TNE	Thu	3.82	60	1.40

### Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	AIZ	April
	DTS	AGM
	LRS	AGM
	TGA	Full year
Tomorrow	FPH	Investor day #1 of 3



MelInst	Inflation gauge	May
RBA	International reserves (4.30pm)	May
RBA	Foreign currency liquidity (4.30pm)	May

### Overseas Data Today & Tonight

<b>China</b>	NBS PMIs	May
<b>Japan</b>	Industrial production (prelim)	Apr
Japan	Retail sales	Apr
Japan	Consumer confidence (3pm AEST)	May
<b>Germany</b>	CPI	May
<b>Euro zone</b>	Loans to households & businesses	Apr

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Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

	IKE	Full year (tele 11am)
<b>Wed</b>	FPH MP1	Investor day #2 of 3 Virtual Edge briefing (webinar 8.30am)
<b>Thu</b>	FPH	Investor day #3 of 3

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