

## Markets

|                                      |       |      |      |
|--------------------------------------|-------|------|------|
| <b>SFE 200 Futures</b> (9.30am AEST) | 7825  | 42   | 0.5  |
| <b>NZX 50</b>                        | 11889 | -108 | -0.9 |
| <b>DJIA Futures</b>                  | 38895 | 11   | 0.0  |
| <b>S&amp;P 500 Futures</b>           | 5370  | 4    | 0.1  |
| <b>NASDAQ Futures</b>                | 19093 | 19   | 0.1  |

## Local Markets Commentary

The Australian market opens today's trade with further material domestic economic indicators due, ahead of an anticipated interest rate cut for the euro zone tonight, following one for Canada overnight.

US equities markets gained ~0.2% - ~2.0% overnight.

**Locally** today, the Australian Bureau of Statistics (ABS) is due to report April **finance approvals**, including for housing, and also April **international (goods) trade** figures, each at 11.30am AEST.

At the same time, the ABS releases a payrolls report for the week ending 11 May.

**Regionally** today, **Japan** is scheduled to host a 30-year government bond auction this afternoon, after reporting last week's foreign bond investment just prior to the ASX open.

**South Korea's** markets are **closed today** due to a public holiday.

Markets in China and Hong Kong will be closed Monday.

In overnight **commodities** trade, **oil** swung greater than 1.0% higher.

US **gold** (Comex) futures turned similarly, closing above \$US2375.0/oz.

**Iron ore** (Nymex CFR China, 62% Fe) extended its current drop, settling just above \$US107.00/t.

LME (3mth evening) **copper** and **nickel** continued lower, nickel by ~4%. **Aluminium** turned to fall by greater than 1.5%.

The **\$A** maintained range after trading at ~US66.45c - ~US66.55c early yesterday evening.

## Overseas Markets

| INDEX                     | CLOSE | +/- | %    |
|---------------------------|-------|-----|------|
| <b>Dow Jones</b>          | 38807 | 96  | 0.2  |
| <b>S&amp;P 500</b>        | 5354  | 63  | 1.2  |
| <b>NASDAQ</b>             | 17188 | 331 | 2.0  |
| <b>FTSE 100</b>           | 8247  | 15  | 0.2  |
| <b>DAX 30</b>             | 18576 | 170 | 0.9  |
| <b>Shanghai Composite</b> | 3065  | -26 | -0.8 |

## Overseas Markets Commentary

Most major European, UK and US equities markets posted early gains overnight, but intra-session trade varied markedly.

## The ASX will be closed Monday

Trades executed today will settle Tuesday next week (11 June)

Tomorrow's trades will settle Wednesday next week (12 June)

## Today's Stock Watch

### IDP Education (IEL)

Investor briefing scheduled to commence 10am AEST.

Cost reductions underway following the introduction of government policy expected to reduce international student numbers.

Expecting to lodge a further update, together with full year results, 29 August.

### SkyCity Entertainment Group (SKC)

Anticipating \$120M - \$125M FY24 underlying NPAT and \$280M - \$285M underlying EBITDA.

This, against previous respective guidance of \$NZ125M - \$NZ135M and \$NZ290M - \$NZ310M.

Planning to lodge full year results 22 August.

### HealthCo Healthcare and Wellness REIT (HCW)

Reporting unaudited \$37M (2.3%) valuation growth for the six months to 30 June.

### Structural Monitoring Systems (SMN)

Anticipating \$23.38M FY24 revenue, 27% higher than for FY23.

\$3.38M EBITDA expected.

### Telix Pharmaceuticals (TLX)

\$US200M US IPO underway.

## Resources

### Mineral Resources (MIN)

Morgan Stanley Infrastructure Partners has agreed to pay \$1.1B upfront for a 49% interest in the MIN Onslow iron project 150km dedicated haul road.

A \$200M deferred payment is run-rate contingent.

Additional details, including a per-tonne tolling fee for transported iron ore, lodged post-trade yesterday.

MIN anticipates \$1.2B post-tax net cash.

### Voltaic Strategic Resources (VSR)

Rock chip sampling has confirmed WA Meekatharra project polymetallic prospectivity.

Assays demonstrating the presence of copper, gold, silver and zinc lodged this morning.

### Coronado Global Resources (CRN)

This evening's AGM materials lodged pre-trade.



In the US, economic data again pointed to a likely easing of interest rates prior to any move higher and supported views of at least one cut before year's end.

This pushed the S&P 500 and NASDAQ to new record peak settlements, the technology sector in particular benefiting from the improved rates outlook.

The **Bank of Canada** convened a policy meeting which resulted in a 0.25% cut in the benchmark interest rate to 4.75%. This was the first Bank of Canada rate reduction in four years.

In geopolitical developments, Hamas reiterated any Hamas-Israeli ceasefire agreement hinged on Israel's permanent withdrawal and a complete hostage and prisoner swap.

Earlier yesterday, Australia reported 0.1% March quarter GDP growth for the three months, and 1.1% on an annualised basis. This slightly undershot consensus, and followed respective 0.3% (revised +0.1%) and 1.6% figures for the December quarter 2023.

Despite this, the Reserve Bank of Australia (RBA) governor confirmed to a parliamentary committee, also yesterday, that interest rates would not be reduced while inflation rates remained elevated, despite the central bank confirming its view that the domestic economy was proving particularly weak.

Meanwhile, Caixin published a May services PMI for China that represented beyond-expectations expansion for the month.

Among overnight **economic data** releases, **euro zone** April producer prices fell 1.0%, against expectations for a 0.5% decline, the same rate at which prices fell in March.

Against April 2023, prices were down 5.7% against the March 7.8% annualised fall.

A final May services PMI for the euro zone came in at 53.2 from an initially estimated 53.3, representing a 0.1-point fall also for the month.

In **Germany**, a 54.2 final May services PMI represented a 0.3-point upward revision of the initial estimate and a one-point improvement on the recorded April reading.

May new car registrations dropped by 4.3% year-on-year against a 19.8% annualised April jump.

In the **UK**, April new car sales were reported 1.7% higher than for April 2023, following a 1.0% March annualised increase.

The May services PMI for the UK was finalised at 52.9, confirming a 2.1-point drop for the month.

**Russia** reported annualised 4.4% GDP growth for April following 4.2% for March.

In the **US**, the ISM's May non-manufacturing index improved further than anticipated, into expansion territory, calculated at 53.8 from April's contractionary 49.4. Forecasters had anticipated a slighter rise to 50.8.

A May private sector employment report included an estimated 152,000 new jobs against consensus for 175,000 following 188,000 in April.

Weekly mortgage applications fell 5.2% after dropping by 5.7% the previous week.

The mean average 30-year mortgage rate came in at 7.07% from 7.05%.

**Tonight** in the US, weekly new unemployment claims are due, together with a May job cuts report and April international trade

## Pre-Open Announcements

### **Osteopore Ltd (\* OSX)**

Heralding positive outcomes from the partnership formed with NDCS and A\*STAR December 2021.

### **McGrath Ltd (MEA)**

Paying a 1.6c fully franked dividend that won't impact the proposed acquisition of MEA by RPAA Holdings.

### **Identitii Ltd (ID8)**

Resuming from a trading halt with major ID8 shareholder Beauvais Capital underwriting the one-for-two, 1c-per-share rights issue by up to \$900,000.

In addition, the rights offer closing date has been pushed back to 4 July.

ID8 has traded at 0.9c – 1.0c for the past three weeks.

### **Bluechiip Ltd (BCT)**

New workstation, with enhanced capability to manage samples that need to be retained at ultra-low temperatures, launched overnight at the BIO International Conference, San Diego, California, US.

### **Mirrabooka Investments (MIR)**

May performance, plus top 20 investments and sector exposure at 31 May, lodged post-trade yesterday.

### **Clean TeQ Water (CNQ)**

Pushing back the closing date for the 31c-per-share SPP to 21 June.

CNQ has traded at 26c – 28c for the week to date.

## Resources

### **Hillgrove Resources (HGO)**

HGO has appointed former Evolution Mining (ASX: EVN) COO Bob Fulker as MD, effective 1 July.

Mr Fulker is taking over from Lachlan Wallace who is resigning for personal reasons.

### **Australian Rare Earths (AR3)**

AR3 co-founder and non-executive director Bryn Jones is retiring from the AR3 board, effective 21 June.

Mr Jones has been appointed, effective 1 July as a director of 5E Advanced Materials (5EA) and remains entX Ltd MD and a non-executive director of ASX-listed uranium companies Boss Energy (BOE) and DevEx Resources (DEV).

Mr Jones intends to remain an AR3 major shareholder. Mr Jones currently holds 10.16% of AR3.

### **Redivium Ltd (RIL) / Classic Minerals (CLZ)**

RIL and CLZ have against pushed back the completion data for CLZ's proposed purchase of RIL Forresteria project tenement interests.

Conditions lodged post-trade yesterday.

### **Zeus Resources (ZEU)**

The ASX has deemed that ZEU 'has failed to adequately



statistics.

Elsewhere, the **European Central Bank** convenes a much-anticipated policy meeting and announces outcomes.

### Commodities

| COMMODITY                              | CLOSE  | \$US/ | +/-   | %    |
|--|--------|-------|-------|------|
| <b>Gold</b> (COMEX 100 Aug)            | 2375.5 | oz    | 28.1  | 1.2  |
| <b>Silver</b> (COMEX 5000 Jul)         | 30.07  | oz    | 0.45  | 1.5  |
| <b>Platinum</b>                        | 995    | oz    | 6     | 0.6  |
| <b>WTI Crude</b> (NYMEX Jul)           | 74.07  | bbbl  | -0.82 | 1.1  |
| <b>Brent Crude</b> (ICE EUR Aug)       | 78.41  | bbbl  | -0.89 | 1.2  |
| <b>Iron Ore</b> (NYMEX CHN port;62%Fe) | 107.02 | t     | -0.67 | -0.6 |
| <b>Copper</b> (LME 3mth Evening)       | 9943   | t     | -21   | -0.2 |
| <b>Nickel</b>                          | 18337  | t     | -778  | -4.1 |
| <b>Aluminium</b>                       | 2632   | t     | -42   | -1.6 |
| <b>Lead</b>                            | 2236   | t     | -13   | -0.6 |
| <b>Zinc</b>                            | 2871   | t     | -71   | -2.4 |
| <b>Tin</b>                             | 31371  | t     | -611  | -1.9 |

### Commodities Commentary

**Oil** – data release-driven optimism regarding at least one reduction in US interest rates this year appeared to push aside demand versus supply concerns overnight.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 1.233MMbbl rise in crude stocks, a 2.102MMbbl increase for petrol in storage, and a 3.197MMbbl climb for distillate.

Price gains were considered tempered however, by Saudi Arabia cutting its Asia delivery light crude price for the first time in five months.

Overnight Tuesday, post-US trade, the American Petroleum Institute (API) had published a weekly report which had included a 4.052MMbbl build for US crude stocks last week.

**Gold** – fresh weaker-than-anticipated US economic data supported views of a US interest rate cut and hence increased gold demand.

Together with perceived bargain-buying on recent price pullbacks, this pushed prices higher overnight.

**Base metals** – positive data for China, global economic growth prospects commentary and currency swings pushed and pulled overnight base metals sentiment.

Caixin's May services PMI for China, released yesterday, confirmed expansion, rising by 1.5 to 54.0, against expectations for a 0.5 improvement to 52.6.

May international trade figures are expected out of China tomorrow.

### Exchange Rates

| CURRENCIES       | LAST   | +/-     | %     |
|------------------|--------|---------|-------|
| <b>AUD – USD</b> | 0.6651 | -0.0018 | -0.27 |
| <b>EUR – USD</b> | 1.0874 | -0.0005 | -0.05 |

respond' to recent ASX queries regarding the company's March quarterly report, and has lodged both the ASX queries and ZEU's responses.

ZEU trade remains suspended.

### Adelong Gold (ADG)

Pleading ignorance in response to an ASX price query.

ADG added 0.2c (50%) yesterday, closing at 0.6c following the exchange of 89.9M shares across 203 transactions.

### Energy

#### Blue Star Helium (BNL)

Announcing deals intended to enable BNL CO<sub>2</sub> production from the Colorado, US Serenity project.

### Trading Halts

| Company            | Code | Resuming |
|--------------------|------|----------|
| Caprice Resources  | CRS  | 7 Jun    |
| Equinox Resources  | EQN  | 6 Jun    |
| Firetail Resources | FTL  | 6 Jun    |
| Genetic Signatures | GSS  | 6 Jun    |
| Lincoln Minerals   | LML  | 7 Jun    |
| LTR Pharma         | LTP  | 6 Jun    |
| Novonix Ltd        | NVX  | 7 Jun    |
| Star Minerals      | SMS  | 6 Jun    |
| Top End Energy     | TEE  | 7 Jun    |

### Suspensions (selected)

| Company                                    | Code | Since  |
|--|------|--------|
| Ausgold Ltd                                | AUC  | 5 Jun  |
| Australian Vintage                         | AVG  | 27 May |
| NT Minerals                                | NTM  | 24 May |
| Orexplore Technologies ( <i>in admin</i> ) | OXT  | 13 May |
| Zeus Resources                             | ZEU  | 27 May |

### Ex-Dividends

| Code | Ex-Div       | Div (c) | Franking (%) | Yield (%) |
|------|--------------|---------|--------------|-----------|
| ALQ  | Wed (12 Jun) | 19.6    | 20           | 2.71      |
| TWR  | Wed          | 2.36    | 0            | 0.00      |
| CIA  | 13 Jun       | 11.02   | 0            | 3.49      |
| IPL  | 13 Jun       | 4.3     | 0            | 5.03      |
| PL8  | 13 Jun       | 0.55    | 100          | 5.43      |
| WQG  | 13 Jun       | 1.74    | 100          | 4.42      |



**Australian Data Today**

|     |                     |        |
|-----|---------------------|--------|
| ABS | International trade | Apr    |
| ABS | Lending indicators  | Apr    |
| ABS | Weekly payrolls     | 11 May |

**US Data Tonight**

|                        |  |       |
|------------------------|--|-------|
| Initial jobless claims |  | 1 Jun |
| Challenger job cuts    |  | May   |
| International trade    |  | Apr   |

**Other Overseas Data Today and Tonight**

|                  |                             |       |
|------------------|-----------------------------|-------|
| <b>Japan</b>     | Foreign bond investment     | 1 Jun |
| <b>UK</b>        | Construction PMI            | May   |
| <b>Germany</b>   | Factory orders              | Apr   |
| Germany          | Construction PMI            | May   |
| <b>Euro zone</b> | ECB policy meeting outcomes | 6 Jun |
| Euro zone        | Retail sales                | Apr   |
| Euro zone        | Construction PMI            | May   |

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