

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	7765	-15	-0.2
<b>NZX 50</b>	11663	-92	-0.8
<b>DJIA Futures</b>	39629	-13	0.0
<b>S&amp;P 500 Futures</b>	5243	-3	-0.1
<b>NASDAQ Futures</b>	18251	-4	0.0

## Local Markets Commentary

The Australian market commences a new week's trade with fresh material data in hand from China, a key domestic economic report due and two domestic banks trading ex-dividend, amid potential economic growth speculation, ahead of the Australian treasurer's delivery of the national annual budget later tomorrow.

US equities markets settled 0.3% higher at best overnight Friday.

Since overnight Friday trade, Ukraine has pleaded for further international assistance following an attempted new border incursion by Russia.

Meanwhile, international alliances have been tested by a UN general assembly vote in favour of UN membership for Palestine.

**Locally** today, NAB releases its April **business survey** (including **confidence** and current **conditions**) report at **11.30am** AEST.

Stocks trading **ex-dividend** today include **ANZ** and **MQG**. Please see pp3-4 for a detailed ex-dividends list.

**Regionally**, over the weekend, **China** reported a drop in April **new lending**, from 3.09 trillion yuan for March to 739B, against forecasts for a slighter decline to 1.2B.

The republic's April **producer prices** were calculated 2.5% lower year-on-year following a 2.8% annualised March fall. Forecasters had anticipated a slowing decline but by 2.3%.

China's April CPI represented 0.1% **inflation** for the month, following 1.0% March deflation.

Against April 2023, CPI inflation was running at 0.3%, against consensus for 0.1%, following the March 0.1% annualised rate.

In overnight Friday **commodities** trade, **oil** swung 1.3% lower.

US **gold** (Comex) futures picked up the pace of Thursday's turn higher, closing back above \$US2350/oz.

**Iron ore** (Nymex CFR China, 62% Fe) closed just US3c/t lower, remaining above \$US116.90/t.

LME (3mth evening) **copper** turned to pick up ~1.0% and trade above \$US10,000/t again. **Nickel** turned moderately lower, settling beneath \$US19,000/t. **Aluminium** swung greater than 1.0% lower, but remained atop \$US2500/t.

The **\$A** appreciated beyond US66.20c after trading at ~US66.10c early Friday evening. This morning, the \$A has traded below US66.05c.

**\* Natural gas & helium exploration listing –11am AEST – D3E \***

## Today's Stock Watch

### Fletcher Building (FBU)

Q&A briefing scheduled to commence **10am** AEST.

Anticipating \$NZ500M - \$NZ530M pre-significant items FY24 EBIT, from previous guidance of \$NZ540M - \$NZ640M.

The new estimate includes \$NZ10M - \$NZ15M restructuring costs. Expecting \$NZ1.9B - \$NZ2.0B net debt.

### Southern Cross Media (SXL) / ARN Media (A1N)

A1N's consortium partner Anchorage Capital Partners has withdrawn from the A1N-Anchorage indicative SXL takeover proposal, prompting A1N to put forward a sole, alternative proposal.

Details and SXL commentary lodged this morning.

In addition, A1N is reporting 1% April year-to-date advertising revenue growth. A1N's AGM is scheduled for tomorrow.

### FleetPartners Group (FPR)

7.4% lower \$A36.459M interim NPAT. 12.4% higher, \$367.502M revenue. 10% higher, \$2.1B assets under management or financed. 61.64c NTA. \$10.8M net cash.

### Downer EDI (DOW)

Fitch Ratings has retained DOW's issuer rating at BBB, but revised its outlook to stable from negative.

### Southern Cross Electrical Engineering (SXE)

Outlaying up to \$10.55M cash for Sydney-headquartered electrical and communications specialist MDE Group.

In addition, upgrading anticipated FY25 EBITDA to a minimum \$53M, from previous minimum \$48M guidance.

### Lendlease Group (LLC)

The Australian Tax Office (ATO) has amended its assessment relation to a 2018 partial sale of LLC's retirement living business. LLC is disputing the new \$112.1M assessment.

### Omni Bridgeway (OBL) / Commonwealth Bank of Australia (CBA)

The Federal Court has ruled in favour of the CBA following a shareholder class brought against the bank. OBL partially funded the action and the group's legal team will review the judgement which is subject to a non-publication order until 15 May. OBL funds invested \$A9.6M in the CBA investment but sold a 20% interest for \$A7.5M.

## Resources

### Latrobe Magnesium (LMG)

Webinar scheduled to commence **11am** AEST.

Magnesium oxide (MgO) produced from brown coal fly ash. Additional details lodged this morning.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	39513	125	0.3
<b>S&amp;P 500</b>	5223	9	0.2
<b>NASDAQ</b>	16341	-5	-0.0
<b>FTSE 100</b>	8434	52	0.6
<b>DAX 30</b>	18773	86	0.5
<b>Shanghai Composite</b>	3155	0.2	0.0

**Overseas Markets Commentary**

Major European, UK and US equities markets mostly headed higher early during their respective overnight Friday sessions, but diverged notably in subsequent trade.

A March quarter UK GDP reading surprised on the upside, confirming a return to growth.

A US consumer sentiment index declined much further than anticipated, however, pushing and pulling sentiment regarding economic prospects and potential interest rate moves.

European Central Bank (ECB) April monetary policy meeting minutes confirmed an interest rate cut in June was considered 'plausible', pending any major change in conditions.

In the US however, Federal Reserve officials questioned the wisdom of near-term interest rate cuts, pointing out persistently higher-than-optimal inflation rates and advocating minimal initial reductions.

Meanwhile, China confirmed it had 'tailed and monitored' a US navy ship on Friday, issuing a warning as the US destroyer traversed the South China Sea.

This, as reports emerged that the US administration was preparing to this week announce changes to import tariffs on electric vehicles from China and other goods including select solar and medical products and semiconductors.

Among overnight Friday **economic data** releases, the **UK's** March quarter **GDP** reading was reported as 0.6% growth for the three months and 0.2% on an annualised basis, from respective 0.3% and 0.2% declines for the December quarter 2023.

Moreover, forecasters had predicted 0.4% March quarter growth and a flat annualised result.

Further, the NIESR GDP tracker indicated 0.7% GDP growth for April.

March annualised GDP growth was also reported overnight Friday at 0.7%.

Economists had expected 0.3% GDP year-on-year growth for March, following a flat annualised result for February.

Meanwhile, UK March international trade figures included a £1.098B deficit against February's £1.478B.

March industrial production rose 0.2% for the month following a 1.0% February improvement.

Against March 2023, output was up 0.5%, against expectations for 0.3% following the 1.0% annualised increase recorded for February.

In the **US**, the initial May consumer sentiment estimate from the University of Michigan surprised on the downside, tumbling to a

**Pre-Open Announcements****Ansell Ltd (\* ANN)**

ANN received greater than \$A170M worth of applications for the recent \$22.45-per-share SPP conducted following a \$A400 placement, and has boosted the SPP from \$A65M to \$A75M. ANN traded at \$24.43 - \$25.18 last week.

**National Australia Bank (\* NAB)**

\$750M capital notes offer, in support of Tier 1 capital. Anticipating a 2.60% - 2.80% per annum margin. Additional details lodged this morning.

**Race Oncology (RAC)**

Investor update lodged pre-trade.

RAC settled at \$1.41 Friday after closing out the previous week at \$1.22.

**Magellan Global Fund (MGF)**

As previously flagged, MGF has appointed Sophia Rahmani as MD, effective today, ahead of her intended appointment as CEO within 12 months.

**NRW Holdings (NWH)**

NWH has appointed recent Pincen Mason partner and Perth, WA office head Adrienne Parker as a non-executive director.

**Resources****Magnum Mining & Exploration (MGU)**

Project funding agreement secured under which \$US210M will be sought in support of the green pig iron project, Saudi Arabia.

MGU will receive at least \$US10M for Buena Vista project working capital.

Additional details lodged pre-trade.

MGU is resuming from suspended trade, having last traded at 1.4c.

**St Barbara (SBM)**

Investor briefing materials lodged this morning.

SBM is presenting in Melbourne and Sydney this week.

**Ramelius Resources (RMS)**

WA Eridanus gold project resource updated to 21Mt @ 1.7g/t Au, for 1.2Moz of gold.

**Hastings Technology Metals (HAS)**

A cost-focused organisational restructure means HAS CEO Paul Brown will leave HAS 31 May.

HAS mining operations GM Tim Gilbert has been appointed COO, reporting directly to HAS executive chair Charles Lew.

In addition to Mr Brown, who oversaw the HAS structure and cost review, the restructure involves a general 'material reduction' in HAS employee numbers.

**Xanadu Mines (XAM)**

Mongolia Kharmagtai copper-gold 50:50 JV project coarse ore flotation metallurgical test work update lodged post-trade



six-month low of 67.4 from the final 77.2 reading for April. Economists had been anticipating a far shallower decline to 76.0. The current conditions component index notably dropped to 68.8 from 79.0.

Inflation expectations had notably picked up from 3.2% to 3.5%, ahead of a new US CPI reading this week.

Earlier, a 30-year bond auction in Japan produced a 1.992% yield from 1.808%.

**Tonight** in the **US**, an April consumer inflation expectations report is expected.

Companies listed to report earnings later today or tonight include: Bridgestone, China Steel, Kogas, Mitsui Mining & Smelting, Petrobras, Softbank, Sony, Subaru, Suzuki Motor, Tencent Music and Yamaha Motor.

In overnight Friday and weekend corporate news, Novavax and French pharmaceutical giant Sanofi revealed a \$US1.2B Covid vaccine licensing deal, which includes Sanofi outlaying \$US70B for a 4.9% Novavax holding.

In addition, Sanofi will be able to use the Novavax Covid vaccine, together with the Sanofi flu vaccine, to develop a combination vaccine.

Also overnight Friday, China-headquartered electric vehicle manufacturer Zeekr (major Geely brand) debuted on the NYSE following a \$US5.5B IPO.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Jun)	2375	oz	34.7	1.5
<b>Silver</b> (COMEX 5000 Jul)	28.51	oz	0.14	0.5
<b>Platinum</b>	993	oz	12	1.2
<b>WTI Crude</b> (NYMEX Jun)	78.26	bbl	-1.00	-1.3
<b>Brent Crude</b> (ICE EUR Jul)	82.79	bbl	-1.09	-1.3
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	116.93	t	-0.03	-0.0
<b>Copper</b> (LME 3mth Evening)	10015	t	94	1.0
<b>Nickel</b>	18989	t	-81	-0.4
<b>Aluminium</b>	2532	t	-32	-1.3
<b>Lead</b>	2231	t	-11	-0.5
<b>Zinc</b>	2934	t	21	0.7
<b>Tin</b>	32098	t	-491	-1.5

### Commodities Commentary

**Oil** – prices swung lower again overnight Friday, in part due to reduced demand perceptions on comments from Federal Reserve officials essentially espousing higher-for-longer US interest rates.

In association, the \$US moved higher.

A weekly US petroleum drill rig report, published by Baker Hughes overnight, included a further fall in the number of operational oil rigs, this time by three to 496.

The total operating oil and gas rig count (603) was reported 18% lower than a year ago.

In the meantime, the US administration revealed the national energy secretary was scheduled to visit Saudi Arabia and the UAE Tuesday through Thursday this week

**Gold** – overnight Friday prices reached three-week peaks early,

Friday.

XAM's Kharmagtai partner is Zijin Mining Group.

XAM is project operator.

### Artemis Resources (ARV)

Corporate presentation lodged post-trade Friday.

Pre-trade Friday, ARV announced it had garnered firm commitments to raise ~\$A2.87M in an oversubscribed 1.275c-per-share placement.

The placement offered a free attaching option for every two new shares.

The options are exercisable at 2.5c and expire 9 March 2026.

The options and a portion of the shares issued will be subject to ARV shareholder approval.

ARV has traded at 1.6c – 1.8c for May-to-date.

### Energy

#### D3 Energy (\* D3E)

**Natural gas and helium** explorer scheduled to list on the ASX at **11am** AEST, following a \$10M IPO at 20c per share.

~79.475M quoted shares.

Holds (exploration right) ER315, Free State Province, South Africa.

### Trading Halts

Company	Code	Resuming
Byron Energy	BYE	13 May
Equinox Resources	EQN	14 May
Errawarra Resources	ERW	13 May
Foresta Group Holdings	FGH	14 May
Iceni Gold	ICL	13 May
Jayex Technology	JTL	13 May
Orexplore Technologies	OXT	14 May
Pantoro Ltd	PNR	14 May
Riversgold Ltd	RGL	13 May
Thor Energy	THR	13 May

### Suspensions (selected)

Company	Code	Since
Nexion Group	NNG	26 Apr
Openn Negotiation	OPN	3 May

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ANZ</b>	Today	<b>83</b>	65	6.02
<b>FFG</b>	Today	<b>3.6</b>	100	2.77
<b>MQG</b>	Today	<b>385</b>	40	3.65
<b>NAC</b>	Today	<b>1.5</b>	100	6.20
<b>NSC</b>	Today	<b>1.25</b>	100	6.41



market watchers attributing this to improve commercial and consumer demand prospects on central banks beginning to, or signally they will soon, reduce interest rates.

**Base metals** – China’s April producer prices and CPI, plus new lending figures, all reported over the weekend, could influence some of tonight’s trade.

Producer prices kept falling, while the CPI rose on an annualised basis for a third consecutive month.

CPI was calculated 0.1% higher for the month, following a 1.0% pullback in March. Against April 2023, CPI was up 0.3%, against consensus for 0.1%, the same rate of annualised increase recorded for March.

Producer prices fell by 2.5% year-on-year, against consensus for a 2.3% decline, following a 2.8% annualised March decline.

China’s total new lending for April came in far less than anticipated, and than reported for March, at 730B yuan from 3.09 trillion, and against forecasts for 1.2 trillion.

In overnight Friday trade, *copper’s* swing back to \$US10,000<sup>+</sup>/t was attributed to traders chasing arbitrage advantages.

*Aluminium* prices were pushed lower after stocks in LME-registered warehouses were reported at peaks not seen since January 2022.

China reports a batch of additional material April economic data this week.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6606	-0.0002	<b>-0.03</b>
<b>EUR – USD</b>	1.0775	-0.0013	<b>-0.12</b>

#### Australian Data Today

NAB	Business survey	Apr
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#### US Data Tonight

Consumer inflation expectations	Apr
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#### Need More Information?

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QVE	Tomorrow	1.3	100	5.25
TEA	Tomorrow	2.5	100	0.00
SNC	Wed	2.75	100	7.38
WMA	Wed	2.6	100	2.53
ASG	Thu	10	100	7.36
EZZ	Thu	1.5	100	2.33
PL8	Thu	0.55	100	5.52
TWD	Thu	11	100	5.18
WMI	Fri	5.25	100	3.60

### Reports & Events

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>88E</b>	AGM
	<b>FPR</b>	Interim (w/cast tele 10am)
<b>Tomorrow</b>	A1N	AGM
<b>Wed</b>	AIA	Apr
	GUD	Investor day
	WPR	AGM
<b>Thu</b>	ALX	AGM
	FDV	AGM
	GNC	Interim
	IPL	Interim
<b>20 May</b>	ELD	Interim
	GTK	Interim (webcast 8.30am)
	MLX	AGM

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