

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	7047	-126	-1.8
<b>NZX 50</b>	11090	-168	-1.5
<b>DJIA Futures</b>	31362	-78	-0.3
<b>S&amp;P 500 Futures</b>	3910	-12	-0.3
<b>NASDAQ Futures</b>	11878	-58	-0.5

**Local Markets Commentary**

The Australian market commences today's trade with an overnight \$A depreciation, influential domestic data due late morning, a major domestic bank trading ex-dividend, and a batch of interim and full year reports.

International equities markets dropped overnight.

**Locally** today, Australian Bureau of Statistics (ABS) publishes April employment figures at 11.30am AEST.

At the same time, the Reserve Bank of Australia (RBA) reports April foreign exchange transactions and holdings of official reserve assets.

Companies trading **ex-dividend** today include **PDL, VUK** and **WBC**.  
*Please see p3 for a detailed ex-dividends list.*

**National election campaigning** is expected to focus in part today on the new set of national employment statistics, with the opposition party also releasing the costings of its campaign pledges, ahead of Saturday's official polling day.

**Regionally** today, **Japan** publishes April trade statistics and machinery orders just prior to the ASX opening.

**New Zealand** releases its annual budget at midday AEST.

In overnight commodities trade, **oil** recorded a second consecutive decline, Brent crude again closing lower than WTI.

US **gold** futures turned to settle slightly lower.

**Iron ore** (Nymex CFR China, 62% Fe) fell beneath \$US131/t.

LME (3mth evening) **copper** and other key base metals were pushed lower.

The **\$A** dropped to US69.55c after trading at ~US70.10c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	31490	-1165	-3.6
<b>S&amp;P 500</b>	3924	-165	-4.0
<b>NASDAQ</b>	11418	-566	-4.7
<b>FTSE 100</b>	7438	-80	-1.1
<b>DAX 30</b>	14008	-178	-1.3
<b>Shanghai Comp</b>	3086	-8	-0.3

**Overseas Markets Commentary**

Major European and UK equities markets fell in second half

**Today's Stock Watch**
**Reckon Ltd (RKN)**

Selling Accountants Practice Management Group for \$100M cash and planning a shareholder return via a partly-franked special dividend.

Additional details lodged his morning.

**Aristocrat Leisure (ALL)**

26c fully franked interim dividend from 15c a year ago.

48.1% higher, \$513.0M interim NPAT.

23.1% higher, \$2.745B revenue.

**Nufarm Ltd (NUF)**

4c interim dividend against no dividend a year ago.

61.1% higher, \$98.717M interim NPAT.

31.3% higher, \$2.166B revenue.

\$2.61 NTA from \$2.22.

**Webjet Ltd (WEB)**

\$85M full year net loss.

\$1.64B revenue.

\$434M cash.

**Australian Agricultural Company (AAC)**

\$136.9M full year NPAT from \$45.5M a year ago.

Meat sales rose 4% to \$208.5M.

Cattle sales rose 3% to \$67.5M.

\$2.27 NTA from \$1.75.

**Infratil Ltd (IFT)**

NZ4c fully franked final dividend, up 4.3%, and from A10.33c unfranked.

\$NZ1.23B full year NPAT from a \$NZ16.0M net loss a year ago.

\$NZ1.13B operating revenue, from \$NZ590.8M.

**Sims Ltd (SGM)**

Outlaying \$A88M for 140,000sq m of land at Pinkenba, Queensland (Brisbane), delivering deep water access.

Details lodged this morning.

**Resources**
**BlueScope Steel (BSL)**

Global Metals, Mining & Steel conference presentation lodged this morning.

BSL presented earlier this week and settled at \$18.30 yesterday after closing out last week at \$17.64.

**Energy**
**Strike Energy (STX)**

Koch Industries' Koch Fertilizer chosen following a competitive process towards a1.4Mtpa granulate urea off-take agreement in support of project Haber.

Non-binding term sheet agreed.



overnight trade, and US equities markets subsequently slid.

The key factors stifling select business growth and raising fears of an international economic slowdown had again been underscored prior to the commencement of trade.

Another US retailer warned of ongoing adverse impacts of supply issues, energy transport costs and elevated inflation which was dampening consumer spending.

The US Federal Reserve's vow earlier this week to keep pushing interest rates higher, to tame inflation, damaged sentiment for small to large-cap consumer-related stocks.

Meanwhile, among the non-government economic forecasters, Wells Fargo Investment Institute ventured recession in the US by year's end – early 2023, with a 1.3% contract stretching over three quarters. The research group also lowered anticipated US GDP from 2.2% to 1.5%.

Yesterday, Japan had reported March quarter GDP that represented a 0.2% contraction for the three months and 1% annualised shrinkage, but economists had feared worse than this – 0.3% quarterly and 1.9% annualised falls respectively.

China's April home price index fell 1% short of expectations however, rising 0.7% year-on-year, following forecasts of a 1.7% appreciation.

In Russia-Ukraine – related developments, Finland and Sweden formally handed their membership applications to NATO, but with the president of NATO member Turkey declaring his nation's intention to block proceedings.

In overnight **data** releases, the **UK's** initial April **CPI** estimate represented 2.5% inflation for the month in line with expectations, but also an ~40-year high 9.0% annualised inflation rate.

The **euro zone's** finalised April **CPI** reading confirmed 0.6% inflation for the month and a 7.4% annualise inflation rate.

Euro zone April domestic vehicle registrations were reported 20.6% lower than for April 2021.

**Russia's** initial March quarter GDP growth estimate came in at 3.5%, from 3.7% expected, and 5.0% reported for the December quarter 2021.

In the **US**, April housing starts slipped 0.2% for the month following a 2.8% March fall and expectations of a new 0.7% decline.

April building permits fell 3.2% after rising by 1.2% in March. Economists had anticipated a 2.6% turn lower.

Weekly mortgage applications dropped by 11% after the previous week's 2% turn higher.

Average 30-year mortgage rates declined to 5.49% from 5.53%.

A 20-year US bond auction in the meantime produced a 3.29% yield from 3.095%.

Earlier, a 30-year bond auction in Germany resulted in a 1.16% yield from 0.95%.

**Tonight** in the **US**, weekly initial jobless claims are due, together with May Philadelphia Fed manufacturing index, April existing home sales and the Conference Board's April leading index.

Elsewhere, the **European Central Bank** (ECB) releases April monetary policy meeting minutes.

Companies listed to report earnings later today or tonight include:

## Pre-Open Announcements

### Medibio Ltd (MEB)

The US FDA has confirmed that the International Neuropsychiatric Interview (MINI) can be used as a diagnostic tool to support the trial clinician diagnosis in assessing the efficacy of MEB's depression validation trial of MEB-001.

Details lodged post-trade yesterday.

### Resources

### Bannerman Energy (BMN)

Proposing to acquire 41.8% of TSX-V – listed Namibia Critical Metals (NMI).

NMI holds the Lofdal heavy rare earths project.

Consideration includes \$A7.24M cash plus ~8.46M BMN shares.

BMN has traded at 18c – 21c for the week to date.

### IGO Ltd (\* IGO)

Global Metals, Mining & Steel conference presentation lodged post-trade yesterday.

IGO has settled higher each session to date this week after closing lower the previous consecutive six sessions.

IGO settled at \$11.25 yesterday after closing out April at \$13.17.

### Energy

### Aurora Energy Metals (\* 1AE)

Explorer and project developer completed an enviable ASX listing yesterday, following an \$8M IPO at 20c per share.

Opened at 30c and traded at 23.5c – 30.5c before settling at 26c.

12.975M shares were traded across 962 transactions.

~116.48M quoted shares.

1AE holds the Aurora project located in Oregon, USA.

The project hosts a defined uranium resource and is also deemed prospective for lithium.

White Rock Minerals (ASX: WRM) and Helix Resources (ASX: HLX) chair Peter Lester is 1AE's non-executive chairman.

Recent Reward Minerals (ASX: RWD) CEO and former Deep Yellow (ASX: DYL) MD Greg Cochran is 1AE's MD.

### Trading Halts

Company	Code	Resuming
Clime Investment Management	CIW	19 May
Krakatoa Resources	KTA	19 May
Wiseway Group	WWG	19 May
Arafura Resources	ARU	20 May
Australian Vanadium	AVL	20 May



Applied Materials, BJ's Wholesale, easyJet, Investec, Kohl's, Palo Alto Networks, PetroChina, Ross Stores and Singapore Telecommunications (Optus owner).

Tesco, GlaxoSmithKline, Unilever and Shell are due to trade ex-dividend on the FTSE 100.

In overnight corporate news, **Target** fell ~20% pre-US trade after undershooting quarterly expectations and citing high inflation and supply difficulties.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Jun)	1815.9	oz	-3.0	<b>-0.2</b>
<b>Silver (NY)</b> (Jul)	21.54	oz	-0.21	<b>-1.0</b>
<b>Gold (LON)</b> (17 May)	1825	oz		
<b>Platinum</b>	934	oz	-18	<b>-1.9</b>
<b>WTI Crude</b> (NYMEX Jun)	109.59	bbf	-2.81	<b>-2.5</b>
<b>Brent Crude</b> (ICE EUR Jul)	109.11	bbf	-2.82	<b>-2.5</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	130.81	t	-1.80	<b>-1.4</b>
<b>Copper (LME 3mth Evening)</b>	9237	t	129	<b>-1.4</b>
<b>Nickel</b>	26164	t	-242	<b>-0.9</b>
<b>Aluminium</b>	2858	t	-32	<b>-1.1</b>
<b>Lead</b>	2054	t	-47	<b>-2.3</b>
<b>Zinc</b>	3622	t	-40	<b>-1.1</b>
<b>Tin</b>	33039	t	-1026	<b>-3.0</b>

### Commodities Commentary

**Oil** – prices turned lower overnight, partly in response to US petroleum data, and as US equities tumbled on adverse economic factors. In addition, the \$US turned higher.

A US weekly petroleum inventories report, published overnight by government agency the EIA, included a 3.94MMbbl decline in stored crude, even as refinery crude runs rose by 239,000bbl/d.

Petrol stocks were estimated 4.779MMbbl/d lower, and refinery production recorded to have fallen by 142,000bbl/d.

Net crude imports fell by 342,000bbl/d.

Overnight Tuesday post-US trade, the American Petroleum Institute (API) has published a weekly report, this including an estimated 2.445MMbbl draw on US crude stocks last week.

**Gold** – sentiment vacillated overnight, prices pushed and pulled by a drop in equities risk sentiment, a higher \$US and swinging crude prices.

European Central Bank policy minutes, due for release tonight, could swing some currency trade and hence influence some gold sentiment.

**Base metals** – sentiment was bruised overnight by the prospects of a series of significant interest rate increases in the US, promoted by the Federal Reserve this week, and hence associated \$US strength.

In new data releases, China's April aluminium imports were revealed to have fallen 37.7% year-on-year, this attributed to a mix of higher prices and reduced domestic demand.

### Suspensions (selected)

Company	Code	Since
AVZ Minerals	AVZ	11 May
Broo Ltd	BEE	11 May
Canyon Resources	CAY	4 May
Osprey Medical	OSP	3 May
The Sustainable Nutrition Group	TSN	18 May
Wiluna Mining Corporation	WMC	11 May

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>PDL</b>	Today	<b>21</b>	10	4.61
<b>USQ</b>	Today	<b>59.44</b>	0	0.00
<b>VUK</b>	Today	<b>4.35</b>	0	0.72
<b>WBC</b>	Today	<b>61</b>	100	2.45
KPG	Tomorrow	0.36	100	1.12
AMC	Tue	16.68	0	3.42
IAP	Thu (26 May)	4.67	0	4.71
JHX	Thu	32.66	0	1.07
CSR	Fri (27 May)	18	100	5.39

### Reports & Events

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>ABC</b>	AGM
	<b>ALL</b>	Interim
	<b>AVR</b>	AGM
	<b>BWX</b>	Strategy day
	<b>GOR</b>	AGM (4pm)
	<b>GMG</b>	Interim
	<b>IFT</b>	Full year
	<b>NUF</b>	Interim
	<b>WEB</b>	Full year
	<b>WPL</b>	AGM (midday)
<b>Tomorrow</b>	AMP	AGM
	CWN	AGM
	DDR	AGM
	IVC	AGM
	RSG	AGM
	SYR	AGM
<b>Mon</b>	ELD	Interim (w/cast tele 10am)
<b>Tue</b>	29M	AGM
	CRR	AGM
	TNE	Interim

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6970	-0.0066	<b>-0.94</b>
<b>EUR – USD</b>	1.0474	-0.0065	<b>-0.62</b>

**Australian Data Today**

ABS	Workforce (incl wages, jobs, unemployt, prtctptn)	Apr
RBA	Forex transactions; official reserve assets	Apr

**US Data Today & Tonight**

Initial jobless claims	14 May
Philadelphia Fed manufacturing	May
Existing home sales	Apr
Conference Board leading index	Apr

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Trade balance	Apr
Japan	Machinery orders	Ap
<b>UK</b>	CBI industrial trends orders	May
<b>Euro zone</b>	ECB policy meeting minutes	Apr
Euro zone	Construction output	Mar

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	VEA	AGM
<b>Wed</b>	AWC	AGM
	CGC	AGM
	FPH	Full year

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