

Markets

SFE 200 Futures (9.30am AEST)	7130	8	0.1
NZX 50	11235	-12	-0.1
DJIA Futures	32004	124	0.4
S&P 500 Futures	3962	22	0.6
NASDAQ Futures	11861	90	0.8

Local Markets Commentary

The Australian market commences mid-week trade with a Reserve Bank of Australia (RBA) assistant governor speaking publicly, amid broadening concerns expressed overnight regarding potential significant world food shortages in relation to the Russia-Ukraine conflict.

Overnight US equities trade sentiment proved mostly negative. US equities futures are higher this morning, however.

Locally today, **RBA** assistant governor (economic) Luci Ellis is scheduled to speak from **9.45am** AEST at the Urban Development Institute of Australia national conference, Sydney.

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

Regionally, the **Reserve Bank of New Zealand** is expected to announce today's policy meeting outcomes at **midday** AEST.

In overnight commodities trade, WTI **crude** turned lower but Brent settled slightly higher.

US **gold** futures picked up the pace of Monday's gain.

Iron ore (Nymex CFR China, 62% Fe) swung lower, trading below \$US133.5/t.

LME (3mth evening) **copper** and other key base metals fell.

The **\$A** rose above US71.05c after falling to ~US70.96c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31929	48	0.2
S&P 500	3941	-32	-0.8
NASDAQ	11264	-271	-2.4
FTSE 100	7484	-29	-0.4
DAX 30	13920	-256	-1.8
Shanghai Comp	3071	-76	-2.4

Overseas Markets Commentary

Major European, UK and US equities markets fell on opening overnight amid some unsettling data releases in the context of ongoing global economic outlook warnings.

Federal Reserve chair Jerome Powell revealed in an interview that the US central bank was prepared to consider a 0.75% interest rate increase, rather than just 0.25% or 0.50%, if deemed necessary, but that this would only be in a scenario that proved

*** Multi-mineral exploration listing – noon AEST – BVR ***

Today's Stock Watch
ALS Ltd (ALQ)

17c, 30%-franked final dividend from 14.6c, 70%-franked a year ago. 12.3% higher, \$A190.5M full year NPAT. 19.7% higher, \$2.11B ordinary activities revenue.

Fisher & Paykel Healthcare (FPH)

NZ22.5c final dividend, fully franked in NZ, from NZ22c (A20.46c) a year ago.

28% lower, \$NZ376.9M full year NPAT.

15% lower, \$NZ1.68B operating revenue.

Three new product launches also announced this morning.

Suncorp Group (SUN)

Redeeming \$375M worth of capital notes issued 5 May 2017.

Details lodged pre-trade.

Resources
Bellavista Resources (* BVR)

Explorer scheduled to list on the ASX **midday** AEST, following a \$6.5M IPO at 20c per share.

~36.498M quoted shares.

Chasing several minerals across a suite of WA projects.

Mel Ashton non-executive chair; Michael Wilson executive director.

Pilbara Minerals (PLS)

A fifth PLS spodumene concentrate online auction has drawn a \$US5955/t (FOB Port Hedland) bid for a 5000t cargo at 5.5% lithia. Inclusive of freight costs, PLS says this is equivalent to ~\$US6586/t (SC6.6, CIF China).

RareX Ltd (REE)

WA Cummins rare earths project drilling has extended known mineralisation at depth, with 'significant visual mineralisation' intersected in three diamond drill holes. Assays pending.

One diamond and one RC rig in operation, and an additional rig anticipated mid-June.

Newfield Resources (NWF)

The initial sale of 15 lots of diamonds from NWF's Tongo mine has realised \$US269/carats and delivered, via a tender process, a total ~\$US1.435M.

Resuming from a trading halt having last traded at 42c.

Energy
APA Group (APA)

Proceeding with the second stage of the East Coast gas grid expansion, this expected to deliver an additional 13% of capacity to States in south east Australia prior to peak winter demand in 2024.



much worse than currently anticipated.

Also overnight, **European Central Bank** (ECB) president Christine Lagarde assured in a World Economic Forum interview, that the ECB recognised a ‘turning’ in rates but was not in panic mode.

In Russia-Ukraine developments, Russia was reported to have significantly intensified activity in eastern Ukraine in a perceived attempt to surround Ukrainian troops in and around two strategic cities.

South Korea and Japan both bemoaned military aircraft from China and Russia in the east China Sea region while the leaders of Australia, India, Japan and US met in Tokyo yesterday.

Among overnight **data** releases, the euro zone’s initial May PMI estimates disappointed, the manufacturing index declining from 55.5 to 54.4 and the services reading from 57.7 to 56.3.

Further, forecasters had expected slighter pullbacks.

Germany’s PMIs came in mixed, the manufacturing index edging 0.1-point higher to 54.7, rather than falling to 54.1 as forecast.

The services sector index declined by 1.3 to 56.3 however, although a fall to 56.5 had been anticipated.

In the **UK**, the May CBI distributive trades index improved markedly to -1 from -35, against expectations of -20.

Initial May UK PMI readings surprised on the downside, the manufacturing index falling to 54.6 from 55.8 following forecasts for a decline of halt that magnitude.

The services index tumbled to 51.8 from 58.9, against expectations of 58.5.

Meanwhile, UK public sector finance figures revealed a £17.8B deficit for April following expectations of an £18.5B shortfall.

In the **US**, April new home sales slid 16.6% for the month, against predictions of a 1% fall to follow the March 10.5% drop.

S&P Global’s initial May PMI readings for the US came in lower than anticipated, the services index falling to 53.5 from 55.6 and the manufacturing index declining by 1.7 points to 57.2.

Forecasters had ventured respective 0.6-point and 0.4-point easings.

The Richmond Fed manufacturing index for May plunged to -9 from 14. Economists had anticipated a decline, but just by two points.

The services index fell to eight from 13.

Tonight in the US, the minutes of the Federal Reserve’s May policy meeting are keenly anticipated.

April durable goods orders and weekly mortgage applications are also due tonight.

Elsewhere, Germany releases a final March quarter GDP reading and also hosts a 15-year bond auction.

In addition, the ECB’s president and chief economist and the Bank of Japan governor are also scheduled to speak publicly tonight.

Companies scheduled to report earnings later today or tonight include Banco Santander, Box, Gazprom Neft, Nvidia, Dick’s Sporting Goods and Snowflake Inc.

Meanwhile, US markets are heading towards a Monday public holiday weekend when Memorial Day will be observed.

Pre-Open Announcements

Virtus Health (VRT)

VRT suitor BGH Capital acquired VRT shares at \$8.15 each on-market yesterday and is consequently increasing the off-market takeover price for VRT from \$8.00 to \$8.15 per share.

VRT has traded on the ASX at \$8.10 - \$8.15 for the week to date.

Decmil Group (DCG)

DCG has appointed recent John Holland Australia COO Rod Heale as CEO, effective 20 June.

Interim CEO Vin Vassallo will continue in an executive role for six months and then revert to being a DCG non-executive director.

Immutep Ltd (IMM)

Corporate presentation lodged post-trade yesterday.

Airtasker Ltd (ART)

ART’s Oneflare acquisition is expected to complete today.

In addition, ART is withdrawing the planned SPP given that ART has been trading on the ASX beneath the 43c-per-share \$6.25M placement price since Tuesday last week.

QANTM Intellectual Property (QIP)

Sonia Petering has been appointed QIP chair following the retirement from the QTM board yesterday of inaugural QIP chair Richard England.

Mr England flagged his retirement at the QIP AGM November 2021.

Anteris Technologies (ATI)

AVR has appointed structural heart procedure specialist Dion Stub to the ATI Australian medical advisory board.

The Lottery Corporation (* TLC)

Lottery operator and Keno provider completed its ASX listing yesterday.

Opened at \$4.61 and traded at \$4.49 - \$4.78 before settling at \$4.70.

~15.05M shares changed hands across 5454 transactions.

~2.23B quoted shares.

Trading commenced on a deferred settlement basis.

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

Pengana Capital (PCG)

~6.67M shares will be released from voluntary escrow 1 June (Wednesday next week).

Resources

Ookami Ltd (* OOK)

Additional (and fifth of six applications) territory grant achieved for the Cameroon rutile and heavy mineral sands project.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1865.4	oz	17.6	1.0
Silver (NY) (Jul)	22.06	oz	0.34	1.6
Gold (LON) (23 May)	1856	oz		
Platinum	954	oz	-1	-0.1
WTI Crude (NYMEX Jul)	109.77	bbl	-0.52	-0.5
Brent Crude (ICE EUR Jul)	113.56	bbl	0.14	0.1
Iron Ore (NYMEX CHN port;62%Fe)	133.31	t	-0.68	-0.5
Copper (LME 3mth Evening)	9456	t	-95	-1.0
Nickel	26552	t	-1186	-4.3
Aluminium	2900	t	-54	-1.8
Lead	2170	t	-25	-1.1
Zinc	3794	t	5	0.1
Tin	34170	t	-479	-1.4

Commodities Commentary

Oil – swinging trade was again reported overnight, amid China Covid containment and Russia-Ukraine conflict reports, commentary regarding global economic prospects, and confirmation the US administration was considering export restrictions so as to ease US domestic fuel prices heading into summer. A US Monday public holiday this coming weekend has been considered a test of likely US summer fuel consumption.

In addition, claims EU member agreement on a Russian oil import embargo was possible within days, followed by less optimistic comments from the European Commission (EC) head, also toyed with overnight trade.

Further overnight, Saudi Arabia's foreign minister told World Economic Forum attendees that the kingdom did not anticipate any near-term crude shortage.

An energy analytics specialist in the meantime estimated 62MMbbl of Russian Urals crude was aboard ships at sea, with up to 15% seemingly without a confirmed destination.

A weekly US petroleum inventories report is due from government agency the EIA tonight.

Overnight post-US trade, the American Petroleum Institute published a weekly report, this including a 567,000bbl increase in crude stocks last week.

Gold – the \$US at four-week lows and continuing lower US bond yields supported further overnight gains.

In addition, some disappointing international PMI figures boosted safe-haven interest.

Base metals – mostly worse-than-anticipated PMI releases and commentary regarding weak international economic prospects appeared to outweigh other overnight trade considerations, including a continuing \$US pullback.

In addition, ECB and US Federal Reserve comments regarding inflation control and likely timing and magnitudes of interest rate increases, tempered some sentiment.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7108	0.0026	0.36

Demetallica Ltd (* DRM) / Sandfire Resources (SFR)

Explorer and former Minotaur Exploration spinoff scheduled to list on the ASX 11am AEST **tomorrow**, following a \$15M IPO at 25c per share.

~86.85M quoted shares.

One gold, one gypsum and three multi-mineral projects across South Australia and Queensland.

SFR holds 9.31%.

TG Metals (* TG6)

Exploration company scheduled to list on the ASX 1pm AEST **tomorrow**, following a \$6M IPO at 20c per share.

~39.097M quoted shares.

Chasing gold, nickel and lithium in the WA Lake Johnston region.

Energy**Allegiance Coal (* AHQ)**

Raising \$A42.9M to repay a loan and bolster working capital by issuing a secured convertible note to Collins Street Convertible Note Fund.

Brookside Energy (BRK)

Anadarko Basin Flames well update lodged pre-trade.

Trading Halts

Company	Code	Resuming
Emyria Ltd	EMD	25 May
Kairos Minerals	KAI	25 May
Chalice Mining	CHN	26 May
Moho Resources	MOH	26 May

Suspensions (selected)

Company	Code	Since
AVZ Minerals	AVZ	11 May
BikeExchange Ltd	BEX	23 May
Broo Ltd	BEE	11 May
Canyon Resources	CAY	4 May
Locality Planning Energy Holdings	LPE	23 May
Osprey Medical	OSP	3 May
Sensera Ltd	SE1	23 May
The Sustainable Nutrition Group	TSN	18 May
Wiluna Mining Corporation	WMC	11 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALL	Tomorrow	26	100	1.19
IAP	Tomorrow	4.67	0	4.72
JHX	Tomorrow	32.66	0	1.13
NUF	Tomorrow	4	0	0.80



EUR – USD 1.0734 0.0065 0.61

Australian Data Today

ABS Construction work done (value) Mar Q

US Data Today & Tonight

Federal Reserve policy meeting minutes May
Durable goods orders Apr
MBA mortgage applications 20 May

Other Overseas Data Today & Tonight

Japan Leading economic index (final; 3pm) Mar
New Zealand RBNZ policy meeting outcomes May
Germany GDP (final) Mar Q
Germany GfK consumer confidence Jun
Russia Producer prices Apr

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CSR	Fri	18	100	5.63
WHF	Fri	10.25	100	3.75
CRN	Mon	6.82	0	3.68
ELD	Mon	28	30	2.86
GCI	Mon	0.82	0	4.61
TCF	Mon	3	0	6.29
IFT	Tue (31 May)	10.86	0	2.21
MFB	Tue	3.62	0	3.85
ORI	Tue	13	0	1.54
PIA	Tue	1.35	100	4.82

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	ALQ	Full year (w/cast tele 10am)
	AWC	AGM
	CGC	AGM
	FPH	Full year (w/cast tele 10am)
Tomorrow	CIA	Full year (NB post-ASX; w/cast tele 10.30pm)
	GEN	AGM
	HFR	AGM
Fri	A1M	AGM
	CTM	AGM
	FFX	AGM (5pm)
	SHV	Interim (w/cast 1pm)
	SNG	AGM