

Markets

SFE 200 Futures (9.30am AEST)	7176	69	1.0
NZX 50	11169	66	0.6
DJIA Futures	32578	-22	-0.1
S&P 500 Futures	4057	1	0.0
NASDAQ Futures	12292	12	0.1

Local Markets Commentary

The Australian market commences Friday trade with material domestic and regional economic reports due late morning, and with the US heading towards a Monday public holiday weekend.

US equities markets rallied decisively overnight.

Locally today, the Australian Bureau of Statistics (ABS) releases an initial **retail sales** report for April at **11.30am AEST**.

CSR and **WHF** trade **ex-dividend**. Please see p3 for a detailed *ex-dividends list*.

Regionally today, **China's April industrial profits** are anticipated **11.30am AEST**.

In overnight commodities trade, both Brent and WTI **crude** rallied. US **gold** futures rose slightly.

Iron ore (Nymex CFR China, 62% Fe) slipped below \$US133.00/t LME (3mth evening) **copper** and **aluminium** continued lower, but more modestly so than for Wednesday. **Nickel** continued higher.

The **\$A** rose to US71.00c after trading at ~US70.80c - ~US70.90c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	32637	517	1.6
S&P 500	4058	79	2.0
NASDAQ	11741	306	2.7
FTSE 100	7565	42	0.6
DAX 30	14231	223	1.6
Shanghai Comp	3123	16	0.5

Overseas Markets Commentary

Hesitant early trade featured across major European and UK equities markets overnight, but mostly strong US openings ultimately dragged a majority of other markets also to rally-mode settlements.

Cost-of-living, economic slowdown warnings were in focus early.

Weaker-than-anticipated US economic data releases appeared to buoy optimism, however, that US interest rate increases would prove more tempered than recently expected, hence boosting liquidity for markets trade.

Further, up-market US department chain Macy's and discount retailers Dollar General and Dollar Tree each raised full year profit

Today's Stock Watch
Select Harvests (SHV)

58% higher, \$2.01M interim NPAT.

18.9% lower, \$68.73M continuing activities revenue.

\$3.67 NTA from \$3.59.

Chairman Michael Iwaniw is retiring this SHV role today, a position he has held since 3 November 2011.

Mr Iwaniw will remain an SHV non-executive director until 30 June when he will retire from the SHV board.

SHV has appointed SHV director, Clean Seas Seafood (ASX: CSS) chair and Terragen Holdings (ASX: TGH) chair Travis Dillon as SHV chairman from today.

SHV intends to appoint another non-executive director.

Appen Ltd (APX)

Telus International has revoked its indicative \$A9.50 cash-per-share scheme of arrangement takeover proposal for APX.

After disclosing Telus's initial approach, APX trade 29.2% higher yesterday, to \$8.27, prior to calling a trading halt.

APX resumes from the trading halt this morning and also hosts its AGM.

XTEK Ltd (XTE)

XTE's HighCom Armor Solutions subsidiary has secured a \$US33.21M (\$A46.8M) 'urgent' ballistic armour order from an undisclosed customer.

This has pushed ballistic armour contracts since 1 March to \$A64.4M.

Immutep Ltd (IMM)

TACTI-002 and TACTI-003 abstracts published at the American Society of Clinical Oncology annual meeting.

Highlights and publication link lodged pre-trade.

IMM is presenting Friday (1pm US CDT) next week.

Resources
Oklu Resources (OKU)

Canada-headquartered TSX- and NYSE-listed B2Gold Corp plans to acquire OKU under an agreed scheme of arrangement whereby OKU shareholders would receive A5.25c cash plus 0.0206 B2Gold shares for each OKU share.

The proposed deal values OKU at 17.25c.

Additional details and commentary lodged post-trade yesterday. OKU is resuming from a trading halt, having last traded at 7.6c. OKU traded at 7.6c – 9c over the five sessions prior to calling a trading halt.

Galileo Mining (GAL)

Additional WA Norseman palladium-platinum-gold-copper-nickel project Callisto discovery assays, featuring rhodium, lodged this morning.



forecasts.

Yesterday, **China's** premier Li Keqiang confirmed China's economy had suffered more from the Covid containment lockdowns which commenced in March this year than from restrictions imposed in 2020 when first managing Covid.

Mr Li bemoaned the pace of recovery, urging manufacturing and retail activity to resume at a faster pace than currently reported by provinces.

Meanwhile, the **World Bank** president warned higher costs for energy, fertilisers and food, in particular since the beginning of the Russia-Ukraine conflict, would likely cause a global recession.

For its part, the **UK** government announced emergency household support (£400 discount) for energy bills and also one-off payments (£650) for those with the least income.

The measures would in part be funded by a new 'windfall' tax on oil and gas producer profits, the government revealed.

The UK energy regulator had earlier warned that an additional 12 million households were likely to fall into the government's poverty category due to heating costs alone.

Earlier yesterday, the **Bank of Korea** had raised its base interest rate, as anticipated, from 1.50% to 1.75%, citing rising inflation.

Overnight, the **Central Bank of Russia** dropped its benchmark interest rate from 14% to 11% during an extraordinary meeting at which economists expected the rate to be lowered to 12%.

The bank also foreshadowed further cuts to accommodate a smaller economy.

In Russia-Ukraine developments, **Italy's** PM (immediate past European Central Bank president Mario Draghi) revealed he had called Russia's president to discuss enabling grain to be exported from Ukraine's Black Sea ports blockaded by Russia.

Mr Draghi explained his concerns regarding a potential 'humanitarian crisis' and said he also planned to talk with Ukraine's president.

Russia consequently issued a statement reiterating it would consider such exports if sanctions were removed.

In the meantime, the president of **Belarus**, a supporter of Russia, announced Belarus was establishing a new military command in the southern part of Belarus which borders Ukraine.

Among overnight **data** releases in the **US**, a second of (three) March quarter GDP readings estimated a 1.5% contraction for the three months, against the initial estimate of a 1.4% decline.

Weekly new unemployment claims tallied 210,000, against forecasts for 221,000 new claims, following 218,000 the previous week.

April pending home sales dropped 3.9% for the month, following a 1.6% fall in March.

Against April 2021, sales were down 9.1%.

The Kansas City Fed May manufacturing index fell to 19 from 28. Forecasters had anticipated 23.

UK April domestic vehicle production (reported earlier yesterday AEST) was reported 11.3% lower than for April 2021.

Tonight in the **US**, April personal income and spending are due, together with PCE (personal consumption expenditure), April wholesale inventories and a final May consumer sentiment reading from the University of Michigan.

Pre-Open Announcements

Novonix Ltd (NVX)

Director Trevor St Baker AO has retired from the NVX board.

Next Science (NXS)

MD and CEO Judith Mitchell is planning to retire her NXS roles prior to 30 June 2023, due to wishing to return from the US to live in Sydney.

MS Mitchell had been based in the US since October 2021.

NXS plans to appoint a US-based successor.

Today's AGM materials lodged this morning.

The Star Entertainment Group (SGR)

Reviewing proposed casino regulatory changes as contained in a bill introduced to the Queensland parliament today.

SGR has settled lower the past three trading sessions, closing at \$2.98 yesterday.

I Synergy Group (IS3)

IS3 has appointed corporate and mining lawyer Joshua Hunt as a non-executive director, following AGM shareholder approval of Mr Hunt's appointment.

Resources

Ausgold Ltd (AUC)

Corporate presentation lodged post-trade yesterday.

Highfield Resources (HFR)

AGM materials lodged post-trade yesterday.

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

Explorer and former Minotaur Exploration spinoff DRM completed a successful ASX listing yesterday, following a \$15M IPO at 25c per share.

Opened at 27c and traded at 26c – 29c before settling back at 27c.

~4.55M shares were traded across 405 transactions.

~86.85M quoted shares.

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

SFR held 9.31% on listing.

TG Metals (* TG6)

Exploration company completed its ASX listing yesterday, following a \$6M IPO at 20c per share.

Opened at 20c and slipped to 17.5c before settling at 18c.

~1.784M shares changed hands across 157 transactions.

~39.097M quoted shares.

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



In overnight corporate news, **EY** (Ernst & Young Global) is planning to separate its auditing operations from the group's advisory services.

Nvidia had issued a disappointing revenue forecast post-US trade Wednesday, and this appeared to impact broad early overnight NASDAQ sentiment.

US markets will be closed Monday due to the Memorial Day public holiday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1847.6	oz	1.3	0.1
Silver (NY) (Jul)	21.97	oz	0.10	0.5
Gold (LON) (25 May)	1847	oz		
Platinum	947	oz	1	0.1
WTI Crude (NYMEX Jul)	114.09	bbf	3.76	3.4
Brent Crude (ICE EUR Jul)	117.40	bbf	3.37	3.0
Iron Ore (NYMEX CHN port;62%Fe)	132.98	t	-0.29	-0.2
Copper (LME 3mth Evening)	9353	t	-21	-0.2
Nickel	27200	t	410	1.5
Aluminium	2863	t	-9	-0.3
Lead	2131	t	27	1.3
Zinc	3739	t	-15	-0.4
Tin	33695	t	-431	-1.3

Commodities Commentary

Oil – prices reached two-month peaks overnight, on a cocktail of continuing relatively tight supply views, a weaker \$US and the optimism featured across US equities markets.

Amid the supply talk, no change from the status quo of easing curbs was reportedly anticipated from the OPEC+ meetings scheduled for Thursday next week.

Further, China's Shanghai is expected to resume normal activity, following Covid containment restrictions, by Wednesday next week, and yesterday, China's premier called for a ramping of activity across additional regions.

In addition overnight, Russia's 2022 production was reported as likely declining to 480Mt– 500Mt from 524Mt for 2021.

A weekly US petroleum drill rig report is due tonight.

Gold – overnight trade was pushed and pulled by a weaker \$US, relatively weak economic data spawning central bank activity speculation and geopolitical concerns.

Additional material economic reports out of the US tonight are expected to keep sentiment fluid.

Base metals – global economic growth warnings, a weaker \$US and supply and demand timelines appeared the major factors influencing overnight LME base metals trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7102	0.0041	0.57
EUR – USD	1.0731	0.0064	0.60

Trading Halts

Company	Code	Resuming
Lindian Resources	LIN	27 May
Sayona Mining	SYA	27 May
Apiam Animal Health	AHX	30 May
Crowd Media Holdings	CM8	30 May
Predictive Discovery	PDI	30 May
Race Oncology	RAC	30 May
Yancoal Australia	YAL	30 May

Suspensions (selected)

Company	Code	Since
AVZ Minerals	AVZ	11 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 (%)
CSR	Today	18	100	5.71
WHF	Today	10.25	100	3.73
CRN	Mon	6.82	0	3.88
DBI	Mon	4.57	0	6.49
ELD	Mon	28	30	1.64
GCI	Mon	0.82	0	4.61
KKC	Mon	1	0	6.19
PCI	Mon	0.46	0	4.06
QRI	Mon	0.82	0	5.96
TCF	Mon	3	0	6.30
IFT	Tue	10.86	0	2.25
MFB	Tue	3.62	0	3.70
MOT	Tue	1.06	0	6.57
MXT	Tue	0.86	0	4.11
ORI	Tue	13	0	1.48
PGG	Tue	0.72	0	5.23
PIA	Tue	1.35	100	5.05
NBI	Wed	0.8	0	7.45
UMG	Wed	1.5	0	1.48
TNE	Thu	4.2	60	1.38

**Australian Data Today**

ABS	Retail sales (initial)	Apr
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US Data Today & Tonight

Personal income and spending		Apr
Personal consumption expenditure (PCE)		Apr
Wholesale inventories		Apr
Uni of Michigan consumer sentiment (final)		May

Other Overseas Data Today & Tonight

China	Industrial profits	Apr
Euro zone	Lending to households & businesses	Apr

Need More Information?

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Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	A1M	AGM
	APX	AGM
	CTM	AGM
	EDV	Investor day (#2)
	FFX	AGM (5pm)
	SHV	Interim (w/cast 1pm)
	SNG	AGM
Mon	D20	AGM
	LRS	AGM
	LOM	AGM
	TGA	Full year
	YAL	AGM
Tue	AGY	AGM
	CPH	AGM
	IKE	Full year
	KNI	AGM