

Markets

SFE 200 Futures (9.30am AEST)	7757	38	0.5
NZX 50	11867	Public	Holiday
DJIA Futures	38833	42	0.1
S&P 500 Futures	5301	5	0.1
NASDAQ Futures	18592	1	0.0

Local Markets Commentary

The Australian market commences a new month's trade with material domestic and regional economic data due, amid a broad watch on geopolitical relations.

US equities markets settled mixed overnight Friday, from essentially no change to a 1.5% gain.

Since overnight Friday trade, Australia, the Philippines and the US used addresses at a security forum, hosted by Singapore and attended by China, to publicly accuse China of dangerous and/or war-like activity in the **China Sea**.

Ukraine's president addressed the forum yesterday, again promoting a peace summit in Switzerland later this month as a chance to use diplomacy to end the 'cruel war' resulting from **Russia's** invasion of Ukraine.

Ukraine reportedly suffered 100 missile attacks from Russia yesterday, the Ukrainian president pointing out that 'no country could handle this alone', while thanking nations for support to date.

Elsewhere, polling for **India's** general election has been completed, with official results anticipated by tomorrow evening (AEST), and indications PM Narendra Modi's party will secure a majority of seats.

In **South Africa's** national election, the African National Congress has been determined to have secured less than 50% of the overall vote (polling was completed Wednesday last week), and is seeking to form a coalition government.

A three-stage **Hamas-Israel** conflict proposal offered by the US administration has received a cautious response from Hamas and some political advisors, but was rejected by Israel's PM.

OPEC+ has extended all production curbs until at least the end of September, and a majority of these through to the end of 2025.

Locally, overnight, CoreLogic has released its May **national property price report**, including an overall 0.8% appreciation in prices nationally for the month.

This morning, the Melbourne Institute's monthly **inflation gauge** report is expected at **11am** AEST, ahead of the May, ANZ **job advertisements** report, anticipated at **11.30am**.

Also at 11.30am, the Reserve Bank of Australia (RBA) publishes holdings of Australian government securities and semis for May.

Post-ASX trade, the RBA reports May **commodity prices**.

Regionally today, Caixin is due to release a May **manufacturing PMI for China** at **11.45am** AEST.

ASX trade as normal today

Public holiday in Western Australia

Today's Stock Watch

APM Human Services International (APM)

Agreed \$1.45 cash-per-share takeover offer in hand.
APM traded at \$1.10 - \$1.265 last week.

Regal Partners (RPL)

Proposing to pay \$A235M for Merricks Capital, comprising ~\$40M cash and ~63.9M shares at \$3.05 each.

Telix Pharmaceuticals (TLX)

Biologics licence application (BLA) submission completed for TLX250-CDx as a potential radiodiagnostic PET agent for clear cell renal cell carcinoma. US FDA priority review requested.

Lendlease Group (LLC) / Stockland (SGP)

Potential LLC guidance change lodged post-trade Friday, due to the revised timing for an Australian Competition & Commission (ACCC) review of the proposed LLC sale of 12 projects to SGP and SGP capital partner Supalai Australia Holdings. ACCC provisional findings are now due 4 July.

INOVIQ Ltd (IIQ)

Reporting a successful exosomes process to kill breast cancer cells in vitro.

Resources

Lithium Energy (LEL)

Chinese overseas direct investment and foreign exchange control regulatory approvals in hand for the proposed \$US63M cash sale of LEL's 90% holding in the Solaroz lithium brine project, Argentina.

Galileo Mining (GAL) / Mineral Resources (MIN)

GAL selling 30% of Norseman project lithium rights to MIN for \$7.5M under a JV agreement.

Energy

Deep Yellow (DYL) / Silver Lake Resources (SLR) / Red 5 (RED)

DYL will be added to the S&P/ASX200 prior to the 11 June open, pending final court approval of SLR's acquisition by RED.

Strike Energy (STX)

Onshore WA Perth Basin Walyering-7 appraisal has determined 23m of net gas pay with average 16% porosity, within a gas accumulation located in an additional compartment to the north-east of current Walyering field production. The well is yet to be flow-tested.



South Korea has published May **international trade** figures over the weekend, these including an 11% year-on-year rise in exports and 2% decline for imports.

Imports had risen by 5.4% during April and economists had expected a new 3.3% increase.

March exports had been recorded 13.8% higher and consensus had come in for a 14.2% April climb.

A May manufacturing PMI is due for South Korea this morning and a final May manufacturing PMI for Japan.

New Zealand's markets are **closed today**, due to a public holiday.

In overnight Friday **commodities** trade, **oil** settled lower for a third consecutive session.

US **gold** (Comex) futures swung lower, closing below \$US2350/oz.

Iron ore (Nymex CFR China, 62% Fe) was pushed beyond \$US118.5/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** extended Thursday's falls.

The **\$A** rose to ~US66.60c after trading at ~US66.45c - ~US66.55c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	38686	575	1.5
S&P 500	5278	42	0.8
NASDAQ	16735	-2	-0.0
FTSE 100	8275	44	0.5
DAX 30	18498	1	0.0
Shanghai Composite	3087	-5	-0.2

Overseas Markets Commentary

Marked choppy trade featured across major European and UK equities markets overnight Friday.

Key US indices demonstrated varied early caution before trending higher in second half trade, seemingly supported by interest rate optimism.

An April CPI estimate for the euro zone was reported a little higher than expected.

In the US, key data sparked mixed interpretations, regarding interest rate containment and likely economic prospects.

Earlier Friday, China reported May PMIs which each proved lower than the April readings and expectations for the new month.

In overnight Friday **economic data** releases, the initial April CPI reading for the **euro zone** represented 0.2% inflation growth for the month following 0.6% in March.

Year-on-year however, the inflation rate grew to 2.6% from the 2.4% recorded for March. Forecasters had anticipated a 0.1% increase.

In **Germany**, April import prices were calculated 0.7% higher for the month, against expectations for a 0.5% increase following a 0.4% March rise.

Against April 2023, import prices were down by 1.7% following a 3.6% annualised March fall.

April retail sales fell 1.2% for the month, against expectations for a

Pre-Open Announcements

Nuix Ltd (* NXL)

Anticipating \$55M - \$60M FY24 EBITDA, from \$47M - \$52M forecast on 20 May.

The changed guidance is due to funds received following an insurance claim.

Synlait Milk (** SM1)

Anticipating FY24 EBITDA at the lower end of \$NZ45M - \$NZ60M.

Expecting to be unlikely to meet three banking covenants as at 31 July, and hence SM1's banking syndicate is reviewing 'a package of proposed waivers'.

39.01% SM1 shareholder Bright Dairy is providing a \$130M loan, pending shareholder approval, in support of debt payments due 15 July.

In addition, planning a new equity raising.

Further, the Dairyworks sale process has ended with no acceptable offer.

Fletcher Building (* FBU)

FBU has secured more favourable covenant test terms in amendments to banking agreements.

Expecting \$NZ0.8B - \$NZ0.9B liquidity at 30 June.

Austal Ltd (* ASB)

\$US516M contract modification, relating to long lead time items, awarded by the US Navy.

Details lodged post-trade Friday.

Immutep Ltd (* IMM)

Trading halt called this morning, ahead of a \$A100.2M fully underwritten 38c-per-share placement and entitlement offer.

IMM traded at 43c - 45.5c last week.

Mesoblast Ltd (MSB)

Corporate presentation lodged this morning.

Southern Cross Electrical & Engineering (SXE)

SXE has completed the acquisition of Sydney-headquartered electrical and communications specialist MDE Group, paying an upfront \$5.55M.

TPC Consolidated (TPC)

Sunset date extended regarding the scheme implementation agreement by which Beijing Energy International subsidiary Wollar Solar Holding proposes to acquire TPC.

The extension is for two months, to 31 July.

FIRB approval remains outstanding.

Generation Development Group (GDG)

GDG has applied for a revocation of the group's pooled development fund (PDF) registration, in support of group growth options.

Top Shelf International Holdings (TSI)

TSI has appointed former Ernst Young corporate finance



much slighter 0.1% decline, following a 2.6% March increase. Against April 2023, sales were down 0.6% against March's 1.9% year-on-year fall.

The Bank of England estimated a £73M rise in UK consumer credit during April, against a £1.422B March increase which had spawned consensus for a £1.5B new climb.

Nationwide in the meantime reported a 0.4% increase in house prices during April. Economists had expected a 0.1% move higher following a 0.4% March decline.

Against April 2023, prices were up 1.3% from March's annualised 0.6% appreciation.

In the US, April personal income and spending rose by 0.3% and 0.2% respectively, following 0.5% and 0.7% March increases.

The April personal consumption expenditures (PCE) price index rose by 0.3%, the same as for March, and on par with expectations.

Against April 2023, the PCE price index was up 2.7%, also in line with March and consensus.

Meanwhile, the May Chicago PMI, as calculated by the ISM, unexpectedly dropped to 35.4 from 37.9.

Forecasters had anticipated an improvement to 41.0, rather than the reported greatest monthly fall since 2020.

Tonight in the US, the ISM May manufacturing index and April construction spending are due.

Elsewhere, final May manufacturing PMIs are due for the UK and euro zone.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Aug)	2345.8	oz	-20.7	-0.9
Silver (COMEX 5000 Jul)	30.44	oz	-1.09	-3.6
Platinum	1036	oz	10	1.0
WTI Crude (NYMEX Jul)	76.99	bbbl	-0.92	-1.2
Brent Crude (ICE EUR Jul)	81.62	bbbl	-0.24	-0.3
Iron Ore (NYMEX CHN port;62%Fe)	118.58	t	0.96	0.8
Copper (LME 3mth Evening)	10069	t	-59	-0.6
Nickel	19766	t	-281	-1.4
Aluminium	2665	t	-34	-1.3
Lead	2282	t	9	0.4
Zinc	2978	t	-90	-2.9
Tin	33112	t	2	0.0

Commodities Commentary

Oil – OPEC+ meetings yesterday resulted in the group extending some production cuts through next year, but phasing out others. 3.66MMbbl/d of the current 5.86MMbbl/d curbs will continue until the end of 2025. 2.2MMbbl/d due to expire at the end of this month, will continue until the end of September, from when they will be phased out over 12 months.

Saudi Arabia's energy minister offered any of this past weekend's proposals could change if deemed necessary at any time, citing interest rates and international economic growth as key factors.

Overnight Friday, reports emerged that Saudi Arabia had invited members to meet in person in Riyadh, amid complex negotiations,

practice partner John Selak as a non-executive director.

Resources

Vulcan Energy Resources (* VUL)

€40M in hand from private placements.

Details lodged this morning.

Jervois Mining (* JRV)

MoU secured for JRV cobalt customer Global Tungsten & Powders (GTP) to jointly investigate a potential GTP minority equity investment in JRV's proposed US cobalt refinery.

A GTP facility in Towanda, Pennsylvania is one of two short-listed sites for the JRV refinery.

Summit Minerals (SUM)

Investor presentation lodged post-trade Friday.

Matador Mining (MZZ)

Investor presentation lodged post-trade Friday.

Lotus Resources (LOT)

Now trading on the OTCQX, rather than the OTCQB.

Classic Minerals (CLZ)

Targeting \$2M in a 0.4c-per-share one-for-one (plus bonus one-for-two option) rights issue.

CLZ traded at 0.4c – 0.6c last week, settling at 0.4c. Friday.

Voltaic Strategic Resources (VSR)

32.1M VSR shares changed hands across 294 transactions Friday following the release of visual confirmation of copper-gold mineralisation during reconnaissance rock chip work within the WA Meekatharra project Eldinero prospect.

Photos lodged and samples submitted for laboratory analysis.

Titan Minerals (TTM)

In response to an ASX price query, TTM has pointed out the company's portfolio exposes it to copper, silver and gold prices, which have each recently surged.

TTM added 24% Wednesday last week, on a 24.7M share turnover and another 3.2% Friday on 40.98M end-of-month turnover.

TTM traded as high as 3.6c Friday, prior to settling at 3.2c after closing out the previous week at 2.4c.

Australian Vanadium (AVL)

Withdrawing from OTCQB Venture Market trade, due to low trading volumes.

Last trade will occur 7 June.

Trading Halts

Company	Code	Resuming
Black Cat Syndicate	BC8	4 Jun
Farm Pride Foods	FRM	4 Jun
G11 Resources	G11	4 Jun
Generation Development Group	GDG	5 Jun



despite the meetings remaining officially scheduled for online.

Despite some intra-session swings, demand concerns appeared to ultimately weigh in overnight Friday trade, during which US government agency the EIA reported March crude production (13.2MMbbl/d) at the most for the year-to-date, but supplied fuel product down by 0.4%. Distillate supply was reported to have been ~6% lower than that recorded for February.

In addition, a euro zone April CPI reading indicated higher-than-expected inflation growth.

On the flip side, prices rose some when a US PCE price report indicated no pressing need to push US interest rates higher.

A weekly US petroleum drill rig report, published by Baker Hughes overnight Friday, included 496 oil rigs in operation, rather than the 497 reported for the previous week.

The overall operational petroleum rig tally was reported to have fallen by 13 during May, representing a third consecutive monthly fall and largest monthly decline since August 2023. Against May 2023, the overall number of petroleum rigs in operation was down 13%.

Across last week, Brent crude fell by 0.6% and WTI by 1.0%.

The Brent July delivery contract expired on Friday's close. The August contract fell 77c (0.8%) for the session, closing at \$US81.11/bbl.

Gold – prices swung in overnight Friday, end-of-month trade.

They rose early on a personal consumption expenditures (PCE) price index which did not indicate the need to push US interest rates higher. Hence, this initially supported gold demand views and constrained any \$US moves higher.

However, indications consumers were using more credit and delving into savings, plus a weaker-than-expected personal spending figure also released overnight Friday, ultimately pushed prices decidedly lower for the session.

Comex futures ended the week down 0.47% but up by 0.91% for the month.

European Central Bank (ECB) and Bank of Canada rates decisions are on watch, with a batch of key international economic indicators also due through the week.

Base metals – weaker-than-anticipated data out of China appeared to impact sentiment in general overnight Friday.

The \$US was down by ~0.2% during LME trade, supporting some trade.

Some profit-taking, during end-of-month positioning, was also reported.

China's official May PMIs, released Friday, undershot expectations. The manufacturing PMI came in at a contractionary 49.5 from an expansion-mode 50.4 for March. Economists had anticipated ongoing expansion, albeit with just a slight increase to 50.5.

The services PMI declined to 51.1 from 51.2, but consensus had been recorded for an improvement to 51.5.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6654	0.0001	0.01
EUR – USD	1.0852	0.0006	0.05

Genetic Signatures	GSS	6 Jun
IDT Australia	IDT	4 Jun
Nanoveu Ltd	NVU	4 Jun
Provaris Energy	PV1	4 Jun
RLF AgTech	RLF	4 Jun
Viridis Mining & Minerals	VMM	4 Jun

Suspensions *(selected)*

Company	Code	Since
Australian Vintage	AVG	27 May
BCAL Diagnostics	BDX	31 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 (%)
NEM	Today	26.84	0	1.09
PBP	Tomorrow	3.75	100	2.31
HNG	Wed	1	100	2.86
IFT	Wed	10.73	0	0.61
ALQ	12 Jun	19.6	20	2.76
TWR	12 Jun	2.36	0	0.00
IPL	13 Jun	4.3	0	5.07
WQG	13 Jun	1.74	100	4.51

**Australian Data Today**

CoreLogic	House price index	May
ANZ	Job advertisements	May
MelInst	Inflation gauge	May
RBA	Commodity prices	May
RBA	Australian Government securities & semis	May

US Data Tonight

ISM manufacturing	May
Construction spending	Apr
S&P Global manufacturing PMI (final)	May

Other Overseas Data Today and Tonight

China	Caixin manufacturing PMI	May
Japan	Manufacturing PMI (final)	May
South Korea	Manufacturing PMI	May
UK	Manufacturing PMI (final)	May
Germany	Manufacturing PMI (final)	May
Euro zone	Manufacturing PMI (final)	May

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.