

Markets

SFE 200 Futures (9.30am AEST)	7621	27	0.4
NZX 50	11739	-57	-0.5
DJIA Futures	38296	88	0.2
S&P 500 Futures	5018	14	0.3
NASDAQ Futures	17251	70	0.4

Local Markets Commentary

The Australian market commences a four-day trading week with fresh data in hand for China, and Middle East and Russia-Ukraine conflicts remaining in focus, ahead of material international economic data plus earnings reports and outlooks from some of the US 'mega-cap' and high-profile European stocks this week.

US equities markets closed markedly mixed overnight Friday, from a 2% fall through a 0.6% gain.

Since overnight Friday trade:

- Iran and Israel appeared to have contained tit-for-tat talk and action ahead of Passover commemorations this week for Jewish communities;
- North Korea was reported to have tested a particularly large cruise missile warhead on Saturday, following an anti-aircraft missile test on Friday;
- Both NATO and the US House of Representatives approved additional aid/funding for Ukraine;
- The US House also approved new funding for Israel;
- A pro-Iranian militia base was attacked in Iraq;
- Iraq reported rocket fire from its border with Syria towards a US military base in Syria;
- West Bank violence has escalated;
- Israel-Hamas truce talks have reportedly stalled; and
- India's national election commenced Saturday, but voting will reportedly be rerun at several polling sites.

Locally today, March quarter reports and pre-full year results disclosure updates are expected to influence select company and sector trade.

Regionally post-ASX trade Friday, **China** reported a 26.1% year-on-year drop in **March foreign direct investment (FDI)**, to 301.67B yuan. February FDI had been recorded 19.1% lower on an annualised basis.

Today, China is due to reveal the monthly **benchmark rate for household and corporate lending** (one-year loan prime rate), plus the **reference rate for property mortgages** (five-year loan prime rate) at 11.15am AEST.

In overnight Friday **commodities** trade, **oil** closed 0.2% - 0.5% higher.

US **gold** (Comex) futures rose to settle beyond \$US2410/t.

Iron ore (Nymex CFR China, 62% Fe) pushed past \$US108.00/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** rallied further, copper by ~ 1.5%, nickel adding ~4.0% and aluminium climbing

ASX trade & settlements

The ASX will be closed **Thursday** for the ANZAC public holiday

Tomorrow's trades will settle Friday (26 April)

Trades executed Wednesday will settle Monday next week

Today's Stock Watch

Air New Zealand (AIZ)

Lowering FY24 pre-tax earnings guidance to \$NZ190M - \$NZ230M from the previously forecast \$NZ200M - \$NZ240M.

Kelly Partners Group (KPG)

Binding terms agreed with Kudos International whereby KPG will acquire a 50.1% interest in the Kudos network.

DroneShield Ltd (DRO)

Resuming from a trading halt having completed the book-build for an ~\$100M fully underwritten 80c-per-share placement, in support of anticipated further business development under the current geopolitical environment.

DRO initially targeted \$70M, and the additional \$30M will be subject to shareholder approval. DRO also plans to conduct a \$5M SPP at the same price 22 April (today) – 10 May.

DRO traded at 80c- \$1.145 across the five sessions prior to calling the halt. The session prior to calling the halt, DRO had gained 18.5% on an ~31.4M share turnover across ~8500 transactions, after revealing the company had secured a counter-small UAS (C-UAS) procurement framework agreement with NATO.

Resources

South32 Ltd (S32)

Groote Eylandt wharf operations and manganese export sales are not expected to recommence until Q3 FY25, following cyclone damage earlier this year. Comprehensive March quarter operational statistics, including mixed metals production, lodged pre-trade. \$US937M net debt.

Ramelius Resources (RMS)

Raising forecast FY24 gold output to 290,000oz.

Produced a record 86,928oz during the March quarter.

29Metals Ltd (29M)

Binding terms agreed for a \$US50M offtake financing facility with Glencore.

Further \$16M insurance interim payment also secured.

Energy

Boss Energy (BOE)

First uranium produced from the South Australia Honeymoon project. Ongoing commissioning ahead of expected 2.45Mlb/year U₃O₈.



~2.0%.

The \$A maintained US64.15c after trading at ~US64.10c - ~US64.20c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	37986	211	0.6
S&P 500	4967	-44	-0.9
NASDAQ	15282	-319	-2.0
FTSE 100	7896	19	0.2
DAX 30	17737	-100	-0.6
Shanghai Composite	3065	-9	-0.3

Overseas Markets Commentary

Cautious early trade featured across major European, UK and US equities markets overnight Friday..

While European and UK market sentiment improved some, US markets mostly demonstrated further circumspection amid multiple comments of uncertain and fragile conditions.

In individual indices trade, DJIA sentiment was reported to have been mostly ultimately supported by better-than-anticipated American Express quarterly profit, and S&P 500 and NASDAQ risk sentiment further adversely impacted by Netflix figures and plans, revealed post-US trade Thursday.

Earlier Friday (AEST), Iran reported a drone attack on targets around the city of Isfahan, attributing this activity to Israel, and also claiming to have destroyed the drones.

Iran's response had been awaited as daylight arrived in Europe and across the US, but commentary subsequently concluded the Israel activity as 'measured', perhaps targeting military and nuclear areas as a warning, that for now 'saved face'.

For its part, Iran noted it would limit any response to any intensification of Israel intensify, albeit that this would also be 'maximum level'.

Among international economic considerations, early Friday evening, China revealed a larger annualised drop in March foreign direct investment (FDI) than recorded for February.

In response to Japan's March inflation update, **Bank of Japan** governor Kazuo Ueda reiterated the central bank would 'very likely' raise rates again should underlying inflation keep rising from beyond the 'somewhat below' 2% target.

The impact of last month's move from negative interest rates needed to be assessed, the governor asserted, maintaining the bank would 'proceed cautiously'.

Overnight Friday, **Bank of England** deputy governor Dave Ramsden offered his view that UK inflation growth could hover around 2% for the next three years.

Mr Ramsden's accompanying recognition of weak economic progress appeared to boost expectations of the commencement of interest rate reductions during the second half of 2024.

The comments were also qualified in light of 'this period of unprecedented structural shocks'.

Post-US trade overnight Thursday, Atlantic **Federal Reserve** president Raphael Bostic cautioned against too early a move to

Pre-Open Announcements

Sims Ltd (* SGM)

SGM has appointed recent TPG Telecom (ASX: TPG) CFO Grant Dempsey as an independent non-executive director.

Althea Group Holdings (* AGH)

Distribution agreement secured with Symbion, covering 3850 retail pharmacies and 1350 hospitals across Australia.

Genetic Signatures (GSS)

Australia's TGA has approved GSS's redesigned respiratory pathogen detection kit EasyScreen for sale within Australia. Approvals for sale in the UK and EU are also in hand.

Genesis Energy (GNE)

GNE's customer tally grew 3.1% year-on-year to 494,752 during the March quarter.

New Zealand's gas output has fallen at a faster rate than anticipated but not so gas demand.

Millennium Services Group (MIL)

\$76.0M March quarter revenue, pushing FY24-to-date revenue to \$225.2M against \$197.8M a year ago.

Cochlear Ltd (COH)

COH has appointed Kristy Jo and Rob McGrory each as company secretary.

Recent COH company secretary Ray Jarman is retiring, as previously flagged, effective today.

Growthpoint Properties Australia (GOZ)

Ross Lees will commence as GOZ CEO and MD 20 May.

Mr Lees' appointment was revealed 6 March.

Resources

Orion Minerals (* ORN)

Heralding 'outstanding' diamond drilling results for Flat Mine East, within the Okiep copper project, South Africa.

Patriot Battery Metals (* PMT)

Canada Corvette lithium project CV5 final 2023 drilling results in hand.

Assays lodged this morning.

CV13 drilling results anticipated soon.

International Graphite (* IG6)

\$6.5M WA Government grant in hand, in support of the Collie processing facility.

Tivan Ltd (TVN)

Speewah fluorite resource estimated at 37.3Mt @ 9.1% CaF₂, for 3.39Mt of CaF₂.

62% of the resource tonnage qualifies for indicated status.

Energy

Odessa Minerals (* ODE)

Heralding WA Lyndon uranium and vanadium project rock



cut interest rates, stating that conditions might not be met for any US monetary policy easing until late 2024. Mr Bostic added that the US economy had proved 'much stronger and more resilient' than he had expected.

This was followed Friday, by **European Central Bank (ECB)** president Christine Lagarde confirming the ECB expected euro zone inflation to decline further and that interest rate cuts were on the agenda pending data confirmation of sustainable inflation containment.

The National Bank of Belgium governor, and hence ECB policy maker, Pierre Wunsch, went further, venturing two possible rate reductions prior to year's end, but acknowledged 'uncertainty making it difficult to forecast'.

Also overnight Friday, the International Monetary Fund (**IMF**) declined to issue a joint statement marking this past week's IMF and World Bank Spring meetings. This was attributed to conflict impacts and disagreements regarding various conflict scenarios.

The IMF opted instead for a statement from the fund's International Monetary and Financial Committee (IMCF), outlining concerns at the economic risks posed by conflict, and the associated humanitarian crises and transport issues.

In scant overnight Friday data releases, **Germany's** producer prices were reported 0.2% higher for March, against consensus for no change, following a 0.4% February fall.

Against March 2023, prices were down 2.9% from February's 4.1% annualised fall.

In the **UK**, March retail sales undershot expectations, calculated flat for the month against expectations for a 0.3% rise following February's 0.1% increase (revised from no change).

Sales were 0.8% higher than those for March 2023 however, against February's 0.3% year-on-year fall.

No major economic reports were released for the US.

Tonight in the **US**, the Chicago Fed March national activity index is due.

Elsewhere, the ECB president is scheduled to speak publicly.

Companies listed to report earnings later today or tonight include: Cadence Design, HDFC Bank, Reliance Industries, Sandvik, SAP and Verizon Communications.

In overnight Friday and weekend corporate news, Tesla again cut prices of select vehicles and products, this time in multiple markets.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Jun)	2413.8	oz	15.8	0.7
Silver (COMEX 5000 May)	28.84	oz	0.46	1.6
Platinum	933	oz	-3	-0.3
WTI Crude (NYMEX May)	83.14	bbbl	0.41	0.5
Brent Crude (ICE EUR Jun)	87.29	bbbl	0.18	0.2
Iron Ore (NYMEX CHN port;62%Fe)	108.25	t	0.30	0.3
Copper (LME 3mth Evening)	9880	t	143	1.5
Nickel	19333	t	768	4.1
Aluminium	2671	t	55	2.1
Lead	2223	t	41	1.9
Zinc	2855	t	39	1.4

chip results.

Several assays measured >1000ppm U₃O₈. One recorded at 6612ppm U₃O₈.

In addition, several assays measured >1000ppm V₂O₅.

Trading Halts

Company	Code	Resuming
Aurora Labs	A3D	22 Apr
Brazilian Critical Minerals	BCM	22 Apr
Cyclone Metals	CLE	22 Apr
DroneShield Ltd	DRO	22 Apr
Emyria Ltd	EMD	23 Apr
Lightning Minerals	L1M	22 Apr
Mayur Resources	MRL	23 Apr
Midas Minerals	MM1	23 Apr
Mighty Kingdom	MKL	22 Apr
Spartan Resources	SPR	22 Apr
Viridis Mining & Minerals	VMM	22 Apr
WIA Gold	WIA	22 Apr

Suspensions (selected)

Company	Code	Since
Clean TeQ Water	CNQ	19 Apr
HeraMED Ltd	HMD	5 Apr
Scout Security	SCT	19 Apr
Summit Minerals	SUM	18 Apr
TTA Holdings	TTA	19 Apr

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
NAM	Today	1	0	0.83
SST	Tomorrow	21.04	0	2.35
ACF	29 Apr	2.85	100	3.83

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	NST	Mar Q
	STX	Mar Q (webinar 11am)
Tomorrow	ALX	Mar Q
	ERA	AGM
	FMG	Mar Q
	LYC	Mar Q (webcast 10am)
	RED	Mar Q (tele 10.30am)
	RRL	Mar Q (tele 11am)
	WDS	AGM



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Commodities Commentary

Oil – overnight Friday prices swung, up \$US3/bbl early in the session, but subsequently settling with slight gains.

Iran had in the meantime indicated no response to the short Isfahan region attack it alleged had come from Israel, but which it also claimed had caused no damage.

Also overnight Friday, the IMF was reported to have ventured OPEC+ would increase output from July.

Forecasters including Commerzbank and Goldman Sachs, continued to raise price predictions, pending geopolitical developments, amid potential increased demand.

A weekly US petroleum drill rig report, published overnight Friday by Baker Hughes, included a five-strong jump in the number of operational oil rigs to 511. Total petroleum rigs in operation rose to 619 from 617.

Gold – prices headed a little lower in early overnight Friday trade.

An ultimate turn higher was attributed to a slight \$US fall and technical considerations, coupled with international relations remaining fragile.

In addition to geopolitical developments, inflation indicators (including for Australia) and GDP updates, plus a Bank of Japan monetary policy meeting and forecasts update, are expected to influence some sentiment this week.

Base metals – general LME base metals sentiment remained strong overnight Friday.

Copper's continued rise was attributed to some funds buying.

Nickel was propelled higher, well past the 200-day moving average exceeded the previous session.

Tin recorded a third consecutive session of minimum 3% gains, Friday's jump exceeding greater than 4.5%. Prices reportedly reached 22-month highs.

Benchmark one-and five-year loan rates are due for China today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6425	0.0029	0.45
EUR – USD	1.0660	-0.0007	-0.06

US Data Tonight

Chicago Fed national activity index	Mar
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Other Overseas Data Today & Tonight

China	1yr & 5yr loan prime rates	Apr
UK	CBI business optimism	Jun Q
UK	CBI industrial trends orders	Apr
Euro zone	Consumer confidence	Apr

Fri	MIN	Mar Q
	RMD	Mar Q (webcast 6.30am)
	URW	Mar Q



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