

Markets

SFE 200 Futures (9.30am AEDT)	7829	7	0.1
NZX 50	11934	-44	-0.4
DJIA Futures	39824	-44	-0.1
S&P 500 Futures	5288	-5	-0.1
NASDAQ Futures	18559	-16	-0.1

Local Markets Commentary

The Australian market opens a shortened week's trade on the fourth last domestic trading day for the March quarter, with the \$A at ~US65.10c, a key domestic business report due, and new material data in hand from China, amid heightened, broadened geopolitical tensions.

US equities markets settled markedly mixed overnight Friday.

Since overnight Friday trade:

- a US Federal Reserve district president has offered he now anticipates just one US interest rate cut by year's end;
- Russia increased its attacks on Ukraine's capital Kyiv, and the Ukraine-Poland border region city of Lviv, prompting Poland to 'activate' its air force to protect Poland's airspace;
- a China coast guard ship reportedly attacked a Philippine civilian vessel with water cannon in a disputed area of the South China Sea, the second such attack reported within a month; and
- the US Congress has approved essential government funding through to 30 September.

Locally today, the ACCI-Westpac March quarter **business survey** report is anticipated late-morning.

In addition, a batch of high-profile stocks trades **ex-dividend**. Please see p4 for a detailed ex-dividends list.

Regionally today, the **Bank of Japan** is due to release monetary policy meeting minutes at 10.50am AEDT, after raising its rates range from negative territory last week.

Friday evening, **China** reported a 19.9% year-on-year drop in February **foreign direct investment** (FDI), to 215.1B yuan (~\$US30B), following an 11.7% annualised fall for January.

China concludes the annual two-day China Development Forum in Beijing, amid reports China's administration has introduced measures to phase out the use of microprocessors (CPUs) manufactured by Intel and IMD.

Also today, Singapore is expected to report February CPI inflation as the ASX closes.

In overnight Friday **commodities** trade, **oil** recorded a third consecutive sessional fall, Brent settling below \$US85.50/bbl and WTI beneath \$US80.70/bbl.

US **gold** (Comex) futures swung lower, retreating to \$US2160/oz.

Iron ore (Nymex CFR China, 62% Fe) also turned lower but slightly

Today's Stock Watch

ALS Ltd (ALQ)

Agreement in hand for ALQ to acquire the balance 51% in Nuvisan for no cost. A fair value adjustment for the initial 49% is expected to result in a write down of most of the existing estimated \$A258M carrying value.

In addition, ALQ anticipates ~€20M in restructuring costs over two years, but also to realise ~€25M in annual cost savings. Costs are expected to be covered by existing liquidity and improved profitability.

MMA Offshore (MRM)

MRM has agreed a scheme implementation deed whereby Seraya Partners' Cyan Renewables will acquire 100% of MRM for \$A2.60 cash-per-share. MRM traded at \$2.22 - \$2.42 last week. Cyan Renewables has established Cyan MMA Holdings as the acquisition vehicle for the proposed transaction.

McGrath Ltd (MEA)

MEA has agreed a scheme implementation deed whereby a Knight Frank and Bayleys consortium will acquire MEA for 60c cash-per-share, or for unlisted scrip, or a cash and scrip combination.

MEA's board holds or controls a combined 48.1% of MEA and unanimously recommends the potential transaction.

HealthCo Healthcare & Wellness REIT (HCW)

In response to media reports, HCW and a related hospital property venture 'remain in a strong financial position' with respect to the hospital assets. Details and HCW's reaffirmed guidance lodged this morning.

Fletcher Building (FBU)

FBU has appointed FBU concrete division chief executive Nick Traber as acting CEO, taking over from Ross Taylor at the end of the week. Mr Taylor will remain available to FBU until 23 August. In addition, FBU directors Doug McKay and Rob McDonald intend to retire from the FBU, 30 June and at the conclusion of the October AGM respectively.

Resources

Sheffield Resources (SFX)

SFX has completed an initial bulk shipment of WA Kimberley region Thunderbird mineral sands project zircon concentrate. The shipment comprised ~10,000t of bulk material plus 1100t of bagged zircon concentrate. Ilmenite, leucoxene and additional zircon shipments are scheduled for coming weeks.

Patriot Battery Metals (PMT)

Canada Corvette property surface exploration has determined additional spodumene pegmatite.

Sampling assays lodged this morning.



so, remaining above \$US110.5/t.

LME (3mth evening) **copper** was pushed ~1% lower, closing below \$US8900/t and **nickel** by greater than 1.5%, settling beneath \$US17250/t. **Aluminium** added ~0.4% following a greater than 1.0% gain Thursday, closing the week just above \$US2300/t.

The **\$A** essentially trod water after trading at ~US65.15c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	39476	-305	-0.8
S&P 500	5234	-7	-0.1
NASDAQ	16429	27	0.2
FTSE 100	7931	48	0.6
DAX 30	18206	26	0.1
Shanghai Composite	3048	-29	-1.0

Overseas Markets Commentary

Sentiment varied across major European, UK and US equities markets overnight Friday.

The FTSE 100 was supported to a record peak on interest rate cut expectations. Mainland European markets chopped and swung, also on interest rate views, but these were stirred with recent mixed economic indicators.

Likewise the SP&P 500 in the US, whereas the DJIA opened a little down and trended lower to settle at session lows and the NASDAQ chopped while trending away from early session lows.

In addition to international economic indicators and interest rate commentary, geopolitical scenarios and fluid alliances were very much in focus.

In geopolitical developments: Russia suffered a deadly attack claimed by Islamic State within a concert hall in Moscow; Russia targeted power infrastructure, including a major hydro-electric facility, within Ukraine; Russia and China vetoed a UN Israel-Hamas ceasefire resolution; and the US warned Israel was at risk of broad international isolation.

Meanwhile, at a major computer chip fair in China, exhibitors touted a growing ability to work around US sanctions by providing quality materials and equipment in addition to effective semi-conductors. Notably, ~71.44B yuan worth of foreign direct investment (FDI) was estimated to have been allocated to high-tech industry during February.

Also overnight Friday, Congress continued to debate government funding ahead of a new midnight deadline.

Earlier Friday, the **Reserve Bank of Australia's** bi-annual financial stability review report listed several economic risks, including the commercial real estate sector, corrections for broader asset prices, geopolitical relations and events, and impacts from China's property sector downturn.

Among central bank commentary, the head of **Germany's Bundesbank** (and hence a European Central Bank policymaker) Joachim Nagel offered conditions could prove sufficient for an ECB interest rate cut in June, but maintained no long-term commitments were yet possible.

Pre-Open Announcements

G8 Education (* GEM)

GEM will pay \$46.5M in settlement of a class action initiated in the Supreme Court of Victoria in November 2020.

The net impact, post-tax and insurance is estimated at \$24.5M.

The settlement is without admission of liability.

Proteomics Ltd (* PIQ)

PIQ has secured 600 patient plasma samples for further clinical validation of PIQ's PromarkerEndo blood test for diagnosing endometriosis.

The samples have been secured under a material transfer agreement with the University of Oxford.

Sample analysis is expected to be completed within ~four months.

In addition, PIQ has commenced developing a PromarkerEndo test suitable for use in clinical laboratories.

The Star Entertainment Group (* SGR)

SGR CEO and MD Robbie Cooke has relinquished his SGR roles, effective from Friday.

In association, SGR independent non-executive chair David Foster has been appointed as executive chair.

In addition, SGR CFO Christina Katsibouba is stepping down from her SGR role in favour of other interests.

SGR has appointed Neale O'Connell to take over from Katsibouba.

Mr O'Connell will join SGR today as interim CFO.

He is a former Corporate Travel Management (ASX: CTD) CFO and previous Tatts Group CFO, overseeing the merger with Tabcorp Holdings (ASX: TAH).

Mr Cooke will consult to SGR for six months.

Sims Ltd (* SGM)

Non-executive chair Geoff Brunson is retiring from the SGM board today.

As previously flagged, SGM director Philip Bainbridge has been appointed to take over from Mr Brunson.

GPT Group (* GPT)

GPT has appointed Investa investment management head and CFO Merran Edwards as CFO, effective by 1 July.

Opyl Ltd (* OPL)

Resuming from suspended trade with a non-binding offer in hand from Trial Screen Pty Ltd for the group's patient candidate recruitment business Opin.

Trial Screen, an entity controlled by Opin head and OPL consultant Hugo Stephenson, is offering \$A1 plus 20% of Trial Screen.

OPL views the proposed deal as a way to significantly improve monthly cash flow.

In the absence of a superior proposal, the OPL board intends



For her part, **European Central Bank (ECB)** president Christine Lagarde told European parliamentarians that the bank expected some improved economic growth before the end of the year, and also anticipated inflation levels would continue lower.

Bank of England governor Andrew Bailey told a media outlet that expectations of a UK interest rate cut before year's end were 'not unreasonable' and that, regarding inflation, policymakers were 'not seeing a lot of sticky persistence'.

In the meantime Friday, **Japan** had published a February CPI reading that represented flat inflation for a second consecutive month.

On an annualised basis February inflation rose to 2.8% from 2.2% for January.

Among overnight Friday economic data releases, the IFO March business climate index for **Germany** improved to 87.8 from 85.7, exceeding expectations for a slighter improvement to 86.0.

Both the current conditions and expectations component indices came in higher for the month.

January import prices were reported flat, against consensus for a 0.3% decline following January's 1.0% fall.

Against January 2023, prices were down 5.9% following a 7.0% year-on-year December fall.

In the **UK**, the March CBI industrial trends orders index improved, albeit to -18 from -20. Nonetheless, this represented the highest reading in six months

UK February retail sales came in flat for the month, against consensus for a 0.3% decline following a 3.6% January jump.

Against February 2023, sales were down 0.4% from a 0.5% year-on-year climb for January.

Earlier Friday (during ASX trade), the Gfk March consumer confidence index for the UK was reported at -21, as it had been for February, against consensus for a small improvement to -19.

Overnight Friday, the **Bank of Russia** convened a monetary policy meeting at which it maintained the main interest rate at 16%, noting restrictive policy could be needed for some time, even though inflation risks had appeared to have eased.

In the **US**, no material economic indicators were published.

Tonight in the **US**, the Chicago Fed February national activity index is due, together with February new home sales and the Dallas Fed March manufacturing index.

Elsewhere, the ECB president is scheduled to again speak publicly.

GameStop and McCormick & Co are among companies listed to report earnings later today or tonight.

In overnight Friday and weekend corporate news, traders appeared especially sensitive to late-Thursday forecasts out of specialist retailers JD Sports, Lululemon Athletica and Nike.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Apr)	2160	oz	-24.7	-1.1
Silver (COMEX 5000 May)	24.84	oz	-0.17	-0.7
Platinum	893	oz	-13	-1.4
WTI Crude (NYMEX May)	80.63	bbbl	-0.44	-0.5
Brent Crude (ICE EUR May)	85.43	bbbl	-0.35	-0.4

to recommend the Trial Screen offer to OPL shareholders and to vote in favour of the proposed transaction.

Air New Zealand (* AIZ)

AIZ has cancelled a \$NZ400M unsecured standby facility secured with the New Zealand government, AIZ's major (~52%) shareholder, 30 March 2022, due to post-Covid uncertainty.

AIZ did not draw on the facility, but is seeking to secure a new, private unsecured revolving standby facility.

Seafarms Group (SFG)

SFG has appointed Project Sea Dragon commercial director Peter Fraser as SFG CEO, taking over from Rod Dyer, who is retiring from this role.

Mr Dyer will remain with SFG as a non-executive director.

Prior to his appointment to SFG, Mr Fraser was a SFG business advisor.

Resources

OreCorp Ltd (* ORR) / Perseus Mining (PRU)

ORR is recommending the revised PRU takeover proposal, in the absence of a superior bid.

Australian Strategic Materials (* ASM)

ASM is applying to the Export-Import Bank of the US (US EXIM) for debt funding of up to 80% of FEED contract costs.

ASM has awarded the FEED contract to US-headquartered Bechtel.

The funding is in addition to the \$US600m of potential funding announced last week, as outlined in a LoI from EXIM.

Brazilian Rare Earths (* BRE)

Heralding a new rare earth find.

Details lodged pre-trade.

Inca Minerals (ICG)

Northern Territory Frewena project Alpaca Hill IOCG target drill results are in hand.

ICG describes these as 'mixed at best'.

ICG is keen on further analysis, including determining whether the drilling 'intersected an outer part of a potentially mineralised system'.

Conico Ltd (CNJ)

Resuming from suspended trade having raised \$235,000 in a 0.1c-per-share placement.

CNJ is paying a 1% lead manager fee and a 5% placement fee.

In addition, CNJ will seek ~\$2.7M in a two-for-three rights offer, also at 0.1c per share.

Lead manager RM Corporate Finance (RMCF) will also receive a 1% fee for the rights offer, and a further 5% for any shortfall placed by RMCF.

CNJ traded at 0.25c – 0.3c over the five sessions immediately prior to calling a halt and then entering suspended trade.

Kore Potash (KP2)

KP2 has secured \$US530,000 via the issue of five separate



Iron Ore (NYMEX CHN port;62%Fe)	110.64	t	-0.30	-0.3
Copper (LME 3mth Evening)	8866	t	-84	-0.9
Nickel	17247	t	-294	-1.7
Aluminium	2310	t	8	0.4
Lead	2036	t	-14	-0.7
Zinc	2484	t	-41	-1.6
Tin	27729	t	-143	-0.5

Commodities Commentary

Oil – in addition to the \$US index at one-month peaks, overnight Friday trade was in part attributed to the prospect of improved Red Sea passage should a Hamas-Israel cease-fire be effected within days. Some negotiators had offered a truce of up to six weeks was under discussion.

Russia-Ukraine conflict activity intensified however, pushing and pulling crude trade sentiment.

Reports also emerged that Russia was considering further discounts for its crude, further muddying considerations.

A weekly US petroleum drill rig report released by Baker Hughes overnight Friday included one fewer oil rig in operation since 15 March.

Gold – \$US strength bruised overnight Friday gold sentiment, with some profit-taking noted in early trade.

One analyst in the meantime calculated 288t (net) of private sector gold imports into China during January, following 1441t by the sector in 2023. This, against People's Bank of China 2023 purchases tallying an estimated record 735t, from 597t for 2022.

The analyst ventured the People's Bank of China now holds 5358t of gold, and further maintained China's gold demand, was proving a major influence on gold markets.

Geopolitical developments plus various material international economic indicators, including CPI and GDP updates, are expected to keep currency and gold sentiment fluid this week.

Base metals – \$US strength and some profit-taking reportedly influenced general base metals sentiment overnight trade Friday.

Nickel sentiment appeared further dented by expectations of renewed increased supply out of Indonesia and by a proposal to cap prices at \$US18,000/t.

China's February industrial profits are anticipated Wednesday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6512	-0.0012	-0.19
EUR – USD	1.0806	-0.0001	-0.01

Australian Data Today

ACCI-Westpac	Business survey	Mar Q
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US Data Tonight

Chicago Fed national activity index	Feb
Dallas Fed manufacturing	Mar
New home sales	Feb

convertible loan notes.

In addition, following the conclusion of a restriction period on KP2 director and management KP2 securities change, KP2 chair David Hathorn intends to subscribe for \$US150,000 worth of KP2 shares at the equivalent of 38p per share (the notes conversion price).

Further, 12.33% KP2 shareholder Harlequin Investments is planning to subscribe for \$200,000 worth of convertible loan notes.

These will convert into ~41.46M KP2 shares on the publication of KP2's annual report.

Future Metals (FME)

Non-executive FME director Elizabeth Henson has retired from the FME board in favour of other business interests.

FME has appointed co-founder of the former New Century Resources John Carr as a non-executive director.

Cosmos Exploration (C1X)

Non-executive C1X director Matthew Freedman has resigned from the C1X board.

Pursuit Minerals (PUR)

393.75M PUR shares will be released from escrow 29 March (Friday this week).

Trading Halts

Company	Code	Resuming
Arovella Therapeutics	ALA	26 Mar
ChemX Materials	CMX	25 Mar
Coda Minerals	COD	26 Mar
Electro Optic Systems Holdings	EOS	25 Mar
EV Resources	EVR	26 Mar
Gratifii Ltd	GTI	25 Mar
Many Peaks Minerals	MPK	26 Mar
OD6 Metals	OD6	26 Mar
Power Minerals	PNN	25 Mar
Sunshine Metals	SHN	25 Mar
Talisman Mining	TLM	26 Mar
Warriedar Resources	WA8	25 Mar

Suspensions (selected)

Company	Code	Since
Audio Pixels Holdings	AKP	1 Mar
Avenira Ltd	AEV	12 Mar
Cann Group	CAN	1 Mar
DiscovEx Resources	DCX	12 Mar
Dubber Corporation	DUB	29 Feb
Holista Colltech	HCT	21 Mar
Keybridge Capital	KBC	1 Mar
KneoMedia Ltd	KNM	7 Mar

**Other Overseas Data Today & Tonight**

Japan	BoJ monetary policy meeting minutes	Mar
Japan	Leading economic index (final)	Jan
Singapore	CPI inflation (4pm AEDT)	Feb
UK	CBI distributive trades	Mar

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Land & Homes Group	LHM	1 Mar
Tivan Ltd	TVN	14 Mar

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CCV	Today	1	100	8.51
CWP	Today	8	100	4.16
LYL	Today	37	100	6.72
NCC	Today	3.75	50	10.95
NWH	Today	6.5	100	2.73
PRN	Today	2	100	0.00
ALX	Tomorrow	20	0	7.53
CVL	Tomorrow	2.5	100	5.38
FLT	Tomorrow	10	100	0.86
NZO	Tomorrow	2.55	0	0.00
SXE	Tomorrow	1	100	4.00
AOF	Wed	1.5	0	6.61
ARF	Wed	4.35	0	4.41
CIP	Wed	4	0	4.52
CLW	Wed	6.5	0	7.18
CMW	Wed	0.75	0	9.95
COF	Wed	3	0	10.20
CQE	Wed	4	0	6.15
DXC	Wed	5.28	0	7.74
DXI	Wed	4.1	0	5.34
ECF	Wed	2.13	0	12.88
FSF	Wed	11.8	0	11.71
GCI	Wed	1.42	0	8.32
GDF	Wed	1.57	0	5.42
HCW	Wed	2	0	6.03
HDN	Wed	2.08	0	6.43
IPG	Wed	4.6	100	2.08
KKC	Wed	1.67	0	7.81
MYR	Wed	3	100	5.92
PCI	Wed	0.69	0	7.47
REH	Wed	8	100	0.61
RFF	Wed	2.93	0	5.61
TCF	Wed	3.5	0	8.17
TOT	Wed	1.5	0	13.97
WPR	Wed	4.12	0	6.49
WWG	Wed	0.2	100	0.00