

Markets

SFE 200 Futures (9.30am AEST)	7026	-5	-0.1
NZX 50	12456	-4	-0.0
DJIA Futures	34201	48	0.1
S&P 500 Futures	4152	0.25	0.0
NASDAQ Futures	13381	-24	-0.2

Local Markets Commentary

The Australian market commences the last full week of trade for May relatively quietly.

Overnight Friday international equities trade proved mixed.

Key commodities prices mostly fell.

Since overnight Friday trade, an earthquake in China's Yunnan province and a volcano eruption in eastern Congo have raised concerns for support services for some mining operations.

Locally today, no major economic indicators are scheduled for release.

Stocks trading **ex-dividend** today include **CNI** and **ELD**. *Please see p4 for a comprehensive ex-dividends list.*

In overnight Friday commodities trade, **oil** bookended the week with price gains on both sides of the Atlantic.

US **gold** futures turned lower.

Qingdao **iron ore** (CFR China, 62% fines) dropped \$US11.13/t to \$US200.72/t.

Nymex iron ore (CFR China, 62%) declined further, falling below \$US210/t.

LME **copper** turned lower. **Nickel** and **aluminium** continued so.

The **\$A** declined to ~US77.30c after trading at ~US77.40c - ~US77.60c early Friday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34208	124	0.4
S&P 500	4156	-3	-0.1
NASDAQ	13471	-65	-0.5
FTSE 100	7018	-2	-0.0
DAX 30	15438	67	0.4
Shanghai Comp	3487	-20	-0.6

Overseas Markets Commentary

Risk sentiment varied across major European, UK and US equities markets overnight Friday, amid a batch of mixed material economic indicator releases, and ongoing inflation commentary.

European Central Bank (ECB) president Christine Lagarde reiterated that the euro zone region's rising inflation was considered by the bank as temporary and that the same increases would not occur next year.

* Industrial conglomerate listing – 10.30am AEST – DGL *

Today's Stock Watch
Aristocrat Leisure (ALL)

15c fully franked interim dividend, following no dividend a year ago. 73.5% lower, \$346.5M interim NPAT. 1.0% lower, \$2.23B revenue.

Synlait Milk (SM1)

Anticipating a \$NZ20M - \$NZ30M FY21 net loss, in part due to shipping delays. Also adopting a more conservative approach to year-end inventories and valuation. SM1 scheduled a teleconference for 9am AEST.

Hotel Property Investments (HPI)

Outlaying a total \$32.7M for six Queensland hotels/taverns leased to Australian Venue Company. HPI is funding the purchases from the group's debt facilities.

TZ Ltd (TZL)

\$US2.2M worth of orders received from the US since April, with Microsoft requesting a \$US547,000 upgrade to its locker bank network. In addition, a US university has cancelled an order with TZL competition, replacing this with a \$572,000 TZL mail room and locker bank order. Meanwhile, an ongoing TZL \$7M, 12c-per-share rights issue is due to close Friday. TZL traded at 12c – 13c last week.

Stockland (SGP)

Chief investment officer Darren Rehn is retiring from SGP, effective 31 May (Monday next week).

Infomedia Ltd (IFM)

Chief financial officer Richard Leon plans to leave IFM following the 24 August release of full year results.

Boral Ltd (BLD)

Last week's BLD offer to purchase for cash all of the outstanding \$US450M principal amount of 3.00% notes due 2022 resulted in \$US323.063M worth of notes (~71.79%) being tendered. BLD is paying \$US1032.93 for each \$US1000 principal amount of notes, plus accrued and unpaid interest.

BARD1 Life Sciences (BD1)

BD1 has filed patent applications for expanded use of EXO-NET and SubB2M in diagnosing cancers. Details lodged pre-trade.

Resources
Caspin Resources (CPN)

WA Yarawindah Brook nickel-copper-PGE project diamond drilling has intersected several sulphide zones. Core samples are being prepared for assaying.



Recent CPI growth was due to easing supply conditions and economic activity recovery from last year's Covid-19 – related drop.

Germany's central bank the Bundesbank predicted the nation's inflation growth rate could approach 4% this year, but that the surge would prove temporary.

In its monthly report, the Bundesbank also forecast GDP at pre-Covid-19 levels as early as the December quarter this year.

Overnight Friday data releases featured a batch of PMI updates.

Initial May PMIs for the **euro zone** included a 4.6-point rise for the services activity index to 55.1 and a 0.1 manufacturing decline to 62.8.

A consumer confidence reading for the euro zone in the meantime, improved three points, but to -5.1 albeit.

Germany's manufacturing PMI fell 2.2 points to 64.0.

The services index rose from a contractionary 49.9 to 52.8.

UK April retail sales jumped 9.2% for the month, this attributed mostly to Covid-19 – related lockdown easings.

Forecasters had expected a 3.8% rise.

Against April 2020, sales were 42.4% higher.

The UK's preliminary May PMIs both rose from robust April readings, services by 0.8 to 61.8, and manufacturing by 5.2 to 66.1.

In the **US**, the Markit initial PMI readings defied expectations on the upside.

The services activity index had been expected to slip by 0.7 to 64, but jumped to 70.1.

Likewise, the manufacturing PMI was anticipated 0.7 lower, at 59.8, but rose one point to 61.5.

April existing home sales fell 2.7% after dropping 3.7% in March.

Sales had been forecast to rise by 0.7%.

Tonight in the **US**, the Chicago Fed is due to release its monthly national activity index.

Elsewhere, **Germany's** markets will be **closed** due to a public holiday.

Commodities				
COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Jun)	1876.7	oz	-5.20	-0.3
Silver (NY) (Jul)	27.49	oz	-0.58	-2.1
Gold (LON) (19 May)	1888	oz		
Platinum	1162	oz	-27	-2.3
WTI Crude (NYMEX Jun)	63.54	bbbl	1.64	2.7
Brent Crude (ICE EUR Jul)	66.44	bbbl	1.33	2.0
Iron Ore (NYMEX,CHN,62%)	209.13	t	-2.02	-1.0
Copper (LME Ind)	9866	t	-186	-1.9
Nickel	16680	t	-467	-2.7
Aluminium	2365	t	-31	-1.3
Lead	2213	t	-7	-0.3
Zinc	2971	t	11	0.4
Tin	29650	t	-400	-1.3

Pre-Open Announcements

DGL Group (* DGL)

Trans-Tasman industrial conglomerate scheduled to list on the ASX **10.30am** AEST following a \$100M IPO at \$1.00 per share. 275M quoted shares.

Freelancer Ltd (FLN)

FLN 53%-held subsidiary Freightlancer is acquiring heavy haulage freight marketplace Loadshift for \$7.7M.

In addition, Freightlancer has appointed EMS group founder and CEO Tom Cavanagh as Freightlancer CEO.

Associated new investment information also lodged this morning.

Tyro Payments (TYR)

23% higher, \$22.19B year-to-date total transaction value (TTV) as at 21 May.

May-to-date TTV is 90% higher year-on-year, at \$1.60B.

AFT Pharmaceuticals (AFP)

40% lower, \$NZ7.78M full year NPAT.

7% higher, \$NZ113.11M continuing operations revenue.

MyDeal.com.au Ltd (MYD)

MYD has appointed recent Catch.com.au chief marketing officer Ryan Gracie as chief marketing officer.

Mr Gracie commences with MYD today.

BSP Financial Group (* BFL)

Papua New Guinea National Stock Exchange (PNGX) - listed banking and financial services provider in PNG, South Pacific and South East Asia scheduled to list on the ASX 11am AEST **tomorrow**.

The ASX listing will be BFL's primary listing.

467.22M quoted shares.

Resources

Krakatoa Resources (KTA)

Maiden RC drilling has delivered significant shallow gold mineralisation, such that KTA is heralding a new discovery.

Details lodged this morning.

AVZ Minerals (AVZ)

Manono lithium and tin project combined measured and indicated resources have grown to 274Mt, the indicated resource increasing by 12Mt.

Details lodged this pre-trade.

Artemis Resources (ARV)

ARV executive director Boyd Timler has resigned from the ARV board, effective immediately.

Exploration strategy update also lodged this morning.

Euro Manganese (EMN)

Targeting a 2022 FID decision for the Czech Republic Chvaletice manganese project.

Expecting to complete the final environmental and social



Commodities Commentary

Oil – a Gulf of Mexico storm, which may have strengthened to a cyclone by the end of weekend, sparked some concern regarding US petroleum sector activity, given significant disruption from severe weather events twice this year.

Ongoing indirect Iran – US talks aimed at restoring a 2015 nuclear deal, which would ultimately lead to a removal of sanctions against Iran's petroleum trade, remained in focus.

Meanwhile, a weekly US petroleum drill rig report, released overnight Friday, included four additional operational oil rigs.

Gold – prices were pushed lower overnight Friday, some attributing the caution after a string of gains to the fact Comex futures did not break through \$US1900/oz.

This, in turn, was attributed to uncertainty surrounding monetary policy, in particular asset purchases, through the next few months. Key US data, including a March quarter GDP update (2nd reading of three) in the second half of this week, plus a budget speech from the US president, is expected to influence some sentiment this week.

Base metals – general overnight Friday sentiment was partly attributed to end-of-week positioning following further comments out of China during the week regarding containing commodity prices.

Anticipated production cuts in Yunnan province, China were cited as support for zinc prices.

Among data releases, overnight Friday PMI updates generally pleased on the upside, but appeared to have little influence on base metals trade.

Japan's April CPI, reported earlier Friday, represented 0.4% deflation for the month and also against April 2020.

Both Japan's May manufacturing and services PMIs declined for the month, manufacturing from 53.6 to 52.5, and services from 49.5 to 45.7, further into contractionary territory.

These were also revealed well before overnight Friday LME trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7730	0.0001	0.01
EUR – USD	1.2181	0.0001	0.00

US Data Tonight

Chicago Fed national activity index Apr

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impact assessment and DFS by the end of March 2022.

Infinity Lithium Corporation (INF)

Promoting ongoing Spanish government support for the San Jose lithium project, Spain.

INF delivered a presentation at the European Battery Alliance day in Madrid, including to European Commission vice president Maros Sefcovic.

Strandline Resources (STA)

STA has appointed former AMC Consultants senior mining engineer and previous WA Department of Mines & Petroleum district inspector of mines Alexandra Atkins as a non-executive director.

GWR Group (GWR)

The planned demerger and listing of GWR subsidiary Western Gold Resources has progressed with the IPO prospectus for Western Gold's \$7M IPO lodged with ASIC.

GWR chair Gary Lyons will chair Western Gold.

Trading Halts

Company	Code	Resuming
Australian Bauxite	ABX	24 May
Jayex Healthcare	JHL	24 May
Lucapa Diamond Company	LOM	24 May
Mayur Resources	MRL	24 May
Zeotech Ltd	ZEO	24 May
Airtasker Ltd	ART	25 May
Anteris Technologies	AVR	25 May
Freedom Foods Group	FNP	25 May
M8 Sustainable	M8S	25 May
Salt Lake Potash	SO4	25 May
Sayona Mining	SYA	25 May

Suspensions *(select)*

Company	Code	Since
DomaCom Ltd	DCL	11 May
Holista Colltech	HCT	18 May
Roots Sustainable Agricultural Tech	ROO	17 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CNI	Today	5.5	38.18	3.66
DBI	Today	4.5	0	0.00
ELD	Today	20	20	1.95
PWG	Today	2.9	64.48	3.43
AMC	Tomorrow	15.12	0	4.23
WHF	Wed	10.25	100	3.46
IAP	Thu	4.53	0	5.99
CSR	Fri	24	100	1.43



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PIA	Fri	1.25	100	3.89
FPC	31 May	3	100	0.00
IPL	31 May	1	100	0.00
ORI	31 May	7.5	0	2.44
WAM	31 May	7.75	100	3.34
WGB	31 May	5	100	1.47

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	AFP	Full year (tele 10am)
	ALL	Interim
	SHM	AGM
	WSP	Investor day (w/cast tele 9.30am)
Tomorrow	AWC	AGM
	AR9	Product webinar (11am)
	EN1	AGM
	GRR	AGM
	JHX	Investor day (w/cast 7am)
Wed	GGG	AGM
	VEA	AGM
Thu	CGC	AGM
	FPH	Full year (w/cast 8am)
	GOR	AGM
	RSG	AGM
	SKI	AGM
	VHT	Full year (webinar 9am)
Fri	APX	AGM
	BFC	AGM
	BNL	AGM
	CTM	AGM
	D2O	AGM
	FNP	AGM
	IVC	AGM
	SNZ	AGM
	TGA	Full year
	XST	AGM
	YAL	AGM