

Markets

SFE 200 Futures (9.30am AEST)	7010	-35	-0.5
NZX 50	11182	-51	-0.5
DJIA Futures	31811	68	0.2
S&P 500 Futures	3939	9	0.2
NASDAQ Futures	11993	23	0.2

Local Markets Commentary

The Australian market commences today's trade with a major domestic bank reporting for the March quarter and new data in hand from China, ahead of material economic data out of the UK and US tonight.

US equities markets fell overnight.

Locally today, the Melbourne Institute is due to release its monthly **inflation expectations** report at **11am AEST**.

At 11.30am, the Australian Bureau of Statistics (ABS) publishes finalised March building approvals report and a jobs and wages report for the week ending 16 April.

At the same time, the Reserve Bank of Australia (RBA) is scheduled to release March **business lending** figures.

Also today, **SSR** trades **ex-dividend**. *Please see pp2-3 for a detailed ex-dividends list.*

The WA annual budget will be released as the ASX closes, but most focus will remain on the 21 May national parliamentary election campaign.

Regionally, post-ASX trade yesterday **China** reported a 47.6% year-on-year plunge in April **vehicle sales**. Economists had anticipated an 18% decline.

Today, the **Bank of Japan** is expected to release the *Summary of Opinions* statement from its April policy meeting.

Japan's bank lending figures for April are also anticipated at the same time.

Early afternoon, Japan is listed to host a 30-year bond auction.

In overnight commodities trade, **oil** swung sharply higher.

US **gold** futures also turned to post a gain, trading above \$US1853.0/oz.

Iron ore (Nymex CFR China, 62% Fe) likewise reversed course, trading beyond \$134.0/t.

LME (3mth evening) **copper** and **aluminium** were pushed decisively higher. **Nickel** swung lower.

The **\$A** fell to US69.40c after being pushed beyond US70.15c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31834	-327	-1.0
S&P 500	3935	-66	-1.7
NASDAQ	11364	-373	-3.2

Today's Stock Watch
Commonwealth Bank of Australia (CBA)

~\$A2.3B (unaudited) March quarter NPAT. ~\$2.4B cash profit. 1% lower, \$6.1B (1H quarterly average) operating income. 2% lower, \$2.8B (1H quarterly average) operating expenses. 11.1% CET1.

Orica Ltd (ORI)

13c interim dividend from 7.5c a year ago.

\$84.6M interim net loss.

24.9% higher, \$3.277B consolidated revenue.

For continuing operations, 98.9% lower, \$800,000 interim NPAT; and 26.7% higher, \$3.046B revenue.

Xero Ltd (XRO)

\$NZ9.114M full year net loss.

29% higher, \$NZ1.097B ordinary activities revenue.

NZ50c NTA from NZ1.78 a year ago.

Scentre Group (SCG)

March quarter operational statistics and presentation lodged this morning.

Genworth Mortgage Insurance Australia (GMA)

Capital management update lodged with today's AGM materials pre-trade.

Rhythm Biosciences (RHY)

RHY has filed for a ColoSTAT listing on the Australian Register of Therapeutic Goods.

ColoSTAT is a blood test designed to detect colorectal cancer and TGA approval would mean the test could be sold in Australia.

RHY anticipates the TGA review will be completed within three – six months.

Resources
Red 5 (RED)

WA King of the Hills gold project ore processing is underway.

1oz gold ingots will be produced by the Perth Mint from the first King of the Hills gold pour.

Energy
Brookside Energy (BRK)

Anadarko Basin Rangers Well 1008boe/d (80% oil + gas & natural gas liquids) recorded in early flowback, with 17% of stimulation fluid recovered.

Daily production volumes have grown to tally ~27,417boe to date.

BRK 80% working interest.



FTSE 100	7348	104	1.4
DAX 30	13829	294	2.2
Shanghai Comp	3059	23	0.8

Overseas Markets Commentary

Marked swings featured across major European and UK equities markets' trade overnight. Key US indices trended decisively lower in second-half trade.

There was plenty to consider.

A 'mixed' **US CPI** reading ultimately pushed the \$US index lower, but trade proved choppy amid central bank commentary.

Earlier yesterday, **China's** April inflation rate was reported higher than anticipated at 0.4% for the month and 2.1% on an annualised basis.

Forecasters had anticipated a 0.1% monthly increase, following the flat result for March, and had expected a 1.8% annualised inflation rate.

Also yesterday, China bemoaned the World Health Organisation's (WHO) public comments criticising China's Covid containment policy as it further tightened some restrictions in Shanghai.

Comments from **European Central Bank** (ECB) president Christine Lagarde supported promotion of an interest rate increase as early as out of the July ECB policy meeting.

Ms Lagarde revealed she expected bond purchases to end early in the September quarter and that hence, as previously flagged, an interest rate increase could be anticipated after that.

This time however, the time line was more definitive. 'This could mean a period of only a few weeks,' Ms Lagarde offered.

Other ECB policymakers indicated more than one rate increase was likely to follow the first this year.

The **Central Bank of Russia** released a monetary policy report which confirmed policy conditions had changed 'significantly' and that the bank would continue to prioritise price stability.

The report also included a prediction of economic stabilisation into a 'new equilibrium' towards the end of this year following this year's 'restructuring'.

Among Russia-Ukraine conflict developments, Ukraine revealed that a Ukraine gas pipeline operator had shut off supply of Russian gas through to other parts of Europe at a transit point in a part of Russia-controlled Ukraine, in favour of diverting this to another point within an area that remained under Ukrainian control.

For its part, Russia placed sanctions on Gazprom subsidiaries delivering Russian gas in parts of Europe that mostly had imposed sanctions on Russia since February. Gazprom subsidiaries in the US were also included on the new list of Russia's sanctions.

In the meantime, the UK PM travelled to northern Europe to sign pledges of support for both Finland and Sweden should they come under attack from Russia. Neither Finland nor Sweden is a NATO member, but each plans to apply for membership.

In overnight **data** releases, **Germany's** finalised April CPI reading confirmed 0.8% inflation for the month and a 7.4% annualised inflation rate.

In the **US**, the April CPI reading represented 0.3% inflation for the month, in line with expectations, and against a 1.2% March increase.

Pre-Open Announcements

Incannex Healthcare (* IHL)

Proposing to acquire APIRx Pharmaceuticals USA.

Consideration comprises 218,169,506 IHL shares valued at 57.3c per share.

IHL has traded at 33c – 37.5c for the week to date.

IDP Education (* IEL)

MD and CEO Andrew Barkla will step down from his IEL roles in September.

Mr Barkla will be an IEL advisor until September 2023, after which time the board intends to recommend he be elected as an IEL non-executive director at the October AGM.

Mr Barkla has been IEL CEO since August 2015.

Marley Spoon (MMM)

MMM has appointed interim MMM US CEO Michael Hester as US CEO permanently.

Resources

Torian Resources (TNR)

Webinar registration link lodged post-trade yesterday.

TNR is presenting tomorrow from 12.30pm AEST.

TNR traded as high as 4.1c yesterday before settling at 3.9c, 11.43% higher for the session.

Tuesday, TNR had added 9.38%.

TNR closed out last week at 3.3c.

Trading Halts

Company	Code	Resuming
Amaero International	3DA	12 May
Dart Mining	DTM	12 May

Suspensions (selected)

Company	Code	Since
AVZ Minerals	AVZ	11 May
Broo Ltd	BEE	11 May
Canyon Resources	CAY	4 May
Osprey Medical	OSP	3 May
Wiluna Mining Corporation	WMC	11 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SSR	Today	7.39	0	0.78
JHG	Tomorrow	39	0	3.98
ASG	Mon	7	100	4.39
FFG	Mon	3	100	2.36
MQG	Mon	350	40	3.33



On an annualised basis, the new reading translated into 8.3% inflation. Forecasters had anticipated 8.2% following March's 8.5% annualised rate.

Weekly mortgage applications rose 2.0% after turning higher the previous week.

The average 30-year mortgage rate was reported at 5.53% from 5.36%.

Later, the US April budget statement included a \$US308B surplus, following a \$US193B March deficit and economists' predictions of a swing to a \$US200B surplus.

A US 10-year note auction meanwhile produced a 2.943% yield from 2.72%.

Earlier, a 10-year bond auction in Germany delivered a 0.96% yield from 0.83%.

In the UK, a seven-year treasury gilt auction resulted in a 1.636% yield from 1.105%.

Tonight in the **US**, April producer prices and weekly new unemployment claims are keenly anticipated.

Elsewhere, the UK reports March quarter GDP.

Companies listed to report earnings later today or tonight include: Alibaba Group, Brookfield Asset Management, Casio Computer, Commerzbank, Hapag Lloyd, Kirin Holdings, Konica Minolta, Merck, Motorola, Nissan Motor, PetroChina, Semiconductor Manufacturing International Co, Shiseido, Siemens, Subaru Corp, Toyo Tire & Rubber.

In overnight corporate news, **Toyota Motor** confirmed Shanghai lockdowns had forced the company to reduce local production.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1853.7	oz	12.7	0.7
Silver (NY) (Jul)	21.58	oz	0.16	0.7
Gold (LON) (10 May)	1857	oz		
Platinum	994	oz	28	2.9
WTI Crude (NYMEX Jun)	105.71	bbl	5.95	6.0
Brent Crude (ICE EUR Jul)	107.51	bbl	5.05	4.9
Iron Ore (NYMEX CHN port;62%Fe)	134.26	t	2.36	1.8
Copper (LME 3mth Evening)	9338	t	112	1.2
Nickel	27804	t	-612	-2.2
Aluminium	2777	t	24	0.9
Lead	2116	t	2	0.1
Zinc	3667	t	72	2.0
Tin	35762	t	245	0.7

Commodities Commentary

Oil – Russian gas supply uncertainty unsettled overnight energy markets, pressuring crude demand-supply views, and swinging crude prices higher.

This, as European Union (EU) members continued to debate a ban on Russian oil trade.

A weekly US petroleum reserves report, released overnight by government agency EIA, included an 8.487MMbbl increase in stored crude and 3.607MMbbl draw on petrol stocks.

Petrol production rose by 27,000bbl/d and net crude imports were calculated as having risen by 632,000bbl/d.

PL8	Mon	1.1	100	4.52
QVE	Mon	1.2	100	4.40
RHI	Mon	20	100	0.00
SNC	Mon	2.75	100	5.82
WAA	Mon	3	100	5.88
WGB	Mon	5.5	100	4.83
PDL	Tue	21	10	7.96
VUK	Tue	4.35	0	0.73
WBC	Tue	61	100	4.87

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	ALD	AGM
	CBA	Mar Q
	GMA	AGM
	ORI	Interim (w/cast 11am)
	SIG	AGM
	SCG	Mar Q
	TAH	AGM
	WPR	AGM
	XRO	Full year
Tomorrow	VMT	AGM
	WAF	AGM
Mon	TNR	AGM
Wed	APE	AGM
	TLX	AGM
Thu (19 May)	ABC	AGM
	AVR	AGM
	BWX	Strategy day
	GOR	AGM (4pm)
	WEB	Full year
	WPL	AGM (midday)
Fri (20 May)	AMP	AGM
	CWN	AGM
	DDR	AGM
	IVC	AGM
	RSG	AGM
	SYR	AGM



Overnight Tuesday, post-US trade, the American Petroleum Institute had published a weekly report which included a 1.618MMbbl increase in US crude stocks last week.

Tonight, both **OPEC** and the **International Energy Association (EIA)** are scheduled to release monthly market reports.

Gold – an ultimate fall in the \$US index following choppy trade surrounding the US CPI release helped support overnight gold prices.

US producer prices are due tonight.

Base metals – China research group Antaika confirmed yesterday that lockdowns were curtailing China's cobalt, lithium and nickel use, due mainly to transport disruptions and reduced manufacturing.

China's administration reported easing daily Covid case numbers however, this bolstering optimism.

China's April producer prices and CPI, reported yesterday, included 0.4% inflation for the month and a 2.1% annualised inflation rate.

Producer prices were estimated in line with expectations, 8.0% higher than for April 2021.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6936	-0.0020	-0.28
EUR – USD	1.0516	-0.0030	-0.29

Australian Data Today

Melbourne Institute	Inflation expectations	May
RBA	Business lending	Mar
ABS	Building approvals (final)	Mar
ABS	Jobs & wages	16 Apr

US Data Today & Tonight

Producer prices	Apr
Initial jobless claims	7 May

Other Overseas Data Today & Tonight

Japan	BoJ summary of opinions	Apr
Japan	Bank lending	Apr
Japan	Eco watchers survey (3pm AEST)	Apr
UK	GDP	Mar Q
UK	Trade balance	Mar
UK	Industrial production	Mar
UK	NIESR GDP tracker	Apr

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