

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	7110	54	0.8
<b>NZX 50</b>	11210	41	0.4
<b>DJIA Futures</b>	32232	112	0.4
<b>S&amp;P 500 Futures</b>	4036	16	0.4
<b>NASDAQ Futures</b>	12463	80	0.6

## Local Markets Commentary

The Australian market opens a new week's trade with fresh material economic data in hand from China and more to come in the middle of the day, amid a domestic political focus, international geopolitical fragility and global economic growth apprehension.

Overnight Friday, international equities markets gained in concert.

Since overnight Friday trade:

- **India** has stopped **wheat** exports in response to the recent regional severe heatwave;
- **Russia** has accused western nations of waging a 'total hybrid war' against Russia, and vowed to form stronger alliances with China, India and other nations across Asia, Latin America and the Middle East;
- A joint statement from a G7 foreign ministers' meeting in Germany, outlined lamentable conditions and circumstances across numerous nations and regions. Among other commentary, the statement accused Russia of 'a war of aggression' that had generated one of the most severe food and energy crises in recent history'. G7 members consequently vowed a multilateral effort to 'preserve global food security';
- Finland confirmed it would submit a formal application to join the 30-nation North Atlantic Treaty Organisation (**NATO**) military alliance, pending Finnish parliamentary approval. Finland and Russia share significant land and sea borders and the move has upset Russia, which initially said its move into Ukraine was due to the threat of a Ukraine application to join NATO;
- Sweden's ruling political party subsequently confirmed it favoured joining NATO; and
- Officials in **China's** Shanghai confirmed plans to open some retail districts from today.

**Locally** today, no major economic data releases are anticipated.

Campaigning is expected to intensify however, ahead of Saturday's official polling day for the national parliamentary national election.

Companies trading **ex-dividend** today include **DDR, MQG** and **RHI**. Please see pp3-4 for a detailed ex-dividends list.

**Regionally** today, **China's** April fixed asset investment, industrial production and retail sales updates are expected midday AEST.

Post-ASX trade Friday, China revealed April **new lending** had undershot expectations, tallying 645.4B yuan against 3130B yuan during March and forecasts for 1670B for April.

\* Mineral exploration listing – 11.30am AEST – SXG \*

## Today's Stock Watch

### Goodman Group (GMG)

Anticipating 23% FY22 EPS growth.  
\$68.7B AUM at 31 March.

Outlining business several factors impacting the business environment but maintains 'long-term structural drivers' remain for demand.

### Infomedia Ltd (IFM)

Confirming an unsolicited conditional \$1.70 cash-per-share scheme of arrangement takeover proposal from TA Associates Management.

IFM shareholder Viburnum Funds intends to sell its IFM holding into any official TA Associates bid, after agreeing 14.46% late last week.

IFM traded at \$1.155 - \$1.28 last week.

## Resources

### Southern Cross Gold (\* SXG)

Explorer and TSX-listed Mawson Gold spinoff scheduled to list on the ASX **11.30am** AEST, following a \$9.0933M IPO at 20c per share. ~62.26M quoted shares.

Tom Eadie non-executive SXG chair; Mawson Gold founder and director Michael Hudson MD.

Mawson Gold, which holds 60.00% of SXG, is now focusing on a gold-cobalt project in northern Finland, having spun out three Australian subsidiaries into SXG.

### Develop Global (DVP)

Significant increase anticipated for the WA Pilbara region Sulphur Springs Cu-Zn-Ag project indicated resource, as latest drilling results include several significant-width, high-grade intersections. Assays include 65.1m @ 3.5% CuEq.

### Metals Australia (MLS)

Manindi lithium-caesium-tantalum project RC drilling has delivered additional thick lithium-bearing pegmatite intersections.

### Cyprium Metals (CYM)

Nifty copper project resource updated to 95.1Mt @ 1.0% Cu for 940,200t of contained copper, representing a 28.4% boost to contained copper metal.

## Energy

### Byron Energy (BYE)

South Marsh Island 58 G3 well logging has indicated a total 58 ft (true vertical thickness) of hydrocarbons across two targets. Initial G3 production is anticipated in July, following the drilling of South Marsh Island 58 G5.



Also regionally today, **Japan** reports April **producer prices** just prior to the ASX open.

Markets in Singapore are closed today, due to a public holiday.

In overnight Friday commodities trade, both Brent and WTI **crude** rallied.

US **gold** futures continued Thursday's turn lower.

**Iron ore** (Nymex CFR China, 62% Fe) turned to record a slight gain.

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

The **\$A** rose to US69.40c after trading at ~US69c early Friday evening.

### Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	32197	466	1.5
<b>S&amp;P 500</b>	4024	94	2.4
<b>NASDAQ</b>	11805	434	3.8
<b>FTSE 100</b>	7418	185	2.6
<b>DAX 30</b>	14028	288	2.1
<b>Shanghai Comp</b>	3084	29	1.0

### Overseas Markets Commentary

Major European, UK and US equities markets bounced early overnight Friday, various subsequent vacillations never seriously looking like threatening sessional gains, despite the week's events and data having underscored economic vulnerabilities.

Earlier Friday, local authorities in **China** were reported to be promising that traffic and retail trade restrictions would be eased in Shanghai by month's end.

In addition, the US Federal Reserve chair declared the central bank would not raise rates by more than 0.5% at a time.

A US-ASEAN (Association of Southeast Asian Nations) leaders' summit, hosted by the US president in Washington overnight Friday (following a dinner early Friday AEST/Thursday US ET and lunch with Congress members), ultimately released a joint 'vision' statement but no surprises.

G7 member nation foreign ministers in the meantime met in Germany, committing additional support for Ukraine, and post-overnight Friday trade, releasing a 'communique' confirming a 'fundamentally changed strategic and security environment'.

Among **Russia-Ukraine** developments, a Russian energy operator threatened to cut electricity supply to **Finland**, pointing to payment issues.

Russia's administration in the meantime again threatened Finland against NATO membership, and Finland declared it could manage the electricity supply cut which it effectively described as minimal on a national supply and demand basis.

In overnight Friday **data** releases, **euro zone** March industrial production was reported 1.8% lower for the month and 0.8% lower than for March 2021.

Economists had anticipated a 0.9% fall in output during March, following February's 0.5% increase.

**Russia** reported 1.6% inflation growth for April contrasting with

## Pre-Open Announcements

### Tyro Payments (TYR)

35% higher, \$29.07B total transaction value (TTV) for the year-to-date at 13 May.

1 – 13 May TTV grew 41% year-on-year, to \$1.37B.

### Qube Holdings (\* QUB)

QUB \$A400M off-market share buy-back completed, QUB repurchasing 8% of the group's issued capital at a 5% discount, \$2.59-per-share buy-back price.

QUB traded at \$2.64 - \$2.79 last week.

### Star Entertainment Group (\* SGR)

SGR non-executive director Sally Pitkin is planning to resign from the SGR board by 30 June.

Fellow non-executive director Gerard Bradley also plans to resign his SGR board position this year.

SGR board appointee Michael Issenberg is awaiting regulatory approval to commence his board role, announced 17 February.

### Auckland International Airport (\* AIA)

Total passenger volumes fell 14.8% year-on-year, recorded at 77.2% below the March 2019 tally.

Breakdown statistics lodged this morning.

April passenger numbers are initially estimated 4.2% lower than for March 2021 and 57.9% lower than for April 2019.

### PharmAust Ltd (\* PAA)

Monepantel tablets designed for the motor neuro disease clinical trial set to commence in Melbourne are in hand

PAA is anticipating final technical and regulatory approvals by month's end.

### CPT Global (CGO)

CFO and company secretary Grant Sincock has resigned on advice from health professionals.

CGO has appointed Kevin Akom interim company secretary.

Mr Sincock had been with CGO for seven years.

### Universal Store Holdings (UNI)

UNI has appointed Clare Craven as joint company secretary following the departure of Anne Cresswell.

### Murray Cod Australia (MCA)

1.5M shares will be released from voluntary escrow 24 May.

## Resources

### Euro Manganese (\* EMN)

Interim and March quarter results, plus management discussion and analysis reports lodged pre-trade.

\$C3.26M net loss for the March quarter, and a \$C6.43M net loss for the six months to 31 March.

\$C32.07M cash.

### Consolidated Zinc (\* CZL)

Formal binding share purchase agreement finalised for CZL to



17.6% for March.

On an annualised basis, inflation was estimated to be running at 17.8%.

In the **US**, April import prices were calculated flat for the month against a 2.9% March jump and expectations of a new 0.9% appreciation.

Against April 2021, import prices were up 12%.

Export prices rose 0.6% during April but following March's 4.1% climb, forecasters had anticipated a 1.1% increase.

The new monthly rise positioned prices 18% higher, than they were a year earlier.

The preliminary May consumer sentiment reading from the University of Michigan dropped 6.1 points from the final April estimate to 59.1. Economists had anticipated a decline, but a much slighter one, to 63.5.

The current conditions component index fell to 63.6 from 69.4 and the expectations reading to 56.3 from 62.5.

**Tonight** in the **US**, the New York Fed (Empire State) manufacturing index is due.

Elsewhere, Germany reports April wholesale prices and the euro zone industrial production. European Commission (EC) Spring forecasts are also anticipated for the euro zone (EU).

Companies listed to report earnings later today or tonight include: Asahi Group Holdings, James Hardie Industries, Kumho Petrochemical, Mitsubishi UFJ Financial Group, Nu Holdings, Rosneft, Ryanair Holdings, Samsung Card, Take-Two Software and Tencent Music Entertainment.

In overnight Friday and weekend corporate news, **Saudi Aramco** reported 82% higher, year-on-year March quarter profit, with \$US39.5B net income. In addition, the company announced a 20 billion bonus share issue to shareholders.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Jun)	1808.2	oz	-16.4	-0.9
<b>Silver (NY)</b> (Jul)	21.00	oz	0.23	1.1
<b>Gold (LON)</b>	1812	oz	-25	-1.4
<b>Platinum</b>	941	oz	3	0.3
<b>WTI Crude</b> (NYMEX Jun)	110.49	bbbl	4.36	4.1
<b>Brent Crude</b> (ICE EUR Jul)	111.55	bbbl	4.10	3.8
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	132.33	t	0.35	0.3
<b>Copper</b> (LME 3mth Evening)	9155	t	67	0.7
<b>Nickel</b>	27261	t	-550	-2.0
<b>Aluminium</b>	2787	t	46	1.7
<b>Lead</b>	2059	t	-33	-1.6
<b>Zinc</b>	3489	t	-40	-1.2
<b>Tin</b>	33358	t	-387	-1.2

### Commodities Commentary

**Oil** – Friday's price rally was supported by record high US petrol futures and retail prices.

Prices were pushed and pulled intra-trade however, with speculation on the timing of China easing some Covid restrictions, no apparent progress in European Union negotiations to come to an EU-wide agreement on oil purchases from Russia, and an EU

acquire Westoz Lithium for \$A740,000 worth of cash and shares.

CZL flagged the acquisition late March.

### Bellevue Gold (BGL)

North American road show presentation lodged post-trade Friday.

### Shree Minerals (SHH)

SHH former Arunta JV partner and Arunta project purchaser MetalsGrove Mining has launched a minimum \$5M and maximum \$7M IPO at 20c per share, at the same time pledging an up to 5M share priority offer to SHH shareholders.

### Calidus Resources (CAI)

Founding and non-executive director Keith Coughlan has resigned from the CAI board.

### Technology Metals (TMT)

TMT has amended MD Ian Prentice's base remuneration to \$300,000pa plus statutory superannuation.

### Energy

### Strike Energy (\* STX) / Talon Energy (TPD)

Walysing-6 drilling to final depth (3551M) has delivered a conventional gas find (4m net pay) in the Cadda formation and 21M of pay in the Cattamarra Sandstones.

Details lodged this morning, together with quality commentary.

STX 55%; TPD 45%.

### Trading Halts

Company	Code	Resuming
Step One Clothing	STP	16 May
Tyranna Resources	TYX	16 May
Australian Strategic Materials	ASM	17 May
Blue Star Helium	BNL	17 May
MPower Group	MPR	17 May
Ragnar Metals	RAG	17 May
Redcastle Resources	RC1	17 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 (%)
<b>ASG</b>	Today	<b>7</b>	100	4.57



promotion for nuclear agreement talks to recommence with Iran, which remains under petroleum trade sanctions.

Meanwhile, India was reported on Friday to have imported a record 4.8MMbbl/d of crude during April. From late February through April, the nation was estimated to have imported twice as much oil from Russia than it did during calendar year 2021.

Realising the price advantage, major refiners in India were reported to be negotiating six-month contracts for significant quantities of Russian oil.

A weekly US petroleum drill rig report, published overnight Friday, included six additional operational oil rigs, taking the oil rig tally to 563.

Three additional gas rigs were also reported to be in operation.

**Gold** – confirmation that the US Federal Reserve was prepared to fight to control inflation even it meant ‘some pain’, prompted speculation of the pace of interest rate increases, and kept the \$US at ~20-year highs, this damaging overnight Friday gold interest.

Comex futures finished the week ~3.9% lower. Silver notably closed down 6.2% for the week, despite rallying Friday.

**Base metals** – late Thursday, the US Fed chair declared the central bank could not ensure a soft landing and that inflation control would likely inflict ‘some pain’. This proved one factor to subsequently produce swinging overnight Friday LME trade.

Hopes for an easing of Covid containment restrictions ultimately supported *copper* trade.

*Aluminium* prices were pushed higher by supply uncertainty, following a reported fire at a smelter in China’s Yunnan regions.

**China’s** fixed asset investment, industrial production and retail sales are due today and expected to influence some of tonight’s trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6945	0.0005	0.07
<b>EUR – USD</b>	1.0403	-0.0010	-0.10

### US Data Today & Tonight

NY Empire State manufacturing May

### Other Overseas Data Today & Tonight

<b>China</b>	Fixed asset investment	Jan - Apr
China	Industrial production	Apr
China	Retail sales	Apr
China	Unemployment	Apr
<b>Japan</b>	Producer prices	Apr
Japan	Machine tool orders (4pm AEST)	Apr
<b>Germany</b>	Wholesale prices	Apr
<b>Euro zone</b>	European Commission forecasts	Spring
Euro zone	Trade balance	Mar

<b>DDR</b>	Today	<b>13</b>	100	3.33
<b>FFG</b>	Today	<b>3</b>	100	2.40
<b>MQG</b>	Today	<b>350</b>	40	3.31
<b>PL8</b>	Today	<b>1.1</b>	100	4.45
<b>QVE</b>	Today	<b>1.2</b>	100	4.42
<b>RHI</b>	Today	<b>20</b>	100	0.00
<b>SNC</b>	Today	<b>2.75</b>	100	5.89
<b>WAA</b>	Today	<b>3</b>	100	5.80
<b>WGB</b>	Today	<b>5.5</b>	100	4.83
PDL	Tomorrow	21	10	7.93
VUK	Tomorrow	4.35	0	0.74
WBC	Tomorrow	61	100	4.92

## Reports & Events

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>AIA</b>	Mar
	<b>CEN</b>	Apr
	<b>EMN</b>	Interim; Mar Q
	<b>GMG</b>	Mar Q
	<b>JHX</b>	Mar Q (o/night; NB w/cast 8.30am tomorrow)
	<b>TNR</b>	AGM
<b>Wed</b>	APE	AGM
	TLX	AGM
<b>Thu</b>	ABC	AGM
	AVR	AGM
	BWX	Strategy day
	GOR	AGM (4pm)
	WEB	Full year
	WPL	AGM (midday)
<b>Fri</b>	AMP	AGM
	CWN	AGM
	DDR	AGM
	IVC	AGM
	RSG	AGM
	SYR	AGM



### Need More Information?

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