

Markets

SFE 200 Futures (9.30am AEST)	7899	21	0.3
NZX 50	11697	21	0.2
DJIA Futures	40018	12	0.0
S&P 500 Futures	5347	2	0.0
NASDAQ Futures	18816	16	0.1

Local Markets Commentary

The Australian market opens mid-week trade with a regional central bank interest rate decision due middle of the day, key regional data reported pre-trade, and further domestic AGM updates and earnings also in hand, ahead of a UK CPI reading, US Federal Reserve policy meeting minutes and highly-anticipated corporate earnings tonight.

US equities markets settled with ~0.2% gains overnight.

Locally today, no major economic data releases are anticipated.

AGM and earnings updates continue, however.

Regionally, the **Reserve Bank of New Zealand** convenes a monetary policy meeting from which outcomes are due **midday** AEST.

Indonesia's central bank is also scheduled to announce an interest rate decision after last month increasing its main rate to 6.25%.

South Korea has reported April **producer prices** pre-trade, these rising by 0.3% for the month following a 0.2% March increase.

Against April 2023, prices were up 1.8% following March's annualised 1.6% growth.

Japan was scheduled to report April **international trade** figures just prior to the ASX open.

Japan is also listed to host a 40-year government bond auction this afternoon.

Singapore's markets will be closed today, due to a public holiday.

In overnight **commodities** trade, **oil** picked up the pace of Monday's turn lower, declining by 0.7% - 1.0%.

US **gold** (Comex) futures turned 0.5% lower but remained above \$US2400/oz.

Iron ore (Nymex CFR China, 62% Fe) extended a run of small gains, closing above \$US117.50/t.

LME (3mth evening) **copper** and **nickel** swung variously lower.

Aluminium was propelled greater than 3.5% higher.

The **\$A** was constrained within range after trading at ~US66.65c - ~US66.70c yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	39873	66	0.2
S&P 500	5321	13	0.2
NASDAQ	16833	38	0.2

Today's Stock Watch
Webjet Ltd (WEB)

Looking at separating the travel distribution business Webjets from Webjet B2C and to list each business on the ASX.

Also reporting a \$A72.7M full year NPAT from \$14.5M a year ago.

Revenue rose 29% to \$471.3M.

\$630M cash and equivalents. \$406.2M net cash.

38.8c NTA from 8.3c.

Reporting a 'strong start' to FY25.

Eagers Automotive (APE)

Today's AGM materials, including guidance, lodged pre-trade.

18.3% January – April revenue growth achieved, compared with previous guidance of 10% full year revenue growth.

Anticipating a 15% year-on-year fall in 1H underlying pre-tax profit, however.

Challenger Ltd (CGF)

The CGF- Mitsui Sumitomo Primary Life Insurance Company partnership will now reinsure Yen and \$US annuities, rather than just \$A annuities.

Plenti Ltd (PLT)

\$14.707M full year net loss. 47% higher, \$211M revenue.

Cosol Ltd (COS)

New managed services contracts, worth a combined minimum \$10M, secured with government agencies in Queensland and Western Australia.

Resources
Toubani Resources (TRE)

Mali Kobada gold project resource definition drilling has delivered additional high-grade and/or significant width intersections.

Assays lodged this morning.

Patriot Battery Metals (PMT)

\$C75M, \$C14.54-per-share private placement completed, representing a 51% premium to the TSX 17 May closing price.

PMT added 9.38% and 13.71% respectively during the two final ASX trading sessions last week before closing out the week at A99.5c and calling a trading halt.

Energy
Genesis Energy (GNE)

Kupe KS-9 intervention work failed to produce sufficient flow to sustain well operation. Consequently lowering \$NZ430M FY24 EBITDAF guidance to \$NZ410M - \$NZ415M.



FTSE 100	8416	-8	-0.1
DAX 30	18727	-42	-0.2
Shanghai Composite	3158	-13	-0.4

Overseas Markets Commentary

Choppy trade featured across a majority of major European, UK and US equities markets overnight, but several also trended higher towards close, amid a wait for key reports and data due from tonight.

In the meantime, there was no shortage of comments from central bank officials.

US Federal Reserve officials speaking publicly warned of a likely 'several' months' wait for the first potential US interest rate reduction, outlining reasons for caution.

Across the Atlantic, **European Central Bank** (ECB) president Christine Lagarde offered that she was feeling 'really confident' about euro zone inflation having been brought under control.

Bank of England (BoE) governor Andrew Bailey outlined BoE plans for reducing bond holdings.

Earlier yesterday, **Reserve Bank of Australia** (RBA) May policy meeting minutes confirmed a willingness to raise interest rates if needed amid consensus recognition of increased inflationary risk.

Among overnight **economic data** releases, **Germany** reported a 0.2% rise for producer prices during April, the same increase as anticipated and also reported for March.

Against April 2023, prices were down 3.3% against March's 2.9% annualised decline.

March international trade figures for the **euro zone** included a €US24.1B trade surplus against consensus for €19.9B following €22.8B for February.

Imports dropped by 12.0% year-on-year and exports by 9.2%.

In the **UK**, the CBI industrial trends orders index dropped to -33 from -23, against consensus for an improvement to -20.

Canada's April CPI represented 0.5% inflation growth for the month and 2.7% on an annualised basis, following respective 0.6% and 2.9% figures reported for March.

A 20-year UK treasury gilt auction produced a 4.580% yield from 4.495%.

Tonight in the **US**, Federal Reserve monetary policy minutes are keenly anticipated.

April existing home sales are also due, together with weekly mortgage applications and mortgage rates.

In addition, the US hosts a 20-year bond auction.

Elsewhere, the UK reports April inflation and Germany conducts a 10-year bond offer.

Companies scheduled to report earnings or provide updates later today or tonight include: Analog Devices, Nvidia (post-US settlement), Marks & Spencer, Pinduoduo (PDD Holdings), Snowflake, SQM, Synopsys, Target Corporation, TJX Companies, Williams-Sonoma.

Pre-Open Announcements

Seek Ltd (SEK)

New organisational and executive leadership structure lodged this morning.

In addition, SEK Australia and NZ CEO Kate Koch has been appointed as SEK CFO.

AUB Group (AUB)

Planning to acquire 70% of Pacific Indemnity.

In association, conducting a fully underwritten \$A200M, \$A27.50-per-share equity raising.

Details lodged this morning. Trading halt called.

DroneShield Ltd (DRO)

\$A5.7M repeat order in hand from a US Government customer.

Telstra Corporation (TLS)

Transcript of TLS's briefing, relating to cost cuts involving up to 2800 job losses, lodged post-trade yesterday.

~79.8M TLS shares changed hands yesterday, across ~14,100 transactions, with TLS closing 2.7% lower for the session, at \$3.57.

Ansell Ltd (* ANN)

ANN's proposed acquisition of the Kimberly-Clark personal protective equipment business has progressed through applicable regulatory review periods without objection, such that completion is now targeted for 1 July eastern US time.

Cochlear Ltd (* COH)

COH has completed the acquisition of the Oticon Medical cochlear implant business for no headline purchase price.

COH expects pre-tax integration costs to tally ~\$30M, mostly due to restructuring.

COH has traded lower the past three sessions, settling at \$318.43 yesterday after trading as high as \$340.56 last week.

Dexus Industria REIT (DXI)

Upgraded guidance of 17.4c FY24 funds from operations (FFO) lodged in the last hour of trade yesterday.

DXI had previously forecast 17.1c.

Spheria Emerging Companies (SEC)

April investment update, including top 10 holdings, lodged in late trade yesterday.

Hancock & Gore (HNG)

Paying a 1c fully franked interim dividend against 0.5c a year ago.

Reporting a 78.4% jump in interim NPAT to \$3.93M.

Revenue grew 4.7% to \$4.54M.

Presentation lodged post-trade yesterday.

Resources

Rincon Resources (* RCR)

Resuming from a trading halt having raised \$5.6M in a 10c-

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Jun)	2425.9	oz	-12.6	-0.5
Silver (COMEX 5000 Jul)	32.08	oz	-0.35	-1.1
Platinum	1051	oz	4	0.4
WTI Crude (NYMEX Jun)	79.26	bbl	-0.54	-0.7
Brent Crude (ICE EUR Jul)	82.88	bbl	-0.83	-1.0
Iron Ore (NYMEX CHN port;62%Fe)	117.57	t	0.33	0.3
Copper (LME 3mth Evening)	10859	t	-30	-0.3
Nickel	21304	t	-313	-1.5
Aluminium	2726	t	96	3.6
Lead	2337	t	-5	-0.2
Zinc	3140	t	26	0.8
Tin	34324	t	-144	-0.4

Commodities Commentary

Oil – price falls for a second consecutive session were in part attributed to lower-than-normal US diesel and petrol demand, combined with expectations of a later-rather-than-sooner first US interest rate reduction.

A weekly US petroleum inventories report is due tonight from US government agency the EIA.

Overnight post-US trade, the American Petroleum Institute (API) published a weekly report which included a 2.48MMbbl rise in US crude stocks last week. This was in part attributed to the relatively low Brent crude premium (against WTI), reducing the attraction of purchases from the US.

The WTI June delivery contract expired on settlement overnight. The July contract declined by 64c for the session, closing at \$US78.66/bbl.

Gold – profit-taking ahead of key reports and data tonight, plus reduced safe-haven interest were cited as factors instrumental in pushing prices a little lower overnight.

Base metals – overnight sentiment proved challenged, amid little change for most major international equities markets, in the absence of major economic reports, but amid much central bank interest rate commentary.

A force majeure called by Rio Tinto on third party sales of **alumina** shipments from Australia early-week became generally public yesterday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6670	0.0010	0.17
EUR – USD	1.0860	-0.0001	-0.01

US Data Tonight

Federal Reserve policy meeting minutes	May
Existing home sales	Apr
MBA mortgage applications & 30-yr rates	17 May

per-share placement, in support of the West Arunta project. RCR traded at 9.3c – 14.5c across the five trading sessions immediately prior to calling the halt.

EQ Resources (EQR)

Resuming trade reporting firm commitments for a \$9.5m, 4.5c-per-share placement.

Oaktree Capital Management is maintaining its 15% EQR holding.

EQR traded at 5.2c – 6.1c across the five sessions prior to calling a trading halt late last week.

Trading Halts

Company	Code	Resuming
Alterra Ltd	1AG	23 May
Critical Resources	CRR	22 May
Felix Gold	FXG	22 May
Kaiser Reef	KAU	22 May
Kingsrose Mining	KRM	23 May
Ragnar Metals	RAG	22 May
RareX Ltd	REE	23 May
Rincon Resources	RCR	22 May
Strategic Energy Resources	SER	23 May

Suspensions (selected)

Company	Code	Since
Openn Negotiation (<i>in admin</i>)	OPN	3 May
Orexplore Technologies	OXT	13 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALL	Tomorrow	36	100	1.36
ORI	Tomorrow	19	0	2.28
CDD	Fri	10	0	0.00
WHF	Fri	10.25	100	3.95
MEC	Mon	1.5	100	11.88
ELD	Tue	18	50	5.43
PIA	31 May	1.35	100	4.68

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	APE	AGM
	PLT	Full year (webcast 9am)
	TLX	AGM
	WEB	Full year (webcast 9am)

**Other Overseas Data Today and Tonight**

South Korea	Producer prices	Apr
NZ	Monetary policy meeting outcomes	22May
Japan	International trade	Apr
Japan	Machinery orders	Mar
UK	CPI inflation	Apr
UK	Public sector finances	Apr
Euro zone	New car registrations	Apr
Russia	Producer prices	Apr

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Tomorrow	GQG	AGM
	GOR	AGM
	KAR	AGM
	NUF	Interim (w/cast tele 10am)
	RSG	AGM
	SMR	AGM
	SSR	AGM
	VNT	AGM
	XAM	AGM
	XRO	Full year
Fri	AGY	AGM
	APX	AGM
	SYR	AGM
	VMT	AGM
	VUL	AGM

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