

**Markets**

|                                      |       |     |      |
|--------------------------------------|-------|-----|------|
| <b>SFE 200 Futures</b> (9.30am AEST) | 7129  | -15 | -0.2 |
| <b>NZX 50</b>                        | 11332 | 65  | 0.6  |
| <b>DJIA Futures</b>                  | 31426 | 213 | 0.7  |
| <b>S&amp;P 500 Futures</b>           | 3935  | 35  | 0.9  |
| <b>NASDAQ Futures</b>                | 11977 | 136 | 1.2  |

**Local Markets Commentary**

The Australian market opens this week's trade with the new national Australian government set to be a Labor-led coalition, and a Reserve Bank of Australia (RBA) assistant governor having delivered a bond purchases speech pre-trade.

Overnight Friday US equities trade sentiment proved lacklustre at best. US equities futures have been pushed higher this morning, however.

Since overnight Friday trade, Russia's Gazprom has confirmed it has cut off gas supply to Finland, as Finland's state-owned Gasum had refused to convert its payments to roubles as requested by Russia.

Meanwhile, Ukraine's president has promoted a diplomatic resolution to Russia's war on Ukraine, at the same time requesting further military weapons aid from western nations.

**Locally** today, **RBA** assistant governor (financial markets) Christopher Kent has delivered a conference keynote address entitled *From QE to QT – The Next Phase in the Reserve Bank's Bond Purchase Program*.

The Australian Bureau of Statistics (ABS) releases a March **household spending** report at **11.30am** AEST.

**Regionally** today, no major economic indicators are due to be published.

In overnight Friday commodities trade, **oil** continued to settle higher.

US **gold** futures settled essentially flat.

**Iron ore** (Nymex CFR China, 62% Fe) picked up the pace of Thursday's turn higher, trading beyond \$US133.5/t.

LME (3mth evening) **copper** settled little change. **Nickel** turned lower. **Aluminium** extended Thursday's rally.

The **\$A** fell below US70.40c after trading at ~US70.70c early Friday evening.

This morning, the \$A has traded as high as US70.65c.

**Overseas Markets**

| INDEX              | CLOSE | +/- | %    |
|--------------------|-------|-----|------|
| <b>Dow Jones</b>   | 31262 | 9   | 0.0  |
| <b>S&amp;P 500</b> | 3901  | 0.6 | 0.0  |
| <b>NASDAQ</b>      | 11355 | -34 | -0.3 |
| <b>FTSE 100</b>    | 7390  | 87  | 1.2  |
| <b>DAX 30</b>      | 13982 | 100 | 0.7  |

**Today's Stock Watch**
**Elders Ltd (ELD)**

28c, 30%-franked interim dividend from 20c, 20%-franked a year ago. 34% higher, \$91.155M interim NPAT. 38% higher, \$1.515B revenue.

\$2.58 NTA from \$1.92 at 30 September 2021.

Anticipating 30% - 40% full year underlying EBIT growth, pending geopolitical and weather events and associated supply chain and commodity price changes.

**Incitec Pivot (IPL)**

Planning to separate the Dyno Nobel and Incitec Pivot Fertilisers businesses and to list these separately on the ASX.

Details lodged this morning, including in presentation form.

Meanwhile, IPL will pay a 10c fully franked interim dividend, against 1c fully franked a year ago.

Reporting 955.2% higher, \$A384.1M interim NPAT and 47.8% higher, \$2.548B revenue. \$1.33 NTA from \$1.16.

**Nufarm Ltd (NUF)**

4c interim dividend against no interim dividend a year ago.

61.1% higher, \$98.72M interim NPAT. 31.3% higher, \$2.166B revenue. \$2.61 NTA from \$2.22.

**Star Entertainment Group (SGR)**

Executive chair John O'Neill AO has resigned and will step down from the SGR board at a date yet to be determined.

**McGrath Ltd (MEA)**

FY2022 NPAT is expected to be lower than for FY201, due to \$6M worth of one-off abnormal items for FY2021.

Describing April-May real estate sector trading conditions as 'disruptive', citing the national election campaign, an interest rate increase, Easter and ANZAC Day public holidays and Covid-19 spread. \$35M cash.

**Resources**
**Ironbark Zinc (IBG)**

MoU secured with Norway-headquartered Leonhard Nilsen & Sønner, covering a potential investment in, and civil construction, mining and logistics contract services deal for, the IBG Citronen zinc-lead project, Greenland.

**Zenith Minerals (ZNC)**

WA goldfields Mt Ida North lithium exploration project secured with EV Metals Group under an option to purchase agreement. Exploration plans lodged this morning.

**Energy**
**Woodside Petroleum (WPL)**

Change of name and ticker confirmed to come into effect Wednesday. Come Wednesday, Woodside's name will be Woodside Energy Group Ltd and its ASX ticker will be WDS.



Shanghai Comp 3147 50 1.6

## Overseas Markets Commentary

Trade diverged across major European, UK and US equities overnight Friday, an early confidence buoying UK and European markets waning during US trade.

Key US indices trended higher again in second-half trade, but insufficiently to achieve definite gains and for the DJIA to avoid its longest run of weekly declines reportedly since 1932.

Sentiment remained constrained in part due to the impact of the S&P 500 having traded within bear territory earlier in the session.

Overall trader considerations included global economic prospects and current economic settings for select nations.

Earlier Friday, the People's Bank of China had reduced the five-year prime loan rate from 4.60% to 4.45%, but retained the one-year rate at 3.70%.

Elsewhere, post-overnight Thursday trade, Sri Lanka had been confirmed to have defaulted on debt.

Friday, Russia demonstrated its ongoing ability to avoid defaulting, transferring \$US and euros to meet bond payments due later this week. Commentators noted however, that the licensing system enabling this to transpire was due to expire this week.

Meanwhile the Bank of Italy's governor ventured the European Central Bank (ECB) could raise key rates (-0.5% deposit rate) into positive territory this year without this risking major economic damage, but promoted as series of increases below 0.50%.

A key cited fear among investors during the week had been navigating likely recession conditions and elevated cost-of-living pressures within higher interest rate environments.

In the meantime, at an Asia Pacific Economic Co-operation (APEC) forum in Bangkok, representatives of several nations including Australia, Canada, Japan, New Zealand and the US were reported to have walked out of a session which featured remarks from Russia's economic development minister, highlighting broader likely impacts from the geopolitical tensions inflamed by Russia's war on Ukraine.

In overnight Friday **data** releases, **Germany's** April **producer prices** were reported 2.8% higher for the month following a 4.9% March jump and predictions for a new 1.3% increase.

Against April 2021, prices were up 33.5%.

An initial May consumer confidence reading for the **euro zone**, as calculated by the European Commission (EC), came in at -21.1, but this proved slightly better than feared (-21.3) and essentially moved in an encouraging direction from April's finalised -22.0.

In the **UK**, April **retail sales** improved 1.4% for the month after falling 1.2% in March, reportedly supported in particular by alcohol and tobacco purchases. Economists had anticipated a new 0.2% decline.

Against April 2021, sales were down 4.9%.

A GfK UK consumer confidence reading (released pre-ASX trade Friday but post-FTSE Thursday trade) deteriorated, as anticipated, to -40 from -38.

No major economic reports were released in the US.

Earlier Friday, a 20-year government bond auction in Japan

## Pre-Open Announcements

### BetMakers Technology Group (\* BET)

10-year tote technology and services contract secured with Norsk Rikstoto.

### Codan Ltd (\* CDA)

Anticipating a record FY22 full year profit, and ~\$50M record interim profit, pending no adverse project sales changes or further supply chain challenges.

Today's Adelaide site tour presentation lodged pre-trade.

### Wide Open Agriculture (\* WOA)

Agreement secured to supply Buntine Protein (TM) lupin protein concentrate to Monde Nissin Australia (MNA).

MNA is expected to purchase up to 60% of WOAs pilot plant production of the concentrate over two years.

The initial shipment is anticipated for delivery in June.

### Mad Paws Holdings (\* MPA)

308% higher year-on-year, \$1.6M April operating revenue.

Additional statistics lodged pre-trade.

### Crown Resorts (CWN)

S&P Dow Jones Indices has cancelled plans to remove CWN from the S&P/ASX 200 by Wednesday's ASX open, due to CWN requesting an adjournment of the final court hearing for the scheme of arrangement under which Blackstone proposes to acquire CWN.

### Dicker Data (DDR)

Recorded 33.83% and 33.27% of respective proxy and poll votes against the company's remuneration report at Friday's AGM.

## Resources

### Critical Resources (\* CRR)

Additional NSW Halls Creek Gibsons prospect step-out diamond drilling results lodged this morning.

### Australian Potash (APC)

APC has appointed recent GR Engineering Services (ASX; GNG) consultant Tony Dominkovich as Lake Wells sulphate of potash project manager.

APC has nominated GNG as the company's preferred contractor for the project development.

In association with Mr Dominkovich's appointment, Rhett Brans will return to non-executive duties as APC project director.

## Energy

### TMK Energy (\* TMK)

Reporting Snow Leopard-2 drilling has intersected ~70m of gassy coal from the upper coal seam, from a 167m depth.

Details lodged this morning.



delivered a 0.757% yield from 0.644%.

**Tonight** in the US, the Chicago Fed April national activity index is due.

Companies scheduled to report earnings later today or tonight include Advance Auto Parts and Zoom Video Communications.

### Commodities

| COMMODITY                              | CLOSE  | \$US/ | +/-   | %    |
|--|--------|-------|-------|------|
| <b>Gold (NY)</b> (Jun)                 | 1842.1 | oz    | 0.90  | 0.0  |
| <b>Silver (NY)</b> (Jul)               | 21.67  | oz    | -0.24 | -1.1 |
| <b>Gold (LON)</b>                      | 1834   | oz    | -10   | -0.5 |
| <b>Platinum</b>                        | 954    | oz    | -7    | -0.7 |
| <b>WTI Crude</b> (NYMEX Jun)           | 113.23 | bbl   | 1.02  | 0.9  |
| <b>Brent Crude</b> (ICE EUR Jul)       | 112.55 | bbl   | 0.51  | 0.5  |
| <b>Iron Ore</b> (NYMEX CHN port;62%Fe) | 133.66 | t     | 2.85  | 2.2  |
| <b>Copper (LME 3mth Evening)</b>       | 9426   | t     | 8     | 0.1  |
| <b>Nickel</b>                          | 27983  | t     | -257  | -0.9 |
| <b>Aluminium</b>                       | 2948   | t     | 40    | 1.4  |
| <b>Lead</b>                            | 2167   | t     | 102   | 4.9  |
| <b>Zinc</b>                            | 3711   | t     | -9    | -0.2 |
| <b>Tin</b>                             | 34720  | t     | 450   | 1.3  |

### Commodities Commentary

**Oil** – the gradual easing of some Covid containment measures across Shanghai continued to buoy hopes of increased oil demand from China overnight Friday.

Gains were also supported by supply considerations, in part due to Norway producing 10.6% fewer barrels of crude during April than anticipated, and gas production no greater than on par with expectations.

A US weekly petroleum drill rig report, published overnight Friday, included a 13-strong jump in the number of operational oil rigs, taking the oil rig count to 576 and, together with one additional gas rig, pushing the overall petroleum rig tally to 728.

**Gold** – gold prices were pushed and pulled by safe-haven concerns, a swing higher again for the \$US (ICE \$US index ~+0.4%) and some liquidity considerations given some strong commentary regarding potential equities markets routs.

Several reports, including US Federal Reserve minutes, a US GDP update, a batch of US retail earnings and international PMI updates, could influence some gold sentiment this week, in addition to geopolitical events plus warnings and commentary from central bankers, government officials and financiers.

**Base metals** – overnight Friday gains were attributed to select supply scenarios, and hopes for a resumption of most activity within areas of China which have suffered varying degrees of restrictions over the past two months.

A five-year rate reduction from the People's Bank of China earlier Friday underscored expectations of support for some, but also pointed to administrative concern re China's current economic footing.

### Exchange Rates

| CURRENCIES       | LAST   | +/-    | %    |
|------------------|--------|--------|------|
| <b>AUD – USD</b> | 0.7065 | 0.0028 | 0.39 |

### Trading Halts

| Company                           | Code | Resuming |
|-----------------------------------|------|----------|
| Aston Minerals                    | ASO  | 23 May   |
| BikeExchange Ltd                  | BEX  | 23 May   |
| Desert Metals                     | DM1  | 23 May   |
| Invictus Energy                   | IVZ  | 23 May   |
| Locality Planning Energy Holdings | LPE  | 23 May   |
| Australian Mines                  | AUZ  | 24 May   |
| Intelligent Monitoring Group      | IMB  | 24 May   |
| Openpay Group                     | OPY  | 24 May   |
| Ragusa Minerals                   | RAS  | 24 May   |
| Torque Metals                     | TOR  | 24 May   |
| Good Drinks Australia             | GDA  | 25 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  |
| The Sustainable Nutrition Group | TSN  | 18 May |
| Wiluna Mining Corporation       | WMC  | 11 May |

### Ex-Dividends

| Code | Ex-Div       | Div (c) | Franking (%) | Yield (%) |
|------|--------------|---------|--------------|-----------|
| AMC  | Tomorrow     | 16.68   | 0            | 3.47      |
| GQG  | Tomorrow     | 2.08    | 0            | 1.03      |
| ALL  | Thu          | 26      | 100          | 1.16      |
| IAP  | Thu          | 4.67    | 0            | 4.72      |
| JHX  | Thu          | 32.66   | 0            | 1.11      |
| NUF  | Thu          | 4       | 0            | 0.69      |
| CSR  | Fri          | 18      | 100          | 5.67      |
| WHF  | Fri          | 10.25   | 100          | 3.73      |
| CRN  | Mon (30 May) | 6.82    | 0            | 3.71      |
| IFT  | Tue (31 May) | 10.86   | 0            | 2.25      |
| ORI  | Tue          | 13      | 0            | 1.46      |
| PIA  | Tue          | 1.35    | 100          | 4.84      |

### Reports & Events

(selected; all times AEST)

| When            | Company    | Report/Event               |
|-----------------|------------|----------------------------|
| <b>Today</b>    | <b>ELD</b> | Interim (w/cast tele 10am) |
|                 | <b>IPL</b> | Interim                    |
|                 | <b>NUF</b> | Interim                    |
| <b>Tomorrow</b> | 29M        | AGM                        |



EUR – USD 1.0575 0.0012 0.11

**Australian Data Today**

ABS Household spending indicator Mar

**US Data Today & Tonight**

Chicago Fed National Activity Index Apr

**Overseas Data Today & Tonight**

Germany IFO business climate (incl condtns; exptcns) May

**Need More Information?**

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|            |     |  |
|------------|-----|--|
|            | CRR | AGM  |
|            | TNE | Interim                                      |
|            | VEA | AGM  |
| <b>Wed</b> | ALS | Full year (w/cast tele 10am)                 |
|            | AWC | AGM  |
|            | CGC | AGM  |
|            | FPH | Full year (w/cast tele 10am)                 |
| <b>Thu</b> | CIA | Full year (NB post-ASX; w/cast tele 10.30pm) |
|            | GEN | AGM  |
|            | HFR | AGM  |
| <b>Fri</b> | A1M | AGM  |
|            | CTM | AGM  |
|            | FFX | AGM (5pm)                                    |
|            | SHV | Interim                                      |
|            | SNG | AGM  |