

Markets

| | | | |
|--------------------------------------|-------|-----|-----|
| SFE 200 Futures (9.30am AEST) | 7148 | 58 | 0.8 |
| NZX 50 | 12259 | 15 | 0.1 |
| DJIA Futures | 34590 | 153 | 0.4 |
| S&P 500 Futures | 4214 | 15 | 0.4 |
| NASDAQ Futures | 13701 | 36 | 0.3 |

Local Markets Commentary

The Australian market commences Friday trade following vacillating overnight international equities trade sentiment and ahead of Monday public holiday weekends in the UK and US.

Given UK and US markets (including for commodities) will be closed Monday, and Monday being 31 May, some end-of-month positioning could be evident across Australian trade today.

Also locally today, the Reserve Bank of Australia (RBA) publishes a monthly liabilities and assets report, together with latest weekly figures, but not until post-ASX trade.

In the meantime, debate on optimal Covid-19 containment policies for Australia continues, as Victoria commences a week-long lockdown prompting the renewal of border restrictions across several States and Territories.

Stocks trading **ex-dividend** today include **ALL** and **CSR**. Please see p3 for a detailed ex-dividend list.

Regionally today, **Japan** was scheduled to release April employment statistics 9.30am AEST.

In overnight commodities trade, **oil** picked up the pace of Wednesday's rise.

US **gold** futures were pushed lower.

Qingdao **iron ore** (CFR China, 62% fines) fell \$US3.14/t to \$US189.73/t.

Nymex iron ore (CFR China, 62%) declined modestly to below \$US206.4/t.

LME **copper**, **nickel** and **aluminium** posted robust gains.

The **\$A** remained within range after trading at ~US77.40c - ~US77.50c early yesterday evening.

Overseas Markets.

| INDEX | CLOSE | +/- | % |
|----------------------|-------|-----|------|
| Dow Jones | 34465 | 142 | 0.4 |
| S&P 500 | 4201 | 5 | 0.1 |
| NASDAQ | 13736 | -2 | -0.0 |
| FTSE 100 | 7020 | -7 | -0.1 |
| DAX 30 | 15407 | -44 | -0.3 |
| Shanghai Comp | 3609 | 15 | 0.4 |

Overseas Markets Commentary

Choppy, swinging trade featured across most major European, UK

Second last trading day for May

Today's Stock Watch
Link Administration Holdings (LNK) / Domain Holdings Australia (DHG)

LNK is considering an offer from Kohlberg Kravis Roberts for LNK's 44.18% PEXA holding.

The offer values PEXA at \$3B plus cash balance.

PEXA's 31 March cash balance was reported at \$126M.

Conditions include PEXA shareholder and Australia Foreign Investment Review Board (FIRB) approvals.

Meanwhile, DHG confirms it is a member of a consortium that has been looking at potentially acquiring 10% of PEXA owner Torrens Group Holdings.

Betmakers Technology (BET) / Tabcorp Holdings (TAH)

BET has approached TAH with an indicative takeover proposal comprising a \$1B cash payment and \$3B worth of BET shares.

TAH shareholders would hold ~65% of the new entity.

Select Harvests (SHV)

Nil interim dividend from 9c fully franked a year ago.

92.7% lower, \$A1.27M interim NPAT.

37.4% higher, \$84.75M revenue.

Inghams Group (ING)

Anticipating \$80M - \$87M FY21 NPAT and \$438M - \$448M EBITDA. Planning to lodge full year results 20 August.

Latitude Group Holdings (LFS)

Anticipating \$115M - \$120M 1H21 cash NPAT. Retaining intent to declare a 7.85c interim dividend.

Aussie Broadband (ABB)

Anticipating \$16M - \$19M (exclusive of IPO costs) full year EBITDA. Planning to release full year results 30 August.

Electro Optic Systems Holdings (EOS)

Today's AGM materials, including a financial update, lodged pre-trade.

Genesis Energy (GNE)

GNE will purchase 3.4PJ - 4.4PJ worth of Methanex gas over winter. Methanex will temporarily idle one Motunui facility.

MMA Offshore (MRM)

MRM is anticipating a total \$A6.5M in rent from sub-leasing the Batam, Indonesia shipyard facility to Wasco Energy for three years.

Wasco intends to upgrade the facility at its own expense and has secured an option to pay MRM \$US15M to purchase the facility.

and US equities markets overnight, the DJIA proving the exception amid a batch of mixed economic data releases and with US spending proposals in focus.

In addition, yesterday, the US and China agreed to continue negotiations after the US chief trade representative and China's vice president conducted the first official trade relationship talks since the inauguration of the US new president.

Following the virtual meeting, the US spoke of 'very large challenges' ahead and China described it as 'candid' and 'pragmatic'.

Also yesterday, China bemoaned a new US intelligence review of the origins of Covid-19.

The US president in the meantime, called for higher wages during a visit to the industrial city of Cleveland, Ohio, ahead of a FY22 budget proposal scheduled for tonight.

For their part, Republican senators released an updated infrastructure spending compromise proposal.

Among overnight data releases, **UK** April domestic vehicle production was reported 34573% higher (to 68,306) than for April 2020, following forecasts for a 125% increase, and a 46.6% March year-on-year rise.

70,791 domestic vehicles were reportedly produced during April 2019.

January – April 2021 production was reported 15% lower than for the same period in 2019, the decrease due in part to a computer chip shortage.

Meanwhile, the GfK consumer confidence index for **Germany** improved to -7 from -8.6, but forecasters had anticipated -3.

In the **US**, the second estimate of three for March quarter GDP growth was reported in line with expectations, at 6.4%.

Weekly new unemployment claims tallied 406,000, against 444,000 the previous week and following forecasts for 425,000.

April durable goods orders surprised on the downside, falling 1.3% for the month against expectations of a 0.7% increase.

April pending home sales dropped 4.4% for the month, following forecasts for a 2% increase.

Against April 2020, sales were up 51.7%.

The May Kansas City Fed manufacturing index was estimated on par with expectations, at 32 from 40.

Tonight in the **US**, the US president is expected to detail his FY 22 budget proposal.

April personal income and spending, April wholesale inventories, a Chicago PMI update and a University of Michigan final May consumer sentiment reading are also keenly anticipated.

UK and US markets will be closed Monday due to public holidays.

| Commodities | | | | |
|----------------------------------|---------------|--------|------|-------------|
| COMMODITY | CLOSE | \$/US/ | +/- | % |
| Gold (NY) (Aug) | 1898.5 | oz | -5.3 | -0.3 |
| Silver (NY) (Jul) | 27.96 | oz | 0.08 | 0.3 |
| Gold (LON) (26May) | 1900 | oz | | |
| Platinum | 1174 | oz | -13 | -1.1 |
| WTI Crude (NYMEX Jun) | 66.85 | bbbl | 0.64 | 1.0 |
| Brent Crude (ICE EUR Jul) | 69.46 | bbbl | 0.59 | 0.9 |

Pre-Open Announcements

Global Energy Ventures (* GEV)

Executive chair and CEO Maurice Brand has decided to step down as CEO but remain with GEV as non-executive chair.

GEV has subsequently appointed GEV executive director Martin Carolan as MD and CEO effective 1 June (Tuesday next week).

In addition, GEV financial controller Emma Connor has been appointed GEV CFO.

EROAD Ltd (* ERD)

93% higher, \$NZ2.0M full year NPAT.

13% higher, \$NZ91.64M revenue.

NZ72c NTA, from NZ13c.

Smartpay Holdings (SMP)

\$NZ14.91M full year net loss, against a \$NZ4.41M net loss a year ago. \$NZ15.20M continuing operations net loss, following a \$NZ4.47M loss.

19.7% higher, \$NZ33.8M revenue.

Kleos Space (KSS)

AGM materials lodged post-trade yesterday, and voting outcomes this morning.

KSS hosted its AGM overnight in Luxembourg.

KSS has traded higher on the ASX the past four sessions, settling at 92.5c yesterday after closing out last week at 82c.

Freedom Foods Group (FNP)

Recapitalisation completed.

FNP has traded higher five of the past six sessions, settling flat yesterday at 47c, but trading as high as 48c intra-session.

Metal Tiger Plc (MTR)

Natural resources-focused investment company completed its ASX listing yesterday.

~9.11M quoted shares/CDIs.

Resources

Andromeda Metals (* ADN)

Exclusive MoU secured with Advanced Energy Minerals' AEM Technologies to look into a joint technical and commercial development for processing high purity alumina using ADN kaolin.

Siren Gold (SNG)

New Zealand Alexander River gold project diamond drilling has extended known mineralised shoots.

SNG has traded higher the past four sessions, settling at 32.5c yesterday after closing out last week at 24c.

Ardea Resources (ARL)

The CSIRO's WA Goongarrie gold in nickel-cobalt laterite study for ARL has been completed, indicating nickel sulphide mineralisation at depth potential.

A new study will begin in July assessing this potential beneath



| | | | | |
|--------------------------|--------|---|-------|------|
| Iron Ore (NYMEX,CHN,62%) | 206.37 | t | -0.52 | -0.3 |
| Copper (LME Ind) | 10293 | t | 313 | 3.1 |
| Nickel | 17915 | t | 631 | 3.7 |
| Aluminium | 2485 | t | 85 | 3.5 |
| Lead | 2207 | t | 31 | 1.4 |
| Zinc | 3060 | t | 93 | 3.1 |
| Tin | 30160 | t | 535 | 1.8 |

Commodities Commentary

Oil – overnight price gains were mostly attributed to data releases, including a US GDP update and another fall in weekly new unemployment claims.

The OPEC+ meeting scheduled for Tuesday next week remained in focus, speculation centring on views Iran could resume petroleum exports this year and demand optimism associated with the easing of Covid-19 containment restrictions across several nations. Any OPEC+ member commentary tonight, amid essentially end-of-month (UK and US markets closed Monday 31 May, due to public holidays) positioning, is expected to influence tonight's trade.

Also tonight, a weekly US petroleum drill rig report is due.

Gold – some profit-taking was cited for overnight price falls.

Key US data and further insight into the US president's economic priorities, revealed in Cleveland overnight, appeared to produce some uncertainty.

Tonight, the US president is expected to outline big-spending plans for FY22.

Base metals – overnight LME trade was in part propelled by a flurry of key economic data releases.

China's January - April industrial profits, reported yesterday, represented a 106.1% increase on the same period last year, far exceeding expectations of a 52% rise.

Some additional end-of-week positioning is anticipated tonight, ahead of Monday public holiday weekends in the UK and US.

Hence, tonight represents the last LME and Comex trading sessions for May, and any positioning will actually be end-of-month.

Meanwhile, in metal-specific supply and demand news, ongoing earthquakes in the Democratic Republic of Congo, in association with a volcano eruption earlier this week, were reported to be impacting tin concentrate exports.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------|--------|---------|-------|
| AUD – USD | 0.7741 | -0.0008 | -0.10 |
| EUR – USD | 1.2191 | -0.0004 | -0.03 |

Australian Data Today

| | | |
|-----|------------------------|-----|
| RBA | Liabilities and assets | May |
|-----|------------------------|-----|

US Data Tonight

| | |
|--|-----|
| Personal income & spending | Apr |
| Uni of Michigan consumer sentiment (final) | May |

nickel laterite deposits.

Kore Potash (KP2)

Republic of Congo phase one Dougou extension potash project DFS drilling completed.

Further seismic and drilling may be needed.

Hence, KP2 is developing a new geological model, expected to be completed by year's end.

Trading Halts

| Company | Code | Resuming |
|--------------------|------|----------|
| Peninsula Energy | PEN | 28 May |
| Strike Resources | SRK | 28 May |
| 3D Resources | DDD | 31 May |
| Centaurus Metals | CTM | 31 May |
| DevEx Resources | DEV | 31 May |
| Immuron Ltd | IMC | 31 May |
| Kingwest Resources | KWR | 31 May |
| Prominence Energy | PRM | 31 May |

Suspensions (select)

| Company | Code | Since |
|--------------|------|--------|
| DomaCom Ltd | DCL | 11 May |
| Metro Mining | MMI | 27 May |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------|--------|---------|--------------|-----------|
| ALL | Today | 15 | 100 | 0.24 |
| CSR | Today | 24 | 100 | 1.45 |
| GCI | Today | 0.77 | 0 | 4.21 |
| PCI | Today | 0.33 | 0 | 3.51 |
| PIA | Today | 1.25 | 100 | 4.00 |
| QRI | Today | 0.82 | 0 | 6.01 |
| TCF | Today | 3 | 0 | 1.47 |
| FPC | Mon | 3 | 100 | 0.00 |
| IPL | Mon | 1 | 100 | 0.00 |
| MOT | Mon | 0.92 | 0 | 6.94 |
| MXT | Mon | 0.76 | 0 | 4.59 |
| ORI | Mon | 7.5 | 0 | 2.45 |
| PGG | Mon | 0.68 | 0 | 4.84 |
| WAM | Mon | 7.75 | 100 | 3.33 |
| WGB | Mon | 5 | 100 | 1.47 |
| ISU | Tue | 1 | 0 | 0.00 |
| NBI | Tue | 0.7 | 0 | 4.83 |
| UMG | Wed | 2 | 0 | 0.89 |
| TNE | Thu | 3.82 | 60 | 1.39 |



Wholesale inventories Apr
Chicago PMI May

Other Overseas Data Today & Tonight

| | | |
|------------------|---------------------|-----|
| Japan | Workforce | Apr |
| Germany | Import prices | Apr |
| Euro zone | Economic confidence | May |

Need More Information?

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

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Reports & Events

(selected; all times AEST)

| When | Company | Report/Event |
|--------------|------------|--|
| Today | APX | AGM |
| | BFC | AGM |
| | BNL | AGM |
| | CTM | AGM |
| | D2O | AGM |
| | EOS | AGM |
| | IVC | AGM |
| | SHV | Interim (webinar & w/cast 1pm) |
| | SNZ | AGM |
| | TGA | Full year |
| | XST | AGM |
| YAL | AGM | |
| Mon | LRS | AGM |
| Tue | FPH | Investor day #1 of 3 |
| Wed | FPH | Investor day #2 of 3 |
| | MP1 | Virtual Edge briefing (webinar 8.30am) |
| Thu | FPH | Investor day #3 of 3 |