

Markets

SFE 200 Futures (9.30am AEST)	7159	12	0.2
NZX 50	12461	-2	-0.0
DJIA Futures	34513	-37	-0.1
S&P 500 Futures	4195	-4	-0.1
NASDAQ Futures	13635	-13	-0.1

Local Markets Commentary

The Australian market opens mid-week trade with influential domestic data due late-morning, following mixed overnight international equities and commodities trade leads.

Locally today, Australian Bureau of Statistics (ABS) releases its March quarter **GDP** estimate **11.30am** AEST.

Meanwhile, RBA deputy governor Guy Debelle and assistant governor (financial system) Michele Bullock are preparing to meet with the Senate economics legislation (estimates) committee from 7pm.

Regionally today, **South Korea** has already reported May **CPI** this morning, this representing 2.6% year-on-year inflation, following a 0.1% rise for the month.

In overnight commodities trade, both Brent and WTI **crude** prices rose.

US gold futures settled barely changed.

Qingdao **iron ore** (CFR China, 62% fines) was pushed \$US9.84/t higher to \$US208.67/t.

Nymex iron ore (CFR China, 62%) dropped 4% to below \$US198.40/t.

LME **copper**, **nickel** and **aluminium** traded slightly – modestly lower.

The **\$A** has been pushed beyond US77.50c this morning, after trading at US77.45c early yesterday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34575	46	0.1
S&P 500	4202	-2	-0.1
NASDAQ	13736	-12	-0.1
FTSE 100	7080	58	0.8
DAX 30	15567	146	1.0
Shanghai Comp	3625	9	0.3

Overseas Markets Commentary

Major European, UK and US equities markets opened higher overnight, but key US indices sentiment fell such that gains were largely forfeited.

Markets in the US and UK were trading for the first time this week, reacting to various developments since end-of-month trade last

Australia – March Quarter GDP – 11.30am AEST

*** Education technology listing – 11am AEST – KED ***

Today's Stock Watch
Douough Ltd (DOU) / OFX Ltd (OFX)

DOU will offer foreign exchange services to its customers via an exclusive forex partnership with OFX.

Revasum Inc (RVS)

Initial purchase order in hand for two 6EZ silicon carbide (SiC) polishers. The first will be shipped in August and the second by mid-2022. RVS anticipates additional orders from the same customer during 2022.

SRG Global (SRG)

Two façade contracts plus an Australian Department of Defence structures contract secured, worth a total \$50M. Details lodged pre-trade.

archTIS Ltd (AR9)

\$578,000 Kojensi contract secured with the Australian Department of Defence.

Orbital Corporation (OEC)

Initial engine system delivered to OEC's Singapore defence customer.

Australian Foundation Investment Company (AFI)

AFI has appointed former Medibank Private (ASX: MPL) CEO Craig Drummond as a non-executive director, effective 1 July. Mr Drummond is also a former National Australia Bank (ASX: NAB) finance and strategy head, and Bank of America Merrill Lynch Australia CEO.

Worley Ltd (WOR)

Today's investor day materials lodged pre-trade.

Resources
Estrella Resources (ESR)

WA goldfields Carr Boyd nickel-copper project drilling has intersected 6.75m of massive Ni-Cu-Fe sulphides at the base of a 37.2m Ni-Cu-Fe mineralised zone.

ESR is following up the result with a wedge hole above the intersection.

Presentation also lodged post-trade yesterday. Resuming from a trading halt. Immediately prior to calling the halt, ESR settled 10.17% higher for the session, at 6.5c.

Rumble Resources (RTR)

Heralding Earaeedy multi-mineral project Chinook and Magazine prospect RC drilling results.

Assays, commentary and presentation lodged this morning.



Friday.

These included Monday's issue by the Organisation for Economic Co-operation and Development (OECD) of a new set of international economic growth forecasts.

The OECD delivered a rise in the organisation's 2021 global growth forecast by 0.2% to 5.8%, and a 0.4% jump in its 2022 growth prediction, to 4.4%.

Meanwhile, among Covid-19 developments, US and UK markets reacted for the first time to warnings of possible 'third wave's in the UK, a new hybrid variant Vietnam said it had determined, and the World Health Organisation's (WHO) promotion of the use of Greek alphabet letters for the variant names, rather than the countries in which they were initially detected.

In addition overnight, the UK recorded no Covid-19 deaths in 24 hours.

For his part overnight, **Bank of England** governor Andrew Bailey further committed the central bank to setting policy to help the UK reach net-zero emissions targets.

The bank continues to hold bonds from companies with high carbon emission rates, but will require firms to be enacting emissions reduction policies for the bank to purchase corporate bonds in the future.

Among a swag of overnight **data** releases, the **euro zone's** initial May **CPI** estimate represented a 0.3% rise for the month, on par with forecasts and following a 0.6% April jump.

Against May 2020, inflation was up 2.0%, in line with expectations.

A final May manufacturing PMI estimate represented a 0.2-point rise for the month, to a strong 63.1, against expectations of a 0.1 slip to 62.8.

In the meantime, the region's April unemployment rate was calculated at 8.0% from 8.1% for March.

Germany's May unemployment rate was reported unchanged, at 6.0%.

The nation's final May manufacturing PMI estimate came in 1.8 points lower than for April, at a nonetheless robust 64.4.

The **UK's** manufacturing PMI also indicated enviable growth in activity, the final estimate representing a 4.7-point increase to 65.6.

In the **US**, the ISM's May manufacturing index was reported at 61.2, from 60.7. The new orders sub-component index rose, but the employment index fell 4.2 points to 50.9.

The Dallas Fed estimated the district's May manufacturing index at 34.9, from 37.3 for April.

Weather and related power and other infrastructure challenges had produced forecasts of larger falls to as low as 32, however.

In the meantime, US April construction spending rose 0.2% for the month, against forecasts of a 0.6% increase and following a 1% March improvement.

Tonight in the **US**, the Federal Reserve's district-by-district economic roundup report, the beige book, is due during second-half trade.

A May private sector employment report is also keenly anticipated, ahead of May national jobs figures, due overnight Friday.

Elsewhere, the **euro zone** reports producer prices and the **UK**

Pre-Open Announcements

Keypath Education International (* KED)

Education technology specialist scheduled to list on the ASX **11am** AEST following a \$212M IPO at \$3.71 per CDI. ~208.22M CDIs/shares.

Bubs Australia (BUB)

In response to an ASX price query, BUB is pointing to China's newly-revealed plan to allow couples to have three children without financial penalty, rather than just two, as a possible reason for yesterday's BUB ASX trade.

BUB traded as high as 42.5c before settling at 41c, 22.39% higher for the session.

3022 transactions were recorded, across which ~24.4M shares changed hands.

Opthea Ltd (OPT)

OPT has appointed ophthalmologist and vitreoretinal surgeon Julia Haller and international large corporate experienced lifesciences commercial executive Judith Robertson as independent non-executive directors.

Tyro Payments (TYR) / Bendigo & Adelaide Bank (BEN)

Under an alliance announced October 2020, TYR is now able to provide, on an exclusive basis, merchant acquiring services to Bendigo Bank's merchant acquiring customers.

In addition, Bendigo Bank can exclusively refer its business customers to TYR with regards to TYR's payments systems.

The arrangements exist under a co-brand.

Fisher & Paykel Healthcare (FPH)

Today's investor day (second of three this week) materials lodged pre-trade yesterday.

Digital Wine Ventures (DW8)

~3.43M DW8 shares are due to be released from escrow 7 June (Monday next week).

Resources

Alto Metals (* AME)

Heralding Lord Henry Lords Corridor RC drilling results.

Assays lodged this morning.

Panoramic Resources (PAN)

Conference presentation lodged this morning.

Gold Road Resources (GOR)

New investor briefings presentation lodged post-trade yesterday.

GOR is hosting briefings during June.

Black Rock Mining (BKT)

Conference presentation lodged this morning.

Bass Metals (BSM)

BSM has been unable to complete due diligence inquiries on relevant mining tenements in association with the proposed acquisition of Argentina San Jorge lithium brine project holder



hosts a 10-year treasury gilt auction.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1905	oz	-0.3	-0.0
Silver (NY) (Jul)	28.10	oz	0.09	0.3
Gold (LON) (28 May)	1900	oz		
Platinum	1189	oz	12	1.0
WTI Crude (NYMEX Jul)	67.72	bbbl	1.4	2.1
Brent Crude (ICE EUR Aug)	70.25	bbbl	0.93	1.3
Iron Ore (NYMEX,CHN,62%)	198.35	t	-8.02	-4.0
Copper (LME Ind)	10231	t	-33	-0.3
Nickel	18090	t	-30	-0.2
Aluminium	2482	t	-5	-0.2
Lead	2199	t	0.25	0.0
Zinc	3061	t	-4	-0.1
Tin	30805	t	115	0.4

Commodities Commentary

Oil – as anticipated an overnight OPEC+ meeting resulted in overall approval to retain the previously agreed program for easing output curbs through to the end of July.

Saudi Arabia's energy minister pointed to demand recovery out of China and the US, and expressed optimism that Covid-19 vaccination programs would deliver additional market rebalancing.

The next official OPEC+ meeting is scheduled for 1 July, at which production from August and beyond is expected to be considered.

A US weekly report from the API tonight is expected to offer an estimate of crude stocks during last week, ahead of an inventories report from government agency the EIA overnight tomorrow.

In overnight price moves, Brent crude traded above \$US71.00/bbl intra-session.

Gold – prices swung overnight, before Comex futures settled little changed from last Friday's close.

Rising bond yields provided some distraction, but futures were maintained beyond \$US1900/oz.

Commerzbank offered that higher bond yields would not unduly influence gold trade if they remained below inflation rates.

Key international economic indicators, due for release from tonight through Friday night, are expected to influence second-half week trade.

Base metals – overnight prices appeared mostly pushed and pulled by supply and demand views based on political and industrial relations scenarios, new PMI readings for China, and overnight broader international manufacturing PMI updates, in addition to uncertainty regarding China's buying while prices are considered elevated.

LME and US Comex trade was reacting for the first time to new PMIs reported for China.

China's official (NBS) May **PMIs**, reported Monday, and a Caixin manufacturing PMI for China, released yesterday, differed from expectations.

The NBS PMIs included a 0.3-point rise in services sector activity to 55.2, following forecasts of a 0.9-point decline to 54.0.

Blackearth.

This is due to Covid-19 containment restrictions which have kept the Catamarca province mining department closed since mid-May.

The restrictions will possibly be eased from 7 June (Monday next week).

Consequently, Blackearth and BSM have agreed to extend the conditions precedent period for the planned deal.

Vanadium Resources (VR8)

Reviewing the Steelpoortdrift project PFS study report, in particular the financial conclusions, and expecting to release the PFS outcomes 'shortly'.

VR8 had previously targeted the end of May for the release.

Si6 Metals (SI6)

~100.69M SI6 listed options are due to expire 7pm AEST 1 July.

The options are exercisable at 1.5c each.

SI6 has traded at 1.1c – 1.3c over the past five trading sessions.

Energy

South32 Ltd (* S32)

S32 has completed the sale of South32 SA Coal Holdings Pty Ltd (South Africa Energy Coal) to Seriti Resources Holdings Pty Ltd and two trusts.

Trading Halts

Company	Code	Resuming
Artemis Resources	ARV	2 Jun
Invion Ltd	IVX	2 Jun
NSX Ltd	NSX	2 Jun
Peregrine Gold	PGD	2 Jun
Surefire Resources	SRN	2 Jun
Synertec Corporation	SOP	2 Jun
Valor Resources	VAL	2 Jun
Wisr Ltd	WZR	2 Jun
Alpha HPN	A4N	3 Jun
CI Resources	CII	3 Jun
Vonex Ltd	VN8	3 Jun

Suspensions (select)

Company	Code	Since
DomaCom Ltd	DCL	11 May
Immuron Ltd	IMC	31 May
Metro Mining	MMI	27 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
UMG	Today	2	0	0.90



The manufacturing PMI slipped by 0.1 to 51.0, against expectations of a 0.1 increase to 51.2.

Caixin's China manufacturing PMI rose by 0.1 to 52.0, defying forecasts of a 0.2-point fall to 51.7.

Japan's 53.0 final May manufacturing PMI represented a 0.6-point fall for the month, but forecasters had anticipated a 1.1-point drop.

Meanwhile, industrial action at the Escondida and Spence *copper* operations in Chile was reported to be continuing.

In addition, Peru's national election, scheduled for the coming weekend, is fuelling mining policy uncertainty.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7754	0.0011	0.14
EUR – USD	1.2217	-0.0008	-0.06

Australian Data Today

ABS	GDP	Mar Q
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US Data Tonight

Fed beige book	May
ADP private sector employment	May
MBA mortgage applications	28 May

Other Overseas Data Today & Tonight

South Korea	CPI	May
UK	BoE consumer credit (incl mortgages)	Apr
Germany	Retail sales	Apr
Euro zone	Producer prices	Apr

Need More Information?

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TNE	Tomorrow	3.82	60	1.03
ALQ	Mon	14.6	70	1.16
OCA	Mon	1.65	0	1.47
IFT	Tue	10.34	0	2.13
CIM	11 Jun	60	20	0.00

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	FPH	Investor day #2 of 3
	MP1	Virtual Edge briefing (webinar 8.30am)
	WOR	Investor day
Tomorrow	FPH	Investor day #3 of 3

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