

Markets

SFE 200 Futures (9.30am AEST)	7181	-55	-0.8
NZX 50	11354	-19	-0.2
DJIA Futures	32739	-59	-0.2
S&P 500 Futures	4092	-7	-0.2
NASDAQ Futures	12527	-24	-0.2

Local Markets Commentary

The Australian market opens today's trade ahead of further material domestic data late morning, with a further domestic energy price warning and a batch of key US economic reports due tonight.

US equities markets fell overnight.

Locally today, April **international trade** figures are due from the Australian Bureau of Statistics (ABS) at **11.30am AEST**.

At the same time, the ABS releases a **final retail sales** report, adding information to the report published last week.

Post-ASX trade yesterday, the Reserve Bank of Australia (RBA) announced a 30.4% year-on-year increase in May commodity prices.

Regionally today, **Japan** hosts a 10-year government bond auction.

NB: China's markets will be **closed tomorrow** due to a public holiday.

In overnight commodities trade, **oil** turned higher.

US **gold** futures also swung to record a US30c/oz gain.

Iron ore (Nymex CFR China, 62% Fe) rallied further, approaching \$US137/t.

LME (3mth evening) **copper** swung higher, but **nickel** and **aluminium** extended Tuesday's fall, in the last LME trade until Monday next week.

The **\$A** fell to ~US71.75c after trading at US71.85c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	32813	-177	-0.5
S&P 500	4101	-31	-0.8
NASDAQ	11994	-87	-0.7
FTSE 100	7533	-75	-1.0
DAX 30	14340	-48	-0.3
Shanghai Comp	3182	-4	-0.1

Overseas Markets Commentary

Major European, UK and US equities markets mostly opened higher overnight, but subsequent swings and chop appeared to ultimately impact sentiment in general, producing across-the-

Today's Stock Watch
Wesfarmers Ltd (WES)

Today's strategy briefing presentation lodged pre-trade. The webcast presentation was scheduled to commence 8.30am AEST.

Links to associated videos also lodged.

Bubs Australia (BUB)

US authority in hand for additional BUB infant formula to be exported to the US next week.

Details lodged pre-trade.

Amplia Therapeutics (ATX)

Heralding positive efficacy indications for AMP945 in the potential treatment of idiopathic pulmonary fibrosis.

Details lodged this morning.

Resources
Pilbara Minerals (PLS)

PLS has appointed Dale Henderson as MD and CEO, effective 30 July.

Mr Henderson has been PLS COO since 2017.

Current MD and CEO Ken Brinsden plans to formally step down as MD 30 July and in the meantime will support Mr Henderson in transitioning to his new roles.

In addition, Mr Brinsden will subsequently remain a PLS advisor and also PLS's nominated director on the POSCO JV.

PLS dropped ~22% yesterday, settling at \$2.30, after announcing agreement on commercial terms for the proposed WA Pilgangoora lithium chemicals JV with Calix (ASX: CXL).

PLS will hold 55% of the JV and Calix 45%.

~170M PLS shares changed hands yesterday, across 37,054 transactions.

Superior Resources (SPQ)

Outstanding mineralised width intersected during Queensland Greenvale project Bottletree copper prospect diamond drilling. Assays lodged this morning.

SPQ is planning to assess six high-priority Greenvale targets.

Diatreme Resources (DRX)

In response to an ASX query, confirming the company is discussing a potential investment by a third party.

DRX added 28% Monday, last trading at 3.2c, after 31.9M shares had changed hands for the session-to-date, before a trading halt was called. Resuming trade this morning.

Anax Metals (ANX) / Develop Global (DVP)

Whim Creek JV diamond drilling has returned significant-width, high-grade intersections. Assays lodged pre-trade.

board sessional falls.

Economic data releases proved mixed, while outlooks for inflation, supply chains and interest rate moves appeared to be viewed as uncertain. Some better-than-anticipated US figures supported views of a robust series of rate increases, which would lower market trade liquidity.

The **US Federal Reserve's** district-by-district economic roundup report, the beige book, in the meantime concluded slight – modest April-May economic growth.

Survey respondents cited a mix of considerations impacting daily business, these including: sourcing supplies; Covid-related worker availability; 'strong or robust' supply cost jumps; higher interest rates; uncertainty regarding the ultimate international impacts of the Russia-Ukraine conflict; and US recession risk.

China's near-term economic growth prospects were also in focus. Yesterday, ~500,000 Shanghai residents were reported to be living under lockdown conditions, as the rest of China's largest city resumed from almost two months of strict Covid restrictions.

Overnight, Russia was reported to have strengthened its position in eastern Ukraine.

Among central banks other than the Fed, the Bank of Canada raised its benchmark interest rate by 0.5% to 1.5% and indicated further increases would follow.

Meanwhile, European Central Bank (ECB) president Christine Lagarde revealed she was open to the ECB looking at using lending to encourage carbon neutral positions.

Among a plethora of overnight **data** releases, the **euro zone's** final 54.6 May manufacturing PMI reading the represented a 0.9-point pullback for the month after initially being estimated at 54.4.

May unemployment was calculated flat at 6.8%.

Germany's April retail sales dropped 5.4% for the month, against expectations for a 0.3% fall and following the 0.1% March decline.

Against April 2021, sales were down 0.4%.

The nation's May manufacturing PMI was finalised at 54.8 from April's 54.6.

In the **UK**, the May manufacturing PMI was finalised at 54.6 from 55.8.

Russia reported a 9.7% year-on-year drop in April retail sales, but this followed forecasts for a 45% plunge.

Against April 2021, industrial production was estimated down 1.6%, following predictions for a 1.0% increase.

March corporate profits reportedly tallied 7.1 trillion roubles, following 5.1 trillion in February and forecasts of 6.3 trillion for March.

In the **US**, the ISM's May manufacturing PMI surprised on the upside.

Expected to pull back to 54.8 from April's 55.4, the index was calculated at 56.1.

The overall result was supported by the new orders component index which rose by 1.6 to 55.1, against forecasts for a 0.5-point fall.

April construction spending also defied expectations, rising 0.2% for the month against predictions for a 0.1% decline following a 0.3% March increase.

An April job openings report included 11.4M opportunities, on par

Pre-Open Announcements

Ainsworth Game Technology (* AGI)

Changing the group's financial year end from 30 June to 31 December.

Explanation and implications lodged this morning.

Emyria Ltd (EMD)

Yesterday's webinar update presentation lodged post-trade yesterday.

Resources

Helix Resources (* HLX) / Aeris Resources (* AIS)

NSW Cobar region Canbelego JV diamond drilling has intersected additional visual copper sulphide.

Details lodged pre-trade.

Newfield Resources (NWF)

Sierra Leone Tongo diamond mine underground operations are underway again.

The area at the centre of a mine fatality early last week remains closed, however, pending the results of an ongoing investigation.

Nordic Nickel (* NNL)

Nickel sulphide-focused explorer completed a successful ASX listing yesterday, following a \$12M IPO at 25c per share.

Opened at 31c and traded at 26c – 34c before settling at 29c.

~4.86M shares changed hands across 467 transactions.

~58.34M shares.

Aiming to supply the battery metals market from a development project in Finland.

Finnish company Magnus Minerals holds 16.36%.

Trading Halts

Company	Code	Resuming
EDU Holdings	EDU	2 Jun
Marquee Resources	MQR	2 Jun
ResApp Health	RAP	2 Jun
Walkabout Resources	WKT	2 Jun
Argenica Therapeutics	AGN	3 Jun
Credit Clear	CCR	3 Jun
Kopore Metals	KMT	3 Jun
Meteoric Resources	MEI	3 Jun
Victory Offices	VOL	3 Jun
Classic Minerals	CLZ	6 Jun



with expectations and following 11.855M for March.

Meanwhile, the Dallas Fed May services index dropped to 1.5 from 8.2. Economists had anticipated 7.0.

S&P Global's 57.0 final May manufacturing PMI reading, also released overnight, represented a 2.2-point fall for the month.

Weekly mortgage applications were reported 2.3% lower. The average 30-year mortgage rate was estimated at 5.33% from 5.46%.

Tonight in the **US**, May private sector and job cuts reports, plus weekly new unemployment claims are due ahead of May national employment figures tomorrow night.

In addition tonight, US April durable goods orders, April factory orders and a March quarter productivity report are due.

Elsewhere, the euro zone reports April producer prices. France is listed to host a 10-year bond auction.

Also tonight, a May GDP estimate is anticipated for Russia.

Companies scheduled to report earnings later today or tonight in include Broadcom, Hormel Foods, Lululemon Athletica and Remy Cointreau.

In overnight corporate news, **Meta Platforms** COO Sheryl Sandberg announced she would leave the group in Autumn but remain with Meta as a board member.

Markets in the UK, including the London Metals Exchange (LME) will be closed tonight and tomorrow night.

China's markets will also be closed tomorrow.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1848.7	oz	0.30	0.0
Silver (NY) (Jul)	21.92	oz	0.23	1.1
Gold (LON) (31 May)	1839	oz		
Platinum	997	oz	32	3.3
WTI Crude (NYMEX Jul)	115.26	bbbl	0.59	0.5
Brent Crude (ICE EUR Aug)	116.29	bbbl	0.69	0.6
Iron Ore (NYMEX CHN port;62%Fe)	136.95	t	3.44	2.6
Copper (LME 3mth Evening)	9501	t	52	0.6
Nickel	28146	t	-275	-1.0
Aluminium	2729	t	-62	-2.2
Lead	2175	t	-14	-0.6
Zinc	3864	t	-51	-1.3
Tin	34919	t	259	0.8

Commodities Commentary

Oil – prices settled higher overnight, in part due to perceptions of increased demand from China's reopening of business and transport in Shanghai.

Tonight's trade is expected to be partly influenced also by supply and demand scenarios, with OPEC+ set to decide on July production levels.

The alliance's joint monitoring and compliance committee reduced its anticipated 2022 oil surplus by ~500,000bbbl/d to 1.4MMbbbl/d.

Also tonight, a weekly US petroleum inventories report is due tonight from government agency the EIA.

Overnight post-US trade, the American Petroleum Institute (API)

Suspensions *(selected)*

Company	Code	Since
9 Spokes International	9SP	30 May
Locality Planning Energy Holdings	LPE	23 May
Sensera Ltd	SE1	23 May
The Sustainable Nutrition Group	TSN	18 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
TNE	Today	4.2	60	1.31
ALQ	Mon	17	30	2.37
ATM	Mon	1.48	0	0.00
CIA	Mon	10.97	0	1.46
IPL	Mon	10	100	2.32
MEC	Mon	1.5	100	6.57
OCA	Mon	1.77	0	3.59
WAM	Mon	7.75	100	3.71
FPC	Tue	3	100	6.91

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	WES	Strategy update (w/cast 8.30am)



released a weekly report which included an estimated 1.18MMbbl draw on US crude stocks last week.

Gold – a \$US push higher (+~0.8%), appreciating US treasury yields, short-covering and reduced equities risk sentiment pushed and pulled overnight gold sentiment.

Key reports out of the US could swing views of economic progress and hence likely US Federal Reserve moves.

Base metals – the LME traded for the last time this week overnight, with UK public holidays to commemorate the Royal Platinum Jubilee scheduled for Thursday and Friday, continuing through the weekend.

China economic pickup optimism, on the easing of some Covid restrictions, helped support some overnight prices, in the face of a stronger \$US.

Meanwhile, *copper* supply was in focus, with fires reported at the Las Bambas copper operation and the under-development Los Chancas project, each in Peru.

Some *aluminium* producers were reported to have offered \$US172/t - \$US177/t premiums for select September quarter shipments, up to 2.9% higher than for this quarter. At the lower end of the range, prices would be almost flat against the June quarter.

Caixin's May **manufacturing PMI** for **China** reported yesterday, improved to 48.1 from 46.0, indicating ongoing contraction roughly in line with expectations.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7176	0.0008	0.11
EUR – USD	1.0655	-0.0055	-0.51

Australian Data Today

ABS	Trade balance	Apr
ABS	Retail sales (final)	Apr

US Data Tonight

Private sector employment	May
Challenger job cuts	May
Durable goods orders	Apr
Factory orders	Apr
Productivity	Mar Q
Initial jobless claims	28 May

Other Overseas Data Today & Tonight

Euro zone	Producer prices	Apr
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