

Markets

SFE 200 Futures (9.20am AEST)	7876	35	0.4
NZX 50	11691	-8	-0.1
DJIA Futures	40173	36	0.1
S&P 500 Futures	5334	7	0.1
NASDAQ Futures	18658	22	0.1

Local Markets Commentary

The Australian market opens a new week's trade with key interest rates due from China amid a sparse domestic and international data release commencement for the week.

US equities markets closed mixed and 0.3% changed at most overnight Friday.

Since overnight Friday trade:

- a helicopter reportedly carrying the president of **Iran** has crashed in the north-west of the country. Officials announced the lives of the president and the foreign minister were 'at risk'.
- more administrative division has become apparent in **Israel** regarding the **Gaza** conflict.
- **Russia** was reported to have advanced further into new territory in Ukraine.
- **Ukraine** continued petroleum infrastructure attacks within **Russia**.
- **Poland** announced a €2.2B plan to enhance security along the nation's border with Belarus and Russia.
- US Federal Reserve chair Jerome Powell has spoken publicly (this morning). He was to deliver a commencement address at a law school, but pre-recorded a video after testing positive for Covid early weekend.

Locally today, no major economic reports are scheduled for release.

A further batch of trading updates and interim results are expected to influence select sector trade

Regionally today, **China's** one-year loan and five-year benchmark loan rates are expected at **11.15am** AEST.

Japan is scheduled to host a 10-year index-linked government bond auction this afternoon.

In overnight Friday **commodities** trade, **oil** added 1.0%, settling higher for a third consecutive session.

US **gold** (Comex) futures turned to settle above \$2415/oz.

Iron ore (Nymex CFR China, 62% Fe) added fewer than 20c/t, but closed back above \$US117.00/t.

LME (3mth evening) **copper** and **nickel** each rallied further, copper by ~2.0% but nickel by greater than 6.0%. **Aluminium** swung ~1.0% higher.

The **\$A** appreciated above \$US67.00c after trading at ~US66.65c – ~US66.85c Friday evening.

Today's Stock Watch

Elders Ltd (ELD)

18c, 50%-franked interim dividend, from 23c, 30%-franked a year ago. Interim NPAT dropped 76% to \$11.588M. Revenue fell 19% to \$1.342B. \$2.16 NTA from \$2.80. Anticipating 'better trading conditions' for 2H FY24. CEO remuneration change also lodged this morning.

Nuix Ltd (NXL)

Anticipating 35% FY24 EBITDA growth, to \$47M - \$52M. Expecting at 36% underlying EBITDA growth, to \$63M - \$68M.

Gentrack Ltd (GTK)

Anticipating \$NZ200M FY24 revenue, against previous minimum \$NZ170M guidance. Expecting 12% - 13% EBITDA growth, to \$NZ23.5M - \$NZ26.5M, against the previously forecast \$NZ20.5M - \$NZ25.5M.

Reporting a 32.32% fall in interim NPAT to \$NZ5.33M.

21.01% higher, \$NZ102.02M continuing operations revenue.

NZ46.5c NTA from NZ35.5c. \$NZ39.3M cash.

Telix Pharmaceuticals (TLX)

Proposing a US (Nasdaq Global Market) IPO.

Initial details lodged post-trade Friday.

TLX also reported 75% higher year-on-year, \$175.0M March quarter revenue.

\$28.5M operating profit achieved, against a \$5.6M loss.

\$122.7M cash.

Dicker Data (DDR)

DDR dropped in late trade Friday, revealing a 10.4% year-on-year fall in March quarter revenue to \$485.9M.

Pre-tax net operating profit declined by 5.0% to \$24.6M.

Describing market conditions as 'subdued'.

DDR settled at \$9.25 (-13.15%) Friday after trading at \$10.63 early session.

Michael Hill International (MHJ)

Retail sales revenue for the 45 weeks to 12 May rose year-on-year by 4.7%. This followed a 4.0% year-on-year increase for 1H FY24. Commentary lodged post-trade Friday.

Avada Ltd (AVD)

Anticipating \$14.5M - \$15.5M STA Traffic Management-excluding FY24 underlying EBITDA, against \$20M - \$22M previous guidance. Including STA Traffic Management, \$16.7M - \$17.7M underlying EBITDA is expected.

Operational review underway. Meanwhile, CFO and company secretary Paul Fitton is leaving AVD. AVD has appointed AVD finance manager Michael Wilkes to take over from Mr Fitton in an interim capacity. In addition, AVD has 'refined the operating team'.

**Overseas Markets**

INDEX	CLOSE	+/-	%
Dow Jones	40004	134	0.3
S&P 500	5303	6	0.1
NASDAQ	16686	-12	-0.1
FTSE 100	8420	-18	-0.2
DAX 30	18704	-34	-0.2
Shanghai Composite	3154	32	1.0

Overseas Markets Commentary

Marked vacillations variously featured across major European, UK and US equities markets overnight Friday, but a majority of key indices closed at or near session highs.

A final April CPI reading for the euro zone provided no surprise but seemingly ultimate buoyancy, holding at three-year lows.

Among interest rate considerations, a US Federal governor again offered her view of little progress on US inflation levels for the year-to-date, ahead of expected improvement while the Fed holds policy at status quo. She also ventured her willingness to vote for a rate increase should progress stall sufficiently or revert to higher levels.

A European Central Bank (ECB) board member was reported to have sounded a warning of additional euro zone interest rate cuts following a potential first reduction in June.

Other overnight Friday considerations included ongoing corporate reports and outlooks, ex-dividend trade, news out of China, and general rallying for select mineral commodities.

Earlier Friday, **China** reported annualised residential property prices had fallen again during April and also revealed year-on-year retail sales and year-to-date fixed asset investment had undershot both forecasts and March's figures.

Industrial production surpassed expectations however, and proved significantly higher than for April 2023.

Prior to this, but also Friday, China's finance minister reported an initial special bonds auction, involving 40 billion yuan (~\$US5.53B) worth of 30-year bonds at a 2.57% yield.

Also Friday, China announced a 300B yuan relending facility for the housing sector.

In overnight Friday **economic data** releases, the **euro zone's** April CPI estimate was finalised as representing 0.6% inflation growth for the month, the same as indicated by the initial estimate, against 0.8% growth for March.

On an annualised basis, the inflation rate remained at an almost three-year low of 2.4%, the same as indicated by the initial estimate and also recorded for March.

April CPI for **Russia** was reported 0.5% higher for the month, following a 0.4% March increase.

Against April 2023, inflation was running at 7.8% from a 7.7% annualised rate for March.

March quarter year-on-year GDP growth came in at 5.4% from 4.9% for March.

In the **US**, the Conference Board April leading index came in at -0.6% against consensus for -0.3%, which would have represented

Pre-Open Announcements**Medibank Private (MPL)**

Boosting a cash-back commitment from \$215M to \$305M. This means some customers will receive a minimum \$100M and others up to \$360M.

The cash-back is due to a Covid-19 non-profit policy. Additional information lodged this morning.

Electro Optic Systems Holdings (EOS)

Today's investor day materials lodged.

PharmAust Ltd (PAA)

Friday's investor webinar presentation lodged post-trade Friday.

PAA traded at 18.5c – 24c Friday, settling flat for the session, at 18.5c, but with ~22M shares having changed hands across 1197 transactions.

Just prior to the Friday ASX open, PAA revealed the US FDA had awarded orphan drug designation for monepantel and its use in the treatment of motor neurone disease (MND)/amyotrophic lateral sclerosis (ALS).

A phase 2/3 trial is expected to commence during the second half of 2024.

PAA also announced the appointment of a new chairperson pre-trade Friday, plus the resignation of PAA's long-time company secretary and PAA board member.

APA Group (APA)

APA has used cash reserves to buy back ~£221M worth of guaranteed notes due November 2024.

The balance £129M worth of notes will be redeemed at maturity.

Pacific Smiles Group (PSQ)

One of PSQ's would-be owners, NDC BidCo has applied to the Takeovers Panel in relation to PSQ dealings with another potential suitor.

AusCann Group Holdings (AC8) (trade suspended 31 Aug 2022)

Planning to merge with European-headquartered cannabis producer ECCPharm (formerly European Cannabis Corporation).

AC8 has provided secured loans to ECCPharm over the past two years.

Resources**Core Lithium (CXO)**

CXO has appointed Hastings Technology Metals (ASX: HAS) CEO Paul Brown as CEO, effective 4 June.

Mr Brown is also a former Mineral Resources (ASX: MIN) lithium and iron ore chief executive.

Emerald Resources (EMR)

An EMR employee has exercised 75,000 options, due to expire 3 Mat 2026, at \$1.02 each.

EMR traded at \$3.46 - \$3.82 last week.



no movement for the month.

Tonight in the **US**, no major economic reports are scheduled for release.

Two Federal Reserve officials are listed to speak publicly, however. Elsewhere, Germany reports April producer prices.

Companies scheduled to report earnings or provide updates later today or tonight include: LG Display, Li Auto, Nordson, Palo Alto Networks, Ryanair, Sumitomo Mitsui Financial Group, Trip.com, XP and Zoom Video.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Jun)	2417.4	oz	31.90	1.3
Silver (COMEX 5000 Jul)	31.26	oz	1.38	4.6
Platinum	1082	oz	22	2.1
WTI Crude (NYMEX Jun)	80.06	bbl	0.83	1.1
Brent Crude (ICE EUR Jul)	83.98	bbl	0.71	0.9
Iron Ore (NYMEX CHN port;62%Fe)	117.02	t	0.17	0.1
Copper (LME 3mth Evening)	10669	t	243	2.3
Nickel	21090	t	1275	6.4
Aluminium	2615	t	25	1.0
Lead	2286	t	-11	-0.5
Zinc	3033	t	71	2.4
Tin	34251	t	514	1.5

Commodities Commentary

Oil – China’s better-than-expected industrial output, plus a financing support for China’s property sector, each announced Friday, supported demand outlook, pushing prices higher for a third consecutive session overnight Friday.

Meanwhile, another oil refinery in Russia suffered fire damage following a Ukrainian attack.

Also Friday, Russia’s president touted possible oil supply to China via a pipeline through Mongolia.

China’s improved domestic demand for petrol was cited as one reason China’s April petrol exports fell to 400,000Mt, a 50.8% year-on-year drop, and 65% tumble for the month. The exports tally was the least recorded since July 2015.

A weekly US petroleum drill rig report, published overnight Friday by Baker Hughes, included one additional oil rig in operation.

Gold – China’s property sector funding support, together with some positive economic data for the republic, bolstered views of gold demand from China, supporting prices higher overnight Friday.

Influences on this week’s gold sentiment are expected to include US Federal Reserve policy meeting minutes and a UK inflation update.

Base metals – copper reached 25-month highs overnight Friday, in part due to the combination of better-than-anticipated industrial production figures out of China and new funding support for China’s housing sector.

Meanwhile the pace of nickel’s current push higher surged on no resolution to civil conflict in New Caledonia, prices reaching nine-month peaks. New Caledonia was estimated to supply 6% of

Bellavista Resources (BVR)

~28.86M shares will be released from escrow 25 May (Saturday).

Energy

New Hope Corporation (NHC)

Produced 2.5Mt of saleable coal during the April quarter, up 20.7% for the three months.

On par \$A179.78/t average realised sales price achieved. \$A381.3M available cash balance.

Trading Halts

Company	Code	Resuming
Brazilian Critical Minerals	BCM	20 May
Cufe Ltd	CUF	20 May
Eastern Metals	EMS	21 May
EQ Resources	EQR	21 May
Magmatic Resources	MAG	20 May
SI6 Metals	SI6	20 May
Victory Metals	VTM	21 May

Suspensions (selected)

Company	Code	Since
Nexion Group	NNG	26 Apr
Openn Negotiation (<i>in admin</i>)	OPN	3 May
Orexplora Technologies	OXT	13 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
WLE	Today	4.6	100	6.38
AMC	Tomorrow	19.32	0	4.91
ATM	Tomorrow	4.83	0	2.86
ALL	Tomorrow	36	100	1.38
ORI	Tomorrow	19	0	2.32
WHF	Fri	10.25	100	3.93
PIA	31 May	1.35	100	4.68

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	ELD	Interim (w/cast tele 10am & 6pm Tue 21 May)
	EOS	Investor day
	GTK	Interim (webcast 8.30am)
	MLX	AGM
	NHC	Apr Q
Tomorrow	MMI	AGM



global nickel supply in 2023.

Analysts expressed concern at nickel prices however, given supply growth anticipated out of Indonesia in the coming six – 12 months.

In the US, Comex copper eased again, reportedly on sufficient short holdings being rolled forward rather than sold at a loss.

China’s January – April fixed asset investment, and April industrial production, retail sales and home prices, reported Friday, came in mixed.

Residential property prices fell 3.1% year-on-year, following a 2.2% annualised March decline.

January – April fixed asset investment rose 4.2% year-on-year following consensus for 4.5% and a January – March 4.6% increase.

April retail sales were up 2.3% against April 2023, but forecasters had anticipated a 3.8% climb following March’s 3.1% annualised improvement.

April industrial production was reported 6.7% higher year-on-year, defying forecasts for a 5.5% increase, following March annualised 4.5% growth.

The People’s Bank of China is due to announce the respective benchmark and reference rates for corporate and household loans (one-year loan prime rate) and property mortgages (five-year loan prime rate).

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6694	0.0024	0.36
EUR – USD	1.0871	-0.0024	-0.22

Overseas Data Today and Tonight

China	One-year & five-year loan prime rates	May
UK	Rightmove house prices	May
Germany	Producer prices	Apr

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	VEA	AGM
	VGL	AGM
Wed	APE	AGM
	PLT	Full year
	TLX	AGM
	WEB	Full year
Thu	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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