

Markets

SFE 200 Futures (9.30am AEST)	6964	-55	-0.8
NZX 50	11095	-117	-1.0
DJIA Futures	32320	57	0.2
S&P 500 Futures	4022	6	0.2
NASDAQ Futures	12289	14	0.1

Local Markets Commentary

The Australian market opens Friday trade with an overnight \$A depreciation, and material regional data due this morning, ahead of further western European and Russian central bank commentary and influential US data tonight, and as six Australian States and/or Territories head into a Monday public holiday weekend.

US equities markets dropped again overnight.

Locally today, the Australian Bureau of Statistics (ABS) releases a business turnover report for April at 11.30am AEST.

Regionally today, **China** is expected to reveal May **producer prices** and **CPI** growth at 11.30am AEST.

Japan's May **producer prices** are also expected today, just prior to the ASX open.

In overnight commodities trade, **oil** swung lower.

US **gold** futures also turned and recorded a slight fall, but remained above \$US1850/oz.

Iron ore (Nymex CFR China, 62% Fe) settled lower for a second consecutive session, settling beneath \$US144/t.

LME (3mth evening) **copper** and other key base metals fell.

The \$A fell to US70.97c after trading at ~US71.70c - ~US71.85c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	32273	-638	-1.9
S&P 500	4018	-98	-2.4
NASDAQ	11754	-332	-2.8
FTSE 100	7476	-117	-1.5
DAX 30	14199	-247	-1.7
Shanghai Comp	3239	-25	-0.8

Overseas Markets Commentary

Major European, UK and US equities markets traded variously lower on opening overnight, key US indices notably closing almost at session lows.

Overnight, the **European Central Bank** (ECB) concluded a policy meeting with a statement outlining plans for a 0.25% increase (from -0.50%) for the deposit facility rate in July and another likely rise in September.

The euro subsequently dropped ~0.86% against the \$US.

The ASX will be closed Monday

Today's trades will settle 15 June (Wednesday next week)

Trades executed yesterday settle 14 June (Tuesday)

The Market Opener will resume Tuesday

Today's Stock Watch

Bubs Australia (BUB)

Infant and toddler formula supply agreements secured with The Kroger Co and Albertsons Companies, for sale across 35 US States in ~4000 outlets.

Air New Zealand (AIZ)

Anticipating an at most \$NZ750M FY22 pre-significant items and pre-tax loss.

Sims Ltd (SGM)

SGM has settled, without admission of liability, a class action brought by shareholders in the NSW Federal Court.

SGM anticipates the settlement, yet to be approved by the court, to cost the group \$15M.

OFX Group (OFX)

OFX has appointed former Chase Manhattan Bank, Banque Nationale de Paris and National Australia Bank (ASX: NAB) executive Patricia Cross as a non-executive director.

Further, OFX is planning for Ms Cross to take over as OFX chair on the retirement of Steve Sargent.

The OFX AGM is scheduled for 11 August.

Mosaic Brands (MOZ)

MOZ recouped 17.5% yesterday, settling at 23.5c after closing 55.56% lower for the session Wednesday, following a full year loss warning.

MOZ closed out last week at 47c.

Resources

Eastern Resources (EFE)

EFE has secured a JV with Yongxing Special Materials with the aim of jointly seeking lepidolite lithium projects in Australia.

EFE and Yongxing are establishing a JV company known as EFE Yongxing for this purpose.

EFE will hold 60%, contributing \$100,000. Yongxing will hold 40% with a \$900,000 contribution.

Lanthanein Resources (LNR)

WA Gascoyne rare earths project airborne magnetic geophysical 3D modelling has delivered intrusive carbonatite targets.



In addition, the bank confirmed it would end a bond purchase stimulus program 1 July.

Among the bank's new forecasts, euro zone 2022 inflation was estimated at 6.8% (from 5.1%) and GDP growth at 2.8% (from 3.7%).

At a subsequent press conference, ECB president Christine Lagarde warned the July rate rise would have no immediate impact on inflation.

Earlier yesterday, **China** released May trade data, including trade surplus, export and import figures that each surpassed expectations and indicated a pickup in activity.

Meanwhile, China re-introduced select Covid containment restrictions in both Shanghai and Beijing.

Also in China, flood warnings were issued for eight provinces in China, including Guangxi and Hunan in which weather-related fatalities had been reported.

Also overnight, in a move deemed politically significant for nations supporting Ukraine, a court established by separatists outside of Ukraine's legal system in eastern Ukraine accused two members of the Ukraine military, who are also British citizens, of mercenary activity and sentenced them to death, together with a fellow captive Moroccan.

In the meantime, Ukraine ventured 150 - 200 military personnel were dying in conflict each day.

Among scant overnight **data** releases, the **UK** BBA mortgage rose to 4.25% from 4.10%.

In the **US**, weekly new unemployment claims surprised, the tally coming in at 229,000, against expectations of 205,000 following 202,000 the previous week.

Moreover, the four-week moving average rose to 215,000 from 207,000.

A 30-year US bond auction in the meantime produced a 3.185% yield from 2.997%.

Tonight in the **US**, a May CPI reading is keenly anticipated. The initial June consumer confidence reading, as calculated by the University of Michigan, and a monthly treasury budget statement are also due.

Elsewhere, an interest rates announcement is expected from the Central Bank of Russia. The bank is also scheduled to host a press conference.

Germany's central bank, the Bundesbank, is listed to release a half-yearly forecasts report.

In addition, ECB president Christine Lagarde is again scheduled to speak publicly.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1852.8	oz	-3.7	-0.2
Silver (NY) (Jul)	21.82	oz	-0.27	-1.2
Gold (LON) (8 Jun)	1853	oz		
Platinum	971	oz	-35	-1.1
WTI Crude (NYMEX Jul)	121.51	bbbl	-0.60	-0.5
Brent Crude (ICE EUR Aug)	123.07	bbbl	-0.51	-0.4
Iron Ore (NYMEX CHN port;62%Fe)	143.63	t	-1.71	-1.2
Copper (LME 3mth Evening)	9614	t	-115	-1.2

Pre-Open Announcements

Chorus Ltd (CNU)

Anticipating \$NZ480M - \$NZ500M FY22 capital expenditure, from previous \$NZ520M - \$NZ560M guidance.

In addition, CNU has submitted updated modelling to the New Zealand Commerce Commission.

Details lodged this morning.

Vista Group International (VGL)

VGL has appointed Movio chief client officer Sarah Lewthwaite as Movio CEO, effective 1 July.

In addition, VGL has appointed Movio COO Matthew Liebmann as VGL chief innovation and data officer, also effective 1 July.

Plato Income Maximiser (PL8)

May investment update, including top 10 holdings, lodged post-trade yesterday.

PL8 trades ex-dividend (0.55c) Wednesday next week.

Atlas Pearls (ATP)

ATP has appointed former MG Kailis Group CEO Michael Ricci as CEO, effective Monday next week (13 June).

ATP executive chair Geoff Newman will assume the role of non-executive chair.

PPK Group (PPK)

Non-executive director Dale McNamara has resigned from the PPK board.

As previously flagged Mr McNamara will continue to be a director of the demerged PPK Mining Equipment Group.

Resources

Battery Minerals (* BAT)

BAT's operations in Mozambique have not been impacted by an attack at a mine project ~200km from the BAT Balama project and ~130km from the Montepuez project.

Pearl Gull Iron (PLG)

Pleading ignorance in response to an ASX price query.

PLG added 25.93% Monday, settled flat Tuesday, closed up 5.88% Wednesday and appreciated 38.89% yesterday, settling at 5c after trading as high as 6.4c intra-session.

PLG closed out last week at 2.7c.

Kingsland Minerals (* KNG)

Explorer scheduled to list on the ASX 11am AEST **Tuesday**, following an ~\$4.698M IPO at 20c per share. ~25.7M quoted shares.

Trading Halts

Company	Code	Resuming
92 Energy	92E	14 Jun



Nickel	28038	t	-833	-2.9
Aluminium	2762	t	-59	-2.1
Lead	2198	t	-36	-1.6
Zinc	3761	t	-59	-1.6
Tin	36730	t	-364	-1.0

Commodities Commentary

Oil – overnight trade was influenced by trade data out of China, some Covid containment restrictions reimposed in Shanghai and Beijing, and a yet stronger \$US, amid ongoing central bank commentary and activity aimed at curbing inflation.

China's May crude oil imports, reported yesterday, were estimated at ~46.1Mt, equivalent to 10.86MMbbl/d.

This meant January – May crude imports came in 1.7% lower year-on-year.

China's April crude imports had been calculated at 10.47MMbbl/d. Higher prices usually deter refineries in China from stockpiling. Hence, the figures did not surprise.

Tonight, a weekly US petroleum drill rig report is due.

Gold – a stronger \$US, the European Central Bank (ECB) flagging pending interest rate rises and higher US treasury yields detracted from overnight gold interest.

The US May CPI reading, due tonight, is expected to influence some end-of-week trade.

Base metals – overnight base metals traders considered: a pending rate rise announcement from the European Central Bank; a stronger \$US; and news out of China yesterday, including trade data widespread flood warnings and some select renewed Covid-19 containment restrictions in Shanghai and Beijing.

Meanwhile, among the major producers, Brazil's Vale revealed post-study plans for potentially developing a 25,000tpa nickel sulphate operation in Quebec, Canada.

China's May trade figures, reported yesterday, supported views of improving activity, overall exports and imports (hence indicating demand) each soundly surpassing predictions.

Copper (unwrought) imports rose 4.4% year-on-year to 465,495t, following 465,330t for April.

January – May unwrought copper imports were calculated 1.6% higher than for the same period in 2021.

Copper concentrate imports reportedly increased to 2.19Mt.

Iron ore imports tallied 92.62Mt, against 86.06Mt for April and 89.79Mt for May 2021.

January – May iron ore imports were down 5.1% on January – May 2021, however.

China also exported 676,605t of unwrought aluminium and products, this reportedly the most in any month for ~nine years.

China's May producer prices and CPI are keenly anticipated today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7101	-0.0072	-1.01
EUR – USD	1.0620	-0.0098	-0.92

Tesoro Gold	TSO	14 Jun
Triton Minerals	TON	14 Jun

Suspensions (selected)

Company	Code	Since
9 Spokes International	9SP	30 May
Hannans Ltd	HNR	3 Jun
Locality Planning Energy Holdings	LPE	23 May
Oventus Medical	OVN	9 Jun
ResApp Health	RAP	2 Jun
Sensera Ltd	SE1	23 May
The Sustainable Nutrition Group	TSN	18 May
Walkabout Resources	WKT	2 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<i>CIM</i>	14 Jun	36	0	0.00
KMD	14 Jun	2.37	100	2.23
PL8	15 Jun	0.55	100	4.87
TWR	15 Jun	1.94	0	6.58

**Australian Data Today**

ABS	Business indicators (incl inventories)	Apr
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US Data Tonight

CPI		May
Uni of Michigan consumer sentiment (prelim)		Jun
Budget statement		May

Other Overseas Data Today & Tonight

China	PPI	May
China	CPI	May
Japan	PPI	May
Germany	Bundesbank forecasts (6-mthly)	Jun

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