

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	7298	-25	-0.3
<b>NZX 50</b>	11870	-39	-0.3
<b>DJIA Futures</b>	33949	-16	-0.1
<b>S&amp;P 500 Futures</b>	4292	-1	0.0
<b>NASDAQ Futures</b>	13526	-10	-0.1

**Local Markets Commentary**

The Australian market opens a new week's trade on a Tuesday with a weekend \$A depreciation, together with a two-session drop for key commodities prices, and key regional data in hand pre-trade, ahead of high-profile international corporate earnings reports later and today.

Overnight, US equities ultimately gained.

**Locally** today, national election campaigning continues, amid a growing focus on national and regional security.

The Australian Bureau of Statistics releases a new publication covering Australia's population by country of birth. Today's issue is based on 2021 statistics.

**Regionally** today, **South Korea** has reported March quarter GDP growth pre-trade, this calculated at 0.7% for the three months, in line with expectations, and 3.1% on an annualised basis. December quarter 2021 growth had been estimated respectively at 1.2% and 4.2%.

**Japan** was scheduled to release March **workforce** statistics, including jobs and the unemployment rate, also pre-trade.

In overnight **commodities** trade, **oil** dropped for a second consecutive session.

US **gold** futures did likewise.

**Iron ore** (Nymex CFR China, 62% Fe) fell beneath \$US152.5/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** were also pushed decisively lower.

The **\$A** tumbled to US71.80c overnight, after dropping below US72.50c overnight Friday from ~US73.10c early Friday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34049	238	0.7
<b>S&amp;P 500</b>	4296	24	0.6
<b>NASDAQ</b>	13005	166	1.3
<b>FTSE 100</b>	7381	-141	-1.9
<b>DAX 30</b>	13924	-218	-1.5
<b>Shanghai Comp</b>	2928	-158	-5.1

**Overseas Markets Commentary**

Major European, UK and US equities markets opened lower overnight, amid some dour economic data releases and a further

**Settlements**

**Trades executed Thursday last week (21 April) settle today**

**Friday's (22 April) trades will settle tomorrow**

\* **Lithium exploration listing – 12.30pm AEST – LPM** \*

\* **Equities research & trading listing – 1.30pm AEST – HAL** \*

**Today's Stock Watch**
**Michael Hill International (MHJ)**

Selling in-house Canadian credit receivables for an anticipated \$A12M cash proceeds.

**DroneShield Ltd (DRO)**

Today's AGM materials lodged pre-trade.

**Change Financial (CCA)**

Two new payments-as-a-service clients secured in the US, namely fintechs Rolling Thunder and PlutusM. Anticipated ARR also detailed this morning.

**Resources**
**Vulcan Steel (VSL)**

Updating FY22 earnings forecasts, in part based on 34% year-on-year revenue growth for the nine months to 31 March, to ~\$NZ700M.

Planning to release full year results 24 August.

**BMG Resources (BMG)**

Heralding additional significant WA Abercromby gold project Capital prospect diamond drilling results.

**Energy**
**Woodside Petroleum (WPL)**

March quarter delivered sales tallied 25.5MMboe at an average \$93/bbl realised price.

LNG sales volumes rose 2% against the December quarter 2021.

Delivered sales revenue fell 17% for the three months, however, to \$2.355B.

WPL produced a delivered 22.3MMboe, 1% fewer barrels than for the December quarter 2021.

**Beach Energy (BPT)**

Revising forecast FY22 capex from \$900M - \$1.1B to \$900M - \$1.0B.

March quarter production came in 3% below that for December quarter 2021, at 5.2MMboe.

Sales volumes fell 5% to 5227kboe.

Revenue rose 15% to \$458M, on 51% higher, \$176/bbl realised oil prices and 10%V higher, \$8.4/Gj gas prices.

bruising of broader economic growth views.

European and UK markets never looked like posting a gain, but improved risk sentiment, buoyed by a Twitter sale deal, pushed US indices higher during their second-half trade.

Early overnight risk had been damaged by fears Beijing would be forced into lockdown, as Shanghai, after mass testing was ordered for a large area of the capital and movement restricted for one region. This spooked Shanghai Composite trade yesterday, the index dropping the most in a session for the past ~two years.

Further significant lockdowns and restrictions in China are feared for their impact on already-constrained global supplies, and for a potential reduction in China's demand for imports including metals and fuel.

A People's Bank of China official meanwhile promoted assistance in pushing China's annual growth beyond 5.0% again.

Further, state banks in China were expected to lower ceilings on two-three – year deposit rates by ~0.10% yesterday.

Investor disquiet appeared to continue overnight over a likely 0.50% US rate rise next week, marking the beginning of a touted series of increases, amid high inflation and commentary warning of recession risks, these exacerbated by China's broadening Covid containment scenarios and Russia's war on Ukraine.

In the meantime, the \$US index traded at new two-year peaks.

Overnight, three NATO warships docked in Finland, ahead of two days' of naval exercises scheduled to commence Thursday, as Finland considers commencing a formal application in May to become a NATO member.

Meanwhile, Russia again threatened the US and other western nations, declaring western weapons support for Ukraine was inflaming the conflict.

Among other considerations, Sunday, French president Emmanuel Macron defeated a far-right rival in the nation's presidential run-off vote. General parliamentary (National Assembly) voting will be completed in June, this affecting whether the president's party can retain a majority for his second five-year term.

Overnight **Friday**, weakening expectations for 2022 and 2023 international economic growth, coupled with significant interest rate increases in the face of strong inflation damaged international equities sentiment in general.

In Germany, government official was reported to have offered the 3.6% 2022 growth forecast was likely to be slashed to be 2.2%.

Also overnight Friday, Germany's central bank the Bundesbank warned in a monthly report that a national ban on Russian gas imports could push Germany's 2022 GDP growth 5% lower, into recession.

In Germany's two most recent GDP setbacks, GDP tumbled 5.7% in 2009 (as a result of the GFC) and by 4.6% in 2020 (due to initial Covid-19 impacts)

Pre-24 February, when Russia invaded Ukraine, Germany had been relying on Russian gas for 55% of all gas imports.

In addition Friday, UBS had lowered its 2022 GDP growth forecast for India from 7.7% to 7.0%, citing global supply chain issues, inflation growth.

Meanwhile, overnight Friday data releases, including a batch of international April PMI readings, proved mostly mixed and the monthly changes relatively lacklustre.

## Pre-Open Announcements

### Halo Technologies Holdings (\* HAL)

Equities research and trading specialist scheduled to list on the ASX **1.30pm** AEST, following a \$26.1M IPO at \$1.20 per share. ~129.5M quoted shares.

### Estia Health (EHE)

EHE has appointed EHE COO and deputy CEO Sean Bilton as EHE CEO and MD, taking over from Ian Thorley.

Mr Thorley has decided to retire from EHE after six years in senior EHE roles, including ~four as CEO.

### Resources

### Lithium Plus Minerals (\* LPM)

Lithium explorer scheduled to list on the ASX **12.30pm** AEST, following a \$10M IPO at 25c per share. ~44.62M quoted shares.

### Culpeo Minerals (\* CPO)

Significant copper sulphide mineralisation intersected during diamond drilling within the Lana Corina copper project, Chile.

Details lodged this morning.

### Osmond Resources (\* OSM)

Mineral exploration company completed successful ASX listing Friday, following a \$5M IPO at 20c per share.

Opened at 22c, OSM's day one low, and traded as high as 25c before settling at 23.5c.

~1.697M shares changed hands across 180 transactions.

~28.1M quoted shares.

Chasing gold, copper, nickel and rare earth elements (REE).

Holds interests in five projects – four in South Australia and one in Victoria.

Rhod Grivas non-executive chair.

### Energy

### Bannerman Energy (\* BMN)

\$30M worth of applications received for BMN's \$5M 22c-per-share SPP, prompting BMN to boost the size of the offer to \$15M.

BMN directors applied for their combined maximum \$A30,000 worth of shares, but will not be allocated any shares due to the demand from other shareholders.

BMN traded at 24.5c – 31c last week, settling on Friday at 26.25c after closing out the previous week (Thursday 14 April) at 31.5c.

### Trading Halts

Company	Code	Resuming
Elmore Ltd	ELE	26 Apr
Essential Metals	ESS	26 Apr



In the UK, March retail sales fell by decidedly more than anticipated, however.

Among overnight data releases, the IFO April business climate survey for **Germany** pushed the index one point higher to 91.8, defying expectations for a 2.6-point decline.

The current conditions component index came in at 97.2 from 97.1, against expectations of a drop to 94.6.

In the **UK**, the CBI industrial trends orders index for April slid to 14 from 26, following forecasts for a smaller decline to 21.

The CBI June quarter business optimism index in the meantime deteriorated to -34 from -9. Economists had expected -23.

In the **US**, the Chicago Fed national activity index dropped to 0.44 from 0.54, although 0.40 had been predicted.

The Dallas Fed April manufacturing index tumbled to 1.1 from 8.7, surprising forecasters, who had expected an improvement to 12.0.

**Tonight** in the **US**, March durable goods orders and new home sales are due, together with the Conference Board's April consumer confidence reading, the Richmond Fed April manufacturing index and two February home price indices.

Companies scheduled to report earnings later today or tonight include: 3M, Alphabet (Google parent), Aluminium Corp of China, Archer-Daniel-Midland, Atlas Copco, Banco Santander, Canon, Chalco, Chubb, Ganfeng Lithium, General Electric, General Motors, HSBC, Microsoft, Mondelez International, Nomura, Novartis, PepsiCo, Raytheon Technologies, SSAB, Texas Instruments, UBS, Visa and Warner Brothers.

In overnight corporate news, **Twitter** accepted a \$US44B cash offer from Elon Musk.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Jun)	1896	oz	-38.3	<b>-2.0</b>
<b>Silver (NY)</b> (May)	23.67	oz	-0.59	<b>-3.3</b>
<b>Gold (LON)</b> (22 Apr)	1942	oz		
<b>Platinum</b>	921	oz	-5	<b>-0.5</b>
<b>WTI Crude</b> (NYMEX May)	98.54	bbl	3.53	<b>-3.5</b>
<b>Brent Crude</b> (ICE EUR Jun)	102.32	bbl	-4.33	<b>-4.1</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	152.47	t	-1.66	<b>-1.1</b>
<b>Copper</b> (LME 3mth Evening)	9771	t	-343	<b>-3.4</b>
<b>Nickel</b>	32640	t	-467	<b>-1.4</b>
<b>Aluminium</b>	3090	t	-157	<b>-4.8</b>
<b>Lead</b>	2329	t	-64	<b>-2.7</b>
<b>Zinc</b>	4173	t	-268	<b>-6.0</b>
<b>Tin</b>	39898	t	-2302	<b>-5.5</b>

### Commodities Commentary

**Oil** – prices dropped further overnight, traders anxious at China's growth prospects and the broadening impacts of Russia's war on Ukraine, as the \$US continued to appreciate ahead of an anticipated 0.50% US rates increase next week.

Prices had swung lower overnight Friday, one media report including a prediction China would need 20% less petrol, diesel and aviation fuel during April than it had a year earlier.

Refiners in Europe were reported to have processed 4% less crude for the month in March, but 4.8% more than for March 2021.

Labyrinth Resources	LRL	26 Apr
Oar Resources	OAR	26 Apr
Prodigy Gold	PRX	26 Apr
Renascor Resources	RNU	26 Apr
Sacgasco Ltd	SGC	26 Apr
Zinc of Ireland	ZMI	26 Apr
Actinogen Medical	ACW	27 Apr
American West Metals	AW1	27 Apr
Hexagon Energy Materials	HXG	27 Apr
Marmota Ltd	MEU	27 Apr
New Talisman Gold Mines	NTL	27 Apr
Sihayo Gold	SIH	27 Apr
Torque Metals	TOR	27 Apr

### Suspensions (selected)

Company	Code	Since
Pathfinder Resources	PF1	8 Apr

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ACF	Thu	1.2	20	3.58
GCI	Thu	0.76	0	4.55
SST	Thu	31.45	0	3.45

### Reports & Events

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>BPT</b>	Mar Q
	<b>DRO</b>	AGM
	<b>WPL</b>	Mar Q
<b>Tomorrow</b>	ERA	Mar Q
	GEM	AGM
	MMM	Mar Q (tele 8.30am <b>THU</b> )
	URW	Mar Q
<b>Thu</b>	FMG	Mar Q
	IGO	Mar Q
	PPM	AGM
	RRL	Mar Q (w/cast 11am)
	SPT	AGM
	WOW	Mar Q



The Netherlands announced it planned to be no longer importing fossil fuel products from Russia by year's end.

A weekly US petroleum drill rig report, published overnight Friday, included one additional operational oil rig, taking the oil rig tally to 549.

Meanwhile, the Russia-Kazakh Caspian Pipeline Consortium was expected to commence fully supply overnight Friday, following repairs reported to be needed in response to severe weather almost a month ago.

Over the weekend, a Rosneft oil tender was reported as a 'fail'.

At the same time Total Energies (France) was reported to have conditionally arranged for an early May loading of Abu Dhabi oil, which was deemed to be Total's first such purchase in two years.

Among the forecasters overnight Friday, Morgan Stanley raised its September quarter Brent prediction by \$US10/bbl to \$US120/bbl.

**Gold** – prices dropped overnight on a push towards other safe-haven assets, such as the \$US, and the \$US index reached new two-year peaks.

Overnight Friday, prices had been pushed lower by \$US strength in relation to speculation regarding the magnitude and rate of US increase rate increases from as early as next week.

Gold sentiment could be impacted this week by earnings reports out of mega-cap US stocks, these influencing views of current corporate conditions and expectations through to the end of 2022. Key GDP readings and China's PMI updates are also due, these likely to impact views of international economic outlooks.

**Base metals** – a strong \$US, amid fears of a further Covid restrictions-related slow down for China, again damaged base metals sentiment overnight.

Global economic growth fears and a strong \$US had also pushed prices lower overnight Friday.

The concerns were fuelled by China's ongoing Covid restrictions impacting activity across substantial select population areas, including Shanghai, and commentary regarding a potential US recession amid a series of touted rate increases. Last night, angst regarding a possible Beijing lockdown, added to trader anxiety.

PMI updates, reported Friday, proved mixed but unexceptional.

Meanwhile, a community protest impacting output from the Southern Copper Corp Cuajone operation in Peru was reported to have ended after ~50 days.

Zinc stocks in LME-registered warehouses were again reported lower.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7179	0.0018	0.25
<b>EUR – USD</b>	1.0710	-0.0066	-0.61

#### Australian Data Today

ABS	Population by country of birth	2021
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#### US Data Today & Tonight

Durable goods orders	Mar
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New home sales	Mar
Conference Board consumer confidence	Apr
Richmond Fed manufacturing index	Apr
FHFA home prices	Feb
Case Shiller home price index	Feb

**Other Overseas Data Today & Tonight**

<b>South Korea</b>	GDP	Mar Q
<b>Japan</b>	Workforce (jobs, unemployment)	Mar
<b>UK</b>	Public sector finances	Mar

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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