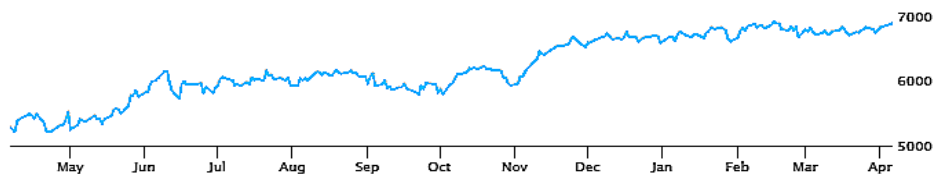


HEADLINES

AUSTRALIAN MARKET

Australian shares pulled back for a second day after inflation worries sent Wall Street lower overnight. The **ASX 200** fell 0.7% to 7,044.90 with **utilities** (-2.2%) and **energy** (-2%) among the worst performing sectors. The **miners** shed 0.7% as iron ore prices eased. **BHP and Rio Tinto** closed 0.6% and 0.4% lower respectively, while **Fortescue** bucked the trend with a 1.4% improvement. The **ASX gold index** slipped 0.8%. **Financial stocks** ended 0.6% lower as **ANZ, NAB, and Westpac** dipped by 0.6–1.2%. **Commonwealth Bank** added 1% after the lender provided a trading update for the third quarter where it reported an unaudited statutory NPAT of \$2.4 billion, a 24% increase from the first half. The **IT sector** (0.8%) outperformed on the back of gains in **Nearmap** (4.5%), **Link** (3.3%), and **Xero** (2.3%). **Afterpay** was up 0.4%. In company news, building materials firm **CSR** (4.2%) handed down a full-year NPAT of \$146.1 million, up 17% from the previous year, and reinstated its final dividend thanks to an improved performance in building products and increased property contribution. **AusNet Services** (-7.7%) closed at the bottom of the ASX 200 after reporting a full-year NPAT of \$302.1 million, up 3.9%, while its EBITDA was down 3.5% to \$1.15 billion. The company also announced a final dividend of 4.75 cents and issued FY22 dividend guidance of 9.5 cents. Meanwhile, **Suncorp** fell by more than 5% following ratings downgrades from Citi and Morgans. Citi cut its rating on the stock to 'neutral' but raised its price target from \$11.80 to \$11.40, while Morgans downgraded the stock to 'hold' and lowered its price target from \$11.80 to \$11.39. **Carsales.com** was in a trading halt as it announced it will acquire a 49% interest in US branded marketplace platform Trader Interactive and launched a \$600 million equity raising to fund the acquisition. Elsewhere, travel stocks retreated after the government said that international travel was not expected to resume before mid-2022. **Qantas** slipped 3.4%, while **Flight Centre** and **Sydney Airport** each lost at least 4.5%. On to data, the total number of building permits issued rose a seasonally adjusted 17.4% in March as expected.

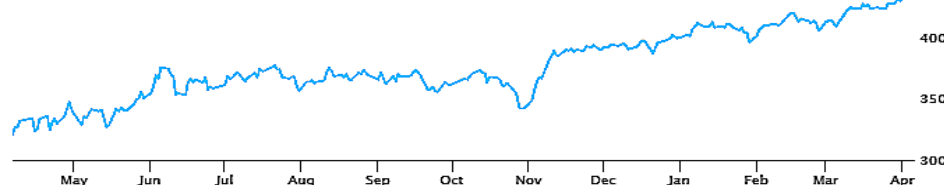
ASX 200 ONE-YEAR CHART



EUROPEAN MARKETS

European shares settled higher on Wednesday. The **STOXX 600** rose 0.3% to 437.93 with **oil & gas stocks** gaining 2% on a surge in crude prices, while **technology stocks** slid 1.5%. Germany's **DAX** added 0.2% to 15,150.22, while the **FTSE 100** gained 0.8% to 7,004.63. In terms of individual share price action, **Commerzbank** jumped 8.6% after its first-quarter profit beat expectations and as it raised its full-year outlook. Ireland's **UDG Healthcare** (20.7%) topped the STOXX 600 after it announced that private equity firm Clayton, Dubilier & Rice had agreed to buy the company for £2.6 billion (\$4.7 billion). At the other end, Danish hospital equipment maker **Ambu** plunged 22.8% after reporting a fall in quarterly earnings. Elsewhere, French video game company **Ubisoft** slid by just over 11% after warning that profits may fall this year, while Dutch lender **ABN Amro** (-5.8%) reported a first-quarter net loss after being impacted by a substantial money laundering fine. Technology investor **Prosus** gained 2.1% on plans to acquire up to 45.4% of shares in its parent Naspers. On to economic data, the UK economy grew by 2.1% in March (*forecast: 1.3%*). Over the first three months of 2021, its GDP fell 1.5% (*forecast: -1.7%*). In Germany, inflation rose at a 2% annual in April as expected. Consumer prices, harmonised to make them comparable with inflation data from other EU countries, rose at an annual rate of 2.1% in April. Industrial production in the euro zone rose 0.1% in March (*forecast: 0.7%*) to be up 10.9% from a year ago (*forecast: 11.6%*).

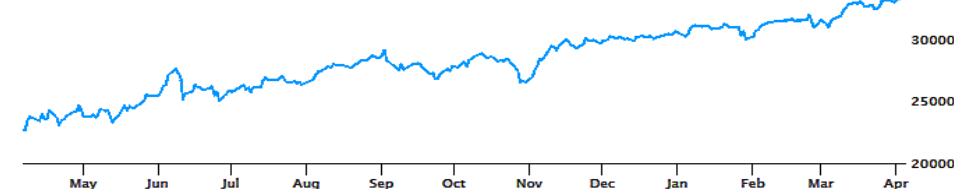
STOXX 600 ONE-YEAR CHART



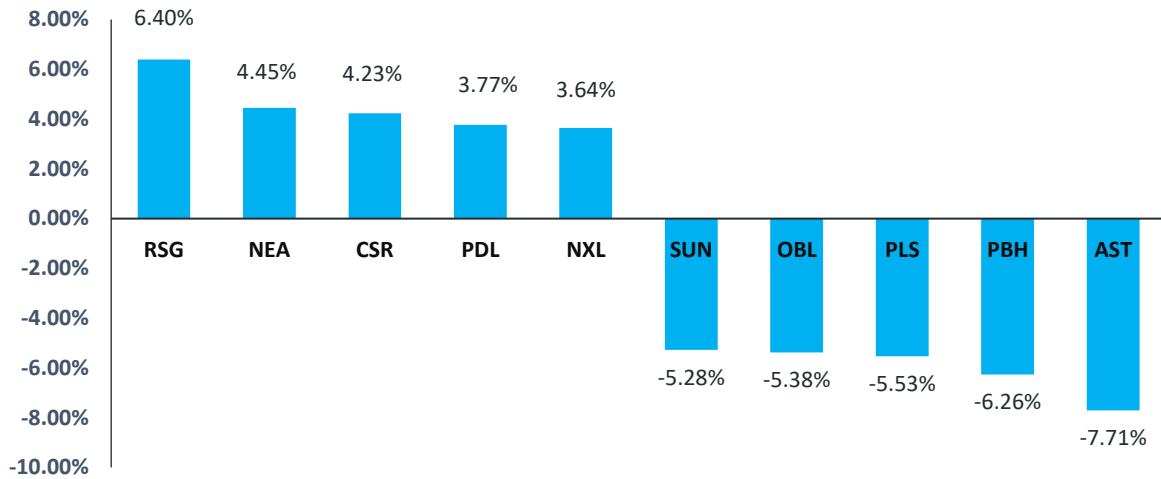
US MARKETS

Wall Street was sharply lower on Wednesday after key inflation data showed higher-than-expected price pressures. The **S&P 500** fell 2.1% to 4,063.04 with **consumer discretionary** (-3.3%) and **technology** (-2.9%) stocks leading the losses. The **energy sector** (0.1%) was the sole improver. Energy names **Schlumberger** and **Occidental** added more than 2% each. The **Dow** dropped 2% to 33,587.66 as **Honeywell** and **Boeing** slid by more than 3% each. **Chevron** (0.6%) was one of the few stocks to close higher. The **Nasdaq** lost 2.7% to 13,031.68 as **Alphabet, Amazon, Apple, and Microsoft** tumbled by 2.2–3.1%. Elsewhere, **Bumble** (-6.7%) fell ahead of its results. After the bell, the online dating platform reported that it had swung to a profit in the first quarter and that sales had more than doubled. On the data front, consumer prices rose 0.8% in April (*forecast: 0.2%*). Year-on-year, consumer prices rose 4.2%, its fastest pace since 2008 (*forecast: 3.6%*). Core inflation rose at an annual rate of 3% (*forecast: 2.3%*). The US budget deficit narrowed to US\$226 billion last month, a drop of US\$512 billion or 69% from the gap in April 2020. Mortgage application rose 2.1% in the past week.

DOW JONES ONE-YEAR CHART



TOP 5 S&P/ASX200 MOVERS



MARKET DATA

INDICES	CLOSE	CHANGE	FX	CLOSE	CHANGE	COMMODITIES	PRICE (US\$)	CHANGE	BONDS	RATES
ASX 200	7,044.90	-0.73%	AUD/USD	0.7734	0.08%	GOLD (OZ)	\$1,817.79	-1.04%	AU 2 YEAR	0.08
ASX FUTURES	6,993.00	-0.40%	AUD/NZD	1.0792	0.03%	SILVER (OZ)	\$27.12	-1.83%	AU 5 YEAR	0.84
DOW JONES	33,587.66	-1.99%	AUD/EUR	0.6401	0.04%	PLATINUM (OZ)	\$1,214.34	-1.70%	AU 10 YEAR	1.80
S&P 500	4,063.04	-2.14%	AUD/GBP	0.5498	0.06%	BRENT CRUDE (BBL)	\$68.78	0.34%	AU 15 YEAR	2.21
FTSE 100	7,004.63	0.82%	AUD/JPY	84.7900	0.03%	WTI CRUDE (BBL)	\$65.72	-0.54%	US 2 YEAR	0.16
NIKKEI 225	28,147.51	-1.61%	EUR/USD	1.2078	0.07%	NATURAL GAS (MMBtu)	\$2.98	0.91%	US 5 YEAR	0.86
HANG SENG	28,231.04	0.78%	GBP/USD	1.4065	0.08%	COPPER (LB)	\$4.75	-0.62%	US 10 YEAR	1.69
VIX	27.59	26.33%	USD/JPY	109.6540	-0.01%	IRON ORE (MT)	\$237.57	3.80%	US 30 YEAR	2.41

as at approx. 9:55 am

WEEKLY ECONOMIC CALENDAR

THURSDAY	13 TH MAY	- AU – Consumer Inflation Expectations (MAY), Wage Price Index YoY (Q1)
THURSDAY	13 TH MAY	- US – Initial Jobless Claims (08/MAY), PPI MoM (APR), Retail Sales MoM (APR)
FRIDAY	14 TH MAY	- US – Retail Sales MoM (APR), Industrial Production MoM (APR), Michigan Consumer Sentiment (MAY)
MONDAY	17 TH MAY	- CHN – Industrial Production YoY (APR), Retail Sales YoY (APR), Unemployment Rate (APR)
MONDAY	17 TH MAY	- US – NAHB Housing Market Index (MAY)
TUESDAY	18 TH MAY	- AU – RBA Meeting Minutes
TUESDAY	18 TH MAY	- EU – GDP Growth Rate QoQ 2nd Est (Q1)
TUESDAY	18 TH MAY	- US – Building Permits MoM (APR), Housing Starts MoM (APR)
WEDNESDAY	19 TH MAY	- AU – Westpac Consumer Confidence Index (MAY), Wage Price Index YoY (Q1)
WEDNESDAY	19 TH MAY	- EU – Core Inflation Rate YoY Final (APR)
WEDNESDAY	19 TH MAY	- US – MBA Mortgage Applications (14/MAY), FOMC Minutes

TODAY'S CORPORATE ACTIONS

AHQ	CHANGE OF DESC: ALLEGIANCE DEF SET NEW: ALLEGIANCE FPO
CGFPB	QUOTED: Ex Dividend
NAB	QUOTED: Ex Dividend
NET	QUOTED: Ex Entitlement
PDL	QUOTED: Ex Dividend
TSCOA	CHANGE OF DESC: TWENTY7 CO OPTOCT23D NEW: TWENTY7 CO OPT OCT23
WBC	QUOTED: Ex Dividend

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