

Markets

SFE 200 Futures (9.30am AEST)	5405	3	0.1
NZX 50	10740	45	0.4
DJIA Futures	24350	48	0.2
S&P 500 Futures	2934	4	0.1
NASDAQ Futures	9241	19	0.2

Local Markets Commentary

The Australian market commences a new week's trade with no new domestic and international data due, but several material economic indicators releases scheduled for release through the week.

Meanwhile, late-weekend the UK has been the latest nation to announce plans to commence easing Covid-19 containment restrictions.

Announcements of further relaxations of containment rules within Australia have continued from late-Friday through this morning.

Regionally today, the **Bank of Japan** publishes a summary of last week's policy meeting discussions pre-ASX trade.

Locally, no major data releases are scheduled for release.

In overnight Friday commodities trade, **oil** seasawed sharply higher.

US **gold** futures (June) turned lower.

Iron ore (Nymex CFR China, 62% Fe) continued to rally, approaching \$US86.85/t.

The LME did not trade, due to a public holiday in the UK.

Comex (US) **copper** posted a relatively strong gain in the meantime.

The **\$A** appreciated to ~US65.30c after trading at ~US65.15c early Friday evening. This morning the \$A fell below US65.20c again.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24331	455	1.9
S&P 500	2930	49	1.7
NASDAQ	9121	142	1.6
FTSE 100	5936	Public	Holiday
DAX 30	10904	145	1.4
Shanghai Comp	2895	24	0.8

Overseas Markets Commentary

Major mainland European and US equities markets opened higher overnight Friday, and despite some vacillations for select indices, settled at or near session highs, lockdown easings seemingly the most positive influence on overall sentiment.

In addition, a media report in China indicated top-level China and US trade negotiators had convened a preliminary teleconference

Today's Stock Watch
Cochlear Ltd (COH)

Teleconference scheduled for **11am** AEST.

April sales revenue fell 60% year-on-year.

Implant surgeries have continued in South Korea and recommenced in China in February. They are also recommencing in Australia, Germany and the US, but have slowed from late-April in Japan.

CIMIC Group (CIM)

8.3% lower, \$166M March quarter NPAT. 3.0% lower, \$3.31B revenue. \$991.4M net debt. \$36.1B worth of work in hand.

Pendal Group (PDL)

21.2% lower, \$54.83M interim NPAT. 8.3% lower, \$222.31M revenue. 15c, 1.5c-franked interim dividend.

NZME Ltd (NZM) / Nine Entertainment (NEC)

NZM has sought New Zealand government legislation to support a proposed purchase of NEC subsidiary Fairfax Corp's New Zealand business Stuff. NEC confirms it discussed the proposed transaction but has terminated further engagement with NZM.

Brambles Ltd (BXB)

BXB has appointed Atlas Arteria (ASX: ALX) chair Nora Scheinkestel as a non-executive director, effective 1 June.

Audit committee chair Brian Long is planning to retire from the BXB board at the October AGM.

Dr Scheinkestel will take over as committee chair.

Dr Scheinkestel is also a director of Telstra (ASX: TLS) and AusNet Services (ASX: AST).

Incitec Pivot (IPL)

Trading halt called this morning, ahead of a \$A600M, \$2.00-per-share fully underwritten institutional placement.

A \$A75M SPP is also planned for 19 May – 9 June.

In addition, IPL has this morning reported a 54.2% increase in interim NPAT to \$A64.6M. 6.1% higher, \$A1.85B revenue.

Nil interim dividend, against \$1.30 a year ago. 91c NTA, against 93c. IPL traded at \$2.17 - \$2.36 last week.

Z Energy (ZEL)

A webcast teleconference was scheduled to commence 8am AEST. Trading halt called this morning, ahead of a \$NZ290M, \$NZ2.75-per-share fully underwritten placement. A \$NZ60M SPP is also planned.

75% lower, \$44M full year replacement cost NPAT. \$88M historical (NPAT) net loss, following a \$186M profit a year ago. Impairments totalled \$96M.

ZEL anticipates Covid-19 will adversely impact FY21 results.

ZEL traded at \$A2.82 - \$A3.06 on the ASX last week.



on Friday, to secure assurances of a positive environment for the implementation of the phase-one trade accord signed in January UK markets were closed due to a public holiday.

US April employment statistics, reported overnight Friday, included a 20.5M plunge in jobs, propelling the nation's unemployment rate to 14.7% from 4.7% reported for March.

The participation rate dropped to 60.2% from 62.7%.

Average wages rose 4.7% for the month, and were estimated 7.9% higher than a year earlier.

Among other overnight data releases, US March wholesale inventories fell 0.8% for the month, following a 0.7% February decline.

Germany's March trade surplus came in at €17.4B from €20.6B at the end of February.

Exports (seasonally adjusted) dropped 11.8% following a 1.2% February rise.

Imports fell 5.1% after declining 1.5% in February.

Tonight internationally, no major data reports are scheduled for release.

Companies scheduled to report earnings later today and tonight include: Alibaba, Asahi Group, Audi, Bridgestone, Caesars Entertainment, Hino Motors, Hitachi, Inpex, Kobe Steel, Marriott, Mitsubishi Electric, Mitsui Mining & Smelting, Mylan, SoftBank and Tencent Music Entertainment.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1713.9	oz	-11.9	-0.7
Silver (NY) (Jul)	15.778	oz	0.188	1.2
Gold (LON) (7 May)	1704	oz		
Platinum	767	oz	6	0.8
WTI Crude (Jun)	24.74	bbbl	1.19	5.0
Brent Crude (Jul)	30.97	bbbl	1.51	5.1
Iron Ore (NYMEX,CHN,62%)	86.84	t	0.91	1.1
Copper (LME,3mth Ind,PM)	5276	t	Public Holiday	
Nickel	12270	t		
Aluminium	1492	t		
Lead	1647	t		
Zinc	2003	t		
Tin	15225	t		

Commodities Commentary

Oil – further easing of Covid-19 – related restrictions pointing to pick up in demand supported overnight Friday gains.

An IHS Markit reported forecast a 22MMbbl/d year-on-year June quarter oil demand drop, against a likely 14MMbbl/d of cuts and shut-downs.

A media report suggested output in North America from shut production alone would reach a daily 1.7MMbbl by 30 June.

On the flip side, a media report quoted an oil sector analyst pointing out OPEC member Iraq had not yet flagged cuts with customers, indicating the nation may not be able to meet the recently agreed production curb.

A weekly US petroleum drill rig count, published overnight

Pre-Open Announcements

Suncorp Group (* SUN)

A SUN-nominated buyer will repurchase, for \$100 each, the ~\$193.6M worth of CPS3 issued May 2014.

Resources

Alkane Resources (** ALK)

NSW regulatory approval in hand for an underground exploration drive from the Wyoming One underground operations to the regional Roswell and San Antonio deposits.

Lithium Australia (LIT)

Update lodged this morning regarding testing the recycling of battery components into nutrients for use in fertilisers.

American Pacific Borates (ABR)

Confirming expectations to commence California, US Fort Cady borate production before 31 December 2021.

Vimy Resources (VMY)

Presentation lodged post-trade Friday.

Trading Halts

Company	Code	Resuming
archTis Ltd	AR9	11 May
Cellmid Ltd	CDY	11 May
Classic Minerals	CLZ	11 May
MGC Pharmaceuticals	MXC	11 May
Rhinomed Ltd	RNO	11 May
Sacgasco Ltd	SGC	11 May
Scorpion Minerals	SCN	11 May
TNT Mines	TIN	11 May
Dotz Nano	DTZ	12 May
Eclipse Metals	EPM	12 May
Golden Deeps	GED	12 May
Keytone Dairy Corporation	KTD	12 May
NTM Gold	NTM	12 May
PharmAust Ltd	PAA	12 May
Skin Elements	SKN	12 May
THC Global Group	THC	12 May
Incitec Pivot	IPL	13 May
Noxopharm Ltd	NOX	13 May
Schrole Group	SCL	13 May
Wellness & Beauty Solutions	WNB	13 May
Z Energy	ZEL	13 May
Volt Resources	VRC	14 May



Friday, included 33 fewer operating oil rigs, bringing the total to 292.

WTI crude settled 33% higher for the week. Brent added 18%.

Gold – prices fell overnight Friday, some attributing this to sellers wanting to buoy liquidity in the face of the US unemployment rate vault.

Safe-haven appetite was curbed by broadening international lockdown easings and a media report claiming US and China trade negotiators had already participated in an initial teleconference, ahead of expected virtual talks planned for this week.

Base metals – the LME did not trade Friday due to a public holiday in the UK.

In the US, Comex *copper* picked up 1.1%, settling at \$US2.406/lb. Earlier on the Shanghai Futures Exchange copper was pushed similarly higher, as was zinc.

China's April CPI and producer prices are expected tomorrow. Industrial production, retail sales and fixed asset investment updates are anticipated Friday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6524	-0.0009	-0.14
EUR – USD	1.0830	-0.0002	-0.01

Overseas Data Today & Tonight

Japan Bank of Japan summary of opinions May

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

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Suspensions *(select)*

Company	Code	Since
The Agency Group	AU1	6 May
BPH Energy	BPH	30 Apr
CellNet Group	CLT	7 May
CML Group	CGR	28 Apr
Liquefied Natural Gas	LNG	4 May
Victory Offices	VOL	23 Apr

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
RMD	Wed	4.16	0	0.64
PL8	Thu	0.4	100	5.82
JHG	Fri	54.83	0	7.21
UOS	19 May	2	0	3.62
AST	20 May	tbc	tbc	tbc
IAP	28 May	4.3	0	3.07

Reports & Events

(selected)

When	Company	Report/Event
Today	CIM	Mar Q
	IPL	Interim
	PDL	Interim
	ZEL	Full year
Tomorrow	AMC	Mar Q (6am AEST; 4pm US Mon)
	AST	Full year (10am AEST)
	CSR	Full year
Wed	CBA	Mar Q
	SIG	AGM
Thu	LEG	AGM
	OGC	Mar Q (tele Fri , 7.30am AEST)
	VVR	AGM (10am AEST)
Fri	AHZ	AGM (10am AEST)
	URW	AGM (10.30am Paris)