

Markets

SFE 200 Futures (9.30am AEST)	5725	-24	-0.4
NZX 50	10882	Public	Holiday
DJIA Futures	25182	-196	-0.8
S&P 500 Futures	3019	-23	-0.8
NASDAQ Futures	9489	-71	-0.7

Local Markets Commentary

The Australian market commences a new month's trade on a Monday, with influential data in hand from China over the weekend, material data expected for China and Japan this morning, and key domestic economic indicators due from pre- through post-trade.

US equities futures are lower this morning.

Meanwhile, US-China relations remain in focus following the US decision to remove preferential trade status from Hong Kong. Over the weekend, Chinese media published threats of retaliation. Australia's trade with China also remains uncertain.

In addition, violent protests continue across many US States in relation to the death of a man under police arrest last week, damaging infrastructure and adversely impacting businesses.

Yesterday, **China's NBS reported a 50.6 May manufacturing PMI, from 50.8 for April. The NBS estimated the services sector activity index at 53.6 from 53.2.**

Regionally **today**, Caixin reveals its May manufacturing PMI for China at **11.45am AEST**.

Manufacturing PMIs for **Japan** and **South Korea** are also anticipated, at **10.30am AEST**.

May trade figures from South Korea, expected 10am, will also attract attention.

Locally today, the AiG's May **manufacturing PMI** is due pre-trade, together with CoreLogic's May **residential property prices**.

Also this morning, the Melbourne Institute publishes its May **inflation gauge** report, 11am AEST.

Post-trade, the Reserve Bank of Australia (RBA) reports **commodity prices**.

This, ahead of an RBA policy meeting tomorrow.

In overnight Friday commodities trade, **WTI crude** and incoming Brent crude August futures recorded strong gains.

US **gold** futures (August) also rallied.

Iron ore (Nymex CFR China, 62% Fe) extended a positive run, approaching \$US92.55c/t. Fines grading 62%, for delivery to northern China ports, reportedly attracted \$US102.39/t Friday.

LME **copper** continued higher, but modestly so. **Nickel** picked up the pace of Thursday's rally. **Aluminium** also continued to gain, with a moderate increase.

The **\$A** appreciated beyond US66.65c after trading at ~US66.55c early Friday evening.

New Zealand's markets are closed today, due to a public holiday.

China – Caixin manufacturing PMI – 11.45am AEST

Public holidays today - Western Australia, the ACT and New Zealand

Today's Stock Watch

Unibail-Rodamco-Westfield (URW)

URW has completed the sale of five shopping centres in France, for ~€2B, to a newly-established JV of which URW holds 45.8%. As of the weekend, all five centres have reopened following the lifting of Covid-19 containment measures.

Openpay Group (OPY)

£25M UK funding facility secured with Global Growth Capital. £10M is available immediately, in support of the OPY Buy Now Pay Later business recently established in the UK. In addition, OPY has this morning reported April-May growth in active plans, active customers, active merchants, and total transaction value (TTV).

Immutep Ltd (IMM)

Insight-004 phase one collaborative clinical trial interim data, lodged this morning and presented at ASCO, indicates combination treatment tolerability. In addition, IMM has lodged additional interim data from the phase two Tacti-002 collaborative study. The figures demonstrate improved efficacy.

Monadelphous Group (MND)

MND has secured construction and maintenance contracts worth a combined \$150M. The contracts cover work in the WA Pilbara region, Queensland and Papua New Guinea.

JB Hi-Fi (JBH)

JBH has appointed former Big W online head and Woolworths (ASX: WOW) strategy group manager Melanie Wilson as a non-executive director.

Ms Wilson is also a director of Baby Bunting (ASX: BBN), iSelect Ltd (ASX: ISU) and EML Payments (ASX: EML).

Lendlease Corp (LLC)

\$260M raised in the initially \$200M targeted \$9.80-per-security SPP, following the receipt of \$429.4M worth of applications. Together with the institutional placement, completed 28 April, LLC has raised \$1.21B.

Boral Ltd (BLD)

BLD has completed its \$US200M US private notes placement, and has secured new bilateral loan facilities totalling ~\$A365M.

Oncosil Medical (OSL)

Regulatory approval in hand from the Singapore Health Sciences Authority for the OncoSil trade-marked device to be marketed and sold in Singapore.



In Australia, the ACT and Western Australia are observing public holidays.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25383	-18	-0.1
S&P 500	3044	15	0.5
NASDAQ	9490	121	1.3
FTSE 100	6077	-142	-2.3
DAX 30	11587	-194	-1.7
Shanghai Comp	2852	6	0.2

Overseas Markets Commentary

Major European equities markets opened decidedly lower overnight Friday, with sentiment never looking like recovering following a batch of mostly sobering economic indicator releases, and amid the wait for a scheduled public announcement from the US president regarding China.

US equities markets largely opened end-of-month trade on par with Thursday's close, key indices trading variously before general risk appetite received a boost a little over an hour before close of trade.

This came after a US administration spokesperson assured, ahead of the president's speech, that the US would not withdraw from the preliminary trade deal negotiated earlier this year.

US Federal chair Jerome Powell spoke publicly, assuring the central bank was ready and able to offer additional support should any potential additional Covid-19 outbreak occur.

Later, the US president announced plans to sanction Chinese officials and remove US preferential trade treatment for Hong Kong, in response to China's determination to apply national security legislation to Hong Kong, potentially eroding some of the region's autonomy and democratic licence.

Among a swag of overnight Friday **data** releases for the euro zone, **France's** March quarter GDP was finalised as a 5.3% contraction for the three months.

April CPI growth came in flat, in an initial estimate. Year-on-year, prices were calculated 0.2% higher.

Italy's March quarter GDP dropped 5.3% for the three months and 5.4% year-on-year.

Germany's April retail sales fell 5.3% for the month. Year-on-year, sales were 6.5% lower.

April import prices declined 1.8% for the month. Prices were 7.4% lower than for April 2019.

An initial May CPI reading for the **euro zone** represented 0.1% deflation for the month. Against April 2019, prices were 0.1% higher.

April business and household lending rose 6.6% and 3% respectively year-on-year.

UK April car production was reported 99.7% lower year-on-year.

GfK's May consumer confidence index for the UK was finalised at -34.

In the **US**, April personal income was boosted 10.5%, this mostly attributed to government relief payments.

Pre-Open Announcements

Vicinity Centres (* VCX)

Trading halt called this morning, ahead of a \$1.2B, \$1.48-per-security fully underwritten institutional placement.

A \$200M SPP will follow.

In addition, VCX has decided not to pay a distribution for the six months to 30 June.

The placement is expected to boost total cash and undrawn debt to \$2.6B.

VCX traded at \$154.5 - \$1.77 last week.

Aspen Group (* APZ)

Resuming from a trading halt this morning, having completed a \$17M institutional placement at \$1.00 per security.

A \$3M SPP follows.

Updated presentation lodged this morning.

APZ last traded at \$1.195.

Raiz Invest (* RZI)

Digital investment management licence secured with the Securities Commission Malaysia.

Credit Intelligence (* CI1)

Outlaying \$400,000 cash, and a potential \$320,000 in CI1 shares over three years, for 60% of debt negotiation business Chapter Two Holdings.

GO2 People (* GO2)

Exclusive MoU secured by subsidiary GO2 Skills & Training with online mining information service iMINCO.

iMINCO trialled GO2 mining courses with 75 students, and now plans to supply digital sales and marketing support to GO2.

Tyro Payments (* TYR)

Weekly operational update lodged this morning.

Total transaction value for 1 – 29 May fell 17% against the same period in 2019, to \$1.204B.

May year-to-date total transaction value is 16% higher year-on-year however, at \$18.394B.

Noxopharm Ltd (* NOX)

NOX66 (Veyonda) clinical data in relation to the treatment of late-stage prostate cancer has been presented at the American Society of Clinical Oncology (ASCO) AGM.

A webcast is scheduled for later this week.

Zenith Energy (* ZEN)

Recommending a proposed revised scheme submitted by Elemental Infrastructure, with major shareholder Apex Opportunities Fund also happy with this.

Details lodged this morning.

Alexium International (* AJX)

Heralding flammability trial results for prototype foam mattresses fitted with flame-resistant socks treated with Alexiflam.

March spending had declined 2.2% and April's had been forecast to fall by up to 6.6%.

April spending tumbled 13.6% however, against expectations of an 11.4% drop, and following a 6.9% March decline.

Wholesale inventories rose by 0.4% after falling 1% during March. The May Chicago PMI came in at 32.3, from 35.4 for April and against expectations of an improvement to 40.3.

A 72.3 final May consumer sentiment reading from the University of Michigan represented a mere 0.5-point improvement for the month.

Tonight in the **US**, the ISM's May manufacturing index is due, together with April construction spending.

Elsewhere, final May manufacturing PMI readings are due for the UK and euro zone.

In weekend corporate news, astronauts from the space vessel operated by Elon Musk company **SpaceX** have entered the International Space Station.

Germany's markets will be closed tonight, due to a public holiday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1751.7	oz	23.40	1.4
Silver (NY) (Jul)	18.499	oz	0.53	3.0
Gold (LON)	1729	oz		
Platinum	822	oz	1	0.1
WTI Crude (COMEX Jul)	35.49	bbl	1.78	5.3
Brent Crude (ICE EUR Jul)	35.33	bbl	0.04	0.1
Iron Ore (NYMEX,CHN,62%)	92.54	t	0.49	0.5
Copper (LME,3mth Ind,PM)	5384	t	14	0.3
Nickel	12370	t	130	1.1
Aluminium	1546	t	7	0.4
Lead	1655	t	28	1.7
Zinc	1987	t	48	2.5
Tin	15450	t	-90	-0.6

Commodities Commentary

Oil – prices swung higher in second-half overnight Friday trade, buoyed by an assurance the US was not about to withdraw from a preliminary trade agreement secured with China earlier this year.

In addition, a weekly US petroleum drill rig count, published overnight Friday, included 15 fewer operational oil rigs, reducing the tally to 222.

Further, US government agency the EIA calculated domestic output fell by 28,000bbl/d during March, to 12.716bbl/d.

A media survey, also published Friday, estimated OPEC crude production had fallen to 24.77MMbbl/d during May, the least in ~20 years, and representing a daily 5.91MMbbl reduction on April output.

Compliance among OPEC members was estimated at 75%, with Iraq and Nigeria reportedly unable to achieve agreed cuts.

Over the weekend, Algeria has proposed the commencement of the scheduled 9 – 10 June **OPEC and OPEC+ meetings** be brought forward to as early as 4 June (Thursday this week).

Damstra Holdings (DTC)

Outlaying \$454,545 for asset management software specialist SmartAsset Software.

Keytone Dairy (KTD)

\$A7.45M full year net loss, following a \$3.29M net loss a year ago.

799.6% higher, \$22.53M sales revenue, following two acquisitions.

8.01c NTA, against 9.04c.

\$4.39M cash and equivalents.

MACA Ltd (MLD)

CEO Mike Sutton has been appointed also as MD.

Resources

DevEx Resources (* DEV) / Australian Silica Quartz (* ASQ)

DEV is planning to an earn-in to ASQ's WA Victoria Plains Julimar region E70/3405 tenement, which boasts land access and exploration agreements.

DEV approached ASQ with a view to earning non-bauxite rights and plans to spend \$3M to gain 50%.

E70/3405 is located along strike from Chalice Gold Mines (ASX: CHN) Ni-Cu-Pt Julimar find.

Nusantara Resources (* NUS)

NUS has appointed CEO Neil Whitaker also as MD.

Chairman Greg Foulis is returning to a non-executive chairman's role.

Energy

Boss Resources (* BOE)

Non-executive director Peter Williams has resigned, effective today.

Trading Halts

Company	Code	Resuming
American Pacific Borates	ABR	1 Jun
Andromeda Metals	ADN	1 Jun
Aspermont Ltd	ASP	1 Jun
European Cobalt	EUC	1 Jun
Bass Metals	BSM	2 Jun
Creso Pharma	CPH	2 Jun
Indiana Resources	IDA	2 Jun
Iress Ltd	IRE	2 Jun
Magnis Energy Technologies	MNS	2 Jun
MyFiziq Ltd	MYQ	2 Jun
OneVue Holdings	OVH	2 Jun
PharmAust Ltd	PAA	2 Jun
Sequoia Financial Group	SEQ	2 Jun
Alderan Resources	AL8	3 Jun
Ora Gold	OAU	3 Jun



Subsequent reports indicate Russia would be unlikely to oppose this, suggesting behind-the-scenes negotiations regarding production levels for the remainder of the year have proved positive.

Brent July futures expired on settlement overnight Friday, August futures added ~5% (\$US1.81/bbl) for the session, settling at \$US37.84/bbl.

Brent crude added 40% for the month, the most in a month since March 1999. WTI posted a record 88% rise on the back of negative prices as the June futures expired in April.

Gold – propelled higher overnight Friday, amid the wait for a US presidential press regarding China, and with further assurances of support from the US Federal Reserve.

Comex gold futures settled ~3.4% higher for the month. Silver appreciated ~24% during May.

This week, a European Central Bank policy meeting, data out of China, several GDP estimates and May US national employment statistics (due Friday) will likely combine with geopolitical and Covid-19 management developments to influence gold sentiment.

Base metals – some end-of-month positioning appeared to support overnight Friday trade.

China's official April PMIs, reported **yesterday**, and a Caixin manufacturing PMI for China, due **today**, are likely to influence at least some of tonight's trade.

China's official manufacturing PMI came in a 50.6, from 50.8 for April.

The NBS calculated May service sector activity remained decidedly expansionary, at 53.6 from 53.2.

Friday, **Japan** reported industrial production had dropped 9.1% for the month. Output was 14.4% lower year-on-year.

Retail sales were down 9.6% for the month and 13.7% lower year-on-year.

Meanwhile, Vale's iron ore production in Brazil continues to be impacted by Covid-19. Reports indicate Vale is preparing to restart some southern Brazil operations that were closed due to wall collapses and other safety concerns.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6657	-0.0002	-0.04
EUR – USD	1.1116	-0.0002	-0.02

Australian Data Today

AiG	Manufacturing PMI	May
CoreLogic	Residential property prices	May
MelbInstitute	Inflation gauge	May
RBA	Commodity prices (4.30pm AEST)	May

US Data Tonight

ISM manufacturing	May
Construction spending	Apr

Podium Minerals	POD	3 Jun
Strike Resources	SRK	3 Jun
Thor Mining	THR	3 Jun
Titan Minerals	TTM	3 Jun
Vicinity Centres	VCX	3 Jun
West Wits Mining	WWI	3 Jun
Adveritas Ltd	AV1	4 Jun
Peninsula Energy	PEN	4 Jun

Suspensions *(select)*

Company	Code	Since
Anson Resources	ASN	22 May
Aura Energy	AEE	20 May
Black Rock Mining	BKT	26 May
Cann Global	CGB	20 May
Cellmid Ltd	CDY	11 May
Comet Resources	CRL	28 May
Decmil Group	DCG	25 May
Eon NRG	E2E	19 May
MGM Wireless	MWR	27 May
(The) PAS Group	PGR	29 May
Skin Elements	SKN	12 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
NAC	Today	1.35	100	6.60
NBI	Today	0.9	0	7.21
NSC	Today	1	100	6.60
ALQ	Fri	6.1	70	3.22
OFX	9 Jun	2.35	0	4.23

Reports & Events

(selected)

When	Company	Report/Event
Tomorrow	IMM	(data webcast to ASCO 7.30am AEST)
Thu	FLC	AGM (9am AEST)
	OML	AGM



Markit manufacturing PMI (final) May

Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	May
Japan	Manufacturing PMI	May
Japan	Capital spending	Mar Q
South Korea	Trade balance	May
South Korea	Manufacturing PMI	May
UK	Manufacturing PMI	May
Germany	Manufacturing PMI (final)	May
Euro zone	Manufacturing PMI (final)	May

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