

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	5604	36	<b>0.7</b>
<b>NZX 50</b>	10805	17	<b>0.2</b>
<b>DJIA Futures</b>	24495	-46	-0.2
<b>S&amp;P 500 Futures</b>	2966	-6	-0.2
<b>NASDAQ Futures</b>	9482	-12	-0.1

**Local Markets Commentary**

The Australian market commences today's trade with a speech from the Reserve Bank of Australia (RBA) governor anticipated middle of the day and some material regional data due this morning, following improved overnight international equities risk sentiment and price gains across key commodities.

**Regionally today, April trade balance and May PMIs for Japan are expected pre-ASX trade and 10.30am AEST respectively.**

**Locally, RBA governor Philip Lowe is scheduled to speak on *The Regulators: Priorities Updated* 12.30pm AEST. Dr Lowe is a participant on a panel at a virtual FINSIA event.**

**At 5pm, RBA deputy governor Guy Debelle participates in a webinar panel regarding *Assessing the Impact of the FX Global Code*.**

**The Australian Bureau of Statistics (ABS) releases additional details, including trends, relating to April **workforce** figures, 11.30am AEST.**

**Also today, PDL trades ex-dividend.**

In overnight commodities trade, Brent **crude** turned to record a strong gain. WTI continued higher.

US **gold** futures (June) closed higher for a second consecutive session.

**Iron ore** (Nymex CFR China, 62% Fe) seesawed higher, beyond \$US91.10/t again.

LME **copper** and other key base metals rallied.

The **\$A** fell to ~US65.35c after trading at ~US65.50c early yesterday evening.

Earlier this morning, the \$A traded at ~US66.00c.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	24576	369	<b>1.5</b>
<b>S&amp;P 500</b>	2972	49	<b>1.7</b>
<b>NASDAQ</b>	9376	191	<b>2.1</b>
<b>FTSE 100</b>	6067	65	<b>1.1</b>
<b>DAX 30</b>	11224	148	<b>1.3</b>
<b>Shanghai Comp</b>	2884	-15	<b>-0.5</b>

**Overseas Markets Commentary**

Improved risk sentiment lifted major European and US equities

**Japan – April trade figures; May PMIs – 9.50am; 10.30am AEST**

**Australia – RBA governor Philip Lowe is due to speak on *The Regulators: Priorities Updated* – 12.30am AEST**

**Today's Stock Watch**
**Aristocrat Leisure (ALL)**

\$1.31B interim NPAT. 7% higher, \$2.25B revenue.

Nil interim dividend.

**AMA Group (AMA)**

April business softened. May-June business is also expected to be impacted by the Covid-19 outbreak.

AMA senior executive and director remuneration has been cut 20% from this month.

**McMillan Shakespeare Group (MMS)**

MMS has appointed former Ernst & Young partner Kathy Parsons as an independent non-executive director, effective tomorrow.

Ms Parsons will chair the audit, risk and compliance committee following the release of full year results.

**NRW Holdings (NWH)**

Paying a 2.5c interim dividend 9 June. An interim dividend payment review had initially been planned for August.

Record \$1.6B revenue for the 10 months to 30 April, and still anticipating \$2B FY20 revenue. \$115M net debt.

**Resources**
**Galaxy Resources (GXY)**

Industry comment anticipated at today's AGM (4pm AEST).

**Resolute Mining (RSG)**

Today's AGM (5pm AEST) materials lodged pre-trade.

**Energy**
**Strike Energy (STX) / Warrego Energy (WGO)**

Australian Gas Infrastructure Group (AGIG) has been selected as the preferred proponent to build, own and operate a 50TJ/d first phase facility to process STX's WA West Erregulla gas.

West Erregulla 50:50 JV operator STX is targeting a final investment decision (FID) by year's end, and initial gas delivery by 30 June 2022.

AGIG owns and operates the Dampier – Bunbury natural gas pipeline (DBNGP). The West Erregulla gas field is located adjacent to the DBNGP. WGO trading halt called this morning.

**Whitebark Energy (WBE)**

Planning to increase Wizard Lake production rates.

In addition, WBE will not exercise a right of first refusal regarding Point Loma Resources' planned sale of its Wizard Lake interest.



markets overnight, US trade ultimately dragging European indices from weak openings.

Pledges of additional economic support and some encouraging corporate reports appeared to outweigh this week's downturn warnings and ongoing public US-China wrangling.

Market analysts attributed some trade to expectations China's **National People's Congress**, scheduled to commence from later today, would espouse targets and plans that would buoy expectations of heightened industrial activity and associated international trade opportunities.

**US Federal Reserve** April monetary policy meeting minutes contained no surprises, revealing additional domestic near and medium-term Covid-19 outbreaks were largely expected, underscoring agreement on the appropriate use of recently implemented support measures, and including details of discussions regarding the type and extent of forward policy guidance the central bank could offer.

Also overnight, the **World Bank** announced the appointment of a new chief economist and VP, Carmen Reinhart, a recognised financial crisis specialist, from mid-June.

Ms Reinhart is also a Federal Reserve New York district advisory board member.

Among overnight **data** releases, **UK** April CPI was estimated at 0.2% deflation following a flat result for March.

Year-on-year, prices were 0.8% higher.

Subsequently, a three-year government bond offer produced a -0.003% yield, the first recorded negative UK bond yield.

In the **euro zone**, a final April CPI reading was confirmed at 0.3% growth for the month, following a 0.5% March increase.

Year-on-year, prices were also 0.3% higher, against expectations of 0.4% appreciation.

May consumer confidence indicated an improvement, albeit to -18.8, from -22.0.

Meanwhile, **Germany** conducted a 10-year bond auction, yields coming in at -0.47% from -0.48%.

In the **US**, weekly mortgage applications fell 2.6%. 30-year mortgage rates eased to 3.41% from 3.43%.

**Tonight** in the **US**, **US Federal Reserve** chair Jerome Powell is scheduled to speak publicly again, as are two Fed regional presidents.

Weekly new unemployment claims are also keenly anticipated, together with the Philadelphia Fed manufacturing index.

In addition, initial Markit PMIs, the Conference Board leading index report and April existing home sales are due for release.

Elsewhere, UK and euro zone PMIs are scheduled to be published.

Companies scheduled to report earnings later today and tonight include: Best Buy, Hewlett Packard Enterprise, Intuit, Macy's, Medtronic, NVIDIA, Ross Stores and TJX Companies.

Morrisons and Tesco trade ex-dividend on the FTSE 100.

In overnight corporate news, **Rolls-Royce** revealed it was planning to cut 9000 of 52,000 employee positions, citing expectations of an extended aviation industry downturn.

**Delta Air Lines'** CEO supported select gains however, in the meantime promoting a potential travel industry recovery within 18 months.

## Pre-Open Announcements

### Sky Network Television (\* SKT)

Conducting a \$NZ9M, fully underwritten institutional placement, and a \$NZ148M 2.83-for-one entitlement offer, each at NZ12c-per-share (A11c), in support of debt reduction.

The retail component of the entitlement offer is scheduled for 27 May – 9 June.

Trading halt called this morning.

SKT has traded on the ASX this week at 30.5c – 33.5c.

### Smartpay Holdings (\* SMP)

SMP has confirmed it called a trading halt pre-trade yesterday, while the company commenced conducting an ~\$10M capital raising at ~A42c per share.

SMP traded at 42c – 47c over the five sessions immediately prior to calling the halt.

### Cadence Capital (CDM)

Planning a new 12-month on-market buy-back of up to 30.77M shares, commencing 5 June.

## Resources

### Venturex Resources (\* VXR)

WA Pilbara Sulphur Springs copper-zinc project environmental approval in hand.

### Kingston Resources (\* KSN)

Misima gold project boosted to 105Mt @ 0.93g/t Au for 3.21Moz.

The indicated resource is 17% higher at 49.9Mt @ 0.95g/t Au for 1.52Moz.

## Energy

### 88 Energy (\* 88E)

Alaska North Slope operations update lodged pre-trade, highlighting Torok formation indications.

## Trading Halts

Company	Code	Resuming
EcoGraf Ltd	EGR	21 May
Nickel Mines	NIC	21 May
RTG Mining	RTG	21 May
Anson Resources	ASN	22 May
Antisense Therapeutics	ANP	22 May
BigTinCan Holdings	BTH	22 May
Credit Intelligence	CI1	22 May
Invex Therapeutics	IXC	22 May
New Century Resources	NCZ	22 May
Opil Ltd	OPL	22 May
Smartpay Holdings	SMP	22 May
Decmil Group	DCG	25 May



A \$US500M jump in costs slashed the US retailer **Target Corp's** quarterly profit by 64%, despite a 141% boost to online sales, even so the headline earnings coming in less than feared.

**Lowe's** quarterly earnings and May update also exceeded expectations.

UK retailer **Marks & Spencer** warned the retail sector shopping habits may have changed longer term than some are anticipating.

**UK and US markets will be closed Monday due to public holidays.**

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Jun)	<b>1752.1</b>	oz	6.5	<b>0.4</b>
<b>Silver (NY)</b> (Jul)	<b>18.031</b>	oz	0.13	<b>0.7</b>
<b>Gold (LON)</b> (19 May)	<b>1738</b>	oz		
<b>Platinum</b>	<b>857</b>	oz	26	<b>3.1</b>
<b>WTI Crude</b> (Jul)	<b>33.49</b>	bbbl	1.53	<b>4.8</b>
<b>Brent Crude</b> (Jul)	<b>35.75</b>	bbbl	1.10	<b>3.2</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>91.13</b>	t	0.48	<b>0.5</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>5438</b>	t	86	<b>1.6</b>
<b>Nickel</b>	<b>12690</b>	t	235	<b>1.9</b>
<b>Aluminium</b>	<b>1514</b>	t	24	<b>1.6</b>
<b>Lead</b>	<b>1693</b>	t	12	<b>0.7</b>
<b>Zinc</b>	<b>2045</b>	t	17	<b>0.8</b>
<b>Tin</b>	<b>15459</b>	t	39	<b>0.3</b>

### Commodities Commentary

**Oil** – a weekly US petroleum inventories report, published overnight, included a 4.983MMbbl fall in stored crude, and 2.83MMbbl rise in petrol stocks.

The petrol increase was attributed in part to a rise in refining activity.

The crude figure, the second decline in as many weeks, appeared to help alleviate some storage space fear.

In particular, the key delivery hub for crude, in Cushing Oklahoma, reported a 5.5MMbbl draw.

Total stored crude was reported at 526.5MMbbl.

Net crude imports rose by 92,000bbl/d.

Output fell by 100,000bbl/d to a daily 11.5MMbbl.

**Gold** – prices swung overnight, but US futures settled higher for a second consecutive session.

Post-settlement futures were reported almost another \$US2/oz higher, following the release of US Federal Reserve April policy meeting minutes, which confirmed expectations of likely additional stimulus.

**Base metals** – overnight trade reacted to improved risk sentiment across international markets, and economic support assurances, but with some degree of uncertainty ahead of PMI updates due for release from today through tonight.

Among the producers, major lithium miner, Chile's SQM reported 44% lower March quarter net profit, and a 58% revenue drop, on an ~50% lithium price fall, and SQM China sales pulling back by 2000t over the three months.

Meanwhile, speculation grew again regarding medium-term through longer-term mining output from Chile and Brazil, due to

Firstwave Cloud Technology	FCT	25 May
Golden State Mining	GSM	25 May
Kairos Minerals	KAI	25 May
Sky Network Television	SKT	25 May
Warrego Energy	WGO	25 May
Argent Minerals	ARD	26 May
Bio-Gene Technology	BGT	26 May
E2 Metals	E2M	26 May

### Suspensions (select)

Company	Code	Since
Aura Energy	AEE	20 May
Cann Global	CGB	20 May
Cellmid Ltd	CDY	11 May
Eon NRG	E2E	19 May
Liquefied Natural Gas	LNG	4 May
Skin Elements	SKN	12 May

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>PDL</b>	Today	<b>15</b>	10	7.11
ELD	Mon	9	100	1.79
CIE	Tue	0.96	100	7.12
AMC	Wed	17.7	0	3.57
WHF	Wed	10.25	100	4.42
IAP	Thu (28 May)	4.3	0	2.64
ORI	Thu	16.5	0	3.28
TNE	Thu	3.47	59.94	1.22

### Reports & Events

(selected)

When	Company	Report/Event
<b>Today</b>	<b>ALL</b>	Interim
	<b>GXY</b>	AGM (4pm AEST)
	<b>RSG</b>	AGM (5pm AEST)
<b>Tomorrow</b>	SHV	Interim (post-ASX; tele <b>9am Mon</b> )
	SYR	AGM (10am AEST)
<b>Mon</b>	TLT	AGM (9am AEST)
<b>Tue</b>	CCL	AGM
	MOE	AGM (11am AEST)
<b>Thu (28 May)</b>	GRR	AGM (midday AEST)
	NTO	AGM (9am AEST)
	PAL	AGM (2pm AEST)



the increased number of reported Covid-19 diagnoses over the past several days.

**Japan's** main Tankan index revealed yesterday, dropped to -44 from April's -30.

March machinery orders declined 0.4% for the month, against expectations of a 6.7% drop, and after rising 2.3% in February. Year-on-year, orders were down 0.7%.

**China** maintained one-year and five-year loan prime rates at 3.85% and 4.65% respectively.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6592	-0.0010	<b>-0.14</b>
<b>EUR – USD</b>	1.0980	0.0000	0.00

#### Australian Data Today

ABS	Workforce – additional details	Apr
RBA	Forex transactions; reserve assets	May

#### US Data Tonight

Philadelphia Fed manufacturing	May
Initial jobless claims	16 May
Existing home sales	Apr
Markit PMIs (initial)	May
Conference Board leading index	Apr

#### Other overseas Data Today & Tonight

<b>Japan</b>	Trade balance	Apr
Japan	PMIs	May
<b>UK</b>	PMIs (initial)	May
UK	CBI industrial trends orders	May
<b>Germany</b>	PMIs (initial)	May
<b>Euro zone</b>	PMIs (initial)	May

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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)

<b>Fri</b> (29 May)	CTM	AGM (midday AEST)
	GTK	Interim (8.30am AEST)
	OMH	AGM (midday AEST)
	WAF	AGM (1pm AEST)

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