

Markets

SFE 200 Futures (9.30am AEST)	5298	82	1.6
NZX 50	10419	Public	Holiday
DJIA Futures	23622	-36	-0.2
S&P 500 Futures	2822	-8	-0.3
NASDAQ Futures	8762	-7	-0.1

Local Markets Commentary

The Australian market commences a new week's trade with key data due out of China late-morning, amid further announcements from several countries of select phased easings of Covid-19 containment restrictions this week and next, and reports China had closed swimming pools and gyms in Beijing over the weekend.

The week will also feature three key central bank policy meetings plus earnings reports from major international stocks.

China is expected to report March industrial profits 11.30am AEST.

Locally today, the CommSec's State of the States report is anticipated.

In overnight Friday commodities trade, **oil** extended the previous two sessions' gains, but not at the same pace.

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

Iron ore (Nymex CFR China, 62% Fe) slipped US6c/t to close just below \$US84.00/t.

In base metals (LME) trade, **copper** and **nickel** continued higher. **Aluminium** turned to record a slight gain.

In other commodities news over the weekend, Iran has reportedly approved the import of 3Mt of **wheat**, but the origins of the imports remained undisclosed.

The **\$A** approached US64.00c after trading at ~US63.50c early Friday evening.

New Zealand's markets are closed today, due to a public holiday for Saturday's ANZAC Day.

Western Australia and Tasmania are also observing public holidays.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23775	260	1.1
S&P 500	2837	39	1.4
NASDAQ	8635	140	1.7
FTSE 100	5752	-74	-1.3
DAX 30	10336	-178	-1.7
Shanghai Comp	2809	-30	-1.1

Overseas Markets Commentary

Major European and US equities trade diverged overnight Friday,

China – March industrial profits – 11.30am AEST

ASX trade & settlement - as normal today
 Public holidays in Tasmania and Western Australia

Today's Stock Watch
National Australia Bank (NAB)

First-half 2020 results earlier than scheduled. 51.3% lower, \$1.31B interim NPAT. 2.7% lower, \$8.92B revenue. 51.4% lower, \$1.44B cash earnings. 10.39% CET1.

30c fully franked interim dividend, against 83c.

In addition, NAB is conducting a \$A3B, \$14.15-per-share fully underwritten institutional placement, expected to help lift CET1 to 11.2%. NAB has also scheduled a \$500M SPP, at a maximum \$14.15 per share, for 4 May – 22 May.

Trading halt called this morning.

Further, NAB has appointed NAB chief customer experience officer Rachel Slade as executive personal banking, and NAB GM strategy and development Nathan Goonan as executive strategy and innovation.

Domain Holdings Australia (DHG)

Divestments-adjusted 1% higher, March quarter revenue, boosted by a 10% March increase. Digital revenue grew 3% and 15% respectively. \$80M, 18-month new debt facility secured. In addition, DHG has negotiated financial covenant waivers for June and December this year. \$149.5M net debt.

Further, DHG is offering staff reduced working hours or a proportion of salary in share rights, over the next six months.

Accent Group (AX1)

Daily digital sales grew from \$250,000 prior to stores closing late-March, to \$800,000 - \$1M over the past two weeks. Reopening stores and expecting all to be open by 11 May.

Eclix Group (ECX)

Selling CarLoans.com.au and Georgie for a total \$2M cash, \$1.6M upfront and the balance in deferred quarterly instalments, December 2020 and September 2021. A \$1.4M accounting profit will be incorporated within 2H FY20 results. ECX has earmarked net proceeds for debt reduction. ECX settled at 57c Friday after closing out the previous week at 76c.

Resources
Viva Energy (VEA)

Due to reduced fuel demand, VEA has begun preparations to shut down the residual catalytic cracking unit, associated processing units, and smaller crude distillation units at the Geelong refinery. The main crude distillation unit and all other processing units will remain operational.

VEA anticipates reducing crude intake to 2.5MMbbl/month.



European indices falling on opening, ahead of choppy trade.

Despite additional cheerless data releases however, key US indices opened higher, and headed toward near session high settlements, sentiment buoyed by a post-Thursday trade credit easing announcement from the US Federal Reserve, and by confirmation of the \$US484B additional economic support package becoming law.

Among overnight Friday **data** releases, **Germany's** IFO business climate index fell the most in any month for this index, to 74.3 from 85.9.

The current conditions component came in at 79.5 from 92.9, and the expectations component at 69.4 from 79.5.

UK March retail sales dropped 5.1% for the month and 5.8% year-on-year. February sales had slipped 0.3%.

In the **US**, March durable goods orders were reported 14.4% lower for the month, after a 1.1% February increase.

The University of Michigan's final April consumer sentiment reading of 71.8 represented a 0.8-point gain from the initial estimate, but down 17.3 points for the month.

US bond yields notably declined a little, 10-year yields slipping 0.019% and 30-year yields 0.029%. For the week, the yields fell 0.061% and 0.101% respectively.

Tonight in the US, the Dallas Fed (Texas region) April manufacturing index is keenly anticipated.

Elsewhere, the UK PM is planning to return to work later today after being hospitalised for Covid-19.

Companies scheduled to report earnings include: Adidas, Bayer, Carnival, Industrial Bank of Korea, Keurig Dr Pepper, NXP Semiconductors and PPG Industries.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1735.6	oz	-9.8	-0.6
Silver (NY) (May)	15.263	oz	-0.094	-0.6
Gold (LON)	1716	oz		
Platinum	766	oz	-3	-0.4
WTI Crude (Jun)	16.94	bbl	0.44	2.7
Brent Crude (Jun)	21.44	bbl	0.11	0.5
Iron Ore (NYMEX,CHN,62%)	83.98	t	-0.06	-0.1
Copper (LME,3mth Ind,PM)	5180	t	34	0.7
Nickel	12245	t	75	0.6
Aluminium	1517	t	5	0.3
Lead	1626	t	-21	-1.3
Zinc	1890	t	18	0.9
Tin	14890	t	-110	-0.7

Commodities Commentary

Oil – overnight Friday, prices continued to gain for a third consecutive session, but due to the early-week collapse, WTI crude closed out the week 32.3% lower, and Brent with a 23.7% drop.

A weekly US petroleum drill rig count, published overnight Friday, included a further fewer 60 operational drill rigs, bringing the total to 378 after six consecutive weekly falls.

Pre-Open Announcements

Aristocrat Leisure (** ALL)

Effective 1 May, cutting 200 positions permanently and standing down 1000 staff until 30 June. In addition, 200 full-time positions will become part-time until 30 September.

Base salaries of 1500 employees will be cut 10% - 20%. Director fees will be lowered 20% and the MD/CEO's base salary by 30%.

\$1B available liquidity. Planning to release interim results 21 May.

Buddy Technologies (** BUD)

BUD has secured an extension to a partnership agreement with Thor Industries Inc subsidiary Airstream.

BUD anticipates a total retainer payment of \$US483,000 to be paid in monthly instalments through October this year.

Charter Hall Retail REIT (** CQR)

Trading halt called this morning, ahead of a \$275M, \$2.90-per-share fully underwritten institutional placement.

A \$25M UPP is also scheduled, at the same price, for 5 May – 21 May.

Steadfast Group (* SDF)

Unaudited 25.8% higher, \$597.9M revenue for the nine months to 31 March.

21.0% higher, \$147.9M EBITA.

SRG Global (SRG)

~3.41M shares are due to be released from escrow 11 May, and a further ~3.72M 2 June.

Resources

Talga Resources (** TLG)

Approved for Innovate UK co-funding in support of developing an e-axle designed for Bentley Motors.

TLG will develop and provide graphene materials for the motor windings.

AVZ Minerals (** AVZ)

Trading halt called this morning.

Yibin Tianyi Lithium Industry Co has withdrawn its proposed \$A14.1M AVZ investment application, lodged with the Foreign Investment Review Board (FIRB) November 2019, on advice the application would be rejected.

Had Yibin been successful in its application, it would have acquired 11.77% of AVZ.

Yibin still plans to support development of AVZ's Manono lithium and tin project, and is proceeding with plans to finalise a lithium products offtake agreement.

Pensana Rare Earths (* PM8)

Angola presidential approval of a mining title for PM8's Longonjo rare earths project. Terms lodged this morning.



Among the producers, Continental Resources was reported to have shut in most North Dakota, US shale wells and ceased drilling.

Support services group Maersk Drilling revealed it was needing to 'stack' North Sea drill rigs and that up to 300 North Sea workers could be made redundant.

Meanwhile, the US administration confirmed it was still considering ways to support the domestic petroleum industry.

Near-capacity storage indicates not a few more shut downs are likely in the near term.

OPEC+ producers are scheduled to cut output, under a new accord, from Friday this week.

Later this past week, the World Bank lowered its 2020 average crude price forecast to \$US35/bbl, but the ultimate effect of the current OPEC+ production curb plans and independent industry cutbacks on this year's prices remains uncertain.

Gold – prices turned lower overnight Friday, but US futures settled with a 2.2% gain for the week.

Volumes were reported lower than for sessions delivering higher gains, with US equities firmly in favour across the session.

Physical gold purchases during a Hindu holy day in India yesterday had also been expected to prove relatively low, due to the nation's Covid-19 containment lockdown.

This week, the easing of any international restrictions is expected to remain in focus from a gold perspective, in that it could enable some gold producers to lift or resume output.

The post-US **Federal Reserve's** policy meeting outcomes statement and subsequent press conference, early Thursday AEST, are also anticipated to influence late-week gold sentiment. Policy meeting outcomes and statements, before and after, from the **Bank of Japan** and **European Central Bank**, will also attract keen attention.

Base metals – overnight Friday trade appeared mostly pushed and pulled by data, inventories and corporate news.

China *spot copper* premiums were again reported higher, at as much as \$US87/t, further indicating rising national demand.

LME *nickel* inventories were estimated at their most in ~1.5 years, and 40% higher for the calendar year, at 176,556t. An international February nickel surplus estimate was revised to 13,400t from 13,900t, however.

Among the producers, MMG revealed plans to recommence sending copper concentrate from the Peru Las Bambas project to port as early as this week.

China is due to report March **industrial profits** today, headline figures potentially influencing some of tonight's trade.

Japan's March CPI, reported Friday, came in flat for the month and at 0.4% year-on-year growth.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6395	0.0012	0.19
EUR – USD	1.0818	-0.0006	-0.06

Tesoro Resources (* TSO)

Heralding Chile El Zorro gold project Coquetas prospect drilling results. Assays lodged this morning.

Tribune Resources (TBR)

Ghana Japa project Adiembra prospect resource drilling, which commenced in December 2019, is expected to continue through April into May.

Select March quarter RC and diamond drilling intersections lodged post-trade Friday.

Specialty Metals International (SEI)

Executive chairman and CEO Russell Krause has stepped down under a mutual termination agreement.

Energy

88 Energy (** 88E) / XCD Energy (** XCD)

88E is intending to make an off-market takeover offer for XCD. Consideration comprises 1.67 x 88E shares for each XCD share, plus 0.5 x 88E shares for each XCD listed option.

Additional details and rationale lodged this morning.

Otto Energy (OEL)

OEL raised \$A6M in the recent entitlement offer 0.6c per share, boosting the total received in the offer and prior placement to \$A13.8M.

OEL traded at 0.5c – 0.7c last week, settling at 0.6c Friday.

Trading Halts

Company	Code	Resuming
Great Western Exploration	GTE	27 Apr
Musgrave Minerals	MGV	27 Apr
The PAS Group	PGR	27 Apr
Technology Metals Australia	TMT	27 Apr
CML Group	CGR	28 Apr
Emmerson Resources	ERM	28 Apr
Imagion Biosystems	IBX	28 Apr
Jupiter Energy	JPR	28 Apr
Metalicity Ltd	MCT	28 Apr
MGC Pharmaceuticals	MXC	28 Apr
Castle Minerals	CDT	29 Apr
Charter Hall Retail REIT	CQR	29 Apr
De Grey Mining	DEG	29 Apr
MetalsTech Ltd	MTC	29 Apr
National Australia Bank	NAB	29 Apr
Visioneering Technologies	VTI	29 Apr
BPH Energy	BPH	30 Apr
Family Zone Cyber Safety	FZO	30 Apr

Suspensions (select)

Company	Code	Since
Anson Resources	ASN	7 Apr

**Australian Data Today**

CommSec State of the States Apr

US Data Tonight

Dallas Fed manufacturing Apr

Other Overseas Data Today & Tonight**China** Industrial profits Mar**Need More Information?**

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Neurotech International	NTI	14 Apr
Oakdale Resources	OAR	24 Apr
Panoramic Resources	PAN	15 Apr
Petsec Energy	PSA	3 Apr
Victory Offices	VOL	23 Apr
Virgin Australia Holdings	VAH	16 Apr

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
JYC	Tomorrow	5	100	7.20
CDM	Wed	2	100	9.17
GCI	Wed	0.65	0	5.43
SST	Wed	20.4	0	5.17
MOT	Thu	0.107	0	8.27
MXT	Thu	0.89	0	5.66
PGG	Thu	0.71	0	2.05
NAB	Fri	30	100	tbc
NBI	Fri	0.9	0	7.69

Reports & Events

(selected)

When	Company	Report/Event
Today	NAB	Interim
	SZL	Mar Q
Tomorrow	FLC	Mar Q (tele 9.30am AEST)
Wed	RRL	Mar Q (tele 11am AEST)
Thu	ANZ	Interim
	FMG	Mar Q
	GCY	AGM (1pm AEST)
	IGO	Mar Q (tele 10am AEST)
	JHG	Mar Q (post; w/cast 10pm AEST)
	PDL	Interim
	WPL	AGM (4pm AEST)
Fri	360	AGM
	MQG	Full year
	OSH	AGM (1pm AEST)
	RMD	Mar Q (tele 6am AEST)