

Markets

SFE 200 Futures (9.30am AEDT)	5257	66	1.3
NZX 50	9824	163	1.7
DJIA Futures	22222	39	0.2
S&P 500 Futures	2619	6	0.2
NASDAQ Futures	7879	17	0.2

Local Markets Commentary

The Australian opens the last trading day of the March quarter with material data due out of China in the middle of the day, and for Australia late-morning, following overnight rallies across key international equities markets, and for the \$US, plus key commodity price falls.

Regionally today, China's official March PMIs are anticipated midday AEDT.

In addition, **Japan** is scheduled to report February industrial production and retail sales **10.50am AEDT.**

Meanwhile, today marks the end of the financial year for many Nikkei-listed stocks.

Locally today, the Reserve Bank of Australia (RBA) publishes financial aggregates, including **private sector credit, 11.30am AEDT.**

A weekly **consumer sentiment** reading is due pre-trade.

In overnight commodities trade, **oil** slid further.

US **gold** futures (CME April) extended Friday's fall.

Iron ore (Nymex CFR China, 62% Fe) slipped below \$US88.25/t.

LME (3mth evening) **copper, nickel** and **aluminium** were pushed lower.

The **\$A** has traded at ~US61.70c this morning after falling to ~US61.25c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22327	691	3.2
S&P 500	2627	85	3.4
NASDAQ	7774	272	3.6
FTSE 100	5564	53	1.0
DAX 30	9816	183	1.9
Shanghai Comp	2747	-25	-0.9

Overseas Markets Commentary

Major European and US equities markets headed higher early overnight and despite some vacillations, positive sentiment pushed most indices to settle at or near session highs.

There was plenty to influence, including a 0.7% rise in the ICE \$US index.

Both the US and Russia revealed their leaders had discussed the

China – NBS (official) March PMIs - midday AEDT

March quarter –last trading day

Today's Stock Watch
Wesfarmers Ltd (WES) / Coles Group (COL)

WES is selling 5.2% of Coles at \$15.39-per-share, for ~\$1.06B pre-tax proceeds, and \$130M pre-tax profit, citing 'balance sheet flexibility'.

Post-sale, WES will hold 4.9% of COL, and has agreed to retain its remaining COL shares for a minimum 60 days.

The 50:50 COL-WES Flybuys JV will continue.

COL has traded at \$15.17 - \$17.20 the past five sessions.

Collins Foods (CKF)

KFC same-store sales for 14 October – 1 March (first 20 weeks of CKF's 2H FY20) grew 3.5% in Australia and 5.6% in Germany, and improved to a 3.6% fall in the Netherlands.

Australian KFC sales fell 8% year-on-year last week, however, and sales in Germany and the Netherlands are now respectively 50% and 30% - 40% lower year-on-year.

CKF's financial year ends 3 May.

CKF recouped 4.3% yesterday, settling at \$5.38.

WorleyParsons Ltd (WOR)

\$1.36B liquidity at 31 December 2019 and no material change through 29 February.

Freezing recruitment pending project needs. Reviewing all investments and the company's property portfolio.

Upstream oil and gas capex represents 20% of WOR business.

Air New Zealand (AIZ)

Reducing employee numbers by ~3500 over the next few months, commencing this week.

Annual revenue has dropped from \$NZ5.8B to ~\$NZ500M.

\$NZ960M cash reserves; \$NZ110M/month labour costs.

Nick Scali (NCK)

NCK stores are now closed until 1 May, with most retail and support staff stood down until then.

Distribution centres remain operational, to process and deliver existing sales orders.

Regional Express (REX)

Shutting down Queensland regular public transport services from tomorrow.

Resources
Lynas Corporation (LYC)

Malaysia plant operations have been temporarily shut down due to Covid-19 – related restrictions.



international oil market stability, Russia adding further discussions were planned between their respective energy ministers.

This, as prices fell further, to ~18-year lows, mostly on lockdown-fuelled demand angst.

Earlier yesterday (AEDT), **Singapore's** central bank the **Monetary Authority of Singapore** announced further support initiatives.

The **People's Bank of China** followed with a further cut in short-term rates, plus an effective \$US7B liquidity boost.

Late Sunday (US time), the **US** president acknowledged social distancing regulations needed to remain in place for at least another month, rather than be eased in time for Easter Sunday, easing fears of a further escalation in US Covid-19 spread, but bolstering views of longer-term product demand drops.

Yesterday, the **Australian** Government's employee wage subsidy support also buoyed select market sentiment.

In overnight data releases, **Germany's** initial March CPI estimate came in at 0.1% growth for the month, against 0.4% for February.

Year-on-year, March inflation was 1.4% higher.

Earlier, a **euro zone** business confidence index was reported to have dropped to -0.28 from -0.06.

UK February mortgage lending was calculated little changed from that for January, at ~£4B.

In the **US**, the Dallas Fed (Texas region) manufacturing index plunged to -70 from 1.2, much more than forecast, but also not such a surprise following an energy sector index published last week.

February pending home sales rose 2.4% for the month, following a 5.3% January increase. Against February 2019, pending sales were 9.4% higher.

Tonight in the **US**, the Chicago PMI, the Case-Shiller house price index and the Conference Board's consumer confidence index are due.

Elsewhere, the **euro zone** releases an initial estimate of March CPI.

Air China, BlackBerry, Bright Dairy & Food, ConAgra Brands, COSCO Shipping and Ganfeng Lithium are among stocks scheduled to report earnings or provide updates.

In overnight corporate news, **EasyJet** announced it was stopping all commercial services, indefinitely.

US retailers **Macy's** and **Kohl's** joined companies needing to temporarily stand down workers, these totalling ~252,000.

This in the lead-up to March US national jobs figures, due Friday, and weekly new unemployment claims Thursday.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1643.2	oz	-10.9	-0.7
Silver (NY) (May)	14.132	oz	-0.402	-2.8
Gold (LON) (27 Mar)	1617	oz		
Platinum	727	oz	-17	-2.3
WTI Crude (May)	20.09	bbl	-1.42	-6.6
Brent Crude (May)	22.76	bbl	-2.17	-8.7
Iron Ore (NYMEX,CHN,62%)	88.22	t	-0.27	-0.3
Copper (LME,3mth Ind,PM)	4781	t	-24	-0.5

Pre-Open Announcements

AP Eagers (* APE)

Trading ex-dividend (11.25c) today. APE recouped ~2% yesterday, settling at \$3.00.

AusCann Group Holdings (* AC8)

Hard-shell THC:CBD capsule products available for prescription in Australia.

Dragontail Systems (DTS)

Appreciated 14.2% yesterday, settling at 12c after trading as high as 13.5c intra-session, following an announcement regarding supplying the company's order-to-delivery system to Yum! Restaurants International, for use in Telepizza Group's Pizza Hut stores.

DTS clarified post-trade yesterday, that the 'statement of work' (SOW) covering the plan had no fixed term, but that pricing was for an initial two years.

In addition, revenue would depend on take-up by franchisees. Further, the SOW is bound by terms contained within a master agreement secured by Dragontail Systems (Israel) with Yum Restaurant Services Group, as revealed in the DTS IPO prospectus 2016.

Elixinol Global (* EXL)

Launching eight new CBD health and wellness products as part of a high-margin product rebranding program.

The products will be available online and in 2006 US supermarkets and pharmacies.

EXL has traded higher the past four sessions, settling at 26.5c Monday.

CVCheck Ltd (* CV1)

CV1's screening and verification technology has been integrated into LinkedIn's 'Talent Hub'.

Details lodged this morning.

Australian Unity Office Fund (* AOF)

Revising expected FY20 FFO from 17.3cpu – 17.7cpu to 16cpu – 17cpu.

Anticipating paying the 4cpu March quarter distribution 16 April.

Maintaining FY20 distribution guidance.

No major portfolio member lease expiries until June 2022.

SRG Global (SRG)

Withdrawing FY20 earnings guidance and deferring the scheduled 29 April interim dividend payment until 29 October.

Capitol Health (* CAJ)

Deferring the scheduled 3 April (Friday this week) payment of the 0.5c interim dividend until October.

CAJ imaging clinics remain open.

Kangaroo Island Plantation Timbers (KPT)

Resuming from suspended trade with a bushfire recovery and Covid-19 update.



Nickel	11310	t	-105	-0.9
Aluminium	1530	t	-20	-1.3
Lead	1702	t	6	0.4
Zinc	1868	t	-6	-0.4
Tin	14340	t	60	0.4

Commodities Commentary

Oil – prices dropped further overnight, amid dour global demand forecasts and commentary, WTI trading sub-\$US20/bbl intra-session, and one analyst predicting prices could fall beneath \$US10/bbl.

Meanwhile, Saudi Arabia confirmed it planned to export 10.6MMbbl/d commencing May.

Ahead of tonight's end-of-quarter trade, Trafigura ventured a 30MMbbl/d drop during April.

Further, the Switzerland-headquartered commodities trader predicted an exhaustion of global storage options.

Reports in the meantime estimated US Cushing storage hub stocks increased by ~4MMbbl last week.

Bank of America issued a second-in-as-many-weeks 2020 price prediction revision, forecasting \$US37/bbl for Brent crude and \$US32/bbl for WTI.

For its part, Goldman Sachs suggested international commuter and air company oil consumption may not fully recover, even in the long-term.

Gold – a rallying \$US damaged some gold sentiment overnight, but equities were also in favour, quelling gold interest.

In the meantime Russia's central bank revealed it would suspend domestic gold buying from tomorrow (1 April), in part due to volatility, in turn partly in response to global production, refining and delivery disruptions. In addition, Russia's economy is taking a hit from the oil price plunge.

Among the price forecasters, Credit Suisse has ventured a break above \$US1921/oz.

In other precious metals news, the wave of companies declaring force majeure due to Covid-19 – spawned lockdowns or partial restrictions and disruptions, extended to major platinum producers in South Africa.

Key economic indicator releases from major trading nations throughout the week are expected to come in within the bleak-to-ugly range, and hence only major moves from the predictions are anticipated to influence currency and gold trade.

Base metals – a cocktail comprising a stronger \$US, broadening and extended lockdowns impacting production and logistics, and demand fears influenced overnight LME trade.

Aluminium prices were recorded at ~four-year lows, as LME warehouse stocks were estimated 20% higher than two weeks earlier.

China's official National Bureau of Statistics March **PMIs** are due today, and a Caixin March manufacturing PMI for China tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6167	-0.0003	-0.05

KPT last traded at \$1.96.

Redflex Holdings (* RDF)

A 30-minute Covid-19 – related teleconference was scheduled to commence 9.30am AEDT.

A teleconference recording will be made available on the RDF website.

PYC Therapeutics (* PYC)

Teleconference scheduled to commence midday AEDT **tomorrow**. Access details lodged post-trade yesterday.

Resources

Blackham Resources (** BLK)

Strategic alliance secured with Polymetal International, under which Polymetal will purchase 70% of the BLK Wiluna gold project stage one expansion concentrate for three years.

Polymetal will take 122,500t of concentrate if this is greater than the 70% of output.

Polymetal will also become an agent for up to 100% of the concentrate produced from Wiluna Stage 2.

BLK and Polymetal will share technical and market data.

TNG Ltd (TNG)

Confirming operational disruptions to the Northern Territory Mount Peake vanadium-titanium-iron project.

Pioneer Resources (PIO)

CEO Timothy Spencer will be MD, and hence join the PIO board.

Non-executive directors Allan Trench and Thomas Spilsbury are stepping down.

CFO Carl Travaglini has been also appointed company secretary, taking over from Mr Spencer.

Energy

88 Energy (* 88E)

Alaska North Slope Charlie-1 appraisal well update lodged this morning, highlighting the commencement of wireline logging.

This, including analysis, is expected to take a week.

Trading Halts

Company	Code	Resuming
G Medical Innovations Holdings	GMV	31 Mar
Great Western Exploration	GTE	31 Mar
Legend Mining	LEG	31 Mar
Swift Media	SW1	31 Mar
Buddy Technologies	BUD	1 Apr
Change Financial	CCA	1 Apr
EML Payments	EML	1 Apr
Galan Lithium	GLN	1 Apr
GBM Resources	GBZ	1 Apr
OneAll International	1AL	1 Apr
P2P Transport	P2P	1 Apr



EUR – USD 1.1046 0.0004 0.04

Australian Data Today

ANZ/RyMgn	Consumer sentiment	29Mar
RBA	Financial aggregates (incl priv sect credit)	Mar
RBA	Intl reserves, forex liquidity (4.30pm)	Mar

US Data Tonight

Chicago PMI	Mar
Case-Shiller house price index	Jan
Conference Board consumer confidence	Mar

Other Overseas Data Today & Tonight

China	NBS PMIs	Mar
Japan	Industrial production (prelim)	Feb
Japan	Retail sales	Feb
Japan	Unemployment	Feb
UK	GDP (final)	Dec Q
UK	GfK consumer sentiment	Mar
Germany	Import prices	Feb
Germany	Unemployment	Mar
Euro zone	CPI (initial)	Mar

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PYC Therapeutics	PYC	1 Apr
Windlab Ltd	WND	1 Apr
ImpediMed Ltd	IPD	3 Apr

Suspensions *(select)*

Company	Code	Since
8IP Emerging Companies	8EC	16 Mar
Advance NanoTek	ANO	18 Mar
Astivita Ltd	AIR	18 Mar
Benitec Biopharma	BLT	1 Apr
Blina Minerals	BDI	18 Mar
Flight Centre Travel Group	FLT	23 Mar
Graphex Mining	GPX	25 Mar
Great Southern Mining	GSN	27 Mar
IDP Education	IEL	30 Mar
MGC Pharmaceuticals	MXC	23 Mar
Pacific Star Network	PNW	20 Mar
Prospect Resources	PSC	23 Mar
Pyrolyx AG	PLX	24 Mar
Respiri Ltd	RSH	19 Mar
Southern Cross Media Group	SXL	25 Mar
TBG Diagnostics	TDL	19 Mar
Webjet Ltd	WEB	23 Mar

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
APE	Today	11.25	100	4.67
MOT	Today	1.34	0	7.91
MXT	Today	0.86	0	5.93
PGG	Today	0.73	0	1.58
SMR	Today	3	100	14.10
ANG	Tomorrow	0.2	100	1.67
ED1	Tomorrow	2.5	100	13.11
NBI	Tomorrow	0.9	0	9.26
PIC	Tomorrow	3.2	100	8.55
ARB	Thu	18.5	100	2.85
HVN	Thu	12	100	10.77
PFG	Thu	0.2	100	8.70
SDI	Thu	1.35	100	1.94
CAM	Fri	1.3	100	6.90
CLF	Fri	1.5	100	5.82

Reports & Events

(selected)

When	Company	Report/Event
Today	FUN	Interim
Tomorrow	CIM	AGM



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Thu	SPK	Investor day
Fri	STO	AGM