

**Markets**

|                                      |       |    |            |
|--------------------------------------|-------|----|------------|
| <b>SFE 200 Futures</b> (9.30am AEST) | 5861  | 31 | <b>0.5</b> |
| <b>NZX 50</b>                        | 11117 | 82 | <b>0.8</b> |
| <b>DJIA Futures</b>                  | 25791 | 84 | 0.3        |
| <b>S&amp;P 500 Futures</b>           | 3085  | 7  | 0.2        |
| <b>NASDAQ Futures</b>                | 9669  | 11 | 0.1        |

**Local Markets Commentary**

The Australian market commences mid-week trade with material data due for Australia plus a speech by a Reserve Bank of Australia (RBA) deputy governor by late morning, key data due for China also by the middle of the day, and influential US economic indicators tonight.

Meanwhile, the UK has again firmly requested China reconsider its planned new security legislation for Hong Kong, adding a warning that the UK would change immigration policy should China proceed with last week's declaration.

Civil unrest developments in the US are in the meantime considered fluid.

**Regionally** today, Caixin's China services sector activity index is anticipated **11.45pm** AEST.

A services PMI is also due for **Japan**, 10.30am.

**Locally** today, the Australian Bureau of Statistics (ABS) releases **March quarter GDP**, **11.30am** AEST.

April **building approvals** are due at the same time.

Pre-trade, the AiG publishes its May **construction** sector activity index.

**RBA** deputy governor Michele Bullock (financial system) speaks (via webcast) on *Panic, Pandemic and Payment Preference* **11.10am** AEST.

In overnight commodities trade, **oil** posted strong gains on both sides of the Atlantic.

US **gold** futures (August) fell.

**Iron ore** (Nymex CFR China, 62% Fe) continued to rally, beyond \$US100.5/t.

LME **copper** and **nickel** extended this week's gains. **Aluminium** turned higher.

The **SA** settled just beneath US69.00c after appreciating to ~US68.50c early yesterday evening.

This morning, the SA has traded above US69.10c.

**Overseas Markets**

| INDEX              | CLOSE | +/- | %          |
|--------------------|-------|-----|------------|
| <b>Dow Jones</b>   | 25743 | 268 | <b>1.1</b> |
| <b>S&amp;P 500</b> | 3081  | 56  | <b>0.6</b> |
| <b>NASDAQ</b>      | 9608  | 56  | <b>0.6</b> |
| <b>FTSE 100</b>    | 6220  | 54  | <b>0.9</b> |
| <b>DAX 30</b>      | 12021 | 434 | <b>3.8</b> |

**Australia – March quarter GDP – 11.30am AEST**

**China – Caixin services PMI – 11.45pm AEST**

**Today's Stock Watch**
**Unibail-Rodamco-Westfield (URW)**

65 of the group's 90 shopping centres have reopened after initially closing in response to Covid-19 containment regulations. URW recouped 8.3% yesterday, settling at \$4.44.

**Austal Ltd (ASB)**

CEO and MD David Singleton is stepping down, following nine years as an ASB director and five as CEO.

ASB COO Patrick Gregg will take over from Mr singleton, following a transition period through to 31 December.

**Infigen Energy (IFN)**

UAC Energy Holdings intends to launch an A80c cash-per-security bid for IFN. UAC holds 12.82% of IFN, which has traded at 58.5c – 63c on the ASX over the past five sessions.

**Aurizon Holdings (AZJ)**

\$1.3B worth of debt financing renegotiated, adding \$420M to existing facilities, which will mature 2023 – 2025. Planning to report full year results 10 August.

**Wellness and Beauty Solutions (WNB)**

\$600,000 worth of ELLE and MICRO19 follow-up orders received for Asia, boosting total Asia purchase orders to \$1.7M.

**Zip Co (Z1P)**

Webcast scheduled to commence **11am** AEST. Z1P appreciated 38.7% yesterday, after announcing the acquisition of QuadPay and detailing an associated capital raising. Z1P traded as high as \$5.40 yesterday before closing at \$5.20.

**Nuheara Ltd (NUH)**

IQbuds MAX pre-orders have exceeded \$2M.

For the June quarter to date, sales are up 92% year-on-year.

**Resources**
**Perseus Mining (PRU) / Exore Resources (ERX)**

PRU is planning to pay one share for every 12.79 EXR shares to acquire 100% of EXR, under an EXR agreed scheme.

Rationale, including project statistics, lodged this morning.

PRU has traded at \$1.165 - \$1.345 over the past five sessions, and ERX at 5.5c – 6.2c.

**Musgrave Minerals (MGV)**

Heralding WA Cue gold project Starlight RC drilling results. Drilling is ongoing, with diamond drilling set to commence next week. Mineralisation remains open at depth.



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**Overseas Markets Commentary**

Vacillations coupled with ultimate decidedly positive risk sentiment featured across most major European and US equities markets overnight.

European indices settled at three-month highs, on expectations of further stimulus from Germany, and via the European Central Bank, which convenes a policy meeting later tomorrow.

Germany's markets traded for the first time this week.

Meanwhile, the tech sector remained firmly in favour for a third consecutive session.

For its part, the US administration confirmed the launch of a formal investigation into proposed and recently implemented international digital taxes

Among relatively scant overnight **data** releases, **UK** April mortgage lending rose by just £0.3B following a £4.8B March increase.

Net lending to individuals dropped by £6.9B, against a £1.0B rise in March.

In the **US**, the ISM New York activity index encouraged, jumping to 19.5 from 4.3.

**Tonight** in the **US**, the ISM's influential services sector activity index and a private sector May employment change report are due, together with April durable goods orders and weekly mortgage applications.

Elsewhere, the Bank of Canada convenes a policy meeting.

May (final) services PMIs are also due for the euro zone and UK.

Companies listed to report earnings later today and tonight include Campbell Soup, Costco Wholesale and Lukoil.

In overnight corporate news, **Zoom** Video Communications exceeded March quarter revenue (\$US328.2M) expectations and lifted forecast 2020 revenue to \$US1.78B - \$US1.80B, from \$US905M - \$US915M.

**Hyundai Motor** revealed overall May US sales had risen 5%, but that fleet sales had tumbled 79%. **Hertz** and **Avis** confirmed cancelling fleet orders.

**Commodities**

| COMMODITY                        | CLOSE        | \$US/ | +/-   | %           |
|----------------------------------|--------------|-------|-------|-------------|
| <b>Gold (NY)</b> (Aug)           | <b>1734</b>  | oz    | -16.3 | <b>-0.9</b> |
| <b>Silver (NY)</b> (Jul)         | <b>18.26</b> | oz    | -0.57 | <b>-3.0</b> |
| <b>Gold (LON)</b> (1 Jun)        | <b>1731</b>  | oz    |       |             |
| <b>Platinum</b>                  | <b>830</b>   | oz    | -8    | <b>-1.0</b> |
| <b>WTI Crude</b> (COMEX Jul)     | <b>36.81</b> | bbl   | 1.37  | <b>3.9</b>  |
| <b>Brent Crude</b> (ICE EUR Aug) | <b>39.57</b> | bbl   | 1.25  | <b>3.3</b>  |
| <b>Iron Ore</b> (NYMEX,CHN,62%)  | <b>100.7</b> | t     | 1.51  | <b>1.5</b>  |
| <b>Copper</b> (LME,3mth Ind,PM)  | <b>5530</b>  | t     | 48    | <b>0.9</b>  |
| <b>Nickel</b>                    | <b>12875</b> | t     | 230   | <b>1.8</b>  |
| <b>Aluminium</b>                 | <b>1558</b>  | t     | 21    | <b>1.4</b>  |
| <b>Lead</b>                      | <b>1719</b>  | t     | 42    | <b>2.5</b>  |
| <b>Zinc</b>                      | <b>2013</b>  | t     | -8    | <b>-0.4</b> |
| <b>Tin</b>                       | <b>16025</b> | t     | 300   | <b>1.9</b>  |

**Pre-Open Announcements****Creso Pharma (\* CPH)**

Distribution agreement secured for DHS Business International to deliver CPH products to retailers throughout several select locations, including Parana, Rio de Janeiro and Sao Paulo, in Brazil. CPH products are expected to be available from retailers in Brazil by early October.

**Raiz Invest (\* RZI)**

\$432.57M FUM at 31 May, against \$404.62M at 30 April. 220,995 active customers, against 218,243.

**Virgin Australia Holdings (VAH, administrators appointed)**

Administrators are retaining a 30 June target for a binding agreement for the purchase of VAH.

The final short-listed bidders were named by VAH's administrators yesterday as Bain Capital and Cyrus Capital Partners.

**Blackmores Ltd (BKL)**

\$25M SPP, at a maximum \$72.50 per share underway today through 3 July.

BKL has traded at \$77.88 - \$86.97 the past five sessions, settling at \$85.74 yesterday.

**Resources****Kin Mining (KIN)**

Additional WA eastern goldfields Cardinia gold project RC and AC drilling results lodged this morning.

**Centaurus Metals (\* CTM)**

Brazil Jaguar nickel sulphide project webinar presentation lodged this morning.

Access details for the **2pm** AEST live presentation also lodged.

**Adriatic Metals (ADT)**

MINEX Europe presentation lodged this morning.

**Energy****Leigh Creek Energy (\* LCK)**

Promoting the potential of hydrogen production from the Leigh Creek energy project.

LCK says pre-commercial testing has been successful and that the project could possibly deliver 200M kg of hydrogen each year.

**Stanmore Coal (SMR)**

SMR has appointed former Kidman Resources CFO Frederick Kotzee as interim SMR CFO, initially working with Ian Poole who has resigned from the SMR CFO and company secretary roles, but who remains with SMR through a notice period.

**Commodities Commentary**

**Oil** – prices on both sides of the Atlantic settled at ~three-month peaks overnight.

Speculation continued, ahead of an expected OPEC+ meeting tomorrow to consider the recently agreed 2020 production cuts schedule.

Among the producers, US shale companies EOG Resources and Parsley Energy revealed they would start ramping production to up to 100% of output before low prices forced shut-ins.

Venezuela was reported to have exported just 451,935bbl/d of crude and petroleum productions during May, the least since January 2003.

Meanwhile, the US announced sanctions on four shipping companies which have carried oil from Venezuela this year.

Post-settlement, a US industry association estimated domestic crude stocks had fallen by 483,000bbl last week.

Weekly US petroleum inventories are due tonight from government agency EIA.

**Gold** – Comex futures prices swung from early overnight gains to a decided fall, this in part attributed to profit-taking and ensuring liquidity positions, but also to an intra-session pickup in US equities risk sentiment.

A May services sector activity index and private sector May employment report, each due for the US tonight, could influence some trade tonight.

**Base metals** – aluminium and tin traded at multi-week peaks overnight, attributed to ongoing market commentary regarding increasing demand from China.

Bonded copper stocks were reported higher in China, as concentrate and scrap supplies lift following Covid-19 containment restrictions.

A Caixin services PMI is due for China **today**.

**Exchange Rates**

| CURRENCIES       | LAST   | +/-    | %    |
|------------------|--------|--------|------|
| <b>AUD – USD</b> | 0.6911 | 0.0013 | 0.19 |
| <b>EUR – USD</b> | 1.1179 | 0.0010 | 0.09 |

**Australian Data Today**

|     |                    |       |
|-----|--------------------|-------|
| ABS | GDP                | Mar Q |
| AiG | PCI                | May   |
| ABS | Building approvals | Apr   |

**US Data Tonight**

|                               |        |
|-------------------------------|--------|
| ISM non-manufacturing         | May    |
| ADP private sector employment | May    |
| MBA mortgage applications     | 29 May |
| Markit services PMI (final)   | May    |

**Trading Halts**

| Company                    | Code | Resuming |
|----------------------------|------|----------|
| Alderan Resources          | AL8  | 3 Jun    |
| Ausmex Mining Group        | AMG  | 3 Jun    |
| Hastings Technology Metals | HAS  | 3 Jun    |
| Ora Gold                   | OAU  | 3 Jun    |
| Otherlevels Holdings       | OLV  | 3 Jun    |
| Podium Minerals            | POD  | 3 Jun    |
| Protean Energy             | POW  | 3 Jun    |
| Aeris Resources            | AIS  | 4 Jun    |
| Astro Resources            | ARO  | 4 Jun    |
| Auroch Minerals            | AOU  | 4 Jun    |
| Celsius Resources          | CLA  | 4 Jun    |
| Dimerix Ltd                | DXB  | 4 Jun    |
| Legend Mining              | LEG  | 4 Jun    |
| Peninsula Energy           | PEN  | 4 Jun    |
| Strategic Energy Resources | SER  | 4 Jun    |
| Superior Lake Resources    | SUP  | 4 Jun    |
| Xantippe Resources         | XTC  | 4 Jun    |
| Helix Resources            | HLX  | 5 Jun    |
| HeraMED Ltd                | HMD  | 5 Jun    |
| ScandiVanadium Ltd         | SVD  | 5 Jun    |
| Suda Pharmaceuticals       | SUD  | 5 Jun    |
| Wide Open Agriculture      | WOA  | 5 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 |
| Comet Resources   | CRL  | 28 May |
| Eon NRG           | E2E  | 19 May |
| MGM Wireless      | MWR  | 27 May |
| (The) PAS Group   | PGR  | 29 May |
| PharmAust Ltd     | PAA  | 2 Jun  |
| Skin Elements     | SKN  | 12 May |
| Soon Mining       | SMG  | 2 Jun  |

**Ex-Dividends**

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------|--------|---------|--------------|-----------|
| ALQ  | Fri    | 6.1     | 70           | 3.16      |
| IFT  | Fri    | 9.66    | 0            | 3.16      |
| OFX  | 9 Jun  | 2.35    | 0            | 4.14      |

**Other Overseas Data Today & Tonight**

|                  |                      |     |
|------------------|----------------------|-----|
| <b>China</b>     | Services PMI         | May |
| <b>Japan</b>     | Services PMI         | May |
| <b>UK</b>        | Services PMI         | May |
| <b>Germany</b>   | Employment rate      | May |
| Germany          | Services PMI (final) | May |
| <b>Euro zone</b> | Unemployment rate    | Apr |
| Euro zone        | Producer prices      | Apr |
| Euro zone        | Services PMI (final) | 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](mailto:advice@stateone.com.au)

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**Reports & Events**

(selected)

| When            | Company    | Report/Event                     |
|-----------------|------------|----------------------------------|
| <b>Today</b>    | <b>CTM</b> | Webinar presentation (2pm AEST)  |
|                 | <b>SW1</b> | Product demonstration (4pm AEST) |
|                 | <b>Z1P</b> | Acquisition webcast (11am AEST)  |
| <b>Tomorrow</b> | FLC        | AGM (9am AEST)                   |
|                 | OML        | AGM (11am AEST)                  |