

Markets

SFE 200 Futures (9.30am AEST)	5986	-14	-0.2
NZX 50	11275	52	0.5
DJIA Futures	26290	5	0.0
S&P 500 Futures	3114	0.25	0.0
NASDAQ Futures	9634	-11	-0.1

Local Markets Commentary

The Australian market commences Friday trade with the domestic May services sector activity index in hand, ahead of May jobs figures for the US tonight, and with the ASX closed for trade Monday, amid public holidays for most Australian States and Territories, and influential regional economic indicators due Sunday-Monday.

Post-overnight trade, the US president has signed an executive order to fast-track some energy and resources and infrastructure projects by waiving select environmental reviews.

Locally today, the AiG has released a 31.6 estimate for the national May services sector activity index, following 27.1 for April.

In addition, ALQ and IFT trade ex-dividend today.

Regionally, China is preparing to report May trade statistics Sunday.

Japan will release a final March quarter GDP reading Monday, when the ASX is closed.

In overnight commodities trade, **oil** settled moderately higher.

US **gold** futures (August) swung to their first gain for the week.

Iron ore (Nymex CFR China, 62% Fe) fell below \$US99.0/t.

LME **copper** settled virtually flat. **Nickel** continued lower, and **aluminium** turned so.

The **\$A** appreciated to ~US69.25c after trading at US69.00c early yesterday evening.

This morning, the \$A has traded beyond US69.50c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26282	12	0.1
S&P 500	3112	-11	-0.3
NASDAQ	9616	-67	-0.7
FTSE 100	6341	-41	-0.6
DAX 30	12431	-57	-0.5
Shanghai Comp	2919	-4	-0.1

Australia – May services sector activity index – 31.6

The ASX will be closed Monday

Today's trades will settle **Wednesday** next week (**10 June**)

Trades executed yesterday settle Tuesday 9 June

Monday - public holidays for the ACT, New South Wales, Northern Territory, South Australia, Tasmania and Victoria

Today's Stock Watch

Atomo Diagnostics (AT1)

AT1's agreement to supply the Galileo rapid test device to NG Biotech (NGB) for use in NGB's blood-based rapid antibody IgG/IgM Covid-19 test has resulted in orders for 1.5M of the devices for use in France.

Further, AT1 has secured exclusive rights to market and distribute the test for professional use in Australia and New Zealand and select South East Asian nations, pending regulatory approvals.

The test will be supplied under the brand AtomoRapid COVID-19 (IgG/IgM).

National Storage REIT (NSR)

With ~\$348M worth of new funding in hand, NSR has recommence acquisition activity and has \$140M worth of new acquisition and development opportunities completed, contracted of under offer.

NSR's initially targeted \$30M, \$1.57-per-security SPP was boosted \$48M due to demand.

The preceding institutional placement raised \$300M.

AuMake International (AU8)

Instore and online AU8 customers can use Alipay buy-now-pay-later (BNPL).

In addition, AU8 expects customers to soon be able to use a Tencent BNPL feature, currently under development.

Incitec Pivot (IPL)

CFO Frank Micallef is retiring after 10 years in this role, but will remain with IPL until 30 September.

Former IPL financial controller and GM investor relations Nick Stratford will return to Australia, from his Dyno Nobel Americas president role, to take over from Mr Micallef.

IPL has appointed DNA technology specialist Braden Lusk to take over from Mr Stratford, effective 1 July.

Resources

Silver Lake Resources (SLR)

Deflector project resource definition diamond drilling has returned several high-grade gold and copper intersections.



Overseas Markets Commentary

Major European and US equities markets mostly opened lower before swinging and chopping through overnight trade, tech sector interest producing an intra-session record for the NASDAQ.

The **European Central Bank** (ECB) announced at the end of its policy meeting a decision to boost 'pandemic emergency purchase program' debt purchases by €600B, to €1.35 trillion, and that the program would be extended by six months until at least 30 June 2021.

ECB president Christine Lagarde also revealed views the regional economy was likely bottoming.

Nonetheless, the ECB's economists were expecting euro zone GDP to drop 8% - 12% this year.

Post-Wednesday trade, Germany's government had revealed details of an agreement for €130B worth of additional stimulus.

Among overnight **data** releases, construction PMIs for the **euro zone** as a whole, **France, Germany, Italy**, and also the **UK**, jumped to 39.5 (from 15.1), 32.4 (3.8), 40.1 (31.9), 51 (4.8) and 28.9 (8.2) respectively.

Italy's construction sector activity notably returned to expansion mode, adding to a string of recent positive economic recovery indicators.

Euro zone April retail sales proved sobering, plummeting 19.6% against April 2019 and dropping 11.7% for the month. This, following respective 8.8% and 11.1% March declines.

In **France**, April retail sales were calculated to have cascaded 31.1% from April 2019 and tumbled 20% for the month, following respective 13.5% and 15.8% March falls.

In the **US**, there was plenty to fuel speculation ahead of the Federal Reserve's policy meeting next week.

The US April trade report included a \$US49.4B trade deficit, from a \$US42.3B shortfall at the end of March.

Some forecasters had predicted a \$US54B deficit, however.

Exports by value fell to \$US151.28B, from \$US190.18B, and imports to \$US200.69B, from \$US232.52B.

Weekly new unemployment claims totalled 1.9M, the first time in 11 weeks the tally came in under 2M.

A May job cuts report estimated 397.0M planned layoffs, against 671.13M for April.

Tonight in the **US**, May national employment figures are keenly anticipated.

April consumer credit is also due.

Tiffany & Co, Toshiba and Workspace are among companies scheduled to report earnings later today and tonight.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1727.4	oz	22.6	1.3
Silver (NY) (Jul)	18.061	oz	-0.10	-0.6
Gold (LON) (3 Jun)	1705	oz		
Platinum	825	oz	9	1.1
WTI Crude (COMEX Jul)	37.41	bbl	0.12	0.3

Pre-Open Announcements

Credit Corp Group (* CCP)

Due to strong demand, CCP boosted the initial \$30M SPP target to \$35M.

Together with the earlier institutional placement, CCP has raised \$155M.

Regional Express (* REX)

Refuting media assertions that REX 'is the biggest recipient of the Australian Government's \$1.2B worth of grants to the aviation industry.

Rather, REX has lodged funding details in support of its view that 'the lion's share' of grant funds will go to Qantas (ASX: QAN) and Virgin Australia Holdings (ASX: VAH, *in administration*). REX says it operates the largest number of regional routes in Australia and has been allocated proportional support under the regional programs that form part of the overall funding package.

Civmec Ltd (* CVL)

CVL's construction of the submarine rescue facility in the southern Perth, WA suburb of Henderson officially commenced with a politicians' sod turning ceremony yesterday.

Spark Infrastructure (SKI)

Response to the AER's SA Power Networks 2020 – 2025 final determination lodged this morning.

SKI will host a briefing 10 June, 9.30am AEST.

Silex Systems (SLX)

Anticipating US government approval by year's end of the proposed Global Laser Enrichment (GLE) restructure, whereby SLX will own 51% and Cameco Corop 49%.

Meanwhile a depleted UF₆ sales agreement between GLE and the US Department of Energy (DoE) has been amended in association with nuclear fuel market conditions.

Details lodged this morning.

AdAlta Ltd (1AD)

BIO Digital convention presentation lodged this morning.

1AD's presentation is available on demand during the five-day conference, commencing Monday.

TasFoods Ltd (TFL)

TFL has appointed former Villa World (ASX: VLW) MD and CEO Craig Treasure and Murdoch Clarke law firm partner Ben Swain as non-executive directors.

Mr Treasure has been appointed non-executive TFL chair.

Resources

De Grey Mining (* DEG)

WA Pilbara region Hemi gold project air core drilling has defined a 1000m x 200m mineralised extension.

Assays lodged this morning.

Additional results from new, shallow drilling pending.



Brent Crude (ICE EUR Aug)	39.99	bbbl	0.20	0.5
Iron Ore (NYMEX,CHN,62%)	98.85	t	-1.55	-1.6
Copper (LME,3mth Ind,PM)	5513	t	-1	-0.0
Nickel	12770	t	-55	-0.4
Aluminium	1562	t	-4	-0.3
Lead	1739	t	22	1.3
Zinc	2020	t	0.5	0.0
Tin	16050	t	49	0.3

Commodities Commentary

Oil – speculation continued regarding any production curb changes from the OPEC and OPEC+ meetings initially scheduled to commence 10 June. Reports included behind-the-scenes progress such that the official meetings could occur over the coming weekend.

Meanwhile, one media report quoted Russia's energy minister as forecasting July oil demand exceeding supply by 3MMbbl/d – 5MMbbl/d.

A weekly US petroleum rig count is due tonight.

Gold – bargain-buying amid reduced equities sentiment, and as the \$US continued to decline (ICE \$US -0.6%), was cited as a major influence on an overnight price swing higher.

In addition, the European Central Bank's decision to boost stimulus spending, initially supported gold interest.

Base metals – material data releases, stimulus announcements, and economic recovery predictions appeared the main influences on overnight base metals trade.

Commerzbank warned commodities prices were generally overpriced and would likely pull back in July – August.

Meanwhile, Comex copper traded at 12-week peaks.

In addition, copper inventories in LME and China warehouses were reported lower.

For its part, Indonesia revealed the nation's general nickel ore ban would be retained.

China's May trade figures, expected Sunday, could produce some caution tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6950	0.0006	0.09
EUR – USD	1.1341	0.0005	0.05

Australian Data Today

AiG	PSI	Apr
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US Data Tonight

Workforce (incl unemployment, wages)	May
Consumer credit	Apr

Musgrave Minerals (* MGV) / Evolution Mining (EVN)

WA Cue JV air core drilling has defined large gold targets. Assays lodged this morning, ahead of further, late-July scout drilling.

Trading Halts

Company	Code	Resuming
Aruma Resources	AAJ	5 Jun
Helix Resources	HLX	5 Jun
HeraMED Ltd	HMD	5 Jun
IncentiaPay Ltd	INP	5 Jun
Suda Pharmaceuticals	SUD	5 Jun
Technology Metals Australia	TMT	5 Jun
Aeris Resources	AIS	4 Jun
Carnaby Resources	CNB	9 Jun
Kip McGrath Education Centres	KME	9 Jun
Osprey Medical	OSP	9 Jun
BMG Resources	BMG	10 Jun
First AU	FAU	11 Jun
Meteroric Resources	MEI	11 Jun
Pearl Global	PG1	11 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
Eon NRG	E2E	19 May
MGM Wireless	MWR	27 May
(The) PAS Group	PGR	29 May
Pioneer Credit	PNC	4 Jun
Superior Lake Resources	SUP	4 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALQ	Today	6.1	70	1.57
IFT	Today	9.66	0	2.90
OFX	Tue	2.35	0	4.15
PL8	15 Jun	0.4	100	5.84
SHV	18 Jun	9	100	5.06
ORA	19 Jun	37.2	50	4.76



Other Overseas Data Today & Tonight

Japan	Household spending	Apr
Japan	Leading economic index (prelim; 3pm AEST)	Apr
UK	GfK consumer sentiment	May
Germany	Factory orders	Apr

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Reports & Events

(selected)

When	Company	Report/Event
Mon	ZEL	AGM (1pm AEST)
Wed	AGG	AGM (6am AEST)
	PAA	Briefing; Q&A (2pm AEST)
	SKI	Briefing (9.30am AEST)

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