

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	7072	5	0.1
<b>NZX 50</b>	12770	-78	-0.6
<b>DJIA Futures</b>	34109	-9	0.0
<b>S&amp;P 500 Futures</b>	4158	-2	0.0
<b>NASDAQ Futures</b>	13487	-4	0.0

## Local Markets Commentary

The Australian market commences today's trade with a third (for this week) major domestic bank reporting earnings, ahead of a speech by the Reserve Bank of Australia's deputy governor this evening.

Overnight international equities and commodities trade proved mixed.

Markets in China and Japan trade for the first time this week today.

**Locally** today, no major economic indicators are due for release.

Companies hosting AGMs today include **IRE, RIO Ltd** and **TPG**.

Large-caps presenting at the Macquarie Australia conference today include **ABC, APX, BOQ, BRG, EHL, GUD, JBH, SKC** and **SGR**.

In addition, RBA deputy governor Guy Debelle is scheduled to speak on *Monetary Policy during Covid*, 7pm AEST, leading into a Q&A session, hosted by the UWA business school.

Regionally today, the **Bank of Japan** releases April monetary policy meeting minutes just prior to ASX open.

In overnight commodities trade, Brent **crude** settled slightly higher and WTI slightly lower.

US **gold** futures seesawed moderately higher.

Nymex **iron ore** (CFR China, 62%) also rose moderately, beyond \$US190.40/t.

LME **copper** turned slightly lower, and **nickel** decidedly higher.

**Aluminium** extended Tuesday's gain.

The **\$A** rose beyond US77.45c, after trading at ~US77.15c – ~US77.25c early yesterday evening.

## Overseas Markets.

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34230	97	0.3
<b>S&amp;P 500</b>	4168	3	0.1
<b>NASDAQ</b>	13582	-51	-0.4
<b>FTSE 100</b>	7039	116	1.7
<b>DAX 30</b>	15171	314	2.1
<b>Shanghai Comp</b>	3447	Public	Holiday

## Overseas Markets Commentary

Major European, UK and US equities markets mostly opened higher overnight.

\* Minerals exploration listing – 11am – QML \*

\* Lithium exploration listing - midday – GL1 \*

## Today's Stock Watch

### National Australia Bank (NAB)

60c fully franked interim dividend, from 30c a year ago.

144.3% higher, A\$3.208B interim NPAT.

1.5% lower, \$8.255B revenue.

94.8% higher, \$3.343B cash earnings.

12.37% CET1.

### Qantas Airways (QAN)

The Australian Competition & Consumer Commission (ACCC) plans to deny authorisation for the proposed QAN-Japan Airlines flight co-ordination plan. A final decision will come after ACCC consideration of submissions, due 27 May.

In addition, QAN has completed a group property review across Australia and is considering where to best base Jetstar headquarters.

Additional post-review plans lodged pre-trade.

### Eclixp Group (ECX)

186.2% higher, \$A37.766M interim NPAT.

0.7% lower, \$333.155M revenue.

### Virgin Money UK (VUK)

£80M interim PAT, from £22M a year ago, and following a £163M net loss for the six months to 30 September 2020.

Total operating income fell 9% year-on-year, to £695M, this also representing a 3% increase on operating income for the six months to 30 September 2020.

VUK hosted a pre-recorded presentation and webcast Q&A yesterday evening (AEST). A teleconference is scheduled for 9am BST (6pm AEST) tomorrow.

### Irongate Group (IAP)

\$A110.74M full year NPAT. \$32.22M revenue. 179.4% higher \$A164.73M NPAT for the Irongate Property Fund 1. 8.3% lower, \$922.68M revenue. 4.53c final distribution, from 4.30c a year ago. \$1.43 NTA from \$1.32.

### Sealink Travel Group (SLK)

Outlaying an initial \$A84.7M cash for Go West Tours, plus up to \$25M worth of earn-outs.

SLK is also paying \$3.8M for strategic property assets.

SLK is funding the acquisition from existing cash and undrawn debt facilities. Completion anticipated early July.

## Resources

### Rio Tinto (RIO)

RIO Ltd AGM today in Perth, 3pm AEST.



While sentiment improved further during European and UK trade, it vacillated markedly in the US, swings on forecast-missing, but relatively strong data releases, suggesting investor jitters.

US secretary of state Janet Yellen confirmed that she was neither predicting nor recommending US rate rises, but commenting openly on potential scenarios. As with the Fed Reserve, Ms Yellen, the immediate past Fed chair, offered her view that she did not think any higher level inflation gains would prove sustainable.

Also overnight, Covid-19 containment reports remained mixed internationally.

The US administration in the meantime promoted sharing Covid-19 vaccine IP.

In overnight **data** releases, **Germany's** April new domestic vehicle registrations were reported 90% higher than for April 2020.

The final April services PMI reading represented a 1.6-point fall to 49.9 just below the contraction/expansion mode cut-off.

In the **euro zone**, March producer prices rose 1.1% for the month, following a 0.5% February rise.

Against March 2020, prices were 4.3% higher.

The region's final April services PMI estimate represented a 0.9-point rise for the month, to 50.5, slightly in expansion territory.

**UK** April new domestic vehicle sales came in 3176.6% higher year-on-year.

In the **US**, the influential ISM services PMI fell to a nonetheless robust 62.7 from 63.7, against forecasts of a rise to 64.2.

An April private sector employment report included 742,000 new jobs, following 565,000 reported for March, but undershooting expectations of 785,000.

Despite this, the new tally was reportedly the best since the northern hemisphere autumn 2020.

**Tonight** in the **US**, March quarter productivity and April job cuts reports are due, together with weekly new unemployment claims.

Elsewhere, the **Bank of England** conducts a policy meeting from which it will release outcomes.

Companies scheduled to report earnings later today and tonight include: **AIG**, **Ambev**, **Anheuser-Busch**, **ArcelorMittal**, **Expedia**, **Hyundai Corp**, **ING**, **Kellogg**, **Linde**, **Marubeni Corp**, **Moderna**, **Motorola**, **News Corp**, **Nintendo**, **Regeneron Pharmaceuticals**, **Roku**, **Société Générale**, **Square**, **ViacomCBS** and **Volkswagen**.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Jun)	<b>1784.3</b>	oz	8.3	<b>0.5</b>
<b>Silver (NY)</b> (Jul)	<b>26.52</b>	oz	-0.04	<b>-0.1</b>
<b>Gold (LON)</b> (4 May)	<b>1798</b>	oz		
<b>Platinum</b>	<b>1220</b>	oz	-11	<b>-0.9</b>
<b>WTI Crude (NYMEX Jun)</b>	<b>65.63</b>	bbbl	-0.06	<b>-0.1</b>
<b>Brent Crude (ICE EUR Jul)</b>	<b>68.96</b>	bbbl	0.08	<b>0.1</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>190.41</b>	t	0.69	<b>0.4</b>
<b>Copper (LME Ind)</b>	<b>9955</b>	t	-10	<b>-0.1</b>
<b>Nickel</b>	<b>17875</b>	t	201	<b>1.1</b>
<b>Aluminium</b>	<b>2441</b>	t	10	<b>0.4</b>
<b>Lead</b>	<b>2175</b>	t	-28	<b>-1.3</b>
<b>Zinc</b>	<b>2928</b>	t	-43	<b>-1.5</b>
<b>Tin</b>	<b>28990</b>	t	0	<b>0.0</b>

## Pre-Open Announcements

### Iress Ltd (\* IRE)

Expansion plans update keenly anticipated at today's AGM.

### TPG Telecom (\* TPG)

Today's AGM materials lodged pre-trade.

In addition, TPG CFO Stephen Banfield has resigned after 20 years with the TPG group.

Mr Banfield will remain with TPG until November or until his replacement is appointed.

### Z Energy (\* ZEL)

NZ14c final dividend, and reinstating dividends for FY 22.

165% higher, \$NZ587M full year historic cost NPAT.

35% lower, \$NZ238M replacement cost EBITDAF.

Trading conditions continuing to prove 'challenging'.

### Smartgroup Corporation (SIQ)

SIQ has appointed deputy and interim CFO Anthony Dijanosic as CFO, effective yesterday.

SIQ is scheduled to host the company's AGM Wednesday next week (12 May).

### Emerge Gaming (\* EM1)

Operations and business strategy webinar scheduled to commence 4pm AEST.

## Resources

### QMiner Ltd (\* QML)

Minerals explorer scheduled to list on the ASX **11am** AEST, following a \$11.548M IPO at 30c per share. 46.08M quoted shares.

### Global Lithium Resources (\* GL1)

Lithium explorer scheduled to list on the ASX **midday** AEST, following a \$10M IPO at 20c per share. ~88.98M quoted shares.

### FYI Resources (\* FYI)

FYI and Alcoa Inc have progressed a September 2020 MoU regarding a potential joint development of FYI's planned high purity alumina (HPA) project to a 90-day HPA JV exclusive negotiating period.

### Newcrest Mining (\* NCM)

NCM finance director and CFO Gerard Bond plans to retire, effective 3 January 2022, after 10 years in these NCM roles.

### Strategic Elements (\* SOR)

Heralding prison site testing results for the SOR robotic security vehicle (ASV).

### European Metals Holdings (EMH)

Czechoslovakia Cinovec project EIA submitted.

In addition, EMH has this morning lodged results from ongoing resource drilling.

**Commodities Commentary**

**Oil** – overnight sentiment appeared mostly pushed and pulled by economic data and potential demand scenarios.

A US weekly petroleum inventories report, published overnight by government agency the EIA, included a 7.99MMbbl fall in stored crude but 737,000bbl rise in petrol stocks.

Net crude imports fell 2.75MMbbl/d.

Meanwhile, major crude trade nations continued to report mixed fortunes regarding Covid-19 containment, some (Europe, UK, US) promoting the lifting of restrictions, while others reported persistently high case tallies (India, Japan).

**Gold** – US data continued to come in mixed overnight, ahead of national April employment statistics, due tomorrow night.

In addition, overnight traders considered comments from the US secretary of state, including that no US rate rises were recommended or predicted.

A Bank of England policy meeting tonight could swing sentiment, depending on the tone of commentary following the meeting's conclusion.

Monthly US employment statistics are expected to influence at least some of tomorrow night's trade.

**Base metals** – prices swung overnight, optimism associated with easing of Covid-19 restrictions in select regions mixed with caution.

**Copper** was again pushed above \$US10,000/t intra-session, before settling lower.

LME-registered warehouse copper stocks were calculated lower, at 132,775t.

**China's** April trade figures, anticipated tomorrow, are keenly anticipated.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7749	0.0024	0.31
<b>EUR – USD</b>	1.2007	-0.0005	-0.04

**US Data Tonight**

Initial jobless claims	1 May
Non-farm productivity	Mar Q
Challenger job cuts	Apr

**Other Overseas Data Today & Tonight**

<b>Japan</b>	BoJ monetary policy meeting minutes	27 Apr
<b>UK</b>	BoE monetary policy	6 May
UK	Services PMI (final)	Apr
<b>Germany</b>	Factory orders	Mar
Germany	Construction PMI	Apr
<b>Euro zone</b>	Retail sales	Apr
Euro zone	Construction PMI	Apr

**Black Canyon (\* BCA)**

WA-based, base metals-focused explorer completed an enviable listing yesterday, following a \$5M IPO at 20c per share. Opened at 32c and traded at 29.5c – 33c before settling at 30c. 5.12M shares were traded across 417 transactions. ~31.22M quoted shares.

**Energy****Red Sky Energy (ROG)**

Petrophysical analysis has identified a further 37m of potential net pay within the Killanoola 1DW-1 well.

Previously, ROG has reported 5m of proven pay.

**Trading Halts**

Company	Code	Resuming
Magnum Mining & Exploration	MGU	6 May
MedAdvisor Ltd	MDR	6 May
Walkabout Resources	WKT	6 May
Fonterra Shareholders' Fund	FSF	7 May
Kinetiko Energy	KKO	7 May
Lion Energy	LIO	7 May
Oventus Medical	OVN	7 May

**Suspensions (select)**

Company	Code	Since
Buddy Technologies	BUD	23 Apr
Clean Seas Seafood	CSS	5 May
Coronado Global Resources	CRN	3 May
Titanium Sands	TSL	23 Apr

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>API</b>	Today	1.5	100	1.70
<b>JMS</b>	Today	2	0	5.30
JHG	Mon	38	0	4.31
SEK	Mon	20	100	0.00
UOS	Tue	2	0	2.60
RMD	Wed	3.5	0	0.61
WBC	Thu (13 May)	58	100	1.19
ASG	14 May	2	100	0.00
PL8	14 May	0.4	100	4.03
QVE	17 May	1.1	100	4.38
SNC	17 May	2.5	100	6.32
WAA	18 May	3	100	2.67
KMD	20 May	1.57	100	0.00
IAP	27 May	4.53	0	tbc
PIA	28 May	1.25	100	4.00
FPC	31 May	3	100	0.00

**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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WAM	31 May	7.75	100	3.33
WGB	31 May	5	100	1.48

**Reports & Events**

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>ECX</b>	Interim
	<b>HT1</b>	AGM
	<b>IRE</b>	AGM
	<b>NAB</b>	Interim
	<b>RIO</b>	AGM
	<b>TPG</b>	AGM
	<b>ZEL</b>	Full year
<b>Tomorrow</b>	MQG	Full year
	REA	Mar Q ( <b>NB:</b> tele 8.30am)
	NWS	Mar Q ( <b>NB:</b> post-Thur US trade)
	PDL	Interim
<b>Tue</b>	MMM	Strategy day (Q&A tele 3pm AEST)
<b>Wed</b>	AST	Full year
	PPH	Full year (tele 9am)
	SIG	AGM
	SIQ	AGM
	TLX	AGM
	URW	AGM (6.30pm)
<b>Thu (13 May)</b>	ALD	AGM
	GPT	AGM
	IME	AGM
	ORI	Interim
	WPR	AGM
	XRO	Full year