

Markets

SFE 200 Futures (9.30am AEST)	6320	-30	-0.5
NZX 50	9982	15	0.2
DJIA Futures	26377	-13	-0.1
S&P 500 Futures	2922	-1	0.0
NASDAQ Futures	7751	-5	-0.1

Local Markets Commentary

The Australian market opens today's trade on negative overnight US equities leads.

Most other key international equities market were closed yesterday and overnight, promoting uncertainty also across commodities markets.

Locally today, NAB has reported earnings. Other high-profile stocks are supplying updates and/or hosting AGMS.

Stocks trading ex-dividend today include **API**. Please see p4 for a detailed list.

In addition, a March new home sales report is scheduled by some economists for release.

In overnight commodities trade, Brent **crude** extended Tuesday's gain a little. WTI was pushed lower.

US **gold** futures (June) turned to settle slightly lower, but fell further in post-settlement trade.

LME **copper** dropped. **Aluminium** swung higher.

The **\$A** retreated to ~US70.20c after approaching US70.60c early yesterday evening.

Japan's markets will remain closed for the remainder of the week, and Monday next week.

China's markets are also closed through to the end of the week.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26430	-163	-0.6
S&P 500	2924	-22	-0.8
NASDAQ	8050	-46	-0.6
FTSE 100	7385	-33	-0.4
DAX 30	12344	Public	Holiday
Shanghai Comp	3078	Public	Holiday

Overseas Markets Commentary

UK and US equities markets opened higher overnight, but turned lower, the FTSE 100 in early trade and US indices late-session, amid fresh political tension, disappointing data releases, and the US Federal Reserve's post-policy meeting statements.

This, in addition to speculation regarding the timing of any US—China trade agreement, and varied reactions to corporate reports.

Today's Stock Watch
National Australia Bank (NAB)

83c fully franked interim dividend, against 99c a year ago. 4.3% higher, \$A2.69B interim NPAT. 4.7% lower, \$A9.17B revenue. 7.1% higher, \$A2.95B cash profit. 10.4% CET1 ratio.

Woolworths Ltd (WOW)

March quarter (continuing operations) sales grew 4.2% year-on-year to \$A14.898B. Petrol (discontinued) sales dropped 8.1%, to \$A1.117B.

Additional component statistics lodged this morning.

AMP Ltd (AMP)

\$A1.8B March quarter wealth management net cash outflow.

AMP Capital AUM rose 4% to \$A194.6B

Additional March quarter statistic lodged this morning.

Further, AMP has appointed AMP Capital CFO and COO John Patrick (JP) Moorhead as CFO, effective 1 June.

Current CFO Gordon Lefevre is retiring from AMP.

Pendal Group (PDL)

37% lower, \$69.6M interim NPAT. 1% lower, \$97.4B average FUM. 2% higher, \$100.9B 31 March FUM. 20c interim dividend, down 2c.

Dexus Prop (DXS)

Acquiring 80 Collins Street, Melbourne for \$1.476B. DXS will hold 75% and Dexus Wholesale Property Fund 25%.

In association, DXS is conducting a \$900M fully underwritten institutional placement and an SPP capped at \$50M.

Hansen Technologies (HSN)

Acquiring Sigma Systems for ~\$C157M.

The purchase will be funded by a new, RBC Capital Markets-underwritten \$A225M bank debt facility.

Sigma customers include Altice, Inmarsat, Liberty Global, Sky, Telus, Telstra and Vodafone.

Teleconference scheduled for 11.30am AEST. Presentation and access details lodged post-trade yesterday.

Resources
Kidman Resources (KDR) / Wesfarmers Ltd (WES) / Western Areas (WSA)

WES is proposing to acquire 100% of KDR at \$1.90 per share via a scheme of arrangement. WES's interest in KDR is a 50% holding in the WA Mr Holland lithium project and plans to establish a refinery in the southern Perth suburb of Kwinana.

WES is conducting four weeks' exclusive 'confirmatory' due diligence, granted by a supportive KDR board.

KDR has traded at \$1.265 - \$1.37 over the past five trading sessions.



Further, major mainland European markets and key Asian markets were closed overnight and yesterday.

During second-half US trade, the **US Federal Reserve** post-policy meeting statements highlighted slowing consumer and business spending, and a soft inflation recognition, but also underscored the policy committee's views that the national economy was continuing to advance, and at a 'solid' rate.

Chairman Jerome Powell's subsequent statements, including 'transitory' inflation weakness, and 'no strong case' for any rate range move, combined with a 0.05% Fed reduction in the excess reserves rate (to 2.35%), produced a sharp drop in (post-settlement) Comex gold futures and major US equities indices.

The US Senate had earlier quizzed the attorney general on his response to the **Mueller report** into alleged Russia interference in the 2016 US election process, as a letter surfaced from Mr Mueller criticising the attorney general's March summary interpretation of his report.

In the **UK**, political tensions warmed with the PM and opposition leader promoting a possible agreement by next week on arrangements governing the planned UK withdrawal from the **European Union**.

In addition, the PM dismissed the defence secretary following a National Security Council leak investigation.

Among overnight **data** releases, the (**US**) ISM's April manufacturing index pulled back 2.5 points to 52.8, the lowest reading in ~2.5 years.

This pushed the \$US lower, although it recovered some during Federal Reserve chair Jerome Powell's comments.

Drops in orders and employment components appeared to concern the most.

An employment report calculated that 275,000 private sector jobs had been created during April, however, following 151,000 in March.

March construction spending was estimated 0.9% lower, after rising 0.7% in February.

A final April Markit manufacturing PMI represented a 0.2 gain to 52.6.

Weekly new mortgage applications tumbled 4.3%, after dropping 4.7% the previous week, despite a 0.04% decrease in average 30-year mortgage rates.

Earlier in the **UK**, the April manufacturing PMI had been reported two points lower, at 53.1

In addition, Bank of England-calculated March consumer credit dropped to £549M from £1.229B.

Tonight in the **US**, March quarter productivity, the ISM's April New York business activity index and March factory orders are due.

An April job cuts report and weekly new unemployment claims are also due, ahead of tomorrow night's April national workforce statistics.

Elsewhere, the **Bank of England** holds a policy meeting, after which the bank will release minutes and the governor then hold a press conference.

The central bank will also release an inflation report.

Companies scheduled to report earnings later today or tonight include: Activision Blizzard, BNP Paribas, Carlsberg, Coca Cola

Pre-Open Announcements

Apollo Tourism & Leisure (🔥 ATL)

Anticipating \$17.5M - \$19.5M FY 2019 NPAT, against \$19.2M for FY 2018.

360 Capital Group (** TGP)

TGP and telecommunications executive David Yuile have established an international digital infrastructure fund and associated businesses 50:50 JV, 360 Capital Digital Pty Ltd.

The new company is the investment manager and general partner to 360 Capital Global Digital Infrastructure Partners (GDIP), which is targeting 10% pa IRR and an initial \$US250M soft close target.

GDIP is conducting due diligence ahead of the potential purchase of an operating data centre in Australia, and a holding in a new data centre outside of Australia pre-supported by sub-sea cable companies.

In addition, GDIP is looking into a new dark fibre network outside of Australia, and potential 'investment in several telecommunication towers and cell sites'.

TGP and Mr Yuile are initially investing up to a combined \$US10M.

Further, TGP is underwriting an additional \$US10M of the equity raising.

carsales.com Ltd (* CAR)

CAR has appointed former PwC partner and PwC assurance COO David Wiadrowski as a non-executive director, effective 23 May. Mr Wiadrowski is a Vocus Group (ASX: VOC) non-executive director.

FinTech Chain (** FTC)

FTC's Ti-Linx system will be deployed in all 120 Rural Credit banks within the ShanXi province, China following trial testing conducted over 40 days.

The bank's funds clearing centre will receive a 0.02% transaction fee for RMB transaction volumes processed via the Ti-Linx system.

FTC settled at 13c yesterday, after dropping 21.21%. This followed a 23.26% tumble Tuesday.

Fisher & Paykel Healthcare (FPH)

Offering a full face mask to help with obstructive sleep apnoea, with sales commencing in Australia this month.

Spark Infrastructure (* SKI)

Macquarie conference presentation, including the outlook outlined at the company's February AGM, lodged post-trade yesterday.

SKI is presenting today.



Hellenic, Dow, ING, Kellogg, Lloyds, Motorola Solutions, Reckitt Benckiser, ResMed, Royal Dutch Shell, Teva Pharmaceutical, Volkswagen and Worldpay.

Unilever trades ex-dividend on the FTSE 100.

In overnight corporate news, **Apple**, which had reported post-Tuesday US trade, and promoted improving iPhone sales in China, while raising current quarter guidance, was pushed ~5% higher.

Chip manufacturer **Advanced Micro Devices**, which had also reported post-Tuesday US trade, was pushed lower on results considered lacklustre.

UK markets are heading towards a Monday public holiday weekend.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1284.2	oz	-1.5	-0.1
Silver (NY) (Jul)	14.729	oz	0.255	-1.7
Gold (LON)	1282	oz		
Platinum	866	oz	-20	-2.3
WTI Crude (Jun)	63.60	bbl	-0.31	-0.5
Brent Crude (Jul)	72.18	bbl	0.12	0.2
Iron Ore (CHN port 62%)	94.17	t		
Copper (LME,3mth,PM)	6232	t	-193	-3.0
Nickel	12165	t	-70	-0.6
Aluminium	1823	t	13	0.8
Lead	1855	t	-70	-3.7
Zinc	2760	t	-65	-2.3
Tin	19550	t	-10	-0.5
CBT Wheat (May)	4.37	bshl	0.09	2.0

Commodities Commentary

Oil – a weekly US petroleum inventories report, published overnight by government agency the EIA, revealed a 9.93MMbbl rise in stored crude following a 5.48MMbbl rise the previous week.

Petrol stocks rose by 917,000bbl after falling by 2.13MMbbl the previous week.

Sanction waivers for eight national customers of Iranian oil end tonight.

Political protests continued in the streets in Venezuela, for some adding to a blurring of potential international oil market stability.

Gold –the US Federal Reserve immediate post-policy meeting statement pushed prices higher, but they soon retreated and stayed low (below \$US1278.0/oz) following comments from chair Jerome Powell.

Earlier, Comex futures had settled just 0.1% lower.

Tonight's Bank of England policy statement, subsequent governor's press conference and inflation outlook could toy with currencies, and hence select gold sentiment, tonight.

Tomorrow night's US employment statistics are expected to influence late-week currency trade.

Base metals – low-volume trade reported overnight with markets in China, Hong Kong, Japan, Korea, Singapore closed, in addition to major online European markets.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AMP	Mar Q; AGM
	NAB	Interim
	PDL	Interim
	STO	AGM
	WPL	AGM
	WOW	Mar Q; AGM
Tomorrow	MQG	Full year
Mon	WBC	Interim

Trading Halts

Company	Code	Resuming
American Pacific Borate & Lithium	ABR	2 May
Aurelia Metals	AMI	3 May
Dexus Prop	DXS	3 May
Emu NL	EMU	3 May
FAR Ltd	FAR	3 May
GBM Resources	GBZ	3 May
Kingston Resources	KSN	3 May
Peninsula Mines	PSM	3 May
Tando Resources	TNO	3 May
Theta Asset Management	YTM	3 May
Threat Protect Australia	TPS	3 May
Venture Minerals	VMS	3 May
Wattle Health Australia	WHA	3 May
Zenith Energy	ZEN	3 May
Magnetite Mines	MGT	5 May

Suspensions (select)

Company	Code	Since
Admedus Ltd	AHZ	17 Apr
Axiom Mining	AVQ	26 Apr
First Growth Funds	FGF	4 Apr
Force Commodities	4CE	1 May
(The) Go2 People	GO2	10 Apr
Tempo Australia	TPP	29 Apr
YPB Group	YPB	4 Apr



China's trade talks with US officials in Beijing continued, amid 'progress' claims from both sides and external predictions of a possible deal mid-month.

An early weaker \$US (one-week low before the US Fed chair comments) and some stockpile figures helped support select trade.

PMIs, reported overnight for the UK and US, both disappointed.

Japan's and **China's** markets remain closed for the remainder of the week.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7015	-0.0000	-0.00
EUR – USD	1.1200	0.0005	0.04

Australian Data Today

<i>HIA</i>	<i>New home sales</i>	<i>Mar</i>
------------	-----------------------	------------

US Data Tonight

Challenger job cuts	Apr
Productivity	Mar Q
Factory orders	Mar
Initial jobless claims	26 Apr
ISM New York	Apr

Other Overseas Data Today & Tonight

UK	BoE policy statement	May
UK	BoE inflation report	May
UK	Construction PMI	Apr
Germany	Retail sales	Mar
Germany	Manufacturing PMI (final)	Apr
Euro zone	Manufacturing PMI (final)	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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ACQ	Today	3.5	100	5.69
API	Today	3.75	100	5.21
CBC	Today	1.7	100	3.14
OMH	Today	2	0	2.97
WAT	Today	2	100	2.99
JMS	Mon	2.5	0	14.71
PTB	Mon	7	100	6.29
NMT	Tue	2	50	0.00
RHP	Thu (9 May)	1	100	0.41
ANZ	13 May	80	100	5.72
NAB	14 May	83	100	tbc

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to or may be undertaking or about to commence research relating to, any of the companies mentioned herein.