

Markets

SFE 200 Futures (9.30am AEST)	6330	9	0.1
NZX 50	10036	-49	-0.5
DJIA Futures	26281	16	0.1
S&P 500 Futures	2920	2	0.1
NASDAQ Futures	7741	7	0.1

Local Markets Commentary

The Australian market commences Friday trade on mostly negative overnight equities and key commodities trade leads, ahead of influential data out of the US tonight and with the London Metals Exchange heading towards a Monday public holiday weekend.

Locally today, AiG releases its April services sector activity index pre-trade.

March building approvals are due from the Australian Bureau of Statistics (ABS) 11.30am AEST.

In addition, MQG has reported full year results.

In overnight commodities trade, **oil** and **US gold** futures (June) fell. LME **copper** extended Wednesday's tumble.

The **\$A** slipped below US70.00c after trading at ~US70.25c early yesterday evening.

Japan's markets will remain closed through Monday next week.

China's markets are also closed but will trade Monday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26308	-122	-0.5
S&P 500	2918	-6	-0.2
NASDAQ	8037	-13	-0.2
FTSE 100	7351	-34	-0.5
DAX 30	12345	1	0.0
Shanghai Comp	3078	Public	Holiday

Overseas Markets Commentary

Overnight China-US trade agreement speculation, mixed corporate earnings and news, falling oil prices, a snatch of positive US data, central bank considerations, and simmering geopolitical tensions again produced choppy trade and swings across major European and US equities markets.

Media report promotions included a reduction in US tariffs on Chinese imports and a possible agreement statement by the end of next week.

This week's high-level US-China talks in Beijing have concluded, with the next round confirmed for Washington next week.

In the **UK**, the **Bank of England** supported the British pound, raising its UK 2019 GDP growth prediction by 0.2% to 1.5%.

Today's Stock Watch

Macquarie Group (MQG)

16.6% higher, \$A2.98B full year NPAT.
 16.8% higher, \$A12.75B net operating income.
 \$3.60, 45%-franked final dividend. \$46.21 NTA.
 11% higher, \$A551.3B AUM.

Janus Henderson Group (JHG)

\$US94.1M March quarter net income, against \$US165.2M a year ago, and following \$US106.8M for the December quarter 2018.

\$US519.3B revenue, against \$US587.7B, and following \$US545.1B.

\$US357.3B AUM, 9% higher for the three months. \$US7.4B net outflows. US36c March quarter dividend.

Adjusted figures presentation and AGM chairman's speech (overnight Colorado, US) also lodged post-trade yesterday.

ResMed Inc (RMD)

4% lower, \$US105.4M March quarter NPAT.

12% higher, \$US662.2M revenue.

For the nine months to 31 March, NPAT is 63% higher, at \$US335.8M, and revenue 11% higher, at \$US1.9B.

US37c March quarter dividend.

Superloop Ltd (SLC)

QIC Private Capital is proposing to acquire SLC for the equivalent of \$1.90 per share. SLC says the proposal was unsolicited.

SLC has traded at \$1.585 - \$1.825 over the past five trading sessions, yesterday settling at \$1.81.

Dexus Prop (DXS)

\$900M, \$12.10-per-ataped security institutional placement completed, in support of the acquisition of a 75% holding in 80 Collins St, Melbourne. An SPP will follow.

DXS last traded Monday-Tuesday this week at \$12.50 - \$12.99, and Friday last week as high as \$13.09.

Ausdrill Ltd (ASL)

Offering \$US500M worth of guaranteed unsecured notes.

Funds are earmarked for redeeming outstanding 2022 secured notes issued by ASL subsidiary Barmenco, and for partial repayments of revolving credit facilities.

ASL fell 8.36% yesterday, settling at \$1.535 after trading as low as \$1.4975.

WhiteHawk Ltd (WHK)

New \$US28M, seven-year US Federal Government contract secured.

Details lodged this morning.



The central bank also forecast the inflation to rise beyond 2% during 2020, after falling to 1.6% this year.

Pending what happens with the UK's plans to separate from the European Union this year, governor Mark Carney warned at a post-policy meeting press conference that rates could begin to rise more quickly than anticipated by most.

For now, the bank expects just one rate move, a rise, by 2021.

Meanwhile in UK data releases, the April construction PMI rose to an expansionary 50.5 from 49.7.

Germany's final April manufacturing PMI represented a 0.3-point rise to 44.4.

March retail sales slipped 0.2% after rising 0.5% in February.

Year-on-year, sales were 2.1% lower.

The **euro zone's** final April manufacturing PMI was 0.4 higher than for March, at 47.9.

In the **US**, March quarter productivity was reported 3.6% higher year-on-year, following a 1.3% December quarter increase.

March factory orders also rose, by 1.9%, the most in nine months, following a 0.3% February decline.

The ISM's April New York business activity index also pleased, rising to 77.3 from 66.9.

An April job cuts report estimated 40,000 additional layoffs were planned during the month, following 60,600 in March.

Weekly new unemployment claims came in flat, following predictions of a 15,000 fall against last week's 37,000 jump.

The four-week moving average rose by 6500.

Tonight in the **US**, April national employment statistics are due, together with the ISM's services sector activity index.

March wholesale inventories and April vehicle sales are also expected.

Companies scheduled to report earnings later today or tonight include: adidas, Audi, BASF, Fiat Chrysler, HSBC, Lotte Chemical, Novo Nordisk and Société Générale.

In overnight corporate news, **Royal Dutch Shell** reported a smaller-than-expected quarterly profit pull back, following disappointing figures from a string of industry majors over the past week.

Across the Atlantic, **Dow** was pushed more than 5% lower following a 24% core profit drop. **DowDuPont** profit, separately reported, tumbled 28%.

Canada-headquartered aerospace and rail specialist **Bombardier** confirmed reports from earlier in the week, that it was considering selling its Northern Ireland business.

Meanwhile, California-headquartered **Beyond Meat** completed its NASDAQ listing, opening at \$US46 following a \$US25-per-share IPO.

Berkshire Hathaway will release results and host its AGM over the weekend.

UK markets, including the London Metals Exchange (LME) will be closed Monday, due to a public holiday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1272	oz	-12.2	-1.0
Silver (NY) (Jul)	14.617	oz	0.112	-0.8

Pre-Open Announcements

Amtcor Ltd (* AMC)

Both AMC and Bemis shareholders have approved the proposed AMC-Bemis merger.

ASX Ltd (* ASX)

April activity report lodged this morning, highlighting a 50% fall for the month in initial capital raised, but a 144% financial year-to-date jump.

National Tyre & Wheel (NTD)

Anticipating \$165M - \$175M FY 2019 revenue, in part due to March quarter sales volumes and revenue coming in lower than anticipated.

Normalised EBITDA is expected to be \$11.5M - \$12.5M.

Intending to pay a 2.05c-per-share final dividend.

FinTech Chain (FTC)

FTC has appointed non-executive FTC director Chris Ryan as independent chairman, effective today.

Former chairman Qiang Xiong will be known as president Xiong and deputy chair Louie Ki Shui Chow will be VP.

These two positions are the most senior FTC positions within China.

FTC volatility has continued, the company recouping 53.85% yesterday to settle at 20c.

Vonex Ltd (VN8) / Mineral Resources (MIN)

VN8's 2% royalty on WA Koolyanobbing iron ore output has come in at \$282,305 for the March quarter.

\$3M has been pre-paid, however.

GetSwift Ltd (GSW)

GSW has appointed former Genuine Parts Company VP sales and Rayloc division president Terrance White as a non-executive director.

GSW has traded at 18.5c - 26c for the week to date, yesterday settling at 19c.

Resources

Kirkland Lake Gold (* KLA)

Additional Ontario, Canada Macassa mine underground high-grade drilling assays lodged this morning.

Significant ramp development and reinterpreted historic results also lodged.

Capricorn Metals (CMM)

Shareholders applied for an initial ~\$4.6M worth of shares, and \$2.1M worth of top-up shares, in the recent 6.5c-per-share entitlement offer retail component which raised ~\$6.96M.

The top-up shares were scaled back to the originally announced \$600,000 pool cap.

Funds will support development of the WA Pilbara Karlawinda gold project.

CMM has traded at 8.3c – 9c for the week to date.



Gold (LON)	1284	oz		
Platinum	850	oz	-16	-1.9
WTI Crude (Jun)	61.81	bbl	-1.79	-2.8
Brent Crude (Jul)	70.75	bbl	-1.43	-2.0
Iron Ore (CHN port 62%)	94.17	t		
Copper (LME,3mth,PM)	6170	t	-63	-1.0
Nickel	12140	t	-25	-0.2
Aluminium	1819	t	-4	-0.2
Lead	1881	t	26	1.4
Zinc	2737	t	-25	-0.9
Tin	19275	t	-275	-1.4
CBT Wheat (May)	4.44	bshl	0.08	1.8

Commodities Commentary

Oil – a media consultancy reported indicated overnight that the number of active petroleum rigs within the US had risen by almost 20 this past week.

Genscape calculated in the meantime that Cushing, Oklahoma hub oil stocks had grown by 1.95MMbbl 26 – 30 April.

This, following an almost 10MMbbl increase last week in crude stockpiles, reported overnight Wednesday.

Meanwhile sanction waivers for eight Iranian oil customers ended overnight.

Turkey immediately stated it could not end all Iranian custom immediately without having to make changes to refineries, in particular owned by Tupras.

China complained about the pending end to the waivers last month.

For its part, Iran threatened a response to any OPEC member which harmed its interests. Saudi Arabia and other OPEC members have repeatedly maintained they could fill any supply gap.

A US weekly petroleum drill rig count is due tonight.

Gold – Comex futures fell to their lowest settlement for 2019 overnight.

The Bank of England policy statement, subsequent governor's press conference and inflation outlook each supported the British pound, but the ICE \$US index also rose, supported by a batch of positive data.

April US jobs creation and wages growth figures are likely to influence \$US and hence gold trade tonight.

The (US) ISM's services sector activity index is also keenly anticipated.

Meanwhile in supply-demand news, the World Gold Council reported March quarter gold demand had grown by 7% year-on-year, but this was against weak demand a year ago.

Central bank buying notably rose 68% year-on-year.

Base metals – overnight speculation that the US was prepared to pull back on some of its tariffs on goods exported from China boosted hopes for an agreement out of China's trade talks with US officials, which have concluded in Beijing, and follow-up talks planned in Washington.

However, a fall below a 200-day moving average hurt prospects for a turn higher for copper prices.

Higher zinc inventories and Hindustan Zinc's forecast of higher 2019-20 output further bruised zinc sentiment.

Tando Resources (TNO)

Resuming from a trading halt with scoping study results for the proposed first stage (mining and beneficiation) of SPD vanadium project, South Africa.

Energy

Allegiance Coal (* AHQ)

Chairman David Fawcett has resigned and retired.

MD Mark Gray is assuming the chairman's role temporarily.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	MQG	Full year
	RMD	Mar Q
Mon	WBC	Interim
Thu (9 May)	RIO	AGM (Perth, WA)

Trading Halts

Company	Code	Resuming
Emu NL	EMU	3 May
GBM Resources	GBZ	3 May
Kingston Resources	KSN	3 May
Peninsula Mines	PSM	3 May
Venture Minerals	VMS	3 May
Wattle Health Australia	WHA	3 May
Magnetite Mines	MGT	5 May
Alto Metals	AME	6 May
AuStar Gold	AUL	6 May
Bravura Solutions	BVS	6 May
Echo Resources	EAR	6 May
Fenix Resources	FEX	6 May
K2fly Ltd	K2F	7 May

Suspensions (select)

Company	Code	Since
Admedus Ltd	AHZ	17 Apr
Axiom Mining	AVQ	26 Apr
Force Commodities	4CE	1 May
(The) Go2 People	GO2	10 Apr
Tempo Australia	TPP	29 Apr
Triton Minerals	TON	2 May



Aluminium inventories also thwarted an extension to Wednesday's gain.

Japan's markets will remain closed through Monday.

China's will resume trade Monday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6996	-0.0003	-0.05
EUR – USD	1.1174	0.0002	0.02

Australian Data Today

AiG	PSI	Apr
ABS	Building approvals	Mar

US Data Tonight

Employment (incl jobs and wages)	Apr
ISM non-manufacturing	Apr
Wholesale inventories	Mar
Markit services, composite PMIs (final)	Apr
Vehicle sales	Apr

Other Overseas Data Today & Tonight

UK	Services PMI	Apr
Euro zone	CPI (initial)	Apr
Euro zone	PPI	Apr

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
JMS	Mon	2.5	0	14.49
PTB	Mon	7	100	6.25
NMT	Tue	2	50	0.00
RHP	Thu	1	100	0.43
JHG	10 May	US36	0	5.59
ANZ	13 May	80	100	5.87
NAB	14 May	83	100	7.70
ASG	16 May	2	100	7.76
ANC	16 May	3.5	100	8.00

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