

Markets

SFE 200 Futures (9.30am AEST)	6332	18	0.3
NZX 50	9998	-120	-1.2
DJIA Futures	24908	39	0.2
S&P 500 Futures	2754	5	0.2
NASDAQ Futures	7011	18	0.3

Local Markets Commentary

The Australian market opens today's trade ahead of a much-anticipated rates announcement from the Reserve Bank of Australia (RBA) this afternoon, but with the \$A appreciating overnight amid mixed and vacillating international equities and commodities trade.

The RBA announces the outcomes of today's policy meeting 2.30pm AEST.

This evening, RBA governor Philip Lowe will also address an RBA and business board dinner, **7.30pm AEST.**

Pre-trade, a weekly **consumer sentiment** reading is due.

The Australian Bureau of Statistics (ABS) is due to publish **April retail sales** and March quarter **balance of payments** figures (ahead of March quarter GDP tomorrow), **11.30am AEST.**

Meanwhile, **IPL trades ex-dividend today.** *Please see p3 for details.*

In overnight commodities trade, **oil** continued to decline, but at a substantially slower pace.

US **gold** futures (August) extended the current rally.

Iron ore (China port, 62% Fe) fell below \$US99.20/t.

LME **copper** turned to settle moderately higher.

The **\$A** was pushed to ~\$US69.75c after trading at ~\$US69.45c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24820	5	0.0
S&P 500	2744	-8	-0.3
NASDAQ	7333	-120	-1.6
FTSE 100	7185	23	0.3
DAX 30	11793	66	0.6
Shanghai Comp	2890	-9	-0.3

Overseas Markets Commentary

Major European equities markets fell on opening overnight, but were dragged higher in tranches, settling at or near session high gains, despite some disappointing data and the finance sector hit by falling bond yields.

US equities markets mostly chopped and swung, closing variously, the NASDAQ in particular impacted by reports of various pending

Reserve Bank of Australia - policy meeting outcomes 2.30pm AEST

RBA governor Philip Lowe addresses an RBA board and business dinner, **7.30pm, Sydney**

Australia economic indicators – April retail sales and Mar Q balance of payments **11.30am AEST**

Today's Stock Watch

Coca-Cola Amatil (CCL)

Selling the SPC fruit and vegetable processing business to Shepparton Partners Collective for \$40M. Subject to performance, CCL may receive an additional \$15M. CCL expects to realise a \$10M- \$15M profit.

Fletcher Building (FBU)

Anticipating \$NZ620M - \$NZ670M pre-significant items FY 2019 EBIT, in part due to the timing of the Formica Group sale. The ~\$US840M sale, to Broadview Holding BV. has been completed, with \$NZ1.185B proceeds anticipated. FBU is promising an update at a 26 June investor day.

Paradigm Biopharmaceuticals (PAR)

Safety primary end point realised in a pilot phase 2a trial of using pentosan polysulphate sodium to treat arthralgia induced by Ross River virus.

SRG Global (SRG)

\$NZ35M three-year asset services contract renewal secured with Transpower New Zealand.

Bod Australia (BDA)

BDA will sell and supply its MediCabilis medicinal cannabis product to research partner Cannabis Access Clinics, which is facilitating trial of cannabis extract ECs315 use in treating PTSD. BDA expects revenue over the 12-month period of the trial which is scheduled to commence immediately.

BDA has traded lower the past three sessions, yesterday settling at 24c.

Splitit Payments (SPT)

SPT has appointed former Intuit VP marketing Brad Paterson as MD, North America. SPT has traded at 65.5c – 79.9c over the past five trading sessions, yesterday settling at 71c.

Abacus Property Group (ABP) / Charter Hall Group (CHC) / Australian Unity Office Fund (AOF)

An ABP-CHC consortium is acquiring 19.9% of AOF for \$95.6M.

Mirvac Group (MGR)

Planning to outlay \$333.5M to acquire 490 build-to-rent apartments in Melbourne from the developer PDG. Pending the satisfaction of conditions including planning and redesign, MGR proposes to purchase the apartments when completed.



Federal investigations into allegations of competition breaches by Alphabet's Google, Amazon, Apple and Facebook.

In addition, US trade reacted for the first time to an assessment of the status of US-China trade relations as published late-weekend by China's State Council Information Office.

The paper advocated avoidance of crossing 'red lines', realistic demands regarding China's US goods purchases, recognition of development needs and a mutually respectful approach to seeking solutions that would satisfy common interests.

Mexico and US officials were scheduled to commence formal discussions in the US regarding the US president's proposed border security-related 'import taxes on all goods' announcement, but Mexico pre-empted these stating it would not agree to any proposals that it become a safe state for central America refugees.

Among overnight data releases, the **euro zone's** May PMI was finalised at 47.7, against 47.9 for April. This represented a fourth consecutive month of contraction for the region's manufacturing sector.

The **UK's** May manufacturing PMI fell into contraction mode, estimated at 49.4 from 53.1 in April. The last time the sector was deemed to be contractionary was July 2016.

In the **US**, the ISM's influential manufacturing activity index disappointed, slipping by 0.7 to 52.1, following expectations of a modest rise.

A final Markit May manufacturing PMI estimate came in at 50.5, against 52.6.

April construction spending was reported flat for the month and 1.2% lower year-on-year.

The March construction spending calculation was revised to a 0.1% increase rather than the initially estimated 0.9% decline.

May new vehicle sales were reported post-US trade at 17.3M, following 16.4M for April.

Tonight in the **US**, the **US Federal Reserve** Chicago branch commences a two-day policy conference at which US Fed governor Jerome Powell will deliver opening remarks. The governor is also expected to take questions.

Among US data releases, the ISM's New York business activity index, plus April factory and durable goods orders are due.

Elsewhere, the US president continues his UK visit.

AO World, POSCO, Ryanair, Salesforce.com (post-US trade) and Tiffany & Co are scheduled to report earnings or provide trading updates.

In post-US overnight trade, **Apple** began revealing its latest product updates.

Pre-Open Announcements

Spark Infrastructure (* SKI)

CFO Nicholas Schiffer has resigned, effective at the conclusion of a three-month notice period.

Sandon Capital Investments (* SNC) / Mercantile Investment Company (* MVT)

SNC is proposing to acquire the balance of MVT under an all-scrip off-market takeover.

SNC last traded at 82.5c and MVT at 15.5c. Each entered a trading halt yesterday, but will resume at today's open.

PKS Holdings (* PKS)

Clinical decision s subscription-based support provider scheduled to list on the ASX 11am AEST Thursday following a \$20.948M IPO at 20c per share.

121.141M quoted shares.

Audinate Group (AD8)

~3.94M shares are due to be released from escrow 30 June.

These were escrowed on AD8's 30 June 2017 ASX listing.

Resources

Ramelius Resources (* RMS)

MD Mark Zeptner has sold 1.5M RMS shares at a mean 88c each, in order to exercise 1.5M RMS options at 20c each and to cover associated tax.

Mr Zeptner now holds ~3M RMS shares (#10 top-10 RMS shareholder), 1.5M options and 500,000 performance rights.

RMS has traded at 85.5c – 98.5c over the past five trading sessions, appreciating 6.8% Friday last week, and ~1.1% yesterday, to settle day one of the new week at 95c after trading as high as 98.5c.

Calidus Resources (* CAI)

High-grade intersections returned from drilling across the Warrawoona gold project Klondyke shear.

Details, including several assays featuring shallow depths, lodged this morning.

Ongoing drilling, with additional assays pending.

Energy

Bounty Oil & Gas (* BUY)

Appraisal drilling update lodged this morning, featuring two potential producers within the Watson North field, Queensland.

Trading Halts

Company	Code	Resuming
Caravel Minerals	CVV	4 Jun
Deep Yellow	DYL	4 Jun
Krakatoa Resources	KTA	4 Jun

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1327.9	oz	16.8	1.3
Silver (NY) (Jul)	14.74	oz	0.173	1.2
Gold (LON) (31 May)	1317	oz	22	1.7
Platinum	820	oz	29	3.7
WTI Crude (Jul)	53.25	bbl	-0.25	-0.5
Brent Crude (Jul)	61.28	bbl	-0.71	-1.2
Iron Ore (CHN port 62%)	99.12	t	-2.48	-2.4
Copper (LME,3mth,PM)	5858	t	28	0.5
Nickel	11875	t	-120	-1.0



Aluminium	1773	t	-23	1.3
Lead	1814	t	11	0.6
Zinc	2473	t	-53	-2.1
Tin	19150	t	435	2.3
CBT Wheat (Jul)	5.20	bshl	0.17	3.4

Commodities Commentary

Oil – Saudi Arabia’s energy minister was reported to have again promised support for market stability through 2019 and Russia also reportedly declared it would co-operate with the OPEC-led agreement and any change to be negotiated mid-year.

This seemed to stem Friday’s crude trade angst.

Further to reports that Saudi Arabia had again cut production in May, a Saudi report estimated output at 9.65MMbbl/d. The kingdom had agreed to reduce to a daily 10.3MMbbl under the current agreement.

Meanwhile, Iran described US sanctions including against petroleum sector trade as ‘economic war’ and vowed no official new talks until the US ended these.

Gold – overnight trade again supported by no definitive sign of any resolution to US trade battles, as US bond prices, in particular 10-year treasuries, also continued higher. Gold traded at nine-week peaks.

In addition, the ICE \$US index fell ~0.5%.

Base metals – sentiment appeared mostly pushed and pulled overnight by data, trade disputes and a weaker \$US.

LME copper traded at five-month lows intra-session, but ultimately swung higher.

China’s 50.2 May manufacturing PMI, as estimated by Caixin and reported yesterday, represented the same level of activity as for April.

Japan’s final May manufacturing PMI, also published yesterday, fell to a contractionary 49.8, from 50.2.

May manufacturing PMIs for Australia (52.7: 54.8), the euro zone, UK and US which also came in yesterday and overnight proved mostly lacklustre if not disappointing.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6975	-0.0001	-0.02
EUR – USD	1.1245	0.0003	0.02

Australian Data Today

RBA	Policy statement	Jun
ANZ/RoyMgn	Consumer sentiment	2 Jun
ABS	Retail sales	Apr
ABS	Balance of payments	Mar Q

US Data Tonight

ISM New York	May
Factory orders	Apr

Predictive Discovery	PDI	4 Jun
Titan Minerals	TTM	4 Jun
Alice Queen	AQX	5 Jun
Core Lithium	CXO	5 Jun
Dacian Gold	DCN	5 Jun
Great Southern Mining	GSN	5 Jun
LBT Innovations	LBT	5 Jun
MGC Pharmaceuticals	MXC	5 Jun
Nickel Mines	NIC	5 Jun
NRW Holdings	NWH	5 Jun
PolarX Ltd	PXX	5 Jun
Volpara Health Technologies	VHT	5 Jun
Zenith Energy	ZEN	5 Jun

Suspensions (select)

Company	Code	Since
Alto Metals	AME	16 May
Alt Resources	ARS	3 Jun
Animoca Brands Corporation	AB1	14 May
Axiom Mining	AVQ	29 May
Blue Sky Alternative Investments	BLA	20 May
Bojun Agriculture Holdings	BAH	27 May
Carbine Resources	CRB	23 May
Cervantes Corporation	CVS	30 May
Gascoyne Resources	GCY	3 Jun
Infinity Lithium Corporation	INF	3 Jun
Pensana Metals	PM8	3 Jun
Symbol Mining	SL1	16 May
Vector Resources	VEC	27 May
XPD Soccer Gear Group	XPD	27 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
IPL	Today	1.3	0	1.87
JHX	Tomorrow	30.06	0	2.37
GTK	Thu	4.72	8.5	2.67
KMD	Thu	3.29	0	6.26
OFX	Thu	3.28	100	3.67
TCO	11 Jun	10	100	4.17
CIM	13 Jun	86	100	3.31
FPH	13 Jun	12.77	0	1.45
SHV	13 Jun	12	100	0.99
JYC	17 Jun	1.7	100	7.24
IFT	20 Jun	9.62	0	3.79
DLX	21 Jun	43	100	1.44
ARF	27 Jun	3.38	0	4.86
MSV	27 Jun	0.1	100	0.00
NEW	27 Jun	3.9	0	6.05
SYD	27 Jun	19.5	0	5.04
TCL	27 Jun	30	6.66	4.03



Durable goods orders

Apr

Other Overseas Data Today & Tonight

UK	Construction PMI	May
Euro zone	CPI (prelim)	May
Euro zone	Unemployment	Apr

Need More Information?

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