

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6275	25	<b>0.4</b>
<b>NZX 50</b>	9995	35	<b>0.4</b>
<b>DJIA Futures</b>	26270	-135	-0.5
<b>S&amp;P 500 Futures</b>	2917	-16	-0.5
<b>NASDAQ Futures</b>	7758	-46	-0.6

**Local Markets Commentary**

The Australian market commences today's trade amid ambiguity regarding US-China relations, and US naval fleet intent in the Middle East following claims of 'escalation', ahead of a post-policy meeting statement from the Reserve Bank of Australia (RBA) today.

Prior to this, key domestic data releases are due, including **March trade** and **retail sales** figures **11.30am AEST**.

The **RBA** statement is due **2.30pm AEST**. \$A swings are anticipated on expectations, statement content, and /or commentary from governor Philip Lowe.

Pre-trade, AiG's **construction sector activity** index (**42.6**, from 45.6) and a weekly **consumer sentiment** reading have been released.

**China's** April foreign reserves are expected anytime from this evening AEST.

In overnight commodities trade, **oil** settled with consecutive gains. US **gold** futures (June) slightly extended Friday's swing higher.

Iron ore (China port, 62% Fe) resumed trade also with an ultimate subdued rise.

The LME did not trade due to a UK public holiday. In the US, Comex copper traded at four-month lows before ending the session 0.4% higher.

The \$A approached US70.00c after trading at US69.85c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26438	-66	<b>-0.3</b>
<b>S&amp;P 500</b>	2932	-13	<b>-0.5</b>
<b>NASDAQ</b>	8123	-41	<b>-0.5</b>
<b>FTSE 100</b>	7381	Public	Holiday
<b>DAX 30</b>	12287	-126	<b>-1.0</b>
<b>Shanghai Comp</b>	2906	-172	<b>-5.6</b>

**Overseas Markets Commentary**

Major mainland European and US equities markets fell on opening overnight, but had trended higher and mostly then flattened by their respective settlements.

The FTSE was closed due to a UK public holiday.

Increased import taxes on up to \$US525B worth of goods from China, earmarked for a staged commencement Friday in a

**Australia - RBA policy meeting outcomes – 2.30pm AEST**  
**Australia – March trade balance and retail sales – 11.30am AEST**  
 \* Minerals exploration listing **11.30am AEST – MRZ \***

**Today's Stock Watch**
**GrainCorp Ltd (GNC)**

Long-Term Asset Partners (LTAP) has decided not to proceed with its indicative proposal for acquire GNC for \$10.42 cash-per-share. LTAP holds 4.2% of GNC. GNC settled at \$8.76 yesterday.

**Fletcher Building (FBU)**

FBU building products chief executive Michele Kernahan will leave FBU at the end of July, in favour of a new opportunity. As initially planned, CIO John Bell is retiring and intends to leave FBU by year's end

**Amcor Ltd (AMC)**

Awaiting US anti-trust approval for the proposed AMC-Bemis Company merger. Bemis is NYSE-listed.

**Credit Corp (CCP)**

CCP has scaled back SPP applications to \$A15M, after initially targeting \$A10M.

An earlier fully-underwritten institutional placement at the same price, \$20.45-per-share, raised \$A25M.

CCP has traded at \$23.42 - \$24.58 over the past five trading sessions.

**Resources**
**Perseus Mining (PRU)**

PRU has appointed Western Areas (ASX: WSA) MD and CEO Daniel Lougher as a non-executive director and head of the technical committee. This, as the company prepares to develop the Yaouré gold project, Côte d'Ivoire.

**Mont Royal Resources (\* MRZ)**

Explorer scheduled to list on the ASX **11.30am AEST** following a \$5M IPO at 20c per share. ~31.350M quoted shares.

**Energy**
**Invictus Energy (IVX)**

IVX has secured an MoU to supply gas from the Cabora Bassa JV project (IVX 80%) to Sable Chemical Industries' ammonium nitrate fertiliser operation, Zimbabwe.

Conditions include a Cabora Bassara commercial hydrocarbon discovery. Supply envisaged in the MoU includes up to 70Mcuft/d for 20 years.



statement from the US president Sunday, had spawned the initial angst.

Onlookers were keen to point out China had not cancelled this week's scheduled talks in Washington and that threats ahead of resolutions were not new in this setting.

China indicated the composition of this week's Washington delegation would likely change, however, and a US official subsequently maintained 25% tariffs (from 10%) on \$US200B of imports from China were set to commence Friday.

US naval vessel activity in the South China Sea yesterday also spawned a warning from China.

Among new data releases, the **euro zone's** March retail sales came in flat for the month and 1.9% higher than a year earlier.

A 52.8 final April services PMI reading represented a 0.5-point slip for the month.

**Germany's** final April services PMI was reported at a relatively strong 55.7, 0.1 higher than the initial estimate, and up 0.3 for the month.

**Tonight** in the **US**, an April jobs opening report, consumer credit update and economic optimism index are due.

Companies scheduled to report earnings later today or tonight include: Allergan, Anheuser-Busch Inbev, BMW, Ferrari, Lufthansa, Lyft, Mylan, Orix, Petrobras and Regeneron Pharmaceuticals.

Domino's Pizza is due to provide a trading update.

In overnight corporate news, **Kraft Heinz** announced it would need to relogged financial figures for 2016 and 2017 and three quarters of 2018, after an investigation revealed employee 'misconduct'.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Jun)</b>	<b>1283.8</b>	oz	2.5	0.2
<b>Silver (NY) (Jul)</b>	14.927	oz	-0.051	-0.3
<b>Gold (LON) (3 May)</b>	1279	oz	Public	Holiday
<b>Platinum</b>	874	oz	4	0.5
<b>WTI Crude (Jun)</b>	<b>62.25</b>	bbl	0.31	0.5
<b>Brent Crude (Jul)</b>	<b>71.24</b>	bbl	0.39	0.6
<b>Iron Ore (CHN port 62%)</b>	<b>94.34</b>	t	0.17	0.2
<b>Copper (LME,3mth,PM)</b>	<b>6236</b>	t	Public	Holiday
<b>Nickel</b>	12205	t		
<b>Aluminium</b>	1800	t		
<b>Lead</b>	1888	t		
<b>Zinc</b>	2769	t		
<b>Tin</b>	19200	t		
<b>CBT Wheat (May)</b>	<b>4.37</b>	bshl	-0.01	-0.3

### Commodities Commentary

**Oil** – prices swung overnight, early drops due to international growth concerns should US-China trade talks prove unsuccessful within the most recently expected timeframe.

In addition, a US aircraft carrier and other naval support en route to the Middle East, together with US comments on prepared-ness for attacks from Iran or allies, further fermented oil markets outlook considerations.

## Pre-Open Announcements

### Shaver Shop Group (\* SSG)

Narrowing FY 2019 normalised EBITDA from \$12.0M - \$14.5M to \$12.5M - \$14.0M.

Supporting underlying same store sales statistics lodged this morning.

### Empired Ltd (\* EPD)

Selected as reserve bidder to supply ICT infrastructure and systems services for a WA Government Main Roads contract (125/7).

### engage:BDR Ltd (\* EN1)

Heralding additional IconicReach statistics lodged this morning.

### SRG Global (SRG)

~3.41 shares will be released from escrow 20 May and ~3.72M shares 3 June.

## Resources

### Adriatic Minerals (\* ADT)

High-grade drilling results, indicating significant additional Vares polymetallic project mineralisation lodged this morning. Ongoing drilling.

### Pantoro Ltd (\* PNR)

WA Kimberley region Nicolsons gold mine Johnston lode drilling has delivered high-grade assays. Intersections lodged this morning.

### Anson Resources (ASN)

ASN presented at a New York conference overnight. Presentation lodged this morning. ASN has settled flat the past two trading sessions, at 5.9c.

### Kingsroze Mining (KRM)

KRM CFO and company secretary Karen O'Neill has been appointed CEO, effective immediately. KRM financial controller Chloe Lam has been appointed CFO. Interim CEO Stuart Bodey will return to consultancy and consult to KRM as needed.

### Alto Metals (AME) / Middle Island Resources (MDI)

AME is recommending shareholders reject MDI's five-for-one offer. Target's statement lodged post-trade yesterday.

### Liontown Resources (LTR)

LTR has pointed out that it does not endorse various estimates contained within independent research reports that were nonetheless uploaded onto, and distributed via, the LTR website.

LTR has consequently removed the reports from its site. LTR traded as high as 5.5c yesterday, on relatively high volume, before calling a trading halt. Trade ceased with LTR at 4.4c, 25% higher for the part-session.



Intra-session, Brent crude trade as low as \$US68.79/bbl and WTI at \$US60.04/bbl.

Among supply price news, Saudi Aramco was reported to have raised its June crude prices for Asian and European markets, and lowered these for the US.

US refiners in the meantime, were reported to be seeking alternative (to crude from markets now attracting sanctions or which have cut production due to the OPEC-led agreement) supplies from nations including Angola, Brazil, Iraq and Nigeria.

Private China group Hengli Petrochemical was reported by officials (supported by shipping figures) to be boosting supply from Saudi Arabia - up to 8MMbbl in April and similar expected for May - due to ramping of a new refinery operation.

Hengli confirmed it expected to continue custom with Iraq and Brazil and take 4MMbbl – 6MMbbl from Saudi Arabia each month from June.

Estimates of a daily 1.23MMbbl of imports from these nations during this month, represent a 100% increase on similar April imports.

**Gold** – traded higher earlier overnight, with equities out of favour on potential increased China tariffs.

Key data from both sides of the Atlantic, yet to come this week, is expected to keep currencies and prices on the move through to week's end.

**Base metals** – the LME did not trade overnight, due to a UK public holiday.

An April services PMI for **China**, calculated by Caixin and released yesterday, rose by 0.1 to 54.5.

Meanwhile, China's trade talks with **US** officials in Washington this week are set to go ahead, according to officials from both China and the US, but China suggested it may send a different delegation than initially planned.

In industry news, ArcelorMittal announced it would cease blast furnace and steel plant operations in Krakow, Poland in September, due to rising energy and carbon emission costs.

**China's April trade** figures, due **tomorrow**, could produce some caution tonight, although the LME has plenty to react to since Friday's trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6991	-0.0009	<b>-0.11</b>
<b>EUR – USD</b>	1.1201	0.0001	<b>0.01</b>

### Australian Data Today

ABS	Trade balance	Mar
ABS	Retail sales	Mar, MarQ
AiG	PCI	Apr
ANZ/RoyMgn	Consumer sentiment	5 May

Thursday and Friday last week, LTR traded 14.8% and 29.0% higher respectively, settling for the week at 4c after closing out the previous week at 2.7c.

## Energy

### Otto Energy (\* OEL)

Gulf of Mexico Green Canyon 21 Bulleit appraisal well drilling underway.

OEL is earning a 16.67% working interest by paying 22.22% of drilling costs.

Pending no interruptions, drilling is expected to be completed in ~six weeks.

### Triangle Energy (TEG)

11.19M shares are due for escrow 14 May (Tuesday next week), but under an agreement executed at the time of issue, the shares will be sold under a process in effect until 14 November.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>ECX</b>	Interim
<b>Tomorrow</b>	CSR	Full year
<b>Thu</b>	GRR	AGM
	ORI	Interim
	QAN	Mar Q
	QBE	AGM
	RIO	AGM (Perth, WA)
<b>Fri</b>	NWS	Mar Q (Thu PM, US)
	OSH	AGM
	REA	Mar Q

## Trading Halts

Company	Code	Resuming
Actinogen Medical	ACW	7 May
K2fly Ltd	K2F	7 May
Magnetic Resources	MAU	7 May
Troy Resources	TRY	7 May
Walkabout Resources	WKT	7 May
Anteo Diagnostics	ADO	8 May
Impression Healthcare	IHL	8 May
Jaxsta Ltd	JXT	8 May
Lepidico Ltd	LPD	8 May
TerraCom Ltd	TER	8 May
Xplore Wealth	XPL	8 May

**US Data Tonight**

JOLTS job openings	Mar
Consumer credit	Mar
IBD/TIPP economic optimism	May

**Other Overseas Data Today & Tonight**

<b>China</b>	Foreign reserves (6pm AEST)	Apr
<b>Japan</b>	Manufacturing PMI (final)	Apr
<b>UK</b>	Halifax house prices	Apr
<b>Germany</b>	Factory orders	Mar
Germany	Construction PMI	Apr
<b>Euro zone</b>	EC forecasts	Spring

**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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**Suspensions (select)**

Company	Code	Since
Admedus Ltd	AHZ	17 Apr
Axiom Mining	AVQ	26 Apr
Fenix Resources	FEX	6 May
Force Commodities	4CE	1 May
GBM Resources	GBZ	3 May
Magnetite Mines	MGT	6 May
Tando Resources	TNO	3 May
Tempo Australia	TPP	29 Apr
Wattle Health Australia	WHA	3 May

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>NMT</b>	Today	<b>2</b>	50	0.00
RMD	Tomorrow	US3.7	0	0.88
AYK	Thu	10	100	5.14
AYZ	Thu	25	100	4.33
RHP	Thu	1	100	0.49
JHG	Fri	US36	0	6.28
ANZ	13 May	80	100	5.81
MQG	13 May	360	45	4.26
NAB	14 May	83	100	7.64
ASG	16 May	2	100	7.63
PL8	16 May	3	100	5.58
SNC	16 May	3.5	100	7.78
WBC	16 May	94	100	6.93
ZEL	16 May	28.77	0	5.39