

Markets

SFE 200 Futures (9.30am AEST)	6253	14	0.2
NZX 50	10068	5	0.1
DJIA Futures	25979	-35	-0.1
S&P 500 Futures	2884	-4	-0.1
NASDAQ Futures	7640	-8	-0.1

Local Markets Commentary

The Australian market commences today's trade ahead of further key data out of China today, following US-China tit-for-tat talk overnight.

China's April CPI and producer prices are scheduled for release **11.30am AEST**.

Locally today, GNC and ORI have reported interim results pre-trade.

Industry updates are anticipated as high-profile stocks, including **CTX, GMA, QBE** and **RIO**, host AGMs.

In overnight commodities trade, **oil** bounced higher.

US **gold** futures (June) turned modestly lower.

Iron ore (China port, 62% Fe) pulled back.

LME **copper, nickel** and **aluminium** settled lower, copper only slightly so.

The **\$A** fell beneath US69.90c after approaching US70.15c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25967	2	0.0
S&P 500	2879	-5	-0.2
NASDAQ	7943	-20	-0.3
FTSE 100	7271	11	0.2
DAX 30	12180	87	0.7
Shanghai Comp	2894	-33	-1.1

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight, but while European indices settled at or near session highs, key US indices trended lower in the last 20 minutes of trade.

Geopolitical issues remained in focus, **Iran** announcing it would effectively no longer comply with a 2015 international nuclear agreement, the same agreement from which the US withdrew.

Earlier this week, the US dispatched an aircraft carrier, support vessels and strike aircraft to the Middle East, citing warnings out of Iran.

Overnight, the US also revealed it was introducing sanctions against Iran's industrial metals trade.

China – April CPI and PPI – 11.30am AEST

Today's Stock Watch
TPG Telecom (TPM) / Vodafone Hutchison Australia (HTA)

TPM and HTA plan to seek declaratory relief from the Federal Court regarding the Australian Competition & Consumer Commission's (ACCC) opposition to the proposed TPM-HTA merger.

In delivering its decision, the ACCC cited a 'very concentrated mobile services market'.

Orica Ltd (ORI)

\$32.9M interim NPAT following a \$229.3M net loss a year ago. 11.7% higher \$2.83B revenue.

22c interim dividend, up 10%. \$2.97 NTA, against \$3.079. \$1.8B net debt.

GrainCorp Ltd (GNC)

\$58.9M interim net loss, following a \$36M NPAT a year ago. 25.5% higher, \$2.49B revenue. Nil interim dividend.

Challenging eastern Australia conditions are expected to continue. Anticipating ongoing 'robust' northern hemisphere malt products summer demand.

Qantas Airways (QAN)

2.3% higher, \$4.4B March quarter revenue.

Easter timing and school holidays shifted a 'significant amount' of Jetstar international demand to April.

Adelaide Brighton (ABC)

Anticipating 10% - 15% lower FY 2019 (against \$190.1M) underlying NPAT, exclusive of property.

Resources
Rio Tinto (RIO)

AGM today in Perth, WA

Lithium Australia (LIT)

Lol secured with China battery manufacturer DLG Battery Co, for a potential 50:50 JV to supply and sell DLG lithium-ion batteries, packs and modules in Australia.

LIT proposes to purchase initial inventory with 12.5M LIT shares at 8c each.

LIT has traded at 7.8c – 8c over the past five trading sessions.

Energy
Caltex Australia (CTX)

\$138M March quarter RCOP EBIT, against \$238M a year ago. \$57M HCOP NPAT, against \$172M.

\$US7.53/bbl refiner margin. \$US10.96/bbl for April.

Today's AGM addresses and presentation lodged.



This, a week after ending sanction waivers for eight customers of Iranian oil, and with the US issuing another warning regarding these sanctions overnight.

Meanwhile, **China** expressed 'regret' it would need to respond in kind again, should the US raise, as reconfirmed overnight, import taxes on \$US200B worth of goods from China as from tomorrow.

However, the US administration claimed it had received positive indications from China that the delegation commencing new negotiations in Washington tonight remained focused on securing an ultimate trade agreement.

Among overnight data releases, **Germany** reported a 0.5% rise in March industrial production, following a 0.4% February gain.

In the **US**, weekly mortgage applications rose 2.7%.

Tonight in the **US**, March trade figures are keenly anticipated. Weekly new unemployment claims, April producer prices and March wholesale inventories are also due.

Companies expected to report earnings later today or tonight include: AngloGold Ashanti, Arcelor Mittal, AXA, BT Group, Duke Energy, Keurig Dr Pepper, Kirin Holdings, Lotte Shopping, Marubeni, Mazda Motor, Mitsubishi Corp, News Corp, Nippon Steel, Panasonic, Reva Medical, Revlon, Softbank Group, Sumitomo Metal, Symantec, UniCredit, Yamaha Corp and Yelp.

UK supermarket chain Morrison's is scheduled to provide a trading update.

BP will trade ex-dividend on the FTSE 100.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1281.4	oz	-4.2	-0.3
Silver (NY) (Jul)	14.862	oz	-0.064	-0.4
Gold (LON) (7 May)	1281	oz		
Platinum	859	oz	-9	-1.0
WTI Crude (Jun)	62.12	bbl	0.72	1.2
Brent Crude (Jul)	70.37	bbl	0.49	0.7
Iron Ore (CHN port 62%)	95.57	t	-0.58	-0.6
Copper (LME,3mth,PM)	6143	t	-15	-0.2
Nickel	11945	t	-90	-0.8
Aluminium	1798	t	-18	-1.0
Lead	1883	t	14	0.8
Zinc	2649	t	-45	-1.7
Tin	19425	t	5	0.0
CBT Wheat (May)	4.39	bshl	-0.025	-0.1

Commodities Commentary

Oil – China threatened overnight to retaliate if the US implemented increased tariffs tomorrow, but overnight oil prices nonetheless rose, in part due to US claims China's delegation had claimed, also overnight, that it would focus on reaching a trade deal while in Washington this week.

China's April crude imports, reported yesterday, rose 11% year-on-year. For January through April, the increase was 8.9%.

A US petroleum inventories report, published overnight by US government agency the EIA, included a 4MMbbl draw on stored crude and 600,000 fewer barrels of petrol.

Pre-Open Announcements

Pharmaxis Ltd (* PXS)

A committee advising the US FDA has recommended, in a nine-to-seven vote, the use of Bronchitol for adults in the suffering cystic fibrosis.

engage:BDR Ltd (* EN1)

Planning to use You Tube influencers (to those from Facebook, Instagram and TikTok) to IconicReach's marketing.

Details lodged this morning.

G Medical Innovations Holdings (GMV)

233.898M shares will be released from escrow tomorrow.

Resources

Liontown Resources (LTR)

WA Kathleen Valley lithium-tantalum project RC drilling has returned thick, high-grade assays, extending known lithium mineralisation beyond a 200m strike length, and bolstering resource upgrade expectations.

Three rigs in operation. A further 2600m of RC drilling planned within the next two weeks.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	CTX	AGM, Mar Q
	GMA	AGM
	GNC	Interim
	GRR	AGM
	HT1	AGM
	ORI	Interim
	QAN	Mar Q
	QBE	AGM
	RIO	AGM (Perth, WA)
Tomorrow	ABC	AGM
	NWS	Mar Q (Thu PM, US)
	OSH	AGM
	REA	Mar Q

Trading Halts

Company	Code	Resuming
Adslot Ltd	ADJ	9 May
Kopore Metals	KMT	9 May
Tempus Resources	TMR	9 May
5G Networks	5GN	10 May
Blackstone Minerals	BSX	10 May



US crude production fell by a daily 100,000bbl, to 12.2MMbbl/d. Net crude imports declined by a daily 432,000bbl to 4.4MMbbl/d.

Gold – gained early overnight on some safe-haven buying but was pushed lower on US administrative claims that China had ‘indicated’, as late as last night, that it was attending trade talks in Washington (tonight and tomorrow night) because it wanted a trade deal.

US trade figures tonight and CPI tomorrow night are likely to influence currency and hence gold trade.

Base metals – data, geopolitical scenarios and stockpiles pushed and pulled overnight trade.

China’s April trade statistics, reported yesterday, included a trade surplus drop from \$US32.67B to \$US13.84B.

Exports fell 2.7% and imports rose 4%.

Iron ore imports fell 2.6% year-on-year, and 6.5% for the month, to 80.8Mt.

Overnight, the US administration announced new sanctions on **Iran**, this time to do with industrial metals trade.

China is due to report April CPI and producer prices today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6994	0.0005	0.08
EUR – USD	1.1197	0.0004	0.04

US Data Tonight

Trade balance	Apr
Initial jobless claims	4 May
Producer prices	Apr
Wholesale inventories	Mar

Other Overseas Data Today & Tonight

China	CPI	Apr
China	PPI	Apr
Japan	Consumer confidence (3pm AEST)	Apr

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King Island Scheelite	KIS	10 May
Pacific Bauxite	PBX	10 May
VGI Partners Global Investments	VG1	10 May
Evolve Education Group	EVO	13 May

Suspensions *(select)*

Company	Code	Since
Admedus Ltd	AHZ	17 Apr
Axiom Mining	AVQ	26 Apr
Force Commodities	4CE	1 May
GBM Resources	GBZ	3 May
Impression Healthcare	IHL	8 May
Magnetite Mines	MGT	6 May
Tando Resources	TNO	3 May
Tempo Australia	TPP	29 Apr
TerraCom Ltd	TER	8 May
Wattle Health Australia	WHA	3 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AYK	Today	10	100	4.86
AYZ	Today	25	100	4.34
RHP	Today	1	100	0.48
JHG	Tomorrow	US36	0	6.22
ANZ	Mon	80	100	5.80
MQG	Mon	360	45	4.31
NAB	Tue	83	100	7.67
ASG	Thu	2	100	7.76
PL8	Thu	6.5	100	5.50
SNC	Thu	3.5	100	7.91
WBC	Thu	94	100	6.93
ZEL	Thu	28.77	0	5.42



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