

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6194	-14	<b>-0.2</b>
<b>NZX 50</b>	9760	52	<b>0.5</b>
<b>DJIA Futures</b>	26174	8	0.0
<b>S&amp;P 500 Futures</b>	2896	1	0.0
<b>NASDAQ Futures</b>	7644	3	0.0

## Local Markets Commentary

The Australian market opens today's trade ahead of key data out of China, a reported 6.5-month extension to 31 October (Halloween) for the UK's exit from the European Union, and further conference comments from the Reserve Bank of Australia (RBA).

The UK PM is reported to be considering the EU's offer.

Regionally today, **China** is expected to release **March CPI and PPI 11.30am AEST**.

Foreign direct investment figures are also anticipated anytime from today.

**Locally**, a monthly consumer inflation expectations report is due from the Melbourne Institute 10.30am AEST.

**Reserve Bank of Australia (RBA)** governor deputy governor **Guy Debelle** is scheduled to speak via video link on *Progress on Benchmark Reform* at an ISDA AGM, Hong Kong, **12.30pm AEST**.

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

US **gold** futures (June) gained for a fourth consecutive session.

**Iron ore** (China port, 62% Fe) continued lower for a second consecutive session, but remained above \$US94.5/t.

LME **copper** again settled lower, and **nickel** and **aluminium** turned so.

The **\$A** was pushed higher, to ~US71.70c, after appreciating beyond US71.55c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26157	7	<b>0.0</b>
<b>S&amp;P 500</b>	2888	10	<b>0.4</b>
<b>NASDAQ</b>	7964	55	<b>0.7</b>
<b>FTSE 100</b>	7422	-4	<b>-0.1</b>
<b>DAX 30</b>	11906	55	<b>0.5</b>
<b>Shanghai Comp</b>	3242	2	<b>0.1</b>

## Overseas Markets Commentary

Major European and US equities markets mostly opened higher, but intra-session sentiment diverged.

The FTSE notably chopped as the **UK** awaited a **European Union (EU)** leaders' post-trade decision on granting an extension, past

## China – March CPI and PPI – 11.30am AEST

**RBA** – deputy governor **Guy Debelle** speaks via video link on *Progress on Benchmark Reform*, to the International Swaps & Derivatives AGM, Hong Kong, **12.30pm AEST**

## Today's Stock Watch

### Bank of Queensland (BOQ)

10% lower, \$A156M interim NPAT.

8% lower, \$167M cash earnings.

2% lower, \$544M revenue.

34c fully franked interim dividend.

Capital notes dividends also declared this morning.

Expecting 2H earnings to be similar to 1H.

In addition, BOQ has appointed Patrick Allaway and Kathleen Bailey-Lloyd as non-executive directors, effective 1 May.

Mr Allaway is a Nine Entertainment Co (ASX: NEC), Domain Holdings Australia (ASX: DHG) and The Giant Steps Endowment Fund director.

Ms Bailey-Lloyd is a QBE Insurance Group (ASX: QBE) non-executive director and also a Melbourne Water director.

Teleconference scheduled for 10.30am AEST.

Access details lodged this morning.

### Netwealth Group (NWL)

FUA grew \$2.1B during the March quarter, to \$21.1B.

Additional statistics lodged this morning.

### Ausdrill Ltd (ASL) / Vysarn Ltd (VYS)

ASL is selling hydrogeological drilling assets for \$16M cash to Pentium Hydro and VYS.

### Amcors Ltd (AMC)

Unconditional anti-trust clearance in hand from regulators in Brazil for the proposed AMC merger with NYSE-listed Bemis.

Completion is anticipated 15 May.

### Inghams Group (ING)

ING has appointed Ricegrowers Ltd CEO and Rabobank Agribusiness advisory board member Rob Gordon as a non-executive director, effective immediately

Mr Gordon is also a former Viterra Inc CEO and MD.

## Resources

### Walkabout Resources (WKT)

Five-year agreement in hand for WKT to sell 10,000tpa – 30,000tpa of Tanzania Lindi project graphite concentrate to commodities trading group Wogen.



tomorrow's (12 April) formerly agreed extended deadline, for the planned UK separation from the EU.

Reports out of lengthy discussions indicated a new 31 October date and a June progress review.

In the US, the treasury secretary declared the **US** and **China** had essentially reached agreement on a formal process for enforcing any final bilateral trade agreement.

**US Federal Reserve** March policy meeting minutes revealed FOMC members advocated for a stay on rates for the remainder of the year, citing soft inflation, international trade flux and the UK's plans to separate from the European Union (EU).

While some members tempered their views regarding rate rises or falls on conditions including domestic data through the year, there was no general consensus of policy easing.

Earlier, the **European Central Bank** (ECB) policy meeting produced no change, as anticipated, including a likely stay on rates until at least year's end.

Notably, president Mario Draghi appeared keen to describe, at the post-meeting conference that regional recession risks remained low.

However, Mr Draghi also qualified remarks, citing protectionist views held by the US president, in particular this week when threatening the region with increased tariffs.

In new US economic indicator releases, March CPI was estimated 0.4% higher for the month and 1.9% higher year-on-year.

February consumer inflation had grown just 0.2%, and the March result proved the best rate of growth in 14 months.

A March budget statement included a \$US147B deficit, against a \$US234B February shortfall.

Weekly mortgage applications dropped 5.6% amid a 30-year mortgage rates increase, from 4.36% to 4.40%.

The **UK's** February trade deficit came in at £4.860B from £5.345B at the end of January.

Industrial production rose 0.6% for the month, following a 0.7% January improvement.

Year-on-year, February industrial output was 0.1% higher, against a 0.3% year-on-year January decline.

February GDP was estimated 0.2% higher for the month and up 2% year-on-year, following respective 0.5% and 1.5% January gains.

For the three months to the end of February GDP grew 0.3%, the same rate as reported for the January quarter.

**Tonight** in the **US**, March producer prices and weekly new unemployment claims are due.

Elsewhere, a final March CPI reading is expected for Germany.

Meanwhile, **India** commences lower house elections today, the voting scheduled to continue through 19 May.

In overnight corporate news, China's **JD.com** denied reports it was planning to reduce its workforce by up to eight per cent.

Northrop Grumman was reported to have won a \$US3.2B early-warning aircraft supply contract with the US defence.

UK supermarket chain **Tesco** pleased with better-than-anticipated full year operating profit.

## Pre-Open Announcements

### Electro Optic Systems (\*\* EOS)

Eos says none of its products has been deployed to, or used in Yemen.

The company exports its defence products only on formal approvals from Australia and the US, and only to allies and coalition partners of Australia and the US.

### CIMIC Group (\*\* CIM)

Today's AGM addresses and presentation lodged pre-trade.

### MyFiziq Ltd (\*\* MYQ)

Strategic partnership secured with Evolt360 IOH.

### Virtus Health (\* VRT)

VRT has secured transfer and collaboration agreements for the company's artificial intelligence (AI) software Ivy.

The agreements are with EmbryoScope time lapse incubator manufacturer Vitrolife, and with Australia-headquartered AI healthcare specialist Harrison.AI

Under the agreements, Harrison.AI and VRT will transfer Ivy-related IP and patent applications to Vitrolife.

Vitrolife will in turn collaborate with VRT and Harrison.AI, for an initial three years, on the development of IVY technology in association with time lapse incubators.

### WiseTech Global (WTC)

188,291 WTC shares will be released from escrow post-trade 30 April.

### 1414 Degrees (14D)

500,000 ASX-listed shares will be released from escrow 1 May. In addition, 14D intends to apply for ASX quotation of ~1.288M shares due to be released from escrow 27 April.

## Resources

### New Century resources (NCZ)

Produced 178,170t of zinc metal during the March quarter, and 37,500t of concentrate at 48.3% Zn & 152g/t Ag.

Additional statistics lodged this morning.

### Rio Tinto (\* RIO)

Speeches and presentation from last night's London AGM lodged pre-trade.

### Lynas Corporation (\* LYC)

Shareholder letter relating to last month's acquisition proposal from Wesfarmers Ltd (ASX: WES) lodged post-trade yesterday.

### Alloy Resources (AYR) / Silver Lake Resources (SLR)

WA Horse Well gold JV resource boosted 300% to 237,800oz. Mineralisation remains open at depth and along strike.

## Energy

### Whitehaven Coal (\* WHC)

March quarter production report lodged this morning.



**Novartis** suffered from an investment bank downgrade, while **Nordstrom** benefited from an upgrade.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Jun)</b>	<b>1313.9</b>	oz	5.6	0.4
<b>Silver (NY) (May)</b>	15.244	oz	-0.033	0.2
<b>Gold (LON)</b>	1300	oz	3	0.3
<b>Platinum</b>	902	oz	12	1.3
<b>WTI Crude (May)</b>	<b>64.61</b>	bbl	0.63	1.0
<b>Brent Crude (Jun)</b>	<b>71.73</b>	bbl	1.12	1.6
<b>Iron Ore (CHN port 62%)</b>	<b>94.61</b>	t	-0.24	-0.3
<b>Copper (LME,3mth,PM)</b>	<b>6468</b>	t	-22	-0.3
<b>Nickel</b>	13200	t	-30	-0.2
<b>Aluminium</b>	1867	t	-11	-0.6
<b>Lead</b>	1953	t	-29	-1.5
<b>Zinc</b>	2878	t	19	0.7
<b>Tin</b>	20850	t	-25	-0.1
<b>CBT Wheat (May)</b>	<b>4.63</b>	bshl	0.03	0.7

### Commodities Commentary

**Oil** – a weekly US petroleum inventories report published overnight by the EIA, included another significant rise in stored crude, this time by ~7.03MMbbl, ant production remaining at last week's record peak of 12.2MMbbl/d.

Petrol stocks fell by 7.7MMbbl, however, the most in a week in 17 months.

Crude exports also declined, by 374,000bbl/d and net imports rose a daily 210,000bbl.

OPEC's monthly report, also released overnight, revealed a 534,000bbl drop in overall daily production during March, to 30.02MMbbl/d.

The decline was mostly attributed to output cuts (-324,000bbl/d) by Saudi Arabia and power outages which adversely impacted Venezuela's production (fell below 1MMbbl/d).

The International Energy Agency (IEA) is due to publish its monthly report tonight.

**Gold** – supported overnight by confirmation of constrained economic views held by both the **European Central Bank** and **US Federal Reserve**.

US **CPI** rose on a monthly basis by more than anticipated, but a sub-2.0% annual rate of increase also supported gold sentiment.

**China** releases key economic figures today and tomorrow, and this could toy with currencies through week's end, in addition to the **European Union** (EU) leaders' decision on extending the process for the **UK** to withdraw from the EU.

**Base metals** – overnight trade was mostly pushed and pulled by currency considerations in relation to central bank pronouncements and data releases, ahead of key figures out of China today and tomorrow.

Among other overnight trader considerations, production from a new 2Mtpa *alumina* refinery in Abu Dhabi, UAE, was reported to be underway.

In *copper* news, community protestors had reportedly agreed to end blockade action against MMG's Las Bambas operation, Peru.

### Trading Halts

Company	Code	Resuming
Creso Pharma	CPH	11 Apr
KNeoMedia Ltd	KNM	11 Apr
Oneview Healthcare	ONE	11 Apr
Stavely Minerals	SVY	11 Apr
Admedus Ltd	AHZ	12 Apr
Adveritas Ltd	AV1	12 Apr
Aus Tin Mining	ANW	12 Apr
Gage Roads Brewing Co	GRB	12 Apr
Galena Mining	G1A	12 Apr
Integrated Payment Technologies	IP1	12 Apr
Lepidico Ltd	LPD	12 Apr
ParaZero Ltd	PRZ	12 Apr
Bigtincan Holdings	BTH	15 Apr
Rumble Resources	RTR	15 Apr

### Suspensions *(select)*

Company	Code	Since
AirXpanders Inc	AXP	2 Apr
Alchemia Ltd	ACL	29 Mar
First Growth Funds	FGF	4 Apr
Fortune Asia Group	FYA	5 Apr
(The) Go2 People	GO2	10 Apr
IAB Holdings	IAB	29 Mar
Ookami Ltd	OOK	5 Apr
Orinoco Gold	OGX	2 Apr
Stemify Ltd	SF1	1 Apr
US Residential Fund	USR	29 Mar
Vivid Technology	VIV	25 Mar
YPB Group	YPB	4 Apr

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>PIA</b>	Today	<b>3.5</b>	100	6.19
SIQ	Tomorrow	20	100	5.17
TPM	Mon	2	100	0.57
SOL	Wed	24	100	2.28
KGN	Thu (18 Apr)	6.1	100	1.46
NHC	Thu	8	100	5.00
TRA	Thu	3.82	85	7.10
UNV	Thu	2	0	2.63
1AL	23 Apr	1.5	0	5.91
NWH	23 Apr	2	100	0.75
RIC	23 Apr	1.5	100	3.04
EAS	24 Apr	1	100	2.12
MFF	26 Apr	1.5	100	1.00
CDM	29 Apr	3	100	4.52



**China** is due to report March producer prices and CPI growth today. March trade figures are anticipated tomorrow.

Yesterday, **Japan** reported a 0.3% monthly and 1.3% year-on-year rise in March producer prices. For the month, the same gain as for February.

March machine tool orders plunged 28.5% year-on-year, following a 29.3% February plummet.

February machinery orders rose 1.8% for the month, following a 5.4% January tumble. Year-on-year, February orders represented a 5.5% slide.

March bank lending rose 2.4%, against 2.3% in February.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7167	-0.0003	<b>-0.04</b>
<b>EUR – USD</b>	1.1276	0.0003	<b>0.02</b>

### Australian Data Today

MelbInst	Consumer inflation expectations	Apr
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### US Data Tonight

Producer prices	Mar
Initial jobless claims	6 Apr

### Other Overseas Data Today & Tonight

<b>China</b>	CPI	Mar
China	PPI	Mar
China	Vehicle sales (6pm AEST)	Mar
China	Foreign direct investment	Mar
<b>UK</b>	RICS house prices	Mar
<b>Germany</b>	CPI (final)	Mar

### 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)

SST	29 Apr	42.39	0	1.87
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