

Market Opener

Monday, 15 April 2019

Please see disclaimer at end
 of this document

Markets

S&P 200 Futures (9.30am AEST)	6236	0	0.0
NZX 50	9804	36	0.4
DJIA Futures	26420	12	0.1
S&P 500 Futures	2912	-1	0.0
NASDAQ Futures	7650	-2	0.0

Local Markets Commentary

The Australian market opens an Easter-shortened week's trade with positive new positive data out of China, and further influential regional, domestic and international data and corporate reports expected through the week.

Post-ASX trade Friday, China reported new lending rose to 1690B yuan in March, from 885.8B in February.

In overnight Friday commodities trade, **oil** swung higher **US gold** futures (June) turned to settle slightly higher.

Iron ore (China port, 62% Fe) gained, approaching \$US96.5/t.

LME **copper** turned and rallied.

The **\$A** appreciated a little beyond US71.70c, after trading at US71.55c early Friday evening.

Regionally today, China is expected by some to continue to report March figures, specifically foreign direct investment.

Regionally this week, a general election in **Indonesia**, scheduled for Wednesday, will be watched closely.

Locally today, a weekly capital city residential property price report is due pre-trade.

A spurt of domestic March quarter updates is anticipated through Thursday.

NB The ASX will trade for just seven sessions across this week and next. This week, markets in Australia, Hong Kong and New Zealand will be closed Friday, for Easter.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26412	269	1.0
S&P 500	2907	19	0.7
NASDAQ	7984	37	0.5
FTSE 100	7437	19	0.7
DAX 30	12000	65	0.5
Shanghai Comp	3189	-1	-0.0

Overseas Markets Commentary

Major European and US equities headed higher early in overnight Friday trade, in part buoyed by quarterly earnings reports from large US financial stocks that exceeded expectations.

Earlier Friday, China had reported a larger-than-anticipated jump in March exports and hence trade balance, supporting early oil trade.

Today's Stock Watch

IOOF Ltd (IFL)

Class action initiated in the NSW Supreme Court by Quinn Emanuel Urquhart & Sullivan, on behalf of certain shareholders holding IFL shares between 27 May 2015 and 9 August 2018. IFL describes the action as 'speculative and without foundation', adding that IFL 'does not engage in misleading or deceptive conduct'.

The action is associated with APRA-initiated legal proceedings against some IFL personnel following the recent finance royal commission.

Integrated Research (IRI)

IRI has appointed former TechnologyOne operating officer, global sales John Ruthven as CEO, effective early July.

Tinybeans Group (TNY)

LEGO Systems is planning to advertise DUPLO products on TNY's US site. Resuming from a trading halt. Last traded at 39.5c.

Uniti Wireless (UWL)

Outlaying \$450,000 cash for Pivot customer assets, the brand and associated IP, adding ~2000 customers to UWL's private fibre customer tally. Completion is anticipated by month's end.

Immunon Ltd (IMC)

March quarter sales grew 66% year-on-year, to \$A616,000.

engage:BDR Ltd (EN1)

Reporting a better-than-anticipated response last week to the company's expansion into cannabis advertising.

Resources

Rio Tinto (RIO)

Green light in hand for an additional \$302M capital spend to advance the Arizona, US resolution copper project.

Iluka Resources (ILU)

March quarter mineral sands production fell 29.7% year-on-year, and 22% for the quarter, to 280,500t.

Sales fell a respective 19.3% and 19.0%, to 248,600t.

Sales revenue fell 5.3% year-on-year and 21.3% for the quarter, to \$A264.1M.

Unexpected maintenance and shipping delays, plus pre-flagged lower grades and seasonal sales patterns impacted the figures.

Energy

CalTex Australia (CTX)

CTX's \$260.2M off-market buy-back has been completed with 11.1M shares re-purchased and an 86.86% scale-back.

CTX has traded higher the past seven sessions, closing at \$27.67 Friday.

The European Union (EU) in the meantime was reportedly planning to raise tariffs for goods imported from the US by \$US12B following the US president's broadened import tax threats earlier in the week.

Overnight Friday, the \$US had traded at its least against the euro in two weeks.

US data included March export prices, which rose 0.7% for the month and 0.6% year-on-year, against 0.7% and 0.3% respective February figures.

Import prices were flat year-on-year and up 0.6% for the month following a 0.8% February year-on-year drop and 1% February monthly gain.

The University of Michigan preliminary April consumer sentiment reading was estimated at 96.9, from 98.4 in March.

Earlier, the **euro zone's** February industrial production was reported to have declined 0.2% for the month after rising 1.9% during January.

Year-on-year, output was down 0.3%, against a 0.7% January fall.

Tonight in the **US**, the New York Fed publishes a regional manufacturing index.

Stocks scheduled to report earnings include Citigroup and Goldman Sachs.

In overnight Friday corporate news, **Chevron** announced plans to outlay a combined ~\$US30B worth of cash (25%) and shares (75%) to acquire **Anadarko Petroleum**. This pushed Anadarko ~30% higher.

Chevron's offer valued Anadarko at \$US65/share, but another proposal, valuing the company at \$US70/share was reportedly also submitted Friday, by **Occidental Petroleum**.

JPMorgan Chase quarterly figures came in better-than-anticipated, buoying the finance sector and sentiment in general.

Wells Fargo also pleased with quarterly results, but issued a warning regarding net interest income, predicting this could come in 2% - 5% lower for the year.

Walt Disney benefited from its post-Thursday US trade streaming service plans.

NB Major European and US markets will be closed Friday for Easter.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1295.2	oz	1.9	0.2
Silver (NY) (May)	14.963	oz	0.096	0.7
Gold (LON)	1299	oz		
Platinum	890	oz	-2	-0.2
WTI Crude (May)	63.89	bbl	0.31	0.5
Brent Crude (Jun)	71.55	bbl	0.72	1.0
Iron Ore (CHN port 62%)	96.47	t	0.82	0.5
Copper (LME,3mth,PM)	6508	t	95	1.5
Nickel	13015	t	65	0.5
Aluminium	1864	t	5	0.2
Lead	1932	t	11	0.6
Zinc	2924	t	52	1.8
Tin	20670	t	35	0.2
CBT Wheat (May)	4.66	bshl	0.01	0.2

Pre-Open Announcements

Decmil Group (* DCG)

\$105M contract secured with Major Road Projects Victoria.

Genex Power (* GNX)

Binding national electricity market connection agreement secured with Essential Energy for the 50MW Jemalong solar project, NSW.

Centuria Capital Group (CNI)

Conducting a 12-month, 10% staled securities buy-back.

Resources

Mineral Resources (* MIN)

\$US700M notes offer to US institutions.

Net cash is earmarked for refinancing credit facilities and capex commitments.

Details lodged this morning.

Metals X (* MLX)

Produced 3985t of copper in concentrate during the March quarter, against 5177t for the December quarter 2018.

Tin-in-concentrate production totalled 2061t, against 1798t.

\$74.3M cash and working capital.

MLX shipped \$31M worth (3890) of copper concentrate 2 April.

Red 5 (* RED)

Confirming Gold Fields has sold its 19.9% RED shareholding, acquired in association with RED's October 2017 purchase of the Darlot gold mine.

246.985M RED shares exchanged hands across just 12 transactions Thursday last week.

RED traded at 13.5c – 14c that day, and across last week at 12c – 14c.

BCI Minerals (BCI)

March quarter report lodged this morning.

\$A35.4M cash. Nil debt.

Alacer Gold Corporation (AQG)

AQG lodged the company's European Gold Forum presentation, promoting 'robust free cash flow', post-trade Friday.

Energy

Universal Coal (* UNV)

Reporting 4% higher March quarter ROM production and sales, against December quarter 2018 figures.

88 Energy (88E)

AGM presentation lodged pre-trade.

Commodities Commentary

Oil – China's surprise increase in March exports and trade balance supported early overnight Friday trade.

In addition, improved broad financial market sentiment also appeared to boost prices.

Further, military activity in Libya was also reported to have impacted an oil and gas facility owned by Libya's National Oil Corporation (NOC) and Italy's ENI, adding to supply speculation.

The NOC again reportedly warned that the elevated activity could be more serious than previous agitation and could severely impact Libya's crude exports.

Since Friday's settlement, industry majors have offered plenty of international oil market commentary which will not be ignored this week, despite a general market focus on data and earnings reports.

Iran has described international crude market balance as 'fragile', citing US positions on Iran, Venezuela and Russia.

In addition, reports emerged that Russia was perhaps pushing OPEC to boost production again, so as to bolster market share against the US.

Some reports quoted Russia's finance minister as the source of the new commentary, adding Russia anticipated prices could drop to \$US40/bbl in the short term following any decision to scrap the current output curb agreement.

Meanwhile, Brent crude had closed the week 1.7% higher and WTI with a 1.3% gain.

A weekly US petroleum rig count, published overnight Friday, included two additional operational oil rigs, following a 15-strong increase the previous week, pushing the tally to 833.

Gold – a flurry of influential international data across a truncated week for several major markets is expected to influence currency trade and hence gold sentiment this week.

The week begins in a relative pedestrian manner, data-wise, but key earnings reports continue tonight.

Any early significant trends in major earnings season, would also influence risk propensity.

Base metals – a softer \$US supported some overnight Friday trade, but the main focus was on data, including some concerning import figures from China.

Friday, **China's** March trade statistics had included a \$US32.64B trade surplus, against \$US4.08B at the end of February.

Exports jumped 14.2% after plunging 20.8% in February.

Overall imports dropped 7.6%, following a 5.2% February decline.

China's March quarter *iron ore* imports fell 3.5% year-on-year, to 261Mt.

March imports rose however, tallying 86.66Mt against 85.79Mt for March 20a8.

Vehicle sales, also reported post-ASX trade Friday, fell 5.2% after sliding 13.8% in February.

Trading Halts

Company	Code	Resuming
Bigtincan Holdings	BTH	15 Apr
De Grey Mining	DEG	15 Apr
DigitalX Ltd	DCC	15 Apr
OpenDNA Ltd	OPN	15 Apr
Orion Minerals	ORN	15 Apr
Paradigm Biopharmaceuticals	PAR	15 Apr
Perseus Mining	PRU	15 Apr
Rumble Resources	RTR	15 Apr
Altech Chemicals	ATC	16 Apr
Arafura Resources	ARU	16 Apr
Greenpower Energy	GPP	16 Apr
Marmota Ltd	MEU	16 Apr
Predictive Discovery	PDI	16 Apr
Tando Resources	TNO	16 Apr
Tomizone Ltd	TOM	16 Apr
Strandline Resources	STA	17 Apr

Suspensions (select)

Company	Code	Since
AirXpanders Inc	AXP	2 Apr
Alchemya 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 (%)
PL8	Today	0.5	100	5.71
TPM	Today	2	100	0.57
KAT	Tomorrow	0.5	100	3.69
SOL	Wed	24	100	2.29
KGN	Thu	6.1	100	1.36
NHC	Thu	8	100	4.96
TRA	Thu	3.82	85	7.10
UNV	Thu	2	0	2.56
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

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7176	-0.0002	-0.03
EUR – USD	1.1305	0.0000	0.00

Australian Data Today

CLgc	Capital city home property prices	12 Apr
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US Data Tonight

NY Fed (Empire State) manufacturing index	Apr
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Other Overseas Data Today & Tonight

China	Foreign Direct Investment (5pm AEDT)	Mar
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Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

MFF	26 Apr	1.5	100	1.00
CDM	29 Apr	3	100	4.55
SST	29 Apr	42.39	0	1.87

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