

Markets

SFE 200 Futures (9.30am AEST)	6508	13	0.2
NZX 50	10236	20	0.2
DJIA Futures	25876	1	0.0
S&P 500 Futures	2867	0	0.0
NASDAQ Futures	7469	5	0.1

Local Markets Commentary

The Australian market commences mid-week trade following encouraging trade talk signals from China and a swing to positive overnight US equities trade, ahead of closely-watched regional and domestic data releases.

This morning, China's US ambassador was reported to have stated the nation was still 'open' to resuming trade negotiations with the US.

Also regionally today, **Japan** is due to publish April trade figures **9.50am** AEST, amid a trio of key national reports today.

Locally, the Australian Bureau of Statistics releases its March quarter **construction work** report, **11.30am** AEST.

Westpac and the Melbourne Institute's monthly **leading indicators** report is due 10.30am.

In addition, **FMG** trades ex-dividend. *Please see pp3-4 for a detailed list.*

In mixed overnight commodities trade, WTI **crude** settled slightly lower and Brent higher.

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

Iron ore (China port, 62% Fe) climbed further.

LME **copper** continued to decline. **Nickel** and **aluminium** swung higher.

The **\$A** approached US68.85c after trading below US68.75c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25877	197	0.8
S&P 500	2864	24	0.9
NASDAQ	7786	83	1.1
FTSE 100	7329	18	0.3
DAX 30	12143	102	0.9
Shanghai Comp	2906	35	1.2

Overseas Markets Commentary

Notably choppy trade returned to major European equities markets overnight. Key US indices opened higher however, and overall gains never looked threatened.

Again, there was plenty to consider.

Japan – April trade balance 9.50am AEST

Today's Stock Watch

Australian Agricultural Company (AAC)

\$148.40M full year net loss, following a \$102.56M loss a year ago. \$422.47M adjusted sales, against \$542.65M.

\$1.42 NTA, against \$1.62.

Far northern Queensland and Northern Territory flooding and drought elsewhere impacted results by ~\$47M and \$60M respectively.

A teleconference was scheduled to commence 9am AEST.

SkyCity Entertainment Group (SKC)

SkyCity Malta and Gaming Innovation Group Inc are establishing an online casino, for New Zealanders, for which a mid-year launch is anticipated.

CIMIC Group (CIM) / Auckland International Airport (AIA)

CIM's CPB Contractors is preferred proponent for the international taxiway and remote stands project at Auckland's international airport.

CIM anticipates \$NZ200M revenue. Construction is scheduled for commencement mid-year and expected to be completed late-2021.

Redflow Energy (RFX)

Soul Energy has selected preferred supplier of up to 200 batteries for the first of several anticipated infrastructure projects throughout Australia.

Once Soul Energy secures the head contract for the initial project, commercial supply terms will be finalised.

Oventus Medical (OVN)

OVN's sleep treatment program is being implemented by a US regional sleep management medical specialist and North Carolina dental group Lane Dental.

Atomos Ltd (AMS)

Anticipating minimum \$50M FY 2019 revenue, against previous \$42.2M guidance and \$35.6M for FY 2018.

Ninja V and Shinobi sales have proved stronger than expected.

Resources

BHP Billiton (BHP)

Today's webcast investor and analyst strategy briefing presentation lodged.

Lithium Australia (LIT)

WA Youanmi project resource estimated at 185Mt @ 0.33% V₂O₅.

Details lodged this morning.



The US asserted it had deterred potential attacks from **Iran**, as militants in Yemen claimed responsibility for certain weaponed-drone attacks in Saudi Arabia.

In addition, the US administration announced a three-month reprieve on some restrictions for US companies doing business with **China's** Huawei.

Huawei itself did not offer a positive response, however, nor did China's ambassador for the European Union (EU).

Post Monday trade in the US, the **Federal Reserve** president had warned of corporate debt levels, but asserted the banking system had been positioned sufficiently to withstand any unanticipated shocks.

Overnight in the **UK**, the PM promised a referendum vote, should her proposed 'bold new' EU withdrawal plan be approved when put to a vote after parliament resumes (from a recess commencing the end of this week) 4 June.

In the meantime, the British pound traded at new five-month lows against the \$US.

Overnight data releases offered little inspiration, a **euro zone** preliminary May consumer confidence reading improving to -6.5 from -7.3 at the end of April.

A **UK** industrial trends orders index dropped to -10 from -5 in April.

In the **US**, April existing home sales declined 0.4% for the month, following a 4.9% March tumble. Year-on-year sales were down 4.4%.

Tonight in the **US**, Federal Reserve 30 April – 1 May policy meeting minutes are keenly anticipated, together with weekly mortgage applications.

Elsewhere, **European Central Bank** (ECB) president Mario Draghi is scheduled to speak publicly.

In the **UK**, April CPI and public sector finances are will be closely analysed.

Further **UK** parliamentarian public positioning is anticipated ahead of European Parliament elections, which commence later tomorrow.

Companies due to report earnings later today or tonight include: Analog Devices, Ctrip.com, Kraft Heinz, Lowe's, Marks & Spencer, Target and Tiffany & Co.

In overnight corporate news, select stocks in the computing component sector benefited from the US temporary easing of restrictions on doing business with Huawei.

US retailers' fortunes proved varied, **Kohl's** dropping more than 10% after cutting back guidance and reporting undershooting March quarter figures.

Home Depot pleased with better-than-feared earnings, but also disappointed with a lower-than-expected sales improvement.

*NB: **US** and **UK** markets (including the LME) are heading towards a Monday public holiday weekend.*

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1273.2	oz	-4.1	-0.3
Silver (NY) (Jul)	14.445	oz	0.057	0.4
Gold (LON) (20 May)	1277	oz		

Pre-Open Announcements

Bank of Queensland (BOQ) / BOQ Capital Notes (BOQPE)

Expecting to pay a BOQPE 95.07c fully franked distribution, 15 August.

Biannual chairman's letter lodged this morning.

MFF Capital Investments (* MFF)

MFF has appointed three independent non-executive directors, effective yesterday:

Canstar chair Annabelle Chaplain;

Taylor Collison principal and director Robert Fraser; and

World Olympics Association foundation president Peter Montgomery AM.

Additional roles held by the three new directors also lodged post-trade yesterday.

Macmahon Holdings (MAH)

Presentation lodged this morning. MAH is presenting in Singapore and Hong Kong today and tomorrow.

ASX Ltd (ASX)

Speaking notes and conference presentation lodged this morning.

ASX is presenting in Sydney today.

Avita Medical (AVH)

Conference presentation lodged post-trade yesterday.

AVH presented yesterday, trading at 47.5c – 50c and settling at 48c, 2.1% higher for session.

Serko Ltd (SKO)

11% lower, \$NZ1.6M full year NPAT. Income rose 28% to \$NZ24.58M. \$NZ15.73M net cash.

MotorCycle Holdings (MTO)

CFO and company secretary Eddie MacDonald has stepped down, effective yesterday.

MTO GM business and development and integration, and former MTO CFO, Bob Donovan is assuming CFO responsibilities temporarily.

Joint company secretary Nicole Spink will continue as company secretary.

Impression Healthcare (IHL)

Resuming from suspended trade with Federal Court orders, following an IHL application regarding certain shares and options trades not accompanied by a cleansing notice or prospectus.

IHL last traded at 2.2c.

Resources

Neometals Ltd (* NMT)

Barrambie vanadium-titanium-magnetite revised DFS outcomes lodged this morning.

Primary production of vanadium pentoxide and ferrovandium is deemed technically feasible and economically viable.

Champion Iron (CIA)

CIA has appointed CEO David Cataford as a director.



Platinum	815	oz	2	0.2
WTI Crude (Jun)	62.99	bbl	-0.11	-0.2
Brent Crude (Jul)	72.18	bbl	0.21	0.3
Iron Ore (CHN port 62%)	102.3	t	0.60	0.6
Copper (LME,3mth,PM)	6008	t	-21	-0.4
Nickel	12065	t	90	0.8
Aluminium	1796	t	5	0.3
Lead	1809	t	8	0.4
Zinc	2582	t	9	0.3
Tin	19475	t	25	0.1
CBT Wheat (Jul)	4.77	bshl	-0.02	-0.4

Commodities Commentary

Oil – Middle East tensions, shrapnel from the China-US trade dispute, and a warning regarding Russian supply to the European Union pushed and pulled prices overnight.

Varying views of supply-demand scenarios, over various time-frames, consequently abounded.

Meanwhile, **Iran**-linked Houthi militants in Yemen claimed they were behind drone attacks on a military facility and airport in **Saudi Arabia**.

For its part, the **US**, which has boosted its position in the Persian Gulf military, asserted it had prevented attacks from Iran.

The US energy secretary in the meantime offered that sanctions would soon be imposed in relation to a sub-sea gas pipeline project (Nord Stream 2) that will link **Russia** to Germany.

Elsewhere, **China's** Huawei maintained the US had 'underestimated' the company, even while the US eased some restrictions on US entities doing business with Huawei.

Overnight, the June WTI contract expired on settlement. The July contract settled 0.1% lower for the session, at \$US63.13/bbl.

The weekly US petroleum inventories report from the EIA is due tonight.

Gold – sentiment suffered overnight, in part from a resilient \$US, but also in response to a perceived effort to ease some drawbacks from US-international stoushes.

Federal Reserve policy meeting minutes, and anticipation ahead of these, will influence at least part of tonight's trade.

Base metals – inventories, a temporary US shift from the blacklisting of US business with Huawei and some corporate news influenced overnight trade.

Norsk Hydro revealed it had received approval from Brazil's federal court to ramp Alunorte *alumina* output to full capacity, the ramp up reportedly commencing yesterday.

Japan's April trade figures are due today, following encouraging GDP growth earlier this week.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6885	0.0001	0.01
EUR – USD	1.1165	0.0003	0.03

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AAC	Full year
	BHP	Strategy briefing
	DMP	Investor Qs teleconf
Tomorrow	ALL	Interim
	VEA	AGM
Fri	GTK	Interim

Trading Halts

Company	Code	Resuming
Alderan Resources	AL8	22 May
Hawkstone Mining	HWK	22 May
Infratil Ltd	IFT	22 May
Ovato Ltd	OVT	22 May
Pure Alumina	PUA	22 May
Technology Metals Australia	TMT	22 May
Venture Minerals	VMS	22 May
Woomera Mining	WML	22 May
AdAlta Ltd	1AD	23 May
Amani Gold	ANL	23 May
Arena REIT	ARF	23 May
AVZ Minerals	AVZ	23 May
Carbine Resources	CRB	23 May
Intiger Group	IAM	23 May
Lynas Corporation	LYC	23 May
Myanmar Metals	MYL	23 May

Suspensions (select)

Company	Code	Since
Alto Metals	AME	16 May
Animoca Brands Corporation	AB1	14 May
Blue Sky Alternative Investments	BLA	20 May
GWR Group	GWR	21 May
Millennium Minerals	MOY	21 May
Symbol Mining	SL1	16 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FMG	Today	60	100	3.44
GZL	Today	17	100	1.62
PDL	Tomorrow	20	10	6.47
CLF	Fri	5.25	100	4.44

**Australian Data Today**

Westpac/MelbInst	Leading index	Apr
ABS	Construction work	Mar Q

US Data Tonight

Fed Reserve policy meeting minutes	30 Apr-1 May
MBA weekly mortgage applications	17 May

Other Overseas Data Today & Tonight

Japan	Trade balance	Apr
Japan	Tankan index	May
Japan	Machinery orders	Mar
UK	CPI	Apr
UK	Public sector finances	Apr

Need More Information?

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

CIE	Mon	1.06	75	8.18
ELD	Mon	9	100	2.69
WHF	Mon	10	100	3.98
CSR	30 May	13	50	7.20
ORI	30 May	22	0	2.51
PMV	30 May	33	100	1.98
RHL	30 May	10	100	3.42
TNE	30 May	3.15	~75	1.15

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