

Markets

SFE 200 Futures (9.30am AEST)	6464	-29	-0.5
NZX 50	10204	-60	-0.6
DJIA Futures	25474	11	0.0
S&P 500 Futures	2821	2	0.1
NASDAQ Futures	7316	5	0.1

Local Markets Commentary

The Australian market commences Friday trade following overnight falls across international equities markets, with a CPI update from Japan in hand, and ahead of Monday public holiday weekends in the US and UK.

In overnight commodities trade **oil** slid.

US **gold** futures (June) rallied.

LME **copper** turned slightly higher. **Aluminium** swung to rally mode.

The **\$A** approached US69.00c after trading at ~US68.75c early yesterday evening.

Regionally this morning, **Japan** has published 0.1% April **CPI** growth for the month, and 0.9% year-on-year.

In addition, **New Zealand** has reported a \$NZ443M April trade surplus, following \$NZ922M at the end of March.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25490	-286	-1.1
S&P 500	2822	-34	-1.2
NASDAQ	7628	-123	-1.6
FTSE 100	7231	-103	-1.4
DAX 30	11952	-216	-1.8
Shanghai Comp	2853	-39	-1.4

Overseas Markets Commentary

Major European and US equities markets fell on opening overnight, amid fears for international economic growth prospects and as a batch of data releases disappointed.

In the **US**, public servants revealed the US administration was preparing to offer \$US16B worth of support to agribusinesses impacted by the adverse impacts from China trade negotiations.

European Central Bank (ECB) April policy meeting minutes revealed residual hope for demonstrable regional economic growth during the second half of 2019, but also that policy committee members were prepared to admit the odds had fallen.

In the **UK**, the PM put off revealing another proposal to govern arrangements for the UK's withdrawal from the European Union (EU), indicating a further alteration in an attempt to garner support.

Meanwhile, some MPs were reportedly considering party regulatory change in order to force the PM's resignation.

Japan – 0.1% April **CPI** growth

* Private equity listing **11am** AEST – **TIP** *

Today's Stock Watch

AusNet Services (AST)

AST has appointed Endeavour Energy CEO Tony Narvaez as MD, effective 1 November.

Current AST MD Nino Ficca is intending to retire at that time.

GWA Group (GWA)

GWA has appointed former Methven chair Alison Barrass as a non-executive director, effective today.

Ms Barrass is also a former CEO of Goodman Fielder New Zealand and Griffins Foods.

Her current directorships include with Spark NZ (ASX: SPK).

Sydney Airport (SYD)

Previously-accounted indemnities update lodged this morning.

Today's webcast AGM details lodged.

Estia Health (EHE)

Reducing expected FY 2019 EBITDA to \$92.0M - \$94.0M, representing a 2% - 4% increase on FY 2018 EBITDA.

Planning to lodged full year results 20 August.

Fisher & Paykel Healthcare (FPH)

Releasing a new nasal cannula product today, known as F&P Optiflow 3S.

Spirit Ltd (ST1)

\$1.1M contract secured with the Victorian government to install 5G broadband in Morwell.

ST1 already holds a \$1.7M internet installation contract with the Victorian government, for Horsham.

Teaminvest Private Group (* TIP)

Australian-focused private equity firm scheduled to list on the ASX **11am** AEST, following a \$3.97M IPO at \$1.00 per share.

Eight investments, six wholly-owned. ~111M quoted shares.

Resources

Metals X (MLX)

Tasmania Renison tin project resources have grown 22% to 17.55Mt @ 1.50% Sn, for 263,000oz of contained tin.

The overall resource grade has been boosted 14.5%.

Measured and indicated resources have increased 93% to 228,880t of tin.

Expecting a reserve update during the September quarter.

Syrah Resources (SYR)

Today's AGM materials lodged.



The British pound in the meantime traded ~3% lower than at the end of April, and was expected to fall below \$US1.260.

Among overnight data releases, initial May **euro zone** PMIs came in at 47.7 for manufacturing and 53.5 for the services sector, against 47.9 and 52.8 respectively in April.

In **Germany**, a final March quarter GDP reading confirmed growth at 0.4% for the three months and 0.7% year-on-year.

The IFO business climate index slipped 1.3 to 97.9.

May PMIs were initially estimated at a decidedly contractionary 44.3 for the manufacturing sector and healthy 55.0 for services, following 44.4 and 55.7 respectively for April.

In the **US**, April new home sales pulled back, dropping 6.9% following three consecutive months of higher sales, including an 8.1% March jump. Year-on-year, April sales were 7.0% higher.

Markit preliminary May PMIs came in at 50.6, down two points, for the manufacturing sector, and 50.9, down 2.1 for services, the greater component of GDP calculations.

The Kansas City Fed manufacturing index plummeted to two from 12.

Weekly new unemployment claims fell by 1000.

Tonight in the **US**, April durable goods orders are due.

Elsewhere, European Parliament elections continue. Voting commenced overnight and will continue through Sunday.

NB: US and UK markets (including the LME) will be closed Monday due to public holidays.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1285.4	oz	11.2	0.9
Silver (NY) (Jul)	14.613	oz	0.164	1.1
Gold (LON) (22 May)	1274	oz		
Platinum	798	oz	-5	-0.6
WTI Crude (Jul)	57.91	bbl	-3.51	-5.7
Brent Crude (Jul)	67.76	bbl	-3.23	-4.6
Iron Ore (CHN port 62%)	105.78	t		
Copper (LME,3mth,PM)	5943	t	11	0.2
Nickel	11895	t	-65	-0.5
Aluminium	1797	t	17	1.0
Lead	1816	t	7	0.4
Zinc	2527	t	-22	-0.9
Tin	19325	t	0	0.0
CBT Wheat (Jul)	4.71	bshl	-0.02	-0.5

Commodities Commentary

Oil – prices dropped the most in a session for the calendar year to date, Brent tumbling below its 200-day moving average.

Demand fears in the wake of deteriorating international trade relations appeared the dominant factor on trade, destroying risk sentiment.

Meanwhile, stocks of Iranian oil were reported to have increased to 46.1MMbbl onshore, the most in ~four months, and 20MMbbl offshore, against 13MMbbl during March.

Pre-Open Announcements

Gentrack Group (P GTK)

\$NZ8.7M interim net loss. 4.7% higher, \$NZ54.4M revenue. NZ 49c NTA.

Silver Chef (* SIV)

The exclusivity period for Next to negotiate a SIV take private option was due to expire today, but SIV has granted an extension until 14 June, to enable Next's discussions with SIV's financiers to continue.

Next has completed its due diligence.

In addition, SIV has requested that its financiers extend from 31 May to 30 June waivers relating to a 30 June 2018 debt covenants breach.

Further, an exclusivity period with a preferred party to provided \$45M worth of mezzanine debt has lapsed.

SIV appreciated 12.3% yesterday, settling at 77.5c.

Antisense Therapeutics (ANP)

Enrolment has been completed for ANP's phase II clinical trial for Duchenne muscular dystrophy, using the proposed ATL1102 immunomodulatory therapy.

ANP is planning for all patients to receive their doses by early November.

Farm Pride Foods (FRM)

Pleading ignorance in response to an ASX price query.

FRM appreciated 45.45% yesterday on relatively high-volume, after adding 7.32% Wednesday.

FRM settled at 32c yesterday, and traded as high as 33c, after closing out last week at 20c.

Powerwrap Ltd (PWL)

Financial advisor client portfolio administration and management systems provider completed its ASX listing yesterday, following a \$17.4M IPO at 35c per share.

Opened and closed on par, and traded at 29c – 37c intra-session. 5.61M shares changed hands across 491 transactions.

193.86M quoted shares.

eInvest Future Impact Small Caps Fund (IMPQ)

Managed fund commenced ASX trade yesterday.

Opened at \$4.02 and closed at its day one high of \$4.03.

2545 units were traded in three transactions.

Energy

Leigh Creek Energy (** LCK)

Heralding positive discussions with potential off-take parties for the Leigh Creek project.

Additional update details lodged this morning.

LCK has traded lower the past four trading sessions, yesterday settling at 22c after closing out last week at 29c.



May crude exports from Iran were estimated at a daily 500,000bbl, ~50% that calculated from shipping and industry figures for April.

A weekly US petroleum drill rig count is due tonight.

Gold – safe-haven purchases supported gold overnight, as the ICE \$US index pulled back from a two-year peak and as US 10-year government bond yields fell to almost 1.5-year lows.

European Central Bank policy meeting minutes revealed a view that potential 2019 international economic scenarios had broadened and that chances for second-half growth euro zone region had declined.

Base metals – international economic indicators, festering US-China trade relations and risk-off for general equities trade constrained overnight base metals sentiment, but other influences were also in play.

In the meantime, China's customs figures yesterday revealed a 70% monthly rise in *copper* scrap to 170,000t and a 100 increase in *alumina*, to 60,000t.

The International *Nickel* Study Group released its March shortfall estimate, 12,500t against 1000t for February.

In production news, Codelco was reported to have lowered output forecasts from the major Chuquicamata *copper* operation, for 2019 to 459,000t and for 2021 to 27,000t. This also helped support overnight copper prices.

Yesterday and last night, manufacturing PMIs for Japan (49.6, from 50.2), Germany (44.4; 44.4), the euro zone (47.7; 47.9) and US (50.6; 52.6 – Markit).

China's April industrial profits are anticipated **Monday**.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6900	0.0001	0.01
EUR – USD	1.1184	0.0001	0.01

US Data Tonight

Durable goods orders	Apr
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Other Overseas Data Today & Tonight

Japan	CPI	Apr
Japan	All industry activity index	Mar
UK	Retail sales	Apr

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Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	GTK	Interim
	SKI	AGM
	SYD	AGM
	SYR	AGM
Tue	GXY	AGM
Thu (30 May)	FAR	AGM
Fri	YAL	AGM

Trading Halts

Company	Code	Resuming
Strandline Resources	STA	24 May
Twenty Seven Co	TSC	24 May
Bojun Agriculture Holdings	BAH	27 May
Flamingo AI	FGO	27 May
Freedom Foods Group	FNP	27 May
Legend Corporation	LGD	27 May
Micro-X Ltd	MX1	27 May
Mincor Resources	MCR	27 May
Vector Resources	VEC	27 May

Suspensions (select)

Company	Code	Since
Alto Metals	AME	16 May
Animoca Brands Corporation	AB1	14 May
Carbine Resources	CRB	23 May
Blue Sky Alternative Investments	BLA	20 May
Jervois Mining	JRV	22 May
Millennium Minerals	MOY	21 May
Myanmar Metals	MYL	23 May
Symbol Mining	SL1	16 May
Venture Minerals	VMS	22 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CLF	Today	5.25	100	4.35
CIE	Mon	1.06	75	8.33
ELD	Mon	9	100	1.36
WHF	Mon	10	100	3.93
ALL	Wed	22	100	1.62
CSR	Thu	13	50	6.46
ORI	Thu	22	0	2.47



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PMV	Thu	33	100	1.92
RHL	Thu	10	100	3.40
TNE	Thu	3.15	75	1.23