

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6461	-2	<b>-0.0</b>
<b>NZX 50</b>	10126	-22	<b>-0.2</b>
<b>DJIA Futures</b>	25660	40	0.2
<b>S&amp;P 500 Futures</b>	2833	1	0.0
<b>NASDAQ Futures</b>	7324	8	0.1

**Local Markets Commentary**

The Australian market opens today's trade in the absence of overnight international equities and commodities trade leads, due to public holidays in the US and UK.

Yesterday, **iron ore** (China port, 62% Fe) continued yet higher, settling beyond \$US108.60/t.

Locally today, a weekly consumer sentiment reading is due pre-trade.

The **\$A** was pushed below US69.20c after trading at ~US69.25c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25586	Public	Holiday
<b>S&amp;P 500</b>	2826		
<b>NASDAQ</b>	7637		
<b>FTSE 100</b>	7278		
<b>DAX 30</b>	12071	60	0.5
<b>Shanghai Comp</b>	2892	39	1.4

**Overseas Markets Commentary**

Major mainland European equities markets largely traded positive overnight, but settled well below early-session gains.

The automotive manufacturing, oil and pharmaceuticals sectors were variously boosted by corporate news and constrained supply talk.

Markets were closed in both the US and UK, due to public holidays, but disagreements continued between the US and **China** and US and **Iran**.

Yesterday, reports emerged high-level US and Taiwan security officials had held discussions in the US during the 13 – 21 May visit by Taiwan security secretary-general David Lee. In particular Mr Lee and US national security advisor John Bolton were reported to have met.

China's foreign ministry promptly spoke of 'extreme dissatisfaction' and 'resolute opposition' to such events.

In addition, the US president concluded a Japan visit with a joint news conference with Japan's PM Shinzo Abe, claiming US sanctions against former Japan oil supplier Iran were crippling Iran and curbing its Middle East military activity.

**Today's Stock Watch**
**Australia & New Zealand Banking Group (ANZ)**

Redeeming the full issue, \$A750M worth, of wholesale floating rate notes due 25 June 2024.

**Invion Ltd (IVX)**

Reporting positive results from animal modelling of IVX's IVX-P02. IVX considers IVX-P02 could be used in treating metastatic cancer.

**Paradigm Biopharmaceuticals (PAR)**

Results from a further 22 patients with knee osteoarthritis who were injected with PAR's pentosan polysulfate, bring to more than 200 the total number of patients reporting a greater than 50% reduction in knee pain.

**Medlab Clinical (MDC)**

HoA secured with Mega Lifesciences Public Company for Mega Lifesciences to distribute the MDC cannabis-based medicinal product NanaBis in South America.

**Synlait Milk (SM1)**

Expecting to pay \$7.00 per kilogram of milk solids (kgMS) for the 2019-2020 season, and lifting the predicted 2018-19 price from \$6.25 kgMS to \$6.40 kgMS. The final 2018-19 price will be revealed when SM1 lodges its full year results in September. SM1 anticipates also revising its 2019-20 price at that time.

**Resources**
**Galaxy Resources (GXY)**

Financial update anticipated at today's AGM.

**Australian Vanadium (AVL)**

Pilot test work using ore from AVL's WA vanadium project has produced 99.4% vanadium pentoxide.

**Galileo Mining (GAL)**

WA Norseman project Subzero copper prospect sampling from outcropping surrounding historic workings have graded up to 19.9% copper.

**Energy**
**Senex Energy (SXY)**

Preferred tender status secured for Queensland Surat Basin block PLT 2018-1-1, comprising 153sq km located adjacent to the APLNG-operated Condabri development.

**Leigh Creek Energy (LCK)**

Leigh Creek energy project review lodged this morning, in part to support the 1153PJ 2P reserve certification lodged late-March.

LCK appreciated 25% Friday last week, on a commercialisation plans update. Yesterday, the company added 3.6%, settling at 28.5c.



The president promoted a possible new nuclear deal with Iran, including with support from Japan, but Iran responded with claims nuclear weapons had been prohibited within Iran and that US policy was only serving to ratchet Middle East tensions and hurt Iranians.

Friday, the US administration had confirmed the additional military presence in the Middle East this past month would again be boosted.

Further, the US president yesterday touted a potential 'good' outcome with North Korea, again with support from Japan.

The president also claimed progress with trade talks with Japan, in particular with respect to agriculture, a sector struggling in the US due to soured US-China relations, but promised nothing definitive until at least July.

In the **UK**, jostling continued in the wake of PM Theresa May's Friday announcement that she would step down from her Conservative leadership role 7 June.

Results from European Parliament elections, favouring pro-EU parties in much of the European Union, and hard-line EU separationists within the UK, appeared to flavour the comments of contenders to be the UK's next PM.

**Tonight** in the **US**, two house price indices, a consumer confidence reading and a Texas region manufacturing index are due.

Elsewhere, European Union (EU) heads of state or government are meeting informally over dinner in Brussels, to commence the process for nominating heads of EU institutions, given the conclusion of European Parliament elections.

In overnight corporate news, following weekend reports of 'partnership' talks, **Fiat Chrysler** announced it was proposing a merger with **Renault** in an ~€33B deal that would see shareholders of both groups own 50:50 of the new entity.

Approvals would need to also come from Renault alliance partners **Nissan** and **Mitsubishi** Motor plus the French and Italian governments.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1283.6	oz	Public	Holiday
Silver (NY) (Jul)	14.555	oz		
Gold (LON)	1283	oz		
Platinum	804	oz		
WTI Crude (Jul)	58.63	bbl		
Brent Crude (Jul)	70.11	bbl		
Iron Ore (CHN port 62%)	108.62	t	3.30	3.1
Copper (LME,3mth,PM)	5969	t	Public	Holiday
Nickel	12430	t		
Aluminium	1802	t		
Lead	1831	t		
Zinc	2558	t		
Tin	19290	t		
CBT Wheat (Jul)	4.88	bshl		

### Commodities Commentary

**Oil** – prices continued higher in low-volume overnight trade.

## Pre-Open Announcements

### Ramsay Health Care (\* RHC)

RHC CFO and finance director Bruce Soden is planning to step down from these roles during the second half of the year, following 30+ years with Ramsay.

### WorleyParsons Ltd (\* WOR)

WOR has appointed Juan José Suárez Coppel as an independent non-executive director, effective yesterday.

Dr Coppel is a former CEO of Petróleos Mexicanos (PEMEX) and a previous Mexico Minister of Finance chief of staff.

Dr Coppel has recently also retired as a Jacobs Engineering Group director, of further consequence to WOR, which has acquired the Jacobs Engineering Group's ECR business.

In association, 12-year WOR director Catherine Livingstone has decided not to continue on the WOR board following the company's 2019 AGM.

### Bingo Industries (\* BIN)

Fatality reported yesterday at the BIN-operated Eastern Creek, Sydney site.

### Pro-Pac Packaging (PPG)

PPG has appointed CEO Tim Welsh also as MD.

As previously flagged, director Ahmed Fahour is retiring from the PPG board 30 June.

## Resources

### Ausgold Ltd (AUC)

WA Katanning gold project RC drilling has returned several high-grade intersections.

Details lodged this morning.

### Toro Energy (TOE)

Initial aircore drilling within TOE's WA Yandal gold project, plus early geological review work, has confirmed a new target.

## Energy

### Buru Energy (\* BRU)

Pleading ignorance in response to an ASX price query.

BRU appreciated 6.45% yesterday, settling at 33c and trading as high as 36c, after adding 26.53% Friday last week.

Almost 400 trades were recorded Friday and 341 yesterday.

This morning, BRU has also lodged its weekly WA onshore Canning Basin Ungani 6H drilling report.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	GXY	AGM
Thu	AFT	AGM



Brent crude was sitting at \$US70.11/bbl at the end of *shortened ICE trade during the UK public holiday*. This represented an ~2.1% (\$US1.42/bbl) rise from Friday's closing price.

*Limited Nymex trade overnight, during the US public holiday, means no official WTI settlement price.*

**Gold** – futures reportedly traded higher than Friday's Comex close overnight, during minimal overnight trade, mostly at ~\$US1284.5/oz - ~\$US1285.3/oz before approaching \$US1290/oz. Spot prices reportedly reached ~\$US1287.3/oz.

Tomorrow's second (of three) March quarter **US GDP** estimate is expected to move prices mid-week.

In addition, a financial stability report due out of the **European Central Bank** tomorrow, could also influence gold sentiment.

*Limited Comex trade overnight, during the US public holiday, means no official settlement price.*

**Base metals** – the **LME** did not trade **overnight**, due to a public holiday in the UK.

*In addition, US Comex and Nymex trade was limited, due to a US public holiday.*

Yesterday, Shanghai *copper, nickel* and *aluminium* futures gained, in part attributed to the Chinese premier's promise to curb manufacturing sector VAT taxes.

Aluminium was also supported after Henan Shenhua Coal & Power Co revealed an aluminium facility fire on Sunday had cut 250,000t worth of capacity.

Meanwhile, the World Steel Association reported 157Mt of steel had been produced during April, 6.4% more than for April 2018.

China's output was estimated at 85Mt, 12.7% higher year-on-year.

Among data releases yesterday, **China's** January - April industrial profits were reported 3.4% lower, following a 3.3% year-on-year fall for January – March.

In Japan, a final March leading economic index was reported at 95.9, against 97.1 for February, and following expectations of 96.3.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6920	0.0002	<b>0.03</b>
<b>EUR – USD</b>	1.1192	0.0001	<b>0.01</b>

### Australian Data Today

ANZ/Roy Morgan	Consumer sentiment	26 May
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### US Data Tonight

FHFA home prices	Mar
Case-Shiller home prices	Mar
Dallas Fed manufacturing	May
Conference Board consumer confidence	May

	CGC	AGM
	FAR	AGM
	TGA	Full Year
<b>Fri</b>	MSB	Q3
	SHV	Interim
	YAL	AGM

### Trading Halts

Company	Code	Resuming
Estrella Resources	ESR	28 May
Ahalife Holdings	AHL	29 May
Axiom Mining	AVQ	29 May
Cape Lambert Resources	CFE	29 May
CropLogic Ltd	CLI	29 May
Greenpower Energy	GPP	29 May
Kogi Iron	KFE	29 May
Metalicity Ltd	MCT	29 May
Pointerra Ltd	3DP	29 May
Uniti Wireless	UWL	29 May

### Suspensions (select)

Company	Code	Since
Alto Metals	AME	16 May
Animoca Brands Corporation	AB1	14 May
Blue Sky Alternative Investments	BLA	20 May
Bojun Agriculture Holdings	BAH	27 May
Carbine Resources	CRB	23 May
Micro-X Ltd	MX1	27 May
Symbol Mining	SL1	16 May
Vector Resources	VEC	27 May
XPD Soccer Gear Group	XPD	27 May

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALL	Tomorrow	22	100	1.57
CSR	Thu	13	50	6.48
GCI	Thu	0.88	0	4.07
ORI	Thu	22	0	2.51
PMV	Thu	33	100	1.90
QRI	Thu	0.65	0	1.01
RHL	Thu	10	100	3.42
TNE	Thu	3.15	75	1.25
ALQ	3 Jun	11.5	35	2.79
NAC	3 Jun	1.35	100	6.05
NSC	3 Jun	1	100	9.09



**Other Overseas Data Today & Tonight**

<b>UK</b>	Mortgage approvals	Apr
<b>Germany</b>	GfK consumer confidence	Jun
Germany	Export & import prices	Apr
<b>Euro zone</b>	Business climate; economic confidence	May

**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)

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