

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5709</b>	<b>-4</b>	<b>-0.1</b>
<b>NZX 50</b>	7423	10	0.1
<b>DJIA Futures</b>	21068	2	0.0
<b>S&amp;P 500 Futures</b>	2414	0	0.0
<b>NASDAQ Futures</b>	5794	2	0.0

## Local Markets Commentary

Cautious Australian trade is expected to continue today, pending no major events.

US and UK equities and commodities markets are providing no official leads due to Monday public holidays, China observes a second consecutive public holiday today, and influential domestic and international data releases are anticipated from mid-week.

Locally today, April building approvals are due 11.30am AEST. Pre-trade, a weekly consumer sentiment reading will be published.

Regionally, **Japan** releases several April economic indicators, including trade balance, employment, retail sales and household spending, from **9.30am AEST**.

In limited electronic overnight commodities trade, **oil** prices vacillated, ultimately trending a little lower. US **gold** futures shifted slightly lower.

The **\$A** essentially trod water in thin currency trade, after approaching US74.40c early yesterday evening.

**China's** markets will remain **closed today** due to a public holiday.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>21080</b>	Public	Holiday
<b>S&amp;P 500</b>	2416		
<b>NASDAQ</b>	6210		
<b>FTSE 100</b>	7548		
<b>DAX 30</b>	12629	27	0.2
<b>Shanghai Comp</b>	3110	Public	Holiday

## Overseas Markets Commentary

Mainland European equities markets produced varying settlements following choppy, thin overnight trade.

US and UK markets did not trade due to public holidays.

**European Central Bank** (ECB) president Mario Draghi again resisted calls to tighten monetary policy, conceding to a European Parliament economic committee that a wider range of economic indicators had improved.

Putting paid to any expectations for next week's policy meeting, Mr Draghi repeated that low underlying inflation and minimal wages growth in particular still risked sustainable regional progress.

In the **UK**, the PM and opposition leader fought to adequately respond to questioning in a live prime-time television audience encounter ahead of the 8

Second last trading day for May

**Japan** - April trade, workforce, retail sales, household spending - from **9.30am AEST**

## Today's Stock Watch

### Sydney Airport (SYD)

Today's AGM presentation lodged.

### Synlait Milk (SM1)

Proposing to purchase The New Zealand Dairy Company (NZDC) for \$33.2M. SM1 also anticipates spending \$56.5M on a blending and canning facility under construction by NZDC. The plant is expected to be commissioned in October.

In addition, SM1 is forecasting a FY2018 \$6.50/kgMS milk price. A FY 2017 price update is promised for 16 June.

SM1 expects to be able to release a final FY 2017 price late September, together with an update to the expected FY 2018 price.

### Department 13 International (D13)

Mesmer<sup>TM</sup> counter drone software and hardware multiple system sales secured with a supplier to Australasian defence and other government clients.

### Aristocrat Leisure (A ALL)

Trading ex-dividend (14c) today. ALL traded at \$21.20 - \$21.62 yesterday, settling at \$21.24.

## Resources

### Poseidon Nickel (POS) / GTI Resources (GTR)

POS and GTR have terminated a WA Windarra project gold rights agreement. POS had planned to sell Windarra historic gold tailings and rights to GTR pending due diligence. GTR paid \$100,000 to extend the due diligence period, but has not paid \$975,000 as a first payment following a decision to go ahead with the purchase.

POS will consider whether to capitalise on the project's gold, or re-market it.

### Image Resources (IMA)

A bankable feasibility study for the WA Boonanarring and Atlas mineral sands deposits has delivered a \$A52M capex, \$135M pre-tax NPV (8%), 64% IRR and 22-month payback. An off-take agreement is in place for all production.

### Sandfire Resources (SFR) / Talisman Mining (TLM)

WA DeGrussa copper-gold project updated mine plan lodged by SFR this morning. The underground resource is estimated (on an SFR 70% basis) at 7.2Mt @ 6.0% Cu & 1.9g/t Au, for 34,000t of copper and 450,000oz of gold.

The underground reserve (on an SFR 70% basis) is reported at 6.8Mt @ 5.0% Cu & 1.6g/t Au, for 337,000t of copper and 355,000oz of gold.

An open pit reserve is calculated at 2.8Mt @ 1.2% Cu & 1.0g/t Au, for 35,000t of copper and 84,000oz of gold.

## Energy

### Coal of Africa (CZA)

CZA is celebrating the lifting of a suspension on an integrated water use licence for the Makhado project, South Africa.

June (Thursday next week) national election.

The ruling party, in the thick of EU separation discussions, last week lost a significant lead, in part due to poorly-received domestic social policy, which was then reversed.

Meanwhile, **Greece** called for definitive decisions on potential debt relief for the nation at the June euro zone finance ministers meeting. Last week, creditors could not agree on a date for the release of further support funds, despite Greek parliamentary approval of new negotiated tax and pension changes.

In **Italy**, reports increased regarding the potential for an early election.

Elsewhere, general political geopolitical tensions continued, **France** and **Russia** agreeing to disagree on some points following a meeting in Paris between the leaders of the two nations.

For its part, **China** denounced **G7** commentary on territorial rights in the South China Sea, and **Japan** officially objected to another **North Korean** missile test.

**Tonight** in the US, April personal income and spending, a Texas region manufacturing index, May house price index and consumer confidence reading are due.

In the UK, Ryanair reports full-year earnings.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Jun)</b>	<b>1270</b>	oz		Public Holiday
<b>Silver (NY) (Jul)</b>	17.4	oz		
<b>Gold (LON)</b>	1265	oz		
<b>Platinum (live)</b>	953	oz	-6	-0.6
<b>WTI Crude (Jul)</b>	<b>49.8</b>	bbl		
<b>Brent Crude (Jul)</b>	<b>52.2</b>	bbl		
<b>Iron Ore</b> <small>(CHN port 62%)</small>	<b>57.9</b>	t		
<b>Copper</b>	<b>5658</b>	t		
<b>Nickel</b>	9080	t		
<b>Aluminium</b>	1951	t		
<b>Lead</b>	2122	t		
<b>Zinc</b>	2640	t		
<b>Tin</b>	20425	t		
<b>CBT Wheat (Jul)</b>	4.38	bshl		

### Commodities Commentary

*Oil* – overnight prices oscillated slightly higher and lower in limited electronic public holiday trade, but no official settlements are recorded for 29 May.

*Gold* – limited overnight electronic trade means no settlements are recorded for 29 May.

Influential data to come out of the US and China from tomorrow will be kept in mind during tonight's trade.

Any significant change in tonight's German CPI and US core PCE and overall incomes versus spending figures would likely swing trade in the meantime.

*Base metals* – the LME remained closed overnight due to a UK public holiday. Comex (US) copper traded slightly higher in limited, low-volume holiday trade.

Some caution could be demonstrated in tonight's trade as **China's** official May manufacturing and services PMIs are expected tomorrow.

It will also be the first session traders can react to China's 14% rise in April year-on-year industrial profits, reported over the weekend, and representing a slow-down from March.

## Pre-Open Announcements

### Pacific Smiles Group (\* PSQ)

Lowering full-year underlying EBITDA guidance from \$21.7M - \$23.2M to \$20.4M - \$21.0M, due to softer-than-anticipated April-May trade.

### ResApp Health (RAP)

SmartCough-C study top-line results anticipated in July. More than 1150 patients are enrolled across three hospitals in the study which is using RAP's diagnostic and management app for those suffering pneumonia, upper respiratory tract infections, croup, asthma and bronchiolitis.

### Fleetwood Corporation (FWD)

Shareholders representing ~5% of FWD have requested a general meeting for shareholders to consider amending the FWD constitution.

The FWD board is considering the request.

If a meeting is deemed required, it must be called within 21 days of 26 May, and convened within two months of 26 May.

### Henry Morgan (HML)

HML has appointed Vanessa Gunner as an independent, non-executive director, effective immediately. Ms Gunner is a former Barclays Capital and Barclays Wealth executive.

## Resources

### Ardiden Ltd (\* ADV)

Significant-width spodumene-bearing pegmatite has been intersected during Phase 2 resource drilling within ADV's Seymour Lake lithium project, Ontario, Canada. Details lodged this morning.

### Australian Bauxite (ABX)

Comparatively high-volume trade yesterday indicates increased confidence in ABX activity and potential.

ABX held its AGM yesterday and provided a positive market update.

The company settled flat, at 10c, but 214 transactions were recorded, the most in one session since April 2016.

### Consolidated Zinc (CZL)

\$1.25M raised in a placement associated with shareholder and sub-underwriter demand for the recent rights issue shortfall.

### Orinoco Gold (OGX)

OGX confirms the appointment of OGX COO Craig Dawson as CEO, effective 1 June (Thursday). Mr Dawson commenced with OGX as COO in March.

## Trading Halts

Company	Code	Resuming
Central Petroleum	CTP	31 May
Longreach Oil	LGO	31 May
Molopo Energy	MPO	31 May
OneAll International	1AL	31 May
ServTech Global Holdings	SVT	31 May

## Suspensions (selected)

Company	Code	Since
Hawkey Oil & Gas	HOG	12 May
Petratherm Ltd	PTR	26 May
Quintis Ltd	QIN	17 May

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7438	-0.0002	<b>-0.02</b>
<b>EUR – USD</b>	1.1133	-0.0030	<b>-0.27</b>

**Australian Data Today**

ANZ/RyMgn	Consumer sentiment	28 May
Apr	Building approvals	Apr

**US Data Tonight**

Personal income & spending	Apr
Core PCE	Apr
Case-Shiller house price index	Mar
Conf Board consumer confidence	May
Dallas Fed manufacturing	May

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Workforce (incl unemployment)	Apr
Japan	Trade balance	Apr
Japan	Steel imports & exports	Apr
Japan	Retail sales	Apr
Japan	Household spending	Apr
Japan	Trade (1 <sup>st</sup> 10 days)	May
<b>Germany</b>	CPI (prelim)	May
Germany	Import prices	Apr
<b>Euro zone</b>	Economic, consumer confidence	May

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SurfStitch Group SRF 26 May

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>ALL</b>	Today	<b>14</b>	25	1.37
<b>AOD</b>	Today	<b>0.34</b>	0	6.13
ORI	Tomorrow	23.5	12.76	2.67
AYD	Thu	75	0	23.04
AYH	Thu	70	0	136.11
AYJ	Thu	50	25	4.24
AYK	Thu	45	100	2.98
AYZ	Thu	42	0	3.01
CSR	Thu	13	50	6.21
IFT	Thu	~9.32	0	5.14
KMD	Thu	~3.65	0	6.02
RHL	Thu	9	200	3.50
TNE	Thu	2.6	75	1.36
USF	Thu	30	0	0.00
USG	Thu	10	0	0.00

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>SYD</b>	AGM
<b>Thu</b>	AIZ	Investor Day
	SUN	Investor Day

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