

Markets

SFE 200 Futures (9.30am AEDST)	5968	-45	-0.8
NZX 50	8609	-27	-0.3
DJIA Futures	24349	-28	-0.1
S&P 500 Futures	2689	-3	-0.1
NASDAQ Futures	6935	-10	-0.1

Local Markets Commentary

The Australian market opens mid-week trade following overnight falls across international equities markets, and ahead of a flurry of influential economic indicators in the US tonight.

In overnight commodities trade, **WTI crude** fell and Brent settled a little higher.

US **gold** futures also settled slightly higher.

Iron ore Dalian exchange futures rallied but due to a Singapore public holiday no spot prices (eg China port, 62% Fe) were reported.

The LME traded for the first time this week, **copper** pushed lower but **nickel** and **aluminium** higher.

The **\$A** has traded below US75.00c after falling to US75.15c early yesterday evening.

Locally today, April building approvals are due 11.30am AEST.

Regionally, a 10am AEST address regarding *Central Banking in a Changing World* by **Bank of Japan** governor Haruhiko Kuroda will be closely analysed.

Japan's preliminary April retail sales are also expected today, 9.50am AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24361	-392	-1.6
S&P 500	2690	-31	-1.2
NASDAQ	7397	-37	-0.5
FTSE 100	7633	-98	-1.3
DAX 30	12667	-197	-1.5
Shanghai Comp	3120	-15	-0.5

Overseas Markets Commentary

Major European and US equities markets fell overnight, money flows favouring US and German bonds and the yen, and the euro trading at 10-month lows against the \$US.

In **Italy**, six-month, two- and 10-year bonds were sold off for fear political ructions could lead to a messy break from the euro zone. The six-month notes meant the government was facing yield payments at five-year peaks.

Several domestic political parties were reported to be in favour of a new national election on 29 July. The country's president appointed an interim PM on the weekend but a caretaker government is yet to be formed.

In **Spain**, ahead of a parliamentary vote this Friday that could topple the PM on fraud allegations, and lead to a change in government from centre-right to centre-left, 10-year bonds were also sold down.

The **US** administration meanwhile vowed to

Second last trading day of May

* Mineral exploration listing **12.30pm** AEST - **KRX** *

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ)

Selling OnePath Life NZ for \$NZ700M to Cigna Corporation. Completion is anticipated in FY 2019.

REA Group (REA)

The Australian Competition & Consumer Commission (ACCC) will not oppose REA's proposed acquisition of Hometrack Australia.

WiseTech Global (WTC)

Confirming the acquisition of SaaS Transportation.

NRW Holdings (NWH) / Wesfarmers Ltd (WES)

NWH's Golding Contractors has secured a \$210M, three-year mining services contract extension with the Curragh coal operation, Queensland.

Golding estimated capex for the contract is \$12M.

Stockland (SGP)

UBS has placed a 'sell' on SGP, cancelling a neutral rating.

Resources

Walkabout Resources (WKT)

Exercising an option to acquire for \$US1M the balance 30% of the Tanzania prospecting licence which hosts the Lindi graphite deposit. Anticipating a mining licence once a government backlog is cleared.

WKT settled at 16c yesterday, after closing out April at 8.6c.

Gascoyne Resources (GCY)

Maiden gold pour achieved for the WA Dalgaranga project. A second pour is anticipated by week's end.

Processing facility nameplate capacity is expected to be reached within three months.

Koppar Resources (* KRX)

Mineral explorer scheduled to list **12.30pm** AEST following a \$4.5M IPO at 20c per share.



VONEX LIMITED (ASX:VN8)

State One is Lead Manager for the **IPO** of Vonex Limited - an innovative Australian telecom company currently generating revenue of +\$A8M.

The IPO is gaining momentum ahead of the **closing date for applications, which is now less than a week away: 4 JUNE 2018.**

Please find below links to the IPO information pack:
<https://www.stateone.com.au/Vonex-IPO.html> and
<https://investors.vonex.com.au/offer/>.

Application can be made online or by completing the Application Form which can be found at the back of the Prospectus.

Vonex, founded in 2009, is a Perth-based telecom company specialising in innovative Voice over Internet Protocol (VoIP) solutions and feature-rich Private

continue with preparing a list of goods out of **China** that would attract a 25% US import tax, and to issue this 15 June.

Separate controls and restrictions, in relation to 'industrially significant technology', would be reserved for a later June announcement.

In the meantime, US representatives also confirmed the US would not pull back in the South China Sea.

In US data releases, house prices were reported by Case-Shiller as 0.5% higher, seasonally adjusted, in March, against a 0.8% gain for February.

The Conference Board' consumer sentiment reading slipped 0.7 to 128.0.

A Texas region manufacturing index rose five points to 26.8.

Tonight in the US, the second of three March quarter GDP readings is keenly anticipated, as are the Federal Reserve's region-by-region 'beige book' economic report, April wholesale inventories, and a May private sector employment report ahead of Friday's national May employment statistics.

Weekly mortgage applications are also due tonight.

Dick's Sporting Goods and Michael Kors are scheduled to report earnings, providing broader insight across the retail sector.

Royal Bank of Scotland hosts its AGM

In overnight corporate news, **JPMorgan Chase** (~4%) and **Morgan Stanley** (-5.8%) guidance disappointed, compounding investors' earlier fears for the finance sector, due to a fall in US bond yields.

Elsewhere, **Dixons Carphone** traded up to 20% lower on the LSE after issuing a profit warning and revealing it planned to close ~90 outlets.

Kinder Morgan announced a \$C4.5B sale of the Trans Mountain pipeline project to Canada's government.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1298	oz	1	0.1
Silver (NY) (May)	16.4	oz	-0.14	-0.9
Gold (LON)	1304	oz		
Platinum	904	oz	2	0.2
WTI Crude (Jul)	66.7	bbl	-1.15	-1.7
Brent Crude (Jul)	75.4	bbl	0.09	0.1
Iron Ore (CHN port 62%)	63.9	t		
Copper (LME,3m,pm)	6860	t	-25	-0.4
Nickel	14905	t	125	0.9
Aluminium	2275	t	12	0.5
Lead	2447	t	9	0.4
Zinc	3089	t	38	1.3
Tin	20425	t	275	1.4
CBT Wheat (Jul)	5.37	bshl	-7	-1.2

Commodities Commentary

Oil – Brent traded higher in early overnight trade, but a \$US at more than 10-month peaks compounded production angst ahead of a key OPEC meeting next month and pushed Brent to a minimally higher settlement and WTI crude to a decisive fall.

Gold – trade was pushed and pulled overnight by the rise in geopolitical risks since the weekend, \$US strength and speculation regarding possible mid-year changes to the mix of international crude

Branch Exchange (PBX) technology.

A "once-in-a-lifetime" opportunity: we believe that the rollout of the National Broadband Network (NBN) will require up to six million customers having to disconnect from Telstra's copper/landline network and reconnect to the new (government-owned) fibre-optic network; this will act as a catalyst to spread market share more evenly and provide opportunities for nimble technology-driven telco players like Vonex.

Vonex also offers subscribers exposure to what is considered to be one of the world's foremost emerging social media platforms – Oper8tor. Already some 80,000 participants have enrolled in a soft launch.

Now is the time to act.

Call your State One adviser on 08 9288 3388 or 1300 651 898, or the amscot desk on 1300 308 305, or State One executive chairman Alan Hill on 0413 569 288.

You can also email: vonex@stateone.com.au or lhill@stateone.com.au

Pre-Open Announcements

Jatenergy Ltd (* JAT)

Proposing to open a retail outlet with the Hui Yue shopping mall 'Kid's City'.

JAT has secured a rent-free, three-year lease.

RCR Tomlinson (* RCR)

New contract and a JV contract framework agreement secured with Victoria's government.

Gentrack Group (* GTK)

50.4% higher, \$NZ8.36M interim NPAT. 79.6% higher, \$NZ51.98M revenue. NZ5c, NZ1.94c-franked interim dividend, up 19%. A teleconference, from which an audiocast and presentation are available, commenced 8.30am AEST.

Immutep Ltd (* IMM)

Presentation lodged pre-trade highlighting positive interim indications from a Phase I clinical trial involving IMM's potential melanoma treatment TACTI-mel.

A webcast was scheduled to commence 8am AEST.

MMJ PhytoTech (MMJ)

Harvest One has secured an initial five-year lease, plus three five-year renewal options, for a new cannabis cultivation site in Canada.

National Veterinary Care (NVC)

Operational update lodged in presentation format pre-trade.

Roots Sustainable Agricultural Technologies (ROO)

ROO has appointed Giron Development & Building CFO Dafna Shalev-Flamm as a non-executive director, effective yesterday.

Ms Shalev-Flamm is also a director of Plasson Industries and MTI Computers & Software Services.

Tal Misch Vered has resigned her ROO board position, due to other director commitments.

Century Australia Investments (CYA)

Non-executive director Chris Stott has resigned, due to other commitments.

Mayfield Childcare (MFD)

Road show presentation lodge post-trade yesterday.

PayGroup Ltd (* PYG)

Human resources software and services completed a stellar ASX



output.

Tonight's US GDP update and other influential data releases in the lead-up to Friday's national employment figures, are expected to influence sentiment through to week's end.

Base metals – inventories appeared to influence much of overnight LME trade, outdoing the impacts of \$US strength and ructions across international relationships.

China's official May PMIs are anticipated tomorrow, the last trading day of the month.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7496	-0.0010	-0.13
EUR – USD	1.1541	0.0001	0.01

Australian Data Today

ABS	Building approvals	Apr
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US Data Tonight

GDP (2 nd of three readings)	Mar Q
Beige book	May
ADP private employment	Apr
Wholesale inventories	Apr
MBA mortgage applications	25 May

Overseas Data Today & Tonight

Japan	Retail sales (prelim)	Apr
Japan	Consumer confidence (3pm)	Apr
UK	BRC shop price index	Apr
Germany	CPI (prelim)	May
Germany	Unemployment	May
Euro zone	Consumer, business 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.

listing yesterday following an \$8.5M IPO at 50c per share. Opened at 65c and slipped to 58c before settling at 87c. 1.52M shares changed hands across 398 trades. 51.67M quoted shares.

Resources

Lithium Australia (* LIT)

Germany Eichigt project initial 'diggings' across copper-bearing quartz veins has delivered cobalt and copper mineralisation at surface.

Additional veins were also determined.

Eichigt is regional to LIT's Sadisdorf lithium project.

Grange Resources (GRR)

Today's AGM presentation lodged.

Panoramic Resources (PAN)

Investor presentation lodged post-trade yesterday.

Eclipse Metals (EPM)

EPM has appointed Rod Dale as non-executive chairman.

Former executive chairman Carl Popal has resigned as chair, effective yesterday.

He remains on the EPM board as a non-executive director.

Galileo Mining (* GAL)

Explorer completed a successful ASX listing yesterday following a \$15M IPO at 20c per share.

Opened at 35c and traded at 31c – 38c before settling at 31.5c. 9.16M shares were traded across 777 transactions.

88.68M quoted securities.

Energy

Yancoal Australia (* YAL)

Today's AGM's chairman's speech lodged. Additional \$US450M worth of debt repaid.

88 Energy (* 88E)

Confirming Alaska Icewine #2 flow testing is due to commence 11 June, now that memory gauges have been retrieved from 4000ft downhole.

Tap Oil (TAP)

TAP has appointed independent non-executive director Damon Neaves as chairman, effective immediately.

Reports & Events

(selected)

When	Company	Report/Event
Today	GTK	Interim
	GRR	AGM
	YAL	AGM
Tomorrow	ACW	Alzheimer's trial teleconf
Fri	BLT	Q teleconference
	OGC	AGM

Trading Halts

Company	Code	Resuming
Axiom Mining	AVQ	30 May
Cynata Therapeutics	CYP	30 May
Dark Horse Resources	DHR	30 May
Gateway Mining	GML	30 May

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Kin Mining	KIN	30 May
Metasearch Ltd	MSE	30 May
Nzuri Copper	NZC	30 May
Cash Converters International	CCV	31 May
Compumedics Ltd	CMP	31 May
Covata Ltd	CVT	31 May
Kogi Iron	KFE	31 May
Pacific Bauxite	PBX	31 May
Pursuit Minerals	PUR	31 May

Suspensions (select)

Company	Code	Since
Antilles Oil & Gas	AVD	10 May
HearMeOut Ltd	HMO	21 May
Mobecom Ltd	MBM	14 May

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AOD	Today	0.3	100	8.16
CSR	Thu	13.5	75	5.20
MXT	Thu	0.81	0	2.97
NMT	Thu	1	0	0.00
OCP	Thu	3	100	1.36
ORI	Thu	20	0	2.68
RBD	Thu	16.98	0	3.63
RHL	Thu	9	100	4.75
TNE	Thu	2.86	75.17	1.95
ECX	Fri	8	100	4.51
ED1	Fri	5	100	2.00