

Markets

SFE 200 Futures (9.30am AEST)	5718	-4	-0.1
NZX 50	7399	-13	-0.2
DJIA Futures	21022	7	0.0
S&P 500 Futures	2411	0	0.0
NASDAQ Futures	5795	3	0.1

Local Markets Commentary

The Australian market opens end-of-month, mid-week trade on mostly negative international leads and ahead of influential regional data.

China releases official May PMIs **11am** AEST. **Japan** is due to publish further April statistics from pre-ASX trade.

In overnight commodities trade, WTI **crude** and US **gold** futures settled moderately lower. Brent crude's fall was more pronounced. LME **copper** settled essentially flat.

The **\$A** appreciated significantly, after rising beyond US74.45c early yesterday evening.

Locally today, April financial aggregates, including private sector credit, are due.

Post-trade, the Reserve Bank of Australia (RBA) publishes April reserves and forex figures.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21029	-51	-0.2
S&P 500	2412	-3	-0.1
NASDAQ	6203	-7	-0.1
FTSE 100	7527	-21	-0.3
DAX 30	12599	-30	-2.4
Shanghai Comp	3110	Public	Holiday

Overseas Markets Commentary

Major European and US equities markets fell early or on opening, amid increasing reports of US administrative flux and inquiries.

In the **euro zone**, business and economic sentiment indicators fell.

Germany's initial May CPI surprised on the downside, pulling back 0.2% following a flat April. Producer prices slipped 0.1%.

Among **US** data releases, April personal income and spending were each reported 0.4% higher.

A Texas region manufacturing index also pleased, rising eight points to a 37-month high of 23.3.

An influential house price index rose 5.9% for the March quarter.

Conference Board's monthly consumer confidence index fell 1.5 to 117.9.

Tonight in the US, the Federal Reserve's region-by-region economic summary beige book report, a Chicago PMI update and April pending home sales are due.

End-of-month considerations could also figure.

While **June** trade is usually impacted by summer holiday season, this year's June commences with

China – NBS May PMIs expected **11am** AEST

Last trading day for May

Today's Stock Watch

Perpetual Ltd (PPT)

As planned from five months ago, Tony D'Aloisio is taking over as PPT chairman today, succeeding Peter Scott.

Shaver Shop (SSG)

Anticipating full-year EBITDA will be near the top end of \$13.7M - \$15.0M guidance.

BrainChip Holdings (BRN)

BRN and SN Technologies' game statistics and outcome products for table games are being trialled by a leading Las Vegas casino.

Afterpay Holdings (AFY)

Anticipating \$165M April-May underlying retail sales. The number of retailers using AFY's system live has grown 35% during April-May.

Blue Sky Alternative Investments (BLA)

\$3B fee-earning assets under management. BLA anticipates reporting \$3.1B - \$3.3B AUM by 30 June, representing a \$2.1B increase in one year.

Queensland Bauxite (QBL)

QBL has completed its acquisition of 55% of MCL via the issue of 49M QBL shares to MCL shareholders. 50M performance shares are also due to be issued when MCL secures a permit to grow cannabis for medicinal research. The performance shares are also subject to QBL shareholder approval.

Nib Holdings (NHF)

Macquarie has reassessed NHF as outperform, from neutral.

Orica Ltd (ORI)

Trading ex-dividend (23.5c) today. ORI traded at \$19.60 - \$19.76 yesterday, settling at \$19.67.

Resources

Hexagon Resources (HXG)

WA McIntosh flake graphite project pre-feasibility outcomes include: \$A272M pre-tax NPV (8%); 50% pre-tax IRR; \$100M annual average EBITDA; and a 51% EBITDA margin. Additional statistics lodged this morning.

Energy

Liquefied Natural Gas (LNG)

Planning to let go of the Fisherman's Landing LNG project, Gladstone, Queensland. The decision is in part due to relative costs and gas supply concerns.

Aspire Mining (AKM)

Mongolia Nuurstei JV coking coal project registration approval in hand, enabling the mining license process to proceed.

RPMGlobal Holdings (RUL)

Advisory services contract secured with Barapakuria Coal Mining Company (BCMCL), in partnership with Fugro and Mibrag Consulting. RUL is expecting \$US2.5M from the BCMCL Dighipara coal project feasibility work, Bangladesh.

the UK national election and a euro zone central bank policy meeting next week; is followed by a US Federal Reserve policy meeting the next week; and also includes two parliamentary election dates for France.

In addition, national election considerations will feature in Germany where a Spring poll is scheduled.

Tonight's corporate reports will include earnings from Hewlett Packard Enterprises and Michael Kors.

In overnight corporate news, **Amazon** briefly traded at a record \$1000/share peak.

US-listed **telecommunications** stocks benefited from a research note rating upgrade.

Deutsche Bank lowered its rating for European banks, however, hurting **financial** sector trade.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1266	oz	-6	-0.5
Silver (NY) (Jul)	17.4	oz	-0.01	-0.1
Gold (LON)	1265	oz		
Platinum	937	oz	-22	-2.3
WTI Crude (Jul)	49.7	bbl	-0.1	-0.3
Brent Crude (Jul)	51.8	bbl	-0.45	-0.9
Iron Ore (CHN port 62%)	57.9	t	Public Holiday	
Copper	5656	t	-1.5	-0.0
Nickel	9115	t	35	0.4
Aluminium	1926	t	-25	-1.3
Lead	2106	t	8	0.4
Zinc	2625	t	-15	-0.6
Tin	20435	t	80	0.4
CBT Wheat (Jul)	4.30	bshl	-0.09	-2.0

Commodities Commentary

Oil – WTI crude fell as much as 1% intra-session before recovering most losses.

Libya's National Oil Corporation announced an expected 800,000bbl daily production, higher than recent output, which had been impacted by both militant activity and technical issues.

Gold – gold sentiment suffered from a mix of early oil price falls and encouraging US consumer spending and regional manufacturing data.

Despite the figures, the \$US declined.

Base metals – overnight LME trade sentiment was pushed and pulled by oil price falls, a softer \$US and weekend data out of China.

China's official May manufacturing and services PMIs, due today, are expected to influence tonight's trade. Some end-of-month positioning can also be anticipated.

Last night was the first session traders could react to China's 14% rise in April year-on-year industrial profits, reported over the weekend, and representing a slowdown for the month.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7461	-0.0007	-0.10
EUR – USD	1.1172	-0.0015	-0.13

Australian Data Today

ABS Financial aggregates Apr

Pre-Open Announcements

Aventis Retail Property Fund (* AVN)

Resuming from a trading halt with 93% take-up achieved, and \$162M raised, in the one-for-4.3 institutional entitlement offer at \$2.32 per unit. The retail component is scheduled for 6 – 23 June.

Funds are earmarked to support the acquisition of two retail centres in Sydney (Castle Hill and Marsden Park) for a total \$436M.

AVN last traded at ~\$2.42.

Fleetwood Corporation (FWD) / Mercantile Investment Company (MVT) / Sandon Capital Investments (SNC)

FWD founding non-executive director, Greg Tate is resigning from the FWD board effective 30 June. Mr Tate was also FWD's MD from 1990 until 2007 and executive director operations until 2010.

In addition, Macquarie Securities director Andrew Wackett has been appointed FWD CFO, commencing 12 June.

Meanwhile, FWD shareholders MVT, SNC and Sandon Capital Activist Fund have revealed themselves as having requested a meeting to change the FWD constitution. The proposed constitutional change addresses fully-franked dividend payments.

buyMyplace.com.au Ltd (BMP)

Director Robert Kipp is moving on from BMP.

Mr Kipp was a founding director of Killara Resources which converted itself into BMP.

He now wants to focus on developing new opportunities and his resignation is effective immediately.

Benitec Biopharma (BLT)

\$3.1M net loss for the nine months to 31 March, against an \$18.5M loss a year ago. 25.5% higher, \$483,000 revenue. 11.7c NTA.

Resources

Danakali Ltd (* DNK)

DNK has decided on the preferred power provider for the company's Colluli potash project, Eritrea, appointing Inglett & Stubbs International.

Energy

Armour Energy (AJQ)

Approvals are in hand to boost AJQ's convertible note issue by \$10M to \$45M.

Transerv Energy (TSV) / Norwest Energy (NWE) / Triangle Energy (Global) (TEG)

The WA Perth Basin TP/15 JV operating agreement executed, enabling Xanadu-1 to be drilled before year's end. TSV is earning a 15% working interest by contributing 20% of the well costs. TSV anticipates the company's net outlay will come to ~\$A1.5M.

TEG and 3C Group IC are each contributing 40% of well costs, to each earn a 30% working interest.

Operator NWE will be free-carried for its 25% interest.



RBA	International reserves	Apr
RBA	Foreign currency liquidity	Apr

US Data Tonight

Chicago PMI	May
Pending home sales	Apr
Fed beige book	Apr
MBA mortgage applications	26 May

Other Overseas Data Today & Tonight

China	NBS/CFLP PMIs	May
Japan	Industrial production	Apr
Japan	Construction orders	Apr
Japan	Housing starts	Apr
UK	GfK consumer confidence	May
UK	BoE consumer credit	Apr
UK	BRC shop price index	May
UK	Mortgage approvals	Apr
Germany	Retail sales	Apr
Germany	Import prices	Apr
Germany	Unemployment	May
Euro zone	CPI (prelim)	May
Euro zone	Unemployment	Apr

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State One Analyst Comment

Forget 'Sell in May and Go Away' – It's Time To Get Back To Work

As we move out of May and into June I reckon there is now likely to be a subtle change in market pressure occurring.

We are now entering the period when selling to set taxable losses is replaced by the purchasing of those stocks with the potential to bounce.

Our analysis of the historical data indicates that the buying starts to take hold about now, with the 'average' speculative stock hitting a low point about 13-14 June, before the bulls start to take the upper hand.

If you're following some spec. stocks with a view to buying, I suggest that in a 'normal' year you will generally see the best prices in the next one-two weeks.

My two best tips are Quickstep Holdings (ASX: QHL, 10.5c) and Australian Bauxite (ASX: ABX, 10c).

Good luck

State One executive chairman Alan Hill

Trading Halts

Company	Code	Resuming
Central Petroleum	CTP	31 May
Longreach Oil	LGO	31 May
Molopo Energy	MPO	31 May
ServTech Global Holdings	SVT	31 May
Delta SBD	DSB	1 Jun
Droneshield Ltd	DRO	1 Jun
Haranga Resources	HAR	1 Jun
Immuron Ltd	IMC	1 Jun
Jameson Resources	JAL	1 Jun
Talga Resources	TLG	1 Jun
Vmoto Ltd	VMT	1 Jun
Zinc of Ireland	ZMI	1 Jun

Suspensions (selected)

Company	Code	Since
Hawkley Oil & Gas	HOG	12 May
Petratherm Ltd	PTR	26 May
Quintis Ltd	QIN	17 May
SurfStitch Group	SRF	26 May

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ORI	Today	23.5	12.76	2.67
AYD	Tomorrow	75	0	23.04
AYH	Tomorrow	70	0	136.11
AYJ	Tomorrow	50	25	4.24
AYK	Tomorrow	45	100	2.98
AYZ	Tomorrow	42	0	3.01
CSR	Tomorrow	13	50	6.18
IFT	Tomorrow	~9.32	0	5.14
KMD	Tomorrow	~3.65	0	6.02
RHL	Tomorrow	9	200	3.50
TNE	Tomorrow	2.6	75	1.37



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USF	Tomorrow	30	0	0.00
USG	Tomorrow	10	0	0.00
EVO	Mon	~2.32	0	4.85
ECG	Tue	5	100	0.00

Reports & Events

(selected scheduled)

When	Company	Report/Event
Tomorrow	AIZ	Investor Day
	SUN	Investor Day