

Markets

SFE 200 Futures (9.30am AEDST)	6110	13	0.2
NZX 50	8656	19	0.2
DJIA Futures	24697	5	0.0
S&P 500 Futures	2718	0	0.0
NASDAQ Futures	6958	-8	-0.1

Local Markets Commentary

The Australian market opens Friday trade on positive overnight international equities leads.

In overnight commodities trade, **oil** settled modestly higher. US **gold** futures notably rose.

Iron ore (China port, 62% Fe) turned higher.

LME **copper** continued to rally.

The **\$A** was pushed to ~US75.30c after trading at ~US74.80c early yesterday evening.

Locally today, the Australian Bureau of Statistics (ABS) releases March residential property lending figures 11.30am AEST.

Regionally, **China** is expected to publish April lending figures anytime from today.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24740	197	0.8
S&P 500	2723	25	0.9
NASDAQ	7405	65	0.9
FTSE 100	7701	38	0.5
DAX 30	13023	80	0.6
Shanghai Comp	3174	15	0.5

Overseas Markets Commentary

US equities markets opened higher overnight and never looked like retreating, a tame CPI reading soothing some jitters.

Germany's Dax swung and chopped notably again, however, while the FSTE fell in first-half trade and then trended decisively higher to close at its session high.

In the **UK**, the **Bank of England** kept rates on hold, pushing the British pound sharply lower against the \$US.

Further, the bank lowered its 2018 GDP growth prediction from 1.8% to 1.4% and CPI growth from 2.7% to 2.4%.

Governor Mark Carney spoke of a 'soft patch', but nonetheless ventured a rate rise within a year, pending economic shocks.

Meanwhile, UK data releases included the March trade deficit, which came in at £12.29B, following £10.41B for February.

March manufacturing production rose 2.9% year-on-year, against a 2.5% gain for February. Overall industrial output also grew 2.9%, following 2.1%.

Among **US** data releases, April CPI rose 0.2% for the month, against forecasts of a 0.3% increase. Excluding energy and food prices, (core) inflation rose just 0.1% for the month. Year-on-year overall

Today's Stock Watch

GrainCorp Ltd (GNC)

59.9% lower, \$36.1M interim NPAT. 19.1% lower, \$1.99B revenue, impacted by reduced harvest volumes. 8c fully-franked interim dividend. \$6.18 NTA.

News Corporation (NWS) / REA Group (REA)

\$US1.1B NWS March quarter net loss, against a flat result a year ago. March quarter revenue rose 6% year-on-year to \$US2.10B, supported by across-the-board divisional increases. Results were impacted by impairments and write-downs totalling \$US1.2B.

REA Group (ASX: REA) and realtor.com helped push online real estate revenue 27% higher. REA achieved 19% higher, \$A186M March quarter revenue (post-broker commissions).

Perpetual Ltd (PPT)

PPT has appointed Janus Henderson Group (ASX: JHG) Pan-Asia head Rob Adams as MD and CEO, effective 24 September. Mr Adams is also a former CEO of Challenger Funds Management and First State Investments (UK).

Current PPT CEO Geoff Lloyd is stepping down 30 June.

AMP Ltd (AMP) / Xero Ltd (XRO)

Macquarie has re-rated AMP as neutral, from outperform, and XRO as outperform, from neutral.



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.

Please find below a link to the IPO information pack:
<https://www.stateone.com.au/Vonex-IPO.html>

Application can be made online or by completing the Application Form which can be found at the back of the Prospectus. CLOSING DATE FOR APPLICATIONS: 4 JUNE 2018.

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

A "once-in-a-lifetime" opportunity: we believe that the rollout of the National Broadband Network (NBN) will require millions of 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 has also developed an innovative telecommunications/social media application - Oper8tor. Management is targeting a soft-launch of the App in Europe in 2018/2019.

For further information, call your State One adviser at 08 9288 3388 or 1300 651 898 or Email: vonex@stateone.com.au

CPI growth stood at 2.5%.

Tonight in the US, April import and export prices, plus the University of Michigan's initial May consumer sentiment reading are due.

Elsewhere, **European Central Bank** (ECB) president Mario Draghi is scheduled to speak publicly.

Arcelor Mittal, Shiseido and Subaru are among companies scheduled to report earnings or provide updates today and tonight.

In overnight corporate news, UK stocks featured early, **BP** and **Shell** falling ~2% and 1% respectively while trading ex-dividend.

In addition, telecom major **BT** announced cost reductions and a restructure including a net loss of 7,000 jobs, and **Royal Bank of Scotland**, 70% held by the UK government, conditionally accepted a less-than-feared \$US4.9B penalty imposed by US regulators regarding alleged misleading product promotions during 2005 - 2007.

Across the Atlantic, **Apple** achieved a new record close, following last week's \$US100B buy-back announcement and Berkshire Hathaway's confidence in continued buying.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Jun)	1322	oz	9	0.7
Silver (NY) (May)	16.7	oz	0.2	1.3
Gold (LON)	1314	oz	7	0.6
Platinum	925	oz	12	1.3
WTI Crude (Jun)	71.4	bbl	0.22	0.3
Brent Crude (Jul)	77.5	bbl	0.26	0.3
Iron Ore (CHN port 62%)	66.8	t	0.3	0.6
Copper (LME,3m,pm)	6917	t	107	1.6
Nickel	13880	t	-45	-0.3
Aluminium	2335	t	-31	-1.3
Lead	2305	t	13	0.6
Zinc	3087	t	11	0.4
Tin	20825	t	-285	-1.4
CBT Wheat (May)	5.08	bshl	-0.07	-1.3

Commodities Commentary

Oil – WTI slipped to \$US70.56/bbl in early trade but received sufficient support to again settle higher.

Among the forecasters, Bank of America has tipped Brent crude to average \$US70/bbl for 2018 and \$US75/bbl for 2019, but also predicted some trade at \$US100/bbl anytime from this year.

In the meantime, Iran has declared it will be able to mitigate proposed new US sanctions and has ventured that its oil exports will consequently not be ultimately adversely affected.

A US weekly petroleum drill rig count is due tonight, after Texas regulators reported a 34% year-on-year rise in drilling permits for April. In addition, 616 oil wells were completed, against 439 a year earlier.

Gold – softer-than-anticipated US CPI growth helped push the \$US lower, in turn supporting gold interest.

In addition, consecutive days of intensified military activity between Israel and Iran near the Syrian border was cited amid a little safe-haven buying.

Continued US equities optimism contained price gains, however.

Base metals – trade was pushed and pulled overnight on: the Bank of England's decision to

Pre-Open Announcements

IMF Bentham (IMF) / Retail Food Group (RFG)

IMF will conditionally fund a RFG shareholders' class action against RFG. The shareholders allege disclosure breaches.

Resources

Lithium Australia (* LIT)

Heralding results from initial drilling with the Sadisdorf, Germany lithium and tin JV. Details lodged this morning.

Image Resources (IMA)

Expecting to be fully-funded for the WA Boonanning mineral sands project by 25 May after satisfying conditions to draw on loan funds.

Energy

Cokal Ltd (* CKA)

Term sheet secured with Domain International Holdings for a minimum \$A67M worth of funding to support the development of the Bumi Barito Mineral (BBM) coking coal project.

Galilee Energy (* GLL)

Confirming a likely mid-June commencement of Glenaras 10L and 12L production testing.

GLL says cuttings from the wells indicate bright coal with strong cleating.

Oil Search (* OSH)

Chairman's speech for today's AGM lodged pre-trade.

Reports & Events

(selected)

When	Company	Report/Event
Today	GNC	Interim
	NWS	Q3
	OSH	AGM
	REA	Q3
Mon	AST	Full year
	ELD	Interim
Tue	GXY	AGM
	MQA	AGM
Wed	BLD	Investor day
	CCL	AGM
	MYR	Q3 sales
	SIG	AGM
Thu	ABC	AGM
	OML	AGM
	SYR	AGM

Trading Halts

Company	Code	Resuming
Artemis Resources	ARV	11 May
Bard1 Life Sciences	BD1	14 May
Carnarvon Petroleum	CVN	14 May
Magnetite Mines	MGT	14 May



keep its key lending rate at 0.5%, relatively benign US CPI, China's PPI, and LME on-warrant copper inventories down 29% in three weeks.

China's producer prices, reported yesterday, grew 3.5% year-on-year, after rising 3.1% in March. The monthly increase was the first in seven months.

April CPI, pulled back 0.1% for the month following a 1.1% fall in March. Year-on-year inflation came in at 1.9% growth, against 2.1%.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7528	-0.0006	-0.07
EUR – USD	1.1916	0.0000	0.00

Australian Data Today

ABS	Housing finance	Mar
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US Data Tonight

Import & export prices	Apr
Uni of Michigan consumer sentiment (prelim)	May

Other Overseas Data Today & Tonight

Japan	Machine tool orders (4pm AEST)	Apr
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Mint Payments	MNW	14 May
Mobecom Ltd	MBM	14 May
NSL Consolidated	NSL	14 May
TikForce Ltd	TKF	14 May
Classic Minerals	CLZ	15 May

Suspensions *(select)*

Company	Code	Since
Antilles Oil & Gas	AVD	10 May
Astro Resources	ARO	17 Apr
BPH Energy	BPH	10 May
Emergent Resources	EMG	4 May
Enhanced Oil & Gas Recovery	EOR	2 May
Jack-In Group	JIP	27 Apr
MEC Resources	MMR	10 May
Omni Market Tide	OMT	10 May
Queensland Bauxite	QBL	4 May
Rision Ltd	RNL	17 Apr
Samson Oil & Gas	SSN	16 Apr
Wangle Technologies	WGL	13 Apr
World.Net Services	WNS	9 May

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
TWD	Today	11	100	6.35
ANZ	Mon	80	100	5.70
MQG	Mon	320	45	4.61
NAB	Tue	99	100	6.93
UOS	Tue	2.5	0	4.32
ASG	16 May	4.2	100	4.76
PL8	16 May	0.5	100	4.04
REX	16 May	4	100	9.40
WBC	17 May	94	100	6.30
ZEL	17 May	20.46	0	4.30
JHG	18 May	36	0	3.55

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