

Markets

SFE 200 Futures (9.30am AEST)	7055	-4	-0.1
NZX 50	12675	-55	-0.4
DJIA Futures	34721	35	0.1
S&P 500 Futures	4231	5	0.1
NASDAQ Futures	13739	30	0.2

Local Markets Commentary

The Australian market commences a new week's trade with continued strong iron ore prices, influential domestic economic indicators due late morning, three large-cap and high-profile stocks trading ex-dividend, and additional annual domestic budget commentary and revelations expected ahead of tomorrow evening's official release.

Today's trade also follows an overnight Friday \$A appreciation and positive international equities and key commodities trade leads.

Since then, a cyberattack has reportedly shut down an 8800km fuel pipeline network servicing eastern US States.

Locally today, the Australian Bureau of Statistics (ABS) publishes **March and March quarter retail sales** 11.30am AEST. Preliminary March sales were reported last month.

At the same time, NAB publishes its monthly **business** survey report, outlining **conditions** and **confidence**.

In addition, **ANZ, JHG** and **SEK** trade **ex-dividend**. Please see p3 for a detailed ex-dividends list.

Regionally today, no major economic data releases are scheduled for release.

Post-ASX trade Friday, **China** reported April foreign exchange reserves at \$US3.198 trillion, from \$US3.17 trillion at the end of March.

In overnight Friday commodities trade, **oil** rose modestly.

US **gold** futures extended renewed gains to settle beyond \$US1830/oz.

Qingdao **iron ore** (CFR China, 62% fines) jumped \$US10.37/t to \$US212.25/t.

Nymex iron ore (CFR China, 62%) also continued to rally with strength.

Friday, China reported importing 3% more iron ore during April than for April 2020, a total 98.57Mt.

LME **copper** recorded a robust gain, surpassing previous price records. Most other base metals, including **nickel** and **aluminium**, were pushed decisively higher.

The **\$A** was propelled to ~US78.40c, after trading at US77.75c early Friday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34778	229	0.7

Today's Stock Watch
Crown Resorts (CWN) / Lendlease Corporation (LLC) / Star Entertainment Group (SGR)

CWN has appointed LLC CEO Stephen McCann as CEO and MD, effective 1 June. Last year, LLC had announced Mr McCann had planned to retire his LLC roles.

In addition, SGR has submitted an unsolicited indicative merger proposal to CWN. SGR is proposing a 2.68 SGR shares-for-each-CWN share arrangement, or a \$12.50 cash-per-share alternative. Details lodged this morning.

A Crown Perth royal commission commences today.

CWN traded at \$11.95 - \$12.25 last week.

Woolworths Group (WOW)

Proceeding with the proposed Endeavour Group demerger. Plans and independent expert report lodged this morning.

The a2 Milk Company (A2M)

Reducing FY21 targeted revenue to \$1.20B - \$1.25B.

China trading conditions remain challenging, resulting in a likely 2H FY21 \$80M - \$90M stock provision.

Additional statistics, and growth strategy, lodged pre-trade.

Further, A2M's CEO Asia Pacific Peter Nathan has resigned after 14 years with the company. Mr Nathan will remain with A2M through a transition period.

In addition, A2M has appointed Eleanor Khor to the newly created A2M role of chief strategy officer.

Incitec Pivot (IPL)

Teleconference and audio webcast scheduled to commence **10.30am** AEST. The Waggaman ammonia plant has suffered two equipment failures since re-starting in mid-April. A new re-start is anticipated within three weeks. IPL anticipates an additional \$A26M - \$A33M adverse impact on FY21 NPAT, and \$33M - \$42M on EBIT. Promising an update with the planned 17 May (Monday next week) release of interim results.

MGC Pharmaceuticals (MXC)

Resuming from a trading halt with additional results from Phase II clinical and preclinical studies assessing the efficacy of ArtemiC in relation preventing increased cytokine found in Covid-19 and post - Covid-19 syndrome.

Study results to date indicate ArtemiC can lower inflammation markers and improve and expedite clinical recovery in mild to moderate occurrences of Covid-19. MXC last traded at 6.1c.

PointsBet Holdings (PBH)

PBH subsidiary PointsBet USA is proposing to outlay \$US2.9M for Premier Turf Club. Closure is anticipated by 31 May.

Novonix Ltd (NVX)

Investigating a potential NASDAQ secondary listing.



S&P 500	4233	31	0.7
NASDAQ	13752	119	0.9
FTSE 100	7130	54	0.8
DAX 30	15400	203	1.3
Shanghai Comp	3419	-22	-0.7

Overseas Markets Commentary

Major European, UK and US equities markets opened higher overnight Friday.

European trade appeared supported by economic recovery hopes, as governments promoted further easing of Covid-19 containment restrictions.

US indices were supported by weaker-than-anticipated April job creation, buoying optimism that lending rates will remain lower for longer.

The \$US was consequently traded lower.

The US April employment statistics included 266,000 new jobs against forecasts of 950,000.

770,000 new jobs were reported for March, but jobs growth over the past month was in part attributed to difficulty in matching would-be employees to positions on offer.

The unemployment rate rose to 6.1% from 6.0%, after having been expected to fall to 5.8%.

Average hourly earnings were up 0.7% for the month and 0.3% higher than for April 2020.

Earnings had fallen 0.1% during March and had been expected to rise just 0.1% in April.

Also in the US, March wholesale inventories were reported 1.3% higher for the month

March credit change was calculated at \$US25.84B from \$US26.13B for February and following expectations of \$US18.7B for March.

Among other overnight Friday data releases, **Germany's** March trade figures included a €20.5B trade surplus from €18.2B for February and following forecasts of a fall to €17.6B for March.

Seasonally adjusted, exports rose 1.2% after growing 1.0% in February and following forecasts of a 0.5% new increase.

Imports rose 6.5% after 3.6% February growth and expectations of a 0.7% new increase.

March industrial production rose 2.5% for the month, following a 1.9% February fall, and against expectations of a 1.7% rise.

An April construction PMI for the **UK** slipped by 0.1 to 61.6.

Meanwhile, European Central Bank president Christine Lagarde confirmed the bank's ongoing review of monetary policy included the effects of climate change on price stability.

Tonight in the **US**, consumer inflation expectations are due.

Companies scheduled to report earnings later today and tonight include: BioNTech, Itochu, Japan Steel Works, JD.com, Panasonic, and Yamaha Corp.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1831.3	oz	15.6	0.9

Pre-Open Announcements

Pendal Group (** PDL)

Webcast briefing scheduled to commence **10.30am** AEST.

64.0% higher, \$89.925M interim NPAT.

32.5% higher, \$294.452M income.

17c, 10%-franked interim dividend, from 15c, 10%-franked a year ago.

\$1.32 NTA, from \$1.13.

In addition, PDL is planning to outlay \$US320M for US-headquartered investment management firm Thompson, Siegel & Walmsley.

PDL anticipates this will boost FUM 30% to \$A132B.

In association, PDL is conducting a \$A190M, \$6.80-per-share fully underwritten placement.

An SPP, at a yet-to-be-determined price (but maximum \$6.80-per-share), is scheduled for 17 May – 7 June.

Trading halt called pre-trade.

Platinum Asset Management (PTM)

\$24.507B FUM at 30 April, against \$24.500B at the end of March.

Codan Ltd (CDA)

CDA's \$US45M acquisition of US-headquartered Zetron was completed Friday.

Telix Pharmaceuticals (TLX)

Approvals in hand to commence a Phase III trial of the proposed TLX591 metastatic prostate cancer treatment.

Hiremii Ltd (* HMI)

Labour hire and recruitment firm scheduled to list on the ASX midday AEST **tomorrow**, following a \$6M IPO at 20c per share. 53.336M quoted shares.

Resources

Barra Resources (BAR)

BAR has appointed Christopher Hansen as CEO and MD.

NickelX Ltd (NKL) / VRX Silica (VRX) / Metalicity Ltd (MCT)

Mineral explorer NKL completed its ASX listing Friday, following a \$7M IPO at 20c per share.

Opened at 20.5c and slipped to 18.5c before setting at 19c.

~4.14M shares changed hands across 217 transactions.

53.5M quoted shares.

VRX held 9.11% on NKL's listing, and MCT 4.37%.

Energy

Strike Resources (* STX) / Warrego Energy (WGO)

West Erregulla 4 flow testing is underway.

West Erregulla 5 drilling has also commenced.

STX 50% and operator; WGO 50%.



Silver (NY) (Jul)	27.48	oz	0.00	0.0
Gold (LON)	1837	oz	23	1.3
Platinum	1247	oz	-1	-0.1
WTI Crude (NYMEX Jun)	64.90	bbl	0.19	0.3
Brent Crude (ICE EUR Jul)	68.28	bbl	0.19	0.3
Iron Ore (NYMEX,CHN,62%)	204.35	t	6.67	3.4
Copper (LME Ind)	10417	t	325	3.2
Nickel	18090	t	147	0.8
Aluminium	2542	t	51	2.1
Lead	2241	t	19	0.8
Zinc	3017	t	72	2.4
Tin	29710	t	-385	-1.3

Commodities Commentary

Oil – over the weekend, a cyberattack was reported to have shut down an 8800km eastern US fuel pipeline system, raising fuel supply fears. This could impact some trade sentiment today and tonight.

Overnight Friday, sentiment was pushed and pulled by economic recovery optimism, mixed views of the pace of oil demand growth, new trade figures out of China, and a weaker \$US.

China's April crude imports were revealed as 0.2% lower than for April 2020, at 40.36Mt (9.82MMbbl/d).

Covid-19 management concerns for several nations including Brazil, India, Japan, The Philippines, Thailand and Turkey, also kept demand scenarios fluid.

A weekly US petroleum drill rig report, published overnight Friday, included two additional operating oil rigs, bringing the oil rig tally to 344, from 292 a year ago.

Gold – price gains benefited from a \$US fall (ICE \$US index -0.7%) overnight Friday, on expectations of lower rates for longer, buoyed by April job creation which significantly undershot expectations.

Among other precious metals, *silver* settle flat overnight Friday, but with a 6.1% gain for the week.

US inflation data is expected to influence some gold sentiment this week.

Base metals – overnight Friday trade appeared mostly supported by a weaker \$US and new data, copper trading at a record \$US10,435/t.

China's April headline trade figures, reported Friday, included a \$42.85B trade surplus, from \$US13.8B at the end of March and following forecasts of \$US14.5B.

Exports rose 32.3% year-on-year, following a 30.6% March increase and against 35% of new exports growth expected.

Imports jumped 43.1% following a 38.1% March rise, and following forecasts of a new 37.0% rise.

In addition, Caixin's April services PMI for China rose 56.3 from 54.3. April foreign exchange reserves, released later Friday, were also reported higher.

Among metal-specific trade figures reported out of China Friday, April *copper* imports (unwrought and product) were reported 12.2% lower than for March, this attributed by market watchers to high prices. Imports were 5% higher than for April 2020.

Iron ore imports were calculated at 98.57Mt from 102.11Mt for March and 95.71Mt during April 2020.

Trading Halts

Company	Code	Resuming
Australian Rural Capital	ARC	10 May
Challenger Exploration	CEL	11 May
DomaCom Ltd	DCL	11 May
Health House International	HHI	11 May
Inventis Ltd	IVT	11 May
New Age Exploration	NAE	11 May
Victory Mines	VIC	11 May
Pendal Group	PDL	12 May

Suspensions *(select)*

Company	Code	Since
Buddy Technologies	BUD	23 Apr
Oventus Medical	OVN	7 May
Titanium Sands	TSL	23 Apr
Walkabout Resources	WKT	6 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ANZ	Today	70	100	2.16
JHG	Today	38	0	4.24
SEK	Today	20	100	0.00
UOS	Tomorrow	2	0	2.56
RMD	Wed	3.5	0	0.62
NAB	Thu	60	100	1.12
PDL	Thu	17	10	tbc
WBC	Thu	58	100	1.19
ASG	Fri	2	100	0.00
PL8	Fri	0.4	100	4.03
QVE	17 May	1.1	100	4.33
SNC	17 May	2.5	100	2.60
WAA	18 May	3	100	2.65
KMD	20 May	1.57	100	0.00
AMC	25 May	15.12	0	4.08
IAP	27 May	4.53	0	5.91
PIA	28 May	1.25	100	3.97
FPC	31 May	3	100	0.00
WAM	31 May	7.75	100	3.31
WGB	31 May	5	100	1.48

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	PDL	Interim



January – April iron ore imports rose 6.7% to 381.98Mt. Copper concentrate imports were reported at 1.921Mt against 2.171Mt for March, and down 5.3% from April 2020.

April *steel product* exports came in 26% higher year-on-year, at 7.97Mt. Imports rose 16% to 1.17Mt.

January – April steel product exports and imports were estimated at 25.65Mt and 4.89Mt respectively.

China reported exporting 437,285t of (unwrought and product) *aluminium* during April, 1.4% less than for March, but 0.9% more than for April 2020.

China is expected to report April producer prices and CPI **tomorrow**.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7853	0.0008	0.11
EUR – USD	1.2171	0.0008	0.06

Australian Data Today

ABS	Retail sales	Mar Q
NAB	Business conditions and confidence	Apr

US Data Tonight

Consumer inflation expectations	Apr
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Other Overseas Data Today & Tonight

Euro zone	Sentix investor confidence	May
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Need More Information?

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Tomorrow	MMM	Strategy day (Q&A tele 3pm AEST)
Wed	AST	Full year
	PPH	Full year (tele 9am)
	SIG	AGM
	SIQ	AGM
	TLX	AGM
	URW	AGM (6.30pm)
Thu	ALD	AGM
	GPT	AGM
	GNC	Interim
	IME	AGM
	ORI	Interim
	WPR	AGM
	XRO	Full year

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