

Markets

SFE 200 Futures (9.30am AEST)	5366	-58	-1.1
NZX 50	10803	15	0.1
DJIA Futures	23277	111	0.5
S&P 500 Futures	2824	11	0.4
NASDAQ Futures	9035	42	0.5

Local Markets Commentary

The Australian market opens today's trade with influential domestic data due late-morning and ongoing China-Australia trade relations concern.

Overnight international equities sentiment again proved largely negative.

Regionally today, Japan conducts a 30-year bond auction and reports weekly foreign bond and stock investment figures.

Locally today, the Australian Bureau of Statistics' **April employment** statistics are keenly anticipated, **11.30am** AEST

The Melbourne Institute is due to publish its May inflation expectations report 11am.

In overnight commodities trade, **oil** swung lower.

US **gold** futures (June) continued higher.

Iron ore (Nymex CFR China, 62% Fe) extended Tuesday's turn higher.

LME **copper** and other key non-ferrous metals also fell in concert for a second consecutive session.

The **\$A** fell to ~US64.70c after trading at ~US64.80c early yesterday evening.

Earlier this morning, the \$A traded below US64.50c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23248	-517	-2.2
S&P 500	2820	-50	-1.8
NASDAQ	8863	-139	-1.6
FTSE 100	5904	-91	-1.5
DAX 30	10543	-277	-2.6
Shanghai Comp	2898	6	0.2

Overseas Markets Commentary

Major European and US equities markets mostly opened lower overnight, weak sentiment prevailing throughout all sessions.

US Federal Reserve chair Jerome Powell revealed in a Peterson Institute webcast his view that the US economy was facing its largest shock in the modern era and promoted the notion that support for business, local governments and business would need to be as much as what was deemed necessary.

Despite highlighting potential long-term Covid-19 – related risks to

Australia – April employment statistics – 11.30am AEST
Today's Stock Watch
Woolworths Group (WOW)

Issuing \$A1B worth of unsecured bonds, \$400M worth as five-year notes at 1.85%, and \$600M as 10-year notes at 2.80%. Proceeds will refinance the same amount of debt maturing later this year.

GrainCorp Ltd (GNC)

\$388.3M interim NPAT, following a \$58.9M net loss a year ago. 3.4% higher, \$1.959B revenue.

Nil interim dividend. \$212.1M cash and equivalents.

Breville Group (BRG)

Resuming trade after completing a \$94M fully underwritten institutional placement and \$10M SPP, each at \$17.00-per-share. An SPP, at the same price, is scheduled for 21 May – 11 June.

In addition, BRG has negotiated refinancing and maturity extensions for \$373M worth of debt facilities. January - April revenue grew 32% to \$266M.

\$10M net cash at 30 April, with \$74M cash on hand.

Presentation lodged post-trade yesterday.

Premier Investments (holds 27.42% of BRG) and Lew Family Investments (2.63%) are not participating in the equity raising.

BRG traded at \$17.30 - \$19.00 the five sessions immediately prior to calling a trading halt pre-trade yesterday.

Treasury Wine Estates (TWE)

TWE has appointed former DuluxGroup CFO and executive GM strategy Stuart Boxer as chief strategy and corporate development officer.

Charter Hall Group (CHC)

Update lodged this morning.

\$420M liquidity.

Xero Ltd (XRO)

\$NZ3.34M full year NPAT, following a \$NZ27.1M net loss a year ago. 30% higher, \$NZ718.23M revenue.

NZ56c NTA, against NZ45c.

Decmil Group (DCG)

Agreement secured for no cash call on bonds prior to 31 January 2021. In addition, DCG is reducing an overdraft sub-component of a NAB \$65M facility to \$10M from January 21, when a new debt facility will need to be negotiated.

Energy
Caltex Australia (CTX)

April and year-to-date refiner margins lodged this morning.

the US economy, once again, the chairman rejected the idea of introducing negative interest rates.

In the **UK**, the **chancellor** declared it ‘very likely’ the UK was already in a recession and effectively warned of a significant economic slide.

In the meantime, a media report claimed the **Bank of England** was considering bolstering its government bonds purchases.

Earlier, the UK was reported to have approved for use a Covid-19 antibody test developed by Swiss company Roche, as the World Health Organisation confirmed a view that the virus could become endemic.

In **India** PM Narendra Modi announced a 20 trillion rupee (~\$US264B) support package focused on assisting small business, including agribusiness, and the newly unemployed. The PM also revealed the nation’s lockdown would continue beyond the end of this week, but with revised regulations.

Meanwhile, an **International Monetary Fund** (IMF) director conceded the IMF’s overall international outlook could likely prove rosier than reality.

In overnight **data** releases, the **UK’s** initial March quarter GDP estimate represented a 2% fall following a flat December quarter 2019 result. Year-on-year, GDP was 1.6% lower.

For March, GDP dropped 5.8% for the month, and came in 5.7% lower than for March 2019.

Further, a GDP tracker estimate indicated an 11.8% tumble for April.

March trade figures included a £6.7B trade deficit against a £1.5B February deficit.

March industrial production dropped 4.2% for the month and 8.2% year-on-year, following 0.1% and 3.4% February falls.

Manufacturing output tumbled 9.7% year-on-year.

In the **euro zone**, March industrial production dived 11.3% for the month and 12.9% year-on-year, following 0.1% and 2.2% February declines.

Russia in the meantime, reported a 72.4% year-on-year April vehicle sales plunge.

In **Germany**, a 30-year bond auction produced -0.13% yields from -0.09%.

Yields rose to 1.342% from 1.325% however, during a 30-year **US** bond offer.

US data releases included April producer prices, which fell 1.3% for the month (the fastest recorded fall for one month), and 1.2% year-on-year.

March prices had pulled back 0.2% for the month, but were 0.7% higher than for March 2019.

US weekly mortgage applications rose 0.3%, with 30-year mortgage rates moving to 3.43% from 3.40%.

Tonight in the **US**, weekly initial jobless claims are due, together with April import and export price indices.

Elsewhere, the European Central Bank publishes an economic bulletin, traditionally including risk commentary, and the UK conducts a 10-year government bond auction.

Companies scheduled to report earnings later today and tonight include: Brookfield Asset Management, Burberry, Daewoo Shipbuilding, Mazda Motor, Merck, Petrobras, Premier Foods and

Pre-Open Announcements

Viva Energy REIT (* VVR)

Today’s AGM materials lodged pre-trade.

iCar Asia (* ICQ)

18% higher, \$A4.3M year-to-date revenue, as at 30 April. Offices in Malaysia and Thailand have reopened.

EMVision Medical Devices (EMV)

Stroke patient clinical trial enrolment has recommenced.

Civmec Ltd (* CVL)

CVL has secured additional work with Rio Tinto’s (ASX: RIO) WA Pilbara Robe Valley operations, boosting CVL’s work order book to ~\$A895M.

Donaco International (DNA)

Casino operations at the Aristo International Hotel, Vietnam have recommenced, but on a limited basis, as most patrons come from China and the Vietnam-China border remains closed.

Resources

Evolution Mining (* EVN) / Independence Group (* IGO)

Global Metals Mining and Steel conference presentations lodged post-trade yesterday.

EVN was due to present overnight.

Ardea Resources (* ARL)

WA Big Four gold project initial resource estimated at 178,000t @ 2.7g/t Au, for 15,300oz of gold.

Matador Mining (MZZ)

MZZ has appointed former Gold Road Resources (ASX: GOR) MD Ian Murray as executive chairman.

Frontier Resources (FNT)

FNT director Alec Pismiris has been appointed non-executive chairman, effective immediately, on the resignation of Nathan Lude from the FNT board.

In addition, FNT has appointed Dwyer Durack family and de facto law head Jessica O’Neill as a non-executive director.

Energy

Senex Energy (** SXY)

SXY will supply Queensland government agency CleanCo with 2.55PJ of gas over one year from 1 January 2021.

Trading Halts

Company	Code	Resuming
Alterra Ltd	1AG	14 May
Atomos Ltd	AMS	14 May
Chalice Gold Mines	CHN	14 May
Ecofibre Ltd	EOF	14 May



Sumitomo Mitsui.

GlaxoSmithKline, Royal Dutch Shell and Unilever trade ex-dividend on the FTSE 100.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1716.4	oz	9.6	0.6
Silver (NY) (Jul)	15.671	oz	-0.038	-0.2
Gold (LON) (12 May)	1702	oz		
Platinum	762	oz	3	0.4
WTI Crude (Jun)	25.29	bbbl	-0.49	-1.9
Brent Crude (Jul)	29.19	bbbl	-0.79	-2.6
Iron Ore (NYMEX,CHN,62%)	88.35	t	0.54	0.6
Copper (LME,3mth Ind,PM)	5215	t	-16	-0.3
Nickel	12260	t	-45	-0.4
Aluminium	1478	t	-5	-0.3
Lead	1600	t	-35	-2.2
Zinc	1968	t	-29	-1.5
Tin	15090	t	-130	-0.9

Commodities Commentary

Oil – OPEC's monthly oil report contained downward revisions to both supply and demand for 2020. The organisation predicted daily demand to come in at 9.07MMbbl (9.1% lower for the year), ~2.23MMbbl fewer than forecast in the April report.

OPEC also revealed the organisation's April output had risen 1.8MMbbl/d during April, to a daily 30.41MMbbl.

A weekly US petroleum inventories report published overnight by government agency the EIA, included a 745,000bbl draw on crude stocks, the first weekly fall in more than three months.

Petrol stocks were estimated to have declined by 3.513MMbbl.

Net crude imports fell by a daily 300,000bbl, with production coming in at 11.6MMbbl/d.

The **International Energy Agency (IEA)** is scheduled to release its monthly oil sector report tonight. Overnight, IEA executive director Fatih Birol warned international oil demand would likely remain below pre - Covid-19 levels (100MMbbl/d) through to mid-2021.

Meanwhile, Iraq revealed its daily output was dropping by 700,000bbl, 300,000bbl of this from southern oil fields operated by major international producers. The nation's OPEC+ - agreed target cut is 1.06MMbbl/d.

Gold – prices swung overnight amid a plethora of international economic status commentary, with Comex futures notably settling above \$US1700/oz for a second consecutive session.

Base metals – overnight LME trade reacted for the first time overnight to the warning from the US administration's chief infectious disease adviser Anthony Fauci that regional lockdown relaxations were risking unnecessary suffering and death, in conjunction with several days of reports of increased infections in key base metals trading nations China and South Korea, and amid new dour commentary from several central bank heads, government officials and heads of international monetary and industry organisations.

Meanwhile, debate continued regarding the Covid-19 –

MG Unit Trust	MGC	14 May
Middle Island Resources	MDI	14 May
Taruga Minerals	TAR	14 May
Volt Resources	VRC	14 May
Xped Ltd	XPE	14 May
Australian Finance Group	AFG	15 May
New Zealand Coastal Seafoods	NZS	15 May
Superior Resources	SPQ	15 May
Nvoi Ltd	NVO	18 May

Suspensions (select)

Company	Code	Since
BPH Energy	BPH	30 Apr
Cellmid Ltd	CDY	11 May
Liquefied Natural Gas	LNG	4 May
Skin Elements	SKN	12 May
Victory Offices	VOL	23 Apr

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DDR	Today	7.5	100	3.89
PL8	Today	0.4	100	5.79
BLV	Tomorrow	10.13	100	0.00
JHG	Tomorrow	54.83	0	7.40
MQG	Mon	180	40	5.73
UOS	Tue	2	0	3.68
AST	Wed	5.1	50	5.13
PDL	Thu (21 May)	15	10	7.71
AMC	27 May	11.5	0	3.58
IAP	28 May	4.3	0	2.80
ORI	28 May	16.5	0	3.49

Reports & Events

(selected)

When	Company	Report/Event
Today	GNC	Interim (10am AEST)
	LEG	AGM
	OGC	Mar Q (tele Fri, 7.30am AEST)
	VVR	AGM (10am AEST)
	XRO	Full year (10.30am AEST)
Tomorrow	AHZ	AGM (10am AEST)
	URW (SE)	AGM (6.30pm AEST)
Mon	FDV	AGM (1pm AEST)
Tue	ABC	AGM (10am AEST)



containment disruptions to base metals supplies against likely levels of demand for this year and the medium term.

In the Philippines, miners were given the go-ahead to ramp operations to capacity.

China's April industrial production, retail sales and fixed asset investment updates are scheduled for release tomorrow, and could spawn some caution tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6457	0.0002	0.02
EUR – USD	1.0820	0.0002	0.01

Australian Data Today

MelbInstitute	Inflation expectations	May
ABS	Workforce (incl jobs, unemployment, wages)	Apr

US Data Tonight

Import & export prices	Apr
Initial jobless claims	9 May

Other overseas Data Today & Tonight

Japan	Machine tool orders (4pm AEST)	Apr
Germany	CPI (final)	Apr
Euro zone	ECB economic bulletin	May

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	JHX	Full year, MarQ (9am AEST)
	TNE	Interim
Wed	AWC	AGM (1pm AEST)
	BLY	AGM
	GEM	AGM
Thu (21 May)	ALL	Interim
	GXY	AGM (4pm AEST)
	RSG	AGM (5pm AEST)
Fri (22 May)	SHV	Interim (post-ASX; tele 9am Mon)
	SYR	AGM (10am AEST)

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