

Markets

SFE 200 Futures (9.30am AEDT)	5464	1	0.0
NZX 50	10881	101	1.0
DJIA Futures	24019	-132	-0.6
S&P 500 Futures	2853	-17	-0.6
NASDAQ Futures	8759	-53	-0.6

Local Markets Commentary

The Australian market opens a new week's trade with key data due regionally from pre-trade through late-morning, and a pending US announcement of additional economic support, in particular for small business.

Overnight Friday, major international equities markets rallied in concert. US equities futures are lower this morning.

Over the weekend, G20 health ministers and other invitees, reportedly including select additional nations, the World Health Organisation (WHO) and World Bank, convened a virtual meeting.

A summary statement said G20 members agreed to the need for collaboration and supporting countries most in need, and emphasised the urgency of containment measures, including treatments and vaccines.

Meanwhile, Iran has accused the US navy of blocking ships in the Arabian Gulf earlier this month, in response to US claims late last-week that six US vessels were menaced by Iran's Islamic Revolutionary Guard Corps navy.

Regionally today, China reveals its April loan prime rates 11.30am AEST.

Japan is scheduled to report March trade balance 9.50am AEST.

Locally today, NHC and WAM trade ex-dividend, as March quarter reporting season warms.

Reserve Bank of Australia (RBA) monetary policy meeting minutes are due tomorrow, followed by an economic update speech by RBA governor Philip Lowe commencing late-ASX trade tomorrow.

In overnight Friday commodities trade, WTI front-end **crude** futures dropped, but Brent crude gained almost 1%.

US **gold** futures (June) fell further.

Iron ore (Nymex CFR China, 62% Fe) turned slightly higher, trading above \$US84.15/t.

In base metals (LME) trade, **copper** and **nickel** also turned, and rallied decisively. **Aluminium** swung slightly lower.

The **\$A** rose to ~US63.60c, after trading at US63.25c early Friday evening, but has traded below US63.50c this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24242	705	3.0
S&P 500	2875	75	2.7
NASDAQ	8650	118	1.4

China – loan prime rates - 11.30am AEST

Japan – March trade balance – 9.50am AEST

*** 3D printing listing - 11am AEST – AL3 ***

Today's Stock Watch
National Australia Bank (NAB)

Interim FY20 earnings are expected to be adversely impacted by \$1.144B, comprising a: \$268M pre-tax increase in customer remediation provisions; \$742M post-tax hit from a software capitalisation policy change; and \$214M MLC Life impairment. NAB's CET1 ratio is consequently expected to fall by ~0.06%.

National Storage REIT (NSR)

Lowering FY20 earnings guidance to 8.5cps – 9.0cps.

Sydney Airport (SYD)

March quarter passenger total dropped 45.1% year-on-year. The financial year-to-date passenger tally is down 18.0%. \$850M worth of new bank debt facilities secured. Will not pay an interim distribution. Directors' fees and CEO fixed remuneration cut by 20%.

Resources
South32 (S32)

Nine-month FY20 year to date alumina and aluminium output increased 4% and 1% respectively. Energy and metallurgical coal production fell 4% and 1% respectively. Manganese ore and alloy output are down 3% and 20% respectively. Payable nickel, lead and zinc production rose 1%, 10% and 35% respectively. Silver output is down 4%. \$US1.2B cash and equivalents; \$US1.5B revolving credit facility.

Resolute Mining (RSG)

FY20 guidance revised to 430,000oz at a \$US980/oz AISC, due to the Ravenswood sale. Poured 110,763oz of gold during the March quarter, at a \$US1007/oz AISC. Sold 102,008oz at \$US1407/oz. \$US96M cash and bullion; \$US19M listed investments.

Alkane Resources (ALK)

San Antonio deposit resource estimated at 7.92Mt @ 1.78g/t Au, for 453,000oz of gold, pushing the grater Tomingley gold resources to greater than 1Moz of contained gold. Breakdowns lodged this morning.

Energy
Caltex Australia (CTX)

\$80M March quarter RCOP NPAT, against \$94M a year ago. \$29M HCOP net loss, against a \$57M profit. Meanwhile, Alimentation Couche-Tard has pushed back any decision on its proposal to acquire CTX, but reports positive due diligence.



FTSE 100	5787	159	2.8
DAX 30	10626	324	3.2
Shanghai Comp	2838	19	0.7

Overseas Markets Commentary

Major European and US equities markets rallied overnight Friday, Covid-19 treatment optimism, announcements by various governments of some near-term and even immediate easing of restrictions, and China's promise of further stimulus boosting overall sentiment.

The Philadelphia Fed Reserve president in the meantime was quoted in a media report as forecasting an up to 5% drop in US 2020 GDP, pending Covid-19 containment and treatment developments.

Among overnight Friday data releases, the **euro zone's** final March CPI reading was confirmed at 0.5% for the month and 0.7% year-on-year.

March construction output fell 0.9% after a 6.9% February advance.

In the **US**, the Conference Board's March leading index dropped to -6.7% from 0.2%.

Tonight in the US, the Chicago Fed releases its March national activity index.

Elsewhere, the euro zone releases February trade figures and Germany's central bank Bundesbank publishes a monthly report.

Companies scheduled to report earnings include IBM and Halliburton.

In overnight Friday corporate news, Goldman Sachs revised its neutral **Apple** Inc rating to sell advice.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1698.8	oz	-32.9	-1.9
Silver (NY) (May)	15.295	oz	-0.327	-2.1
Gold (LON)	1693	oz	-37	-2.1
Platinum	779	oz	-5	-0.6
WTI Crude (May)	18.27	bbl	-1.60	-8.1
Brent Crude (Jun)	28.08	bbl	0.26	0.9
Iron Ore (NYMEX,CHN,62%)	84.17	t	0.13	0.2
Copper (LME,3mth Ind,PM)	5206	t	99	1.9
Nickel	12060	t	305	2.6
Aluminium	1509	t	-4	-0.3
Lead	1677	t	-17	-1.0
Zinc	1950	t	18	0.9
Tin	15070	t	-55	-0.4

Commodities Commentary

Oil – WTI May crude futures settled at an ~18-year low overnight Friday, and traded as low as \$US17.31/bbl intra-session.

Brent June futures closed 0.9% higher for the session, however, perhaps supported by some European nations easing Covid-19 – related restrictions.

For the week, WTI crude settled ~19.7% lower, and Brent down

Pre-Open Announcements

AML3D Ltd (* AL3)

Metal components 3D printing specialist scheduled to list on the ASX **11am** AEST, following a \$9M IPO at 20c per share. 78.46M quoted shares.

RooLife Group (** RLG)

Agreement secured with China's Alipay.com, to become an Alipay marketing partner.

Downer EDI (* DOW)

\$500M syndicated bank facility secured, in support of liquidity and to refinance a \$200M facility maturing April 2021.

Further, DOW has secured an agreement to extend maturities of \$130M worth of facilities, due within the next year, to FY22 and FY23.

Metcash Ltd (MTS)

Trading halt called this morning.

Praemium Ltd (* PPS)

101% year-on-year increase in March quarter FUA to \$19.4B, but 5% fall from 31 December 2019.

Additional March quarter statistics lodged this morning.

Boart Longyear (BLY)

\$171M March quarter revenue, down 10% from a year ago.

\$22M net loss, against a \$6M net loss.

\$774M net debt.

Rhipe Ltd (* RHP)

32% sales and 19% revenue growth for the nine months to 31 March year-on-year.

5% higher operating profit, including the Japan JV.

\$23.5M cash.

Trading halt called this morning.

Mercury NZ (MCY)

Revising FY20 EBITDAF guidance to \$NZ490M, from \$NZ500M.

Hydro generation is expected to fall 100GWh for the full year to 3800GWh.

March quarter operating statistics lodged this morning.

Fonterra Shareholders' Fund (FSF)

The Fonterra Co-op Group is urging farmers to be cautious with on-farm decisions.

Statement sent to members yesterday lodged this morning.

Meanwhile, an initial FY21 farm gate milk price is expected late May.

WAM Capital (WAM) / Keybridge Capital (KBC)

WAM trades ex-dividend (7.75c) today.

WAM settled at \$2.04 Friday after trading as high as \$2.09 earlier in the week, for the first time since 11 March.

In addition, WAM chairman Geoff Wilson has been offered a position on the KBC board, pending Mr Wilson's response.

In the meantime, KBC has appointed 10.25% KBC shareholder and former Domain Holdings Australia MD Antony Catalano as



~10.8%.

WTI May futures expire at the close of tomorrow night's trade, June futures losing just 2% overnight Friday, highlighting current storage issues related to the plunge in demand, against agreed, market-driven and possible regulated cuts that will take some time to mitigate the supply-demand imbalance.

A weekly US petroleum drill rig count, published overnight Friday, included a further drop in operational oil rigs, this time by 66 to 438.

Tomorrow night, a meeting scheduled for the Texas oil and gas regulator is again expected to consider a possible 1MMbbl/d (20% of Texas output) production cut.

Meanwhile, an overnight Friday media report claimed the US was due to purchase a total 600,000bbl/d of Saudi crude this month. The tally was said to represent the greatest US monthly purchase of Saudi crude over the past year.

Gold – prices headed lower for a third consecutive session overnight Friday, US futures settling 3.1% lower for the week.

The \$US softened some, but broad positive sentiment across equities trade damaged interest in safe-haven assets.

Swings are again anticipated this week, related to Covid-19 news and developments, some high-profile US corporate reports and outlooks, and a batch of international PMI updates.

Base metals – China's indications of further economic support, some –better-than-feared data, plus Covid-19 treatment and restrictions easing announcements appeared the main influences on overall trade sentiment overnight Friday, helping push copper prices to one-month peaks.

Copper could also have benefited from Rio Tinto's announcement early Friday (AEST) of reduced 2020 copper output guidance, and China market pricing signs of growing demand.

Yesterday, Zambia claimed Glencore wanted to open projects operated by 73.1% subsidiary Mopani Copper Mines (MCM). MCM recently placed the projects on care and maintenance. An MCM meeting with Zambian authorities is reportedly scheduled for as early as later today.

China's March quarter **GDP**, reported Friday, slumped 9.8% for the three months and 6.8% year-on-year, following respective 1.5% and 6% gains.

Also revealed Friday: March **industrial production** fell 1.1% year-on-year, against a 13.5% decline previously; March **retail sales** tumbled 15.8%, following a -10.8% drop; and January – March **fixed asset investment** slumped 16.1% after diving 24.5% January – February.

Industrial output came in better than anticipated, supporting views that China's tax and credit-based support systems would continue to assist a China recovery.

China's March aluminium output, also released Friday, represented a 1.7% fall from January – February production.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6349	-0.0002	-0.03
EUR – USD	1.0868	0.0004	0.04

a director.

Mr Catalano is executive chairman of Australian Community Media.

WAM holds 18.42% of KBC and has sought to acquire 100%.

Atomo Diagnostics (* AT1)

Blood-based rapid testing device specialist completed a stellar ASX listing Thursday last week following a \$30M IPO at 20c per share, opening and settling at 39c after trading as high as 63c.

Friday, AT1 settled at 52c after trading as high as 57c.

Peet Ltd (PPC)

MD Brendan Gore has sold 800,000 PPC shares, to cover personal tax liabilities.

Mr Gore retains ~5.3M PPC shares and remains a top-20 PPC shareholder.

Resources

Orocobre Ltd (ORE)

Advantage Lithium Corp acquisition completed.

March quarter report scheduled for release Wednesday.

Classic Minerals (* CLZ)

WA Forrestania gold project resources now measure 8.25Mt @ 1.52g/t Au, for 404,000oz, with the Kat Gap resource estimated at 1Mt @ 3g/t Au, for 93,000 ounces of gold.

The Kat Gap resource does not include high-grade step out drilling results announced 30 March.

In addition, Kat Gap mineralisation remains open in all directions.

Metals X (* MLX)

Produced 1740t of tin in concentrate during the March quarter, 5% more than for the December quarter 2019.

\$26.3M cash and working capital. \$33M loan facility balance.

Red 5 (RED)

WA King of the Hills gold project final feasibility update lodged this morning.

Outcomes are anticipated by 30 September.

Energy

88 Energy (88E)

Heralding preliminary petrophysical interpretation of Alaska North Slope Charlie-1 logging, which confirms hydrocarbons in two formations.

Over 210ft of net pay is indicated for these formations and 70ft for a third formation yet to be mapped.

Trading Halts

Company	Code	Resuming
Agua Resources	AGR	20 Apr
Ausmex Mining Group	AMG	20 Apr
Holista CollTech	HCT	20 Apr

**US Data Tonight**

Chicago Fed national activity index Mar

Other Overseas Data Today & Tonight

China	Loan prime rates	Apr
Japan	Trade balance	Mar
Germany	Producer prices	Mar
Germany	Bundesbank (central bank) report	Apr
Euro zone	Trade balance	Feb

Need More Information?

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Infinity Lithium Corporation	INF	20 Apr
New Century Resources	NCZ	20 Apr
PepinNini Lithium	PNN	20 Apr
Recce Pharmaceuticals	RCE	20 Apr
Accelerate Resources	AX8	21 Apr
AVZ Minerals	AVZ	21 Apr
HGL Ltd	HNG	21 Apr
Medlab Clinical	MDC	21 Apr
Strandline Resources	STA	21 Apr
Volpara Health Technologies	VHT	21 Apr
KneoMedia Ltd	KNM	23 Apr
Victory Offices	VOL	23 Apr

Suspensions *(select)*

Company	Code	Since
Abilene Oil & Gas	ABL	3 Apr
Anson Resources	ASN	7 Apr
Consolidated Zinc	CZL	7 Apr
Neurotech International	NTI	14 Apr
P2P Transport	P2P	1 Apr
Panoramic Resources	PAN	15 Apr
Petsec Energy	PSA	3 Apr
Virgin Australia Holdings	VAH	16 Apr

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
NHC	Today	6	100	10.49
WAM	Today	7.75	100	3.80
CVF	Tomorrow	0.5	100	9.59
SOL	Wed	25	100	3.07
JYC	28 Apr	5	100	8.17
CDM	29 Apr	2	100	9.35
SST	29 Apr	20.4	0	5.22

Reports & Events*(selected)*

When	Company	Report/Event
Today	CTX	Mar Q
	PPS	Mar Q
	RSG	Mar Q
	S32	Mar Q
Tomorrow	BHP	Mar Q; 9mth review
	GOR	Mar Q (w/cast 11am AEST)
Wed	ORE	Mar Q (w/cast 9.30am AEST)
Thu	API	Interim (tele 10am AEST)
	GXY	Mar Q (tele 11am AEST)