

Markets

| | | | |
|--------------------------------------|-------|------|-------------|
| SFE 200 Futures (9.30am AEST) | 5090 | -109 | -2.1 |
| NZX 50 | 10379 | -157 | -1.5 |
| DJIA Futures | 22991 | 62 | 0.3 |
| S&P 500 Futures | 2739 | 7 | 0.2 |
| NASDAQ Futures | 8449 | 18 | 0.2 |

Local Markets Commentary

The Australian market opens mid-week trade with:

- a post-overnight trade UK announcement of human trials commencing as early as tomorrow for a potential Covid-19 vaccine;
- an additional \$US500B worth of US economic support;
- post-US trade confirmation from the US president of plans to temporarily halt all immigration; and
- continued oil market turbulence.

Locally today, Westpac and the Melbourne Institute publish their March **leading index** report 11.30am AEST.

SOL trades ex-dividend.

In overnight commodities trade, Brent **crude** dropped further, settling below \$US19.5/bbl. The WTI crude May expiring contract gained, but the June delivery contract tumbled.

US **gold** futures (June) swung lower.

Iron ore (Nymex CFR China, 62% Fe) also turned lower, falling below \$US83.95/t.

In base metals (LME) trade, **copper** and **nickel** fell decisively. **Aluminium** continued its current run of declines.

The **\$A** is a little higher after trading below US62.85c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|------|-------------|
| Dow Jones | 23019 | -632 | -2.7 |
| S&P 500 | 2737 | -87 | -3.1 |
| NASDAQ | 8263 | -297 | -3.5 |
| FTSE 100 | 5641 | -172 | -3.0 |
| DAX 30 | 10250 | -426 | -4.0 |
| Shanghai Comp | 2827 | -26 | -0.9 |

Overseas Markets Commentary

Major European and US equities markets dropped on opening overnight and mostly settled at or near session lows.

Pre-trade, Reserve Bank of Australia had added to this year's economic growth forecasts, predicting Australia's GDP could fall 10% for first-half 2020.

Also yesterday, Korea had reported a 27% drop in exports for 1 – 20 April.

Today's Stock Watch
Ramsay Health Care (RHC)

Teleconference scheduled for 10.30am AEST.

Conducting a \$A1.2B fully underwritten institutional placement at \$A56.00 per share.

An ~\$A200M SPP is scheduled for 29 April – 20 May.

In addition, banking covenants amended or waived until year's end. Temporarily suspending dividend payments.

RHC has traded on the ASX at \$63.12 - \$68.15 the past five sessions. Trading halt called this morning.

The a2 Milk Company (A2M)

Anticipating \$1.70B - \$1.75B FY20 revenue.

Raising the FY20 EBITDA margin to 31% - 32%. Targeting 30% in the medium-term.

March quarter revenue exceeded expectations, supported by 'pantry stocking'.

Atlas Arteria (ALX)

March quarter weighted average traffic dropped 8.8% year-on-year. Toll revenue fell 6.8%. Breakdown statistics lodged this morning.

Spark New Zealand (SPK)

Commencing a cost and spending review, but maintaining FY20 guidance. Some retail stores are operating as emergency distribution centres for essential hardware.

Challenger Ltd (CGF)

March quarter total annuity sales fell 10% year-on-year, to \$593M.

Total life sales rose 9%, to \$949M.

WiseTech Global (WTC)

\$230M net cash; \$190M undrawn debt facility.

Maintaining FY20 guidance, but reducing discretionary cash spending and deferring acquisitions.

Kathmandu Holdings (KMD)

\$NZ53M raised in the retail entitlement offer, pushing the total raised in the institutional placement and two entitlement offers to \$NZ207M.

THC Global Group (THC)

Expecting Canndeo medicinal cannabis medicines to be available on prescription in Australia from 20 May.

Energy
Beach Energy (BPT)

March quarter production tallied 6.9MMboe, against 7.23MMboe a year earlier. Sales came in at \$431M, against \$470M, with a \$US74/bbl realised oil price against \$US104.2/bbl.



Overnight, the US administration announced a further \$US484B worth of rescue funding had been approved with key parliamentarians, \$US320B of this earmarked for small business.

Enabling legislation was subsequently approved in the US Senate, post-US trade, with a House of Representatives vote anticipated as early as overnight tomorrow.

Post-overnight trade, the UK announced human trials of a potential Covid-19 vaccine will commence this week.

In overnight data releases, a ZEW April economic (outlook) sentiment index for the **euro zone** improved to 25.2 from -49.5.

The economic sentiment index for **Germany** was estimated at 28.2, also from -49.5. The current conditions component plummeted to -91.5 from -43.1, however.

In the UK, March unemployment claims grew by 12,200 against a 5900 February increase.

February average earnings rose 2.9% following a 3.1% January rise.

February unemployment rose to 4.0% from 3.9%.

In the **US**, the Philadelphia Fed's April services sector activity index dived to a record low -96.4 from -35.1.

March existing home sales dropped 8.5% for the month, following a 6.3% February rise.

In currency trade, the \$US ICE index rose by up to 0.4%.

Yields for a one-year US bill auction fell to 0.165% from 0.26%.

Tonight in the US, an industry February house price index is due, together with weekly mortgage applications.

Elsewhere, the UK reports March CPI.

Companies scheduled to report earnings include: Akzo Nobel, Alcoa, Antofagasta, Biogen, Boeing, Canon, CSX, Delta Air Lines, Ericsson, Heineken, Hino Motors, Hitachi Construction, Hyundai Rotem, Kimberly-Clark, Kinder Morgan, Korea Aerospace, Novartis, PayPal, Roche, Saipem, Samsung C&T, Stanley Electric and Tesla.

In overnight corporate news, **Netflix** reported a record 16M quarterly increase in new subscribers.

Lockheed Martin announced better-than-anticipated revenue, supported by the group's aerospace business.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|---------------------------------|---------------|-------|--------|--------------|
| Gold (NY) (Jun) | 1687.8 | oz | -23.4 | -1.4 |
| Silver (NY) (May) | 14.876 | oz | -0.738 | -4.7 |
| Gold (LON) (20 Apr) | 1686 | oz | | |
| Platinum | 748 | oz | -26 | -3.4 |
| WTI Crude (May) | 10.01 | bbbl | 47.64 | 126.6 |
| Brent Crude (Jun) | 19.33 | bbbl | -6.241 | -24.4 |
| Iron Ore (NYMEX,CHN,62%) | 83.92 | t | -0.51 | -0.6 |
| Copper (LME,3mth Ind,PM) | 5045 | t | -130 | -2.5 |
| Nickel | 12210 | t | -290 | -2.3 |
| Aluminium | 1492 | t | -9 | -0.6 |
| Lead | 1665 | t | -16 | -1.0 |
| Zinc | 1911 | t | -32 | -1.7 |
| Tin | 14760 | t | -405 | -2.7 |

Pre-Open Announcements

Virtus Health (** VRT)

24-hour turnaround Covid-19 testing is in place for patients as VRT resumes IVF treatment following the Australian Government's decision yesterday for such treatments and elective surgery to recommence.

In association, VRT's Australian Diagnostics business will increase services and staffing as needed.

VRT's Singapore fertility centre has remained open and one in Copenhagen, Denmark reopened Monday (20 April).

A second facility in Denmark, on the European mainland, is expected to reopen within days.

VRT clinics in Ireland and the UK remain closed.

VRT recouped 6.08% yesterday, settling at \$2.79 after trading as high as \$2.96.

AUB Group (* AUB)

AUB has appointed former IAG's CGU Insurance executive GM business distribution Ben Bessell as chief broking officer, effective 13 July.

\$9.2M March quarter adjusted net profit.

\$30.5M adjusted net profit for the nine months to 31 March.

Sigma Healthcare (SIG)

SIG director Ray Gunston has been appointed chair on the retirement of Brian Jamieson at the conclusion of the 13 May AGM.

Asaleo Healthcare (AHY)

Yesterday's AGM materials lodged post-trade yesterday.

NetLinkz Ltd (NET)

NET has appointed Winton Willesee and Eryln Dale as joint company secretaries.

Current NET company secretary Robert Lees remains with NET during a transition period.

In addition, NET has appointed former Bell Resources senior corporate counsel and former Salomon Smith Barney industrial franchise group head Bruce Rathie as a non-executive director.

Michael Beck has resigned from the NET board.

Resources

Orocobre Ltd (* ORE)

March quarter Lithium carbonate production represented a 29% year-on-year drop.

Lithium carbonate sales delivered \$US12.1M revenue.

March quarter borax sales volumes grew 24% to 10,690t.

Borax sales revenue rose 14%.

\$US163M cash; \$US88.2M net cash.

A teleconference was scheduled to commence 9.30am AEST.

Mt Gibson Iron (* MGX)

Sold 1Mt of iron ore during the March quarter, pushing the July 2019 – 31 March 2020 total to 3.8Mt.



Commodities Commentary

Oil – WTI May futures expired at the close of overnight trade, June futures settling 43.3% lower for the session, at \$US11.57/bbl.

Overnight, Brent crude also tumbled further, trading at ~18-year lows.

In the meantime, both Saudi Arabia and Russia spoke of further potential discussions to try to steady oil markets.

Earlier, the US president had touted ‘topping out’ the nation’s Strategic Petroleum Reserve with a 75MMbbl crude purchase while prices were at record lows.

The president also confirmed plans for domestic petroleum sector support.

Later overnight, the Texas oil and gas regulator announced a ‘taskforce’ to assess industry support options.

Gold – US gold futures traded at two-week lows overnight, with broad risk sentiment low and the \$US seemingly viewed as the preferred safe-haven.

Base metals – Oil market turmoil, additional economic support announcements, inventories and a rising \$US influenced overnight LME trade considerations.

Yesterday, **China’s** SFE copper inventories were reported lower, at 303,666t against 380,000t in March.

LME *nickel* inventories were estimated at their highest in ~six months, at 264,725t.

In addition, post-LME trade Monday (pre-ASX trade Tuesday), BHP announced an anticipated delay in a *copper* expansion project in Chile.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|-------|
| AUD – USD | 0.6293 | 0.0011 | 0.18 |
| EUR – USD | 1.0855 | -0.0001 | -0.01 |

Australian Data Today

| | | |
|-----------------------|---------------|-----|
| Westpac/MelbInstitute | Leading index | Mar |
|-----------------------|---------------|-----|

US Data Tonight

| | |
|---------------------------|--------|
| FHFA house price index | Feb |
| MBA mortgage applications | 17 Apr |

Other Overseas Data Today & Tonight

| | | |
|------------------|---------------------|-----|
| UK | CPI | Mar |
| Euro zone | Consumer confidence | Apr |

Need More Information?

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March quarter sales revenue tallies \$82M FOB. \$402M cash and liquid investments.

Legend Mining (🌱 LEG)

Heralding WA Rockford project Mawson prospect drilling results which indicated two zones of significant nickel-copper sulphides.

Alkane Resources (* ALK)

Heralding NSW Boda gold-copper prospect diamond core drilling results. 300m minimum strike length confirmed. Assays lodged this morning.

Energy

Whitebark Energy (WBE)

WBE’s ~40% Wizard Lake oil project JV partner Point Loma Resources is planning to sell 97.5% of its holding for \$C2.9M, in order to pay off debt.

WBE holds a 30-day right of refusal with respect to the proposed sale.

Trading Halts

| Company | Code | Resuming |
|-------------------------------------|------|----------|
| Cardiex Ltd | CDX | 22 Apr |
| Cynata Therapeutics | CYP | 22 Apr |
| MRG Metals | MRQ | 22 Apr |
| Pioneer Credit | PNC | 22 Apr |
| Sunstone Metals | STM | 22 Apr |
| Venturex Resources | VXR | 22 Apr |
| Australian Dairy Nutritionals Group | AHF | 23 Apr |
| Galileo Mining | GAL | 23 Apr |
| KneoMedia Ltd | KNM | 23 Apr |
| Victory Offices | VOL | 23 Apr |
| Atrum Coal | ATU | 24 Apr |
| DGO Gold | DGO | 24 Apr |
| First Graphene | FGR | 24 Apr |
| Ramsay Health Care | RHC | 24 Apr |
| Theta Gold Mines | TGM | 24 Apr |

Suspensions (select)

| Company | Code | Since |
|---------------------------|------|--------|
| Abilene Oil & Gas | ABL | 3 Apr |
| Anson Resources | ASN | 7 Apr |
| Consolidated Zinc | CZL | 7 Apr |
| Eildon Capital | EDC | 22 Apr |
| Neurotech International | NTI | 14 Apr |
| New Century Resources | NCZ | 20 Apr |
| P2P Transport | P2P | 1 Apr |
| Panoramic Resources | PAN | 15 Apr |
| Petsec Energy | PSA | 3 Apr |
| Virgin Australia Holdings | VAH | 16 Apr |

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Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|--------|-----------|--------------|-----------|
| SOL | Today | 25 | 100 | 1.92 |
| JYC | 28 Apr | 5 | 100 | 8.17 |
| CDM | 29 Apr | 2 | 100 | 9.17 |
| SST | 29 Apr | 20.4 | 0 | 5.17 |

Reports & Events

(selected)

| When | Company | Report/Event |
|---------------------|------------|----------------------------|
| Today | ALX | Mar Q |
| | BPT | Mar Q |
| | CGF | Mar Q |
| | MGX | Mar Q |
| | ORE | Mar Q (w/cast 9.30am AEST) |
| | SYR | Mar Q |
| Tomorrow | API | Interim (tele 10am AEST) |
| | EVN | Mar Q (tele 11am AEST) |
| | GXY | Mar Q (tele 11am AEST) |
| | VHT | Mar Q (tele 9am AEST) |
| Mon (27 Apr) | SZL | Mar Q |
| Wed | RRL | Mar Q (tele 11am AEST) |