

Markets

SFE 200 Futures (9.30am AEDT)	5286	49	0.9
NZX 50	10611	193	1.9
DJIA Futures	23258	-98	-0.4
S&P 500 Futures	2776	-13	-0.5
NASDAQ Futures	8607	-31	-0.4

Local Markets Commentary

The Australian market commences today's trade following positive overnight trade across international equities markets, ahead of key preliminary domestic trade statistics late morning, new weekly unemployment claims from the US tonight and a batch of international PMI updates from this morning through tonight.

Regionally today, preliminary April PMIs are due for **Japan** 10.30am AEST.

Locally today, the Australian Bureau of Statistics (ABS) reports preliminary March **trade** figures **11.30am** AEST.

NAB's quarterly business survey report is also expected this morning.

In addition, the ABS will also provide further workforce statistics following last week's March employment data.

Pre-trade, the Commonwealth Bank issues initial April PMI estimates, ahead of the AiG figures from late next week.

In overnight commodities trade, **oil** prices strengthened.

US **gold** futures (June) swung decisively higher.

Iron ore (Nymex CFR China, 62% Fe) seesawed higher, closing above \$US84.10/t.

In base metals (LME) trade, **copper** and **aluminium** swung higher and rallied. **Nickel** extended Tuesday's fall.

The **\$A** fell to ~US62.80c after trading at ~US63.35c early yesterday evening, but has appreciated back beyond US63.00c this morning.

Meanwhile, New Zealand, Western Australia and Tasmania are heading towards Monday public holiday weekends.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23476	457	2.0
S&P 500	2799	63	2.3
NASDAQ	8495	232	2.8
FTSE 100	5771	130	2.3
DAX 30	10415	165	1.6
Shanghai Comp	2844	17	0.6

Overseas Markets Commentary

Major European and US equities markets opened higher overnight

Australia – preliminary March trade statistics – 11.30am AEST
Today's Stock Watch
CIMIC Group (CIM)

The Australian Competition and Consumer Commission (ACCC) will not oppose Ventia's (50:50 CIM-Apollo Global Management JV) planned acquisition of Broadspectrum.

Australian Pharmaceutical Industries (API)

Teleconference scheduled for 10am AEST. 9.9% lower, \$22.51M interim NPAT. 2.8% higher, \$2.03B revenue. Nil interim dividend.

Ramsay Health Care (RHC)

Resuming trade having raised \$A1.2B at \$A56-per-share. A \$A200M SPP is scheduled for 29 April – 20 May.

AMP Ltd (AMP)

\$A192.4B AUM at 31 March, against \$A203.1B at 31 December 2019. Additional statistics lodged this morning.

carsales.com Ltd (CAR)

Waiving advertising fees for April and offering a 50% discount for May. Payments will also be deferred by 30 days.

~250 employees have been temporarily stood down. June quarter board and executive remuneration has been cut 20%. \$355M net debt.

Resources
Lynas Corporation (LYC)

The US Department of Defense (DoD) intends to award a phase one US-based heavy rare earth separation facility contract to LYC. The DoD will fund LYC and Blue Line to complete planning and design work.

LYC submitted a proposal to the DoD in December 2019.

Evolution Mining (EVN)

Produced 165,502oz of gold at a \$A991/oz AISC during the March quarter, against 170,890oz at \$A 1069/oz for the December quarter 2019.

Sold 167,374 oz during the March quarter, at \$A2366/oz.

Copper and silver statistics also lodged this morning.

\$A168.9M cash; \$A360M revolving credit.

Energy
Santos Ltd (STO)

March quarter production tallied 17.9MMboe, down 4% for the three months. For the year-to-date- production is 3% lower.

Sold 22.3MMboe during the March quarter, at \$63.80/bbl, for \$883M revenue, against 24.1MMboe at \$73.49/bbl, for \$1.029B. Breakdown statistics lodged pre-trade.

\$US1.15B cash; \$US1.9B undrawn debt facilities.



and headed towards settlements at or near session highs.

Reports had emerged out of China yesterday that administrators would soon announce additional economic growth support initiatives.

In addition, US equities markets were buoyed by \$US484B worth of new support, mostly for small business, approved by the US Senate post-Tuesday trade, and expected to attract a positive vote in the House of Representatives tonight.

Further, oil prices firmed.

Pre-US trade, the US president announced orders to 'destroy' any Iranian gun boats that menaced US vessels.

For its part, Iran announced it launched its first military satellite.

Among overnight data releases, the UK's March CPI represented no change for the month and 1.5% year-on-year growth, following respective 0.3% and 1.7% gains reported for February.

Core inflation rose 0.1% for the month following 0.6% February growth.

The **euro zone** reported a regional April consumer confidence index had fallen to -22.7 from -11.6.

In the **US**, weekly mortgage claims slipped 0.3% after rising by 7.3% the previous week. Average 30-year mortgage rates remained at 3.45%.

A February house price index rose 0.7% following a 0.5% January increase.

Tonight in the US, weekly new unemployment claims are keenly anticipated, together with March new home sales, the Kansas Fed's April manufacturing index and Markit's initial April PMI readings.

Elsewhere, initial April PMIs will be published for the UK and euro zone. The UK is also scheduled to report March retail sales.

Companies scheduled to report earnings include: 3M, Atlas Copco, Baidu, Barclays, Celgene, Credit Suisse, Domino's Pizza, Eli Lilly, Hermes, Hyundai Motor, LG Display, LG Household, Intel, Mitsubishi Motors, NEC Networks, Nokia, Pernod Ricard, Raytheon, Ssangyong Motor, Unilever and Volvo.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1738.3	oz	50.5	3.0
Silver (NY) (May)	15.335	oz	0.459	3.1
Gold (LON) (21 Apr)	1682	oz		
Platinum	761	oz	13	1.7
WTI Crude (Jun)	13.78	bbbl	2.21	19.1
Brent Crude (Jun)	20.37	bbbl	1.04	5.4
Iron Ore (NYMEX,CHN,62%)	84.13	t	0.21	0.3
Copper (LME,3mth Ind,PM)	5123	t	78	1.6
Nickel	11935	t	-290	-2.4
Aluminium	1520	t	28	1.9
Lead	1666	t	1	0.1
Zinc	1903	t	-8	-0.4
Tin	14860	t	100	0.7

Commodities Commentary

Oil – Brent crude was reported to have traded electronically as

Pre-Open Announcements

Volpara Health Technologies (* VHT)

March quarter operational statistics lodged this morning, highlighting ARR at \$NZ18.0M, up 172% year-on-year, and cash receipts up 354%.

A teleconference was scheduled to commence 9am AEST.

Cedar Woods Properties (CWP)

March pre-sales fell 4% year-on-year to \$363M.

Additional detail and commentary lodged post-trade yesterday.

Admedus Ltd (AHZ)

March quarter revenue tallied \$2.3M.

\$11.0M cash and short-term investments.

Resources

Galaxy Resources (** GXY)

Produced 14,306t of lithium concentrate at 6.06% Li₂O during the March quarter, and shipped 32,512t at 5.90% Li₂O.

\$US129.6M cash and financial assets. Nil debt.

Red 5 (* RED)

Lowering FY20 production guidance to 98,000oz – 102,000oz of gold at an \$A1570/oz - \$A1620/oz AISC, from 100,000oz – 105,000oz at \$A1550/oz - \$A1600/oz.

Produced 20,077oz of gold and sold 19.360oz, at an \$A1926/t AISC during the March quarter, in line with revised guidance.

Trading Halts

Company	Code	Resuming
Galileo Mining	GAL	23 Apr
KneoMedia Ltd	KNM	23 Apr
Victory Offices	VOL	23 Apr
Astro Resources	ARO	24 Apr
Centaurus Metals	CTM	24 Apr
First Graphene	FGR	24 Apr
King River Resources	KRR	24 Apr
Linus Technologies	LNU	24 Apr
Moho Resources	MOH	24 Apr
Oakdale Resources	OAR	24 Apr
Theta Gold Mines	TGM	24 Apr
Metalicity Ltd	MCT	28 Apr

Suspensions *(select)*

Company	Code	Since
Abilene Oil & Gas	ABL	3 Apr
Anson Resources	ASN	7 Apr
Cardiex Ltd	CDX	22 Apr



low as \$US15.98/bbl overnight, but both Brent and WTI crude ultimately gained, with the US president ordering battle against any harassment in the Arabian Gulf, and some dismissing this as a ploy to try to boost prices.

Among other considerations, a weekly US petroleum inventories report from US government agency the EIA, published overnight, included a 15.02MMbbl rise for stored crude and 1MMbbl increase in petrol stocks.

US production fell by 100,000bbl/d and net imports came in at a negative 197,000bbl/d.

Meanwhile, shipping data was reported to be showing 19 tankers carrying Saudi crude en route to the US and three sitting outside US ports.

Saudi Arabia's finance minister in the meantime confirmed the kingdom would need to draw up to \$US32B in reserves and potentially borrow an additional \$US26B this year while reducing spending.

Gold – speculation regarding the extent of the consequences of this week's oil price collapse, coupled with continued additional muted and confirmed economic support measures appeared to underscore concern at the degree and extent of a global recession, supporting overnight gold sentiment.

In addition, the \$US softened in early trade against currencies such as the yen. By US futures settlement, however, the ICE \$US index had risen 0.2%.

Among the forecasters, Bank of America proffered \$US3000/oz within 18 months, 50% higher than its previous forecast.

Base metals – overnight trade appeared pushed and pulled by production cut-backs, largely due to Covid-19 containment restrictions, and an expected pickup in demand on select but broadening restriction easing on communities, transport and business.

Smelters in China were reported to be dropping treatment fees for *copper*, supporting views of short, or anticipated short, supply.

China research group Antaika reported domestic primary *aluminium* demand had grown to 200,000t from 150,000t within 30 days.

In the meantime, the International *Lead* and *Zinc* Study Group estimated respective 26,100t and 130,100t February surpluses for lead and zinc.

Among the producers, Antofagasta revealed it expected copper output would come in at the lower end of current 725,000t – 755,000t guidance, and was reducing capex.

Meanwhile, Canada's Teck Resources announced it was suspending the Antamina copper operation.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6305	-0.0016	-0.26
EUR – USD	1.0816	-0.0006	-0.06

Australian Data Today

ABS	Trade balance (<i>preliminary</i>)	Mar
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Consolidated Zinc	CZL	7 Apr
Eildon Capital	EDCDA	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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
JYC	28 Apr	5	100	7.79
CDM	29 Apr	2	100	9.35
SST	29 Apr	20.4	0	5.17

Reports & Events

(selected)

When	Company	Report/Event
Today	AMP	Mar Q
	API	Interim (tele 10am AEST)
	EVN	Mar Q (tele 11am AEST)
	GXY	Mar Q (tele 11am AEST)
	RED	Mar Q
	VHT	Mar Q (tele 9am AEST)
Mon	SZL	Mar Q
Wed	RRL	Mar Q (tele 11am AEST)
Thu (30 Apr)	FMG	Mar Q
	GCY	AGM (1pm AEST)
	JHG	Mar Q (post; w/cast 10pm AEST)
	PDL	Interim
	WPL	AGM (4pm AEST)
Fri (1 May)	360	AGM
	RMD	Mar Q (tele 6am AEST)



NAB	Business survey	Mar Q
ABS	Employment (addtl details)	Mar
CBA	PMIs (initial)	Apr

US Data Tonight

Initial jobless claims	18 Apr
Kansas Fed manufacturing index	Apr
New home sales	Mar
Markit PMIs (prelim)	Apr

Other Overseas Data Today & Tonight

Japan	PMIs (prelim)	Apr
Japan	Leading economic index (final, 3pm AEST)	Feb
UK	Retail sales	Mar
UK	PMIs	Apr
UK	Public sector finances	Mar
UK	CBI industrial trends orders	Apr
Germany	PMIs (prelim)	Apr
Germany	GfK consumer confidence	May
Euro zone	PMIs (prelim)	Apr

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