

Markets

SFE 200 Futures (9.30am AEST)	5744	-63	-1.1
NZX 50	10969	54	0.5
DJIA Futures	24973	-29	-0.1
S&P 500 Futures	2990	-4	-0.1
NASDAQ Futures	9398	-9	-0.1

Local Markets Commentary

The Australian market commences mid-week trade with key domestic and regional economic reports due and further US-China skirmishing.

Markets in the UK and US traded overnight for the first time since Friday last week.

Post-overnight trade, the **US** administration has revealed a 'strong response' to **China's** plans to impose stricter security regulations on Hong Kong (a vote is expected tomorrow) will be announced before the end of the week.

Meanwhile, the People's Bank of China is reportedly continuing to fix the yuan against the \$US well below levels the US considers optimal.

France has announced an €8B support package for the motor **vehicle** industry, including grants for electric vehicle purchases.

Also pre-trade, the **Reserve Bank of New Zealand** has published a **financial stability** report this morning, arguing bank stress testing indicates sufficient capital and liquidity buffers to survive this year's anticipated ongoing Covid-19 economic fallout.

This, coupled with an easing of monetary policy and a government wage support scheme, meant the domestic financial system remained comparatively 'solid', the central bank concluded.

In addition, **regionally** today, **China** is expected to report **April industrial profits, 11.30am AEST**.

Locally today, the Australian Bureau of Statistics (ABS) reports March quarter **construction work done, 11.30am AEST**.

Also today, **AMC** and **WHF** trade **ex-dividend**.

In overnight commodities trade, **oil** headed higher.

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

Iron ore (Nymex CFR China, 62% Fe) posted a slight gain above \$US91.60/t.

LME **copper** and most key base metals rallied.

The **\$A** rose to ~US65.45c after approaching US66.20c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24995	530	2.2
S&P 500	2992	36	1.2
NASDAQ	9340	16	0.2
FTSE 100	6068	74	1.2

China – April industrial profits - 11.30am AEST

Australia – construction work done – 11.30am AEST

Today's Stock Watch
National Australia Bank (NAB)

NAB's \$14.15-per-share SPP has been boosted from \$A500M to \$A1.25B, due to demand.

ALS Ltd (ALQ)

16.3% lower, \$A127.8M full year NPAT. 9.8% higher, \$1.84B revenue. 6.1c, 4.3c-franked final dividend.

PointsBet Holdings (PBH)

Exclusive wagering partner for Fox Sports AFL 2020.

\$18.2M Australia and \$300,000 US net wins estimated for 1 April – 25 May.

Japara Healthcare (JHC)

Anticipating \$270M - \$300M worth of FY20 impairments.

\$201M net debt at 30 April. \$144M cash and undrawn debt.

Blackmores Ltd (BKL)

Trading halt called this morning, ahead of a \$92M, \$72.50-per-share institutional placement.

A \$25M SPP is also planned, 3 June – 3 July.

Anticipating \$17M - \$21M FY20 underlying NPAT.

BKL has traded at \$77.17 - \$79.93 over the past five sessions.

Austal Ltd (ASB)

A 12th *Independence*-class Littoral combat ship (LCS) built by ASB for the US Navy has successfully completed acceptance trials in the Gulf of Mexico.

Star Combo Pharma (S66)

S66 has completed a \$A33.3M, 68c-per-share placement to Goldenmax, which now holds 36.1% of S66.

Consequently, Goldenmax pharmaceutical division VP Jialong Ding has been appointed to the S66 board, as has Goldenmax vice chair and executive director Wei Han.

Neuren Pharmaceuticals (NEU)

NEU has appointed CFO Jon Pilcher as CEO, and NEU director and former EBOS Group CEO Patrick Davies as non-executive chair.

Former chair Richard Treagus is standing down after ~seven years as executive chair.

APA Group (APA)

APA has appointed Rhoda Phillippo as an independent non-executive director, effective 1 June (Monday next week).

Spark Infrastructure (SKI)

Today's AGM materials lodged pre-trade.



DAX 30	11505	113	1.0
Shanghai Comp	2847	29	1.0

Overseas Markets Commentary

Major European and US equities markets jumped on opening overnight.

Key US and UK indices, which were traded for the first time this week, settled at or near session lows, however.

Pre-trade consideration appeared dominated by potential Covid-19 vaccine and treatment news.

Maryland, US-headquartered Novavax announced it was ready to commence a clinical trial of a potential vaccine.

Jersey, US-based Merck in the meantime revealed plans to investigate a possible vaccine with research group IAVI, while acquiring Austria-headquartered Themis.

Meanwhile, the New England Journal of Medicine published a report including peer-reviewed data which had shown remdesivir effective in shortening the length of time some patients suffered Covid-19.

China-US relations continued to simmer, the yuan fixed by the People's Bank of China at its lowest against the \$US in ~12 years.

The **European Central Bank's** financial stability review report included a warning that regional banks whose profitability had previously been assessed at risk, would likely sustain significant losses this year.

In overnight **data** releases, **Germany's** June GfK consumer confidence reading improved to -18.9 from -23.1.

In the **US**, the Chicago Fed April national activity index dropped to -16.74 from -4.97.

The Dallas Fed (Texas region) May manufacturing index improved to -49.2 from -74.

April new home sales fell 0.6% for the month following a 13.7% March tumble.

The FHFA March house price index rose 0.1%, against a 0.8% February increase.

The Case-Shiller home price index indicated prices had risen 1.1% for the month and 3.9% year-on-year, following respective 0.5% and 3.5% appreciations in February.

The Conference Board consumer confidence index rose to 86.6 from 85.7, the expectations component increasing to 96.9 from 94.3.

Tonight in the **US**, the Federal Reserve's district-by-district economic roundup (beige book) report is keenly anticipated.

The Richmond Fed manufacturing index and weekly mortgage applications are also due.

Autodesk and HP Inc are among companies scheduled to report earnings tonight.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1705.6	oz	-29.9	-1.7
Silver (NY) (Jul)	17.595	oz	-0.098	-0.6
Gold (LON) (22 May)	1734	oz		

Pre-Open Announcements

CFOAM Ltd (CFO)

Pleading ignorance in response to an ASX price and volume query.

CFO added 46.88% Monday, and ~17% yesterday, settling at 5.5c yesterday after closing out last week at 3.2c.

Resources

AngloGold Ashanti (* AGG)

Confirming operations at the 4km-deep Mponeng gold mine remain suspended following last week's Covid-19 testing.

As of Monday, 196 project workers were diagnosed with Covid-19, from 651 tests processed.

Element 25 (E25)

\$555,000 36.3c-per-share placement to Acuity Capital under a controlled placement agreement.

In addition, during May, E25 sold ~12.54M Rare X (ASX: REE) shares for \$462,780, post-brokerage.

E25 has traded at 33c – 41.5c the past five sessions.

REE has traded at 2.2c – 7.1c for May to date.

Vango Mining (VAN) / Dampier Gold (DAU)

VAN will defend claims lodged in the Supreme Court by DAU regarding, in part, a purported interest earned in the K2 venture.

Metalicity Ltd (MCT)

MCT is pointing to a recent placement and entitlement offer ahead of a new drilling program in response to an ASX price and volume query.

Presentation lodged this morning.

MCT traded as high as 0.8c yesterday, and settled at 0.7c, after closing out last week at 0.4c.

Energy

Protean Energy (* POW)

Pointing to higher uranium spot prices in response to and ASX price and volume query.

POW says prices have been boosted 35% - 40% since mid-April, attributing this to Covid-19 containment measures impacting uranium operations internationally.

POW gained 40% Monday, and 14.29% yesterday, settling yesterday at 0.8c after trading as high as 0.9c intra-session.

Trading Halts

Company	Code	Resuming
Blue Star Helium	BNL	27 May
Emperor Energy	EMP	27 May
European Lithium	EUR	27 May
Kingston Resources	KSN	27 May
MGM Wireless	MWR	27 May



Platinum	814	oz	-19	-2.3
WTI Crude (Jul)	34.35	bbl	1.10	3.3
Brent Crude (Jul)	36.17	bbl	0.64	1.8
Iron Ore (NYMEX,CHN,62%)	91.64	t	22	0.2
Copper (LME,3mth Ind,PM)	5370	t	82	1.5
Nickel	12345	t	95	0.8
Aluminium	1524	t	17	1.1
Lead	1674	t	29	1.7
Zinc	1983	t	-3	-0.2
Tin	15429	t	74	0.5

Commodities Commentary

Oil – the broadening easing of Covid-19 containment measures, a weaker \$US (ICE \$US index down ~0.8%), output reports and some better-than-feared economic data releases appeared the major influences on overnight gains.

Russia revealed it had reduced oil production almost to the targeted 8.5MMbbl/d agreed by Russia under the OPEC+ deal.

Late-Monday, Russia's energy ministry had ventured the international oil surplus could be reduced by 7MMbbl/d – 12MMbbl/d by June-July.

In the meantime, independent analysts estimated global production had fallen by 13MMbbl/d – 15MMbbl/d over the past ~two months.

Markets were also reacting for the first time to further 20+ weekly fall in operational oil rigs in the US.

Gold – overnight gold interest appeared mostly damaged by Covid-19 potential vaccine and treatment optimism, combined with holiday weekend activity which highlighted the lifting of some recent restrictions and promises of further easings, all of which pushed equities firmly back into favour.

In addition, Comex June gold futures expired on settlement overnight.

Key economic data reports from tonight through the end of the week are expected to swing some gold sentiment.

Base metals – the London Metals Exchange (LME) traded for the first time this week overnight, reacting for the first time to further long weekend US-China verbal tit-for-tat, but also to Covid-19 recovery optimism.

Overnight economic indicator releases proved mixed, ahead of key reports from today through the end of the week.

China's April industrial profits are anticipated today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6651	-0.0003	-0.05
EUR – USD	1.0985	0.0003	0.02

Australian Data Today

ABS	Construction work done	Mar Q
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Rox Resources	RXL	27 May
Challenger Exploration	CEL	28 May
Chase Mining Corporation	CML	28 May
Comet Resources	CRL	28 May
GI Dynamics	GID	28 May
NSX Ltd	NSX	28 May
White Rock Minerals	WRM	28 May
Blackmores Ltd	BKL	29 May
Red Mountain Mining	RMX	29 May
Silver Mines	SVL	29 May
Aspermont Ltd	ASP	1 Jun
Mako Gold	MKG	1 Jun
Novonix Ltd	NVX	1 Jun

Suspensions (select)

Company	Code	Since
Anson Resources	ASN	22 May
Aura Energy	AEE	20 May
Black Cat Syndicate	BC8	26 May
Black Rock Mining	BKT	26 May
Cann Global	CGB	20 May
Cellmid Ltd	CDY	11 May
Core Lithium	CXO	25 May
Decmil Group	DCG	25 May
Eon NRG	E2E	19 May
Predictive Discovery	PDI	26 May
Pure Alumina	PUA	25 May
Skin Elements	SKN	12 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AMC	Today	17.7	0	3.44
WHF	Today	10.25	100	4.26
GCI	Tomorrow	0.65	0	5.17
IAP	Tomorrow	4.3	0	2.64
ORI	Tomorrow	16.5	0	3.11
PCI	Tomorrow	0.31	0	3.95
QRI	Tomorrow	0.82	0	7.03
TNE	Tomorrow	3.47	59.94	1.25

Reports & Events

(selected)

When	Company	Report/Event
Today	ALQ	Full year
	GTN	Teleconference (8.30am AEST)
	SKI	AGM
Tomorrow	GRR	AGM (midday AEST)



US Data Tonight

Fed Reserve beige book (region-by-region economic roundup)	May
Richmond Fed manufacturing	May
MBA mortgage applications	22 May

Other Overseas Data Today & Tonight

China	Industrial profits	May
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Need More Information?

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Fri	NTO	AGM (9am AEST)
	PAL	AGM (2pm AEST)
	CTM	AGM (midday AEST)
	GTK	Interim (8.30am AEST)
	OMH	AGM (midday AEST)
	WAF	AGM (1pm AEST)