

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	4834	6	<b>0.1</b>
<b>NZX 50</b>	9364	-192	<b>-2.0</b>
<b>DJIA Futures</b>	21066	-344	-1.6
<b>S&amp;P 500 Futures</b>	2477	-43	-1.7
<b>NASDAQ Futures</b>	7455	-106	-1.4

**Local Markets Commentary**

The Australian commences a new week's trade on the second last trading day of the March quarter with: a plethora of domestic stocks trading ex-dividend; new international central bank support moves; extended domestic business support on offer from Australian Banking Association members; and the prospect of Covid-19 responses in Australia expanding to include a medical and social welfare services support package; following falls across major international equities markets overnight Friday.

US equities futures are lower this morning.

Over the weekend, **Egypt's** banks were ordered by the central bank to limit daily withdrawals and deposits.

This morning, the Reserve Bank of **New Zealand** (RBNZ) has initiated an 'open market operation, whereby each Tuesday, businesses can swap corporate and asset-backed securities for up to \$NZ500M in loans for up to three months.

In addition the RBNZ will buy government bonds due to mature 15 May.

No key data releases are due regionally or locally today, but China's official March PMIs are anticipated tomorrow.

Locally however, details of the proposed medical and welfare services support package are anticipated, as more rigorous containment responses to Covid-19 spread continue to come into effect, with broadened testing beginning to reveal a more accurate perspective.

In overnight Friday commodities trade, **oil** continued to slide.

US **gold** futures (CME April) swung lower.

**Iron ore** (Nymex CFR China, 62% Fe) recorded another slight decline, slipping US1c beneath \$US88.50/t.

LME (3mth evening) **copper** settled barely changed. **Nickel** rallied. **Aluminium** also turned higher.

The **\$A** appreciated to ~US61.65c after trading at ~US60.90c early Friday evening, but this morning has traded below US61.35c.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	21637	-915	<b>-4.1</b>
<b>S&amp;P 500</b>	2541	-89	<b>-3.4</b>
<b>NASDAQ</b>	7502	-295	<b>-3.8</b>
<b>FTSE 100</b>	5510	-305	<b>-5.3</b>
<b>DAX 30</b>	9633	-368	<b>-3.7</b>
<b>Shanghai Comp</b>	2772	7	<b>0.3</b>

**March quarter – second last trading day**
**Today's Stock Watch**
**Cellmid Ltd (CDY)**

Resuming from suspended trade with a Covid-19 rapid diagnostic test supply agreement in hand with the Australian agent of manufacturer Guangzhou Wondfo Biotech Co.

The disposable test kit is already available.

It is in use in Belgium, Germany, Spain and the UK, after qualifying for a CE marking 5 March.

The test has also qualified for Therapeutic Goods Administration (TGA), and China's National Medical Products Administration (NMPA) approval, 25 March and 24 February respectively, meaning it can also be marketed in Australia and China. Guangzhou Wondfo Biotech Co is TGA-certified.

CDY is withdrawing FY20 guidance given Covid-19 impacts outlined in a business update also lodged post-trade Friday.

CDY last traded at 9.9c.

**Insurance Australia Group (IAG)**

IAG has completed the sale of its 26% holding in SBI General, from which the group is anticipating a \$310M net profit for 2H FY20. IAG is also maintaining FY20 guidance.

CET1 has seesawed from 1.15 at 31 December 2019 to 1.09 at 29 February and back to the top-end of the targeted 0.9 – 1.1 range at 27 March. 14 May investor day postponed.

**Ansell Ltd (ANN)**

'Strong' demand for AlphaTec protection products and 'high' gloves demand. No debt due within 12 months. \$515M cash and undrawn facilities 29 February. Maintaining guidance.

**AUB Group (AUB)**

Withdrawing FY20 earnings guidance and deferring the payment of the 14.4c interim dividend to 3 September.

In addition, deferring the proposed MGA Whittles part-sale.

**Myer Holdings (MYR)**

MYR closed all stores from close of business yesterday, initially until 27 April. 10,000 store and store support employees have been stood down.

Directors and all executive team members will also not receive any remuneration during the stores closure.

Online sales continue, with incentives including free delivery for orders totalling a minimum \$49.

**City Chic Collective (CCX)**

All stores in Australia and New Zealand are closed.

Will not stand down full time or part-time store employees over the next month. Online trade continues. Typically ~67% of sales come from online business. 'Significant headroom' in a \$35M debt facility expiring February 2023.



## Overseas Markets Commentary

Major European and US equities markets dropped on opening overnight Friday, dour data out of China underscoring Covid-19 – related global economy fears, and ongoing reports of the virus spread including in Europe, the UK and US, spawning further shutdowns, impacting additional businesses and fuelling consumer spending capacity and social welfare spending angst.

Earlier Friday, **China** had reported a 38.3% drop in January – February industrial profits, following a 3.3% January decline.

Further, in response to the growing tally of ‘imported cases’ of the virus in China, the administration had demanded airlines slash international flight services.

The **International Monetary Fund** (IMF) declared the global economy was in recession, but predicted a 2021 recovery should Covid-19 be contained and some economic damage be capped in the meantime.

For its part, the **World Health Organisation** (WHO) warned a ‘chronic global shortage’ of medical protective equipment had become one of the ‘most urgent threats’ in trying to stem deaths from the virus.

Meanwhile, the **US** president signed a \$US2 trillion financial support package after, as expected, the House of Representatives approved the underlying legislation.

The bill is designed to deliver payments to States, businesses, and individuals, to expand the national unemployment scheme and to enable additional lending plus select tax relief.

In addition overnight Friday, the president used a Defence Production Act to force General Motors (GM) to produce medical ventilators, after GM had reportedly significantly softened an initial commitment.

Among scant overnight Friday **data** releases, US February personal income rose 0.6% for the month, but spending by just 0.2%, both rates the same respectively as for January.

The University of Michigan’s final March consumer sentiment reading dropped to 89.1, from 101 at the end of February and an initial March estimate of 95.9.

**UK** February vehicle production declined 0.8% year-on-year, following a 2.1% January fall.

**Tonight** in the **US**, the Dallas Fed (Texas region) manufacturing index is keenly anticipated. February pending home sales are also due.

Elsewhere, a preliminary estimate of March **CPI** growth is due out of **Germany**.

Stocks scheduled to report earnings or provide updates include China Molybdenum, EasyJet, Hanjin Heavy Industries & Construction and Jiangxi Copper.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Apr)	<b>1625</b>	oz	-26.2	-1.6
<b>Silver (NY)</b> (May)	<b>14.534</b>	oz	-0.142	-1.0
<b>Gold (LON)</b>	<b>1617</b>	oz		
<b>Platinum</b>	<b>744</b>	oz	11	1.5

## Pre-Open Announcements

### Lifespot Health (LSH)

Resuming from a trading halt after trading as high as 6.9c early Wednesday last week, after closing out the previous week at 2.1c.

Pre-trade Wednesday, LSH had revealed plans to enable temperature monitoring, and hence fever tracking, through LSH’s BodyTel APP, using a branded Bluetooth thermometer.

The trading halt was called in response to an ASX query, with the final pre-halt trades occurring at 6.2c.

### Bank of Queensland (BOQ)

Withdrawing FY20 guidance.

### Challenger Ltd (CGF)

Covid-19 – related adjustments to investment portfolios lodged this morning.

81% of the Challenger Life fixed income portfolio is investment grade, against 75% at 31 December 2019.

Challenger Life holds \$3B worth of cash and liquid fixed income.

CGF capital notes conditions update also lodged this morning.

### The Reject Shop (\* TRS)

CFO Darren Briggs is leaving TRS 30 April, after 12 years with TRS, 10 of these as CFO.

Mr Briggs’ responsibilities will be taken over by TRS strategy and corporate head Clinton Cahn and finance head Tanya Lomax.

### Genex Power (\* GNX)

Initial conditional 10-year binding energy storage services agreement secured with EnergyAustralia, for the Kidston hydro project, Queensland.

### Althea Group (\* AGH)

Anticipating record monthly revenue for March.

Details lodged this morning.

### nib Holdings (NHF)

As with other insurers, NHF is postponing the planned 1 April health insurance premium jump to at least 1 October.

### Finbar Group (FRI)

Withdrawing FY20 guidance.

Also announcing the completion of the Perth suburban Sabina Applecross project, with \$60.5M worth (~50%) of pre-sales in hand.

### Joyce Corporation (JYC)

Pushing back the scheduled 6 May 5c-per-share interim dividend payment until 25 September.

Directors and senior management are deferring 50% of fees and salaries ‘until the trading environment has normalised’.

### AnteoTech Ltd (ADO)

\$2.15M raised in the 1.5c-per-share rights issue from which ADO had been hoping to secure \$3.2M.



<b>WTI Crude</b> (May)	<b>21.51</b>	bbl	-1.09	<b>-4.8</b>
<b>Brent Crude</b> (May)	<b>24.93</b>	bbl	-1.41	<b>-5.4</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>88.49</b>	t	-0.11	<b>-0.1</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>4800</b>	t	-4	<b>-0.1</b>
<b>Nickel</b>	<b>11415</b>	t	190	<b>1.7</b>
<b>Aluminium</b>	<b>1552</b>	t	8	<b>0.5</b>
<b>Lead</b>	<b>1690</b>	t	2	<b>0.1</b>
<b>Zinc</b>	<b>1876</b>	t	14	<b>0.7</b>
<b>Tin</b>	<b>14280</b>	t	285	<b>2.0</b>

### Commodities Commentary

**Oil** – prices were pushed yet lower overnight Friday, with nothing to suggest any pickup in demand and little to indicate the heads of major producing nations were ready to pull back proportionally on production.

In addition, during Thursday US trade, the US administration had revealed it would not be filling strategic reserves while prices were low, as previously announced, because the \$US2 trillion fiscal support package did not accommodate this.

Shipping industry reports suggested five additional supertankers were chartered for storage within a day of the US announcement.

WTI crude traded as low as \$US20.88/bbl in response overnight Friday.

In the meantime, Russia sovereign wealth fund head Kirill Dmitriev reportedly suggested a new OPEC+ deal was not impossible should more non-OPEC nations participate in the alliance.

Others appeared not so optimistic, Iraq reportedly requesting oil companies to cut 30% from development budgets and ExxonMobil asking suppliers for its Iraq West Qurna 1 field to lower costs.

Further, Saudi Arabia repeated it was not currently talking oil markets with Russia.

Meanwhile two refinery companies in India declared a lockdown-related force majeure on its orders of Middle East crude, one of these planning a total facility shutdown.

A third company was reported to be trying to on-sell on spot markets some of its scheduled April-loading crude deliveries.

In Italy, another refiner announced it was temporarily ceasing operations.

Other facilities in Japan, South Korea and Thailand were reported to have been closed for maintenance ahead of likely lower production, even after recently cutting back on output.

A weekly US petroleum drill rig count, published Friday, underscored the current price effects on smaller domestic explorers and producers, with the tally of operational oil rigs dropping by 40 to 624, representing 24% fewer rigs than at the end of March 2019.

**Gold** – \$US funding concerns appeared to largely influence overnight Friday gold sentiment, with growing social distancing measures stressing additional businesses, sectors and consumer spending.

For the week, Comex futures settled 9.5% higher, nonetheless.

**Base metals** – relative \$US weakness was cited for some positive overnight Friday trade, although near end-of-quarter

Holding \$5.7M cash. Nil debt.

ADO traded at 1.0c – 1.5c last week.

### Resources

#### Panoramic Resources (PAN)

WA Kimberley region Savannah nickel operations are continuing with changes to rosters and airport transfers.

Maintaining guidance but needing to regularly review the company's operational and financial positions given the uncertainties related to the spread of Covid-19 and burgeoning containment measures.

#### West African Resources (WAF)

Planning to join Sanbrado gold shipment charters following the suspension of commercial flights from Burkina Faso.

In addition, expatriate staff (5%) cannot be rotated.

All roster lengths have been extended to 21 day on - 21 days off.

#### Perseus Mining (PRU)

Ghana Edikan gold project life of mine plan update lodged this morning.

#### OM Holdings (OMH)

Paying 50% of the 1c final dividend 29 May. Payment of the balance 50% will be reviewed in August.

Requesting interstate travel restrictions to be eased for the Northern Territory Bootu Creek manganese operation.

Tshipi Borwa manganese operations, South Africa (OMH 13%) have been suspended due to the national lockdown.

### Energy

#### Yancoal Australia (\* YAL)

Outlaying \$A300M for an additional 10% of the Moolarben coal JV from partner Sojitz Corporation.

Consideration includes an initial \$A50M on completion by tomorrow's close, another \$50M 30 June, \$100M 31 December, and \$100M by the end of March 2021.

YAL will then hold 95% of the JV.

### Trading Halts

Company	Code	Resuming
Alderan Resources	AL8	30 Mar
Chesser Resources	CHZ	30 Mar
Fe Ltd	FEL	30 Mar
Genetic Signatures	GSS	30 Mar
IDP Education	IEL	30 Mar
Red 5	RED	30 Mar
Saturn Metals	STN	30 Mar
Big Star Energy	BNL	31 Mar
G Medical Innovations Holdings	GMV	31 Mar
Great Western Exploration	GTE	31 Mar
Legend Mining	LEG	31 Mar
Otto Energy	OEL	31 Mar



considerations appeared more complex.

China's January-February **industrial profits**, published Friday, dropped 38.3% following a 3.3% January fall.

The historically anticipated influence on copper trade sentiment appeared offset however by additional announcements of major project suspensions or capacity cuts.

For its part, Freeport-McMoRan revealed plans to try to convince the Peru government to review shutdown regulations to allow at least some production from the Cerro Verde *copper* operation.

Codelco reported higher costs, lower copper prices and reduced margins as major influences on last year's 17% profit drop and 5.3% lower year-on-year output of just 1.59Mt.

In the meantime, with input costs such as energy having dropped for *aluminium* producers, key companies were unlikely to respond to tumbling product prices with non-enforced near-term capacity cuts, industry watchers suggested.

Wood Mackenzie nominated a minimum 1.5Mt surplus for 2020, CRU a 4Mt excess coupled with a 2.9% demand drop, and Citigroup a 2.7Mt surplus, 6.2% lower demand and near-term prices down to \$US1450/t.

Chalco meanwhile reported a 9% drop in 2019 output.

A mass of other company announcements highlighted current industry flux, Anglo American forecasting an up to 3Mt adverse impact on the group's South African *iron ore* production and up to 2Mt fall in export *coal* output during from the current three-week lockdown.

Japan's JFE Holdings announced plans to close a blast furnace, hence reducing steel capacity by 13%, within four years, while forecasting a 190B yen annual loss (to 31 March) due to deterioration in US-China trade relations.

China's official National Bureau of Statistics March **PMIs** are anticipated tomorrow, and could provide some caution tonight.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6131	-0.0027	<b>-0.43</b>
<b>EUR – USD</b>	1.1111	-0.0009	<b>-0.08</b>

### US Data Tonight

Dallas Fed manufacturing index	Mar
Pending home sales	Feb

### Other Overseas Data Today & Tonight

<b>UK</b>	BoE consumer credit)	Feb
<b>Germany</b>	CPI (prelim)	Mar
<b>Euro zone</b>	Business confidence	Mar

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Company	Code	Since
Swift Media	SW1	31 Mar
<b>Suspensions</b> <i>(select)</i>		
8IP Emerging Companies	8EC	16 Mar
Advance NanoTek	ANO	18 Mar
Astivita Ltd	AIR	18 Mar
Blina Minerals	BDI	18 Mar
Flight Centre Travel Group	FLT	23 Mar
Graphex Mining	GPX	25 Mar
Great Southern Mining	GSN	27 Mar
MGC Pharmaceuticals	MXC	23 Mar
Netlinkz Ltd	NET	5 Mar
Pacific Star Network	PNW	20 Mar
Prospect Resources	PSC	23 Mar
Pyrolyx AG	PLX	24 Mar
Real Estate Investar Group	REV	3 Mar
Respiri Ltd	RSH	19 Mar
Southern Cross Media Group	SXL	25 Mar
TBG Diagnostics	TDL	19 Mar
Webjet Ltd	WEB	23 Mar

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ADI</b>	Today	<b>4.28</b>	0	8.46
<b>AOF</b>	Today	<b>4</b>	0	7.99
<b>APW</b>	Today	<b>0.77</b>	0	2.36
<b>AQR</b>	Today	<b>5.45</b>	0	7.54
<b>AVN</b>	Today	<b>1.06</b>	0	12.01
<b>AYF</b>	Today	<b>7</b>	33.69	6.61
<i>BOL</i>	<i>Today</i>	<i>0.5</i>	<i>0</i>	<i>0.00</i>
<b>CIP</b>	Today	<b>4.67</b>	0	6.63
<b>CLW</b>	Today	<b>7.1</b>	0	6.63
<b>CMW</b>	Today	<b>1.88</b>	0	9.22
<b>COF</b>	Today	<b>4.45</b>	0	10.78
<b>CQE</b>	Today	<b>4.17</b>	0	10.00
<b>CYC</b>	Today	<b>0.5</b>	0	1.16
<b>ECF</b>	Today	<b>2.87</b>	0	0.00
<b>EHH</b>	Today	<b>0.12</b>	0	3.45
<b>GCI</b>	Today	<b>0.71</b>	0	6.63
<b>GVF</b>	Today	<b>2.9</b>	100	6.51
<b>KLA</b>	Today	<b>18.7</b>	0	0.38
<b>LYL</b>	Today	<b>15</b>	100	7.41
<b>MEZ</b>	Today	<b>7.34</b>	0	3.73
<b>PCI</b>	Today	<b>0.33</b>	0	3.47
<b>QRI</b>	Today	<b>0.75</b>	0	7.47
<b>RFF</b>	Today	<b>2.71</b>	0	5.53
<b>TDI</b>	Today	<b>4.5</b>	0	0.00
<b>TGP</b>	Today	<b>1</b>	0	2.27
<b>TOT</b>	Today	<b>2.25</b>	0	13.21

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<b>WPP</b>	Today	<b>4.4</b>	100	23.77
APE	Tomorrow	11.25	100	12.41
MOT	Tomorrow	1.34	0	7.64
MXT	Tomorrow	0.86	0	6.79
PGG	Tomorrow	0.73	0	1.54
SMR	Tomorrow	3	100	14.38

**Reports & Events**

(selected)

When	Company	Report/Event
<b>Tomorrow</b>	FUN	Interim
<b>Wed</b>	CIM	AGM
<b>Thu</b>	SPK	Investor day
<b>Fri</b>	STO	AGM