

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5250	114	<b>2.2</b>
<b>NZX 50</b>	9928	58	<b>0.6</b>
<b>DJIA Futures</b>	21296	23	0.1
<b>S&amp;P 500 Futures</b>	2518	2	0.1
<b>NASDAQ Futures</b>	7635	8	0.1

## Local Markets Commentary

The Australian market commences Friday trade with material domestic and regional data due by early afternoon, following an overnight US equities bounce, coupled with rallies amid energy sector stocks, ahead of influential data releases out of the US tonight.

**Regionally** today, Caixin publishes a March **services PMI** for China **12.45pm AEDT**.

**In Japan**, a March **services PMI** is expected **11.30am**.

**Locally**, February **retail sales** are due from the Australian Bureau of Statistics (ABS) **11.30am AEDT**.

A March **construction services activity** index is due pre-trade.

In overnight commodities trade, **oil** settled with record one-day percentage gains.

US **gold** futures (CME April) swung higher, rallying beyond \$US1635/oz.

**Iron ore** (Nymex CFR China, 62% Fe) also turned and recorded a gain, trading above \$US81.70/t.

LME (3mth evening) **copper** bounced and rallied, **nickel** and **aluminium** also achieving varying gains.

The **\$A** has traded at ~US60.60c this morning after hovering about US61.10c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	21413	470	<b>2.2</b>
<b>S&amp;P 500</b>	2527	56	<b>2.3</b>
<b>NASDAQ</b>	7487	127	<b>1.7</b>
<b>FTSE 100</b>	5480	26	<b>0.5</b>
<b>DAX 30</b>	9571	26	<b>0.3</b>
<b>Shanghai Comp</b>	2781	46	<b>1.7</b>

## Overseas Markets Commentary

Choppy, swinging trade again featured across major European and US equities markets overnight, amid some decidedly mixed data releases and a significant rally for major energy stocks on US markets.

The \$US remained in strong demand and US four-week and eight-week bill auctions produced respective yields of 0.09% and 0.095%, following 0.00% for each previously.

**China – Caixin March services PMI – 12.45pm AEDT**

**Australia – February retail sales – 11.30am AEDT**

## Daylight saving ends this weekend

From **Monday (6 April)**, **ASX trade commences** local time in:  
**Western Australia** at 8am;  
**Queensland** at 10am; and the  
**Northern Territory** at 9.30am

## Today's Stock Watch

### Unibail Rodamco Westfield (URW)

A bond placement has raised €1.4B, in support of debt refinancing and other corporate purposes. Placement orders surpassed €3.3B. €11B cash on hand and undrawn credit.

### Harvey Norman (HVN)

Cancelling payment of the previously declared 12c-per-share interim dividend.

HVN's chair, CEO, CFO, executive and non-executive directors are forfeiting 20% of respective salaries and fees for the June quarter.

Stores continue to trade and online services remain available.

### Crown Resorts (CWN)

Deferring the 30c-per-share interim dividend payment by a minimum two weeks until at least 17 April, while finalising new financing. In addition, interim will be totally unfranked, rather than 25% franked as initially declared. The dividend will hence be wholly paid from conduit foreign income.

### Sky City Entertainment (SKC)

Expecting to lose \$NZ90M revenue/month, against \$NZ20M costs/month, while operations are closed.

The CEO, CFO and COO are foregoing 40% of salaries for the remainder of FY20. Directors are forfeiting 50%.

900 redundancies are expected to save \$NZ50Mpa and cost \$NZ11M. Chief property officer Peter Alexander is leaving SKC 2 July, due to his role having become redundant.

### NEXTDC Ltd (NXT)

Resuming trade, having completed a \$672M institutional placement at \$7.80 per share. An SPP is scheduled for 14 – 30 April. NXT traded at \$7.83 - \$9.19 the five sessions immediately prior to the trading halt.

### Servcorp Ltd (SRV)

Standing down, or making redundant, ~100 employees. The CEO's salary has been temporarily cut by 50% and directors fees and most remaining employees' remuneration by 20%.



Meanwhile, a bank forecast a 10% - 15% drop for Germany's June quarter GDP.

Among the new data releases, the **euro zone** February producer prices fell 0.6% for the month following a 0.2% January rise. Year-on-year, prices were down 1.3%.

In the **US**, weekly new unemployment claims soared by 6.65M, against expectations of an ~3.5M jump.

The ISM's New York activity index slid to 12.9 from 51.9.

February trade figures included a \$US39.9B trade deficit, following \$US45.5B at the end of January.

February factory orders came in flat, against a 0.5% January decline.

Excluding the transport sector, February orders fell 0.9%, following a 0.4% January fall.

A March job cuts report included 222,228 planned cuts, following 56,660 in February.

**Tonight** in the **US**, the GDP forecast-influencing ISM services sector index is due, together with March employment figures.

The US March jobs tally is not expected to be 'current', as most data is from the first half of the month.

April's total, and the March revision to be reported with it, are likely to offer a more accurate perspective.

Elsewhere tonight, the **euro zone** reports February retail sales.

Companies scheduled to report earnings or provide updates include Asahi and Constellation Brands.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Jun)	<b>1637.7</b>	oz	46.3	<b>2.9</b>
<b>Silver (NY)</b> (May)	<b>14.654</b>	oz	0.67	<b>4.8</b>
<b>Gold (LON)</b> (1 Apr)	<b>1577</b>	oz		
<b>Platinum</b>	<b>732</b>	oz	11	<b>1.5</b>
<b>WTI Crude</b> (May)	<b>25.32</b>	bbl	5.01	<b>24.7</b>
<b>Brent Crude</b> (Jun)	<b>29.94</b>	bbl	5.20	<b>21.0</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>81.73</b>	t	1.39	<b>1.7</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>4883</b>	t	83	<b>1.7</b>
<b>Nickel</b>	<b>11270</b>	t	20	<b>0.2</b>
<b>Aluminium</b>	<b>1501</b>	t	6	<b>0.4</b>
<b>Lead</b>	<b>1698</b>	t	-3	<b>-0.2</b>
<b>Zinc</b>	<b>1878</b>	t	19	<b>1.0</b>
<b>Tin</b>	<b>14375</b>	t	-45	<b>-0.3</b>

### Commodities Commentary

**Oil** – reports of China boosting its oil stockpiles on lower prices, plus an optimistic message from the US president, promoting expectations of a minimum 10MMbbl production cut agreement between Russia and Saudi Arabia, propelled prices higher overnight.

WTI traded as high as 35% up on Wednesday's close and Brent as much as 47%, before each booked record one-day percentage gains.

A spokesperson for Russia's administration and industry onlookers subsequently refuted however, that little had changed from earlier this week, although **Saudi Arabia** called for an

## Pre-Open Announcements

### Nanosonics Ltd (\*\* NAN)

Heralding year-on-year March quarter sales growth, but anticipating Q4 and FY20 Covid-19 adverse impacts. \$82M cash reserves 31 December.

### Treasury Wine Estates (\*\* TWE)

Victoria Supreme Court class action filed, alleging TWE continuous disclosure breaches and misleading or deceptive conduct.

### Z Energy (\* ZEL)

Revising FY20 guidance to \$NZ355M - \$NZ365M from \$NZ350M - \$NZ385M.

Provisions are expected to grow beyond the \$NZ27M of Covid-19 – related costs already incurred.

In addition, ZEL will not pay a final dividend.

Seeking to boost an existing working capital facility.

Promising to provide fuel trade volume updates.

Planning to lodge FY20 results 7 May.

### Serko Ltd (SKO)

Reducing contractor and non-essential staff numbers.

\$NZ42M cash at 31 March.

### Magellan Financial Group (\* MFG)

Audio broadcast from MFG chairman and chief investment officer Hamish Douglass lodged post-trade yesterday, highlighting global markets activity and providing MFG portfolio positioning updates.

Transcript of key talking points also lodged.

### EMVision Medical Devices (EMV)

Pausing clinical trial patient enrolment.

Half the targeted 30 patient tally had already been secured, and two months into the six-month trial, EMV and its lead investigators have acquired sufficient data points to plan to report preliminary trial images by month's end.

EMV says it is sufficiently funded to complete the trial.

\$6.87M cash at 31 December 2019.

### Telix Pharmaceuticals (TLX)

TLX has completed the acquisition of a licensed radiopharmaceutical production facility in Belgium.

### OpenLearning Ltd (OLL)

~1.85M shares are due to be released from escrow 10 – 30 April.

## Resources

### Red 5 (\* RED) / Terrain Minerals (TMX)

RED is exercising an option to acquire, for \$A2.5M, 100% of TMX's WA mining lease M37/54, which hosts the Great Western gold deposit.

The acquisition is intended to extend RED's Darlot gold operations, located 80km (trucking distance) from the Great



emergency OPEC+ meeting, and **Russia** had announced it would not boost production.

In addition, a petroleum sector regulator in **Texas** revealed he had discussed reviewing production levels with Russia's energy minister, and Iraq publicly supported Saudi Arabia's call.

The US president is scheduled to meet with domestic oil sector executives tonight, with one company filing for bankruptcy Wednesday.

A weekly US petroleum drill rig count is due tonight.

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**Gold** – the \$US remained in demand, boosting the ICE \$US index ~0.7%.

Nonetheless, worse-than-forecast weekly new unemployment claims in the US helped also propel gold prices higher, futures settling with a gain for the first time since Thursday last week.

**Base metals** – inventories, mixed economic indicator releases and continuing relative \$US strength influenced overnight LME trade.

In the meantime, a nickel miners' association has reportedly lobbied Indonesian authorities to allow *nickel* ore to be exported, to mitigate damage from reduced demand for processed nickel.

Premiums for June quarter shipments of *aluminium* from China to Japan were meanwhile reportedly set 1.2% lower than for the March quarter.

In a 10-year bond auction in Japan yesterday, yields rose to 0.023% from -0.100%.

A services sector PMI for **China** is due from Caixin today.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6062	0.0000	0.00
<b>EUR – USD</b>	1.0854	-0.0005	-0.05

#### Australian Data Today

AiG	PCI	Mar
ABS	Retail sales	Feb
RBA	Liabilities & assets (4.30pm)	Mar

#### US Data Tonight

ISM non-manufacturing	Mar
Employment (incl jobs, wages, participation)	Mar
Markit services PMI (final)	Mar

#### Other Overseas Data Today & Tonight

<b>China</b>	Caixin services PMI	Mar
<b>Japan</b>	Services PMI (final)	Mar
<b>UK</b>	Services PMI	Mar
<b>Germany</b>	Services PMI (final)	Mar
<b>Euro zone</b>	Retail sales	Feb

Western deposit.

M37/54 due diligence RC drilling results lodged this morning.

#### Zimplats Holdings (\* ZIM)

Zimbabwe mining and processing continuing 'relatively uninterrupted' during a three-week lockdown through 19 April.

In receipt of a force majeure notification from customer Impala Platinum however, which is impacted by a similar lockdown in South Africa.

For its part, ZIM has declared force majeure to capital projects contractors and financial institutions.

#### Alt Resources (ARS)

Resource upgrade lodged this morning.

#### Core Lithium (CXO)

~1.27M shares are due to be released from escrow after 15 April.

#### Energy

#### Liquefied Natural Gas (LNG)

LNG has appointed Perth, Western Australia-based Michael McAnearney as a non-executive director.

Mr McAnearney is a Gerard Daniels founding director and a Telethon Kids Institute board member.

#### Trading Halts

Company	Code	Resuming
Abilene Oil & Gas	ABL	3 Apr
Aeris Environmental	AEI	3 Apr
Anson Resources	ASN	3 Apr
Bougainville Copper	BOC	3 Apr
Galan Lithium	GLN	3 Apr
ImpediMed Ltd	IPD	3 Apr
Nanollose Ltd	NC6	3 Apr
Osprey Medical	OSP	3 Apr
Cellmid Ltd	CDY	6 Apr
Core Lithium	CXO	6 Apr
DXN Ltd	DXN	6 Apr
G8 Education	GEM	6 Apr
Holista CollTech	HCT	6 Apr
Middle Island Resources	MDI	6 Apr
Paradigm Biopharmaceuticals	PAR	6 Apr
RooLife Group	RLG	6 Apr
Blackstone Minerals	BSX	7 Apr
Anson Resources	ASN	7 Apr
Consolidated Zinc	CZL	7 Apr

#### Suspensions (select)

Company	Code	Since
8IP Emerging Companies	8EC	16 Mar
Blina Minerals	BDI	18 Mar



Euro zone Services PMI (final) Mar

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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Chant West Holdings	CWL	2 Apr
Flight Centre Travel Group	FLT	23 Mar
G Medical Innovations Holdings	GMV	31 Mar
Graphex Mining	GPX	25 Mar
MGC Pharmaceuticals	MXC	23 Mar
P2P Transport	P2P	1 Apr
Pacific Star Network	PNW	20 Mar
Prospect Resources	PSC	23 Mar
Pyrolyx AG	PLX	24 Mar
Respiri Ltd	RSH	19 Mar
Southern Cross Media Group	SXL	25 Mar
TBG Diagnostics	TDL	19 Mar
Titan Minerals	TTM	1 Apr

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CAM</b>	Today	<b>1.3</b>	100	6.76
<b>CLF</b>	Today	<b>1.5</b>	100	5.67
WAX	Mon	4.9	100	7.95
WMI	Mon	3	100	4.25
GOW	Wed	5	100	6.54
PIA	Wed	2.5	100	7.69
RIC	Wed	1.5	100	5.52
ABC	Thu	5	100	5.34
BKW	Thu	20	100	4.25
TPM	Thu	3	100	0.56

**Reports & Events**

(selected)

When	Company	Report/Event
<b>Today</b>	<b>STO</b>	AGM
<b>Wed (8 Apr)</b>	RIO SCG	London AGM AGM
<b>Thu</b>	ILU	AGM