

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	5999	73	<b>1.2</b>
<b>NZX 50</b>	11281	163	<b>1.5</b>
<b>DJIA Futures</b>	26295	35	0.1
<b>S&amp;P 500 Futures</b>	3122	4	0.1
<b>NASDAQ Futures</b>	9696	6	0.1

## Local Markets Commentary

The Australian market opens today's trade with material domestic data again due by late morning, and key data due out of the US tonight, when the European Central Bank also announces outcomes from a policy meeting commencing later today.

Post-overnight trade, Germany has announced cross-political party agreement on a further €130B economic recovery support package.

The new measures include a 3% VAT reduction to 16% for six months, and an additional sector hospitality VAT rate reduction.

Local government, family and vehicle industry support also feature in the package.

In addition, the US president has announced he is not considering sanctions against China's president in relation to proposed new security measures for Hong Kong.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes April trade and retail sales figures, **11.30am AEST**.

**Regionally** today, Japan conducts a 30-year government bond auction.

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

US **gold** futures (August) extended this week's falls.

**Iron ore** (Nymex CFR China, 62% Fe) declined a little, but remained above \$US100.0/t.

LME **copper** and **nickel** also turned modestly lower. **Aluminium** continued to gain.

The **SA** declined to just under US69.00c after trading beyond US69.05c early yesterday evening.

This morning, the SA has traded above US69.20c.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26270	527	<b>2.1</b>
<b>S&amp;P 500</b>	3123	42	<b>1.4</b>
<b>NASDAQ</b>	9683	75	<b>0.8</b>
<b>FTSE 100</b>	6382	162	<b>2.6</b>
<b>DAX 30</b>	12487	466	<b>3.9</b>
<b>Shanghai Comp</b>	2923	2	<b>0.1</b>

## Overseas Markets Commentary

Major European and US equities markets opened higher overnight and largely continued to advance.

**Australia – April trade balance; retail sales – 11.30am AEST**

The ASX will be closed Monday

Today's trades will settle Tuesday next week (9 June)

Trades executed tomorrow settle Wednesday 10 June

## Today's Stock Watch

### Dimerix Ltd (DXB)

Teleconference scheduled to commence **11am AEST**.

DXB's DMX-200 has been selected for inclusion in the REMAP-CAP global study protocol for acute respiratory distress syndrome (ARDS) caused by Covid-19. Details, plus teleconference access information, lodged this morning.

### PharmAust Ltd (PAA)

PAA's Monepantel has been shown to reduce SARA-CoV-2 cell-to-cell infectivity in tissue culture, suppressing the virus by up to 95%. Comprehensive studies are now planned to achieve confirmation.

### Westpac Banking Corporation (WBC)

Comprehensive rundown lodged this morning of WBC findings following a review of issues contained in the AUSTRAC statement of claim. WBC determined some inhouse deficiency existed in areas including accountability, expertise, resourcing and risk understanding. WBC has again committed to 'making amends'.

### Vista Group International (VGL)

Targeting \$NZ12M - \$NZ15M in annual savings via a core business restructure under which some people would lose their jobs.

### Magellan Financial Group (MFG)

\$A98.454M FUM at 31 May, against \$96.973M at COB 30 April.

### AFT Pharmaceuticals (AFP)

Exclusive distribution agreement secured with Austria-headquartered Ever Valinject for the commercialisation of the intravenous form of AFP's patented analgesic Maxigesic IV.

In addition, AFP is reporting growth in sales and market share for over-the-counter products, including hand sanitiser, eyecare treatments and products targeting cold and flu relief.

### Ecofibre Ltd (ECO)

Withdrawing 2H FY20 guidance, due to expectations the US civil unrest impacting Ananda Health near-term sales. Reordering has turned 'inconsistent'.

ECO achieved \$A1.2M sales revenue during May, from the sale of 67,000 masks, realising a 50% gross margin.

A protective hemp gaiter will be launched by 31 May.



Earlier yesterday, Caixin had reported a 55.0 services PMI for China, decidedly expansionary and the highest reading in a decade.

The People's Bank of China vice governor also foreshadowed further monetary and fiscal policy support for China's economic recovery.

In addition, several new overnight economic indicator releases pleased on the upside.

Further, select corporate news also buoyed economic recovery optimism.

Safe-haven assets suffered, the \$US trading at an 11-week low.

Government bonds were sold down and the euro notably traded 0.6% higher.

In overnight **data** releases, a final 30.5 **euro zone** May services PMI represented an 18.5-point improvement.

April producer prices dropped 2% for the month and 4.5% year-on-year, following respective 1.5% and 2.8% March declines.

The euro zone's April unemployment rate was reported at 7.3% from 7.1% in March.

**Italy's** April unemployment rate fell to 6.3% from 8% for March.

For **Germany**, the May services PMI rose from 16.2 to 32.6.

Germany's May unemployment rate was estimated at 6.3%, from 5.8% for April.

In the **UK**, the May services PMI was finalised at 29.0, from 13.4 for April.

In the **US**, the ISM's manufacturing services PMI, which colours GDP expectations, increased by 3.6 points to 45.4.

Further, a May private sector employment report proved better-than-feared, including the loss of 2.76M jobs, against up to 9.6M forecast cuts, and following 19.557M fewer jobs reported for April.

In the meantime, April durable goods orders dropped 13% for the month, following an 11% March decline.

Weekly mortgage applications fell 3.9%, after a 2.7% rise the previous week. Mean 30-year mortgage rates were reported a 3.37%, from 3.42%.

The **Bank of Canada's** policy meeting retained the key overnight rate at 0.25%.

**Tonight** in the **US**, weekly new unemployment claims and a May job cuts report are due, ahead of May national employment figures tomorrow night.

April trade figures are also keenly anticipated, together with the March quarter productivity report.

Elsewhere, the **European Central Bank** (ECB) holds a policy meeting, after previously assuring additional stimulus would be considered if deemed necessary.

Broadcom, DocuSign and Gap are among companies scheduled to report earnings later today and tonight.

In overnight corporate news, **Lyft** reported a 26% increase in rides for May, this pushing the stock more than 8.5% higher.

**Boeing** rose more than 10% after investment firm Third Point announced it had bought stock.

## Pre-Open Announcements

### Nufarm Ltd (\* NUF)

Speaking notes for the London Chemicals & Agriculture (virtual) conference lodged post-trade yesterday.

NUF CEO and MD Greg Hunt presented at the conference overnight.

NUF pointed out the group was one of the international top 10 crop protection companies on a revenue basis, and that the dynamics of the crop protection market were changing.

### Bio-Gene Technology (\* BGT)

Flavocide aquatic eco-toxicity studies have returned positive preliminary results. Details lodged this morning.

### amaysim Australia (AYS)

AYS has completed the acquisition of OVO Mobile (My Mobile Data) subscribers totalling ~77,000.

AYS has also lodged a link to an associated webcast.

The company traded 12.5% higher Tuesday, and 16.7% higher yesterday, settling at 42c.

## Resources

### Sayona Mining (\* SYA) / Altura Mining (AJM)

SYA intends to focus WA exploration within the Pilgangoora lithium district, but in association to relinquish some tenements while retaining a select 10.

In addition, SYA will continue to progress potential production plans in Quebec.

### Calidus Resources (CAI)

CAI has resumed WA Pilbara Warrawoona gold project drilling, specifically within the Klondyke target, now that regional border openings have been effected.

CAI is also planning to commence drilling a copper-gold target within the regional Otways project in August.

### Blackham Resources (BLK)

Wiluna project Golden Age underground mine drilling results lodged this morning, highlighting several high-grade, relatively shallow intersections.

### Geopacifi Resources (GPR)

MD and CEO Ron Heeks is stepping down from his GPR roles, effective immediately.

Mr Heeks intends to continue with GPR in an advisory role for three months.

Chairman Ian Clyne is assuming day-to-day GPR operational management.

### DevEx Resources (DEV)

WA Julimar-focused presentation lodged this morning.

DEV recouped 33% yesterday, settling at 0.8c.

### New Century Resources (NCZ)

NCZ has realised \$A15.825M from the retail entitlement offer, after accepting additional applications worth ~\$665,000.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Aug)	<b>1704.8</b>	oz	-29.2	<b>-1.7</b>
<b>Silver (NY)</b> (Jul)	<b>17.958</b>	oz	-0.30	<b>-1.7</b>
<b>Gold (LON)</b> (2 Jun)	<b>1742</b>	oz		
<b>Platinum</b>	<b>816</b>	oz	-14	<b>-1.7</b>
<b>WTI Crude</b> (COMEX Jul)	<b>37.29</b>	bbl	0.48	<b>1.3</b>
<b>Brent Crude</b> (ICE EUR Aug)	<b>39.79</b>	bbl	0.22	<b>0.6</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>100.4</b>	t	-0.27	<b>-0.3</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>5515</b>	t	-15	<b>-0.3</b>
<b>Nickel</b>	<b>12820</b>	t	-45	<b>-0.4</b>
<b>Aluminium</b>	<b>1566</b>	t	11	<b>0.7</b>
<b>Lead</b>	<b>1718</b>	t	0.5	<b>0.0</b>
<b>Zinc</b>	<b>2019</b>	t	5	<b>0.2</b>
<b>Tin</b>	<b>16001</b>	t	-24	<b>-0.2</b>

**Commodities Commentary**

**Oil** – reports emerged overnight, suggesting Saudi Arabia and Russia had reached partial agreement on extending OPEC+ production cuts for a month, but also that the OPEC+ meetings initially scheduled for next week, were more likely to occur then, rather than tonight, as touted from early-week.

This was interpreted as due to some alliance member dissent during behind-the-scenes negotiations.

In the meantime, China's oil demand was reported to have recovered 90%, by 30 April, from reduced demand levels caused by Covid-19 domestic containment shutdowns.

Weekly US petroleum inventories, published overnight by government agency the EIA, included a 2.077M draw on crude stocks and 2.796M rise in stored petrol.

Net crude imports fell by 639,000bbl/d. Daily crude production was reported at 11.2MMbbl, the least since October 2018.

In corporate news and speculation, Royal Dutch Shell was reported to be considering selling a 26.25% stake in Queensland LNG JV common facilities for ~\$US2B.

Meanwhile, some operators reportedly began removing non-essential personnel from Gulf of Mexico projects, due to an approaching tropical storm.

**Gold** – general risk sentiment improved further overnight, damaging gold interest.

Key economic indicators on both sides of the Atlantic proved better than anticipated, ahead of further material data due tonight.

**Base metals** – comments from China's central bank, inventories, a batch of influential data releases, currency swings and economic recovery optimism appeared the main influences overnight LME trade.

The vice governor of the People's Bank of China revealed additional monetary and fiscal policy support would likely be implemented, due to the greater-than-anticipated Covid-19 – induced economic damage.

A Caixin services PMI, released for **China** yesterday, represented a notable 10.6-point jump to a decidedly expansionary, and 10-year peak of 55.0, however.

Together with a shortfall issue, the initial placement and institutional entitlement offer, NCZ has raised ~\$A51.1M.

**Energy****Buru Energy (\* BRU)**

Confirming a mid-July lifting of Ungani crude from Wyndham Port under a spot sale agreement.

This follows the end of the Petro-Diamond Singapore off-take contract, the May delivery resulting in an additional (from initially anticipated) \$US200,000 for BRU.

Spot sales are likely to continue for some time. BRU 50%.

**Trading Halts**

Company	Code	Resuming
Aeris Resources	AIS	4 Jun
Astro Resources	ARO	4 Jun
Auroch Minerals	AOU	4 Jun
Celsius Resources	CLA	4 Jun
Legend Mining	LEG	4 Jun
Peninsula Energy	PEN	4 Jun
Strategic Energy Resources	SER	4 Jun
Superior Lake Resources	SUP	4 Jun
Xantippe Resources	XTC	4 Jun
Aruma Resources	AAJ	5 Jun
Helix Resources	HLX	5 Jun
HeraMED Ltd	HMD	5 Jun
IncentiaPay Ltd	INP	5 Jun
Suda Pharmaceuticals	SUD	5 Jun
Technology Metals Australia	TMT	5 Jun
Wide Open Agriculture	WOA	5 Jun
BMG Resources	BMG	10 Jun

**Suspensions (select)**

Company	Code	Since
Anson Resources	ASN	22 May
Aura Energy	AEE	20 May
Black Rock Mining	BKT	26 May
Cann Global	CGB	20 May
Comet Resources	CRL	28 May
Eon NRG	E2E	19 May
MGM Wireless	MWR	27 May
(The) PAS Group	PGR	29 May
Protean Energy	POW	3 Jun
Skin Elements	SKN	12 May
Soon Mining	SMG	2 Jun



China's May trade figures are anticipated Sunday and could produce some caution, anytime from tonight's trade.

Meanwhile, some concern was reported to the status of mining operations in northern **Chile**, following a 6.8 earthquake registered yesterday morning.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6927	0.0004	<b>0.06</b>
<b>EUR – USD</b>	1.1234	0.0001	<b>0.01</b>

### Australian Data Today

ABS	Trade balance	Apr
ABS	Retail sales	Apr

### US Data Tonight

Trade balance	Apr
Initial jobless claims	30 May
Challenger job cuts	May
Productivity	Mar Q

### Other Overseas Data Today & Tonight

<b>UK</b>	Construction PMI	May
<b>Germany</b>	Construction PMI	May
<b>Euro zone</b>	ECB policy meeting outcomes	4 Jun
Euro zone	Retail sales	Apr
Euro zone	Construction PMI	May

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### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALQ	Tomorrow	6.1	70	3.15
IFT	Tomorrow	9.66	0	3.02
OFX	Tue	2.35	0	4.11
PL8	15 Jun	0.4	100	5.73
SHV	18 Jun	9	100	5.26
ORA	19 Jun	37.2	50	4.73

### Reports & Events

(selected)

When	Company	Report/Event
<b>Today</b>	<b>DXB</b>	Teleconference (11am AEST)
	<b>FLC</b>	AGM (9am AEST)
	<b>OML</b>	AGM (11am AEST)
<b>Mon</b>	ZEL	AGM (1pm AEST)
<b>Wed</b>	AGG	AGM (6am AEST)

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