

Markets

SFE 200 Futures (9.30am AEST)	7043	20	0.3
NZX 50	12732	-20	-0.2
DJIA Futures	34421	-21	-0.1
S&P 500 Futures	4194	-0.5	0.0
NASDAQ Futures	13610	12	0.1

Local Markets Commentary

The Australian market opens Friday trade with a fourth (for this week) high-profile domestic bank group reporting earnings, a strong domestic services sector indicator in hand, a key report due from the Reserve Bank of Australia (RBA), and material data expected for China, plus another \$A overnight appreciation, ahead of influential US data tonight.

Leads from overnight key commodities and US equities trade are largely positive.

Yesterday evening, RBA deputy governor Guy Debelle spoke on *Monetary Policy during Covid*, bemoaning wages growth, putting the case for monetary stimulus to remain to tighten the labour market and consequently also push wages higher.

Dr Debelle acknowledged potential 3%+ June quarter inflation, attributing this to changes to subsidised childcare and higher oil prices. He did not anticipate the rate to remain as high, and to likely fall beneath 2%.

Residential property price increases ought not be addressed by monetary policy, he also offered.

Locally today, the **RBA** publishes a new monetary policy statement, containing **updated forecasts** and commentary, **11.30am AEST**.

Pre-trade, the AiG has released a robust **61.0** estimate for Australia's April **services PMI**, this from 58.7 for March.

In addition, a national cabinet meeting today is expected to provide more detail on plans for **Covid-19 management**, including repatriation flights.

Regionally today, **China's** April headline **trade** figures are anticipated **1pm AEST**.

Caixin is due to release an April **services PMI** for **China**, **11.45am AEST**.

A final April services PMI is expected for **Japan** 10.30am.

China's April foreign exchange reserves are anticipated anytime from this evening.

In overnight commodities trade, **oil** fell.

US **gold** futures continued higher, notably settling well above \$US1800.00/oz.

Qingdao **iron ore** (CFR China, 62% fines) was propelled \$US201.88/t, up \$US9.34/t for the day.

Nymex iron ore (CFR China, 62%) was bumped beyond \$US197.65/t.

LME **copper** turned and rallied. **Nickel** settled essentially flat.

* Mineral exploration listing – 11.30am AEST – NKL *

Today's Stock Watch

Macquarie Group (MQG)

\$3.35, \$1.34-franked final dividend, from \$1.80, 40%-franked a year ago.

10.4% higher, \$3.015B full year NPAT. 3.64% higher, \$12.774B net operating income.

\$53.91 NTA, from \$50.21.

News Corporation (NWS)

\$US96M March quarter net profit, from a \$1B net loss a year ago. 2% higher, \$US2.34B revenue.

REA Group (REA)

2% higher, \$655.9M revenue (post broker commissions) for the nine months to 31 March. 10% higher, \$415.1M EBITDA.

Q4 results could be adversely impacted by India's Covid-19 experience.

Goodman Group (GMG)

\$52.9M AUM at 31 March.

Tabcorp Holdings (TAH)

Apollo Management has provided TAH with a revised unsolicited and indicative takeover offer for TAH wagering and media plus gaming services business for a total \$A4B.

Apollo's alternative is to purchase solely the TAH wagering and media business, for \$A3.5B.

TAH is continuing with a strategic review of TAH assets and, as such, has not formed a view on the revised Apollo proposal.

Mainstream Group Holdings (MAI)

Apex Group has revised its unsolicited scheme of arrangement offer for MAI to \$2.60 cash per share, from \$2.55.

Earlier yesterday, MAI disclosed that rival bidder SS&C had raised its proposal to \$2.56 per share.

MAI has traded at \$2.56 - \$2.71 for the week to date.

Amcor Ltd (AMC)

Additional March quarter results, as prepared for US authorities, lodged this morning.

Noxopharm Ltd (NOX)

US FDA investigational new drug designation granted for NOX's Veyonda, used in combination with doxorubicin for the treatment of soft tissue sarcoma.

Resources

Rio Tinto (RIO)

RIO lodged results for yesterday's RIO Ltd AGM in Perth, WA, and also the 9 April Rio Plc AGM, in London, UK post-trade yesterday.



Aluminium picked up the pace of this week's gains.

The \$A was pushed to US77.85c, after trading at ~US77.45c early yesterday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34549	318	0.9
S&P 500	4202	34	0.8
NASDAQ	13633	50	0.4
FTSE 100	7076	37	0.5
DAX 30	15197	26	0.2
Shanghai Comp	3441	-6	-0.2

Overseas Markets Commentary

Marked chop and swings featured across most major European, UK and US equities markets overnight, but key US indices trended decidedly higher in late trade to settle at session peaks.

The **Bank of England's** policy meeting retained status quo, but new forecasts included 7.25% 2021 UK GDP growth and a 5.5% unemployment peak, rather than the previously forecast 7.75%.

Also overnight, India reported a new Covid-19 daily peak for both diagnoses and deaths.

In mixed overnight **data** releases, **Germany's** March factory orders grew 3% for the month following a 1.4% February rise.

The nation's April construction PMI slipped further into contraction territory, to 46.2 from 47.5, defying expectations of an expansionary 52.5.

In the **euro zone**, March retail sales rose 2.7% for the month, following a 4.2% February increase.

Against March 2020, sales were up 12%.

The region's April construction PMI remained flat at 50.1, following forecasts for 52.0.

The **UK's** finalised April services PMI was confirmed as rising 3.7-points to 61.0.

In the **US**, weekly new unemployment claims tallied 498,000, against 590,000 for the previous week and following forecasts of 545,000 new claims.

An April job cuts report estimated 22,913 layoffs against 30,603 for March.

March quarter productivity was estimated 5.4% higher for the three months, following a 3.8% December quarter 2020 drop.

Tonight in the **US**, April workforce statistics are due, together with March wholesale inventories and credit change.

Elsewhere, Germany provides trade balance and industrial production updates.

In addition, European Central Bank president Christine Lagarde is scheduled to speak publicly.

Companies scheduled to report earnings later today and tonight include: Adidas, BMW, Credit Agricole, IAG, Japan Airlines, Lotte Shopping, Mitsubishi Corp, Nippon Steel, Ricoh, Siemens and Sumitomo Corp.

In overnight corporate news, **IBM** announced it had produced a 2nm (nanometre – one billionth of a metre) test chip, as opposed

Pre-Open Announcements

IOOF Holdings (* IFL) / National Australia Bank (NAB)

The Australian Prudential Regulation Authority (APRA) has approved IFL's proposed acquisition of MLC from NAB.

MLC and NAB are targeting a post-ASX close 31 May completion.

Sportshero Ltd (* SHO)

Resuming from a trading halt with a three-year revenue-sharing arrangement with UK-headquartered Sportclips, for subscriber revenue generated from Sportclips subscribers using Indonesia telco Indosat Ooredoo.

Sportclips holds an exclusive subscriber agreement with Indosat Ooredoo and is eligible to receive 40% of subscriber revenue.

Under the SHO-Sportclips revenue-sharing agreement, SHO will become eligible for 50% of the Indosat revenue that Sportclips receives.

SHO is providing localised Indonesian content to Sportclips.

Indosat Ooredoo boasts >60M paid subscribers.

Additional details lodged post-trade yesterday.

SHO last traded at 3c.

Crown Resorts (CWN)

CWN can recommence gaming, and food and beverage services, within the Crown Perth casino from tomorrow, in accordance with Covid-19 - related distancing regulations.

AMA Group (AMA)

AMA has commenced Federal Court of Australia proceedings against former CEO Andy Hopkins and a company Mr Hopkins controls.

AMA is seeking to recover unauthorised expenses and the repayment of an outstanding loan, the funds totalling ~\$2.4M.

Clover Corporation (CLV)

CFO and company secretary Paul Sherman has resigned, effective immediately.

CLV has appointed Andrew Allibon to take over from Mr Sherman on a temporary basis.

Resources

NickelX Ltd (* NKL) / VRX Silica (VRX) / Metalicity Ltd (MCT)

Mineral explorer NKL is scheduled to list on the ASX **11.30am** AEST, following a \$7M IPO at 20c per share.

53.5M quoted shares.

VRX holds 9.11% and MCT 4.37%.

White Cliffs Minerals (WCN)

Reedy South gold project Cracker Jack rock chip sampling has returned several high-grade assays.

Results lodged this morning.

Additional results are anticipated from sampling within the Nallan, McCaskill Hill and Robin Well prospects 'in coming



to the 7nm chips available commercially and which require 75% more energy.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1815.7	oz	31.4	1.8
Silver (NY) (Jul)	27.48	oz	0.96	3.6
Gold (LON) (5 May)	1782	oz		
Platinum	1248	oz	28	2.3
WTI Crude (NYMEX Jun)	64.71	bbbl	-0.92	-1.4
Brent Crude (ICE EUR Jul)	68.09	bbbl	-0.87	-1.3
Iron Ore (NYMEX,CHN,62%)	197.68	t	7.27	3.8
Copper (LME Ind)	10080	t	131	1.3
Nickel	17900	t	-0.5	0.0
Aluminium	2513	t	66	2.7
Lead	2212	t	33	1.5
Zinc	2946	t	10	0.4
Tin	30075	t	404	1.4

Commodities Commentary

Oil – overnight price falls were attributed in part to new Covid-19 peak daily cases and deaths reported for India, which is a major crude importer.

A weekly US petroleum drill rig report is due tonight.

Gold – overnight prices benefited from a lower \$US (ICE \$US - ~0.4%) and declining 10-year US bond yields.

A Bank of England policy meeting lowered the expected 2021 top unemployment rate and raised anticipated 2021 GDP growth.

Meanwhile, Russia's March quarter gold exports were reported 72% higher year-on-year, at 51.8t and worth ~\$US3B.

For its part, the World Gold Council reported an April outward flow of 18.3t of gold (~\$US1.1B) from gold-backed exchange-traded funds (ETFs).

Refinitiv Metals Research estimated 175t worth of net gold ETF outflows during the March quarter.

Monthly US employment statistics are expected to influence some sentiment tonight.

Base metals – overnight trade sentiment was attributed to a weaker \$US, some additional positive international economic indicators and a renewed focus on China – Australia tensions.

Aluminium traded at ~three-year highs, in part due to China's reliance on Australian bauxite and alumina to smelt aluminium, but also to China's environmentally-related production curbs on.

China's April trade figures, scheduled for release today, are likely to influence some of tonight's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7786	0.0046	0.59
EUR – USD	1.2064	0.0056	0.47

weeks'.

SSR Mining (SSR)

March quarter financial results and operational report, as prepared for US authorities, lodged this morning.

Piedmont Lithium Inc (* PLL)

The re-domiciled (to Delaware, US) Piedmont is scheduled to commence ASX trade on a deferred settlement basis (under PLLDA) on ASX open today.

~1.57B quoted CDIs (100 CDI : 1 common stock share).

Normal (T+2) trade is expected to commence 18 May.

Global Lithium Resources (GL1)

Lithium explorer completed a well-supported ASX listing yesterday, following a \$10M IPO at 20c per share.

Opened at 30c and slipped to 26c before settling at 28c.

9.07M shares changed hands across 621 transactions.

~88.98M quoted shares.

QMinerals Ltd (QML)

Minerals explorer completed its ASX listing yesterday, following an \$11.548M IPO at 30c per share.

Opened at 28c and traded at 26.5c – 29c before settling at 27c.

1.85M shares were traded across 117 transactions.

46.08M quoted shares.

QML lodged a new presentation post-trade yesterday.

Trading Halts

Company	Code	Resuming
Kinetiko Energy	KKO	7 May
Lion Energy	LIO	7 May
Oventus Medical	OVN	7 May
Australian Rural Capital	ARC	10 May
MGC Pharmaceuticals	MXC	10 May
Neometals Ltd	NMT	10 May

Suspensions (select)

Company	Code	Since
Buddy Technologies	BUD	23 Apr
Magnum Mining & Exploration	MGU	6 May
Titanium Sands	TSL	23 Apr
Walkabout Resources	WKT	6 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ANZ	Mon	70	100	2.17
JHG	Mon	38	0	4.26
SEK	Mon	20	100	0.00
UOS	Tue	2	0	2.58
RMD	Wed	3.5	0	0.61

**Australian Data Today**

RBA	Monetary policy statement	May
AiG	PSI	Apr
RBA	Card transactions	Apr

US Data Tonight

Workforce (incl jobs, wages, unemployment)	Apr
Wholesale inventories	Mar
Consumer credit	Mar

Other Overseas Data Today & Tonight

China	Trade balance	Apr
China	Caixin services PMI	Apr
Japan	Cash earnings	Mar
Japan	Services PMI (final)	Apr
UK	Construction PMI	Apr
Germany	Trade balance	Mar
Germany	Industrial production	Mar

Need More Information?

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WBC	Thu	58	100	1.19
ASG	Fri (14 May)	2	100	0.00
PL8	Fri	0.4	100	4.02
QVE	17 May	1.1	100	4.36
SNC	17 May	2.5	100	2.63
WAA	18 May	3	100	2.67
KMD	20 May	1.57	100	0.00
AMC	25 May	15.12	0	4.14
IAP	27 May	4.53	0	6.02
PIA	28 May	1.25	100	3.98
FPC	31 May	3	100	0.00
WAM	31 May	7.75	100	3.34
WGB	31 May	5	100	1.48

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	CEN	Apr
	GMG	Mar Q
	MQG	Full year
	REA	Mar Q (tele 8.30am)
	NWS	Mar Q (post-Thur US trade)
	SSR	Mar Q
Mon	PDL	Interim
Tue	MMM	Strategy day (Q&A tele 3pm AEST)
Wed	AST	Full year
	PPH	Full year (tele 9am)
	SIG	AGM
	SIQ	AGM
	TLX	AGM
	URW	AGM (6.30pm)
Thu	ALD	AGM
	GPT	AGM
	IME	AGM
	ORI	Interim
	WPR	AGM
	XRO	Full year