

Markets

SFE 200 Futures (9.30am AEDT)	5190	-52	-1.0
NZX 50	9898	88	0.9
DJIA Futures	22551	117	0.5
S&P 500 Futures	2649	12	0.5
NASDAQ Futures	8041	43	0.5

Local Markets Commentary

The Australian market opens today's trade on the second last domestic trading session for this week with new data in hand from China, and domestic wage support expected to be approved by the Australian parliament later today, after US equities markets closed at or near overnight session lows.

US equities futures are higher this morning.

Meanwhile, also in the US early this morning (AEST), the president has removed from office the key independent overseer of previously-approved US fiscal support packages.

Post-ASX trade yesterday, China reported March foreign reserves at \$US3.061 trillion, following \$US3.107 trillion at the end of February.

Locally today, the Australian Bureau of Statistics reports February **finance approvals 11.30am** AEST.

In overnight commodities trade, **oil** extended Monday's drop.

US **gold** futures (June) swung lower.

Iron ore (Nymex CFR China, 62% Fe) turned lower, trading beneath \$US81.95/t.

LME (3mth evening) **copper** and **nickel** rallied. **Aluminium** turned to record a modest gain.

The **\$A** slipped to ~US61.70c after trading at ~US61.75c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22654	-26	-0.1
S&P 500	2659	-4	-0.2
NASDAQ	7887	-26	-0.3
FTSE 100	5704	122	2.2
DAX 30	10357	282	2.8
Shanghai Comp	2821	57	2.1

Overseas Markets Commentary

Major European and US equities markets rallied further on opening overnight, but European indices were dragged lower in the last two hours of trade by US indices which began to trend lower towards session lows.

Reports emerged estimating the international jobs and income costs of Covid-19, one survey estimating ~70% of US personal

The **ASX** will be **closed Friday** this week
 and **Monday** next week, for **Easter**

Today's trades settle **Tuesday** next week (14 April)

Tomorrow's settle **Wednesday** next week

State One wishes readers a safe and peaceful Easter

The Market Opener will continue tomorrow and resume **Tuesday**

Today's Stock Watch
Bank of Queensland (BOQ)

40% lower, \$93M interim NPAT. Flat revenue. 10% lower, \$151M cash earnings. 9.91% CET1.

Deferring an interim dividend payment, due to APRA guidance. Planning to redeem \$A1.5M worth of wholesale capital notes 26 May. BOQ intends to subsequently re-boost the additional Tier 1 capital provided by the notes.

Commonwealth Bank of Australia (CBA) / Westpac Banking Corporation (WBC) / National Australia Bank (NAB)

Fitch Ratings has revised its ratings for Australia's major banks, downgrading long-term ratings and maintaining a negative outlook. Individual ratings lodged by CBA, WBC and NAB since post-trade yesterday.

Treasury Wine Estates (TWE)

Penfolds demerger and separate ASX listing under consideration. Additional post-review restructuring plans lodged this morning. \$1.1B cash and undrawn debt facilities.

Insurance Australia Group (IAG)

MD and CEO Peter Harmer is planning to retire from IAG by year's end. In association, IAG has appointed CFO Nick Hawkins as deputy CEO, effective immediately.

Micro-X Ltd (MX1) / Quantum Health (QTM)

\$1.2M worth of orders in hand for MX1's Nano digital X-ray unit orders, boosting the total value of orders since February to \$3.6M. \$1.0M worth of the new orders came from the NSW Government through distributor QTM, earmarked for use with Covid-19 sufferers.

The Alfred Hospital, Melbourne, ordered one unit in November 2019, and has ordered a second, providing potential customers with positive acute clinical environment assessments. MX1 recouped 12% yesterday, settling at 14c.

Megaport Ltd (MP1)

Conducting a \$50M fully underwritten \$9.50-per-share institutional and select investor placement. Also planning a \$15M SPP. Presentation lodged post-trade yesterday.

MP1 has traded at \$9.36 - \$11.45 the past five trading sessions.



income has been adversely impacted, and a UN report predicting the equivalent of 195M full time jobs would be lost during the June quarter.

In the meantime, media reports suggested another US economic support package, worth up to \$US1 trillion, was under negotiation by parliamentarians, just as controversy grew between key parliamentarians and the US administration over the initially planned independent management of previously approved funding allocations.

In overnight data releases, **Germany's** February industrial production rose 0.3% for the month, against a 3.2% January increase.

February retail sales for **Italy** surprised on the upside, jumping 5.7% year-on-year and rising 0.8% for the month following respective +1.4% and 0% January figures.

In the **US**, a NFIB business optimism index fell to 96.4 from 104.5.

An IBD/TIPP economic optimism index dropped to 47.8 from 53.9.

A job openings report indicated 6.88M opportunities in February, against 7.01M for January.

Meanwhile, a 10-year note auction delivered 0.782% yield, from 0.849%.

Tonight in the US, minutes of March **US Federal Reserve** deliberations are due (early tomorrow AEST), ahead of an economic update webcast from chair Jerome Powell Thursday (10am ET).

US weekly mortgage applications are also due tonight.

Companies scheduled to report results or provide trading updates include Delta Air Lines, Ganfeng Lithium, RPM, UK supermarket chain Tesco and Wirecard.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1683.7	oz	-10.20	-0.6
Silver (NY) (May)	15.48	oz	0.311	2.1
Gold (LON) (6 Apr)	1648	oz		
Platinum	736	oz	-3	-0.4
WTI Crude (May)	23.63	bbbl	-2.45	-9.4
Brent Crude (Jun)	31.87	bbbl	-1.18	-3.6
Iron Ore (NYMEX,CHN,62%)	81.90	t	-0.59	-0.7
Copper (LME,3mth Ind,PM)	5017	t	122	2.5
Nickel	11455	t	175	1.6
Aluminium	1481	t	7	0.4
Lead	1728	t	48	2.8
Zinc	1927	t	34	1.8
Tin	14621	t	341	2.4

Commodities Commentary

Oil – overnight, a group of bi-partisan US parliamentarians proposed a bill that would fund \$US3B worth of oil purchases, to supplement the national emergency reserve and support domestic producers struggling with much-reduced prices.

The US Department of Energy (DoE) had initially planned to purchase 30MMbbl of oil, but when a fiscal support package did not include funding for such buying, dropped the idea in March.

Pre-Open Announcements

QBE Insurance Group (* QBE)

Intending to pay the group's 27c final dividend tomorrow as planned, despite APRA's new Covid-19 – related recommendation.

McMillan Shakespeare (* MMS)

Temporarily standing down partially or in full employees in most parts of MMS business, effective 13 April (Monday next week).

MD, other executive and board remuneration will be reduced by a collective 35%.

BrainChip Holdings (* BRN)

Taiwan Semiconductor Manufacturing Company is scheduled to commence manufacturing BRN's wafer fabrication of the Akida system-on-chip today. Details lodged pre-trade.

SCA Property Group (* SCP)

Resuming from a trading halt having raised \$250M in a \$2.16-per-unit fully underwritten institutional placement. A \$50M UPP is also planned. SCP last traded at \$2.36.

Seven Group Holdings (* SVW)

Withdrawing FY20 guidance, but will pay the 21c interim dividend, as planned, 20 April (Monday week).

\$803M undrawn facilities and cash, \$430M committed.

No refinancing due for 18 months.

Altium Ltd (* ALU)

Withdrawing FY20 earnings guidance.

Paradigm Pharmaceuticals (* PAR)

A teleconference was scheduled for 8.30am AEST, addressing US FDA guidance for the planned Phase 3 clinical trial of Zilosul.

PAR last traded Wednesday last week, at \$1.69.

FirstWave Cloud Technology (* FCT)

Launching new remote worker cyber security products which include Cisco's email and web security services and Trend Micro's endpoint security service.

Initial orders are already in hand from 'tier 1' partners Digital Wholesale Solutions, NTT Data and SHEL.T.

Austal Ltd (* ASB)

Maintaining FY20 minimum EBIT guidance as, to date, the company is only minimally impacted by Covid-19, both operationally and financially.

Four employees who tested positive to the virus are recovering and remain in isolation.

ASB has traded higher again the past three sessions, yesterday settling at \$2.95.

Platinum Asset Management (* PTM)

\$21.927B FUM 31 March, against \$23.785B 29 February.



In addition overnight, US government agency the EIA published revised predictions, forecasting US crude output would fall by 470,000bbl/d to 11.76MMbbl/d, a daily 1.2MMbbl lower than its previous forecast. This was viewed as insufficient to help mitigate a global surplus.

Meanwhile, OPEC+ is due to meet (virtually) overnight tomorrow amid ongoing reports of progress with background negotiations. Iran however, suggested output figures still needed firmer agreement.

For its part, the US DoE noted US producers were already voluntarily cutting back, in response to plunging prices.

International producers, in the meantime, continued to announce capex and workforce reductions.

A weekly US petroleum inventories report is due tonight from the EIA. Overnight, an industry report estimated crude stocks had increased by almost 12MMbbl last week.

Gold – US futures headed early overnight towards 7.25-year peaks, trading as high as \$US1742.6/oz.

A subsequent pull back was attributed to profit-taking ahead of (Easter) Maundy Thursday.

Covid-19 news is expected to continue to influence sentiment, but weekly US new jobless claims and trade figures out of Germany and the UK, all tomorrow night, are also anticipated to swing some trade should they diverge significantly from forecasts.

Base metals – overnight LME trade initially appeared to demonstrate the positive sentiment pushing major international equities higher again.

Some positioning is expected ahead of the Easter weekend, with major European, UK and US markets closed Friday, and several smaller markets closed for Maundy Thursday.

In addition, March producer prices are due out of China Friday.

Yesterday, Japan's initial February economic index came in at 92.1 from 90.5 for January.

Japan also reported a 0.8% rise in February household spending for the month, following a 1.6% January fall.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6174	0.0004	0.06
EUR – USD	1.0900	0.0009	0.08

Australian Data Today

ABS	Finance approvals (housing, personal, business)	Feb
ABS	Building approvals – additional data	Feb

US Data Tonight

Fed Reserve policy meeting minutes	Mar
MBA mortgage applications	3 Apr

Australian Pharmaceutical Industries (* API)

API has been prioritising the provision of medicines and associated products and is hence pushing back the company's interim results release by one week to 23 April.

Tilt Renewables (* TLT) / Infratil Ltd (* IFT)

TLT is planning a \$A260M pro-rata share buy-back, at ~A55c per share, under a scheme of arrangement.

TLT holds \$A535M cash following the Snowtown 2 wind farm sale in December 2019.

IFT holds 65% of TLT. IFT market update lodged this morning in presentation format.

TLT last traded at \$2.80.

G Medical Innovations Holdings (GMV)

Pushing back the convertible notes settlement repayment to Magna until 30 April, and in association, paying Magna \$US260,000 worth of GMV shares.

The repayment is being reduced by \$US130,000, with an estimated \$US3,260,665 likely to be paid by GMV.

Resuming from suspended trade.

Last traded at 4.5c.

Zenith Energy (ZEN)

Confirming the company will pay a 13c-per-share special dividend, pending the execution of a scheme of arrangement by which Elemental Infrastructure BidCo plans to acquire ZEN.

Magnis Energy Technologies (MNS)

750,000 \$1.00 options expired yesterday.

19.1M MNS unlisted options remain on issue.

Sky & Space Global (SAS)

Voluntary administrators appointed.

Resources

Marmota Ltd (* MEU)

Resuming from a trading halt heralding Aurora Tank extensional RC drilling 1m assay results. MEU last traded at 3.2c.

OceanaGold Corporation (* OGC)

Webcast teleconference scheduled for 7.30am AEST tomorrow (Thursday 9 April), with newly-appointed president and CEO Michael Holmes focusing on recent updates.

OGC has traded higher the past five sessions, yesterday settling at \$1.80.

Consolidated Zinc (CZL)

Withdrawing the rights issue announced ~one month ago.

CZL's Plomosas operation in Mexico is restricted, under government Covid-19 – related orders, to critical maintenance.

CZL has applied for an exemption and, in association, pending the response, may renegotiate a rights issue underwriting agreement with Pinnacle Corporate Finance.

**Other Overseas Data Today & Tonight**

Japan	Machinery orders	Feb
Japan	Eco watchers survey (3pm AEST)	Mar

Need More Information?

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Energy**Energy Resources of Australia (* ERA) / Rio Tinto (* RIO)**

ERA produced 421t of uranium oxide during the March quarter, 20% fewer tonnes than a year earlier and 1% down on December quarter 2019 production.

ERA is held 86.3% by RIO. RIO's London AGM is scheduled for later today.

Trading Halts

Company	Code	Resuming
Anova Metals	AWV	8 Apr
Predictive Discovery	PDI	8 Apr
Allegiance Coal	AHQ	9 Apr
Indiana Resources	IDA	9 Apr
Marenica Energy	MEY	9 Apr
Metals Tech	MTC	9 Apr
Phoslock Environmental Technologies	PET	9 Apr
Wellness & Beauty Solutions	WNB	9 Apr
Davenport Resources	DAV	14 Apr
Oil Search	OSH	14 Apr
Kazia Therapeutics	KZA	15 Apr

Suspensions *(select)*

Company	Code	Since
8IP Emerging Companies	8EC	16 Mar
Abilene Oil & Gas	ABL	3 Apr
Anson Resources	ASN	7 Apr
Consolidated Zinc	CZL	7 Apr
DXN Ltd	DXN	6 Apr
eSense-Lab Ltd	ESE	7 Apr
G8 Education	GEM	6 Apr
Graphex Mining	GPX	25 Mar
MGC Pharmaceuticals	MXC	23 Mar
Middle Island Resources	MDI	6 Apr
Nanoveu Ltd	NVU	8 Apr
P2P Transport	P2P	1 Apr
Pacific Star Network	PNW	20 Mar
Paradigm Biopharmaceuticals	PAR	6 Apr
Petsec Energy	PSA	3 Apr
Prospect Resources	PSC	23 Mar
Pyrolyx AG	PLX	24 Mar
Respiri Ltd	RSH	19 Mar
TBG Diagnostics	TDL	19 Mar
Titan Minerals	TTM	1 Apr

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GOW	Today	5	100	6.41
PIA	Today	2.5	100	7.18
RIC	Today	1.5	100	5.28
ABC	Tomorrow	5	100	0.00
BKW	Tomorrow	20	100	4.28
CI1	Tomorrow	0.05	0	1.52
TPM	Tomorrow	3	100	0.54
FGX	15 Apr	2.6	100	5.14
WAA	15 Apr	3	100	6.70
WGB	15 Apr	3	100	1.12
WLE	15 Apr	3.25	100	5.43
EAS	16 Apr	1.5	100	4.14

Reports & Events

(selected)

When	Company	Report/Event
Today	BOQ	Interim (audio w/cast 10am)
	RIO	London AGM
	SCG	AGM
Tomorrow	ILU	AGM
17 April (Fri next week)	OZL	AGM