

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6189	18	<b>0.3</b>
<b>NZX 50</b>	9830	-14	<b>-0.2</b>
<b>DJIA Futures</b>	26058	125	0.5
<b>S&amp;P 500 Futures</b>	2852	14	0.5
<b>NASDAQ Futures</b>	7452	51	0.7

## Local Markets Commentary

The Australian market commences a new quarter's trade with influential data out of China over the weekend, domestic manufacturing figures in hand, plus business sentiment and conditions due today, and increased uncertainty for the UK ahead of a likely 12 April withdrawal from the European Union.

This, ahead of a Reserve Bank of Australia (RBA) policy meeting and an Australian government annual budget release ahead of a pre - mid-year national election, each tomorrow.

Key commodities prices and major international equities market rose overnight Friday, but post-northern hemisphere trade, the UK House of Commons again voted against the negotiated immediate arrangements for the UK's planned withdrawal from the European Union (EU), after also voting down alternative proposals earlier in the week.

In the event further negotiations are ruled out, and amid a backdrop of increased speculation regarding UK government leadership, this week, UK representatives will need to sort with EU leaders likely customs, border security and financial sector implications, ahead of a previously agreed 12 April separation.

China's official PMIs, published yesterday, surprised on the upside, the manufacturing PMI rising for the first time in four months.

The manufacturing PMI was calculated at 50.5, representing a move back into expansion mode from February's 49.2.

The export orders and employment components however, continued to fall, the orders figure having now declined for a tenth consecutive month.

The services sector PMI also rose, by 0.5 to 54.8.

Caixin will publish its March manufacturing PMI for China **12.45pm** AEDT today.

Additional US-China trade talks outcomes commentary is anticipated today, together with confirmation of a continuation of negotiations in Washington later this week.

Also over the weekend, the US has announced it will stop \$US700M worth of aid to three central American nations, and also threatened to entirely close the US-Mexico border.

In overnight Friday commodities trade, **oil** swung higher.

US **gold** futures (June) turned to settle with a slight gain.

**Iron ore** (China port, 62% Fe) also turned, and rallied beyond \$US86.5/t.

**China – Caixin manufacturing PMI – 12.45pm AEDT**

**June Quarter - first trading day**

## Today's Stock Watch

### engage:BDR Ltd (EN1)

Recent publisher activations are delivering better-than-anticipated demand and hence greater-than-expected revenue. Over the past week, revenue grew a mean 40% with ~41% profit margin.

This has pushed current mean daily revenue averages 75% greater than for the December quarter 2018.

### Asaleo Care (AHY)

\$180M sale of AHY's consumer tissue (Deeko, Handee Ultra, Sorbent brands included) business completed.

### Micro-X Ltd (MX1)

The pre-flagged sales and product support alliance with Thales Group became effective overnight Friday.

A HoA is also in hand covering Thales's potential development of a new airport checkpoint security system using MX1 technology.

### Ecofibre Ltd (EOF)

Hemp products provider (Australia and the US) completed a stellar ASX listing Friday following a \$20M IPO at \$1.00 per share.

Opened at \$1.61 and traded at \$1.45 - \$1.75 before settling at \$1.70.

3.96M shares changed hands across 854 transactions.

115.58M quoted securities.

## Resources

### Rio Tinto (RIO)

Due to a January northern WA Cape Lambert fire and recent cyclone Veronica damage and disruptions, RIO anticipates 2019 production will fall by ~14Mt.

Declaring force majeure on some contracts due to the Cape Lambert A port 85Mtpa iron ore terminal having suffered some damage during cyclone Veronica.

RIO ships Hamersley Iron Yandicoogina and Robe River product out of Cape Lambert.

RIO consequently anticipates 2019 shipments will come in at the lower end of previous 338Mt – 350Mt guidance.

### Evolution Mining (EVN) / Enterprise Metals (ENT)

EVN is planning to earn up to 80% of ENT's WA Murchison gold exploration project. EVN will also operate the project during the earn-in phase.



LME **copper**, extended Thursday's gain at rally pace. **Aluminium** also definitively extended a slight Thursday rise. **Nickel** swung and rallied.

The **\$A** traded variously a little below US71.0c after trading at ~that mark early Friday evening.

**Locally** pre-trade, AiG's March **manufacturing PMI** has been reported at 51.0 from 54.0 for February.

A monthly capital city residential property price report is also due prior to market open.

NAB publishes the results of its March **business survey** later this morning, and the Melbourne Institute and TD Securities their monthly **inflation gauge** report.

The RBA releases a March **commodity price index** post-trade.

In addition, **SUN** and several other stocks trade **ex-dividend** today. *Please see p4 for a comprehensive list.*

### Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25929	211	<b>0.8</b>
<b>S&amp;P 500</b>	2834	19	<b>0.7</b>
<b>NASDAQ</b>	7729	60	<b>0.8</b>
<b>FTSE 100</b>	7279	45	<b>0.6</b>
<b>DAX 30</b>	11526	98	<b>0.9</b>
<b>Shanghai Comp</b>	3091	96	<b>3.2</b>

### Overseas Markets Commentary

Major European and US equities markets opened higher overnight Friday in end-of-March quarter trade, most settling at or near session highs.

US treasury secretary Steven Mnuchin had described two days of US-China trade talks in Beijing as 'constructive'.

The talks are due to resume in Washington later this week.

In mixed **US** data releases, February personal income rose 0.2% for the month, but spending just 0.1%.

The Chicago PMI dropped from 64.7 to 68.7.

February new home sales rose 4.9%.

The University of Michigan March consumer sentiment reading was finalised at 98.4, from 93.8 in February.

**UK** December quarter GDP growth was finalised at 0.2% for the three months and 1.4% year-on-year.

Business investment came in 2.5% lower year-on-year.

GfK's March consumer confidence reading was reported at -13, the same as for February.

House prices were 0.7% higher year-on-year and up 0.2% for the month.

In **Germany**, February retail sales rose 0.9% against 2.8% in January. Year-on-year, sales were up 4.7%.

Import prices rose 0.3% for the month and were 1.6% higher year-on-year, following a 0.2% January monthly fall.

In **France**, the CPI improved by 0.8% for the month following a flat February reading.

## Pre-Open Announcements

### Blue Sky Alternatives (\* BLA)

Confirming a possible breach of covenants is still anticipated with the Oaktree convertible note facility, and promising an update once 31 March financial accounts are finalised.

### Amplia Therapeutics (\* ATX)

European patent in hand for AMP945 composition.

### DataDot Technology (DDT)

Proposing to sell the DataDotDNA theft deterrent system business to DataDot Investments Pty Ltd, in order to advance Trace business.

The deal will depend on approval from shareholders, who will also be asked to vote on a DDT name change to DataTraceID Ltd.

### Buddy Platform (\* BUD)

The Lifi Labs Inc acquisition was scheduled for completion overnight Friday after BUD raised a pre-costs \$A18.1M in the recent 8c-per-share placement.

BUD traded at 7.2c – 8.2c last week, settling at 7.3c Friday.

BUD has called a trading halt this morning.

### GR engineering Services (GNG)

CFO and company Joe Totaro has resigned these roles, effective 16 April, and will become a GNG non-executive director 1 July. GNG has appointed former Deloitte corporate finance partner Omesh Motiwalla as the company's new CFO, effective 16 April.

### Emerge Gaming (\* EM1)

Asserting listing regulation compliance regarding confidential discussions in a reply to an ASX query regarding the timing of the 21 March announcement of a possible JV with iCandy Interactive ASX: ICI).

EM1 had added 13.3% 20 March, following 27.27% and 15.79% gains for two sessions the previous week following a roadshow that week and separate announcements plus an 'unauthorised' media article regarding plans other than the potential JV, which EM1 says was spawned from the road show.

EM1 closed February trade at 2c and settled Friday at 3c, after trading as high as 4.5c during the month.

## Resources

### Jerois Mining (\* JRV)

Selling remaining royalties in NSW, Queensland and WA, for \$A3.6M cash, to Franco Nevada, pending conditions including Australian Foreign Investment Review Board approval.

### Strandline Resources (\* STA)

Heralding metallurgical test results for the WA mid-west Coburn mineral Sands project.



In **Turkey** mayoral elections took some cities from the ruling government party, likely including Ankara.

In the **UK** post northern hemisphere trade, the House of Commons voted down (344–286) the PM's negotiated arrangements for separating from the European Union (EU).

The British pound dropped below \$US1.30 again and talk of new government leadership simmered.

**Tonight** in the **US**, February retail sales and the ISM's March manufacturing PMI are due.

February construction spending and January business inventories are also expected.

Internationally and geopolitically, reactions are anticipated to on several fronts, including UK MP suggestions regarding government management of the withdrawal from the EU, US-Mexico border threats, and local government elections in Turkey.

In overnight Friday corporate news, **Lyft** gained 8.7% on its NASDAQ listing.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Jun)</b>	<b>1298.5</b>	oz	3.2	0.3
<b>Silver (NY) (May)</b>	15.10	oz	0.137	0.9
<b>Gold (LON)</b>	1295	oz	-15	-1.1
<b>Platinum</b>	847	oz	9	1.1
<b>WTI Crude (May)</b>	<b>59.30</b>	bbl	0.84	1.4
<b>Brent Crude (May)</b>	<b>68.39</b>	bbl	0.57	0.8
<b>Iron Ore</b> (CHN port 62%)	<b>86.81</b>	t	2.13	2.5
<b>Copper</b> (LME,3mth,PM)	<b>6472</b>	t	101	1.6
<b>Nickel</b>	13005	t	135	1.1
<b>Aluminium</b>	1914	t	9	0.5
<b>Lead</b>	2017	t	2	0.1
<b>Zinc</b>	2914	t	48	1.7
<b>Tin</b>	21400	t	-20	-0.1
<b>CBT Wheat (May)</b>	<b>4.58</b>	bshl	-0.07	-1.4

### Commodities Commentary

**Oil** – WTI crude settled ~32% higher for the March quarter overnight Friday, after turning to record a new sessional gain.

Brent crude also traded higher, closing out the quarter ~25% higher, together with WTI gaining the most in a quarter since the June quarter 2009.

A weekly US petroleum rig count, published overnight Friday, revealed another fall in the number of operational oil rigs, this time by eight.

A major Lyondell refinery on the Texas coast is expecting to maintain reduced production through this week, due to shipping disruptions following a coastal petrochemical storage tank fire.

Royal Dutch Shell however, anticipates ramping a Shell-Pemex JV refinery from Wednesday towards full production again.

Brent May futures expired on Friday's close. June futures settled at \$US67.58/bbl, 0.7% (47c) higher for the session.

**Gold** – settled higher overnight Friday and 1.3% for the March quarter.

### Altura Mining (AJM)

AJM has provided history and rationale regarding two covenant breaches relating to WA Pilbara Pilgangoora lithium project funding, in an ASX query response lodged post-trade Friday.

Earlier Friday, AJM announced product was ready for loading, post cyclone Veronica, once the relevant vessel was able to return to Port Hedland.

### Energy

#### Winchester Energy (WEL)

Wireline logging is indicating a 28ft net oil pay from the primary target within the White Hat 20#3 well, Mustang prospect, Texas. Plans and additional details lodged this morning.

#### Peninsula Energy (\* PEN)

Wyoming, US Lance uranium projects low pH statistics lodged this morning.

### Trading Halts

Company	Code	Resuming
Ausmex Mining Group	AMG	1 Apr
Navarre Minerals	NML	1 Apr
Stemify Ltd	SF1	1 Apr
Sunbridge Group	SBB	1 Apr
AirXpanders Inc	AXP	2 Apr
Bubs Australia	BUB	2 Apr
Core Lithium	CXO	2 Apr
Konekt Ltd	KKT	2 Apr
Otto Energy	OEL	2 Apr
VRX Silica	VRX	2 Apr
Hastings Technology Metals	HAS	3 Apr
Marindi Metals	MZN	3 Apr

### Suspensions (select)

Company	Code	Since
Agua Resources	AGR	29 Mar
Alchemia Ltd	ACL	29 Mar
American Patriot Oil & Gas	AOW	14 Mar
Consolidated Zinc	CZL	26 Mar
Environmental Clean Technologies	ECT	15 Mar
Gascoyne Resources	GCY	18 Mar
Gladiator Resources	GLA	29 Mar
IAB Holdings	IAB	29 Mar
IOT Group	IOT	13 Mar
Medigard Ltd	MGZ	8 Mar
MZI Resources	MZI	20 Mar
Mustera Property Group	MPX	20 Mar
Range Resources	RRS	20 Mar
Security Matters	SMX	27 Mar
Universal Coal	UNV	21 Mar



Key international data came in mixed and currencies swung, but the ICE \$US index remained relatively little changed.

Geopolitical wrangling, and data, from today through US jobs Friday, are expected to toy with currencies this week.

**Base metals** – yesterday, China reported better-than-anticipated PMI figures.

These figures, and Caixin's China manufacturing PMI are likely to influence today's Asian and tonight's LME trade.

A batch of additional international PMIs, due today and tonight, is expected to also influence some of tonight's base metals trade.

Overnight Friday, Chile's Codelco reported a 30% drop for pre-tax 2018 profit, to \$US2B, due to higher costs and lower copper prices.

Earlier, Aluminium Corp of China had reported a December quarter loss, the first such fall in three years, citing reduced demand and lower prices. Production grew 16% for the year.

Russia's Norilsk nickel outlaid already-flagged plans to spend \$US1.4B over four years on a mine and concentrator in Russia.

**China-US** trade talks were described as 'constructive' overnight Friday, helping support end-of-quarter trading sentiment. Later, the US president again suggested he was not in a hurry to conclude a deal, but rather wished to extract a 'great' arrangement for the US.

**Japan's** government end-of-financial year occurred Friday.

Also Friday, Japan reported February industrial production had risen 1.4% for the month following a 3.4% January tumble.

Retail sales improved 0.2% following against a 2.3% drop in January.

Construction orders were 3.4% lower year-on-year following a 19.8% January jump.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7111	-0.0012	-0.16
EUR – USD	1.1224	-0.0007	-0.06

#### Australian Data Today

AiG	PMI (manufacturing)	Mar
CLogic	Capital city residential property prices	Mar
TD-MelInst	Inflation gauge	Mar
NAB	Business survey	Mar
HIA	New home sales	Mar
RBA	Commodity price index (4.30pm AEDT)	Mar

#### US Data Tonight

ISM manufacturing	Mar
Retail sales	Feb
Business inventories	Jan
Construction spending	Feb
Markit manufacturing PMI (final)	Mar

US Residential Fund	USR	29 Mar
Vivid Technology	VIV	25 Mar

#### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ABW	Today	0.15	0	4.21
AIB	Today	0.09	0	5.60
AUP	Today	3.56	0	7.06
CLX	Today	2	100	4.82
ED1	Today	5	100	9.76
LYL	Today	15	100	6.41
NBI	Today	0.88	0	2.56
SMR	Today	3	100	4.31
SUN	Today	8	100	4.79
ABC	Tomorrow	15	100	4.44
ADH	Tomorrow	6.5	100	8.38
FNP	Tomorrow	2.25	50	1.11
JYC	Tomorrow	5	100	7.33
ARB	Wed	18.5	100	2.21
CAM	Wed	1.25	100	5.68
GNE	Wed	7.88	0	4.97
PIC	Wed	3.1	100	6.10
SIG	Wed	2	100	6.67
HVN	Thu	12	100	7.46
PFG	Thu	0.2	100	8.78
ARQ	Fri	4.5	100	4.04
CLF	Fri	1.25	100	4.65
CYC	Fri	0.5	0	0.91



**Other Overseas Data Today & Tonight**

<b>China</b>	Caixin manufacturing PMI	Mar
<b>Japan</b>	Manufacturing PMI (final)	Mar
Japan	Tankan large manufacturing	JunQ
<b>UK</b>	Manufacturing PMI	Mar
<b>Germany</b>	Manufacturing PMI (final)	Mar
<b>Euro zone</b>	Manufacturing PMI (final)	Mar

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