

Markets

SFE 200 Futures (9.30am AEDST)	6082	5	0.1
NZX 50	8593	-1	-0.0
DJIA Futures	24298	-9	0.0
S&P 500 Futures	2670	0	0.0
NASDAQ Futures	6820	5	0.1

Local Markets Commentary

The Australian market commences mid-week trade amid a plethora of national budget commentary and interpretations of implications of the overnight (4am AEST) announcement by the US to withdraw from the 2015 international nuclear agreement which had lifted sanctions against Iran.

In overnight commodities trade, US **gold** futures closed essentially flat.

Oil settled lower.

Iron ore (China port, 62% Fe) swung lower.

LME **copper** and **nickel** fell.

The **\$A** again traded in a relatively constrained range after dropping below US74.60c early yesterday evening.

Locally today, Westpac and the Melbourne Institute publish their monthly consumer confidence report, 10.30am AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24360	3	0.0
S&P 500	2672	-1	-0.0
NASDAQ	7267	2	0.0
FTSE 100	7566	-1	-0.0
DAX 30	12912	-36	-0.3
Shanghai Comp	3161	25	0.8

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets during the wait for the US president's declaration of his position on the 2015 **Iran** agreement, retreating oil prices punctuated by a spattering of large corporate deal news.

Indices dropped when Mr Trump announced the **US** would pull out of the deal and reimpose sanctions, but soon recovered that loss.

France, Germany and the UK quickly vowed to remain with the principles of the agreement, underscoring heightened tensions, not the least on angst at new risk across already unstable Middle East scenarios.

No early decisive statements came from fellow signatories **China** and **Russia**.

Israel lauded the US decision and highlighted military activity initiated by Israel yesterday in association with Iran's presence in **Syria**.

Among earlier data releases, **Germany's** trade surplus grew by €2.6B during March to €22.0B. Exports rose 1.7%. Imports fell 0.9%.

March industrial production rose 1% for the month

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

In-principle agreement secured with the Australian Securities and Investments Commission (ASIC) regarding alleged CBA bank bill swap rate (BBSW) manipulation. Pending Federal Court approval, CBA will pay a \$5M fine, \$15M to a consumer protection fund and \$5M towards ASIC's costs.

In addition, CBA is this morning reporting \$2.30B (unaudited) March quarter NPAT. 2% lower (year-on-year) \$2.35B cash profit. 10.1% CET1, up 0.37% for the quarter. Operating income fell 4% and operating expenses 3%.

CSR Ltd (CSR)

6% higher, \$A188.8M full year NPAT. 6% higher, \$2.61B revenue. 13.5c 75%-franked final dividend, against 13c, 50%-franked a year ago. \$2.15 NTA.

Incitec Pivot (IPL)

95% lower, \$A7.6M interim NPAT. 9.6% higher, \$1.68B revenue. Flat 4.5c interim dividend. \$1.02 NTA. Results impacted by \$A139.5M worth of one-off material items.

Goodman Group (GMG)

AUM grew 6.4% to \$36.8B in the nine months to 31 March. Additional statistics lodged this morning.

Greencross Ltd (GXL)

Revising anticipated full year EBITDA to \$A97M - \$A100M.

Expecting a \$16M - \$20M impairment.

Standalone clinic like-for-like sales for the 42 weeks of the financial year-to-date have fallen 2.8%.

Review underway, targeting a \$10M- \$13M reduction in annual operating costs.

Reece Ltd (REH)

Resuming from a trading halt with 99% take-up and \$A248M raise in the institutional component of the \$9.30-per-share entitlement offer. A placement was boosted by \$40M to \$179M, at \$10.20 per share.

The \$352M retail entitlement offer will be conducted 14 May (Monday next week) - 23 May.

REH last traded at ~\$10.63.



VONEX LIMITED (ASX:VN8)

State One is Lead Manager for the IPO of Vonex Limited - an innovative Australian telecom company currently generating revenue of +\$A8M.

Please find below a link to the IPO information pack: <https://www.stateone.com.au/Vonex-IPO.html>

Application can be made online or by completing the Application Form which can be found at the back of the Prospectus. CLOSING DATE FOR APPLICATIONS: 4 JUNE 2018.

Vonex, founded in 2009, is a Perth-based telecom company specialising in innovative Voice over Internet Protocol (VoIP) solutions and feature-rich Private Branch Exchange (PBX) technology.

A "once-in-a-lifetime" opportunity: we believe that the rollout of the National Broadband Network (NBN) will

following a 1.7% fall in February.

In the US, a March job openings tally came in at 6.55M following 6.05M for February, boosted in part by a 100,000 increase in resignations to 3.3M.

A general business optimism index was estimated at 104.8, from 104.7.

Meanwhile, Argentina revealed it was seeking a line of credit from the International Monetary Fund (IMF), after last week's lending rate bump to 40% failed to stop the peso (Argentine currency) from sliding against the \$US.

Tonight in the US, April producer prices and March wholesale inventories are due, together with weekly mortgage applications.

Primary **elections** in four States will also attract attention.

A-B InBev, Daikin, G4S, Mitsubishi Motors, Mitsui Mining & Smelting, Office Depot, Siemens, Softbank, Toshiba Tec, Toyota and Twenty-First Century Fox are among companies scheduled to report earnings or provide updates today and tonight.

In overnight corporate news, **Vodafone** was reported to have almost sealed an €18B cash deal to purchase eastern and western European cable assets from **Liberty Global**.

Earlier, shareholders of Ireland's **Shire** approved a £46B improved offer from Japan's **Takeda Pharmaceutical**.

Meanwhile, **Valeant Pharmaceuticals** delivered market-beating quarterly revenue and full guidance and was pushed more than 8.5% higher.

Comcast fell 5.5% on reports of seeking up to \$US60B in an effort to scuttle the proposed partial **21st Century Fox** – **Walt Disney** deal.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1314	oz	-0.4	-0.0
Silver (NY) (May)	16.5	oz	0.01	0.1
Gold (LON)	1309	oz		
Platinum	912	oz	2	0.2
WTI Crude (May)	69.1	bbl	-1.6	-2.4
Brent Crude (Jul)	74.9	bbl	-1.3	-1.7
Iron Ore <small>(CHN port 62%)</small>	66.8	t	-0.5	-0.7
Copper <small>(LME, 3m, pm)</small>	6745	t	-81	-1.2
Nickel	13885	t	-140	-1.0
Aluminium	2358	t	8	0.3
Lead	2288	t	-30	-1.3
Zinc	3060	t	5	0.2
Tin	20925	t	-305	-1.4
CBT Wheat (May)	5.18	bshl	0.04	-0.7

Commodities Commentary

Oil – prices fell from early trade (to \$US67.63/bbl for WTI and \$US73.1/bbl for Brent), but were pushed from session lows on the US announcement regarding trade with Iran.

WTI trading volumes were reported at their highest since 30 November 2016, when OPEC initially reached agreement on production curbs. Brent trading activity was recorded at a three-month high.

Daily crude production in Iran is estimated at 3.8MMbbl, representing ~4% of international supply, but the nation currently exports a daily 2.5MMbbl.

require millions of customers having to disconnect from Telstra's copper/landline network and reconnect to the new (government-owned) fibre-optic network; this will act as a catalyst to spread market share more evenly and provide opportunities for nimble technology-driven telco players like Vonex.

Vonex has also developed an innovative telecommunications/social media application – Oper8tor. Management is targeting a soft-launch of the App in Europe in 2018/2019.

For further information, call your State One adviser at 08 9288 3388 or 1300 651 898 or Email: vonex@stateone.com.au

Pre-Open Announcements

WorleyParsons Ltd (* WOR)

Today's investor day presentation lodged pre-trade.

Resources

Triton Minerals (↓ TON)

Binding off-take agreement secured with Qingdao Chenyang Graphite for up to 16,000tpa of TON's Ancuabe graphite project concentrate for a minimum five years.

TON has another similar off-take agreement in place for the concentrate. The two agreements represent up to 50% of expected annual production.

The new agreement remains conditional on project approvals and a final investment decision, anticipated by year's end.

Talga Resources (* TLG)

Planning to spin off four cobalt projects located in Sweden. Details lodged this morning in presentation format. \$12.5M cash as at 31 March

Energy

Sundance Energy (SEA)

Expecting to have completed the drilling of five McMullen County wells for calendar year-to-date by 2018.

Reports & Events

(selected)

When	Company	Report/Event
Today	CBA	Trading update
	CSR	Full year
	GMG	Q3 update
	IPL	Interim
	WOR	Investor day
Tomorrow	AMP	AGM; AUM
	BTT	Interim
	CTX	AGM
	GMA	AGM
	NUF	Investor day
	SEH	AGM
	SGP	Investor day
	XRO	Full year
Fri	NWS	Q3
	REA	Q3
Mon	ELD	Interim



Iran reportedly mostly sells oil to China, India, Japan and South Korea.

In the meantime, US production remains in focus, with a weekly US government agency petroleum inventories report due tonight.

Gold – the \$US index traded at new 4.5-month highs, but heightened Middle East uncertainty supported gold prices to another virtually flat settlement.

Part of last night's \$US appreciation was due to US Federal Reserve chair Jerome Powell's confirmation that the central bank would continue to seek to restore policy to pre-crisis terms.

Base metals – copper fell (as LME trade opened for the first time this week), in part due to continued \$US strength, despite China's copper imports rising 2.8% during April.

China's broader April **trade** figures, reported yesterday, revealed a return to a trade surplus, \$US28.78B. Exports rose 12.9% year-on-year and imports 21.5%.

CPI and producer prices are due for China tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7451	-0.0002	-0.02
EUR – USD	1.1866	0.0002	0.02

Australian Data Today

Wstpc/MInst	Consumer confidence	May
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US Data Tonight

PPI		Apr
Wholesale inventories		Mar
MBA mortgage applications		4 May

Other Overseas Data Today & Tonight

Japan	Leading economic index (prelim)	Mar
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Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

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Tue (15 May)	GXY	AGM
	MQA	AGM

Trading Halts

Company	Code	Resuming
Admedus Ltd	AHZ	10 May
Biotron Ltd	BIT	10 May
Fatfish Internet Group	FFG	10 May
IOT Group	IOT	10 May
Minbos Resources	MNB	10 May
Omni Market Tide	OMT	10 May

Suspensions (select)

Company	Code	Since
Astro Resources	ARO	17 Apr
Emergent Resources	EMG	4 May
Enhanced Oil & Gas Recovery	EOR	2 May
Jack-In Group	JIP	27 Apr
PolarX Ltd	PXX	2 May
Queensland Bauxite	QBL	4 May
Rision Ltd	RNL	17 Apr
Samson Oil & Gas	SSN	16 Apr
Wangle Technologies	WGL	13 Apr

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
KPG	Today	1	100	2.15
RMD	Today	3.25	0	0.97
TWD	Fri	11	100	6.38
ANZ	Mon	80	100	5.73
MQG	Mon	320	45	4.69
NAB	15 May	99	100	6.84
UOS	15 May	2.5	0	4.32
ASG	16 May	4.2	100	4.63
PL8	16 May	0.5	100	4.08
REX	16 May	4	100	9.43
WBC	17 May	94	100	6.33
ZEL	17 May	20.46	0	4.29



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