

Markets

SFE 200 Futures (9.30am AEST)	6325	29	0.5
NZX 50	10103	4	0.0
DJIA Futures	25762	-202	-0.8
S&P 500 Futures	2863	-24	-0.8
NASDAQ Futures	7535	-75	-1.0

Local Markets Commentary

The Australian market commences a new week's trade with bountiful domestic political talk ahead of Saturday's national elections, two major domestically-listed banks trading ex-dividend, and new commentary on the state of play between China and the US.

Overnight, China state media has reported China will 'stick to principle' but that its door always remains open for trade negotiations with the US, and that China will not back away from a 'fight' if this is deemed necessary.

Yesterday, a US Economic adviser offered progress could be made once China demonstrated willingness to legislate for changes previously agreed during talks.

US futures and the \$A have each fallen since yesterday.

Among local data releases today, the Australian Bureau of Statistics (ABS) publishes the March *Lending to Households and Businesses* report, which will reveal **housing finance**.

Pre-trade, a weekly capital city **residential property price report** is due.

In addition today, **ANZ** and **MQG** each trade ex-dividend. *Please see p4 for a detailed list.*

Post-ASX trade, Reserve Bank of Australia (RBA) governor Guy Debelle is scheduled to join a panel discussion at the RBA Sydney regarding *The End of Libor and the Impact on Australian Financial Markets*.

In overnight Friday commodities trade, WTI **crude** settled slightly lower and Brent a little higher.

US **gold** futures (June) rose modestly.

Iron ore (China port, 62% Fe) rallied.

LME **copper** and **aluminium** settled with a slightly gain. **Nickel** turned and rallied.

The **\$A** appreciated beyond US70.00c after trading at US69.95c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25942	114	0.4
S&P 500	2881	11	0.4
NASDAQ	7917	6	0.1
FTSE 100	7203	-4	-0.1
DAX 30	12060	86	0.7
Shanghai Comp	2939	88	3.1

RBA – deputy governor Guy Debelle is speaking on a panel discussing *The End of Libor and the Impact on Australian Financial Markets*, 5pm AEST, RBA Sydney

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

4% lower March quarter operating income, against the mean average of the September and December quarter 2018 operating incomes. 28% lower cash NPAT. 24% higher operating expense. 9% higher loan impairment expense. 10.3% CET 1.

AusNet Services (🔴 AST)

12.9% lower, \$253.9M full year NPAT. 2.5% lower, \$1.86B revenue. 4.86c, 45%-franked final dividend, following 4.62c unfranked a year ago. 75c NTA, against 83c.

Ansell Ltd (ANN)

Planning to outlay \$US32M within the next two years to grow Lat Krabang, Thailand manufacturing facility capacity by 30%.

Eclix Group (🔴 ECX)

Anticipating 1H FY 2019 impairments to total \$110M - \$130M. In addition, intending to sell the group's Australian commercial equipment financing business.

Confirming also that the company plans to sell Grays and Right2Drive and 'has received interims from a number of parties'.

Further, ECX advisor and former UBS Australia financial institutions head Julian Russell has been appointed CEO, effective immediately.

Fleet Australia MD Bevan Gust has been appointed to the new ECX position of chief commercial officer.

Intending to release interim results 24 May.

Reliance Worldwide Corporation (🔴 RWC)

Anticipating \$260M - \$270M FY 2019 EBUTDA, from previous guidance of \$280M - \$290M.

APA Group (APA)

APA has appointed transmission head Rob Wheals as CEO and MD, effective 6 July. Current CEO Mick McCormack is retiring.

Qube Holdings (QUB)

QUB has outlaid \$135M for Australia and PNG-focused mining and industrial services company LCR.

QUB has paid for the purchase from existing debt facilities.

Fluence Corporation (FLC)

\$US10M contract secured for a 12,000cum/d desalination plant in Brazil. FLC says the project represents the company's largest to date.



Overseas Markets Commentary

Major European and US equities markets again vacillated intra-session overnight Friday, but US indices recovered definitively from session lows.

At the beginning of Friday, the US had ramped import taxes on \$US200B worth of goods from China from 10% to 25%, ahead of continued scheduled discussions in Washington between high-level officials from both China and the US.

Among key data releases, the **UK** reported 0.5% March quarter GDP growth in a preliminary reading, following a 0.2% December quarter 2018 rise.

Year-on-year, GDP was 1.9% higher.

The higher-than-anticipated figures were attributed to producers stockpiling goods ahead of the initial late-March date nominated for the UK's planned separation from the European Union (EU).

The March trade deficit came in at £5.41B, against £6.22B at the end of February.

March industrial production rose 0.7% for the month and 1.3% year-on-year, against 0.6% and 0.4% gains for February.

Year-on-year construction output remained flat at 3.2% growth.

Meanwhile in **Germany**, the March trade surplus was calculated at €22.7B, from €18.0B at the end of February.

Exports improved 1.5% after a February 1.2% fall. Imports rose 0.4% after dropping 1.6%.

In the **US**, the April CPI rose 0.3% for the month and 2% year-on-year, 0.1% below forecasts.

Tonight in the **US**, no key economic indicators are due.

Companies expected to report earnings later today or tonight include: Bridgestone, E.On, Isuzu Motors, (The) Japan Steel Works, Kogas, Konica Minolta, Rosneft, Take-Two Interactive Software, Tencent Music Entertainment and Uniden.

In overnight Friday corporate news, **Uber** debuted on the NYSE, closing more than 7.5% below the company's IPO price.

Symantec struggled, the CEO needing to resign due to family health reasons and the company sounding a profit warning.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1287.4	oz	2.20	0.4
Silver (NY) (Jul)	14.785	oz	0.012	0.1
Gold (LON)	1287	oz	1	0.1
Platinum	863	oz	16	1.9
WTI Crude (Jun)	61.66	bbl	-0.04	-0.1
Brent Crude (Jul)	70.62	bbl	0.23	0.3
Iron Ore (CHN port 62%)	97.24	t	1.86	2.0
Copper (LME,3mth,PM)	6147	t	9	0.1
Nickel	11965	t	130	1.1
Aluminium	1811	t	3	0.1
Lead	1823	t	-20	-1.1
Zinc	2640	t	2	0.1
Tin	19545	t	285	1.5
CBT Wheat (May)	4.25	bshl	-0.05	-1.1

Pre-Open Announcements

Fonterra Shareholders' Fund (* FSF)

Froneri has acquired Tip Top from Fonterra for \$NZ380M.

Adelaide Brighton (* ABC) / OZ Minerals) (OZL)

ABC has secured a five-year extension to its cement supply contract with OZL's Prominent Hill project.

The a2 Milk Company (* A2M)

A2M has appointed Pip Greenwood as an independent non-executive director, effective 1 July.

Ms Greenwood is a director of Westpac NZ, Spark New Zealand (ASX: SPK) and Fisher & Paykel Healthcare (ASX: FPH).

As planned, Peter Hinton is retiring from the A2M board 30 June.

Tinybeans Group (* TNY)

Offering machine learning and expecting to commence commercial sales in FY 2020.

TNY says the US division of a multinational confectionery, food and beverage company recently began a paid pilot of TNY's machine learning and this has been deemed successful.

Blue Sky Alternatives Access Fund (BAF) / Blue Sky Alternative Investments (BLA)

BAF confirmed the trading halt called Friday was in relation to a subsequent management services announcement by BLA.

In addition, BAF says it has received a commitment from Wilson Asset Management (International) regarding proposed management services.

BAF is planning to release more detailed information this week.

Austal Ltd (ASB)

ASB is presenting in New Zealand tomorrow and Wednesday. Presentation lodged post-trade Friday.

Immutep Ltd (IMM)

IMM will be participating in two conferences this week. Firstly the New York Academy of Sciences' Frontiers in Immunotherapy, scheduled for Tuesday and Wednesday in New York city. IMM will also present at the World Advanced Therapies & Regenerative Medicine Congress & Expo, scheduled for Wednesday and Thursday in London.

Life360 Inc (* 360)

Location-tracking software and services provider completed a successful ASX listing Friday following a \$145.4M IPO at \$4.79 per CDI.

Opened and closed at \$5.31, and traded at \$5.25 and \$5.55 intra-session.

2.128M CDIs/shares changed hands across 2142 transactions.

Trading commenced on a conditional and deferred settlement basis. Normal (T+2) trade is expected to commence Friday.

143.89M quoted CDIs.



Commodities Commentary

Oil – a deficit of definitive, supportive news constrained overnight Friday oil trade.

Meanwhile, un-named sources were quoted as asserting China National Petroleum Corp and China Petrochemical Corp were not ordering Iranian oil during May.

In other oil supply/delivery news, the Druzhba pipeline (through eastern Europe to Germany) reportedly remained closed, due to claims of contaminated oil from Russia.

WTI crude closed lower for a third consecutive week, by 0.5%. Brent settled the week 0.3% lower.

A weekly US petroleum rig count, published overnight Friday, estimated two fewer operational oil rigs.

Gold – Comex June futures settled 0.5% higher for the week, with international equities sentiment remaining under pressure from geopolitical affairs, including increased US tariffs in the US-China trade tussle and a bolstered US Middle East military presence in the wake of heightened threat, claimed by the US to be particularly from Iran and allies.

A US CPI update was deemed by a Federal Reserve official as unsurprising, the regional president adding monetary policy remained on track.

Base metals – potential losses were curbed overnight Friday by some more optimistic talk regarding the relationship between China and the US.

Over the weekend, Antofagasta's chairman asserted copper prices would be 5% - 15% higher without the US-China trade stoush.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6990	-0.0005	-0.07
EUR – USD	1.1236	0.0001	0.01

Australian Data Today

CLGc	Capital city residential property prices	10 May
ABS	Lending to households and businesses	Mar
RBA	Card transactions and fees	Apr

Overseas Data Today & Tonight

China	Foreign direct investment	Apr
China	Vehicle sales (5pm AEST)	Apr
Japan	Leading economic index (prelim)	Mar

Need More Information?

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

Resources

Galaxy Resources (* GXY)

Produced a record 21,901t of lithium concentrate, grading 5.92% Li₂O, during April.

Medusa Mining (* MML)

Boosting FY 2019 gold production guidance from 90,000oz – 1000,000oz to 98,000oz – 105,000oz.

Newcrest Mining (NCM)

Bank of America Merrill Lynch (BAML) conference presentation lodged post-trade Friday.

Artemis Resources (ARV)

CEO Wayne Bramwell has resigned in favour of other opportunities, but will remain with ARV until 6 August.

ARV executive director Ed Mead has been appointed interim CEO, effective immediately.

Galileo Mining (GAL)

Pleading ignorant in response to an ASX price and volume query. GAL added 46.15% Friday, settling at 19c after closing at 11.5c the previous week.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AST	Full year
	CBA	Mar Q
Tomorrow	IVC	AGM
Wednesday	APE	AGM
	DLX	Interim
	SIG	AGM
Thursday	XRO	Full year
20 May	IPL	Interim
21 May	OFX	Full year
23 May	ALL	Interim

Trading Halts

Company	Code	Resuming
1 st Group	1ST	13 May
Evolve Education Group	EVO	13 May
Animoca Brands Corporation	AB1	14 May
Avenira Ltd	AEV	14 May
Blue Sky Alternatives Access Fund	BAF	14 May

**Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice**

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Infratil Ltd	IFT	14 May
Northern Cobalt	N27	14 May
WhiteHawk Ltd	WHK	14 May
Wiseway Group	WWG	14 May

Suspensions *(select)*

Company	Code	Since
Impression Healthcare	IHL	8 May
Questus Ltd	QSS	10 May
Tempo Australia	TPP	29 Apr
VGI Partners Global Investments	VG1	10 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ANZ	Today	80	100	5.82
MQG	Today	360	45	4.29
JIN	Tomorrow	8	100	1.58
NAB	Tomorrow	83	100	7.63
ASG	Thu	2	100	7.76
PL8	Thu	6.5	100	5.50
SNC	Thu	3.5	100	3.89
WBC	Thu	94	100	6.91
ZEL	Thu	28.77	0	5.39
UOS	21 May	2	0	4.48
PDL	23 May	20	10	6.85
CSR	30 May	13	50	7.96
ORI	30 May	22	0	2.65
PMV	30 May	33	100	1.99