

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6767	-3	-0.0
<b>NZX 50</b>	12486	59	0.5
<b>DJIA Futures</b>	32825	53	0.2
<b>S&amp;P 500 Futures</b>	3943	0.5	0.0
<b>NASDAQ Futures</b>	12934	0.5	0.0

## Local Markets Commentary

The Australian market opens a new week's trade with the Reserve Bank of Australia (RBA) governor speaking this morning, influential data due out of China early afternoon, and mixed overnight Friday international equities trade leads.

Other trade considerations today include this month's S&P/ASX indices quarterly rebalance, which was revealed post-ASX trade Friday.

Also post-ASX trade Friday, China reported a 31.5% year-on-year increase in January-February foreign direct investment (FDI), to 176.76B yuan (~\$US27.2B).

In news since overnight Friday international trade, Ireland joined the list of countries suspending the use of the AstraZeneca Covid-19 vaccine. Italy reinstated the use of all but one batch of the vaccine.

Meanwhile, France has imposed a curfew and, for two regions, weekend lockdowns, in response to rising Covid-19 cases.

**Locally today, RBA governor Philip Lowe is scheduled to deliver opening remarks at a Melbourne Business Analytics conference 10.15am AEDT.**

High-profile stocks trading **ex-dividend** today include **AHY, CNU, GWA, TNK** and **SGF**. Please see p4 for a detailed list.

**Regionally today, China is expected to report January – February industrial production, fixed asset investment and retail sales 1pm AEDT.**

China's February house price index and January-February employment figures are also anticipated today.

In overnight Friday commodities trade, **oil** and US **gold** futures turned lower.

**Iron ore** (Nymex CFR China, 62% Fe) declined 1.8% to \$US168.26/t after adding 1.7% Thursday.

Qingdao **iron ore** (CFR 62% fines) fell \$US5.26/t to \$US165.44/t.

LME **copper** (indicative) extended its second-half-of-week rally at a more modest pace. **Nickel** seesawed lower. **Aluminium** also declined, but moderately.

The **\$A** rose to ~US77.70c after trading at ~US77.55c early Friday evening.

Earlier this morning, the \$A fell to ~US77.50c.

**RBA – governor Philip Lowe scheduled to speak at a Melbourne Business Analytics conference, 10.15am AEDT**

**S&P/ASX indices - March quarter rebalance in hand.**

Please see pp4-5 for details

**China – industrial production, fixed asset investment, retail sales, 1pm AEDT**

## Today's Stock Watch

### Tilt Renewables (TLT) / AGL Energy (AGL) / Mercury NZ (MCY) / Infratil Ltd (IFT)

TLT has agreed to a \$NZ2.94, \$NZ7.80 cash-per share acquisition. A consortium which includes AGL, investment group QIC and the Future Fund will acquire the Australian business. 19.9% TLT shareholder MCY will purchase TLT's NZ operations. 65.5% TLT shareholder IFT has committed to vote its entire holding into the deal, and says it anticipates \$NZ1.93B from the sale.

The consortium is known as Powering Australian Renewables (PowAR). TLT traded on the ASX at \$A5.70 - \$A6.16 last week.

### Decmil Group (DCG) / CIMIC Group (CIM)

DCG and VicConnect consortium partners Arup and CIM's UGL have secured a \$300M contract with Rail Projects Victoria for the Gippsland rail line upgrade.

DGC anticipates realising \$140M from the contract.

### Seven West Media (SWM)

The Australian Centre for International Commercial Arbitration (ACICA) has determined the financial impact of changes to SWM's media rights agreement with Cricket Australia for the 2020-21 season, 'subject to potential increase', is \$5.3M.

In addition, should the Afghanistan test match not be rescheduled, the expert has determined an additional \$3M ought be deducted.

SWM has claimed the ACICA expert does not meet 'fundamental contractual conditions of independence' under the agreement. A Federal Court hearing in relation to this remains scheduled for 15 March, the same day the next scheduled rights fee payment is due.

## Resources

### Evolution Mining (EVN)

Proposing to acquire TSX-listed Battle North Gold Corporation in an agreed \$C343M, \$C2.65 cash-per-share deal.

### Red Metal (RDM)

Planning to spin off the Maronan project and to list holder Maronan Metals on the ASX, after potentially raising \$36M, pending shareholder and regulatory approvals.

**Overseas Markets.**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	32779	193	0.9
<b>S&amp;P 500</b>	3943	4	0.1
<b>NASDAQ</b>	13320	-79	-0.6
<b>FTSE 100</b>	6761	25	0.4
<b>DAX 30</b>	14502	-74	-0.5
<b>Shanghai Comp</b>	3453	16	0.5

**Overseas Markets Commentary**

Major European, UK and US equities markets mostly opened lower overnight Friday, before variously undulating towards mixed settlements.

Late-Thursday, the US administration had revealed the president would direct States to make all US adults eligible to receive a Covid-19 vaccine by 1 May.

This followed confirmation at least three nations would continue to delay disbursing the AstraZeneca vaccine, due to reports of some receiving the vaccine having developed blood clotting ailments.

Earlier Friday, China-western relations were in focus following public commentary concerning China's plans for Hong Kong election processes.

In addition, a pending Quad (Australia-India-Japan-US) leaders virtual forum was viewed as threatening to risk international relations with China.

Meanwhile, a US 10-year bond sell down resumed, with yields rising and hence, the \$US also turning higher.

Among overnight Friday **data** releases, the **euro zone's** January industrial production was reported 0.8% higher for the month, following a 0.1% December decline, and forecasts for a new year 0.2% improvement.

Against January 2020, output was up 0.1%, against expectations it would represent a 3% drop.

A final February CPI estimate for **Germany** confirmed 0.7% inflation for the month and a 1.3% rise since February 2020.

A **UK** January quarter GDP estimate represented a 1.7% decline over the three months, but this followed forecasts of a 2.8% drop.

January GDP was calculated to have fallen 2.9% for the month following 1.2% December GDP growth.

Against January 2020, the UK's January GDP tumbled 9.2%.

The January trade deficit was reported at £1.6B following a £6.2B December deficit and expectations of a new £4.8B shortfall.

UK exports to, and imports from, the European Union (EU) tumbled 40.7% and 28.8% respectively.

January industrial production declined 1.5% for the month after improving 0.2% during December and following forecasts of a 0.7% pullback.

Year-on-year, output was down 4.9%.

Manufacturing production dropped 2.3% for the month.

January construction output was estimated 3% lower than for January 2020, but a 4.8% drop had been expected.

**Pre-Open Announcements****Opthea Ltd (OPT)**

Patient treatment is underway in the phase 3 clinical trial of OPT-302 with patients suffering wet age-related macular degeneration.

**Air New Zealand (AIZ)**

Chief digital officer Jennifer Sepull has resigned and is planning to leave AIZ this week.

She has agreed to provide transition support until October.

Ms Sepull relocated to New Zealand from the US May 2019 to join AIZ.

**Crown Resorts (CWN)**

CWN has lodged (post-ASX trade Friday) the terms of reference for the WA Royal Commission into Crown Casino Perth.

**Titomic Ltd (TTT)**

India-headquartered Shree Rapid Technologies has agreed to market and sell TTT's kinetic fusion technology.

Details lodged this morning.

**Clean TeQ Holdings (CLQ)**

\$1M contract secured to upgrade an existing DESALX water treatment facility in Oman.

CLQ installed and commissioned the facility in second-half 2019.

Capital structure update also lodged this morning.

**Tyro Payments (TYR)**

1 – 12 March total transaction value (TTV) is 22% higher year-on-year.

For the year-to-date, TTV is up 10%.

**Althea Group Holdings (AGH)**

Presentation lodged this morning, promoting European expansion and strategic growth plans.

**Mercury NZ (MCY)**

In addition to the Tilt Renewables (ASX: TLT) acquisition announcement, MCY has this morning confirmed a \$NZ200M - \$NZ250M fixed-rate green bonds offer.

**Resources****Jupiter Mines (\* JMS)**

JMS has delayed the proposed Juno Minerals demerger and IPO. Details lodged pre-trade.

**Technology Metals Australia (\* TMT)**

MoU secured with Japan-headquartered LE System Co, for assessing the potential of LE System technology to extract vanadium and other metals from TMT's Gabanintha project waste streams.

**Coda Minerals (\* COD) / Torrens Mining (\* TRN)**

COD has lodged a retraction of an exploration results release lodged 22 February.



In the **US**, February producer prices were calculated 0.5% higher for the month and 2.8% higher year-on-year.

The University of Michigan's initial March consumer sentiment estimate represented a 6.2-point rise to 83.

**Tonight** in the **US**, the New York Fed's March business activity index, and national treasury capital flows are due.

Elsewhere, China will have announced updates for a batch of economic indicators well before both European and US trade.

Any significant differences from expectations and comparative figures could well affect early trade sentiment.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1719.8</b>	oz	-2.8	<b>-0.2</b>
<b>Silver (NY) (May)</b>	<b>25.91</b>	oz	-0.28	<b>-1.1</b>
<b>Gold (LON) (11 Mar)</b>	<b>1724</b>	oz		
<b>Platinum</b>	<b>1197</b>	oz	7	<b>0.6</b>
<b>WTI Crude (NYMEX Apr)</b>	<b>65.61</b>	bbbl	-0.41	<b>-0.6</b>
<b>Brent Crude (ICE EUR May)</b>	<b>69.22</b>	bbbl	-0.41	<b>-0.6</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>168.26</b>	t	-3.02	<b>-1.7</b>
<b>Copper (LME Ind)</b>	<b>9082</b>	t	27	<b>0.3</b>
<b>Nickel</b>	<b>16013</b>	t	-224	<b>-1.4</b>
<b>Aluminium</b>	<b>2171</b>	t	-6	<b>-0.3</b>
<b>Lead</b>	<b>1962</b>	t	20	<b>1.0</b>
<b>Zinc</b>	<b>2805</b>	t	-19	<b>-0.7</b>
<b>Tin</b>	<b>25595</b>	t	-285	<b>-1.1</b>

### Commodities Commentary

**Oil** – supply and demand commentary and price forecasts from earlier in the week appeared to influence end-of-week trade, some positioning also taking into account a \$US move higher again.

A weekly US petroleum drill rig report, published overnight Friday, included one fewer operational oil rig.

An International Energy Agency (IEA) monthly report is anticipated Wednesday this week.

**Gold** – a strengthening \$US and higher bond yields reduced overnight Friday gold sentiment.

Comex futures closed out the week 1.3% higher.

A US Federal Reserve policy meeting this week will influence at least some gold trade, even from pre-meeting commentary and speculation. Likewise with central bank meetings scheduled for Japan and the UK.

**Base metals** – overnight Friday trade was in part attributed to the final approval for US stimulus legislation and to US administrative plans to secure funding approval that would significantly boost infrastructure spending.

Some metals, including *copper*, fell in early LME trade however.

Also late-week, Tangshan steel manufacturers were reported to be operating under strictly monitored emissions control.

Friday, a large manufacturing index for Japan was reported at 1.6 for Q1, from 21.6 for Q4 FY20.

A batch of material data due out of **China** today is likely to affect **tonight's** trade.

COD lodged a version altered in line with ASX regulations post-trade Friday.

COD added 53.3% 22 February, settling at 46c. TRN gained 14.7% for that session, settling at 19.5c.

COD closed out last week at 41c and TRN at 16c.

### Liontown Resources (LTR)

LTR has established a consultancy agreement with an entity controlled by LTR non-executive director Anthony Cipriano.

The consultancy day rate fees will be \$2500 and the services provided on an 'as required' basis.

### Wiluna Mining (WMX)

WMX has secured Byrnescut Australia to provide underground mine development and production services, for five years, at the Western Australia Wiluna gold project.

### Castle Minerals (CDT)

Planning to bulk-sample the northern Ghana Kambale graphite project and to test this ahead of a potential development decision.

### Lithium Australia (LIT)

In receipt of a further \$25,824 from shareholders paying the balance of 517,516 partly-paid shares.

### Bastion Minerals (\* BMO)

Chile-focused minerals explorer scheduled to list on the ASX 11am AEDT **tomorrow**, following a \$5M IPO at 20c per share. ~57.45M quoted shares.

Holds copper, gold and silver assets.

### Energy

### Strike Energy (\* STX)

STX has been named the successful bidder for the onshore Perth Basin L20-3 block.

The Parmelia gas and Dampier to Bunbury natural gas pipelines run adjacent to either side of L20-3.

### Trading Halts

Company	Code	Resuming
ECS Botanics Holdings	ECS	15 Mar
Eildon Capital Group	EDC	15 Mar
MetalsTech Ltd	MTC	15 Mar
Sacgasco Ltd	SGC	15 Mar
Theta Gold Mines	TGM	15 Mar
Xstate Resources	XST	15 Mar
Incannex Healthcare	IHL	16 Mar
King Island Scheelite	KIS	16 Mar
Story-I Ltd	SRY	16 Mar

### Suspensions (select)

Company	Code	Since
333D Ltd	T3D	26 Feb

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7751	-0.0017	<b>-0.22</b>
<b>EUR – USD</b>	1.1945	-0.0010	<b>-0.08</b>

**US Data Tonight**

NY Fed Empire State manufacturing	Mar
Treasury capital flows	Feb

**Other Overseas Data Today & Tonight**

<b>China</b>	Industrial production	Jan-Feb
China	Fixed asset investment	Jan-Feb
China	Retail sales	Jan-Feb
China	House price index	Feb
China	Employment	Jan-Feb
<b>Japan</b>	Machinery orders	Jan
Japan	Tertiary industry index (3.30pm AEDT)	Jan
<b>UK</b>	Rightmove house prices	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](mailto:advice@stateone.com.au)

Elixinol Global	EXL	8 Mar
Jindalee Resources	JRL	12 Mar
Matador Mining	MZZ	9 Mar
Oliver's Real Food	OLI	26 Feb
Torian Resources	TNR	26 Feb

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AHY</b>	Today	<b>3</b>	100	0.00
<b>ANG</b>	Today	<b>0.2</b>	100	2.00
<b>CNU</b>	Today	<b>9.76</b>	0	3.13
<b>FFI</b>	Today	<b>12</b>	100	3.93
<b>GWA</b>	Today	<b>6</b>	100	1.16
<b>SGF</b>	Today	<b>7.19</b>	100	3.84
<b>TNK</b>	Today	<b>12</b>	100	2.12
AEG	Tomorrow	2.6	100	4.77
DRR	Tomorrow	2.45	100	0.00
DTL	Tomorrow	5.5	100	2.77
GDG	Tomorrow	1	0	2.80
MAH	Tomorrow	0.3	20	2.67
NWS	Tomorrow	9.18	0	0.31
NWSLV	Tomorrow	9.18	0	0.30
PL8	Tomorrow	0.4	100	4.12
PRN	Tomorrow	3.5	0	3.13
SHM	Tomorrow	4	100	3.30
SND	Tomorrow	0.75	100	0.00
TOP	Tomorrow	0.8	100	3.70
TPG	Tomorrow	7.5	100	0.00
TWD	Tomorrow	11	100	3.69
VOR	Tomorrow	5.55	100	0.00
ASB	Wed	4	0	3.27
BWX	Wed	1	100	0.54
EPY	Wed	1	100	4.07
GNE	Wed	7.8	0	4.45
ING	Wed	7.5	100	3.93
MML	Wed	5	0	0.00
MTO	Wed	10	100	0.00
PPG	Wed	0.25	100	2.11
TRA	Wed	5.58	85	4.58

**March quarter S&P/ASX indices re-balance**

The following changes will be effected prior to the opening of trade **22 March**:

**S&P/ASX 200**

**Out:** BVS, GWA, SFR, SIQ, SSM, TGR,

**In:** CDA, CIA, HUB, NIC, NXL, PLS

**S&P/ASX 300**

**Out:** ALG, DCN, ELO, FAR, FNP, KMD, MAH, MVF, NGI, OFX, PET,

**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.

RDC, SLC

*In:* 360, ADH, BRN, CHN, CRN, DBI, FCL, HMC, MMM, NXL, PLL, RBL, TLX

**S&P/ASX All Ordinaries**

*Out:* A2B, AGI, ALC, AMS, AMX, APD, AT1, ATU, BRL, BSA, CDD, D20, DNK, EGG, EGN, ENN, EP1, ERF, FAR, FLC, FNP, FSA, GNE, IGL, IMA, ITG, JHC, KLL, KSC, MAD, MCY, MMI, MML, MOZ, NET, NEU, NXS, OGC, ONT, PBP, PCG, PCK, PET, PGL, QIP, RAP, RFG, SHJ, SOM, SRG, TER, TOT, URF, VTG, VTH

*In:* 3DP, 4DX, A4N, ABB, ABR, ABY, ADN, ADO, ARX, ASM, AUT, BET, BKG, BRN, CAI, CSX, CTM, CTT, CYC, DBI, DGO, DOC, EMV, GPR, HAS, HMY, HPG, IMM, IMR, IMU, JRV, KCN, LBY, LFG, M7T, MGH, MGV, MMM, MYD, NTU, NVA, NVX, NXL, OBM, OPY, PAN, PLL, PLT, POS, RAC, RCE, SMR, ST1, SVL, TIE, TLG, TNT, UNI, VUL, WBT, WMX, YOJ

**S&P/ASX All Technology Index**

*Out:* PCK, WEB

*In:* 4DS, ABY, IOU, MYQ, NXL, RDY, SLX, SMP