

Markets

SFE 200 Futures (9.30am AEDT)	6658	29	0.4
NZX 50	12121	-107	-0.9
DJIA Futures	30912	0	0.0
S&P 500 Futures	3809	0	0.0
NASDAQ Futures	12911	0	0.0

Local Markets Commentary

The Australian market opens a new month's trade with fresh material data in hand from China over the weekend, and a raft of key domestic economic indicators due today, ahead of a Reserve Bank of Australia policy meeting tomorrow.

Among other considerations, since mostly risk-off overnight Friday international equities and commodities trade:

- the US House of Representatives has approved the proposed \$US1.9 trillion economic support package;
- the US FDA has given a green light for US use of a third Covid-19 vaccine, this time Johnson & Johnson's; and
- the UK treasury has revealed this week's budget will contain a new £5B grants scheme in support of the retail and hospitality sectors.

Yesterday, China reported official **PMIs** for February, the NBS calculating these both below the January readings and forecasts for the new estimates.

The 50.6 manufacturing PMI followed 51.3 and a forecasted 51.

The 51.4 services PMI followed 51.4 and a forecasted 52.

Locally today, the Australian Bureau of Statistics (ABS) publishes **January lending** and December quarter **business indicators** reports, 11.30am AEDT.

CoreLogic reveals its February **residential property price index**.

The ANZ is scheduled to publish February **job advertisements**.

The Melbourne Institute is also listed by some to release a monthly **inflation gauge** report.

Pre-trade, the AiG has reported a robust **58.8** February **manufacturing sector activity** index, from 55.3 for January.

The RBA releases a February **commodities prices** report post-trade.

Stocks trading **ex-dividend** today include: **ALU, AZJ, BGA, CCP, FMG** and **WOR**. Please see pp3-4 for a detailed list.

Regionally today, Caixin is scheduled to release its February **manufacturing PMI** for China at **12.45pm** AEDT.

A final February **manufacturing PMI** is expected for **Japan**, 11.30am.

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

Iron ore (Nymex CFR China, 62% Fe) settled sharply higher, a little beyond \$US172.70/t.

Qingdao **iron ore** (CFR 62% fines) rose by \$US1.54/t to \$US175.78/t.

LME **copper** and other key base metals dropped.

Australia – 58.8 February manufacturing PMI (AiG) in hand

Western Australia - public holiday today. **ASX trade as normal.**

Today's Stock Watch

Crown Resorts (CWN)

Director John Poynton has resigned from the CWN board, and as chairman of Burswood Ltd (Crown Perth), as a result of Independent Liquor and Gaming Authority advice.

Mesoblast Ltd (MSB)

\$US50.24M interim net loss, against a \$US30.07M loss a year ago. \$US3.55M revenue, against \$19.25M. \$US77.53M cash and equivalents. MSB remains in a trading halt.

GWA Group (GWA)

MD and CEO Tim Salt has resigned after five years, for personal reasons. GWA has appointed former Tetra Tech Asia Pacific president Urs Meyerhans as acting CEO.

Mr Meyerhans is also a former Coffey Consulting CEO.

Genworth Mortgage Insurance Australia (GMA)

Genworth Financial Inc is planning to sell its ~52% of GMA.

Austal Ltd (ASB)

\$US235M contract secured with the US Navy for a fifteenth expeditionary fast transport (EPF) vessel. In addition, ASB has delivered a catamaran ferry to Norway's Fjord Line.

Calix Ltd (CXL)

Agreement secured with Swedish company SaltX Technology, to enable SaltX to construct a pilot scale 200kW electric-powered direct separation reactor in Sweden using CXL kiln technology. Sumitomo SHI FW is also a partner in the project.

Cimic Group (CIM)

CIM's UGL and CPB Contractors have secured a \$7M ECI contract for CUString's proposed Townsville – Mt Isa, Queensland transmission network. UGL and CPB are preferred contractors also for the project delivery and are anticipating \$1.7B in combined revenue from this.

IOUpay Ltd (IOU)

\$1.38M interim net loss, from a \$1.28M loss a year ago. 17% lower, \$2.83M revenue.

Sky City Entertainment (SKC)

Impacts of a renewed, week-long Auckland lockdown lodged.

Tyro Payments (TYR)

Year-to-date TTV is up 10% to \$15.94B.

Energy

Global Energy Ventures (GEV)

Reporting positive results from a compressed hydrogen (C-H2) supply chain scoping study.



The \$A tumbled to ~US77.05c after falling to ~US78.10c early Friday evening.

*South Korea's markets are closed today, due to a public holiday.
In Australia, Western Australia observes a public holiday today.*

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30932	-470	-1.5
S&P 500	3811	-18	-0.5
NASDAQ	13192	73	0.6
FTSE 100	6483	-169	-2.5
DAX 30	13763	-138	-1.0
Shanghai Comp	3509	-76	-2.1

Overseas Markets Commentary

Marked chop and swings again featured across major European, UK and US equities markets overnight Friday, a general risk-off mood prevailing to favour select large tech and communications stocks.

With US bond yields continuing buoyant, the ICE \$US index jumped ~0.8%.

Among overnight Friday **data** releases, **Germany's** January import prices rose 1.9% for the month, and were 1.2% lower than for January 2020.

In the **UK**, January domestic vehicle production was reported 27.3% lower than for January 2020.

In the **US**, the February Chicago PMI fell to 59.5 from 63.8, nonetheless remaining relatively robust, and surpassing forecasts.

January personal income and spending rose 10% and 2.4% respectively, each also exceeding expectations.

January wholesale inventories grew by 1.3% following forecasts of a 0.2% rise.

A final February University of Michigan consumer sentiment declined to 76.8 from 79, against a forecast 76.2.

Tonight in the **US**, the ISM's February manufacturing sector activity index and January construction spending are anticipated.

Elsewhere, Germany releases a preliminary February CPI reading.

JD.com and Zoom Video Communications are among companies listed to report earnings later today and tonight.

In weekend corporate news, **Berkshire Hathaway** reported a 14% higher year-on-year, \$US5.2B December quarter operating profit.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1728.8	oz	-46.6	-2.6
Silver (NY) (May)	26.44	oz	-1.24	-4.5
Gold (LON)	1743	oz		
Platinum	1181	oz	-26	-2.2
WTI Crude (NYMEX Apr)	60.50	bbl	-2.03	-3.2
Brent Crude (ICE EUR Apr)	66.13	bbl	-0.75	-1.1
Iron Ore (NYMEX,CHN,62%)	172.71	t	7.1	4.3
Copper (LME Ind)	9080	t	-336	-3.6
Nickel	18573	t	-625	-3.3

Pre-Open Announcements

Regional Express Holdings (* REX)

43.5% higher, \$9.9M interim NPAT.

60.5% lower, \$65.6M revenue (excluding of government grants and subsidies).

\$1.68 NTA, against \$1.84.

Fatfish Group (* FFG)

75% lower, \$698,803 ordinary activities revenue.

\$190,852 ordinary activities net profit, from a \$14.13M net loss for 2019.

\$2.30M comprehensive loss, against a \$22.38M such loss a year ago.

Creso Pharma (CPH)

\$32.04M full year net loss, from a \$13.75M loss a year ago.

32.5% lower, \$2.45M revenue. \$1.37 NTA, against \$7.35.

Vonex Ltd (VN8)

\$1.66M interim net loss, against an \$829,383 loss a year ago.

74% higher, \$9.775M revenue.

Hubify Ltd (HFY)

HFY has appointed former Hearing Australia CFO Nick Fitzgerald as HFY CFO and company secretary.

Previous HFY company secretary Michael Potts has resigned.

The CFO role is a newly-created one for HFY.

Freedom Foods Group (FNP)

Promising a recapitalisation update mid-month. Meanwhile, FNP trade remains suspended.

This morning, FNP has reported a \$23.86M interim net loss, from a \$63.5M loss a year ago.

10.2% higher, \$317.345M revenue. \$326.9M net debt.

Resources

MetalsX Ltd (* MLX)

\$18.69M interim NPAT, from a \$61.56M net loss a year ago.

31% higher, \$50.81M revenue.

Force Commodities (4CE)

CEO Simon Pooley has resigned, effective immediately.

Mr Pooley will provide continued 4CE support as required.

In association, 4CE has appointed Baker Khudeira to a business development and country relationship role.

Energy

Paladin Energy (PDN)

\$US19.19M interim net loss, from a \$US19.44M loss a year ago. \$US31.8M cash and equivalents.

Yancoal Australia (YAL)

\$1.04B full year net loss.

22% lower, \$3.47B continuing operations revenue.

YAL booked a \$1.38B counting loss for the Watagan reconsolidation.



Aluminium	2152	t	-82	-3.7
Lead	2052	t	-106	-4.9
Zinc	2792	t	-98	-3.4
Tin	25939	t	-1176	-4.3

Commodities Commentary

Oil – the OPEC+ meeting Thursday, to debate future output, end-of-month considerations, and a \$US jump pushed prices lower overnight Friday.

A weekly US petroleum drill rig count, published overnight Friday, included four additional operational oil rigs.

Brent crude April futures expired at settlement overnight Friday, May futures closing \$US1.69/bbl lower for the session, at \$US64.42/bbl.

Despite Friday's falls, Brent and WTI closed respectively ~17% and 18% higher for February, and ~4.8% and ~3.8% higher for the week.

Gold – Bond yields continued buoyant overnight, propelling the \$US higher and damaging gold sentiment.

Comex gold futures finished the month 6.6% lower after falling 2.7% over the week.

Key international economic indicators, from yesterday evening through the week, are likely to hold some sway over general sentiment this week, in addition to inflation and Covid-19 containment views.

Base metals – overnight Friday trade was impacted by a combination of general risk-off sentiment, a \$US spike, profit-taking and end-of-month positioning.

China's official February PMIs, announced yesterday evening, fell from the January NBS figures.

The manufacturing PMI was estimated at 50.6, from 51.3, and followed forecasts of 51.

The 51.4 services sector activity index represented a one-point fall for the month, and followed forecasts of 52.

The new figures will be supplemented by a Caixin February manufacturing PMI estimate for China today, and could deliver some swings tonight.

Friday, **Japan** reported a 4.2% rise in January industrial production for the month, but 5.3% lower output against January 2020.

A final estimate for Japan's February manufacturing PMI is due this morning.

Among the producers, **copper** giant **Codelco** reported on Friday a 55% jump in 2020 profit, after boosting production by 2% to 1.618Bt.

Vale expressed confidence in both **iron ore** and copper prices this year. The Brazilian major, however, revealed it had hedged some of its **nickel** output, while remaining confident 'in the strength of the nickel market'.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7709	0.0004	0.05
EUR – USD	1.2078	0.0005	0.04

Trading Halts

Company	Code	Resuming
Australis Oil & Gas	ATS	1 Mar
Black Cat Syndicate	BC8	1 Mar
BPH Energy	BPH	1 Mar
Redstone Resources	RDS	1 Mar
Tombador Iron	TI1	1 Mar
4DMedical Ltd	4DX	2 Mar
Anax Metals	ANX	2 Mar
AppsVillage Australia	APV	2 Mar
Australian Potash	APC	2 Mar
Australian Strategic Metals	ASM	2 Mar
EMVision Medical Devices	EMV	2 Mar
Mesoblast Ltd	MSB	2 Mar
Micro-X Ltd	MX1	2 Mar
Neurotech International	NTI	2 Mar
Palla Pharma	PAL	2 Mar

Suspensions *(select)*

Company	Code	Since
333D Ltd	T3D	26 Feb
Atrum Coal	ATU	11 Feb
Calima Energy	CE1	16 Feb
MSM Corporation International	MSM	9 Feb
Oliver's Real Food	OLI	26 Feb
Pilot Energy	PGY	12 Feb
Torian Resources	TNR	26 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALU	Today	19	0	1.49
APX	Today	5.5	50	0.57
AZJ	Today	14.4	70	3.60
BGA	Today	5	100	1.60
BIN	Today	1.5	100	1.15
CCP	Today	36	100	1.13
CIW	Today	1	100	3.57
EVN	Today	7	100	2.14
FMG	Today	147	100	7.30
HGH	Today	3.72	70.67	1.37
IDX	Today	5.5	100	1.98
LSF	Today	1.5	100	0.00
MEA	Today	0.5	100	0.00
NBI	Today	0.7	0	4.97
SDF	Today	4.4	100	2.41
VGI	Today	28	100	1.68
WOR	Today	25	0	4.50

**Australian Data Today**

AiG	PMI	Feb
CoreLogic	Home price index	Feb
ANZ	Job advertisements	Feb
<i>MelbInst</i>	<i>Inflation gauge</i>	Feb
ABS	Lending indicators (incl housing finance0)	Jan
ABS	Business indicators (incl profits, inventories)	Dec Q
RBA	Commodity prices (4.30pm AEDT)	Feb

US Data Tonight

ISM manufacturing	Feb
Construction spending	Jan
Markit manufacturing PMI (final)	Feb

Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	Feb
Japan	Manufacturing PMI (final)	Feb
UK	Manufacturing PMI (final)	Feb
UK	BoE consumer credit	Jan
UK	Nationwide house prices	Feb
Germany	CPI (prelim)	Feb
Germany	Manufacturing PMI (final)	Feb
Euro zone	Manufacturing PMI (final)	Feb

Need More Information?

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ASH	Tomorrow	1.8	100	5.74
BWF	Tomorrow	2.4	100	7.66
CWY	Tomorrow	2.25	100	1.88
GAP	Tomorrow	2	0	2.56
HLA	Tomorrow	2	100	1.12
HMC	Tomorrow	6	100	2.97
KSL	Tomorrow	5.1	0	7.32
MAD	Tomorrow	1.5	100	3.30
OSH	Tomorrow	0.63	0	1.56
PTM	Tomorrow	12	100	5.18
SBM	Tomorrow	4	100	3.85
SDG	Tomorrow	30	100	2.69
SFR	Tomorrow	8	100	2.30

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