

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7103	15	<b>0.2</b>
<b>NZX 50</b>	12023	42	<b>0.4</b>
<b>DJIA Futures</b>	29346	9	0.0
<b>S&amp;P 500 Futures</b>	3388	1	0.0
<b>NASDAQ Futures</b>	9734	1	0.0

## Local Markets Commentary

The Australian market commences today's trade with material domestic data due late-morning, a key rates announcement from China early-afternoon, another swag of domestic corporate reports, and largely positive overnight equities and key commodities trade leads.

**Regionally today, China is due to reveal any loan prime rate adjustments 12.30pm AEDT.**

**Locally, the Australian Bureau of Statistics (ABS) releases January employment figures 11.30am AEDT.**

**Stocks trading ex-dividend today include GWA, JBH and NCM.**

In overnight commodities trade, **oil** rallied.

US **gold** futures (CME April) continued higher, pushing past \$US1610/oz.

**Iron ore** (Nymex CFR China, 62% Fe) extended this week's gains.

LME (3mth evening) **copper** and **nickel** also continued to appreciate, but only slightly so.

The **\$A** has retreated this morning after trading a little beyond US\$67.00c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	29348	116	<b>0.4</b>
<b>S&amp;P 500</b>	3386	16	<b>0.5</b>
<b>NASDAQ</b>	9817	84	<b>0.9</b>
<b>FTSE 100</b>	7457	75	<b>1.0</b>
<b>DAX 30</b>	13789	108	<b>0.8</b>
<b>Shanghai Comp</b>	2975	-10	<b>-0.3</b>

## Overseas Markets Commentary

Major European and US equities markets were buoyed by an apparent return of risk sentiment overnight, after China confirmed regulatory concessions, and an easing of loan conditions, for select companies and sectors.

**US Federal Reserve** January policy meeting minutes acknowledged risks to the domestic economic growth, but policy decision-makers appeared comfortable with the status quo and its likely chance of suiting for some time yet.

Nonetheless, the coronavirus outbreak was one risk that was deemed worthy of close attention.

**Australia – employment statistics – 11.30am AEDT**

**China – loan prime rates – 12.30pm AEDT**

**\* Medicinal cannabis production listing 1pm AEDT – LGP \***

## Today's Stock Watch

### Qantas Airways (QAN)

3.9% lower, \$445M interim NPAT. 2.8% higher, \$9.46B income. 13.5c fully franked interim dividend. \$1.42 NTA, against \$1.58 at 30 June 2019.

### Medibank Private (MPL)

14.3% lower, \$177.9M interim NPAT. 2.8% lower, \$3.47B income. 5.7c fully franked interim dividend. 52.3c NTA, against 51.9c.

### Super Retail Group (SUL)

19.9% lower, \$57.4M interim NPAT. 2.9% higher, \$1.44B revenue. 21.5c fully franked final dividend.

### IRESS Ltd (IRE)

1.6% higher, \$65.13M full year NPAT. 9.5% higher, \$508.94M revenue. Flat 30c, 40%-franked final dividend.

### Austal Ltd (ASB)

72% higher, \$40.75M interim NPAT. 22% higher, \$1.04B revenue. 3c interim dividend. \$1.82 NTA, against \$1.62.

### Lendlease Group (LLC)

\$313M interim profit after tax, against \$16M a year ago. 4.6% lower, \$7.40B revenue. 30c interim dividend/distribution. \$8.93 NTA, against \$8.69.

### SmartGroup Corporation (SIQ)

3.6% higher, \$61.45M full year NPAT. 3.3% higher, \$249.84M revenue. 21.5c fully franked dividend, up 0.5c.

## Resources

### Iluka Resources (ILU)

\$299.7M full year net loss, against a \$303.9M net profit a year ago. 4.1% lower, \$1.19B mineral sands revenue. 8c fully franked final dividend, against 19c. \$43M net cash.

Planning to demerge the WA Mining Area C royalty business, and to list this on the ASX. The royalty company's chair will be Jenny Seabrook. ILU strategy, planning and business development head Julian Andrews has been appointed royalty company CEO. Promising further details at the 9 April AGM.

## Energy

### Origin Energy (ORG)

15c fully franked interim dividend, up 50%. 25% lower, \$599M interim NPAT. 12% lower, \$6.73B revenue. \$4.46 NTA, against \$4.41.



Establishing a standing repurchase (repo) facility, delivering cash via secured short-term loans, to the banking sector as and when needed and at a fixed rate, appeared a priority for some FOMC members.

Earlier, the **UK** had reported 0.3% deflation for January, and 1.8% year-on-year inflation.

The December CPI had been reported flat for the month, and December CPI year-on-year growth at 1.3%.

In the **euro zone**, December construction output dropped 3.7% year-on-year.

A 30-year bond offering in **Germany**, delivered 0.07% yields from 0.31%.

Among **US** data releases, January producer prices rose 0.5% for the month, following a 0.2% December gain.

Against January 2019, prices were 2.1% higher.

Housing starts fell 3.6% following a 17.7% December jump.

Building permits rose 9.2% after dropping 3.7% in December.

Weekly mortgage applications tumbled 6.4% with 30-year mortgage rates rising from 3.72% to 3.77%.

**Tonight** in the **US**, the Philadelphia Fed manufacturing index, weekly new unemployment claims, and a January leading index are due.

Elsewhere, the UK releases January retail sales.

Companies scheduled to report earnings include: Anglo American, AXA, BAE Systems, Lloyds, Newmont Mining and Vale.

Carnival, GlaxoSmithKline, Imperial Brands and Unilever trade ex-dividend on the FTSE 100.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1611.8</b>	oz	8.2	0.5
<b>Silver (NY) (Mar)</b>	<b>18.311</b>	oz	0.161	0.9
<b>Gold (LON)</b>	<b>1590</b>	oz		
<b>Platinum</b>	<b>1006</b>	oz	16	1.6
<b>WTI Crude (Mar)</b>	<b>53.29</b>	bbbl	1.24	2.4
<b>Brent Crude (Apr)</b>	<b>59.12</b>	bbbl	1.37	2.4
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>85.70</b>	t	0.27	0.3
<b>Copper (LME,3mth,PM)</b>	<b>5782</b>	t	11	0.2
<b>Nickel</b>	<b>12855</b>	t	20	0.2
<b>Aluminium</b>	<b>1723</b>	t	4	0.2
<b>Lead</b>	<b>1878</b>	t	-12	-0.7
<b>Zinc</b>	<b>2143</b>	t	-2	-0.1
<b>Tin</b>	<b>16525</b>	t	25	0.2

### Commodities Commentary

**Oil** – prices were supported overnight, amid new demand forecasts and supply speculation.

Venezuela's crude exports, in particular to refineries in Europe, India and the US Gulf Coast, were considered at further risk, due to the US sanctions imposed earlier this week on Rosneft Trading. Libya's daily output was estimated at 123,500bbl against 1.2MMbbl prior to a civil conflict escalation which has effectively shut down key oil fields and export ports.

## Pre-Open Announcements

### Orica Ltd (\*\* ORI)

Resuming from a trading halt having completed a fully underwritten, \$A500M, \$A21.19-per-share institutional placement.

A \$A100M SPP is planned for 26 February – 17 March.

Planning to acquire, for \$US201M, Peru-headquartered explosives manufacturer Exsa, via the acquisition of Breca Soluciones de Voladura.

ORI traded at \$22.15 - \$22.75 the five sessions immediately prior to calling a trading halt.

### Auckland International Airport (\* AIA)

Flat \$NZ147.2M interim NPAT.

1.1% higher, \$NZ374.7M revenue.

Flat NZ11c interim dividend. Anticipating \$NZ260M - \$NZ270M full year underlying profit after tax, slightly lower than initial guidance, due to Covid-19 impacts.

### Worley Ltd (\* WOR)

Two master service agreements secured with Total's Mozambique LNG project.

### Accent Group (AX1)

4.4% higher, \$33.56M interim NPAT.

13.6% higher, \$454.18M revenue.

16.7% higher, 5.25c fully franked interim dividend.

\$9.60 NTA, against \$9.79.

### Zoono Group (\* ZNO)

Revenue for the initial seven weeks of the March quarter has tallied \$NZ3.5M, against revenue totalling \$NZ1.71M for the six months to 31 December.

Online sales are averaging a daily \$NZ30,000 - \$NZ50,000.

Post-ASX trade yesterday, ZNO reported a \$NZ727,944 interim net loss, against a \$NZ1.38M next loss a year ago.

144% higher, \$NZ1.71M revenue, as contrasted above.

### RPMGlobal Holdings (\* RUL)

Software subscriptions total contracted value (TCV) has grown by \$3.8M since 22 January, to \$21.5M.

Software subscriptions annual recurring revenue has reached \$A10.7M.

### Little Green Pharma (\* LGP)

Medicinal cannabis producer scheduled to list on the ASX 1pm AEDT following a \$10M IPO at 45c per share.

~67.81M quoted shares.

### ReadyTech Holdings (RDY)

RDY has appointed Company Matters' William Hundy as an additional company secretary.



Meanwhile, The Economist Intelligence Unit (EIU) lowered its forecast 2020 China oil demand growth by 0.5% to 2.5%.

The EIU also revised expected international 2020 demand growth from 1.0% to 0.9%.

In company-specific news, Rosneft reported 45% higher December quarter net profit (~\$US2.4B), buoyed by 20% higher crude sales.

A weekly US petroleum inventories report is due from government agency the Energy Information Administration (EIA) tonight.

**Gold** – additional safe-haven sentiment pushed CME futures further beyond \$US1600/oz overnight.

One industry commentator proffered that institutions were favouring gold more than retail investors.

US Federal Reserve policy meeting were published post-regular trade and settlement.

**Base metals** – overnight LME trade appeared mostly pushed and pulled by China's support for businesses particularly impacted by the coronavirus outbreak and reports of rising inventories in Shanghai Futures Exchange-monitored warehouses.

**Japan's** January trade figures, revealed **yesterday** included a ¥1312.6B deficit following a ¥154.6B shortfall for November.

**China's** monthly loan prime rate update is expected today.

Yesterday, Eramet announced was pushing back a final decision on a *lithium* development in Argentina.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6678	0.0000	0.00
<b>EUR – USD</b>	1.0807	0.0000	0.00

### Australian Data Today

ABS	Employment (incl wages)	Jan
-----	-------------------------	-----

### US Data Tonight

Philadelphia Fed manufacturing index	Feb
Conference Board leading index	Jan
Initial jobless claims	15 Feb

### Overseas Data Today & Tonight

<b>UK</b>	Retail sales	Jan
<b>Germany</b>	GfK consumer confidence	Feb
<b>Euro zone</b>	GfK consumer confidence	Feb

### 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)

## Resources

### Sandfire Resources (\*\* SFR)

\$34.2M interim NPAT, against \$49.6M. \$313.1M sales revenue, against \$272.3M. 5c fully franked interim dividend, down 2c.

### Trading Halts

Company	Code	Resuming
Kingwest Resources	KWR	20 Feb
Magnetic Resources	MAU	20 Feb
Odin Metals	ODM	20 Feb
Alloy Resources	AYR	21 Feb
Blina Minerals	BDI	21 Feb
Doriemus Plc	DOR	21 Feb
ResApp Health	RAP	21 Feb

### Suspensions (select)

Company	Code	Since
Collection House	CLH	18 Feb
Dacian Gold	DCN	3 Feb
Fiji Kava	FIJ	11 Feb
Gulf Manganese Corporation	GMC	10 Feb
Hampton Hill Mining	HHM	18 Feb
Identitii Ltd	ID8	5 Feb
Impact Minerals	IPT	19 Feb
ParaZero Ltd	PRZ	18 Feb
Speedcast International	SDA	5 Feb
Vulcan Energy Resources	VUL	17 Feb

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>FSI</b>	Today	<b>4.25</b>	100	2.16
<b>GWA</b>	Today	<b>8</b>	100	4.66
<b>JBH</b>	Today	<b>99</b>	100	3.41
<b>KOV</b>	Today	<b>15</b>	100	4.63
<b>MAM</b>	Today	<b>1</b>	100	3.54
<b>NCM</b>	Today	<b>11.15</b>	100	1.13
<b>QVE</b>	Today	<b>2.2</b>	100	4.25
AUI	Tomorrow	17	100	3.50
DUI	Tomorrow	7	100	2.97
INA	Tomorrow	5.6	0	2.14
MFD	Tomorrow	7.71	100	7.94
ANN	Mon	32.34	0	2.11
AZJ	Mon	13.7	70	4.32
EVN	Mon	7	100	2.11
WPL	Mon	81.75	100	5.43
BRG	Tue	20.5	60	1.61



CGF	Tue	17.5	100	3.43
CGL	Tue	4.8	100	2.25
CIE	Tue	1	100	5.46
DOW	Tue	14	0	4.18
HGH	Tue	4.3	0	6.36
IFL	Tue	16	100	5.38
NWL	Tue	6.9	100	1.45
RKN	Tue	2	100	3.97

## Reports & Events

(selected)

When	Company	Report/Event
<b>Today</b>	<b>ADA</b>	Interim (tele 4.30pm AEDT)
	<b>ALL</b>	AGM
	<b>APE</b>	Full year
	<b>AIA</b>	Interim
	<b>ASB</b>	Interim (10.30am)
	<b>AX1</b>	Interim
	<b>BIN</b>	Interim (10am)
	<b>BLX</b>	Interim (11am)
	<b>BVS</b>	Interim (w/cast tele 9.15am)
	<b>CQR</b>	Interim
	<b>CCL</b>	Full year
	<b>EBO</b>	Interim
	<b>GXY</b>	Interim
	<b>ILU</b>	Full year
	<b>IDX</b>	Interim
	<b>IRI</b>	Interim
	<b>IRE</b>	Full year
	<b>MPL</b>	Interim
	<b>NWH</b>	Interim
	<b>OGC</b>	Full year (post-ASX trade; tele 8.30am Fri)
	<b>OPT</b>	Interim
	<b>ORG</b>	Interim
	<b>PSQ</b>	Interim
	<b>PPT</b>	Interim
	<b>QAN</b>	Interim
	<b>QIP</b>	Interim
	<b>RDY</b>	Interim (10am)
<b>STO</b>	Full year	
<b>SGR</b>	Interim	
<b>SUL</b>	Interim	
<b>SYD</b>	Full year	
<b>VVR</b>	Full year (w/cast tele 10am)	
<b>WHC</b>	Interim	
<b>Tomorrow</b>	AGG	Full year (JSE release)
	ALG	Interim (w/cast tele 10am AEDT)
	BWX	Interim
	CHC	Interim



**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.

	EVT	Interim
	HUO	Interim
	ING	Interim
	MYX	Interim
	ORE	Interim
	PTM	Interim
	SHV	AGM
	SXY	Interim (w/cast 11am)
<b>Mon</b>	BSL	Interim
	CNU	Interim (tele 8am AEDT)
	COE	Interim
	D20	Interim
	ELX	Interim
	HLO	Interim
	LYL	Interim
	MAH	Interim
	NHF	Interim
	OML	Full year
	RWC	Interim (w/cast tele 9am)
	RSG	Full year
	SPL	Interim
	UWL	Interim
	VRL	Interim
	VEA	Full year
	WOR	Interim
	WPP	Full year (w/cast 9am)