

Markets

SFE 200 Futures (9.30am AEDT)	6661	-15	-0.2
NZX 50	12482	-33	-0.3
DJIA Futures	32439	-64	-0.2
S&P 500 Futures	3890	-10	-0.3
NASDAQ Futures	12821	-24	-0.2

Local Markets Commentary

The Australian market opens the last full week's trade for the March quarter with the S&P/ASX indices rebalance effected pre-trade, China-US relations and severe eastern Australian weather in focus, and material announcements from several high-cap domestic stocks, ahead of key public appearances from the US Federal Reserve chair from tonight through Wednesday night.

Since overnight international trade Friday, China has followed tense face-to-face talks with the US with a declaration that the two nations would work on environmental improvement.

Also in China over the weekend, emissions control-related steel production cuts were due to commence in Tangshan.

Locally today, no major economic indicators are due for release.

Insurance stocks will be on watch due to flooding through a large portion of **NSW** coastal and near-coastal regions.

In addition, early commentary on the economic impact of the severe weather, expected to continue this week, is anticipated.

High-profile stocks trading ex-dividend today include **BKL** and **NWH**. Please see pp4-5 for a detailed list.

Regionally today, **China** is expected to announce prime rates for one- and five-year loans **12.30pm** AEDT. These are currently 3.85% and 4.65% respectively.

In overnight Friday commodities trade, **oil** swung higher.

US **gold** futures improved on Thursday's gain.

Qingdao **iron ore** (CFR 62% fines) fell \$US5.23/t to \$US161.39/t.

LME **copper** (indicative) settled essentially flat. **Nickel** and **aluminium** swung decidedly higher.

The **\$A** declined to US77.30c after trading at ~US77.65c early Friday evening.

This morning, the **\$A** has traded below US77.10c and subsequently above US77.25c.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	32628	-234	-0.7
S&P 500	3913	-2	-0.1
NASDAQ	13215	99	0.8
FTSE 100	6709	-71	-1.1
DAX 30	14621	-168	-1.1
Shanghai Comp	3405	-58	-1.7

* Minerals exploration listing – 1pm AEDT – MM8 *

Today's Stock Watch
Crown Resorts (CWN)

CWN is assessing an unsolicited, indicative, \$A11.85 cash-per-share proposal from 9.9% CWN shareholder The Blackstone Group.

Conditions include due diligence, debt finance, a unanimous Crown board recommendation, and Blackstone investment committees approvals.

CWN traded on the ASX at \$9.68 - \$10.20 last week.

Commonwealth Bank of Australia (CBA) / Australia & New Zealand Banking Corporation (ANZ)

Settling a bank bill swap rate – related class action initiated against CBA and the ANZ, among other banks, in the US in 2016.

Confidential settlement terms remain negotiable ahead of anticipated court approval. CBA and the ANZ are settling without admission of liability and say the settlement impact is not material. CBA provisioned the matter for FY21.

Telstra Corporation (TLS)

Planning to establish a new holding company for TLS and to create separate subsidiaries via schemes of arrangement, subject to shareholder approval. The plans are part of TLS's proposed legal restructure, designed to realise optimal value from infrastructure assets. Details lodged pre-trade.

QBE Insurance Group (QBE)

Declaring no exposure to Greensill entities.

Bapcor Ltd (BAP)

Acquiring 25% of Singapore-listed automotive parts distributor Tye Soon, for ~\$S12.5M. Completion is anticipated in April.

Freedom Foods Group (* FNP)

FNP has been reinstated to official ASX quotation, following a recapitalisation, and will recommence trade on today's open.

Recapitalisation details and presentation lodged post-trade Friday.

In addition, FNP has appointed interim CEO Michael Perich as permanent CEO on an initial two-year contract.

Further, FNP has appointed Stuart Muir as COO, effective April. Stuart Black AM has been appointed as an FNP non-executive director. FNP last traded late June 2020, at \$3.01.

Energy
Xstate Resources (XST)

Acquiring an additional 10% working interest in Red Earth, Canada, for \$C700,000 cash and \$A150,00 worth of XST shares.



Overseas Markets Commentary

Major European, UK and US equities markets mostly opened lower, or headed so early, overnight Friday, largely failing to recover despite select swings and chop.

The NASDAQ proved the exception, trading higher for most of the session, despite early vacillations.

Friday, **China** described meetings in Alaska overnight Thursday between the US secretary of state, the **US** national security advisor, and China's foreign minister and accompanying officials as 'confrontational'.

US 10-year bond yields were reported as 'steady', at 1.717% against 1.726% Thursday.

In overnight Friday **data** releases, **Germany's** February producer prices were reported 0.7% higher for the month and 1.9% higher than for February 2020.

Prices had risen 1.4% during January and a new 0.5% climb had been anticipated.

Earlier Friday, GfK released a -16 March consumer confidence reading for the **UK**, from -23 for February.

Later, February public sector borrowing was reported at £19.1B from £3.1B for January, the most for any February since records began in 1993. This was largely attributed to Covid-19 spending, including business and employment support.

There were no major economic indicator releases in the US.

Tonight in the **US**, Federal Reserve chair Jerome Powell is due to speak publicly.

February existing home sales and the Chicago Fed national activity index are also due.

Tencent Music is among companies scheduled to report earnings later today.

In overnight Friday and weekend corporate news, **Saudi Aramco** revealed a \$US49B profit for 2020, reflecting a 45% drop in earnings.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1741.7	oz	9.2	0.5
Silver (NY) (May)	26.32	oz	-0.03	-0.1
Gold (LON)	1735	oz		
Platinum	1186	oz	-14	-1.2
WTI Crude (NYMEX Apr)	61.42	bbbl	1.42	2.4
Brent Crude (ICE EUR May)	64.53	bbbl	1.25	2.0
Iron Ore (NYMEX,CHN,62%)	168	t		
Copper (LME Ind)	9062	t	2	0.0
Nickel	16299	t	263	1.6
Aluminium	2267	t	50	2.3
Lead	1959	t	35	1.8
Zinc	2838	t	45	1.6
Tin	26175	t	-210	-0.8

Commodities Commentary

Oil – prices swung across a \$2/bbl range intra-session overnight

Pre-Open Announcements

Kathmandu Holdings (* KMD)

Interim results anticipated tomorrow.

Dexus Property Group (DXS)

DXS and Mercatus Co-operative are creating a JV to acquire 33.33% of 1 Bligh St, Sydney, for \$375M.

Mercatus will hold an indirect 90% of the JV, which plans further office purchases.

Rent.com.au Ltd (RNT)

Anticipating record March quarter revenue.

In addition, RNT is pushing back the launch of the RentPay product by up to six weeks, due to a finance agreement secured with the SkyCredit, the parent of the finance provider (Fair Go Finance) for RNT's RentBond product.

Details, including an additional RentPay feature, lodged this morning.

Cedar Woods Properties (CWP)

CWP has been invited by the WA Government to participate in the second stage of the market-led proposals process for the development of land surrounding the Perth suburban Swanbourne train station.

Tyro Payments (TYR)

March-to-date total transaction value (TTV) is 23% higher than for a year ago at \$1.1388B.

Infomedia Ltd (IFM)

Non-executive director Paul Brandling is planning to retire from the IFM board, effective by 31 May, in favour of a family health focus.

Avita Medical (AVH)

AVH has appointed former ImmuneCyte CFO Michael Holder as CFO, effective today.

WhiteHawk Ltd (WHK)

Non-executive director Tiffany Kleemann is planning to retire from the WHK board at the conclusion of the WHK AGM.

WHK says the AGM is planned for 'on or after' 13 May.

Tempo Australia (TPP)

TPP has appointed Angophora Capital CEO and Transfield Holdings investment advisor Christopher Cook as a non-executive director, effective Friday.

Mr Cook has previously been appointed twice as an alternate TPP director.

Swick Mining Services (SWK)

Conference presentation delivered last week lodged post-trade Friday, together with a link to a presentation recording.

Airtasker Ltd (** ART)

Online outsourcing market scheduled to list on the ASX 11am AEDT **tomorrow**, following an ~\$83.65M IPO at 65c per share. ~392.9M quoted shares.



Friday.

Ultimate gains were largely attributed to buyers taking advantage of consecutive sell-downs due to delays to, and temporary stoppages of, Covid-19 vaccination programs, and late-week announcements of new Covid-19 containment restrictions, including lockdowns, mostly in Europe.

The Federal Reserve's early-Thursday (AEDT) prediction of 6.5% 2021 GDP growth, rather than the 4.2% forecast three months earlier, was also quoted as a reason to support some renewed buying.

A US petroleum drill rig count, published overnight Friday, included nine additional operational oil rigs, taking the operational tally to 318.

The total number of operational oil and gas drill rigs (361) is 47% below the tally for this time last year.

Over the weekend, Saudi Aramco revealed an ~45% earnings drop for 2020, but a profit was nonetheless retained, coming in at \$US49B.

Gold – overnight Friday trade pushed Comex futures to an ~three-week settlement high amid ongoing vacillating international equities sentiment and inflation talk, supplemented by US-China argy-bargy as face-to-face talks resumed.

This produced a second consecutive weekly rise, this time of ~1.3%.

A public speech by the US Fed Reserve chair tonight, and US Fed official public appearances from tonight through the week, could keep gold sentiment fluid this week.

Base metals – overnight Friday LME trade appeared pushed and pulled by US-China tensions associated with a resumption of face-to-face talks, and persistently relatively high US bond yields (~1.717%), amid Covid-19 containment concerns.

In the meantime, *copper* import premiums for Yangshan were reported at \$US67/t, down \$US10/t from late-February.

Aluminium in LME registered warehouses was estimated at ~2Mt, from 1.3Mt as at 8 March.

Meanwhile, Tangshan environment-related steel production cuts were due to commence on the weekend.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7726	-0.0002	-0.02
EUR – USD	1.1887	-0.0020	-0.17

US Data Tonight

Chicago Fed national activity index	Feb
Existing home sales	Feb

Other Overseas Data Today & Tonight

China	Loan prime rates (1yr & 5yr)	Mar
Japan	Leading economic index (final)	Jan
Germany	Bundesbank report (incl outlook)	Mar

Resources

Medallion Metals (* MM8)

Multi-mineral explorer scheduled to list on the ASX 1pm AEDT, following a \$12.5M IPO at 25c per share. 80.18M quoted shares/units. 25M options. Holds two projects in Western Australia.

Euro Manganese (* EMN)

\$30M, A60c-per-share private placement in support of the Czech Republic Chvaletice manganese project completed. The placement was oversubscribed, with strong institutional interest.

EMN traded at 47.5c – 71.5c over the five sessions prior to calling a trading halt ahead of the placement.

Galaxy Resources (GXY)

Legal proceedings commenced by Lithium WA Investments, GXY and SMS Innovative Mining against the administrators of Alita Resources have been settled.

GXY describes the terms as 'acceptable' to GXY, and says all proceedings have been dismissed with no costs order, and that GXY has been released from an undertaking to pay any interim costs.

Fe Ltd (FEL)

Works approval in hand from WA's water and environmental regulator for the Wiluna West JWD iron ore project.

Aleran Resources (AL8)

AL8 has appointed former Vedanta Resources exploration director Scott Caithness as MD, to take over from Peter Williams.

Mr Williams will remain with AL8 as a non-executive director.

Valor Resources (VAL)

In receipt of \$US39,754 worth of Peruvian VAT cash refunds and a \$US236,256 VAT cheque refund.

Performance rights update also lodged post-trade Friday.

Firefinch Ltd (FFX)

Joint company secretary Elizabeth Lee has resigned, effective COB 16 March.

Bellevue Gold (BGL)

Roadshow presentation lodged pre-trade.

Energy

88 Energy (* 88E)

Drilling of the Merlin-1 production hole imminent. Further update details lodged pre-trade.

Strike Energy (* STX) / Warrego Energy (WGX)

West Erregulla update lodged this morning.

**Need More Information?**

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Trading Halts

Company	Code	Resuming
Galan Lithium	GLN	22 Mar
Great Northern Minerals	GNM	22 Mar
HGL Ltd	HNG	22 Mar
Manhattan Corporation	MHC	22 Mar
Nyrada Inc	NYR	22 Mar
Pure Hydrogen Corporation	PH2	22 Mar
Queensland Pacific Metals	QPM	22 Mar
Energy World Corporation	EWC	23 Mar
Respire Ltd	RSH	23 Mar
White Cliff Minerals	WCN	24 Mar
Wiluna Mining	WMX	24 Mar

Suspensions *(select)*

Company	Code	Since
333D Ltd	T3D	26 Feb
Australian Pacific Coal	AQC	18 Mar
Helios Energy	HE8	18 Mar
Oliver's Real Food	OLI	26 Feb
Roto-Gro International	RGI	17 Mar
Singular Health Group	SHG	17 Mar

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BKL	Today	29	100	0.00
KPG	Today	0.33	100	2.73
NWH	Today	4	100	3.11
BBL	Tomorrow	0.5	100	2.02
BGP	Tomorrow	12.55	0	2.06
CAR	Tomorrow	25	100	1.37
FSF	Tomorrow	3.95	0	0.83
CCV	Wed	1	100	0.00
CII	Wed	2	100	0.00
EGH	Wed	0.59	0	0.96
PSQ	Wed	2.4	100	0.00
RYD	Wed	3	100	1.67
SNL	Wed	8	100	1.41
VRT	Wed	12	100	2.01
BOL	Thu	0.5	0	3.33
BSA	Thu	0.5	100	3.33
COG	Thu	0.12	100	1.45
COH	Thu	115	0	0.79
GLE	Thu	1.25	0	0.00
GOR	Thu	1.5	100	0.00
HLS	Thu	6.5	100	0.64
LAU	Thu	1.2	100	4.05
MYE	Thu	0.75	100	10.26

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SSM	Thu	2.5	100	4.10
SVW	Thu	23	100	1.90
VTG	Thu	5.6	100	2.54

March quarter S&P/ASX indices re-balance

The following changes came into effect prior to today’s opening:

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, 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