

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6113	0	<b>0.0</b>
<b>NZX 50</b>	9723	24	<b>0.3</b>
<b>DJIA Futures</b>	25617	-43	-0.2
<b>S&amp;P 500 Futures</b>	2806	-5	-0.2
<b>NASDAQ Futures</b>	7322	-13	-0.2

## Local Markets Commentary

The Australian market opens for the second last trading day of the March quarter with US-China trade talk anticipation, after weaker international economics again adversely influenced overnight equities sentiment.

In addition, the UK parliament delivered nil majority votes on multiple alternatives to the negotiated UK-EU separation arrangements, and the PM offered to step down should the negotiated deal be approved during another sitting.

Price falls for most key commodities also fell.

The new US-China trade negotiations are scheduled to commence in Beijing later today and to continue through tomorrow.

During this time, China vice premier Liu He is expected to meet with US treasury secretary Steven Mnuchin and trade representative Robert Lighthizer.

In overnight commodities trade, **oil** swung lower, Brent crude only slightly.

US **gold** futures (April) continued to fall.

**Iron ore** (China port, 62% Fe) also extended this week's decline, but just slightly so.

LME **copper**, **nickel** and **aluminium** turned to settle lower.

The **\$A** was pushed below US70.90c after falling to ~US71.05c early yesterday evening.

**Locally** today, the Australian Bureau of Statistics (ABS) releases detailed information regarding February labour statistics, and also job vacancies, **11.30am** AEDT.

In addition, the ABS publishes a *Finance & Wealth* report for the December quarter 2018.

A plethora of domestic stocks, including **APE** and **VRT**, also trades ex-dividend today.

Please see p3 for a comprehensive list.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25626	-32	<b>-0.1</b>
<b>S&amp;P 500</b>	2805	-13	<b>-0.5</b>
<b>NASDAQ</b>	7643	-48	<b>-0.6</b>
<b>FTSE 100</b>	7194	-2	<b>-0.0</b>
<b>DAX 30</b>	11419	-0.4	<b>-0.0</b>
<b>Shanghai Comp</b>	3023	26	<b>0.9</b>

March Quarter - second last trading day

## Today's Stock Watch

### IPH Ltd (IPH) / Xenith IP Group (XIP) / QANTM Intellectual Property (QIP)

The Australian Competition & Consumer Commission (ACCC) will not oppose IPH's proposed acquisition of XIP.

The ACCC also asserted it had assessed the IPH-XIP and XIP-QANTM proposed mergers 'as alternatives'.

In addition, ACCC commissioner Roger Featherston pointed out: 'Our decisions do not apply to any merger of all three of these ASX-listed IP services groups.'

Any further consolidation in the IP services industry will require further investigation'.

### Pact Group Holdings (PGH)

PGH has appointed Sanjay Dayal as MD and CEO, effective 3 April (Wednesday next week).

Mr Dayal was formerly BlueScope Steel's (ASX: BSL) building products, corporate strategy and innovation CEO.

In association with the appointment, Raphael Geminder will resume his role as PGH non-executive chairman.

### Air New Zealand (AIZ)

AIZ is reducing expected network growth over the next three years from 5% - 7% to 3% - 5%.

AIZ's business review webcast teleconference was scheduled to commence 8am AEDT. Continued access details lodged this morning.

### Kleos Space (KSS)

MoU secured with Israel-headquartered defence and intelligence-focused ImageSat International, covering the potential use of KSS's maritime satellite data in geospatial intelligence analytics products.

### Amcor Ltd (AMC)

The registration of Amcor plc which will be the new holding company acquiring AMC shares and then Bemis Company Inc has been declared 'effective' by the US Securities & Exchange Commission.

## Energy

### Sundance Energy Australia (SEA)

\$US28.1M 2018 net loss. \$US64/7M December quarter net profit. \$US313.4M net debt. December quarter revenue rose 105.7% to \$US58.3M.

SEA reported in the US overnight.



## Overseas Markets Commentary

Marked swings featured for the second time this week in overnight major European and US equities markets trade.

**European Central Bank** (ECB) president Mario Draghi underscored concerns surrounding euro zone economic health, speaking publicly of a ‘more persistent deterioration of external demand’, specifically citing ‘weak’ international trade for manufacturing industry woes.

Mr Draghi, however, appeared keen to point out ‘a serious slump’ was not inevitable.

In **Germany**, a 10-year bond auction subsequently produced an average -0.05% yield, against 0.12% for a similar late-February auction, the new sale producing a first negative yield result since 2016.

Just hours earlier, **China** had reported a 14% year-on-year drop in January February industrial profits.

Earlier than this yesterday, **Reserve Bank of New Zealand** post-policy meeting comments included a likely rates fall.

In the **UK** overnight, PM Theresa May reportedly told MPs she would step down from her leadership role should the negotiated **UK-European Union** (EU) separation agreement be approved by parliament’s House of Commons.

Mrs May also told her party colleagues they were free to vote any which way of up to alternative proposals to be considered overnight.

As expected, the votes have this morning (AEDT) delivered no majority for any one proposal.

In the meantime, the US president, in response to questioning, did not rule out US action to force **Russia** to withdraw a new and reportedly growing military presence from **Venezuela**.

Among overnight data releases, the **US** January trade deficit fell 14.6%, to \$US51.1B from \$US59.9B at the end of December, some citing increased soya bean exports to China as part of the increase in the value of exports for the first time in four months.

The US trade deficit with China was calculated 6.4% lower for the month even though US exports to China were estimated at their least value (\$US7.1B) since a similar tally recorded in September 2010.

Weekly mortgage applications rose by 8.9%, after a post-US Federal Reserve drop in 30-year mortgage rates.

In the meantime, US 10-year treasury yields remained lower than those for three-year bonds.

**Tonight** in the **US**, a final December quarter GDP reading is keenly anticipated, together with weekly new unemployment claims, February pending home sales and a Kansas City Fed manufacturing index.

Elsewhere, **Germany**’s preliminary March CPI estimate is due.

Accenture, Aluminium Corp of China, COSCO Shipping, Everbright Securities and Valin Steel among stocks scheduled to report earnings or provide an update later today and tonight.

In overnight corporate news, **Swedbank** was reported to be under investigation by US regulators in response to a series of money-laundering allegations.

## Pre-Open Announcements

### Neuren Pharmaceuticals (\* NEU)

NEU’s phase two study using trofinetide in children with Rett Syndrome has delivered positive results sufficient to be published in the 16 April edition of the American Academy of Neurology journal *Neurology*.

### Cedar Woods Properties (\* CWP)

Outlaying \$28.25M for a 20.2ha site located adjacent to CWP’s Ariella project, Brabham.

Settlement is expected in July.

CWP expects an earnings contribution from an anticipated new 380 residential lots from FY 2021.

CWP dropped 3.23% yesterday, settling at \$5.40 after trading as low as \$5.25.

### Trading Halts

Company	Code	Resuming
Geopacific Resources	GPR	28 Mar
WISR Ltd	WZR	28 Mar
Agua Resources	AGR	29 Mar
Genetic Technologies	GTG	29 Mar
Gladiator Resources	GLA	29 Mar
Otto Energy Australia	OEL	29 Mar
Silver Mines	SVL	29 Mar
Technology Metals Australia	TMT	29 Mar

### Suspensions (select)

Company	Code	Since
American Patriot Oil & Gas	AOW	14 Mar
Consolidated Zinc	CZL	26 Mar
Environmental Clean Technologies	ECT	15 Mar
Gascoyne Resources	GCY	18 Mar
IOT Group	IOT	13 Mar
Medigard Ltd	MGZ	8 Mar
MZI Resources	MZI	20 Mar
Mustera Property Group	MPX	20 Mar
Orinoco Gold	OGX	25 Mar
Range Resources	RRS	20 Mar
Security Matters	SMX	27 Mar
Universal Coal	UNV	21 Mar
Vivid Technology	VIV	25 Mar



Earlier, **Jiangxi Copper** had reported its best annual profit (up 52.4% for the year, to 2.45B yuan) in four years.

German chip manufacturer **Infineon** adversely impacted US semiconductor sentiment, warning of reduced 2019 revenue on softer demand, in particular in China. This followed a warning from Samsung on Monday.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1310.4</b>	oz	-4.6	<b>-0.4</b>
<b>Silver (NY) (May)</b>	15.30	oz	-0.13	<b>-0.9</b>
<b>Gold (LON)</b>	1316	oz		
<b>Platinum</b>	851	oz	-5	<b>-0.6</b>
<b>WTI Crude (May)</b>	<b>59.41</b>	bbl	-0.53	<b>-0.9</b>
<b>Brent Crude (May)</b>	<b>67.83</b>	bbl	-0.14	<b>-0.2</b>
<b>Iron Ore (CHN port 62%)</b>	<b>85.11</b>	t	-0.12	<b>-0.1</b>
<b>Copper (LME,3mth,PM)</b>	<b>6339</b>	t	-15	<b>-0.2</b>
<b>Nickel</b>	13050	t	-50	<b>-0.4</b>
<b>Aluminium</b>	1903	t	-1	<b>-0.1</b>
<b>Lead</b>	2017	t	19	<b>1.0</b>
<b>Zinc</b>	2884	t	5	<b>0.2</b>
<b>Tin</b>	21350	t	45	<b>0.2</b>
<b>CBT Wheat (May)</b>	<b>4.69</b>	bshl	-0.01	<b>-0.1</b>

### Commodities Commentary

**Oil** – a weekly US petroleum inventories from the EIA included a 2.8Mmbbl rise in stored crude, refineries on the Houston coast reducing activity due to a Houston channel shipping interruption from a petrochemical storage fire, and associated lower exports. Petrol stocks fell by 2.9Mmbbl against an anticipated 3.6MMbbl draw.

**Gold** – prices were pushed lower overnight amid a strengthening \$US, in part attributed to a better-than-anticipated US trade deficit.

**Base metals** – vacillating sentiment reported overnight, amid plenty of international political news, central bank commentary and mixed data.

**Aluminium** traded at one-week peaks, as inventories fell, despite Norsk Hydro foreshadowing a 100% (from 50%) ramp of the Alunorte refinery in Brazil.

Meanwhile, Poland's KGHM claimed it had been able to hold off back threatened industrial action at the Sierra Gorda copper operation in Chile.

In Peru, government officials were reportedly heading on-site to try to bring an end to disruptive community protests at China's MMG Las Bambas copper project.

**China's** January-February **industrial profits**, reported yesterday, dropped 14% after tumbling by 10% in December.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7086	0.0002	<b>0.02</b>
<b>EUR – USD</b>	1.1251	0.0006	<b>0.05</b>

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>A2B</b>	Today	<b>4</b>	10	3.81
<b>ADI</b>	Today	<b>4.25</b>	0	5.89
<b>AOF</b>	Today	<b>3.95</b>	0	5.79
<b>APE</b>	Today	<b>22.5</b>	100	4.90
<b>APW</b>	Today	<b>0.56</b>	0	1.65
<b>AQR</b>	Today	<b>5.22</b>	0	6.71
<b>ARF</b>	Today	<b>3.38</b>	0	4.78
<b>AVN</b>	Today	<b>4.16</b>	0	7.25
<b>CIP</b>	Today	<b>4.6</b>	0	6.19
<b>CLW</b>	Today	<b>6.9</b>	0	5.69
<b>CMA</b>	Today	<b>4.36</b>	0	6.98
<b>CMW</b>	Today	<b>1.81</b>	0	6.78
<b>CQE</b>	Today	<b>4</b>	0	4.48
<b>EHH</b>	Today	<b>0.5</b>	0	1.92
<b>GCI</b>	Today	<b>0.9</b>	0	3.68
<b>GCM</b>	Today	<b>1.25</b>	0	4.14
<b>GDF</b>	Today	<b>2.25</b>	0	6.72
<b>KLA</b>	Today	<b>3.4</b>	0	0.25
<b>MEZ</b>	Today	<b>7.36</b>	0	3.14
<b>MOC</b>	Today	<b>3</b>	100	12.00
<b>QRI</b>	Today	<b>0.38</b>	0	0.62
<b>RDC</b>	Today	<b>2.16</b>	0	2.75
<b>RFF</b>	Today	<b>2.61</b>	0	4.46
<b>RFP</b>	Today	<b>1.3</b>	100	0.00
<b>SDI</b>	Today	<b>2.2</b>	100	3.25
<b>TGP</b>	Today	<b>3</b>	0	7.00
<b>TOT</b>	Today	<b>3</b>	0	9.41
<b>VRT</b>	Today	<b>12</b>	100	5.93
<b>VTG</b>	Today	<b>5.2</b>	100	6.34
<b>WPP</b>	Today	<b>4</b>	100	9.47
AYF	Tomorrow	8.75	44.42	5.93
EDC	Tomorrow	1.93	100	7.51
GVF	Tomorrow	3.15	70	5.97
MXT	Tomorrow	1.13	0	5.51
PNC	Tomorrow	4.31	100	5.62



**Australian Data Today**

ABS	Job vacancies	Feb
ABS	Finance & Wealth	Dec

**US Data Tonight**

GDP (final reading of three)	Dec Q
Initial jobless claims	23 Mar
Pending home sales	Feb
Kansas City Fed manufacturing index	Mar

**Other Overseas Data Today & Tonight**

<b>UK</b>	Nationwide house prices	Mar
<b>Germany</b>	CPI (prelim)	Mar
<b>Euro zone</b>	Business, consumer confidence	Mar

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