

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6334	-40	<b>-0.6</b>
<b>NZX 50</b>	10885	-376	<b>-3.3</b>
DJIA Futures	25364	0	0.0
S&P 500 Futures	2951	0	0.0
NASDAQ Futures	8454	0	0.0

## Local Markets Commentary

The Australian market opens a new month's trade with:

- worse-than-anticipated influential data in hand from **China** over the weekend;
- new material China data scheduled for release today;
- a swag of key domestic data releases due by late-morning; and
- another batch of large-cap domestic stocks trading ex-dividend;
- amid a Monday public holiday in Western Australia.

In addition, plenty of Covid-19 – related fiscal and monetary policy debate and commentary is anticipated ahead of a **Reserve Bank of Australia (RBA)** policy meeting tomorrow.

Overnight Friday, the **US Federal Reserve** issued an unscheduled statement regarding its monitoring of Covid-19 developments, with some commentators subsequently suggesting the Fed could cut rates before its next scheduled meeting (17 - 18 March).

Saturday, **China's** National Bureau of Statistics reported a **35.7** February **manufacturing PMI**, against 50.0 for January.

The **services sector activity** index dropped to **29.6** from 54.1.

**Regionally today**, Caixin is expected to publish its February manufacturing PMI for China **12.45pm** AEDT.

PMIs for **Japan** are scheduled for release 11.30am.

**Locally today**, AIG releases its February **manufacturing PMI** pre-trade, and CoreLogic February **residential property prices**.

The ANZ monthly **job advertisements** and Australian Bureau of Statistics (ABC) December quarter **business indicators** reports are expected **11.30am** AEDT.

The business indicators include company profits and inventories.

The Melbourne Institute is also scheduled to release its February **inflation gauge** this morning.

Companies trading ex-dividend include: **CCP, FMG, GEM, ORG, PTM** and **QAN**. Please see pp4-5 for a detailed list.

In overnight Friday commodities trade, **oil** slid.

US **gold** futures (CME April) also tumbled.

**Iron ore** (Nymex CFR China, 62% Fe) slipped below \$US86.50/t.

LME (3mth evening) **copper** and **nickel** fell. **Aluminium** notably settled modestly higher.

The **\$A** was pushed below US64.75c earlier this morning after trading at US65.35c early Friday evening.

**China – Caixin manufacturing PMI 12.45pm AEDT**

**ASX – regular trade and settlement**

**Public holiday in Western Australia**

## Today's Stock Watch

### Virgin Australia Holdings (VAH)

Standard & Poor's has lowered its VAH outlook to negative, citing softer economic conditions, Australia's summer bushfires, and Covid-19. VAH settled at 10.5c Friday, after closing out the previous week at 13c.

### Resources

#### Blackham Resources (BLK)

WA Wiluna gold project concentrate three-year off-take agreement secured with commodities trading group Trafigura. Trafigura will take a minimum 52,500t of concentrate, estimated at ~30% of potential production.

#### Venturex Resources (VRX)

After assessing VRX's revised environmental review document, the WA EPA has declined to grant final environmental approval for the WA Pilbara Sulphur Springs copper-zinc project.

The EPA has however opted for further consultation with VRX and also with decision-making authorities, regarding potential conditions for approval.

#### Arafura Resources (ARU)

Representatives of the Native Title holders of ARU's Nolans rare earths project site have resolve to enter into an in-principle Indigenous Land Use Agreement (ILUA) covering the project. ARU says details remain commercial and in-confidence, but these will be presented at a Central Land Council full council meeting, expected early-April.

### Energy

#### Liquefied Natural Gas (LNG)

LNG has entered into a bid implementation agreement with Singapore-headquartered LNG9 Pte Ltd.

LNG9 intends to offer US13c cash-per-share to acquire LNG in an off-market takeover bid. Details lodged post-trade Friday.

LNG is resuming from a trading halt, having last traded on the ASX Thursday, at 11.5c.

Also post-trade Friday, LNG reported a \$13.89M interim net loss, against a \$16.90M net loss a year ago.

84% higher, \$70,000 revenue. 3c NTA, against 9c.

#### Caltex Australia (CTX)

Continuing talks with proposed acquirer EG Group, after assessing the initial proposal as not compelling and as undervaluing the company.



## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25409	-357	-1.4
<b>S&amp;P 500</b>	2954	-25	-0.8
<b>NASDAQ</b>	8567	0.9	0.0
<b>FTSE 100</b>	6581	-216	-3.2
<b>DAX 30</b>	11890	-477	-3.9
<b>Shanghai Comp</b>	2880	-111	-3.7

## Overseas Markets Commentary

Major European and US equities markets headed slower on opening overnight Friday, but key US indices notably appreciated from sessional lows during late trade.

**US Federal Reserve** chair Jerome Powell released a statement assuring the central bank was 'closely monitoring' Covid-19 developments and the outbreak's 'evolving risks' for the US economic outlook, and would 'act appropriately'.

The \$US subsequently traded at 20-week lows against Japan's yen. In overnight Friday releases, an initial February CPI reading for **Germany** indicated 0.4% growth for the month following 0.6% January deflation. Year-on-year, inflation was estimated 1.7% higher.

January import prices fell 0.4% for the month and were down 0.9% year-on-year.

In the **US**, January personal income rose by 0.6% for the month, but spending by only 0.2%. In December, income and spending had risen 0.1% and 0.4% respectively.

The Chicago PMI improved to 49 from 42.9.

A final February consumer sentiment reading by the University of Michigan represented a 1.2-point rise for the month to 101.

January wholesale inventories slipped 0.2% after falling 0.3% in December.

**Tonight** in the **US**, the influential ISM manufacturing index and January construction spending are due.

The ISM non-manufacturing index is yet more influential for indicating US GDP growth, but the manufacturing reading tonight is nonetheless material.

## Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1566.7</b>	oz	-75.8	<b>-4.6</b>
<b>Silver (NY) (Mar)</b>	<b>16.457</b>	oz	-1.278	<b>-7.2</b>
<b>Gold (LON)</b>	<b>1652</b>	oz		
<b>Platinum</b>	<b>864</b>	oz	-37	<b>-4.3</b>
<b>WTI Crude (Mar)</b>	<b>44.76</b>	bbl	-2.33	<b>-5.0</b>
<b>Brent Crude (Apr)</b>	<b>50.52</b>	bbl	-1.66	<b>-3.2</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>86.46</b>	t	-0.12	<b>-0.1</b>
<b>Copper (LME,3mth,PM)</b>	<b>5589</b>	t	-75	<b>-1.3</b>
<b>Nickel</b>	<b>12235</b>	t	-180	<b>-1.5</b>
<b>Aluminium</b>	<b>1694</b>	t	5	<b>0.3</b>
<b>Lead</b>	<b>1845</b>	t	30	<b>1.7</b>
<b>Zinc</b>	<b>2024</b>	t	0.5	<b>0.0</b>

## Pre-Open Announcements

**Fluence Corporation (\* FLC)**

\$US7M order in hand from Cambodia for FLC's SUBRE biological sewage wastewater treatment system for use across three new projects.

**Patrys Ltd (\* PAB)**

Pre-clinical animal data has indicated PAT's PAT-DX1-NP can cross the blood brain barrier, enabling targeting of triple-negative breast cancer brain metastases.

**AdAlta Ltd (\* 1AD)**

Heralding a mouse model study which indicates AD-214 could reduce fibrosis. Details lodged this morning.

Human clinical trials planned.

**CIMIC Group (\* CIM)**

\$236.8M contract in hand for CIM's CPB Contractors covering three South Australian-national government – funded projects within the Port Wakefield to Port Augusta Regional Projects Alliance.

**Vonex Ltd (\* VN8)**

VN8 has completed the \$2.66M cash-plus-shares acquisition of the 2SG wholesale business, and consequently anticipates an additional \$7M worth of annual revenue.

Details lodged this morning.

\$829,383 interim net loss.

30% higher, \$5.62M revenue. 1.3c NTA, against 2c.

**Bega Cheese (\* BGA)**

71% higher, \$8.545M interim NPAT.

14% higher, \$741.15M revenue.

5c interim dividend, against 5.5c.

**Paragon Care (PGC)**

\$1.399M interim NPAT, against a \$4.16M net loss a year ago.

7.2% lower, \$120.62M revenue.

PGC has traded lower the past six sessions, settling at 19.5c Friday.

**Pioneer Credit (PNC)**

\$8.73M interim net loss, against a \$3.76M net profit a year ago.

16.8% lower, \$31.73M revenue.

\$1.3471 NTA, against \$1.5674.

**Buddy Technologies (\* BUD)**

\$A14.78M interim net loss, against an \$A8.10M net loss a year ago.

1541% higher, \$A21.24M revenue.

**De.mem Ltd (\* DEM)**

\$3.297M full year net loss.

0.8% higher, \$10.61M revenue.

**THC Global Group (THC)**

\$11.59M full year net loss.

80% higher, \$4.79M revenue.



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### Commodities Commentary

**Oil** – prices plunged overnight Friday, WTI and Brent crude closing ~16% and ~14% lower for the week respectively.

Both the US and global benchmarks settled ~13% lower for the month.

The Brent April contract expired at close, with the May contract dropping 4% (\$US2.06) for the session to \$US49.67/bbl.

Meanwhile, **Saudi Arabia** alone was reported to be exporting 500,000 fewer barrels per day, due to reduced demand since late-January Lunar new year.

Over the weekend, Vladimir Putin, the president of OPEC+ member **Russia** maintained current oil prices were ‘acceptable’ to Russia.

**OPEC** and OPEC+ are scheduled to meet in Vienna Thursday and Friday this week, and will decide on whether the production cuts in effect until 31 March will be extended and potentially increased.

OPEC-related commentary ahead of then, together with **Covid-19** reactions from governments and central banks are expected to prove the main influences on this week’s trade.

**Turkey-Syria** tensions escalated from late last week and continued to heat overnight, meaning any broader Middle East alliance impacts this week could also influence oil supply sentiment.

A weekly US petroleum drill rig count, published overnight Friday, included one fewer operational oil rig, bringing the total to 678.

A monthly report from the US Energy Information Administration (IEA) estimated December US daily oil output at 12.78MMbbl, against 12.86Mmbbl during November.

In company-specific news, Shell revealed it is planning production-impacting maintenance on the offshore Nigeria Bonga oilfield FPSO during March-April. Data reportedly indicated a daily 153,000bbl of Bonga output were scheduled for export during March.

Meanwhile, the annual CERAWEEK energy conference in Houston, Texas, scheduled for 9 – 13 March, has been cancelled due to Covid-19 considerations.

**Gold** – futures prices tumbled the most in a session overnight Friday in ~6.5 years, this attributed to sellers seeking cash.

This week’s sentiment could swing on Covid-19 – related central bank reactions, plus a bevy of material data out of China, Europe, the UK and US.

**Base metals** – a **manufacturing PMI** for **China**, is keenly anticipated from Caixin **today**, given official data out of China over the weekend.

China’s February **PMIs**, released by the National Bureau of Statistics **Saturday**, included **contractionary** readings for both the manufacturing and services sectors, and indicated a dour March quarter **GDP** reading.

This is expected to influence some of tonight’s LME trade sentiment.

Meanwhile Friday, **Japan**’s January industrial production was reported 2.5% lower than for January 2019. January retail sales were down 0.4% year-on-year.

### The Food Revolution Group (FOD)

\$1.78M interim net loss, against a \$3.44M net loss a year ago. 19% higher, \$17.96M revenue.

42c NTA, against \$2.20.

### Creso Pharma (CPH)

\$15.05M full year net loss, against a \$16.76M net loss a year ago.

549% higher, \$3.63M sales revenue.

8c NTA, against 13c. \$2.8M cash and equivalents.

### Netlinkz Ltd (NET)

\$10.93M interim net loss, against a \$3.58M net loss a year ago.

78% higher, \$651,259 revenue.

### Holista CollTech (HCT)

\$571,725 full year net loss, against a \$1.61M net loss a year ago.

8.60% lower, \$7.26M revenue. 1.226c NTA, against 1.443c.

### Uscom Ltd (\* UCM)

\$1.496M interim net loss.

35% lower, \$964,185 income. 1.5c NTA, against 2.2c.

### Starpharma Ltd (SPL)

SPL has appointed David McIntyre as an independent non-executive director, effective yesterday.

### Founders First (FFL)

FFL is acquiring Kangaroo Island Distillery Pty Ltd for \$1.5M. Details lodged this morning.

### Redbubble Ltd (RBL)

RBL has re-appointed Paul Gordon as company secretary, on an interim basis, after Edward Bailey stepped down as company secretary.

RBL announced Mr Gordon’s resignation 17 February.

Mr Gordon intended to establish a commercial law firm.

### Resources

#### St Barbara (\* SBM)

Simbiri gold project resources and reserves 31 December 2019 update lodged this morning.

#### Nickel Mines (\* NIC)

14% lower, \$US56.5M interim NPAT.

264% higher, \$236.1M sales revenue.

US43.4c NTA, against US29.8c.

NIC has traded lower the past six sessions, settling at 50c Friday.

#### Grange Resources (\* GRR)

31% lower, \$77.66M full year NPAT.

0.1% higher, \$368.60M revenue.

1c fully franked interim dividend. 40c NTA, against 46c.

#### Panoramic Resources (\* PAN)

\$18.38M interim net loss, against a \$21.96M net profit a year ago. \$45.61M revenue, against nil. 25c NTA, against 13c.



In industry-specific news, over the weekend, an interview with a Nippon Steel VP was released, including claims the company had maintained its crude steel output through January-February, but expected some adverse impact from Covid-19 to become apparent April through September (1H of Japan's financial year).

### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6485	0.0017	0.26
EUR – USD	1.1046	-0.0003	-0.02

### Australian Data Today

ABS	Business indicators (incl inventories & profits)	Dec Q
AiG	Manufacturing PMI	Feb
CLgc	Home prices	Feb
ANZ	Job advertisements	Feb
Melbnst	Inflation gauge	Feb

### US Data Tonight

ISM manufacturing	Feb
Construction spending	Jan

### Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	Feb
Japan	PMIs	Feb
UK	Manufacturing PMI	Feb
UK	BoE consumer credit	Jan
Germany	Manufacturing PMI (final)	Feb
Euro zone	Manufacturing PMI (final)	Feb

### Need More Information?

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### Centaurus Metals (\* CTM)

Heralding Brazil Jaguar nickel sulphide project Onça Preta deposit drilling results.

Assays, including for thick, near-surface intersections, lodged this morning.

### Kaiser Reef (KAU)

Explorer completed a successful ASX listing Friday following a \$4.5M IPO at 20c per share.

24.65M quoted securities.

Opened at 22.5c and traded as high as 26c before settling at 25c.

2.46M shares were traded across 162 transactions.

KAU is focused on an exploration gold project regional to Newcrest Mining's (ASX: NCM) Cadia gold operation, NSW and Alkane Resources' (ASX: ALK) North Molong exploration project.

Jonathan Downes executive director; Adrian Byass non-executive chair; David Palumbo non-executive director and company secretary.

### Energy

### Paladin Energy (\* PDN)

Malawi ministerial consent is in hand for PDN's sale of the Kayelekera operation, via the sale of its Paladin (Africa) Ltd 85% holding.

In addition, the end date for the sale has also been approved for extension to 13 March, pending Reserve Bank of Malawi approval.

LOT is one of the buyers, proposing to purchase 65% of Paladin (Africa). Other details lodged this morning.

### Yancoal Australia (\* YAL)

21.2c final dividend, against 28.55c a year ago.

16% lower, \$719M full year NPAT.

8% lower, \$4.46B revenue.

\$4.59 NTA, against \$4.35.

### Trading Halts

Company	Code	Resuming
Abundant Produce	ABT	2 Mar
Consolidated Tin Mines	CSD	2 Mar
Lucapa Diamond Company	LOM	2 Mar
Oklo Resources	OKU	2 Mar
Anova Metals	AWV	3 Mar
AVZ Minerals	AVZ	3 Mar
CML Group	CGR	3 Mar
MGC Pharmaceuticals	MXC	3 Mar
Speciality Metals International	SEI	3 Mar
Star Combo Pharma	S66	3 Mar
THC Global Group	THC	3 Mar

**Suspensions** *(select)*

Company	Code	Since
Collection House	CLH	18 Feb
Decmil Group	DCG	27 Feb
Gulf Manganese Corporation	GMC	10 Feb
Hampton Hill Mining	HHM	18 Feb
HHY Fund	HHY	27 Feb
Kalium Lakes	KLL	24 Feb
LionHub Group	LHB	24 Feb
Moreton Resources	MRV	20 Feb
Oro Verde	OVL	28 Feb
ParaZero Ltd	PRZ	18 Feb
Vection Technologies	VR1	24 Feb

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AFG</b>	Today	<b>5.4</b>	100	4.11
<b>CCP</b>	Today	<b>36</b>	100	2.18
<b>FMG</b>	Today	<b>76</b>	100	4.27
<b>GEM</b>	Today	<b>6</b>	100	7.85
<b>MAD</b>	Today	<b>1.5</b>	100	0.00
<b>ORG</b>	Today	<b>15</b>	100	3.58
<b>PTM</b>	Today	<b>13</b>	100	6.63
<b>QAN</b>	Today	<b>13.5</b>	100	4.52
<b>RRL</b>	Today	<b>8</b>	100	3.97
<b>SDF</b>	Today	<b>3.6</b>	100	1.41
<b>SXL</b>	Today	<b>2.75</b>	100	11.31
<b>VG1</b>	Today	<b>1</b>	100	0.00
ALF	Tomorrow	2.5	0	4.64
AMC	Tomorrow	17.1	0	5.62
BVS	Tomorrow	5.5	0	2.24
CWY	Tomorrow	2	100	1.56
ECP	Tomorrow	1.75	100	3.79
HLO	Tomorrow	9	100	3.83
KSL	Tomorrow	5.44	0	6.05
MPL	Tomorrow	5.7	100	4.63
OSH	Tomorrow	6.81	0	3.54
PBP	Tomorrow	1.5	100	1.71
SBM	Tomorrow	4	100	3.35
SKI	Tomorrow	7.5	0	7.35
AEF	Wed	2.5	100	1.36
AX1	Wed	5.25	100	5.00
BIN	Wed	2.2	100	1.30
BRI	Wed	2.4	100	2.68
BTI	Wed	2.5	100	0.00
BWF	Wed	2	100	7.08
EVT	Wed	21	100	4.52
GMA	Wed	7.5	100	5.59
HIT	Wed	5.5	100	6.13



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HMC	Wed	4.5	100	0.00
IFM	Wed	2.15	70	1.84
IVC	Wed	23.5	100	2.55
LNK	Wed	6.5	100	2.66
MNF	Wed	2.5	100	1.52
PAF	Wed	1.5	100	4.38
PCG	Wed	4	50	0.00
PGF	Wed	2	100	3.55
PPT	Wed	105	100	6.52
PRO	Wed	0.5	0	0.00
SSM	Wed	4	100	4.29
TWE	Wed	20	100	3.45
WOW	Wed	46	100	2.63