

Markets

SFE 200 Futures (9.30am AEDT)	6170	-43	-0.7
NZX 50	9392	-21	-0.2
DJIA Futures	25806	-8	0.0
S&P 500 Futures	2792	-13	-0.5
NASDAQ Futures	7146	-10	-0.1

Local Markets Commentary

The Australian market opens today's trade ahead of a Reserve Bank of Australia (RBA) post-policy meeting statement, and new data for China, while another batch of high-profile domestic stocks trades ex-dividend.

International equities trade largely proved restive.

In overnight commodities trade, **oil** turned higher.

US **gold** futures (April) fell further.

LME **copper** was again pushed lower while **nickel** continued yet higher. **Aluminium** fell.

Iron ore (China port, 62% Fe) traded modestly lower after two strong sessions.

The **\$A** was ultimately constrained within a relatively narrow range after trading at ~US70.85c early yesterday evening.

Locally today, the RBA holds a policy meeting, from which it will announce outcomes **2.30pm** AEDT.

AiG's February **services sector** activity index and a weekly **consumer sentiment** reading are due pre-trade.

The Australian Bureau of Statistics (ABS) publishes **net exports** within December quarter current account figures **11.30am** AEDT.

Large-cap stocks trading **ex-dividend** today include **EHE, MPL, NCK, NEC, OSH, SBM** and **SKI**. *Please see pp3-4 for details.*

Regionally, Caixin is due to release its **China** February **services PMI 12.45pm** AEDT.

China's annual National People's Congress also commences today.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26820	-207	-0.8
S&P 500	2793	-11	-0.4
NASDAQ	7578	-18	-0.2
FTSE 100	7134	28	0.4
DAX 30	11593	-9	-0.1
Shanghai Comp	3028	34	1.1

Overseas Markets Commentary

US equities markets lost momentum in early trade overnight, prolonging significant chop across major mainland European indices.

China – Caixin services PMI – 12.45pm AEDT
Australia – RBA policy meeting outcomes statement 2.30pm AEDT

Today's Stock Watch
Telstra Corporation (TLS)

Planning to close 78 business centres, servicing small businesses, and to establish 28 business technology centres.

TLS has not revealed costs or savings.

Coles Group (COL)

COL is forming a JV with Australia Venue Co under which Australian Venue will manage COL hotels business Spirit Hotels day-to-day operations.

COL will continue to manage 243 retail liquor stores in Queensland and 10 retail liquor stores attached to Spirit Hotels sites in WA and South Australia.

COL will receive an initial \$200M cash on completion of the proposed deal. Australian Venue and COL will each receive remuneration for their management responsibilities.

Janus Henderson Group (JHG)

Up to \$US200M on-market share buy-back, approved last year, commencing today.

ASX Ltd (ASX)

February activity report lodged highlight 58% lower, \$1.3B worth of capital raised, a 24% higher daily trades tally and 3% higher average daily trade value of \$5.0B.

Class Ltd (CL1)

Planning to purchase \$4M worth of managed account services specialist Philo Capital Advisers convertible notes.

Medlab Clinical (MDC)

HoA secured with Canada-headquartered Pharmascience covering co-operative research, regulator and commercial activities targeting the continued development and distribution of MDC's cannabis-based cancer pain cheek spray NanaBis.

Resources
Echo Resources (EAR)

WA Yandal gold project mining approvals in hand.

EAR plans to release an updated BFS by the end of the month.

EAR has traded lower five of the past six trading sessions, yesterday settling at 19c.

Great Boulder Resources (GBR)

Heralding copper and nickel-cobalt concentrates produced during metallurgical testing using WA Yamarna project Mt Venn ore.



Sentiment across key US indices turned to improve steadily in second-half trade, however.

China-US trade negotiation progress was again touted, together with a possible culmination late this month, but US and some euro zone and UK data also again fell short of expectations.

December construction spending fell 0.6% after a 0.8% November rise, and following expectations of a further, albeit modest, gain.

ISM's New York business activity index slipped 2.3 points to a nonetheless robust 61.1.

Euro zone January producer prices rose 0.4% for the month and 3.0% year-on-year.

This, not in a small part to energy prices which rose 0.4% following a 2.7% December drop.

January retail sales slide 16% for the month, after an 11.7% December gain. Compared with January 2018 however, sales were 5.6% higher.

In the **UK**, the February construction sector activity index was reported in contraction mode, at 49.5, against 50.6 for January.

Tonight in the **US**, ISM's influential February services sector activity index is keenly anticipated, as it will influence GDP predictions.

December new home sales and a final Markit February services PMI are also expected.

Elsewhere, **Bank of England** governor Mark Carney's testimony to House of Lords members is keenly anticipated, given the uncertainty surrounding the initial UK-European separation 29 March deadline.

Companies scheduled to report earnings or updates later today or tonight include Intertek, Kohl's, Paddy Power, Target Corp, Urban Outfitters and Weibo.

In overnight corporate news, China's **Alibaba** and US specialist retailer **Office Depot** revealed they were establishing an e-commerce website which would carry both brands and deliver access to each other's suppliers, customers and sales agents.

Newmont Mining officially rejected **Barrick Gold's** takeover proposal.

Salesforce reported post-US trade, impressing with quarterly earnings but not with outlook.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1287.5	oz	-11.7	-0.9
Silver (NY) (May)	15.11	oz	-0.15	-1.0
Gold (LON)	1312	oz	-7	-0.6
Platinum	834	oz	-23	-2.7
WTI Crude (Apr)	56.70	bbl	0.37	0.7
Brent Crude (May)	65.36	bbl	0.29	0.5
Iron Ore (CHN port 62%)	87.69	t	-0.22	-0.3
Copper (LME,3mth,PM)	6408	t	-42	-0.7
Nickel	13275	t	105	0.8
Aluminium	1876	t	-32	-1.7
Lead	2109	t	-29	-1.4
Zinc	2743	t	-34	-1.2
Tin	21450	t	-170	-0.8

Pre-Open Announcements

LogiCamms Ltd (* LCM)

Proposing to merge with OSD Pty Ltd, pending satisfactory due diligence and LCM shareholder approval.

LCM has almost completed due diligence and has signed a non-binding term sheet.

Post-trade yesterday, LCM reported an \$8.6M interim net loss, including an \$8.0M impairment, following a \$900,000 net profit for the six months to 31 December 2017.

\$41.0M revenue, against \$42.5M.

Reliance Worldwide Corporation (* RWC)

RWC non-executive director and former Computershare (ASX: CPU) CEO and president Stuart Crosby has been appointed RWC chairman, following the retirement of Jonathan Munz.

Mr Crosby has been an RWC director for almost three years.

Mr Munz had been with RWC for 33 years.

Adelaide Brighton (* ABC)

ABC 43% shareholder Barro Properties has nominated Rhonda Barro as an ABC board representative. Two other ABC directors are Barro nominees.

ABC is considering its options regarding complying with independent director regulations.

Viva Energy REIT (VVR)

\$10M capped SPP opens today and continues through 19 March.

The \$2.32 price is the same as the recent \$100M institutional placement, in part in support of acquisitions.

Fonterra Shareholders' Fund (FSF)

Fitch Ratings has assigned a negative outlook to Fonterra Co-op's retained A long-term credit rating. Previously Fitch has considered the rating stable.

FSF has lodged a defence of current strategy aimed at achieving 'full potential'.

In addition, FSF has appointed Miles Hurrell as permanent co-op CEO, effective immediately.

Mr Hurrell has been interim CEO since August 2018.

Dicker Data (DDR)

Investor update lodged this morning in presentation format.

DDR has traded higher five of the past six trading sessions, settling at \$3.55 yesterday and trading as high as \$3.63.

Medical Developments International (MVP)

Road show presentation lodged post-trade yesterday.

Immutep Ltd (IMM)

Preparing to present at the Oppenheimer's annual healthcare conference in New York city 19 March (9am – 9.40am AEDT).

IMM is anticipating being able to provide a live webcast.



CBT Wheat (May) 4.58 bshl 0.01 0.2

Commodities Commentary

Oil – late-Sunday talk of a possible end to the \$US200B worth of additional taxes imposed by the US on imports from China last year, plus favourable associated China concessions, supported early overnight trade.

In addition, OPEC was reported to be looking at a likely decision on the current production agreement at the June meeting rather than the one scheduled for April.

Gold – as with oil, appeared to wane and wax overnight in line with US equities sentiment, but Comex futures nonetheless settled lower for a sixth consecutive session.

Analysts anticipated ongoing consolidation for the near-term, but influential data out of China, the US and euro zone this week could swing currencies and hence gold trade.

Base metals – China-US optimism failed to support overnight LME trade, sentiment turning for several metals.

Funds were reported overnight to be taking profits on *copper*.

Nickel trade at six-month highs on deficit talk coupled with inventory figures.

Key data is awaited, in particular out of **China** late-week, but today a Caixin services PMI is expected.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7088	-0.0004	-0.05
EUR – USD	1.1338	-0.0003	-0.02

Australian Data Today

RBA	Policy statement	5 Mar
AiG	PSI	Feb
ANZ/Ry Mgn	Consumer sentiment	4 Mar
ABS	Net exports	Dec Q
FCAI	New vehicle sales	Feb

US Data Tonight

ISM non-manufacturing	Feb
New home sales	Dec
Markit services PMI (final)	Feb

Other Overseas Data Today & Tonight

China	Caixin services PMI	Feb
Japan	Services PMI	Feb
UK	Services PMI	Feb
UK	New vehicle sales	Feb
Germany	Services PMI (final)	Feb
Euro zone	Retail sales	Jan

Resources**Vango Mining (* VAN)**

Heralding metallurgical test results using ore from the mid-west WA Marymia gold project Trident deposit.

Blackham Resources (BLK)

Investor presentation lodged pre-trade.

Energy**Paringa Resources (* PNL)**

Poplar Grove coal production update lodged this morning.

Trading Halts

Company	Code	Resuming
Smiles Inclusive	SIL	5 Mar
Spectrum Metals	SPX	5 Mar
Authorised Investment Fund	AIY	6 Mar
Galan Lithium	GLN	6 Mar

Suspensions (select)

Company	Code	Since
Coolgardie Minerals	CM1	8 Feb
Covata Ltd	CVT	30 Jan
Elk Petroleum	ELK	1 Mar
Freedom Insurance Group	FIG	7 Feb
LandMark White	LMW	19 Feb
Niuminco Group	NIU	21 Feb
Norwood Systems	NOR	4 Mar
Reva Medical	RVA	20 Feb
Serpentine Technologies	S3R	6 Mar
Shree Minerals	SHH	20 Feb
Siburan Resources	SBU	22 Feb
Sinetech Ltd	STC	19 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CAJ	Today	0.5	100	4.50
EHE	Today	8	100	6.78
MFD	Today	8.97	100	8.31
MNY	Today	5	100	4.83
MPL	Today	5.7	100	4.46
NCK	Today	25	100	7.98
NEC	Today	5	100	5.65
OSH	Today	11.89	0	1.78
PAI	Today	2	100	7.02
RMC	Today	1	100	3.80
SBM	Today	4	100	2.86
SEC	Today	2	100	3.45



Euro zone Services PMI (final) Feb

Need More Information?

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SKI	Today	8	0	6.81
ARA	Tomorrow	0.7	100	2.62
AUB	Tomorrow	13.5	100	3.61
AX1	Tomorrow	4.5	100	5.27
BXB	Tomorrow	14.5	65	2.42
EAI	Tomorrow	1	100	2.96
ECL	Tomorrow	3	100	4.27
EGI	Tomorrow	1.5	100	3.11
EVT	Tomorrow	21	100	4.00
FXL	Tomorrow	3.85	100	4.65
HSN	Tomorrow	3	100	1.97
KME	Tomorrow	1.5	100	3.47
MLD	Tomorrow	2	100	5.79
MNF	Tomorrow	2.1	100	1.56
OGC	Tomorrow	1.05	0	0.70
PAC	Tomorrow	10	100	5.77
PGF	Tomorrow	1.8	100	3.14
PPT	Tomorrow	125	100	6.27
QUB	Tomorrow	2.8	100	2.01
RHC	Tomorrow	60	100	2.32
SRV	Tomorrow	13	40	7.81
SSM	Tomorrow	3.5	100	3.83