

Markets

SFE 200 Futures (9.30am AEDST)	5863	99	1.7
NZX 50	8127	-115	-1.4
DJIA Futures	24731	-69	-0.3
S&P 500 Futures	2694	0	0.0
NASDAQ Futures	6654	0	0.0

Local Markets Commentary

The Australian market commences mid-week trade following a bounce on US equities markets during second-half overnight trade.

In notably less buoyant commodities trade, US **gold** futures again settled lower. **Oil** continued to fall.

Iron ore (China port, 62% Fe) extended this week's gains but notably more modestly.

LME **copper**, **nickel** and **aluminium** turned and fell.

The **\$A** rose to ~US\$78.90c after trading at ~US\$78.70c early yesterday evening.

In local economic data releases, AiG is due to release its January construction sector activity index pre-trade.

The Australian Bureau of Statistics also publishes a living cost indices (based on four household types) report today.

Regionally, New Zealand markets are resuming today from a Tuesday public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24913	567	2.3
S&P 500	2695	46	1.7
NASDAQ	7116	148	2.1
FTSE 100	7141	-194	-2.6
DAX 30	12393	-295	-2.3
Shanghai Comp	3371	-117	-3.4

Overseas Markets Commentary

Remaining jitters were evident from early trade across major European and US equities markets overnight, but key US indices recovered amid some positive commentary from public figures.

The \$US gained early, but subsequently depreciated, and US 10-year government bond yields slipped a little. Oil and gold continued lower.

US treasury secretary Steven Mnuchin offered the stock market rout was not related to any financial instability, and a Federal Reserve regional president ventured that the pace of job creation was not necessarily pointing to higher inflation.

Meanwhile, the US House of Representatives began to consider an extension to short-term funding to keep government services operating past tomorrow night (AEDST). Defence and immigration measures remain sticking points and the Senate needs to vote following the House.

In overnight data releases, **Germany's** December factory orders were reported 3.8% higher for the month, following a 0.1% slip in November.

* School e-learning software listing **11am** AEDST – **RCL** *

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

Flat, \$4.91B interim NPAT, impacted by \$375M worth of provisions for allegations listed by AUSTRAC. 0.7% lower, \$4.87B cash profit.

5.8% higher, \$5.11B underlying (provisions excluded) profit.

2% higher, \$21.3B revenue.

\$2.00 fully-franked interim dividend, up 1c.

Westpac Banking Corporation (WBC)

Former KPMG chairman and senior partner Peter Nash has been appointed as a WBC independent non-executive director, effective 7 March. Mr Nash chairs Johns Lyng Group (ASX: JLG).

Janus Henderson Group (JHG)

\$US370.8B assets under management (AUM) as at 31 December, up 3% for the quarter and 16% year-on-year.

\$US147.9M adjusted net income, against \$US95.1M a year earlier.

CIMIC Group (CIM)

21% higher, \$US702.1M full-year NPAT. 19% higher, \$US16.1B revenue. 75c fully-franked final dividend. \$6.99 NTA.

\$US910M net cash. \$US36B worth of work in hand.

AGM scheduled for 13 April, Sydney.

MG Unit Trust (MGC)

\$27.5M Murray Goulburn Co-operative Co interim net loss, against a \$31.9M loss a year ago. 5.1% lower, \$1.1M revenue.

Webcast presentation scheduled for 11am AEDST. Access details lodged this morning.

BWP Trust (BWP)

41% higher, \$103.4M interim NPAT. 2% higher, \$76.9M revenue. 8.78c interim distribution, up 2%. \$2.82 NTA.

Teleconference scheduled for 11.30am AEDST. Access details lodged this morning.

Carsales.com Ltd (ACR)

27% higher, \$60.2M interim NPAT. 12% higher, \$200.1M revenue. 20.5c fully-franked interim dividend. 26.51c NTA.

Wellard Ltd (WLD)

\$7.47M interim net loss. 41.9% lower, \$163.7M revenue. 42c NTA.

ReadCloud Ltd (* RCL, RCLO)

Australian school-focused e-learning software and services specialist scheduled to list 11am AEDST following a \$6M IPO at 20c per share. 43.68M shares. 15M options. Shares held: HSBC Custody Nominees Australia 11.45%; UBS Nominees 11.45%; National Nominees 3.32%.

Resources

Rio Tinto (RIO)

Interim report anticipated later today, post-ASX trade.

Alacer Gold Corporation (AQG)

\$82M attributable full-year NPAT. \$US203M cash. \$US250M debt.

A webcast teleconference was scheduled for 8am AEDST.

In the **US**, the December trade deficit grew 5.3% to \$US53.1B, the most in almost nine years, mostly due to record imports. These rose 2.9% to \$US210.8B, in part due to higher oil prices.

Exports increase 2.5% to \$US137.5B, representing a more than three-year peak.

Tonight in the US, December credit figures and weekly mortgage applications are due.

GlaxoSmithKline, Hasbro, Mazda Motor, Rio Tinto, Sanofi, Softbank, Tesla and Twenty-First Century Fox are among companies scheduled to report earnings or provide trading updates.

In overnight corporate news, **BP** delivered a commendable December quarter report, which pushed the group's 2017 profit to \$US6.2B, largely supported by a 12% rise in annual output to 2.47MMbbl/d.

BP also revealed plans for further buy-backs, after purchasing \$US343M worth of its stock during the December quarter, and predicted FIDs on six projects, rather than the previously targeted five.

Toyota Motor Corp raised its full-year profit forecast after an almost 100% increase in December quarter profit.

Alphabet was reported to be outlaying \$US2B for the Chelsea Market building in Manhattan.

Archer Daniels Midland announced plans to grow business in Asia and South America.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1326	oz	-7	-0.5
Silver (NY) (Mar)	16.6	oz	-0.1	-0.6
Gold (LON)	1331	oz	-2	-0.2
Platinum	989	oz	0	0.0
WTI Crude (Mar)	63.9	bbl	-0.3	-0.4
Brent Crude (Apr)	67.1	bbl	-0.5	-0.7
Iron Ore (CHN port 62%)	75.9	t	0.2	0.3
Copper	7076	t	-93	-1.3
Nickel	13385	t	-360	-2.6
Aluminium	2170	t	-41	-1.9
Lead	2621	t	-26	-1.0
Zinc	3457	t	-91	-2.6
Tin	21725	t	-195	-0.9
CBT Wheat (Mar)	4.46	bshl	0.06	1.4

Commodities Commentary

Oil – yet lower prices featured in overnight trade as the \$US was pushed to its highest in more than a week and on reports of a new US production prediction.

US government agency Energy Information Administration (EIA) provided confirmation, raising its 2018 forecast for domestic daily crude output this year, from an additional 970,000bbl/d for 10.27MMbbl/d, to an extra 1.26MMbbl for 10.59MMbbl/d.

Weekly US petroleum inventories, as calculated by the EIA, are due tonight.

Gold – settled modestly lower, following a volatile overnight session. The \$US gained early, but retreated some in later trade, limiting the downside for gold.

Base metals – early \$US strength and risk concerns appeared the main factors affecting overnight LME trade.

Pre-Open Announcements

Nick Scali (* NCK)

15.0% higher, \$23.5M interim NPAT. 8.1% higher, \$127.95M revenue. 20c fully-franked final dividend. 93.12c NTA.

NCK has in the meantime appointed former David Jones CDO and finance director Stephen as an independent non-executive director, effective 1 March.

IDP Education (* IEL)

26.2% higher, \$30.5M interim NPAT. 27.5% higher, \$241.97M revenue. 8.5c, 5.95c-franked interim dividend.

Rent.com.au Ltd (RNT)

Proposing to distribute Chubb home contents insurance policies designed for renters

Energy

Tap Oil (TAP)

Northern Gulf Petroleum Group (NGP) general counsel Kamarudin bin Baba has been appointed as a TAP non-executive director, effective yesterday, replacing former NGP TAP board nominee Frank Sreesangkom.

Trading Halts

Company	Code	Resuming
Chapmans Ltd	CHP	7 Feb
Magnis Resources	MNS	7 Feb
New Century Resources	NCZ	7 Feb
Ishine International Resources	ISH	8 Feb
Moreton Resources	MRV	8 Feb

Suspensions (selected)

Company	Code	Since
The Agency Group Australia	AU1	31 Jan
BMG Resources	BMG	10 Jan
Buddy Platform	BUD	2 Feb
CBL Corporation	CBL	6 Feb
Eden Innovations	EDE	5 Feb
Genetic Technologies	GTG	31 Jan
GetSwift Ltd	GSW	24 Jan
Haranga Resources	HAR	22 Jan
MSM Corporation International	MSM	17 Jan
Pura Vida Energy	PVD	5 Feb
Queste Communications	QUE	6 Feb
Quest Minerals	QNL	22 Jan
Raven Energy	REL	1 Feb
Sundance Energy Australia	SEA	2 Feb
Sundance Resources	SDL	31 Jan
Tasman Resources	TAS	5 Feb
TV2U International	TV2	6 Feb
Ventnor Resources	VRX	2 Feb
YPB Group	YPB	10 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
RMD	Today	3.07	0	1.08
AFI	Tomorrow	10	100	3.90



China's January foreign reserves, anticipated this evening (AEDST), could influence some of tonight's LME trade.

China's January trade figures, and PPI plus CPI updates, are expected tomorrow and Friday respectively.

Lunar new year and the broader Spring festival holiday season commence 15 February, and in particular, will impact China's imports in the leadup, and general industrial activity from commencement. China's markets will be closed for a full week beginning 15 February.

Singapore's markets will be closed 16 – 17 February, and hence no China port iron ore prices are expected for those days.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7905	-0.0003	-0.04
EUR – USD	1.2380	0.0003	0.02

Australian Data Today

AiG	PCI	Jan
ABS	Living cost indices (household-typed)	Dec
RBA	Reserve assets (4.30pm AEDST)	Jan

US Data Tonight

Consumer credit	Dec
MBA mortgage applications	2 Feb

Other Overseas Data Today & Tonight

China	Forex reserves (7pm AEDST)	Jan
Japan	Average cash earnings	Dec
Japan	Forex reserves	Jan
Japan	Economic indices (4pm AEDST)	Dec
UK	Halifax house prices	Jan
Germany	Industrial production	Dec

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BHD	Tomorrow	12	0	0.00
KPG	Fri	1	100	1.18
MFG	Fri	44.5	100	tbc
BKI	Mon	3.63	100	4.28
OCA	Mon	1.64	0	1.76
GUD	Tue	24	100	3.96
PL8	Tue	0.45	100	2.60

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	BWP	Interim
	CBA	Interim
	GMA	Full year
	RIO	Interim
Tomorrow	AGL	Interim
	AMP	Full year
	MIN	Interim
	MGR	Interim
	NAB	Dec Q
	TAH	Interim
Fri	NWS	Interim
	REA	Interim
	SKC	Interim
Mon	ANN	Interim
	AZJ	Interim
	BEN	Interim
Tue	BLD	Interim
	CGF	Interim
	COH	Interim
	GPT	Full year
	MGX	Interim
	SGF	Interim
	TCL	Interim

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