

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5957</b>	<b>3</b>	<b>0.1</b>
<b>NZX 50</b>	8329	2	0.0
<b>DJIA Futures</b>	24851	-1	-0.0
<b>S&amp;P 500 Futures</b>	2724	0	0.0
<b>NASDAQ Futures</b>	6908	0	0.0

## Local Markets Commentary

The Australian market commences mid-week trade ahead of influential domestic data as several large-cap stocks trade ex-dividend.

A press conference convened this morning AEDST by the US president with Sweden's PM will also be thoroughly parsed for anything new regarding positions on trade tariffs, European Union relationships and possible new diplomatic engagement with North Korea.

Locally today, December quarter **GDP** is due **11.30am** AEDST.

Pre-trade, a construction sector activity index was reported at 56.0, representing a 1.7-point rise for the month. Residential building activity notably rose 9.8 points to 61.8.

Companies trading **ex-dividend** today include **BKL, BXB, MND, QAN** and **TWE**. Please see **p3** for detailed information.

Earlier today, Reserve Bank of Australia (**RBA**) governor Philip Lowe told a business summit that the bank expects inflation to rise gradually, to a medium-term 2% - 3% average, and that the national economy is trending in the right direction, in part supported by growing non-mining business investment.

Dr Lowe predicted Australia's next interest rate move would be up.

In mixed overnight commodities trade, US **gold** futures swung decisively higher. **WTI crude** settled virtually flat, and Brent modestly higher.

**Iron ore** (China port, 62% Fe) extended its latest run of declines.

LME **copper** and **nickel** rallied.

The **\$A** reached ~US78.20c after being pushed beyond US77.70c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	24884	9	<b>0.0</b>
<b>S&amp;P 500</b>	2728	7	<b>0.3</b>
<b>NASDAQ</b>	7372	41	<b>0.6</b>
<b>FTSE 100</b>	7147	31	<b>0.4</b>
<b>DAX 30</b>	12114	23	<b>0.2</b>
<b>Shanghai Comp</b>	3290	33	<b>1.0</b>

## Overseas Markets Commentary

Choppy trade featured across most major European and US equities markets as commentary and speculation abounded on proposed US aluminium and steel import tariffs.

Reports also emerged that the leaders of North and

**Australia** – December quarter **GDP 11.30am** AEDST

**RBA** governor Philip Lowe spoke on 'The changing nature of investment' at a business summit, in Sydney this morning

## Today's Stock Watch

### Commonwealth Bank of Australia (CBA)

Seeking to raise \$A750M in a notes offer in support of tier 1 capital.

A bookbuild will be conducted 14 March (Wednesday next week). The offer is scheduled for 15 – 29 March.

The unsecured notes are expected to trade on the ASX under the code CBAPG from 9 April, on a deferred settlement basis the first two days.

### Resources

#### Rio Tinto (RIO)

Legal matters commentary, in addition to iron ore and China steel output talk, is anticipated when RIO iron ore CEO Chris Salisbury speaks at a breakfast in Perth today.

#### St Barbara (SBM)

Hedging 25,000oz of gold at \$A1750/oz. The gold will be delivered in monthly instalments from July this year through December 2019.

Other SBM forward sold gold, for delivery between March and June this year, was hedged at \$A1725/oz and \$A1730/oz.

SBM traded ex-dividend (4c) yesterday, but recorded a 0.49% rise for the session to \$4.11, after trading at \$3.99 - \$4.115.

#### Aeris Resources (AIS)

AIS subsidiary Tritton Resources has hedged 12,000t of copper at \$A8670/t. Tritton plans to deliver 1000t of copper each month through to February 2019.

#### AVZ Minerals (AVZ)

MoU secured with Guangzhou Tinci Materials Technology Co (Tinci) for a possible investment by Tinci in AVZ and off-take agreements for Manono lithium project output.

In addition, Patrick Flint has resigned as an AVZ non-executive director.

#### Havilah Resources (HAV)

HAV has updated its NSW Kalkaroo copper-cobalt-gold project cobalt inferred resource to 193.3Mt @ 120ppm cobalt, for ~23,200t of cobalt.

### Energy

#### Woodside Petroleum (WPL)

Petronas, the operator of offshore Gabon Likuale Block (F14), has declared a deepwater oil and gas discovery following Boudji-1 exploration well.

WPL acquired in November 2017 a conditional 30% participating interest in the block. Conditions precedent are yet to be satisfied.

WPL says Petronas and the Gabon government will assess the commerciality of the Likuale find, which currently is based on a 90m gross oil and gas column determined in high-quality pre-salt sands.

Pending the completion of the Likuale acquisition, WPL will hold 16,776sq km in offshore Gabon, across four deepwater blocks. This will represent the largest holding by any one company.

WPL recouped 1.6% yesterday, closing at \$29.00.

South Korea may meet late-April to discuss regional security and nuclear weapons holdings.

In data releases, a **euro zone** retail PMI was calculated at 52.3 following 50.8 in January.

**US** January factory orders dropped 1.4%, following a 1.8% rise in December, but the fall and its approximate magnitude were well anticipated.

**Tonight** in the US, January trade figures, consumer credit, the Federal Reserve's region-by-region economic update 'beige book report', December quarter productivity and a private sector February employment report are due.

China's Auto home and Rolls-Royce are due to report earnings today and tonight.

In overnight corporate news, **William Hill** confirmed it had decided to sell its Australian operations to **CrownBet Holdings** for \$A313.7M.

US retailer **Target Corp** reported \$US22.8B December quarter revenue, a little above expectations, but profit and forecasts disappointed, with the stock suffering an ~4% fall.

Fellow retailer **Nordstrom** appreciated after revealing it had knocked back the founding family's offer to privatise the company.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1335</b>	oz	15	1.2
<b>Silver (NY) (Mar)</b>	16.8	oz	0.4	2.2
<b>Gold (LON)</b>	1331	oz	11	0.8
<b>Platinum</b>	968	oz	8	0.8
<b>WTI Crude (Apr)</b>	<b>62.6</b>	bbl	0.03	0.0
<b>Brent Crude (Apr)</b>	<b>65.8</b>	bbl	0.3	0.4
<b>Iron Ore</b> (CHN port 62%)	<b>76.1</b>	t	-0.9	-1.2
<b>Copper</b>	<b>7004</b>	t	94	1.4
<b>Nickel</b>	13680	t	250	1.9
<b>Aluminium</b>	2147	t	1	0.1
<b>Lead</b>	2438	t	13	0.5
<b>Zinc</b>	3302	t	6	0.2
<b>Tin</b>	21430	t	-120	-0.6
<b>CBT Wheat (May)</b>	<b>5.07</b>	bshl	-2	-0.5

### Commodities Commentary

**Oil** – prices vacillated overnight, Brent trading at \$US65.30/bbl - \$US66.16/bbl.

A weekly US petroleum inventories report is due tonight from government agency EIA. A survey predicting a rise for stored crude, released during WTI trade, constrained gains, after prices reached \$US63.28/bbl.

Also overnight, the EIA revealed it had raised its 2018 US daily crude output forecast by ~120,000bbl to 11.17MMbbl/d. 2019 production is predicted to reach a daily 11.27MMbbl.

**Gold** – a \$US fall, bargain-hunting and short-covering were cited as the main factors supporting an overnight price rally.

**Base metals** – a weakening \$US helped support overnight trade sentiment, as did positive growth predictions and investment promises out of the ongoing National People's Congress in China.

**China's** February trade figures are expected tomorrow.

## Pre-Open Announcements

### Corporate Travel Management (CTD)

Trading ex-dividend (1c) today. In the meantime, CTD has lodged a presentation to be delivered at the Morgan Stanley Asia Pacific Summit today.

### Prana Biotechnology (PBT)

In-vivo data supporting the efficacy of PBT434 in the prevention of neuron loss in an animal model of multiple system atrophy has been presented in poster format at the International Multiple System Atrophy conference in New York this week.

## Resources

### Battery Minerals (BAT)

Mozambique Montepuez lithium project development update lodged this morning, ahead of anticipated late-year production. Exports are expected to commence before 31 March 2019.

### MOD Resources (MOD)

Conducting a \$6.3M fully-underwritten one-for-16 entitlement offer at 4.7c per share.

MOD traded at 4.8c – 5.0c yesterday.

### Korab Resources (\* KOR)

Resuming from suspended trade with a pre-feasibility update for Northern Territory Winchester magnesite project DSO plans. Results from an initial PFS study were published in January 2015. KOR believes the update study has shown that nothing has changed materially. Details, including likely capex, lodged this morning.

Post-trade yesterday, KOR also announced the termination of a HoA for a five-year supply of 300,000tpa of magnesium carbonate rock from the project. The HoA was reported in November 2015.

KOR last traded at 2.8c.

## Energy

### Raven Energy (REL)

REL has completed the sale of holdings in two Serowe region prospecting licences to Strata-X Australia.

REL remains in a trading halt, ahead of an announcement regarding the company's operations in Botswana.

### Trading Halts

Company	Code	Resuming
Raven Energy	REL	7 Mar
Technology Metals Australia	TMT	7 Mar
Australian Whisky Holdings	AWY	8 Mar
Egan Street Resources	EGA	8 Mar
Universal Coal	UNV	8 Mar

### Suspensions (selected)

Company	Code	Since
Austex Oil	AOK	19 Feb
Big Un	BIG	21 Feb
Department 13 International	D13	5 Mar
Greatcell Solar	GSL	1 Mar
Netlinkz Ltd	NET	1 Mar
Tianmei Beverage Group	TB8	21 Feb
Total Face Group	TFG	19 Feb
Wangle Technologies	WGL	6 Mar

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7828	0.0001	0.02
<b>EUR – USD</b>	1.2413	0.0008	0.06

**Australian Data Today**

AiG/HIA	PCI	Feb
ABS	GDP	Dec Q
RBA	Reserve assets (4.30pm)	Feb

**US Data Tonight**

ADP employment change	Feb
Trade balance	Jan
Fed beige book	Mar
Productivity (final)	Dec Q
Consumer credit	Jan

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Leading economic index (4pm)	Jan
<b>Euro zone</b>	GDP (final)	DecQ

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

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Zyber Holdings ZYB 16 Feb

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>ARA</b>	Today	<b>1</b>	0	2.60
<b>BKL</b>	Today	<b>150</b>	100	2.27
<b>BXB</b>	Today	<b>14.5</b>	30	3.05
<b>CTD</b>	Today	<b>1</b>	100	1.30
<b>GC1</b>	Today	<b>1</b>	100	4.00
<b>HSN</b>	Today	<b>3</b>	100	1.41
<b>IEL</b>	Today	<b>8.5</b>	70	1.85
<b>ISD</b>	Today	<b>0.65</b>	100	3.92
<b>MLD</b>	Today	<b>3</b>	100	5.12
<b>MND</b>	Today	<b>30</b>	100	3.82
<b>OGC</b>	Today	<b>1.27</b>	0	0.65
<b>PGF</b>	Today	<b>1.8</b>	100	2.91
<b>QAN</b>	Today	<b>7</b>	0	2.38
<b>QUB</b>	Today	<b>2.7</b>	100	2.30
<b>RDH</b>	Today	<b>2</b>	100	1.63
<b>SCO</b>	Today	<b>9</b>	100	5.68
<b>SDG</b>	Today	<b>5</b>	100	4.96
<b>SHV</b>	Today	<b>5</b>	100	0.94
<b>TNK</b>	Today	<b>6</b>	100	4.76
<b>TWE</b>	Today	<b>15</b>	75	1.61
<b>UNV</b>	Today	<b>1</b>	0	9.52
AIZ	Tomorrow	10.31	0	6.63
ASX	Tomorrow	107.2	100	3.53
BFG	Tomorrow	5.5	100	8.67
BHP	Tomorrow	69.44	100	4.12
BPT	Tomorrow	1	100	1.49
BRG	Tomorrow	16.5	60	2.54
BST	Tomorrow	1.25	100	3.01
DGH	Tomorrow	2.25	100	4.02
FXL	Tomorrow	3.85	100	4.43
GCS	Tomorrow	2	100	3.73
GEM	Tomorrow	10	100	7.91
GLB	Tomorrow	5	83	8.00
JIN	Tomorrow	7.5	100	3.32
KME	Tomorrow	1	0	4.62
LIC	Tomorrow	2	100	0.78
MAI	Tomorrow	0.5	100	1.95
MVF	Tomorrow	3.4	100	6.42
MYO	Tomorrow	5.75	0	3.71
PME	Tomorrow	2.5	100	0.59
PNI	Tomorrow	4.6	100	2.16
QBE	Tomorrow	4	30	2.63
QMS	Tomorrow	1	100	2.24
RRL	Tomorrow	8	100	3.56
RWC	Tomorrow	3.5	100	1.57
S32	Tomorrow	9.27	92.19	3.92
SDA	Tomorrow	4.8	100	1.32
SFC	Tomorrow	15	100	2.24
SNZ	Tomorrow	5.62	0	1.65
SRV	Tomorrow	13	7.50	5.28
TME	Tomorrow	8.44	0	4.33
VEE	Tomorrow	0.38	100	3.34
VLW	Tomorrow	8	100	7.46
OZL	Fri	148	100	2.06
VGL	Fri	1.3714	0	0.97
WTC	Fri	1.05	100	0.21