STATE ONE STOCKBROKING LTD
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Market Opener

Wednesday 8 February 2017

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Markets

SFE 200 Futures (9.30am AEDST)	**5575**	**3**	**0.1**
NZX 50	7067	-0.3	-0.0
DJIA Futures	20018	0	0.0
S&P 500 Futures	2289	2	0.1
NASDAQ Futures	5177	19	0.4

Local Markets Commentary

The Australian market opens mid-week trade again on lacklustre equities, and mixed commodities, leads.

In overnight commodities trade, **gold** continued a little higher. **Oil** fell further. **Copper** swung lower. **Iron ore** turned and rallied.

The **$A** appreciated a little, after trading at ~US76.25c early yesterday evening.

No major economic indicators are due for release locally today, but earnings season continues.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**20090**	38	**0.2**
S&P 500	2293	0.5	0.0
NASDAQ	5674	11	0.2
FTSE 100	7186	14	0.2
DAX 30	11549	40	0.3
Shanghai Comp	3153	-4	-0.1

Overseas Markets Commentary

Unconvincing trade featured across most major European and US equities markets overnight, amid scant new data releases and mixed corporate results.

In **Germany**, December industrial output fell 3% for the month.

US December exports were reported 2.7% higher, at $US190.7B, helping push down the trade deficit by 3.2% to $US44.3B.

A job openings report estimated opportunities had increased slightly.

Tonight in the US, weekly mortgage applications are due.

Allergan, Carlyle Group, Daikin, GlaxoSmithKline, Isuzu, Mitsui, Prudential, Rio Tinto, Sanofi and Time Warner are among companies scheduled to report earnings today and tonight.

In overnight corporate news, **BP** reported a 100% increase in December quarter profit (underlying replacement), but this undershot expectations, as did an overall 2016 profit fall.

General Motors and **Twenty-First Century Fox** share prices also fell, on income and revenue concerns.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Apr)	**1236**	oz	4	0.3
Silver (NY) (Mar)	17.8	oz	0.1	0.7

Today's Stock Watch

National Australia Bank (NAB)

$750M subordinated $100 notes offer, to boost Tier 2 capital. The notes are expected to be quoted on the ASX. Bookbuild scheduled for Wednesday next week. No general public offer. Details lodged this morning.

AusNet Services (AST)

$A425M 10.5-year bond offer. Details lodged this morning.

Cimic Group (👎 CIM)

Anticipating $640M - $700M 2017 NPAT, representing a 10% - 21% increase on today's 2016 result. 62c fully-franked 2016 final dividend, payable 4 July. 12% higher, $580.3M full year NPAT. 16% lower, $13.5B revenue. $6.74 NTA. $409.3M net cash. $34B worth of work in hand. AGM scheduled for 13 April, Sydney.

Premier Investments (👍 PMV)

Anticipating record interim sales totalling ~$588.6M, up 7.1% for the year (comparable 26-week basis). Expecting $92M - $93M underlying EBIT, against $84.1M. Planning to report interim results 21 March.

Ardent Leisure Group (AAD)

50.4% lower, $6.97M January revenue. December revenue had dropped 63.0%. Dreamworld has opened (28 January) the first certified LEGO store in Australia.

Carsales.com Ltd (CAR)

18.7c fully-franked interim dividend, up 0.9c. 8% lower, $47.2M interim NPAT. 7% higher, $178.6M revenue. 28.63c NTA.

BWP Trust (BWP)

68% drop in interim NPAT to $73.4M. 1% higher, $75.8M revenue. 8.63c interim distribution, up 0.34c. $2.60 NTA. Teleconference scheduled to commence 11.30am AEDST. Access details lodged this morning.

Genworth Mortgage Insurance Australia (GMA)

10.9% lower, $203.1M full year NPAT. 18.4% drop in new insurance written, to $26.6M. 24.8% lower, $381.9M gross written premium. 14c fully-franked final dividend. Cautious outlook. Teleconference scheduled for 10.30am AEDST. Access details lodged this morning.

Quickstep Holdings (* QHL)

The F-35 JSF jet, for which QHL has contributed component parts, will debut in Australia at the Australian International Airshow, in March.

Resources

Rio Tinto (* RIO)

Due to report for the full year later today.

Red 5 (👎 RED)

Assessing Philippines Siana gold mine open pit wall slippage, on the northern side. Eastern wall and underground work has not been affected. Promising an update once the incident assessment has been completed.

Energy

Oil Search (OSH)

Credit Suisse has re-rated OSH as outperform, from underperform.

Gold (LON)	1231	oz	4	0.4
Platinum	1003	oz	-9	-0.9
WTI Crude (Mar)	**52.0**	bbl	-1.0	-2.0
Brent Crude (Apr)	**54.9**	bbl	-0.9	-1.6
Iron Ore (China port)	**83.3**	t	2.7	3.3
Copper (LME)	**5795**	t	-51	-0.9
Nickel	10355	t	-95	-0.9
Aluminium	1831	t	-4	-0.2
Lead	2345	t	-3	-0.1
Zinc	2795	t	2	0.1
Tin	18930	t	-290	-1.5
CBT Wheat (Mar)	**4.31**	bshl	0.08	1.8

Commodities Commentary

Oil – a stronger $US detracted further from oil trade.

In addition, the (US) EIA raised its 2017 daily domestic production forecast to 9MMbbl, against 8.9MMbbl estimated for 2016. The EIA's average WTI price for 2017 was also lifted, to $US53.46/bbl.

A weekly EIA US petroleum inventories report is due tonight.

Gold – the $US was higher in early trade, retaining support from a Federal Reserve official's comments on Monday. As the $US retreated some, gold prices strengthened.

Base metals – $US strength through LME trade damaged sentiment.

Yesterday, **China** also reported forex reserves had continued to fall during January, this time below $US3 trillion, the lowest level since February 2011. Trade figures are due Friday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7629	0.0003	0.03
EUR – USD	1.0682	0.0001	0.01

US Data Tonight

MBA mortgage applications	3 Feb

Other Overseas Data Today & Tonight

Japan	BoJ opinions summary	Feb
Japan	Current account	Dec
Japan	Bank lending	Jan
Japan	Trade 1st 20 days	Jan
Japan	Corporate insolvencies	Jan
Japan	Eco watchers survey	Jan
UK	NIESR GDP estimate	Jan

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Pre-Open Announcements

Clean TeQ Holdings (CLQ)

The company's ordinary shares are due to commence (US) OTCQX Best Market trade Monday next week, under the code CTEQF. CLQ shares already traded on the OTC Pink Open Market, under CTEQF.

Alliance Aviation Services (AQZ) / Newcrest Mining (NCM)

NCM has extended AQZ's charter services contract for the WA Telfer project until 2020. AQZ says it has been providing air services to the Telfer project since 2004.

Cover-More Group (CVO)

The Foreign Investment Review Board (FIRB) will not object to the proposed acquisition of CVO by Zurich Travel Solutions. CVO is planning to release interim results pre-trade 13 February and to host a teleconference that day, commencing 10.45am AEDST.

Recce Ltd (RCE)

Former #2 RCE top shareholder Michael Aarons is no longer a RCE substantial shareholder after selling ~3.5M RCE shares.

Velocity Property Group (VP7)

Property developer completed a successful ASX listing yesterday, following a $10.6M IPO at 20c per share. Opened at 24c and slipped to its day one close of 20.5c. 194,185 shares changed hands across 11 transactions.

Resources

Hexagon Resources (* HEX)

High-grade, significant-width RC and diamond core assays lodged this morning for the McIntosh graphite project Emperor and Wahoo prospects. Resource upgrade anticipated.

Metalicity Ltd (* MCT)

Non-binding MoU in place with a subsidiary of China Non-Ferrous Metal Industry's Engineering & Construction Co, for the proposed development of the Admiral Bay zinc project. Anticipating a binding investment proposal in the near-term.

Ardea Resources (* ARL)

Minerals exploration company scheduled to list 1pm AEDST Thursday following an ~$5.1M IPO at 20c per share. Proposing to develop gold and nickel assets.

Trading Halts

Company	Code	Resuming
Australian Mines	AUZ	8 Feb
Galaxy Resources	GXY	8 Feb
iCollege Ltd	ICT	8 Feb
Norwest Energy	NWE	8 Feb
Argonaut Resources	ARE	9 Feb
Berkut Minerals	BMT	9 Feb

Suspensions (selected)

Company	Code	Since
De Grey Mining	DEG	25 Jan
LatAm Autos	LAA	2 Feb
Manalto Ltd	MTL	6 Feb
migme Ltd	MIG	7 Feb

Moko Social Media	MKB	25 Jan
Protean Energy	POW	7 Feb
Suda Ltd	SUD	27 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
RMD	Today	**~3.05**	0	1.34
BKI	Fri	3.6	100	4.30
MGP	Fri	0.2	0	2.46
GUD	14 Feb	21	100	4.40
SKT	14 Feb	16.95	0	7.53
DOW	15 Feb	12	100	3.58
MLT	15 Feb	8.7	100	4.21

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**BWP**	Interim
	CAR	Interim
	CIM	Full-year
	GMA	Full-year
	RIO	Full-year
Tomorrow	AGL	Interim
	AMP	Full-year
	HGG	Full-year
	SUN	Interim
Fri	NWS	Interim
	REA	Interim
Mon	AMC	Interim
	ANN	Interim
	AZJ	Interim
	BEN	Interim
	CVO	Interim
	JBH	Interim
	NCM	Interim
Tue	CGF	Interim
	COH	Interim
	GPT	Full-year
	PDN	Interim
	RIC	Interim
	TWE	Interim
15 Feb	AOG	Interim
	BLD	Interim
	CBA	Interim
	CPU	Interim
	CSL	Interim
	DXS	Interim
	DMP	Interim
	ING	Interim
	IFL	Interim
	SGM	Interim
	SHL	Interim
	VCX	Interim
	WES	Interim

16 Feb	BAP	Interim
	GMG	Interim
	IPH	Interim
	MFG	Interim
	MGR	Interim
	ORG	Interim
	S32	Interim
	SPK	Interim
	SGR	Interim
	SYD	Full year
	TTS	Interim
	TLS	Interim
17 Feb	ABP	Interim
	AIA	Interim
	ANZ	Trading update
	ASX	Interim
	DUE	Interim
	ECX	Full year
	LNK	Interim
	MAH	Interim
	MTR	Interim
	MPL	Interim
	PRY	Interim
	STO	Full year
	VAH	Interim
	WHC	Interim