

Markets

SFE 200 Futures (9.30am AEDT)	6005	-41	-0.7
NZX 50	9090	-43	-0.5
DJIA Futures	25121	-10	0.0
S&P 500 Futures	2704	-26	-0.9
NASDAQ Futures	6906	-90	-1.3

Local Markets Commentary

The Australian market opens Friday trade following further overnight declines across major international equities markets, ahead of a set of new forecasts from the Reserve Bank of Australia (RBA).

The RBA's quarterly policy update, due for release **11.30am** AEDT, is much anticipated following this week's apparent resetting of interest rate outlooks.

AFI is among stocks trading ex-dividend. Please see p3 for a detailed list.

In overnight commodities trade, **oil** turned and fell. US **gold** futures (April) settled essentially flat. LME **copper** headed lower. **Nickel** swung higher. **Aluminium** continued to decline.

The **\$A** ultimately trod water after falling a little below US71.0c early yesterday evening.

China's markets remain closed, but will **open Monday**.

Japan's markets will be **closed Monday** during a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25170	-221	-0.9
S&P 500	2706	-26	-0.9
NASDAQ	7288	-87	-1.2
FTSE 100	7094	-80	-1.1
DAX 30	11022	-303	-2.7
Shanghai Comp	2618	Public	Holiday

Overseas Markets Commentary

Major European and US equities markets headed lower in early overnight trade, both the European Commission and Bank of England adding to a chorus of economic growth downgrades.

In addition, the US administration confirmed the presidents of China and the US were unlikely to meet to formalise any trade deal before the US 1 March deadline of increased taxes on Chinese imports.

The **Bank of England** lowered forecast 2019 GDP growth by 0.5% (from just three months ago) to 1.2%.

This, ahead of a swag of major **UK** economic indicators due for release Monday, and as PM Theresa May renewed face-to-face talks with **European Union** (EU) leaders in Brussels, in an effort to find a way the UK parliament will approve plans for the UK's withdrawal from the EU.

Further, high-ranking UK public service officials and the Bank of England were reportedly preparing a

RBA – policy update (quarterly) 11.30am AEDT

Today's Stock Watch

National Australia Bank (NAB)

Unaudited \$1.70B December quarter NPAT. 3% lower year-on-year \$1.65B cash earnings. 10.0% CET1, against 10.2% a year ago, and also for the September quarter 2018.

In addition, CEO Andrew Thorburn will leave NAB 28 February. Chairman Ken Henry will also give up his NAB role, once a new CEO has been appointed.

NAB director Philip Chronican will be acting CEO from 1 March.

News Corporation (NWS)

\$US119M December quarter NPAT, against a \$US66M net loss a year earlier.

21% higher year-on-year, \$US2.63B revenue.

Paying a US10c quarterly dividend.

REA Group (REA) / News Corporation (NWS)

98% drop in interim NPAT to \$A2.47M.

Core operations NPAT rose 20% to \$A176.58M.

15% higher, \$A469.23M revenue.

55c fully franked interim dividend, following 47c a year ago (ie up 17%).

74.6c NTA.

\$US59.8M cash and equivalents.

REA board NWS Australia representative Ryan O'Hara is stepping down from his REA role today.

NWS representative Tracey Fellows will remain an REA director.

Coventry Group (CYG)

Resuming from a trading halt having raised \$14.8M in a 75c-per-share institutional entitlement offer in support of the \$36M Nubco acquisition.

Take-up totalled 75%, with the 25% placed with new institutional CYG investors.

A \$12.8M retail offer, also at 75c, opens 112 February (Tuesday next week).

CYG traded at ~79.73c - ~88.34c during the five trading sessions before entering a trading halt.

Titomic Ltd (TTT)

Resuming from a trading halt with an exclusive licence agreement with CSIRO and a Pipe Technologies acquisition agreement with Future Titanium Technologies.

The CSIRO agreement gives TTT global rights to for pipes manufactured with titanium and titanium alloys.

Additional details, including a range of potential growth opportunities, lodged this morning.

TTT last traded at \$2.07.

Tinybeans Group (TNY)

\$200,000 contract secured with a New York-headquartered life insurer. Details lodged this morning.

stimulus package should the separation occur without agreed arrangements in place.

For its part, the European Commission (EC) issued a series of new economic forecasts that included 1.3% euro zone GDP growth, against a 1.9% November prediction.

The EC also reduced its expected euro zone CPI growth for 2019 and 2020, to 1.4% and 1.5% respectively.

This sparked a regional bonds sell-off, pushing yields higher.

US government bond prices rose for a third consecutive session however, pushing yields lower.

Also in the euro zone, a **European Central Bank** economic bulletin confirmed the central bank viewed a series of recent data as 'weaker than expected'.

In the meantime, **Germany's** December industrial production was reported to have declined by 0.4%, following forecasts of a 0.8% rise, and monthly falls since September.

In the **US**, weekly new unemployment claims dropped by 19,000, 13,000 more than forecast, to 234,000.

Consumer credit fell to \$US16.55B during December, against \$US22.41B at the end of November.

Tonight in the **US**, December wholesale inventories are due.

Elsewhere, **Germany** reports December trade statistics.

Companies scheduled to report **earnings** later today or tonight include: Hasbro, Isuzu Motors, Jaguar Land Rover, PG&E, Phillips 66 and Rinnai.

In overnight corporate news, US regional financial entities **SunTrust** and **BB&T** announced a \$US66B 43:57 merger deal.

Twitter tumbled almost 10% after forecasting higher expenses.

Steel manufacturer **ArcelorMittal** revealed it expected 2019 steel demand growth to moderate to 0.5% - 1%, following 2.8% for 2018. Nonetheless the group announced a buy-back and 100% dividend boost.

The **Renault – Nissan** alliance appeared threatened, according to those who had viewed correspondence regarding former CEO Carlos Ghosn.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1314.2	oz	-0.2	-0.01
Silver (NY) (Mar)	15.71	oz	0.01	0.1
Gold (LON)	1312	oz		
Platinum	796	oz	-8	-1.0
WTI Crude (Mar)	52.64	bbbl	-1.4	-2.5
Brent Crude (Apr)	63.63	bbbl	1.1	-1.7
Iron Ore (CHN port 62%)	85.53	t Lunar		NY
Copper (LME,3mth,PM)	6246	t	-33	-0.5
Nickel	12985	t	60	0.5
Aluminium	1894	t	-13	-0.7
Lead	2080	t	-10	-0.5
Zinc	2731	t	27	1.0
Tin	20950	t	-50	-0.2
CBT Wheat (Mar)	5.15	bshl	0.13	-2.3

Commodities Commentary

Pre-Open Announcements

Platinum Asset Management (* PTM)

\$24.66B FUM at 31 January, against \$24.09B at the end of December 2018.

Zenith Energy (ZEN)

Director Stephanie Unwin stepped down from the ZEN board yesterday, due to her appointment as Horizon Power CEO.

HRL Holdings (HRL)

Former ALS Ltd (ASX: ALQ) MD and CEO Greg Kilmister has been appointed as HRL non-executive chairman.

Interim HRL chair since August 2018, Darren Anderson, will resume his role as an HRL executive director.

Interim results lodged this morning, including a \$4.2M net loss and 28% higher revenue totalling \$14.1M.

1.76c NTA.

iSignthis Ltd (ISX)

Quarterly investor briefing presentation lodged pre-trade.

Resources

European Cobalt (EUC)

Heralding Slovakia Dobsina cobalt-nickel project Joremeny underground diamond drilling results. Assays lodged this morning.

Archer Exploration (AXE)

Sugarloaf farm land sale agreement now unconditional, with settlement scheduled for 1 July.

Lithium Australia (LIT)

~15.28M shares are due to be released from voluntary escrow 22 February.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	NAB	Dec Q
	PGC	Interim
	REA	Interim
Mon	AMC	Interim
	AZJ	Interim
	BEN	Interim
	COH	Interim
	GPT	Full year
	HT1	Interim
	HSO	Interim
Tue	JBH	Interim
	BPT	Interim
	CGF	Interim
	NST	Interim
	TCL	Interim

Trading Halts

Company	Code	Resuming
Coolgardie Minerals	CM1	8 Feb

Oil – confirmation by UK and euro zone authorities of an expected economic slowdown pushed prices lower in early overnight trade.

A US concession, that a planned meeting between the presidents of China and the US would likely come after the 1 March deadline for higher US taxes on imports from China, kept prices down.

Libya's Sharara oil field was in the meantime reported to be under Libyan military control, boosting prospects 315,000bbl/d of production could return to international markets.

International trading firms, as well as US refiners, were reported to be feeling the bite from US sanctions against Venezuela's crude trade. This produces another threat to broad economic growth.

A weekly US petroleum drill rig account is due tonight.

Gold – prices waned in early overnight trade after the \$US traded at four-week peaks, but recovered some in line with a \$US pullback.

Base metals – overnight trade varied on reduced nickel supply speculation, lower zinc stockpiles, international economic growth commentary and a generally buoyant \$US.

China's markets remain closed, but will open Monday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7103	-0.0001	-0.01
EUR – USD	1.1341	0.0002	0.02

Australian Data Today

RBA	Policy statement (quarterly)	Feb
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US Data Tonight

Wholesale inventories	Dec
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Other Overseas Data Today & Tonight

Japan	Bank lending	Jan
Japan	Household spending	Dec
Japan	Cash earnings	Dec
Japan	Eco watchers survey	Jan
Germany	Trade balance	Dec

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Recce Pharmaceuticals	RCE	8 Feb
Roots Sustainable Agricultural Tech	ROO	8 Feb
Aurora Labs	A3D	11 Feb
Australian Potash	APC	11 Feb
Pepinnini Lithium	PNN	11 Feb
Spark Infrastructure	SKI	11 Feb
Titanium Sands	TSL	11 Feb
Wattle Health Australia	WHA	11 Feb
White Cliff Minerals	WCN	11 Feb

Suspensions (select)

Company	Code	Since
Affinity Energy & Health	AEB	5 Feb
Aurora Absolute Return Fund	ABW	21 Jan
Covata Ltd	CVT	30 Jan
Creso Pharma	CPH	5 Feb
Freedom Insurance Group	FIG	7 Feb
Indiana Resources	IDA	31 Jan
SciDev Ltd	SDV	6 Feb
Sky & Space Global	SAS	6 Feb
Vector Resources	VEC	4 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AFI	Today	18	100	3.76
AYK	Today	24	100	4.62
AYZ	Today	57	100	4.62
BKI	Today	5.13	100	4.47
OCA	Today	1.7	0	3.62
GXL	Tue	19	100	tbc
GUD	Tue	25	100	4.43
IAG	Tue	12	100	4.20
CBA	Wed	200	100	5.82
MLT	Wed	9	100	4.27
IGO	Thu	2	100	0.87
JHG	Thu	36	0	6.05
ARG	Fri (15 Feb)	16	100	3.99

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