

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6021	24	<b>0.4</b>
<b>NZX 50</b>	9214	4	<b>0.1</b>
<b>DJIA Futures</b>	25019	2	0.0
<b>S&amp;P 500 Futures</b>	2708	2	0.1
<b>NASDAQ Futures</b>	6914	-2	0.0

## Local Markets Commentary

The Australian market commences today's trade with new data in hand from China, sharply higher iron ore prices, and mixed overnight international equities sentiment, while awaiting comments out of US-China trade talks in Beijing.

In addition, a speech from the Bank of England's governor is keenly anticipated tonight following concerns over key UK data reported overnight.

US Federal Reserve chair Jerome Powell is also expected to speak publicly tonight, but not until US markets are nearing settlement.

Yesterday evening China reported January foreign exchange reserves had risen during the month from \$US3.07 trillion to \$US3.09 trillion.

In overnight commodities trade, **oil** turned and fell.

US **gold** futures (April) swung lower.

**Iron ore** (China port, 62% Fe) soared beyond \$US90.50/t.

LME **copper** and **nickel** fell.

The **\$A** declined further, to ~US70.60c after trading below ~US70.95c early yesterday evening.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes a new publication outlining December lending finance **11.30am** AEDT.

NAB releases its monthly **business survey** report also at 11.30am.

A weekly consumer sentiment reading is due pre-trade.

In addition, **GXL** (suspended due to acquisition), **GUD** and **IAG** trade **ex-dividend** today. Please see pp3-4 for details.

Post-trade, the Reserve Bank of Australia publishes debit and credit card statistics.

**Regionally**, some economists have scheduled **China's** January foreign direct investment release for 2.30pm AEDT today.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25053	-53	<b>-0.2</b>
<b>S&amp;P 500</b>	2710	2	<b>0.1</b>
<b>NASDAQ</b>	7308	10	<b>0.1</b>
<b>FTSE 100</b>	7129	58	<b>0.8</b>
<b>DAX 30</b>	11015	108	<b>1.0</b>
<b>Shanghai Comp</b>	2654	36	<b>1.4</b>

## Overseas Markets Commentary

Trade varied notably across major European and US equities markets overnight, mostly on regional considerations, but also following both US trade talk

**Iron ore** – select stocks set to benefit from another jump yesterday in iron ore China port prices

## Today's Stock Watch

### Macquarie Group (MQG)

Anticipating 15% profit growth for FY 2019.

December quarter update lodged this morning, including \$A532.1B AUM, 2% lower than at 30 September, and \$A51,0B banking and financial services deposits, up 3%.

### Amcort Ltd (AMC)

European Commission (EC) approval in hand for the proposed Bemis acquisition.

The EC approval requires Bemis to divest three healthcare product packaging facilities, located in the UK and Ireland, and with total \$US170M annual revenue.

US and Brazil approvals remain outstanding, but AMC anticipated closure by 30 June.

AMC has traded higher the past eight trading sessions, yesterday adding 1.9% to settle at \$14.56 following the release of interim results.

### Challenger Ltd (CGF)

96.9% lower, \$6.1M interim NPAT.

20.8% lower, \$893.5M revenue.

Flat, 17.5c fully franked interim dividend.

2% higher, \$78.4N AUM.

\$4.61 NTA.

\$1.4B excess regulatory capital and cash.

Anticipating \$545M - \$565M FY 2019 normalised pre-tax net profit.

Live webcast presentation scheduled to commence 10.30am AEDT.

### Transurban Ltd (TCL)

56.1% lower, \$145M interim NPAT.

30.2% higher, \$2.11B revenue.

61.7% lower, \$129M NPAT for stapled group security holders.

29c total interim distribution and dividend, previously declared.

The 1c dividend is fully franked, against 2.5c a year ago.

The distribution has fallen increased from 25.5c to 28c.

\$3.95 NTA.

\$1.71B cash and equivalents.

A webcast briefing commenced 9.30am AEDT.

### Reckon Ltd (RKN)

1% higher, \$7.7M full year NPAT. 16% lower, \$75.4M revenue.

Nil final dividend.

\$2.15M cash and equivalents.

## Resources

### Northern Resources (NST)

Results anticipated.

Alaska Pogo gold project update lodged pre-trade.

NST recouped 4.3% yesterday, settling at \$8.81.

## Energy

### Beach Energy (BPT)

Results anticipated.

optimism and regional military activity criticism out of China yesterday.

US markets opened higher, but soon trended lower, whereas European indices largely maintained positive trade, despite a marked FTSE late first half drop.

The **UK** released a swag of influential economic indicators, including December quarter GDP growth which rose just 0.2% for the three months following a 0.4% December monthly pullback.

Year-on-year, quarterly GDP rose 1.3% and December GDP 1%.

December industrial production fell 0.5% for the month and 0.9% year-on-year.

December construction output dropped 2.4% year-on-year, following a 1.8% November rise.

The December trade deficit improved however, to £3.23B from £3.62B in November.

In the **US**, a consumer inflation expectations index slipped to 2.97% from 3.00%.

**Tonight** in the **US**, **Federal Reserve** chair Jerome Powell is scheduled to speak publicly (commencing the last 15 minutes of US trade).

Among data releases, a treasury budget update, business optimism index and December job openings are expected.

Meanwhile, US investors remain focused on any further clues regarding budget talks aiming to avert another partial government services shut down from midnight this coming Friday.

Elsewhere, **Bank of England** governor Mark Carney is scheduled to speak publicly.

Companies scheduled to report **earnings** later today or tonight include: Activision Blizzard, Inpex, LG Display, Nissan Motor, PG&E, Thyssenkrupp, TripAdvisor, TUI and Weibo.

In overnight corporate news, US insurer **Loews** reported a year-on-year swing to a \$US165M December quarter loss.

**Tesla** benefited ~2% from a buy recommendation.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1311.9</b>	oz	-6.6	-0.5
<b>Silver (NY) (Mar)</b>	15.69	oz	-0.12	-0.8
<b>Gold (LON)</b>	1315	oz		
<b>Platinum</b>	785	oz	-13	-1.6
<b>WTI Crude (Mar)</b>	<b>51.51</b>	bbbl	-1.21	-2.3
<b>Brent Crude (Apr)</b>	<b>61.25</b>	bbbl	-0.85	-1.4
<b>Iron Ore (CHN port 62%)</b>	<b>90.58</b>	t	5.05	5.9
<b>Copper (LME,3mth,PM)</b>	<b>6147</b>	t	-63	-1.0
<b>Nickel</b>	12470	t	-100	-0.8
<b>Aluminium</b>	1878	t	-1	-0.2
<b>Lead</b>	2046	t	-34	-1.6
<b>Zinc</b>	2639	t	-65	-2.4
<b>Tin</b>	21025	t	-25	-0.1
<b>CBT Wheat (Mar)</b>	5.17	bshl	-0.00	-0.1

### Commodities Commentary

**Oil** – demand-production scenarios appeared to weigh overnight, in a stronger \$US environment and with further negative economic indicators, this time from the UK.

Meanwhile, OPEC rejected the label 'cartel', denying the organisation's members were price-fixers.

## Pre-Open Announcements

### MyFiziq Ltd (\* MYQ)

\$A6M, 60c-per-share subscription agreement in hand.

Details lodged this morning.

MYQ has traded at 30c – 40c the past five trading sessions.

### Megaport Ltd (\* MP1)

\$16.57M interim net loss, following a \$13.32M net loss a year ago.

71.9% higher, \$15.18M revenue.

47.34c NTA.

\$38.1M cash.

New director appointment also lodged this morning.

### Blue Sky Alternative Investments (↑ BLA)

Anticipating a \$28M - \$32M interim pre-tax loss.

\$54.8M cash.

Additional statistics lodged this morning.

Planning to release interim results 27 February.

## Resources

### Evolution Mining (\* EVN)

EVN's north Queensland Mt Carlton operation has been temporarily disrupted due to the excessive regional rainfall, but production is expected to resume by nightfall.

The Ernest Henry project, in which EVN holds an interest, has continued operations under 'controlled' conditions.

EVN is maintaining FY 2019 production and AISC guidance.

EVN plans to report interim results Thursday.

### Consolidated Zinc (\* CZL)

Produced 3,540t of Mexico Plomosas Zn-Pb-Ag project ore during January, at 10.3% Zn and 3.3% Pb.

### De Grey Mining (\* DEG)

Heralding Pilbara gold project Withnell recoveries.

Details lodged this morning.

## Energy

### Origin Energy (\* ORG)

ORG has appointed Texas-based Hilcorp Energy Company CEO Greg Lalicker as an independent non-executive director, effective 1 March.

### Stanmore Coal (\* SMR)

\$21.28M interim NPAT, against \$8.04M a year ago.

79.1% higher, \$148.28M revenue.

3c fully franked interim dividend.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>BPT</b>	Interim
	<b>CGF</b>	Interim
	<b>NST</b>	Interim
	<b>RKN</b>	Full year
	<b>TCL</b>	Interim
<b>Tomorrow</b>	AOG	Interim
	BAP	Interim
	COH	Interim
	CPU	Interim



A monthly OPEC report is due tonight, and one from the International Energy Agency (IEA) tomorrow night.

**Gold** – a \$US index rallied ~0.5% overnight, damaging gold interest, and retaining six-seven week peaks.

CPI figures are due for the US and China this week, with China also due to reveal other major data.

This, amid renewed China-US trade talks in Beijing this week, is also expected to promote a mix of caution and volatility through the week.

Scheduled public comments from the heads of the Bank of England and US Federal Reserve tonight could also influence currency trade, and hence, gold sentiment.

**Base metals** – a rallying \$US and uncertain international trade and economic growth prospects combined to bruise overnight LME base metals interest.

Meanwhile, another *copper* producer partially shut down some operations, this time in Peru, due to heavy rainfall, at the same time denying allegations of a possible and/or potential tailings dam spill, and while hoping to find an employee missing since a weekend mudslide.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7062	0.0000	0.01
<b>EUR – USD</b>	1.1277	0.0003	0.03

### Australian Data Today

ANZ/RyMgn	Consumer sentiment	10 Feb
ABS	Lending finance (new publ)	Dec
NAB	Business survey	Jan
RBA	Debit and credit card use	Jan

### US Data Tonight

NFIB business optimism	Jan
JOLTS job openings	Dec
Treasury budget statement	Jan

### Other Overseas Data Today & Tonight

<b>China</b>	Foreign direct investment	Jan
<b>Japan</b>	Machine tool orders	Jan
Japan	Tertiary industry index	Dec

### 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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	CSL	Interim
	HT1	Interim
	ORA	Interim
	SKC	Interim
	TAH	Interim
	VAH	Interim
<b>Thu</b>	AMP	Interim
	ASX	Interim
	EVN	Interim
	GMG	Interim
	HSO	Interim
	IPH	Interim
	MFG	Interim
	NCM	Interim
	IPH	Interim
	S32	Interim
	SUN	Interim
	SUL	Interim
	TGR	Interim
	TLS	Interim
	TWE	Interim
	WPL	Interim
<b>Fri</b>	ABP	Interim
	DHG	Interim
	MPL	Interim
	SHL	Interim
	WHC	Interim

### Trading Halts

Company	Code	Resuming
Pepinnini Lithium	PNN	12 Feb
Experience Co	EXP	13 Feb
Galan Lithium	GLN	13 Feb
High Grade Metals	HGM	13 Feb
Orinoco Gold	OGX	13 Feb
Paragon Care	PGC	13 Feb
YPB Group	YPB	13 Feb

### Suspensions (select)

Company	Code	Since
Affinity Energy & Health	AEB	5 Feb
Aurora Absolute Return Fund	ABW	21 Jan
Coolgardie Minerals	CM1	8 Feb
Covata Ltd	CVT	30 Jan
Creso Pharma	CPH	5 Feb
Freedom Insurance Group	FIG	7 Feb
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 (%)
<b>GXL</b>	Today	<b>19</b>	100	2.80
<b>GUD</b>	Today	<b>25</b>	100	4.23
<b>IAG</b>	Today	<b>12</b>	100	4.21
CBA	Tomorrow	200	100	5.84
MLT	Tomorrow	9	100	4.29



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SCG	Tomorrow	11.08	0	5.35
IGO	Thu	2	100	0.87
JHG	Thu	36	0	6.11
ARG	Fri	16	100	4.01