

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5807</b>	<b>14</b>	<b>0.2</b>
<b>NZX 50</b>	8080	-42	-0.5
<b>DJIA Futures</b>	24641	15	0.1
<b>S&amp;P 500 Futures</b>	2662	0	0.0
<b>NASDAQ Futures</b>	6561	0	0.0

## Local Markets Commentary

The Australian market opens mid-week trade with a plethora of large-cap domestic stocks reporting, and **CBA** trading ex-dividend, ahead of key regional data today and influential releases in the US and euro zone tonight.

Overnight international equities trade leads are mixed and relatively uninspiring, but base metals prices rallied.

Regionally today, **China's** foreign direct investment (FDI) is listed for a potential 1pm AEDST release.

**Japan** is expected to publish December quarter GDP growth **10.50am** AEDST.

Locally, a monthly consumer sentiment report is due from the Melbourne Institute and Westpac at 10.30am.

A government department-calculated employment indicator is expected ~2pm.

In overnight commodities trade, **gold** futures rose a little.

**WTI crude** settled slightly lower and **Brent** slightly higher.

**Iron ore** (China port, 62% Fe) rallied after pulling back the previous two sessions.

LME **copper** and other key base metals rallied in unison.

The **\$A** depreciated to ~US78.60c after trading beyond ~US78.75c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>24640</b>	39	<b>0.2</b>
<b>S&amp;P 500</b>	2663	7	<b>0.3</b>
<b>NASDAQ</b>	7104	32	<b>0.5</b>
<b>FTSE 100</b>	7168	-9	<b>-0.1</b>
<b>DAX 30</b>	12197	-86	<b>-0.7</b>
<b>Shanghai Comp</b>	<b>3185</b>	31	<b>1.0</b>

## Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight, although key US indices settled at or near session highs.

The \$US headed lower and 10-year US government bond prices were pushed higher.

Meanwhile, the US president heralded possible changes to aluminium and steel import quotas and taxes.

Among scant data releases, **UK** year-on-year January CPI growth was reported at 3.0%, the same as for December, but largely due to higher energy prices outweighing a fall in food costs.

\* Mineral exploration listing **1.30pm** AEDST – **AX8** \*

## Today's Stock Watch

### Commonwealth Bank of Australia (CBA)

Trading ex-dividend (\$2.00) today.

### CSL Ltd (CSL)

34.9% higher, \$US1.1B interim NPAT. 12.8% higher, \$US4.1B revenue. US79c interim dividend, against US64c a year ago. US2.39c EPS. \$US841.1M cash and equivalents.

### Insurance Australia Group (IAG)

23.5% higher, \$A551M interim NPAT. 1.1% higher, \$8.3B revenue. Insurance profit grew 30% to \$743M. Gross written premiums rose 0.6% to \$5.8B. 14c fully-franked interim dividend. 22.6c EPS. \$1.2B cash and equivalents.

### Orora Ltd (ORA)

12.7% higher, \$A103.8M interim NPAT. 6.2% higher, \$2.1B revenue. 6c 30%-franked interim dividend, up 20% (1c). 94c NTA.

### Computershare Ltd (CPU)

14% higher, \$171.2M interim NPAT. 12.4% higher, \$1.1B revenue. 19c interim dividend. Two board appointments announced this morning.

### Goodman Group (GMG)

Raising full-year operating profit and distributions forecasts, despite a 2.5% fall in interim NPAT to \$A542.7M. 2.3% higher, \$1.3B income. Operating profit grew 8.5% to \$A421.3M. 13.75c interim dividend, against 12.7c a year ago. \$4.38 NTA. 29.4c EPS. \$2.3B cash and equivalents.

### Domino's Pizza Enterprise (DMP)

17.3% higher, \$A58.7M interim NPAT. 5.2% higher, \$567.6M revenue. 58.1c, 40%-franked interim dividend. 66.3c EPS. \$54.7M cash and equivalents.

### Fletcher Building (FBU)

Dropped more than 10% in early New Zealand trade after raising expected buildings and interiors division losses a further \$NZ486M.

The company will not pay an interim dividend. Lending covenants have been breached but a banking syndicate has opted against direct penalties in favour or renegotiating terms.

In addition, FBU's chairman Ralph Norris will resign by the end of the 2018 AGM.

## Resources

### Accelerate Resources (\* AX8) / Poz Minerals (POZ)

Australia-focused minerals explorer scheduled to list **1.30pm** AEDST following a \$5M IPO at 20c per share. POZ holds 6.30%. 27.26M shares on issue.

## Energy

### Woodside Petroleum (WPL)

Trading halt called this morning ahead of a \$A2.5B, \$27-per-share entitlement offer, in support of the purchase of up to an additional 50% of the Scarborough gas field from Exxon Mobil.

18% higher, \$US1B full-year NPAT. 4.1% lower, \$US3.9B sales revenue. Flat, US49c fully-franked final distribution. A webcast teleconference is scheduled to commence 10.30am AEDST.

November's reading had come in at 3.1%, considerably higher than wages growth and the Bank of England's preferred ~2%.

**Tonight** in the US, January CPI figures and retail sales are keenly anticipated.

Across the Atlantic, a second estimated of euro zone December quarter GDP will feature, together with industrial production and a second January CPI reading for Germany.

Cisco Systems, Coca-Cola HBC, Credit Suisse, Kirin Holdings and Shire are among companies scheduled to report earnings or provide trading updates today or tonight.

*China's markets will be closed tomorrow through 21 February (Wednesday next week), due to Lunar New Year.*

*Hong Kong's will close at midday local time tomorrow (New Year's eve) through Monday next week.*

*US equities markets will be closed Monday, due to a public holiday.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1328</b>	oz	4	0.3
<b>Silver (NY) (Mar)</b>	16.5	oz	-0.0	-0.2
<b>Gold (LON)</b>	1325	oz	3	0.2
<b>Platinum</b>	972	oz	3	0.3
<b>WTI Crude (Mar)</b>	<b>59.2</b>	bbl	-0.1	-0.2
<b>Brent Crude (Apr)</b>	<b>62.7</b>	bbl	0.1	0.2
<b>Iron Ore</b> (CHN port 62%)	<b>77.4</b>	t	1.2	1.5
<b>Copper</b>	<b>6988</b>	t	157	2.3
<b>Nickel</b>	13450	t	350	2.7
<b>Aluminium</b>	2139	t	14	0.7
<b>Lead</b>	2561	t	45	1.8
<b>Zinc</b>	3470	t	88	2.6
<b>Tin</b>	21500	t	405	1.9
<b>CBT Wheat (Mar)</b>	<b>4.61</b>	bshl	-0.03	-0.7

### Commodities Commentary

**Oil** – in an apparent contradiction to OPEC's prediction of an oil market deficit, the International Energy Agency (IEA) sounded a warning overnight on lower 2018 prices due to oversupply, in part due to growing US production. The forecast glut was calculated largely on non-OPEC production.

The IEA expects global demand to lift by 7.7% this year.

A weekly US petroleum inventories report is due tonight from government agency EIA.

**Gold** – US CPI and retail sales, plus a euro zone GDP update could influence currencies and hence gold trade tonight.

A swinging \$US toyed with overnight trade. Ultimately, the \$US fell ~0.6%.

**Base metals** – a softer \$US supported overnight trade, amid a reported reduced number of traders. Some dip-buying was also noted.

Expect positioning tonight, as trade volumes are expected to be noticeably lighter from tomorrow and could produce exaggerated moves over the coming week.

This is due to Lunar new year and the Spring festival holiday season officially commencing tomorrow (New Year's eve).

China's markets will be closed for a week beginning

### Pre-Open Announcements

#### Aveo Group (\* AOG)

23.2% higher, \$149.3M interim NPAT. 10.5% lower, \$208M revenue. \$3.63 NTA.

#### Synlait Milk (\* SM1)

New five-year packaged infant formula supply agreement secured with 39.4% SM1 shareholder Bright Dairy.

#### Macmahon Holdings (\* MAH)

Proposing to acquire Brisbane-headquartered, coal sector-focused civil construction and services group TMM for an undisclosed amount.

#### Quantim Intellectual Property (QIP)

Anticipating 4.7% lower, \$51.5M interim revenue, and \$8.9M (pre-restructuring; post-forex) EBITDA.

\$19M - \$22M full-year equivalent EBITDA is expected.

### Resources

#### BHP Billiton (\*\*\*) BHP)

Proposing to account for a \$US1.8B income tax expense as an exceptional item. The charge is due to the recent change in the US tax system, but BHP expects to benefit in the longer-term from the lower (21% from 35%) US corporate tax rate.

#### Dacian Gold (↓ DCN)

Heralding WA Mt Morgans gold project Cameron Well prospect as a 'third significant gold discovery' within this project. Assays and additional information lodged this morning.

#### Westgold Resources (\*\* WGX) / S2 Resources (S2R)

WGX is outlaying the equivalent of \$A9M for S2R subsidiary Polar Metals, which holds S2R's Polar Bear and Norcott gold projects, and S2R's 80% holding in the Eundynie JV.

WGX will incorporate the purchases into the company's WA goldfields Higginsville project.

Consideration will be paid in \$3M cash plus 4M WGX shares.

S2R is retaining all nickel rights to Polar Metals holdings, and says the deal will immediately boost total cash and investments to \$A25M.

#### Westgold Resources (\*\* WGX) / Triton Minerals (TON)

TON is resuming from a trading halt with a mutually agreed decision for TON not to acquire some WGX lithium assets and royalties.

A review of a list of conditions precedent, set in December 2017, indicates any transaction would be unlikely to be completed within a satisfactory and timely process.

TON last traded at 8.9c.

### Trading Halts

Company	Code	Resuming
Australian Mines	AUZ	14 Feb
FYI Resources	FYI	14 Feb
Metals Australia	MLS	14 Feb
Bowen Coking Coal	BCB	15 Feb
Explaurum Ltd	EXU	15 Feb
Woodside Petroleum	WPL	19 Feb



tomorrow.

Some metals traders reportedly left their desks at the close of last week.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7857	-0.0003	<b>-0.04</b>
<b>EUR – USD</b>	1.2351	0.0002	<b>0.01</b>

### Australian Data Today

Wstpc/MI	Consumer confidence	Feb
DeptofJobs	Employment indicator	Feb

### US Data Tonight

CPI	Jan
Retail sales	Jan
Business inventories	Dec
MBA mortgage applications	9 Feb

### Other Overseas Data Today & Tonight

<b>China</b>	<i>FDI</i>	Jan
<b>Japan</b>	GDP	Dec Q
<b>Germany</b>	CPI (final)	Jan
Germany	GDP (initial)	Dec Q
<b>Euro zone</b>	GDP (2nd)	Dec Q
Euro zone	Industrial production	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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### Suspensions *(selected)*

Company	Code	Since
Buddy Platform	BUD	2 Feb
CBL Corporation	CBL	6 Feb
Fletcher Building	FBU	12 Feb
Genetic Technologies	GTG	31 Jan
GetSwift Ltd	GSW	24 Jan
Haranga Resources	HAR	22 Jan
Pan Asia Corporation	PZC	13 Feb
Pura Vida Energy	PVD	5 Feb
Quest Minerals	QNL	22 Jan
Raven Energy	REL	1 Feb
Ventnor Resources	VRX	2 Feb

### Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>CBA</b>	Today	<b>200</b>	100	5.64
<b>MLT</b>	Today	<b>8.8</b>	100	4.02
AXL	Tomorrow	2.9	100	2.54
IBC	Tomorrow	1.1	100	3.56
JHG	Tomorrow	40.8	0	6.47
MIN	Tomorrow	25	100	2.90
ANN	Fri	26.35	54.87	2.31
ARG	Fri	15.5	100	3.82
TCL	Fri	28	n/a	tbc
AMP	21 Feb	14.5	90	5.57
AGL	22 Feb	54	80	4.82
JBH	22 Feb	86	100	5.00
KOV	22 Feb	5	100	3.45

### Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>AOG</b>	Interim
	<b>CPU</b>	Interim
	<b>CSL</b>	Interim
	<b>DXS</b>	Interim
	<b>DMP</b>	Interim
	<b>GMG</b>	Interim
	<b>IAG</b>	Interim
	<b>ORA</b>	Interim
	<b>RIC</b>	Interim
	<b>VCX</b>	Interim
	<b>WPL</b>	Full year
<b>Tomorrow</b>	ASX	Interim
	GNC	AGM
	HT1	Interim
	MTR	Interim
	NCM	Interim
	ORG	Interim
	S32	Interim
	SHL	Interim
SUN	Interim	
TLS	Interim	
<b>Fri</b>	ABP	Interim
	AIA	Interim



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	BBN	Interim
	IFL	Interim
	MPL	Interim
	NCM	Int teleconference
	SGM	Interim
	VRL	Interim
	WHC	Interim
<b>Mon (19 Feb)</b>	ALU	Interim
	BPT	Interim
	BXB	Interim
	DHG	Interim
	IMD	Interim
	IFN	Interim
	NHF	Interim
	OML	Full year