

Markets

SFE 200 Futures (9.30am AEDST)	5845	55	1.0
NZX 50	8081	22	0.3
DJIA Futures	24855	-8	0.0
S&P 500 Futures	2697	0	0.0
NASDAQ Futures	6687	0	0.0

Local Markets Commentary

The Australian market opens today's trade with another large contingent of high-cap domestic stock earnings reports, key local data and largely positive overnight international trade leads.

Locally today, January **employment** statistics, as calculate by the Australian Bureau of Statistics (ABS) are due **11.30am** AEDST.

The Melbourne Institute also publishes its monthly inflation expectations report today, at ~11am.

JHG and **MIN** are among companies trading ex-dividend.

Regionally, **Japan** is scheduled to release December machinery orders **10.50am** AEDST and industrial production (final) 3.30pm.

In overnight commodities trade, US **gold** futures and **WTI crude** settled sharply higher.

Iron ore (China port, 62% Fe) rallied for a second consecutive session.

LME **copper** and other key base metals picked up the pace of the previous session's rally.

The **\$A** was propelled to ~US79.10c after trading at ~US78.70c early yesterday evening, and has climbed further this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24893	253	1.0
S&P 500	2699	36	1.3
NASDAQ	7144	130	1.9
FTSE 100	7214	46	0.6
DAX 30	12339	143	1.2
Shanghai Comp	3199	14	0.5

Overseas Markets Commentary

Major equities markets opened higher in Europe overnight and trended so in the US, producing strong overall gains.

Key indices chopped and/or swung, amid mixed influential data releases, \$US turns and US 10-year bond yields at new four-year peaks.

Much-anticipated data releases included **US** January CPI, estimated at 0.5% growth for the month and 2.1% year-on-year.

The readings were respectively 0.1% and 0.2% higher than mostly forecast, initially spawning expectations of a possible four rate rises this year.

The core (excluding energy and food) CPI growth rate, however, remained at 1.8%.

January retail sales surprised, slipping 0.3%. Further, December's were lowered from a 0.4% gain

Australia – January employment statistics **11.30am** AEDST

Japan – December machinery orders **10.50am** AEDST

Today's Stock Watch

Suncorp Group (☝ **SUN**)

15.8% lower, \$452M interim NPAT. 9.2% lower, \$7.8B revenue. 33c fully-franked interim dividend.

Telstra Corporation (TLS)

4.9% lower, \$A1.70B interim NPAT. 0.8% higher, \$12.9B revenue. 7.5c interim and 3.5c special dividends, each fully-franked. Paid 15.5c a year ago. 43.5c NTA.

Webcast briefings scheduled for 9.15am AEDST and 11am AEDST. Presentation lodged.

Sonic Healthcare (SHL)

16.2% higher, \$228.55M interim NPAT. 7.9% higher, \$2.7B revenue. 32c, 6.4c-franked interim dividend. 53.9c EPS.

Healthscope Ltd (HSO)

12.6% lower, \$77.5M interim NPAT (continuing operations). 4.9% higher, \$1.2B revenue. 3.2c interim dividend. 37c NTA.

ASX Ltd (ASX)

5.1% higher, \$230.5M interim NPAT. 7.8% higher, \$501.5M revenue. \$1.072 fully-franked interim dividend. \$7.70 NTA.

Breville Group (BRG)

7.8% higher, \$36.3M interim NPAT. 13.6% higher, \$385.4M revenue. 16.5c, 9.9c-franked interim dividend, against 15.5c, 9.3c-franked a year ago. \$1.288 NTA.

GrainCorp Ltd (☝ **GNC**)

Lowered earnings guidance lodged ahead of this morning's AGM.

CIMIC Group (CIM)

\$170M solar farm contract secured by CIM's UGL.

HT&E Ltd (HT1)

\$117.5M full-year net loss, following a \$6M loss a year ago. 28% lower, \$472.3M revenue. 4c fully-franked final dividend.

Service Stream (SSM)

52.7% higher, \$19.9M interim NPAT. 22.2% higher, \$294.1M revenue. 3c fully-franked interim dividend. 15.37c NTA.

Resources

South32 Ltd (S32)

12% lower, \$US543M interim NPAT. 8% higher, \$US3.5M revenue.

US4.3c fully-franked interim dividend.

US3c, 81%-franked special dividend. \$US1.96 NTA.

Evolution Mining (EVN)

19% lower, \$122.5M interim NPAT. 10% higher, \$782.1M revenue. 3.5c fully-franked interim dividend. \$1.29 NTA. 7.21c EPS.

Energy

Origin Energy (ORG)

\$207M interim net loss, against a \$1.6B net loss a year ago. 19% higher, \$7.5B revenue. Nil interim dividend. \$3.26 NTA.

to no change.

December business inventories rose 0.4%.

In the **euro zone**, December quarter GDP growth was reported at 0.6% for the three months, the same rate as for the September and June quarters.

Year-on-year, GDP grew 2.7%.

December industrial production surprised on the upside, rising 5.2% year-on-year against 3.7% in November. For the month, however, output rose 0.4% following 1.3% during November.

Germany reported December quarter GDP growth at 0.6% against 0.8% for the September quarter. Year-on-year, the rate came in at 2.9%, and for 2017, was estimated at 2.2%.

Meanwhile, Germany's final January CPI reading confirmed a 0.7% pullback for the month.

Tonight in the US, January industrial production, producer prices, weekly new unemployment claims, two regional manufacturing indices and a home builders' sentiment index are due.

Elsewhere, the European Commission will publish euro zone December trade figures.

European Central Bank chief economist Peter Praet is also due to speak publicly in Paris.

Airbus, Aveva, CBS, and Nestlé are among companies scheduled to report earnings or provide trading updates today or tonight.

In overnight corporate news, Sky revealed it would pay £1.2B for 2019 Premier League rights.

China's markets are closed from today through 21 February (Wednesday next week), due to Lunar New Year and Spring Festival holidays.

Hong Kong's will close at midday local time today (New Year's eve) and remain so through Monday next week. South Korea's markets are closed today and tomorrow.

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

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Apr)	1358	oz	28	2.1
Silver (NY) (Mar)	16.8	oz	0.3	1.9
Gold (LON)	1336	oz	11	0.8
Platinum	995	oz	23	2.4
WTI Crude (Mar)	60.6	bbl	1.4	2.4
Brent Crude (Apr)	64.4	bbl	1.7	2.7
Iron Ore <small>(CHN port 62%)</small>	78.4	t	1.0	1.4
Copper	7163	t	175	2.5
Nickel	14100	t	650	4.8
Aluminium	2178	t	39	1.8
Lead	2579	t	18	0.7
Zinc	3568	t	98	2.8
Tin	21550	t	50	0.2
CBT Wheat (Mar)	4.56	bshl	-0.05	-1.1

Commodities Commentary

Oil – prices headed lower early, but ultimately settled higher for the session.

A weekly US petroleum inventories report contained a 1.8MMbbl increase for stored crude, but this represented ~1MMbbl fewer than anticipated.

Production continued to rise, however, this time to a daily 10.27MMbbl.

Gold – prices swung intra-session: lower on an

Pre-Open Announcements

NextDC Ltd (NXT) / Asia Pacific Data Centre (AJD)

21-day exclusive due diligence agreed for NXT's potential acquisition of AJD's data centres in Melbourne, Perth and Sydney for a combined \$280M.

Additional conditions, should due diligence prove satisfactory, include FIRB and shareholder approvals.

EML Payments (EML)

Former CEO and chairman Bob Browning is retiring as an EML director, effective 20 February (Tuesday next week).

EML has consequently appointed Kirstin Ferguson and Melanie Wilson as independent non-executive directors, effective immediately.

Resources

Accelerate Resources (AX8) / Poz Minerals (POZ)

Australia-focused minerals explorer completed its ASX listing yesterday following a \$5M IPO at 20c per share.

Opened at 21c and rose to 22c before settling at 19.5c. ~3.38M shares were traded across 216 transactions.

POZ held 6.30% on listing. 27.26M shares on issue.

Central Asia Resources (CVR)

Voluntary administrators appointed.

Energy

Paladin Energy (PDN)

Recommencing ASX quotation at market open tomorrow following a lengthy suspension.

Trade will commence on a deferred settlement basis. Normal (T+2) trade is scheduled to commence 23 February (Friday next week).

PDN last traded at 4.7c.

Trading Halts

Company	Code	Resuming
Bowen Coking Coal	BCB	15 Feb
Explaurum Ltd	EXU	15 Feb
LiveTiles Ltd	LVT	16 Feb
Zyber Holdings	ZYB	16 Feb
Woodside Petroleum	WPL	19 Feb

Suspensions (selected)

Company	Code	Since
Australian Mines	AUZ	14 Feb
Buddy Platform	BUD	2 Feb
CBL Corporation	CBL	6 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 (%)
AXL	Today	2.9	100	2.56



initial reaction to the higher-than-anticipated US CPI reading; and then higher with equities sentiment waning, retail sales disappointing and the \$US turning lower.

Disappointing January US retail sales, also reported overnight, bolstered some safe-haven demand.

Base metals – GDP figures from Japan (+0.1% for the quarter; 0.5% y-o-y), the euro zone and Germany, reported yesterday and overnight, proved mixed against forecasts.

China's January foreign direct investment (FDI) was reported 0.3% higher year-on-year.

Lunar new year and the Spring festival holiday season officially commence today (New Year's Eve).

China's markets are closed for a week from today.

Hong Kong's are open today until midday local time.

Iron ore spot prices will be reported over the coming week, but futures markets will remain closed until Thursday 22 February.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7926	0.0001	0.01
EUR – USD	1.2458	0.0008	0.06

Australian Data Today

ABS	Employment	Jan
MelbInst	Inflation expectations	Feb
ABS	New vehicle sales	Jan
RBA	Forex transactions	Jan
RBA	Reserve assets	Jan

US Data Tonight

Industrial production	Jan
Producer prices	Jan
NAHB sentiment	Feb
New York Fed manufacturing	Feb
Philadelphia Fed manufacturing	Feb
Initial jobless claims	10 Feb

Other Overseas Data Today & Tonight

Japan	Machinery orders	Dec
Japan	Industrial production (final, 3.30pm AEDST)	Dec
Euro zone	Trade balance	Dec

Need More Information?

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IBC	Today	1.1	100	3.52
JHG	Today	40.8	0	6.38
MIN	Today	25	100	2.94
ANN	Tomorrow	26.35	54.87	2.33
ARG	Tomorrow	15.5	100	3.80
DDR	Tomorrow	4.8	100	5.75
TCL	Tomorrow	28	n/a	tbc
BLD	Mon	12.5	50	3.32
AMP	Wed	14.5	90	5.57
AGL	Thu (22 Feb)	54	80	4.78
JBH	Thu	86	100	4.93
KOV	Thu	5	100	3.45

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ASX	Interim
	EVN	Interim
	GNC	AGM
	HT1	Full year
	MTR	Interim
	NCM	Interim
	ORG	Interim
	S32	Interim
	SHL	Interim
	SUN	Interim
TLS	Interim	
Tomorrow	ABP	Interim
	AIA	Interim
	BBN	Interim
	IFL	Interim
	MPL	Interim
	NCM	Int webcast
	PRY	Interim
	SGM	Interim
	SGR	Interim
	VRL	Interim
WHC	Interim	
Mon	ALU	Interim
	BPT	Interim
	BXB	Interim
	CQR	Interim
	DHG	Interim
	GWA	Interim
	IMD	Interim
	IFN	Interim
	NHF	Interim
	OML	Full year
Tue	APO	Full year
	BHP	Interim
	FXL	Interim
	GXL	Interim
	GOZ	Interim
	MND	Interim
	NST	Interim
	SFR	Interim
	SWM	Interim
	SUL	Interim
VRT	Interim	



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VOC	Interim
WSA	Interim