

Markets

SFE 200 Futures (9.30am AEDT)	6002	-11	-0.2
NZX 50	9259	-26	-0.3
DJIA Futures	25406	-21	-0.1
S&P 500 Futures	2744	-6	-0.2
NASDAQ Futures	7020	4	0.1

Local Markets Commentary

The Australian market opens Friday trade with new China data in hand, ahead of further key data out of China today, and significant US news heading towards a US Monday public holiday weekend.

Trade news out of China is also possible later today with China's president, the US treasury secretary and chief trade negotiator reportedly meeting in Beijing today.

Post-ASX trade yesterday, **China** announced a 2.8% (\$US terms) year-on-year rise in January **foreign direct investment**, to \$US1241.B, against a 23.2% December increase.

China's January **CPI** and producer prices are expected before then, at **12.30pm** AEDT.

Locally today, Reserve Bank of Australia (**RBA**) assistant governor financial markets Christopher Kent has delivered remarks at an FX event.

Earnings season continues and ARG trades ex-dividend. Please see p4 for ex-dividend details.

In overnight commodities trade, **oil** settled higher for a third consecutive session.

US **gold** futures (April) continued to settle just slightly changed, but this time lower.

Iron ore (China port, 62% Fe) turned higher.

LME **copper** settled a little lower. **Nickel** fell.

The **\$A** ultimately changed little after trading at ~US71.05c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25439	-104	-0.4
S&P 500	2746	-7	-0.3
NASDAQ	7427	7	0.1
FTSE 100	7197	6	0.1
DAX 30	11090	-77	-0.7
Shanghai Comp	2720	-1	-0.1

Overseas Markets Commentary

Major European and US equities markets diverged markedly during overnight trade, amid key data releases, currency swings, announcements regarding China-US trade talks and US government funding, and UK parliament confirmation of little progress on UK-European Union (EU) separation plans.

In late US trade, the US president vowed to declare an emergency for the US-Mexico border, at the same time agreeing to sign a funding bill that will support government functions through to September.

China – January CPI – 12.30pm AEDT

Australia – **RBA** assistant governor financial markets Christopher Kent spoke at an FX event 7.45am AEDT, Melbourne

Today's Stock Watch

Bega Cheese (BGA)

Planning to outlay \$34M establish a lactoferrin manufacturing plant within the Koroit, Western Australia facility, in order to satisfy a long-term supply agreement.

BGA is targeting 35tpa production for use in products including pharmaceuticals and baby formulae.

BGA has been producing lactoferrin at its Tatura operation since 2002.

BGA has traded lower the past five trading sessions, yesterday settling at \$4.74.

Medibank Private (MPL)

15.4% lower, \$207.7M interim NPAT.

1.0% higher, \$3.57B income.

5.7c fully franked interim dividend. 51.9c NTA.

Resident policyholders grew by 6400.

Healius Ltd (formerly Primary Health Care) (HLS)

6.3% lower, \$20.7M interim NPAT.

4.7% higher, \$871.6M revenue.

3.8c fully franked dividend, against 5.1c a year ago.

Anticipating \$93M - \$98M FY 2019 underlying NPAT.

Abacus Property Group (ABP)

9% higher, \$127.8M interim NPAT.

8% higher, \$219.8M income.

9.25c distribution, previously declared. \$3.29 NTA.

Vicinity Centres (VCX)

68.9% lower, \$235.3M interim NPAT.

0.5% lower, \$659.3M revenue.

7.95c interim distribution. \$2.96 NTA.

VCX has appointed Unibail-Rodamco-Westfield (ASX: URW) COO

Peter Huddle as COO, effective 1 April.

Domain Holdings Australia (DHG)

\$156.37M interim net loss following a \$3.35M loss a year ago.

\$186.42M revenue, against \$112.66M.

Link Administration Holdings (LNK)

188% higher, \$186.23M interim NPAT.

42% higher, \$714.39M revenue.

8c fully franked interim dividend.

Navitas Ltd (NVT)

Portsmouth University International College Portsmouth

agreement renewed for 10 years.

Energy

Whitehaven Coal (WHC)

19% higher, \$305.83M interim NPAT.

11% higher, \$1.27M sales revenue.

15c interim and 5c special dividend, against 13c a year ago.

\$3.3938 NTA. \$244.2M net debt.

Anticipating producing 21.5Mt – 22.5Mt of saleable coal during FY 2019. Raising cost guidance to \$67/t from \$64/t.

Earlier in the UK, sufficient parliamentarians abstained from a vote to affirm renegotiation plans for leaving the EU, to another defeat.

Yesterday, China had reported a January trade surplus drop, but improved exports.

Later, reports emerged China's president, the US treasury secretary and chief trade negotiator would meet in Beijing today following days of negotiations between other US-China trade officials.

The US administration indicated a two-month pushback was under consideration for any increased taxes on imports from China, should an agreement not be in hand by 1 March.

Among overnight data releases, **Germany's** initial December quarter GDP reading came in flat for the three months after retreating 0.2% during the September quarter.

Year-on-year December quarter growth was 0.6% higher.

The figures pushed the euro to a three-month low against the \$US but US data subsequently propelled it ~0.3% higher.

A **euro zone** revised December quarter GDP reading was confirmed at 0.2% growth for the three months and 1.2% year-on-year.

In the **US**, a series of data releases ultimately pushed the \$US from session highs.

December retail sales were deemed responsible for US equities markets falling on opening, the sales dropping 1.2% for the month, reducing the year-on-year improvement from a 4.1% in November to 2.3%.

January producer prices fell 0.1% for the month but were 2% higher year-on-year.

Weekly new unemployment claims rose by 4000.

Tonight in the **US**, January industrial production is keenly anticipated, but a New York region business activity index, export and import prices and a preliminary University of Michigan January consumer sentiment reading are also scheduled for release.

Elsewhere, the **euro zone** is expected to reveal December **trade** figures and the **UK** January **retail** sales.

Companies scheduled to report **earnings** later today or tonight include: Allianz (full year), Baidu, Bridgestone, Deere & Co, ENI, Kraft Heinz, PepsiCo and Royal Bank of Scotland (full year).

In overnight corporate news, **Airbus** revealed it planned to stop making A380s in 2021.

Coca-Cola was pushed ~8.5% lower on sober earnings and revenue growth forewarnings.

Cisco Systems reported higher-than anticipated revenue post-Wednesday US trade and also raised its dividend and boosted a buy-back.

Chip manufacturer **Nvidia** reported post-US trade and appears to have pleased.

In the meantime, US equities markets will be closed Monday due to President's Day commemorations.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1313.9	oz	-1.2	-0.1
Silver (NY) (Mar)	15.53	oz	-0.12	-0.8
Gold (LON)	1313	oz		
Platinum	786	oz	1	0.1
WTI Crude (Mar)	54.41	bbl	0.51	1.0

Pre-Open Announcements

Baby Bunting (📈 BBN)

A teleconference commenced 9.30am.

27.8% higher, \$5.22M interim NPAT.

17.2% higher, \$177.69M sales revenue.

3.3c fully franked interim dividend. 33c NTA.

Comparable store sales have risen 8.7%, and total sales 17.9% during 1 January - 14 February.

Teleconference access details lodged this morning.

Automotive Holdings Group (📈 AHG)

Anticipating a \$226M interim non-cash total automotive franchise and refrigerated logistics impairment.

Planning to lodge half year results 22 February (Friday next week).

Suncorp Group (* SUN)

Company secretary Kristy Huxtable has resigned, effective yesterday, in favour of a role with SUN's technology, data and labs division.

Darren Solomon is continuing in his company secretary role.

Euroz Ltd (EZL)

\$2.14M interim net loss, following a \$13.76M net profit a year earlier.

55.4% higher, \$37.51M revenue.

1.75c fully franked interim dividend, already paid. 74c NTA.

\$1.43B FUM, against \$1.46B at 30 June 2018.

GR Engineering Services (GNG)

Expecting to record in interim results a \$1.1M impairment against receivables in relation to the appointment of administrators to Eastern Goldfields (ASX: EGS).

EGS is anticipating receiving a proportion of its claim lodged with administrators, likely payable in a mix of cash and scrip.

iSignthis Ltd (ISX)

Acquiring UAB Baltic Banking Services.

Details lodged this morning.

Bard1 Life sciences (BD1)

Cancer vaccine exploratory study results lodged this morning.

Vonex Ltd (VN8)

VN8 yesterday confirmed it was anticipating the company's Oper8tor app (both iOS and Android) would become available in Australia next month.

VN8 is targeting a commercial launch in Europe by July.

VN8 subsequently recouped 9% yesterday, settling at 9.7c.

Resources

Gold Road Resources (* GOR)

2019 production guidance lodged this morning.

African Gold (* A1G)

West Africa-focused gold explorer completed its ASX listing yesterday following a \$4.5M IPO at 20c per share.

Opened at 32c and traded as high as 40c before closing at 30c.

1.83M shares changed hands across 228 transactions.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ABP	Interim
	BBN	Interim

Brent Crude (Apr)	64.57	bbl	0.96	1.5
Iron Ore (CHN port 62%)	88.32	t	1.1	1.3
Copper (LME,3mth,PM)	6136	t	-7	-0.1
Nickel	12195	t	-210	-1.7
Aluminium	1852	t	-9	-0.6
Lead	2037	t	14	0.7
Zinc	2588	t	-21	-0.8
Tin	20900	t	-175	-0.8
CBT Wheat (Mar)	5.11	bshl	-0.15	-2.8

Commodities Commentary

Oil – China’s overall January exports, a 5% year-on-year rise in January crude imports, and significant early-February crude imports helped support overnight sentiment.

A weekly US petroleum drill rig count is due tonight.

Gold – overnight trade was supported by a string of disappointing US economic indicator releases, producing a \$US pullback (ICE -0.1%).

Ultimately, Comex futures headed slightly lower however.

Any US-China developments could swing tonight’s trade, together with reactions to the US president’s intention to declare a US-Mexico border emergency.

Base metals – data, \$US moves and geopolitical developments combined to influence overnight trade.

China’s January trade figures, released yesterday, included a \$US39.16B trade surplus, from \$US57.06B at the end of 2018, and against \$US18.4B for January 2018.

Exports rose 9.1% and imports fell 1.5%, against respective 4.4% and 7.6% falls in December.

Aluminium exports were reported 6.2% higher for the month, and 25.5% higher than for January 2018.

Unwrought **copper** imports were estimated 14% higher for the month and 8.9% higher year-on-year. 1.895Mt of copper concentrate imports represented a 29.9% jump from December and 17% year-on-year increase.

Coal imports rose more than 200%.

Also yesterday, **Japan** reported a return to GDP growth during the December quarter, GDP rising 0.3% for the month and 1.4% year-on-year, against a 0.6% September quarter drop which pushed the annual reading to a 2.6% decline.

China’s January **CPI** growth and producer prices are expected today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7104	-0.0000	-0.01
EUR – USD	1.1296	0.0001	0.01

US Data Tonight

NY Fed (Empire State) manufacturing	Feb
Industrial production	Jan
Import & export prices	Jan
Uni of Michigan consumer sentiment (prelim)	Feb

Other Overseas Data Today & Tonight

China	CPI, PPI	Jan
China	<i>New lending</i>	Jan
Japan	Industrial production (3.30pm)	Dec

	DHG	Interim
	LNK	Interim
	MPL	Interim
	HLSA	Interim
	SHL	Interim
	VCX	Interim
	WHC	Interim
Mon	ALU	Interim
	ANN	Interim
	BXB	Interim
	GWA	Interim
	IMD	Interim
	IVC	Interim
	NHF	Interim
	RHP	Interim
	SFR	Interim
	SWN	Interim
	SIQ	Interim
Tue	AGG	Full year
	APA	Interim
	BHP	Interim
	BKL	Interim
	CDA	Interim
	EHL	Interim
	FBU	Interim
	IFL	Interim
	MND	Interim
	OGC	Full year
	OSH	Full year
	SGF	Interim
	SXY	Interim
	TWR	AGM
	VRT	Interim
	WSA	Interim
Wed	3PL	Interim
	ACR	Interim
	CDD	Interim
	CQR	Interim
	CGS	Interim
	CTD	Interim
	CWN	Interim
	DMP	Interim
	EML	Interim
	LOV	Interim
	MMS	Interim
	NEA	Interim
	PRU	Interim
	SCG	Interim
	SGM	Interim
	SHL	Interim
	SPK	Interim
	SBM	Interim
	SDF	Interim
	SGP	Interim
	SYD	Interim
	TRS	Interim
	WTC	Interim
	WOW	Interim
	WOR	Interim



UK	Retail sales	Jan
Euro zone	Trade balance	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.

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Trading Halts

Company	Code	Resuming
DroneShield Ltd	DRO	15 Feb
Aurora Labs	A3D	18 Feb
Kangaroo Island Plantation Timbers	KPT	18 Feb
LandMark White	LMW	18 Feb
Technology Metals Australia	TMT	18 Feb

Suspensions *(select)*

Company	Code	Since
Affinity Energy & Health	AEB	5 Feb
Coolgardie Minerals	CM1	8 Feb
Covata Ltd	CVT	30 Jan
Freedom Insurance Group	FIG	7 Feb
Pepinnini Lithium	PNN	12 Feb
Sky & Space Global	SAS	6 Feb
Threat Protect Australia	TPS	14 Feb
Vector Resources	VEC	4 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ARG	Today	16	100	4.01
PL8	Today	0.5	100	5.89
TAH	Mon	11	100	4.64
CPU	Tue	21	30	2.25
ZIM	Tue	26.19	0	17.57
AGL	Wed	55	80	5.41
DOW	Wed	14	50	3.74
SUN	Wed	26	100	5.08
EVN	Thu	3.5	100	2.02
JBH	Thu	91	100	6.04
KOV	Thu	9	100	5.42
DUI	Fri (22 Feb)	7	100	3.72
HT1	Fri	4	100	3.83
WPL	Fri	US91	100	5.64