

Markets

SFE 200 Futures (9.30am AEDT)	6076	11	0.2
NZX 50	9266	42	0.5
DJIA Futures	25878	-5	0.0
S&P 500 Futures	2779	2	0.1
NASDAQ Futures	7068	5	0.1

Local Markets Commentary

The Australian market commences mid-week trade after US-China trade negotiations resumed overnight, with some overnight key commodity price gains, further major domestic stocks reporting earnings, and a batch of large-cap domestic companies trading ex-dividend.

Locally today, the December quarter wage price index is due 11.30am AEDT.

Westpac and the Melbourne Institute also publish their monthly leading index report then.

AGL, DHG, DOW, NCM and **SUN** are among stocks trading **ex-dividend**. Please see p5 for details.

Regionally, Japan reports January trade figures 10.50am AEDT.

In overnight commodities trade, **WTI crude** headed yet higher, but Brent was pushed slightly lower.

US **gold** futures (April) began the week with a rally.

Iron ore (China port, 62% Fe) also posted a stronger gain.

LME **copper** continued relatively strong, and **nickel** picked up the pace of its current string of gains.

The **\$A** appreciated to ~US71.70c after falling below ~US71.10c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25891	8	0.0
S&P 500	2780	4	0.2
NASDAQ	7487	14	0.2
FTSE 100	7179	-40	-0.6
DAX 30	11309	10	0.1
Shanghai Comp	2756	1	0.1

Overseas Markets Commentary

Vacillating sentiment was demonstrated across major European and US equities markets overnight, as US-China trade negotiations resumed in Washington, 16 US States initiated court action against Friday's Mexico-US border emergency declaration, and amid little optimism for any UK-European Union separation arrangements being approved this week.

The US announced the trade talks would involve high-level representatives again from Thursday, and China confirmed its chief economic advisor and vice premier Liu He would attend.

In the **UK**, year-on-year December earnings were reported 3.4% higher, the same as for November.

December quarter productivity rose by 0.2% after falling 0.4% during the September quarter.

Australia – wages growth – 11.30am AEDT

Today's Stock Watch

National Australia Bank (NAB)

Two committees established to manage the selection of a new CEO and chairman. Details lodged this morning.

Woolworths Ltd (WOW)

1.0% higher, \$979M interim NPAT.

2.2% higher, \$30.70B revenue.

45c fully franked interim dividend, up 2c. \$3.309 NTA.

\$1.62B cash and equivalents.

Scentre Group (SCG)

45.8% lower, \$2.29B full year NPAT.

6.7% higher, \$2.64B revenue.

22.16c final dividend/distributions

SCG has appointed chief strategy and business development officer Cynthia Whelan as a member of SCG's 'key management personnel' group.

The other members of this group are the CEO, CFO and COO.

Sonic Healthcare (SHL)

2.4% lower, \$222.98M interim NPAT.

8.5% higher \$2.90B revenue.

33c, 6.6c-franked interim dividend, against 32c, 6.4c-franked.

Seven Group Holdings (SVW)

64.09% lower, \$60.3M interim NPAT.

45.04% higher, \$2.03B revenue.

21c fully franked interim dividend. \$3.70 NTA.

\$76.7M cash and equivalents.

WorleyParsons Ltd (WOR)

Results lodged pre-trade.

In addition, WOR has appointed Roger Higgins and Sharon Warburton as independent non-executive directors, effective today.

Dr Higgins is also a Newcrest Mining (ASX: NCM) and Ok Tedi Mining, chairs Minotaur Exploration (ASX: MEP), and is the University of Queensland's Sustainable Minerals Institute adjunct professor.

Ms Warburton is co-deputy chair of Fortescue Metals Group (ASX: FMG), and also a director of NEXTDC (ASX: NXT) and Gold Road Resources (ASX: GOR).

Resources

BHP Billiton (BHP)

87% higher \$US3.76B interim NPAT. 8% lower underlying net profit, impacted by several outages and a fall in Escondida copper grades.

Flat, \$US21.59B revenue.

Flat, US55c fully franked interim dividend. \$US10.79 NTA, against \$US10.95 a year ago.

\$US15.099B cash and equivalents, net of overdrafts.

Expecting China's economic growth to slow modestly during 2019.

Fortescue Metals Group (FMG)

5% lower, \$US644M interim NPAT.

4% lower \$US3.54B revenue.

A19c interim and A11c special dividends, each fully franked.

January new unemployment claims fell to 14,200 from 20,200 during December.

In scant **US** reports, a home builders' sentiment index rose by four points to a four-month peak of 62, in part supported by lower mortgage rates.

Tonight in the US, Federal Reserve policy meeting minutes are keenly anticipated.

Weekly mortgage applications are also due.

Companies scheduled to report **earnings** later today or tonight include: CVS Health, Glencore, and Lloyds.

In overnight corporate news, **HSBC's** \$US19.9B pre-tax full year profit undershot expectations, even while coming in 16% greater than for 2017.

Honda announced it would close its vehicle manufacturing facility in Swindon, UK in 2021, due to global markets uncertainty.

US retailer **Walmart** reported pre-trade, bolstering futures with better-than-expected January quarter sales and a further 43% increase in online sales, while warning overall FY 2020 earnings would fall.

Late last week, major US investors reported their December quarter investment changes, and these have appeared to impact broad tech sentiment.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1344.8	oz	22.7	1.7
Silver (NY) (Mar)	15.97	oz	0.22	1.4
Gold (LON)	1326	oz		
Platinum	818	oz	14	1.7
WTI Crude (Mar)	56.09	bbl	0.5	0.9
Brent Crude (Apr)	66.45	bbl	-0.05	-0.1
Iron Ore (CHN port 62%)	89.21	t	0.89	1.0
Copper (LME,3mth,PM)	6331	t	68	1.1
Nickel	12655	t	200	1.6
Aluminium	1855	t	3	0.2
Lead	2022	t	-9	-0.4
Zinc	2664	t	24	0.9
Tin	21140	t	35	-0.2
CBT Wheat (Mar)	4.92	bshl	-0.15	-3.0

Commodities Commentary

Oil – a \$US pullback supported overnight sentiment, but uncertain supply-demand outlooks appeared to weigh on Brent crude trade.

WTI traded at three-month peaks, however, during the first trading for the week since confirmation of lower **Saudi** output, beyond the OPEC-agreed level.

Saudi Arabia shipments fell a daily 1.3MMbbl during first-half February, according to shipping data, at least part of the decrease attributed to an offshore oil field outage.

In addition, Saudi Arabia and **Russia** maintained they each supported co-ordinated international oil market stability efforts.

Shipping data, and un-named industry personnel, also overnight revealed that **Iran's** January exports had averaged 1.1MMbbl/d – 1.3MMbbl/d, and were averaging 1.25MMbbl/d this month.

The figures came in higher than anticipated, but Iran reportedly shipped 2.5MMbbl/d in April 2018, before new US sanctions were announced.

Meanwhile, **US** government agency EIA forecast March daily domestic **shale** output to grow by 84,000bbl to 8.398bbl/d.

Pre-Open Announcements

GrainCorp Ltd (* GNC)

Today's AGM addresses and presentation lodged pre-trade.

Domino's Pizza Enterprises (* DMP)

9.2% lower, \$53.3M interim NPAT.

23.7% higher, \$702.0M revenue.

62.7c, 75%-franked interim dividend.

Anticipating FY EBIT at the lower end of \$227M - \$247M.

Fletcher Building (* FBU)

\$NZ273M interim net loss, following an \$NZ89M net profit a year ago.

\$NZ4.89B revenue, against \$NZ4.75B.

Nil interim dividend, against NZ8c.

A webcast teleconference commenced 9am AEDT.

The a2 Milk Company (* A2M)

55.1% higher, \$NZ152.695M interim NPAT.

41.0% higher, \$NZ613.11M revenue.

NZ85c NTA.

Spark New Zealand (* SPK)

5.6% lower, \$NZ153.0M interim NPAT.

0.4% lower, \$NZ1.75B revenue.

NZ11c interim and NZ1.5c special dividends. NZ26c NTA.

Sky Network Television (SKT)

19.6% lower, \$NZ53.60M interim NPAT.

8.4% lower, \$NZ403.03M operating revenue.

Flat, NZ7.5c interim dividend.

Corporate Travel Management (* CTD)

27% higher, \$38.86M interim NPAT.

23% higher, \$212.20M income.

18c fully franked interim dividend, up 20%. 52c NTA.

A webinar was scheduled to commence 8.30am AEDT.

Finbar Group (FRI)

\$1.89M interim NPAT, following a \$482,475 net loss a year ago.

22.4% lower, \$34.19M revenue.

Flat, 3c fully franked interim dividend. 90.95c NTA.

\$33.91M cash and equivalents.

Sydney Airport (* SYD)

2.0% January passenger numbers growth, but a flat domestic result.

Candy Club Holdings (* CLB)

Confectionary distributor and retailer completed a successful ASX listing yesterday, following an ~\$5M IPO at 20c per share.

Opened at 20c and traded as high as 24c before settling at 23.5c.

1.3M shares changed hands across 164 transactions.

98.39M quotes shares.

Resources

Western Areas (* WSA)

95.7% lower, \$A150,000 interim NPAT.

6.8% higher, \$123.66M revenue.

\$1.728 NTA.

A teleconference commenced 9.30am AEDT.

Ramelius Resources (* RMS)

65% lower, \$A4.78M interim NPAT.

26% higher, \$181.85M revenue.

47c NTA.

Nil debt. \$A108.9M cash and gold.

Gold – traded at 10-month peaks overnight as the \$US weakened (ICE ~-0.5%).

US Federal Reserve January policy meeting minutes are due tonight and could swing \$US, and hence, gold trade.

Base metals – overall LME sentiment picked up from early trade as the \$US fell, *copper's* gains also attributed in part to China-US trade negotiations optimism.

Further \$US swings are anticipated tonight, pending reaction to US Federal Reserve policy meeting minutes.

Any significant change in Japan's January trade statistics, due today, could also influence some of tonight's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7164	-0.0001	-0.02
EUR – USD	1.1339	-0.0001	-0.01

Australian Data Today

ABS	Wages growth	Dec Q
Wstpc/MI	Leading index	Feb

US Data Tonight

Federal Reserve policy meeting minutes	Jan
MBA mortgage applications	15 Feb

Other Overseas Data Today & Tonight

Japan	Trade balance	Jan
UK	CBI industrial trends	Feb
Germany	Producer prices	Jan
Euro zone	Consumer confidence	Feb

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

OceanaGold Corporation (* OGC)

29.2% lower, \$US121.7M full year NPAT.

6.6% higher, \$US772.5M revenue.

US1c final dividend. \$US2.53 NTA.

\$US69M net debt.

A webcast teleconference commenced 8.30am AEDT.

AngloGold Ashanti (AGG)

\$US107M 2H 2018 NPAT, following a \$US5M loss a year earlier.

\$US1.941B product sales revenue, against \$US2.398B.

\$US329M cash and equivalents.

\$US1.66B net debt, down 17% for the year.

Initial Colombia Quebradona JV project copper and gold ore reserves also lodged post-trade yesterday. AGG 94.876% and manager; B2Gold 5.124%.

Energy

Caltex Australia (* CTX)

Two GM appointments lodged this morning, amid some senior management consolidation.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	3PL	Interim
	A2M	Interim
	ACR	Interim
	APA	Interim
	AHY	Full year
	CDD	Interim
	CQR	Interim
	CGS	Interim
	CTD	Interim
	CWN	Interim
	DMP	Interim
	EML	Interim
	FMG	Interim
	GNC	AGM
	GXL	Interim
	LOV	Interim
	MMS	Interim
	NEA	Interim
	NTC	Interim
	NWH	Interim
	PRU	Interim
	SCG	Full year
	SGM	Interim
	SKT	Interim
	SHL	Interim
	SPK	Interim
	SBM	Interim
	SVW	Interim
	SDF	Interim
	SGP	Interim
	SYD	Full year
	TRS	Interim
	VOC	Interim
	WTC	Interim
	WSA	Interim
	WOW	Interim
	WOR	Interim



Tomorrow	APT	Interim
	AWC	Interim
	ALL	Interim
	BLT	Interim
	CCL	Interim
	EVT	Interim
	FLT	Interim
	GOZ	Interim
	ILU	Interim
	IRE	Interim
	MSB	Interim
	MIN	Interim
	MYO	Interim
	NEC	Interim
	ORG	Interim
	PGH	Interim
	PPT	Interim
	PTM	Interim
	QAN	Interim
	QUB	Interim
STO	Interim	
SGR	Interim	
VVR	Interim	
WEB	Interim	
WES	Interim	
Fri	AAD	Interim
	AIA	Interim
	AHG	Interim
	BWX	Interim
	CHC	Interim
	IVC	Interim
	KGN	Interim
	MYX	Interim
	NTC	Interim
	REH	Interim
REG	Interim	
VRL	Interim	

Trading Halts

Company	Code	Resuming
GetSwift Ltd	GSW	20 Feb
Nexus Minerals	NXM	20 Feb
Pearl Global	PG1	20 Feb
R3D Global	R3D	20 Feb
Reva Medical	RVA	20 Feb
Titan Minerals	TTM	20 Feb
Andromeda Metals	ADN	21 Feb
AVZ Minerals	AVZ	21 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
LandMark White	LMW	19 Feb
Sinotech Ltd	STC	19 Feb
Sky & Space Global	SAS	6 Feb
Threat Protect Australia	TPS	14 Feb

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.

Vector Resources VEC 4 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AGL	Today	55	80	5.35
CL1	Today	2.5	100	3.36
DHG	Today	2	100	2.29
DOW	Today	14	50	3.77
NCM	Today	10.51	100	1.02
NGI	Today	11.21	0	7.51
SUN	Today	26	100	4.96
AKG	Tomorrow	1.3	100	4.95
CVC	Tomorrow	7	100	5.75
EVN	Tomorrow	3.5	100	1.97
GWA	Tomorrow	9	100	5.69
JBH	Tomorrow	91	100	5.73
KOV	Tomorrow	9	100	5.71
MAM	Tomorrow	1	100	4.76
MRN	Tomorrow	3	100	3.59
QVE	Tomorrow	2.2	100	4.08
ANN	Fri	29.25	0	2.55
AUI	Fri	17	100	4.17
DUI	Fri	7	100	3.71
HT1	Fri	4	100	3.72
LNK	Fri	8	100	3.08
SUL	Fri	21.5	100	6.24
WPL	Fri	127.56	100	5.41