

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5916</b>	<b>2</b>	<b>0.0</b>
<b>NZX 50</b>	8335	135	1.7
<b>DJIA Futures</b>	24778	-4	-0.0
<b>S&amp;P 500 Futures</b>	2699	0	0.0
<b>NASDAQ Futures</b>	6761	0	0.0

## Local Markets Commentary

The Australian market commences today's trade amid a myriad of high-profile domestic corporate earnings reports and with four large-cap stocks trading ex-dividend.

Overnight US equities leads are again negative, but commodities trade proved more positive than overnight Tuesday's.

US **gold** futures closed little changed, however, while **WTI** crude slipped and Brent settled a little higher.

In LME trade, **copper** swung to recover from Tuesday's decline. **Aluminium** also turned higher and **nickel** rallied.

The **\$A** fell to ~US78.10c after trading at ~US78.55c early yesterday evening, and has further depreciated this morning.

Locally today, the Australian Bureau of Statistics releases a six-monthly average earnings report, this one including data to the end of November 2017.

Companies trading ex-dividend today include **AGL**, **GWA**, **JBH** and **WPL**.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	24797	-167	-0.7
<b>S&amp;P 500</b>	2701	-15	-0.6
<b>NASDAQ</b>	7218	-16	-0.2
<b>FTSE 100</b>	7282	35	0.5
<b>DAX 30</b>	12470	-17	-0.1
<b>Shanghai Comp</b>	3199	Public	Holiday

## Overseas Markets Commentary

Major European and US equities markets diverged again overnight, key US indices falling in the last two hours of trade to settle at session lows.

The FTSE 100 appeared heartened by a softer British pound combined with Bank of England commentary and a discussion paper suggesting the separation from the European Union may not prove to be too sudden a change.

**US Federal Reserve** January policy meeting minutes revealed varying opinions on likely economic and inflation growth rates.

Notably, some FOMC members said their expectations had risen since December.

Reactions and the \$US swung amid plenty of interpretive commentary.

Two-year treasury bonds had earlier traded at nine-year peaks.

January existing home sales were in the meantime

\* Business software listing 11am AEDST - **SIS** \*

## Today's Stock Watch

### Viralytics Ltd (\*\* VLA)

An MSD (trade name of Merck & Co [NYSE: MRK]) subsidiary is planning to acquire VLA under an agreed proposal offering VLA shareholders \$A1.75 cash per share.

VLA has traded at 61.5c – 65.5c for the week to date.

### Westfield Corporation (WFD)

13.5% higher, \$US1.55B full year NPAT. 17.1% higher, \$US2.1B revenue. US12.75c final distribution. AGM scheduled for 11 April.

### Qantas Airways (QAN)

17.9% higher, \$607M interim NPAT. 5.8% higher, \$8.7B revenue. 7c interim dividend. \$1.90 NTA. 34c EPS.

### Flight Centre (FLT)

37.2% higher, \$102.2M interim NPAT. 5.4% higher, \$1.4B revenue. 60c fully-franked interim dividend. \$8.63 NTA.

### Inghams Group (ING)

\$65.7M interim NPAT, following \$9M NPAT a year ago. 1.7% lower, \$1.2B revenue. 9.5c fully-franked interim dividend. 65c NTA.

### Nine Entertainment (NEC)

\$174.1M NPAT, following a \$236.9M net loss a year ago. 9% higher, \$719.6M revenue. 5% fully-franked interim dividend, up 0.5c. \$46M net debt.

### IRESS Ltd (IRE)

1% higher, \$59.8M full year NPAT. 10% higher, \$429.95M revenue. 28c, 60%-franked final dividend.

### Blackmores Ltd (BKL)

\$1.50 fully-franked final dividend. 20% higher, \$34.2M interim NPAT. 9.3% higher, \$287.4M revenue. \$6.83 NTA.

### Asaleo Care (AHY)

CEO and MD Peter Diplaris is stepping down, effective 22 May. AHY COO Sid Takla will be interim CEO.

This morning reporting 3.0% lower, \$57.2M full year NPAT. 3.3% lower, \$585.8M revenue. 6c, 40%-franked final dividend, against 6c, 50%-franked a year ago. 20c NTA. 10.5c EPS.

### Bellamy's Australia (BAL)

\$22.4M interim NPAT, following \$7.2M a year ago. 47.9% higher, \$174.9M revenue. 55.2% higher, \$1.316 NTA. 20.4c EPS. \$85M cash balance.

### Smart Group Corporation (SIQ)

46% higher, \$64.1M full year NPAT. 40% higher, \$205.4M revenue. 18.5c fully-franked final dividend. \$111.1M net debt. A teleconference was scheduled for 9am AEDST.

### SimbleSolutions Ltd (\* SIS)

Business management software specialist scheduled to list 11am AEDST, following a \$7.5M IPO at 20c per share. 69.6M shares on issue.

## Resources

### Alumina Ltd (AWC)

\$US339.8M full year NPAT, following a \$US30.2M net loss a year ago. US9.3c fully-franked final dividend.

reported 3.2% lower, representing a second consecutive monthly fall.

Among a batch of other data releases, an initial February manufacturing PMI for the **euro zone** fell 1.1 to 58.5. The service index fell 1.3, meaning the composite reading represented a 1.3-point lower, but nonetheless strong, 57.4.

Germany's sovereign bond yields subsequently eased.

**UK** December quarter average earnings grew 2.5% year-on-year, the same as for November.

December unemployment rose 0.1% for the month to 4.4%.

**Bank of England** governor Mark Carney surprised a UK parliamentary treasury committee, revealing the central bank's view that wages growth could exceed inflation growth within a year.

He also assured any rate rises would be gradual but that the bank was positioned to move swiftly if needed.

Tonight, in the US, weekly new unemployment claims, a regional manufacturing index and the Conference Board's leading indicator update are due.

Across the Atlantic, the **European Central Bank** (ECB) publishes January policy meeting minutes.

Anglo American, Apache, Axa, BAE Systems, Barclays, Hewlett Packard and Newmont Mining are among companies scheduled to report earnings today and tonight.

In overnight corporate news, **Glencore** was pushed ~4% higher on a \$US14.8B full year adjusted profit and proposed distribution exceeding the company policy minimum.

Chip manufacturer **Broadcom** lowered its unwelcome **Qualcomm** bid by \$US3/share to \$US79/share, following Qualcomm's announcement Tuesday that it was lifting its offer for **NXP**.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1332</b>	oz	1	0.1
<b>Silver (NY) (Mar)</b>	16.5	oz	0.0	0.1
<b>Gold (LON)</b>	1331	oz	-9	-0.7
<b>Platinum</b>	989	oz	-9	-0.9
<b>WTI Crude (Apr)</b>	<b>61.7</b>	bbl	-0.11	-0.2
<b>Brent Crude (Apr)</b>	<b>65.4</b>	bbl	0.17	0.3
<b>Iron Ore</b> (CHN port 62%)	<b>78.4</b>	t		
<b>Copper</b>	<b>7119</b>	t	29	0.4
<b>Nickel</b>	13845	t	235	1.7
<b>Aluminium</b>	2201	t	16	0.7
<b>Lead</b>	2554	t	-44	-1.7
<b>Zinc</b>	3541	t	-9	-0.3
<b>Tin</b>	21625	t	250	1.2
<b>CBT Wheat (Mar)</b>	<b>4.47</b>	bshl	-0.02	-0.5

### Commodities Commentary

**Oil** – cautious overnight trade was reported ahead of industry-calculated (API) weekly US petroleum stockpiles and amid \$US swings.

US government agency EAI is due to publish weekly petroleum inventories tonight.

**Gold** – a fall in the \$US index some time following the release of US Federal Reserve January policy meeting minutes, boosted gold prices.

The \$US recovered some however, and prices were

## Pre-Open Announcements

### Seven Group Holdings (\* SVW)

\$350M seven-year convertible bond offer. The bonds are expected to be listed on the Singapore Exchange. SVW traded as high as \$19.385 yesterday following the release of interim results, settling 11.6% higher for the session, at \$18.40.

### Mesoblast Ltd (\* MSB)

Heralding primary endpoint achievement in a phase 3 clinical trial. Details lodged this morning. Webcast scheduled for 8.30M AEDST tomorrow (Friday).

### Webjet Ltd (\* WEB)

48% lower, \$18.4M interim NPAT. 266% higher, \$359.98M revenue. 8c fully-franked interim dividend.

### Link Group (\* LNK)

54% higher, \$63.9M interim NPAT. 27% higher, \$503.3M revenue. 7c fully-franked interim dividend. 13.16c EPS.

### Estia Health (\* EHE)

2.5% higher, \$20.3M interim NPAT. 3.4% higher, \$272.1M income. 7.8c fully-franked interim dividend, against no dividend a year ago. 7.75c EPS.

### RCR Tomlinson (\* RCR)

7.8% higher, \$9.7M interim NPAT. 99.6% higher, \$940M revenue (continuing operations). 2.5c interim dividend. \$1.15 NTA.

### Angel Seafood Holdings (AS1)

Oyster producer completed its ASX listing yesterday following an \$8M IPO at 20c per share.

Opened at 20c, its highest price for the session, and settle at 16c, the lowest price for day one. 4.68M shares were traded across 204 transactions.

79.6M shares on issue.

## Resources

### OZ Minerals (\* OZL)

123.3% higher, \$231.1M full year NPAT. 200.2% higher, \$1.0B net revenue. 14c fully-franked final dividend. \$729M cash balance.

### Fortescue Metals Group (\* FMG)

Offering to buy back up to \$US1.4B worth of 2022 9.75% bonds.

### Perseus Mining (PRU)

\$12.1M net loss, following a \$22.3M net loss a year ago. 24% higher, \$167.5M revenue. 71c NTA.

## Energy

### Senex Energy (SXY)

\$82.3M interim net loss. 31% higher \$29.8M sales revenue. 25c NTA.

## Trading Halts

Company	Code	Resuming
Carbine Resources	CRB	22 Feb
Doray Minerals	DRM	22 Feb
Cygnus Gold	CY5	23 Feb
Golden Mile Resources	G88	23 Feb
APA Group	APA	26 Feb



pushed to session lows.

New Federal Reserve chair Jerome Powell is scheduled to provide an update to a Congress committee mid-next week.

**Base metals** – Japan's initial February manufacturing PMI, reported yesterday, came in at 54.0, against 54.8 in January, in part due to a slowdown in new export orders.

**Copper** swung in line with currency turns, falling to \$US7034.5/t intra-session.

**China's** markets resume today, but some expect trading volumes to remain relatively low until next week.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7799	-0.0005	-0.06
<b>EUR – USD</b>	1.2281	-0.0003	-0.02

### Australian Data Today

ABS Average earnings (six-mthly; to Nov'17) Feb

### US Data Tonight

Initial jobless claims 17 Feb  
 Conf Board leading economic index Jan  
 Kansas City Fed manufacturing Feb

### Other Overseas Data Today & Tonight

**UK** GDP (final) DecQ  
**Germany** IFO business climate Feb  
**Euro zone** ECB policy meeting minutes Jan

### 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).

Netlinkz Ltd	NET	26 Feb
Property Connect Holdings	PCH	26 Feb

### Suspensions *(selected)*

Company	Code	Since
Austex Oil	AOK	19 Feb
Big Un	BIG	21 Feb
CBL Corporation	CBL	6 Feb
Pan Asia Corporation	PZC	13 Feb
Pura Vida Energy	PVD	5 Feb
Tianmei Beverage Group	TB8	21 Feb
Total Face Group	TFG	19 Feb
Ventnor Resources	VRX	2 Feb
Zyber Holdings	ZYB	16 Feb

### Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>AGL</b>	Today	<b>54</b>	80	4.62
<b>AUI</b>	Today	<b>16</b>	100	3.89
<b>CGL</b>	Today	<b>4.8</b>	100	1.90
<b>DUI</b>	Today	<b>6.5</b>	100	3.51
<b>GWA</b>	Today	<b>8.5</b>	100	5.10
<b>ISU</b>	Today	<b>1.5</b>	100	4.37
<b>JBH</b>	Today	<b>86</b>	100	4.77
<b>KOV</b>	Today	<b>5</b>	100	3.27
<b>MRN</b>	Today	<b>3</b>	100	5.19
<b>WPL</b>	Today	<b>61.84</b>	100	4.18
DHG	Tomorrow	4	30	1.29
EVN	Tomorrow	3.5	100	2.31
HLO	Tomorrow	7	100	3.21
IFL	Tomorrow	27	100	5.19
INA	Tomorrow	5.1	0	3.68
OML	Tomorrow	10.5	100	3.25
PMC	Tomorrow	4	100	4.85
WHC	Tomorrow	13	0	4.32
APX	Mon	3	100	0.57
AZJ	Mon	14	50	4.97
CCL	Mon	26	70	5.21
CVC	Mon	7	100	4.83
FSI	Mon	3.75	100	4.62
PPG	Mon	1	100	4.60
SDF	Mon	2.8	100	2.80
WES	Mon	103	100	2.86

### Reports & Events

*(selected scheduled)*

When	Company	Report/Event
<b>Today</b>	<b>AIZ</b>	Interim
	<b>ALL</b>	AGM
	<b>AHY</b>	Full year
	<b>BAL</b>	Interim
	<b>BCI</b>	Interim
	<b>BLX</b>	Interim
	<b>BKL</b>	Interim
	<b>CWN</b>	Interim
	<b>ECX</b>	AGM
	<b>EHE</b>	Interim
	<b>FLT</b>	Interim
	<b>ING</b>	Interim

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	<b>IRE</b>	Full year
	<b>LNK</b>	Interim
	<b>MHJ</b>	Interim
	<b>NEC</b>	Interim
	<b>NZM</b>	Interim
	<b>OGC</b> (post-trade)	Full year
	<b>QAN</b>	Interim
	<b>QUB</b>	Interim
	<b>RCR</b>	Interim
	<b>SXY</b>	Interim
	<b>SIQ</b>	Full year webcast
	<b>SFH</b>	Interim
	<b>WEB</b>	Interim
	<b>WFD</b>	Full year
<b>Tomorrow</b>	AHG	Interim
	GTY	Interim
	MYO	Full year
	OGC	Full year webcast
	REG	Interim
	SXL	Interim
	TGR	Interim
	WOW	Interim
<b>Mon</b>	BSL	Interim
	CNU	Interim
	ISD	Interim
	JHC	Interim
	QBE	Full year
	RWC	Interim
	SHV (post-trade)	Interim
	SKI	Full year