

Markets

SFE 200 Futures (9.30am AEDST)	6004	31	0.5
NZX 50	8322	21	0.3
DJIA Futures	25314	0	0.0
S&P 500 Futures	2749	0	0.0
NASDAQ Futures	6910	0	0.0

Local Markets Commentary

The Australian market commences a new week's trade amid a late-month flurry of domestic corporate earnings reports and following strong gains on US equities markets overnight Friday.

In overnight Friday commodities trade, US **gold** futures slipped. **Oil** extended Thursday's rally.

Iron ore (China port, 62% Fe) gained.

LME **copper**, **nickel** and **aluminium** were each pushed lower.

The **\$A** ultimately trade in a relatively narrow range after falling to ~US78.20c early Friday evening.

Locally today, a weekly capital city residential property price report is due pre-trade.

High-profile companies trading ex-dividend today include **AZJ**, **CCL** and **WES**.

Regionally, **China** published January property prices over the weekend. In major cities, prices rose an average 0.3% for the month, coming in 5% higher, year-on-year. Respective December figures were 0.4% and 5.3%.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25310	348	1.4
S&P 500	2747	43	1.6
NASDAQ	7337	127	1.8
FTSE 100	7244	-8	-0.1
DAX 30	12484	22	0.2
Shanghai Comp	3289	20	0.6

Overseas Markets Commentary

Major European and Risk off sentiment appeared to prevail across major US equities markets overnight, but not in Europe.

Factors at play included key European economic indicator updates, protracted negotiations for the potential formation of a new coalition government in Germany, the release of a six-monthly US Federal Reserve report prepared for national parliamentarians, and the US bond market, 10-year sovereign yields falling for a second consecutive session.

Among the data releases, a final January CPI reading for the **euro zone** revealed 1.3% year-on-year growth, against 1.4% reported in December.

The core figures were reported as a 1.3% drop for the month (-0.9% including energy and food) and 1.2% growth year-on-year.

Germany's final December quarter GDP growth reading came in at 2.3% year-on-year and 2.9% seasonally adjusted.

Today's Stock Watch

QBE Insurance (QBE)

\$US1.2B full year net loss, following a \$US844M net profit a year ago. 2% higher, \$US17.7B revenue. A4c, 30%-franked final dividend, against A33c, 50%-franked. Underwriting losses totalled \$US573M.

Selling the group's Latin American business interests to Zurich Insurance for a total \$US409M, delivering an anticipated \$US100M pre-tax profit.

Reliance Worldwide Corporation (RWC)

17.5% higher, \$A41.5M interim NPAT. 28.3% higher, \$362.6M net sales revenue. 3.5c, fully-franked interim dividend, following 3c, 40%-franked a year ago. 14c NTA. Anticipating 40% full-year NPAT growth.

Ausdrill Ltd (ASL)

\$35.3M interim NPAT. 17.8% higher, \$440.9M revenue. 3.5c fully-franked interim dividend, against 2c. \$2.1067 NTA.

Japara Healthcare (JHC)

29.8% lower, \$10.3M interim NPAT. 2.0% higher, \$180.6M revenue. 4c, 65%-franked interim dividend. 25.5c NTA.

Ardent Leisure (AAD)

\$15.6M interim net loss, following a \$49.35M net loss a year ago. 16.3% lower, \$265.55M revenue. Flat, 2c interim distribution.

Amaysim Australia (AYS)

\$2.4M interim net loss. 114.8% higher, \$294.0M revenue.

Vocus Communications (VOC)

CEO Geoff Horth is being replaced. VOC wholesale and international chief executive Michael Simmons will take over until a new CEO appointment is executed.

Resources

BlueScope Steel (BSL)

23% higher, \$441.2M interim NPAT. 7% higher, \$5.5B (continuing operations) sales. 6c, 14%-franked interim dividend, against 4c year ago. \$6.61 NTA. 76.8c EPS. \$262.1M net debt. \$814.6M cash and equivalents.

Extending the current buy-back by \$150M.

Newcrest Mining (NCM)

Proposing to outlay \$US250M for 27.1% of TSX-listed Lundin Gold. NCM's investment will form part of a Lundin \$US400M fundraiser in support of the Fruta del Norte gold project in Ecuador. Lundin expects first production from the project by the end of next year.

Pending standstill agreements, NCM could earn up to 50% of eight Lundin exploration concessions in Ecuador.

Energy

FAR Ltd (FAR)

Malaysia's Petronas is acquiring 40% of FAR's previously majority-held offshore Gambia Blocks A2 and A5. FAR is retaining 40% and will remain operator during exploration and Samo-1 drilling.

Samo-1 is expected to be drilled before the end of the year, with Petronas funding 80% of costs up to \$US45M. Petronas will also pay FAR \$US8.6M.

For the three months, adjusted growth was confirmed at 0.6%, against 0.7% for the September quarter

The US Federal Reserve report contained no surprises with its expectations of even economic progress and no near-term major risk to policy.

Tonight, in the US, January new home sales, the Chicago Fed national activity index and a Texas region manufacturing activity index are due.

In Germany, the Angela Merkel-led Christian Democrats begin to vote on proposed coalition government arrangements. Results are anticipated early next week.

In overnight Friday corporate news, **Royal Bank of Scotland** announced its first annual profit in nine years, an attributable £752M.

Also in the UK, **William Hill** revealed a £238M impairment on its Australian business.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1330	oz	-2	-0.2
Silver (NY) (Mar)	16.55	oz	-0.1	-0.5
Gold (LON)	1328	oz	-2	-0.2
Platinum	994	oz	-2	-0.2
WTI Crude (Apr)	63.6	bbl	0.8	1.2
Brent Crude (Apr)	67.3	bbl	0.9	1.4
Iron Ore (CHN port 62%)	78.8	t	0.6	0.8
Copper	7095	t	-67	-0.9
Nickel	13765	t	-65	-0.5
Aluminium	2140	t	-45	-2.1
Lead	2531	t	-14	-0.6
Zinc	3503	t	-28	-0.8
Tin	21650	t	75	0.4
CBT Wheat (Mar)	4.52	bshl	0.01	-0.2

Commodities Commentary

Oil – an oil field shut down in Libya plus positive market commentary out of Saudi Arabia supported prices from early overnight Friday trade.

Only one additional oil rig was reported in action, when a US weekly petroleum drill rig count was published overnight Friday, although the tally has risen considerably over the past three weeks.

For the week, Brent crude rose ~3.7% and WTI ~3%.

Gold – Comex futures fell ~2% last week and industry opinion is divided on likely direction this week.

New US Federal Reserve chair Jerome Powell is scheduled to meet with Congress members Wednesday, and this is seen as a major influence on second-half week trade.

Base metals – early relative \$US strength appeared to impact overnight Friday sentiment, in addition to ongoing low-volume physical trade following Lunar New Year.

Japan's January core CPI growth, reported Friday, was calculated higher than anticipated, at 0.9% year-on-year.

China's January major city residential property prices were reported 5% higher year-on-year, but only 0.3% higher for the month.

Pre-Open Announcements

Isentia Group (** ISD)

CEO and MD John Croll has resigned, giving six months' notice after leading the company for 20 years.

This morning, ISD is reporting a \$4.0M interim net loss and 11.1% lower, \$70.8M revenue. Paying a 0.647c fully-franked interim dividend.

Bank of Queensland (BOQ)

Will not lodge interim results this coming week as previously scheduled. The new release date is 17 April.

Resources

Gold Road Resources (GOR)

Corporate and working capital facilities, plus a new hedging agreement secured with a syndicate comprising ING, NAB and Société Générale. Details lodged this morning.

Northern Star Resources (NST)

Company secretary Liza Carpena has resigned. NST general counsel Hilary Macdonald has been appointed interim company secretary.

Orinoco Gold (OGX)

Sophie Raven has been appointed company secretary, taking over from Joel Ives.

OGX settled at 10.5c Friday after closing out the previous week at 8.1c.

Trading Halts

Company	Code	Resuming
APA Group	APA	26 Feb
Aurora Labs	A3D	26 Feb
Australian Mines	AUZ	26 Feb
Impression Healthcare	IHL	26 Feb
POZ Minerals	POZ	26 Feb
Property Connect Holdings	PCH	26 Feb
Taruga Gold	TAR	26 Feb
Auris Minerals	AUR	27 Feb
Ausmex Mining Group	AMG	27 Feb
AVZ Minerals	AVZ	27 Feb
Azure Minerals	AZS	27 Feb
Hastings Technology Metals	HAS	27 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 (%)
APX	Today	3	100	0.58

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7841	-0.0003	-0.04
EUR – USD	1.2289	-0.0004	-0.03

Australian Data Today

CLgc Capital city resdntl property prices 23Feb

US Data Tonight

Chicago Fed national activity index Jan
 New home sales Jan
 Dallas Fed manufacturing index Feb

Other Overseas Data Today & Tonight

Japan Leading economic index (final) Dec
UK Mortgage approvals Jan

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AZJ	Today	14	50	4.89
CCL	Today	26	70	5.19
CVC	Today	7	100	5.26
FSI	Today	3.75	100	4.39
PPG	Today	1	100	4.44
SDF	Today	2.8	100	2.82
WES	Today	103	100	5.24
AHY	Tomorrow	6	40	6.85
AMC	Tomorrow	26.17	0	3.96
AOD	Tomorrow	0.33	0	8.16
AUF	Tomorrow	1.1	100	1.61
AWC	Tomorrow	11.84	100	7.35
CGF	Tomorrow	17.5	100	2.79
FRI	Tomorrow	3	100	5.63
FXJ	Tomorrow	1.1	100	3.33
GXL	Tomorrow	10	100	3.23
IRI	Tomorrow	3	100	1.68
LLC	Tomorrow	34	0	3.83
MNY	Tomorrow	4.5	100	4.07
MOE	Tomorrow	7	100	1.11
QIP	Tomorrow	2.8	100	6.89
SHM	Tomorrow	7	100	7.10
WGN	Tomorrow	1.5	0	0.36
WOR	Tomorrow	10	0	0.65
APD	Wed	1.25	100	4.65
CIN	Wed	51	100	3.53
EGG	Wed	1.5	100	1.46
EVT	Wed	21	100	3.87
FID	Wed	9	100	3.44
IFM	Wed	1.4	100	3.13
IRE	Wed	28	60	4.11
KGN	Wed	6.9	100	1.22
NVT	Wed	9.4	100	3.95
ORA	Wed	6	30	3.44
PPT	Wed	135	100	5.02
SUL	Wed	21.5	100	6.48
TLS	Wed	11	100	6.61

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AAD	Interim
	BSL	Interim
	CNU	Interim
	ISD	Interim
	JHC	Interim
	QBE	Full year
	RWC	Interim
	SHV (post-trade)	Interim
	SKI	Full year
Tomorrow	AGI (post-trade)	Interim
	CAB	Interim
	CTX	Full year
	CGC	Interim
	ILU	Full year
	SHV	Interim
	SDA	Full year
	SKT	Interim
TNE	AGM	
Wed	ABC	Full year



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AGI	Interim teleconf
BGA	Interim
BLY	Full year
EHL	Interim
MQA	Full year
RHC	Interim
SCO	Interim
TME	Interim
VAH	Interim