

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5432	-284	<b>-5.0</b>
<b>NZX 50</b>	10585	-507	<b>-4.6</b>
<b>DJIA Futures</b>	23755	-122	-0.5
<b>S&amp;P 500 Futures</b>	2736	-12	-0.2
<b>NASDAQ Futures</b>	7940	-12	-0.2

## Local Markets Commentary

The Australian market commences today's trade with additional material data due from China early-afternoon, and several large-cap domestic stocks trading ex-dividend, following a further overnight oil price slide and plunges across major international equities markets.

Reports of Covid-19 spread continued, amid further restrictions and economic-impact statements from various governments.

**China is expected to report February CPI and producer prices 12.30pm AEDT.**

A foreign direct investment update is anticipated any time from today.

**Locally** today, the monthly NAB **business** survey report, including **conditions and expectations**, is scheduled for release **11.30am AEDT**.

A weekly **consumer sentiment** reading is due pre-trade.

Stocks trading **ex-dividend** include: **EQT, LOV, NWS, PRN, RWC** and **SHL**. Please see pp3-4 for a detailed list.

In overnight commodities trade, **oil** plummeted.

US **gold** futures (CME April) settled slightly higher.

**Iron ore** (Nymex CFR China, 62% Fe) continued to decline, falling below \$US88.10/t.

LME (3mth evening) **copper** fell.

The **\$A** appreciated to ~US\$65.90c after trading below US\$65.50c early yesterday evening, and has surpassed US\$66.05c this morning.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	23851	-2014	<b>-7.8</b>
<b>S&amp;P 500</b>	2747	-226	<b>-7.6</b>
<b>NASDAQ</b>	7951	-625	<b>-7.3</b>
<b>FTSE 100</b>	5966	-497	<b>-7.7</b>
<b>DAX 30</b>	10625	-917	<b>-7.9</b>
<b>Shanghai Comp</b>	2943	-91	<b>-3.0</b>

## Overseas Markets Commentary

Major European and US equities markets dived on opening overnight, following oil price plunges on the pending 31 March end to OPEC+ production curbs, disappointing data releases from over

## China – February CPI and PPI – 12.30pm AEDT

## Today's Stock Watch

### Qantas Airways (QAN)

Reducing international services further, mostly by cutting frequency and using smaller aircraft on select routes.

In addition, QAN is cancelling a \$150M off-market buy-back, scrapping FY20 management bonuses, paying no fees to the chairman, nor salary to the CEO, and reducing other director fees and executive management salary payments by 30%.

Further, QAN is freezing consultancy work and non-essential recruitment, and asking employees to take leave (paid or unpaid) in association with reduced flights.

Revising expected FY 20 fuel costs lower, to \$3.74B, excluding capacity cuts.

Comprehensive route change details lodged this morning.

### Redbubble Ltd (RBL)

Chair Richard Cawsey is stepping down 20 March, and will be replaced by RBL independent director Anne Ward.

### Southern Cross Electrical Engineering (SXE) / CIMIC Group (CIM)

SXE subsidiary Heyday has secured a \$40M electrical services design and construction contract with CIM's CPB Contractors, for work on the Sydney Metro Pitt Street Station.

## Resources

### Silver Lake Resources (SLR)

WA Deflector South West resource initially estimated at 634,000t @ 14.9g/t Au & 0.6% Cu, for 304,000oz of gold and 3600t of copper.

### Metals X (MLX)

Nifty underground mine contained sulphide copper has grown 10%, boosting overall Nifty sulphide resources to 39.66Mt @ 1.51% Cu, for 598,500t of copper.

### Tietto Minerals (TIE)

Côte d'Ivoire Abujar gold project Abujar-Gludehi South deposit extensional drilling has returned high-grade intersections from shallow depths.

Assays lodged this morning.

Diamond drilling continues across four project targets.

### AusQuest Ltd (AQD) / South32 Ltd (S32)

AQD and S32 have extended a strategic exploration alliance by two years, with AQD set to receive an administration fee equivalent to 15% of expenditure across targeted projects.



the weekend, and an increased number of Covid-19 – related restrictions across several nations.

US indices fell sufficiently low early to spark a regulatory 15-minute trading halt.

China had reported weak January-February trade figures over the weekend, and is due to reveal producer prices and CPI growth today.

In addition, within an hour of the ASX opening, Japan reported a 7.1% year-on-year drop in December quarter GDP, and 1.8% decline for the three months.

Among overnight data releases, **Germany** reported a €13.9B trade surplus as at 31 January, against €15.2B at the end of December 2019.

Exports came in flat after increasing by 0.2% in December.

Imports rose 0.5% following a 0.3% December decline.

The nation's January industrial production cheered some, improving 3% after dropping 2.2% in December.

For the **euro zone** as a whole, the Sentix investor confidence index slid to -17.1 from 5.2.

**Tonight** in the **US**, a small business optimism index is due.

Market-watchers will also again be watching Democratic presidential candidate voting, this time in Michigan.

Elsewhere, the **euro zone** reports a final December quarter **GDP** reading.

The **UK** conducts a 10-year bond auction, with yields last at 0.512%.

In overnight corporate news, insurance broker **Aon** revealed it would outlay \$US30B to purchase competitor **Willis Towers Watson** for.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1675.7</b>	oz	3.30	<b>0.2</b>
<b>Silver (NY) (May)</b>	<b>17.054</b>	oz	-0.209	<b>-1.2</b>
<b>Gold (LON) (6 Mar)</b>	<b>1684</b>	oz		
<b>Platinum</b>	<b>863</b>	oz	-40	<b>-4.6</b>
<b>WTI Crude (Apr)</b>	<b>31.13</b>	bbl	-10.15	<b>-24.6</b>
<b>Brent Crude (May)</b>	<b>34.36</b>	bbl	-10.91	<b>-24.1</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>88.07</b>	t	-1.11	<b>-1.3</b>
<b>Copper (LME,3mth,PM)</b>	<b>5645</b>	t		
<b>Nickel</b>	<b>12650</b>	t		
<b>Aluminium</b>	<b>1687</b>	t		
<b>Lead</b>	<b>1800</b>	t		
<b>Zinc</b>	<b>1979</b>	t		
<b>Tin</b>	<b>16700</b>	t		

### Commodities Commentary

**Oil** – the International Energy Agency's (IEA) Oil 2020 report, released overnight, included a prediction of a 90,000bbl/d fall in 2020 global demand to 99.9MMbbl/d.

This new daily demand forecast represented an ~1MMbbl/d downward revision, and was attributed to Covid-19 impacts.

In the near-term, demand could fall by up to 730,000bbl/d, the IEA added.

## Pre-Open Announcements

### Wellard Ltd (\* WLD)

Intending to defend a shareholder class action initiated in the Federal Court.

Details lodged this morning.

### Tyro Payments (\* TYR)

Confirming the company 'has operational plans in place to maintain continuity of payment and banking services' to customers.

January transaction values rose 27% year-on-year, and February transaction values grew 30% (with one additional day this year).

March-to-date transaction values are 18% higher, but on a same day-to-same day basis, are up 26%.

TYR forfeited 8.4% Friday last week, and ~16.1% yesterday, settling at \$2.92.

### Resources

#### De Grey Mining (DEG)

Heralding Hemi gold project Brolga zone step out drilling results, deemed to have significantly extended known mineralisation.

DEG says mineralisation remains open in all directions.

### Energy

#### Renegen Ltd (RLT)

Virginia gas project update lodged this morning.

Expecting to update reserves and resources by 30 June.

### Trading Halts

Company	Code	Resuming
Pensana Rare Earths	PM8	10 Mar
Skin Elements	SKN	10 Mar
Anglo Australian Resources	AAR	11 Mar
Empire Resources	ERL	11 Mar
Global Oil & Gas	GLV	11 Mar
NeuroScientific Biopharmaceuticals	NSB	11 Mar
Oliver's Real Food	OLI	11 Mar
Rent.com.au Ltd	RNT	11 Mar
ResApp Health	RAP	11 Mar
Sayona Mining	SYA	11 Mar
Silver City Minerals	SCI	11 Mar
West African Resources	WAF	11 Mar

### Suspensions (select)

Company	Code	Since
Collection House	CLH	18 Feb
Consolidated Tin Mines	CSD	2 Mar



For its part, Goldman Sachs called a 150,000bbl/d international demand growth drop for 2020.

Early price falls (as much as ~30%) triggered further selling, pushing both Brent crude and WTI to lose as much in a day percentage-wise as at the commencement of the 'US Gulf War' in 1991.

Brent crude traded as low as \$US31.02/bbl intra-session, and WTI at \$US27.34/bbl.

Trade figures out of China over the weekend, and a GDP drop reported yesterday by Japan, added to new price forecast and international debt level speculation, and a batch of cost-cutting announcements from producers.

Meanwhile, several OPEC+ members signalled a desire for further discussions.

**Gold** – US futures traded as high as \$US1704.3/oz overnight as 10-year and 30-year US government bond yields fell further, and major international equities markets tumbled.

Prices turned however, this again attributed by some to investors seeking to cover margin calls and boost cash positions.

**Base metals** – China's February trade figures, reported Saturday, coupled with Japan's December quarter GDP, released yesterday, bruised overnight trade sentiment, already hurt by oil market angst and additional Covid-19 – related restrictions imposed by an increasing number of governments which are reporting a growth in Covid-19 diagnoses.

Japan's GDP fell 1.8% for the three months, and came in 7.1% lower than for the December quarter 2018.

**Copper** traded as low as \$US5433/t intra-session, and **aluminium** at \$US1644/t.

In industry news, Vale reported additional erosion of the Gongo Soco *iron ore* mine embankment, Brazil.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6607	0.0020	<b>0.31</b>
<b>EUR – USD</b>	1.1452	0.0000	0.00

#### Australian Data Today

ANZ/RoyMorgan	Consumer sentiment	8 Mar
NAB	Business conditions, outlook	Feb

#### US Data Tonight

NFIB small business optimism	Feb
------------------------------	-----

#### Overseas Data Today & Tonight

<b>China</b>	CPI	Feb
China	PPI	Feb
<i>China</i>	<i>Foreign direct investment</i>	Feb
<b>Japan</b>	Machine tool orders	Feb
<b>Euro zone</b>	GDP (final)	Dec Q

Decmil Group	DCG	27 Feb
HHY Fund	HHY	27 Feb
Kalium Lakes	KLL	24 Feb
LionHub Group	LHB	24 Feb
Moreton Resources	MRV	20 Feb
Netlinkz Ltd	NET	5 Mar
Real Estate Investar Group	REV	3 Mar

#### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>EQT</b>	Today	<b>47</b>	100	3.31
<b>LOV</b>	Today	<b>15</b>	100	4.15
<b>NWS</b>	Today	<b>10.36</b>	0	1.25
<b>NWSLV</b>	Today	<b>10.36</b>	0	1.22
<b>PRN</b>	Today	<b>3.5</b>	100	6.64
<b>PSI</b>	Today	<b>3.5</b>	100	2.94
<b>RDH</b>	Today	<b>2</b>	100	3.20
<b>RWC</b>	Today	<b>4.5</b>	20	1.73
<b>SHL</b>	Today	<b>34</b>	30	1.72
<b>SRG</b>	Today	<b>0.5</b>	100	5.08
ARA	Tomorrow	0.7	70	1.72
BGA	Tomorrow	5	100	2.66
BWX	Tomorrow	1.3	100	0.83
BXB	Tomorrow	13.38	30	1.37
CSL	Tomorrow	141.6	0	0.90
FRI	Tomorrow	2	100	3.68
ICS	Tomorrow	4.5	0	3.72
IGL	Tomorrow	8.6	100	10.35
KME	Tomorrow	1.5	100	2.84
OZL	Tomorrow	15	100	2.89
REG	Tomorrow	4.02	50	12.43
AIZ	Thu	10.53	0	11.14
CGC	Thu	2	100	2.90
DWS	Thu	3	100	8.94
EBO	Thu	31.78	95.77	2.61
GNG	Thu	2	0	7.55
GTN	Thu	1.4	70	8.24
LBL	Thu	0.5	100	2.38
MCY	Thu	6.12	0	3.18
MHJ	Thu	1.5	0	8.33
NTD	Thu	1.25	100	9.43
SHJ	Thu	1.5	0	3.13
SPK	Thu	11.54	0	4.43
TGG	Thu	2	100	5.74
VGL	Thu	1.71	0	0.35
VTH	Thu	3.25	0	7.96
WSA	Thu	1	100	0.98
BLD	Fri	9.5	50	3.51
D2O	Fri	2.8	100	3.87
GRR	Fri	1	100	10.00



### 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)

#### Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always 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.

HUB	Fri	3.5	0	0.63
ING	Fri	7.3	100	5.82
TGR	Fri	9	25	5.07
YAL	Fri	21.21	0	3.89