

Markets

SFE 200 Futures (9.30am AEDT)	6989	44	0.6
NZX 50	11740	38	0.3
DJIA Futures	29239	-6	0.0
S&P 500 Futures	3352	-1	0.0
NASDAQ Futures	9526	-2	0.0

Local Markets Commentary

The Australian market commences today's trade after US equities markets swung to definitive overnight gains, ahead of two key domestic economic reports due late-morning and keenly anticipated parliamentary comments by US Federal Reserve chair Jerome Powell, plus material data out of the UK, tonight.

Locally today, a weekly **consumer sentiment** reading is due pre-trade.

NAB is scheduled to report the results of its January **business confidence and conditions** survey **11.30am** AEDT.

The Australian Bureau of Statistics (ABS) is due to publish December household and business **lending**, including for property.

Meanwhile, domestic corporate earnings will also remain in focus.

In overnight commodities trade, **oil** extended Friday's fall.

US **gold** futures (CME April) continued higher with a moderate gain.

Iron ore (Nymex CFR China, 62% Fe) turned lower, beneath \$US81.30c.

LME (3mth evening) **copper** settled essentially flat. **Nickel** swung higher. **Aluminium** declined further.

The **\$A** was pushed back to ~US66.80c after trading at ~US66.95c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	29277	174	0.6
S&P 500	3352	24	0.7
NASDAQ	9628	108	1.1
FTSE 100	7447	-20	-0.3
DAX 30	13494	-20	-0.2
Shanghai Comp	2890	15	0.5

Overseas Markets Commentary

Marked choppy trade featured across major European equities markets overnight, in contrast to key US indices which trended higher from outset.

US gains were in part attributed to expectations the US Federal Reserve will keep rates low, in association with an expected fall in GDP, in turn in part due to international economic implications from the coronavirus outbreak.

Today's Stock Watch
Cochlear Group (COH)

Anticipating \$270M- \$290M FY 2019 underlying net profit, from previous \$290M - \$300M guidance, due to the coronavirus.

Macquarie Group (MQG)

December quarter update lodged this morning, including a \$A5.8B capital surplus and 11.4% CET1 ratio.

Suncorp Group (SUN)

7.2% lower, \$348M interim NPAT. 6.06% lower, \$7.05B revenue. 26c fully franked interim dividend.

Transurban Ltd (TCL)

11.1% higher, \$162M interim NPAT. 0.3% higher, \$2.12B revenue. Previously declared 29c interim distribution and 2c fully franked interim dividend. \$3.33 NTA, against \$3.53. \$927M free cash, up 29.6%.

Challenger Ltd (CGF)

\$220.4M interim NPAT, following \$6.1M net profit a year ago. 36.8% higher, \$1.22B revenue. Flat, 17.5c fully franked interim dividend. \$5.07 NTA against \$4.61.

Eagle Health Holdings (EHH)

300 EHH Zhang Lao San exclusive product and franchised stores in China have been impacted by coronavirus-related infection control protocols and remain temporarily closed, impacting sales.

Subsequently EHH has decided to focus on alternate sales avenues, including via existing and new TV marketing campaigns for an increased range of products, and to focus on existing and new products with the greatest consumer demand and priority. The new media marketing channels will include TikTok and Kuaishou.

In addition, EHH's production facility in Xiamen was scheduled to be closed 20 – 30 January for the Lunar New Year/Spring Festival period. As a consequence of 14-day coronavirus-related quarantine regulations however, EHH does not expect to resume normal production operations until after 1 March.

Resources
Northern Star Resources (NST)

54% higher, \$126.79M interim NPAT. 31% higher, \$826.98M revenue.

7.5c fully franked interim dividend. \$2.60 NTA, against \$1.61.

Energy
Beach Energy (BPT)

2% lower, \$A278.5M interim NPAT. 10% lower, \$948.3M revenue. \$60M net cash.

1c fully franked interim dividend. \$1.08 NTA, against 90c.

Revised FY 20 guidance also lodged this morning.



Among scant overnight data releases, a US January consumer inflation expectations report included a 2.50% growth rate, against 2.53% in December.

During late-US trade, the US administration released a proposed 2021 budget, the \$US4.8 trillion plan interpreted as maintaining an operating deficit for at least another decade.

Meanwhile, the resignation in **Germany** of the CDU politician touted to be the nation's next chancellor, coupled with weak industrial production reported Friday, pushed the euro to four-month lows against the \$US.

Tonight in the **US**, **US Federal Reserve** chair Jerome Powell is scheduled to meet with a House of Representatives financial services committee, to discuss the Fed's domestic and international economic outlooks and monetary policy.

In US data releases, a December job openings report and business optimism index are due.

Elsewhere, the **UK** reports an initial December quarter **GDP** estimate, December **industrial production** and goods trade balance, and January **retail sales**.

Companies scheduled to report **earnings** include: Daimler, Goodyear Tire, Hilton, Kia Motors, Lyft and NCR.

Overnight, **Tesla** appreciated 3.1% after revealing the company's Shanghai factory had restarted production.

iPhone manufacturer **Foxconn** reportedly resumed some operations at a facility in China.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1579.5	oz	6.1	0.4
Silver (NY) (Mar)	17.785	oz	0.093	0.5
Gold (LON) (7 Feb)	1573	oz		
Platinum	962	oz	-4	-0.4
WTI Crude (Mar)	49.57	bbbl	-0.75	-1.5
Brent Crude (Apr)	53.27	bbbl	-1.20	-2.2
Iron Ore (NYMEX,CHN,62%)	81.25	t	-0.40	-0.5
Copper (LME,3mth,PM)	5662	t	-2	-0.0
Nickel	12925	t	105	0.8
Aluminium	1707	t	-13	-0.8
Lead	1805	t	-7	-0.4
Zinc	2147	t	-10	-0.5
Tin	16325	t	35	0.2

Commodities Commentary

Oil – reduced demand pushed prices lower again overnight.

Reports put Shandong, China independent refinery run rates at 50.3% late last week, against 64.6% prior to the Lunar New Year holiday period.

PetroChina was reported to be cutting crude use by a daily 320,000bbbl (~10%) during February, and potentially by 377,000bbbl in March.

In addition, a World Health Organisation (WHO) warning late-weekend that the spread of coronavirus would 'accelerate' outside China, raised uncertainties regarding different nations

Pre-Open Announcements

Emerald Clinics (* EMD)

Cannabinoid treatment-focused medical clinics network developer scheduled to commence ASX trade 1pm AEDT **tomorrow**, following a \$6M IPO at 20c per share. EMD plans to collect, review and sell clinical data. 83.81M quoted shares.

Starpharma Ltd (SPL)

\$US3M milestone payment in hand from AstraZeneca in association with the AZD0466 Phase I clinical trial.

Althea Group (* AGH)

The number of patients treated with AGH medicinal cannabis grew by 572 in January, to 4590. 459 health professionals have prescribed AGH products.

Creso Pharma (CPH)

Planning to launch the hemp-derived product anibidioLEQUI for treating pain and stress and promoting mobility recovery in horses and other large animals. CPH developed the product with Switzerland-headquartered CapService.

Security Matters (* SMX)

Proposing to develop a system which will trace the origin and hence validate the integrity of wines, constraining counterfeiting and adulteration.

SMX's patented tagging, tracking and verification system will be developed, and potentially commercialised, in collaboration with Roadknight Investments.

SMX and Roadknight will establish a new company, SMX-B, to be equally and jointly owned.

Roadknight executive chairman Peter Yates AM and Leon Kempler AO will lead the development completion and commercialisation.

Noxopharm Ltd (NOX)

Planning to present additional luPIN Phase I/II interim data at the American Society of Clinical Oncology Genitourinary Cancers symposium Thursday San Francisco, USA time (PST), 6.30am AEDT Friday.

Alcidion Group (ALC)

Investor presentation lodged this morning.

ALC will be presenting in Melbourne and Sydney from today through Thursday.

Zenith Energy (* ZEN)

31% higher, \$A3.36M interim NPAT.

29% higher, \$A29.22M revenue.

54.97c NTA, against 47.74c.

LBT Innovations (LBT)

LBT has appointed LBT CFO Ray Ridge also as company secretary, due to the retirement of Dan Hill.

Mr Hill has been with LBT, as company secretary, for ~5.5 years.



potential reactions, including further travel restrictions and shutdowns.

OPEC+ is yet to meet to decide on the group's technical committee recommendations last week that the current production curb be extended past 31 March to the end of the year, and that daily output be reduced by an additional 600,000bbl during April-June.

The next officially scheduled OPEC and OPEC+ meetings are for early-March, but some had speculated that this could be brought forward.

Gold – prices appreciated overnight, again this being attributed to the uncertain global economic outlook associated with the coronavirus spread.

One analyst venture prices could reach \$US1640/oz.

Parliamentary committee testimony tonight by US Federal Reserve chair Jerome Powell, coupled with a batch of material data out of the UK, could swing some currency trade and gold sentiment tonight.

Overnight, the \$US (ICE index) traded at nine-month highs.

Base metals – overnight trade appeared influenced by new data out of China, supply and demand commentary, and the \$US at nine-month peaks.

China's January CPI and producer prices, reported yesterday, mostly matched or surpassed expectations.

CPI rose 1.4% for the month and 5.4% against January 2019, following 0.4% and 4.5% December 2019 gains.

Producer prices appreciated 0.1% year-on-year after falling 0.5% in December. The January rise was the first annual rate appreciation since mid-2019.

Meanwhile, Chile reported increased December *copper* output, from both Codelco and BHP's Escondida operation.

Glencore announced a five-year *cobalt* deal to supply up to 21,000t of cobalt to Samsung SDI.

Indonesia's government-owned Timah was targeting a 5% rise in annual *tin* production this year, according to one source.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6687	0.0000	0.00
EUR – USD	1.0911	0.0001	0.01

Australian Data Today

ANZ/Roy Morgan	Consumer sentiment	9 Feb
NAB	Business confidence & conditions	Jan
ABS	Household & business lending	Dec

US Data Tonight

JOLTs job openings	Dec
NFIB business optimism	Jan

Resources

OceanaGold Corporation (* OGC)

Anticipating producing 360,000oz – 380,000oz of gold during 2020.

Cash costs are expected to come in at \$US675/oz - \$US725/oz sold.

Expecting \$US1075/oz - \$US1125/oz sold AISC.

OGC expected capital investment to total \$US220M - \$US255M, \$US100M - \$US120M of this included in consolidated AISC.

Project breakdown guidance, including capital investment, also lodged post-trade yesterday.

OGC plans to lodge December quarter and 2019 operational and financial results overnight (AEDT) Thursday 20 February.

A webcast teleconference is scheduled for 8.30am AEDT Friday 21 February.

Poseidon Nickel (POS)

WA Silver Swan nickel project reserves have grown 106% to 130,000t @ 5.2% Ni, for 6800t of contained nickel.

Pure Minerals (* PM1)

Scoping study results lodged this morning for producing high purity alumina (HPA) as a co-product at the Townsville energy chemicals hub (TECH) project.

In addition, PM1 is acquiring the Milne Bay province, PNG Sewa Bay prospective nickel project. Details lodged this morning.

Ironbark Zinc (IBG)

IBG has appointed Jonathan Whyte as company secretary, effective yesterday.

Mr Whyte took company secretary duties from Rob Orr, who was IBG's company secretary and CFO for ~10 years.

Galena Mining (G1A)

Investor presentation lodged post-trade yesterday.

Broken Hill Prospecting (BPL)

MD Anthony (Trangie) Johnston has resigned due to illness.

Meanwhile, BPL has appointed Arizona-based John Petersen as chief technical advisor, ahead of establishing a management team to be led by a US-based CEO.

Heralding the pending release of positive results from the analysis of La Paz rare earths project bulk samples.

BPL's 1.5c-per-share rights offer continues through 17 February (Monday next week). The offer includes one loyalty share for each eight shares purchased.

BPL traded at 1.5c – 1.9c last week and at 1.8c yesterday.

Pensana Rare Earths Plc (* PM8)

Pensana Metals Ltd will commence ASX trade on Group 4 market open **tomorrow**, following a scheme whereby the company moved to the UK.

152.97M quoted shares/CDIs.

**Other Overseas Data Today & Tonight**

China	Foreign direct investment (FDI)	Jan
Chin	New lending	Jan
UK	GDP (prelim)	Dec Q
UK	Retail sales	Jan
UK	Industrial production	Dec
UK	Goods 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

Trading Halts

Company	Code	Resuming
Cassini Resources	CZI	11 Feb
Fiji Kava	FIJ	11 Feb
Southern Gold	SAU	11 Feb
Arq Group	ARQ	12 Feb
Blackmores Ltd	BKL	12 Feb
DXN Ltd	DXN	12 Feb
Family Insights Group	FAM	12 Feb

Suspensions (select)

Company	Code	Since
AuStar Gold	AUL	20 Jan
Dacian Gold	DCN	3 Feb
Gulf Manganese Corporation	GMC	10 Feb
Identitii Ltd	ID8	5 Feb
Integrated Green Energy Solutions	IGE	20 Jan
Matador Mining	MZZ	5 Feb
MEC Resources	MMR	17 Jan
Reverse Corp	REF	16 Jan
Speedcast International	SDA	5 Feb
Ziptel Ltd	ZIP	28 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MLT	Tomorrow	9	100	3.86
RMD	Tomorrow	4.05	0	0.46
IGO	Thu	6	0	1.71
PL8	Thu	0.5	100	5.05
QMS	Thu	1.3	100	1.79
SCG	Thu	11.3	0	5.80
ARG	Fri	16	100	3.69
GUD	Fri	25	100	4.47

Reports & Events

(selected)

When	Company	Report/Event
Today	AVN	Interim
	BPT	Interim
	CGF	Interim
	DWS	Interim
	ECX	AGM
	MQG	Dec Q update
	NST	Interim (w/cast tele 9am AEDT)
	SUN	Interim
	TCL	Interim (w/cast briefing 9.30am)



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.

Tomorrow	AMC	Interim (overnight tonight AEDT)
	BAP	Interim (tele 9.15am)
	CBA	Interim
	CPU	Interim
	CSL	Interim (teleconf 11am)
	DOW	Interim
	ELO	Interim
	EVN	Interim
	IEL	Interim
	IAG	Interim
	JHX	Dec Q
	MP1	Interim (teleconf 11.30am)
	MCR	Interim
	MIN	Interim
	ORA	Interim
	TGR	Interim (teleconf 4pm)
Thu	AGL	Interim
	AMP	Full year
	ASX	Interim
	BRG	Interim
	GMG	Interim
	MFG	Interim
	NAB	Dec Q
	NCM	Interim
	NST	Interim
	PME	Interim
	S32	Interim
	SKC	Interim (teleconf 10am)
	TLS	Interim
WPL	Interim	
Fri	BBN	Interim (teleconf 9.15am)
	CCX	Interim
	IPH	Interim
	MSB	Interim
	PXS	Interim
	SFC	Interim