

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7000	10	0.1
<b>NZX 50</b>	11842	8	0.1
<b>DJIA Futures</b>	29243	14	0.1
<b>S&amp;P 500 Futures</b>	3359	2	0.1
<b>NASDAQ Futures</b>	9533	6	0.1

**Local Markets Commentary**

The Australian market opens mid-week trade following vacillating overnight US equities trade, with a plethora of high-profile domestic corporate earnings reports.

**Locally** today, a monthly **consumer confidence** report is due from Westpac and the Melbourne Institute, 10.30am AEDT.

Meanwhile, a swag of large-cap stocks, including **CBA, CSL, DOW** and **IAG** reports earnings today.

In addition, **MLT** and **RMD** trade ex-dividend.

In overnight commodities trade, **oil** swung to record a gain.

US **gold** futures (CME April) turned lower.

**Iron ore** (Nymex CFR China, 62% Fe) seesawed higher, rallying beyond \$US83.35/t.

LME (3mth evening) **copper** and other key base metals also rallied.

The **\$A** ultimately slipped to ~US67.10c after approaching US67.15c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	29276	-0.5	-0.0
<b>S&amp;P 500</b>	3358	6	0.2
<b>NASDAQ</b>	9638	11	0.1
<b>FTSE 100</b>	7499	53	0.7
<b>DAX 30</b>	13628	134	1.0
<b>Shanghai Comp</b>	2902	11	0.4

**Overseas Markets Commentary**

Major European and US equities markets gained on opening overnight, key US indices notably slipping from session highs by settlement, however.

US Federal Reserve chairman Jerome Powell promoted the current and short-term health of the US economy to a House of Representatives financial services committee, and also noted it was too early to tell by how much the coronavirus could impact growth.

Meanwhile, the Philippines president made good on a threat to end a 20-year 'visiting forces agreement' with the US, announcing a termination within 180 days.

Among overnight data releases, **UK** statistics largely failed to encourage, while coming in better-than-feared by some.

\* Cannabinoid sector listing 1pm AEDT – EMD \*

**Today's Stock Watch**
**Blackmores Ltd (▲ BKL)**

Anticipating a minimum two-three months of China sales and supply challenges due to coronavirus.

Will not pay an interim dividend, in favour of cash conservation. Unaudited \$18.3M 1H FY20 NPAT (-48%). \$302.7M revenue (-5%). \$33.7M cash and equivalents.

Estimating \$17M - \$21M FY20 NPAT, including coronavirus impacts.

**Commonwealth Bank of Australia (CBA)**

34% higher, \$6.16B interim NPAT. 1% higher, \$12.47B revenue. 4.3% lower, \$4.48B cash NPAT. Flat, \$12.42M operating income.

\$2.00 fully franked interim dividend.

11.7% CET1 (APRA); 17.5% (international basis).

**CSL Ltd (CSL)**

7.5% higher, \$US1.25B interim NPAT. 8.4% higher, \$US4.7B sales revenue. US95c interim dividend, against US85c.

**Insurance Australia Group (IAG)**

43.4% lower, \$283M interim NPAT. 5.0% higher, \$9.01B revenue. 10c, 70%-franked interim dividend.

**Downer EDI (DOW)**

35.7% lower, \$86.3M interim NPAT. 3.3% higher, \$6.84B income. Flat, 14c interim dividend.

**Orora Ltd (ORA)**

13.3% lower, \$A76.6M continuing operations interim NPAT. 13.3% higher, \$1.84B continuing operations revenue.

6.5c 30%-franked interim dividend, against 6.5c, 50%-franked.

80c NTA, against 88c.

**Computershare Ltd (CPU)**

51.9% lower, \$124.67M interim NPAT. Flat, \$1.12B revenue. 23c, 30% (6.9c)-franked interim dividend.

**Amcort Ltd (AMC)**

\$US252M interim net income, against \$US237M. \$US6.18B net sales, following \$US4.55B.

**James Hardie Industries (JHX)**

3% higher, \$US235.2M NPAT for the nine months to 31 December. 3% higher, \$US1.93B net sales. December quarter net sales rose 5%, to \$US616.7M. \$US1.55 NTA, against \$US1.33. Anticipating a conditional \$US350M - \$US370M FY20 adjusted net operating profit, following \$US300.5M for FY19.

**Energy**
**Woodside Petroleum (WPL)**

A \$720M Kitimat, Canada post-tax impairment will be recognised in WPL's full year results due tomorrow.



An initial December quarter GDP estimate came in flat for the three months and 1.1% higher than a year earlier.

The figures put GDP growth for 2019 at 1.4%, against 1.3% for 2018.

December industrial production rose 0.1% for the month, following a 1.1% November drop, but was 1.8% lower than for December 2018.

Manufacturing production dropped 1 2.5% year-on-year, but rose 0.3% for the month, following a 1.6% decline during November.

Construction output rose 5% year-on-year.

In the US, a December job openings report estimated 6.42M opportunities, against 6.79M in November.

The NFIB business optimism index rose from 102.7 to 104.3.

**Tonight** in the **US**, **US Federal Reserve** chair Jerome Powell is scheduled to meet with a Senate banking committee, to discuss, as with the House committee last night, the Fed's domestic and international economic outlooks and monetary policy.

A January US budget statement and weekly mortgage applications are also due.

Elsewhere, **Germany** conducts a 10-year bond auction.

Companies scheduled to report **earnings** include: ABN Amro, Akzo Nobel, Barrick Gold, Cisco Systems, CVS Health, Daikin Industries, Heineken, Kogas, Mitsubishi Materials, Mitsui Mining & Engineering, Seoul Semiconductor, Shopify, Softbank, Sumitomo Mitsui Construction, Teva Pharmaceutical Industries and WFD Unibail Rodamco.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1579.5</b>	oz	-9.4	<b>-0.6</b>
<b>Silver (NY) (Mar)</b>	<b>17.597</b>	oz	0.188	<b>-1.1</b>
<b>Gold (LON) (10 Feb)</b>	<b>1573</b>	oz		
<b>Platinum</b>	<b>970</b>	oz	8	<b>0.8</b>
<b>WTI Crude (Mar)</b>	<b>49.94</b>	bbl	0.37	<b>0.8</b>
<b>Brent Crude (Apr)</b>	<b>54.01</b>	bbl	0.74	<b>1.4</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>83.36</b>	t	2.11	<b>2.5</b>
<b>Copper (LME,3mth,PM)</b>	<b>5725</b>	t	63	<b>1.1</b>
<b>Nickel</b>	<b>13115</b>	t	190	<b>1.5</b>
<b>Aluminium</b>	<b>1736</b>	t	30	<b>1.7</b>
<b>Lead</b>	<b>1849</b>	t	45	<b>2.5</b>
<b>Zinc</b>	<b>2155</b>	t	11	<b>0.5</b>
<b>Tin</b>	<b>16475</b>	t	150	<b>0.9</b>

### Commodities Commentary

**Oil** – prices headed higher early overnight, following market optimism in Asia yesterday.

US government agency the EIA reduced its 2020 WTI crude price prediction by 6% to \$US55.71/bbl, and the Brent forecast by 5.5% to \$US61.25/bbl.

In addition, the EIA reduced its forecast 2020 international daily crude demand growth by 310,000bbl, to a 1.03MMbbl/d increase to 101.74MMbbl/d.

The EIA also cut its 2020 US crude output growth prediction from 1.06Mmbbl/d to 960,000bbl/d.

## Pre-Open Announcements

### **Emerald Clinics (\* EMD)**

Cannabinoid treatment-focused medical clinics network developer scheduled to commence ASX trade **1pm** AEDT, following a \$6M IPO at 20c per share.

EMD plans to collect, review and sell clinical data.

83.81M quoted shares.

### **IDP Education (\* IEL)**

42% higher, \$57.89M interim NPAT. 25% higher, \$378.97M revenue. 16,5c, 2.81c-franked interim dividend.

71.36c NTA, against 60.63c.

### **Bapcor Ltd (\* BAP)**

0.7% lower, \$45.19M interim NPAT.

10.4% higher, \$702.49M revenue.

8c fully franked interim dividend, against 7.5c.

### **Carsales.com Ltd (\* CAR)**

\$A66.63M interim NPAT, up 543.5%. Adjusted continuing operations NPAT up 6.7% to \$63.42M.

4.5% higher, \$214.08M continuing operations contracts revenue.

22c fully franked interim dividend, against 20.5c.

### **Centuria Capital Group (\* CNI)**

251% higher, \$77.99M interim NPAT. 44% higher, \$79.54M revenue.

Previously declared 4.5c, 1.7c-franked interim distribution per stapled security.

\$1.10 NTA, against 88c.

### **Sky Network Television (\* SKT)**

78.1% lower, \$NZ11.72M interim NPAT.

4.5% lower, \$NZ384.84M operating revenue.

Nil interim dividend, against NZ7.5c a year ago.

### **ELMO Software (ELO)**

\$8.5M interim net loss.

34% higher, \$23.65M revenue.

71.17c NTA, against 36.84c.

In addition, ELO this morning has announced the \$3.5M acquisition of HR and safety video e-learning specialist Vocam. ELO will pay \$2.5M in cash and \$1M in ELO shares.

## Resources

### **Evolution Mining (\* EVN)**

62% higher, \$147.22M interim NPAT.

19% higher, \$898.17M customer contract revenue.

7c fully franked interim dividend, up 1c.

\$1.48 NTA, against \$1.38.

### **Mineral Resources (\* MIN)**

\$884M interim NPAT. 78% higher, \$987M revenue.

23c fully franked interim dividend.



Daily US demand is expected to grow by 90,000bbl (to 20.53MMbbl/d) rather than the 160,000bbl previously ventured. Total US output is expected to tally 13.56MMbbl/d.

The EIA also forecast 28.9MMbbl/d 2020 OPEC production, 300,000bbl/d less than it had last predicted.

**Tonight**, a monthly oil market report is due from **OPEC**, and weekly **US** petroleum inventories report from the EIA.

The International Energy Agency's (IEA) February report follows this week.

**Gold** – major international equities markets rose in early overnight trade, detracting from gold interest.

US Federal Reserve chair Jerome Powell acknowledged the new coronavirus but said it was too early to say how it might ultimately impact the US economy. Rather, he promoted the view that US economic growth was likely to continue.

**Base metals** – the \$US pulled back a little overnight and major international equities markets headed higher early.

This followed positive sessions across major Asian equities markets yesterday, buoying sentiment.

Meanwhile, Vale reported a 22.4% year-on-year drop in December quarter iron ore output and 9.6% less output than for the September quarter.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6713	0.0000	0.00
<b>EUR – USD</b>	1.0917	0.0001	0.01

#### Australian Data Today

Westpac/ Melb Institute	Consumer confidence	Feb
RBA	Card transactions	Jan

#### US Data Tonight

Budget statement	Jan
MBA mortgage applications	7 Feb

#### Other Overseas Data Today & Tonight

<b>Japan</b>	Machine tool orders	Jan
<b>Euro zone</b>	Industrial production	Dec

#### Need More Information?

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\$79M net cash.

#### Pensana Rare Earths Plc (\* PM8)

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

152.97M quoted shares/CDIs.

#### Artemis Resources (ARV)

In response to an ASX price query, gold and copper explorer ARV has pointed out that its WA Paterson Range neighbours include Newcrest Mining (ASX: NCM), which, in addition, to the regional Telfer project, has agreed a farm-in to the proximal LSE AIM-listed Greatland Gold's Havieron project.

ARV claimed Greatland's AIM price has risen ~160% over the past month.

ARV added ~31% in early trade yesterday, trading as high 4.1c and entering a trading halt on 3.8c on relatively high-volume trade.

#### Metals X (MLX)

MLX is pleading ignorant in response to an ASX price query.

The company added 26.51% yesterday, trading as high as 11c and settling at 10.5c.

#### Trading Halts

Company	Code	Resuming
DXN Ltd	DXN	12 Feb
Family Insights Group	FAM	12 Feb
Corazon Mining	CZN	13 Feb
Magmatic Resources	MAG	13 Feb
Norwood Systems	NOR	13 Feb
Pursuit Minerals	PUR	13 Feb
Alkane Resources	ALK	14 Feb

#### Suspensions (select)

Company	Code	Since
AuStar Gold	AUL	20 Jan
Cassini Resources	CZI	11 Feb
Dacian Gold	DCN	3 Feb
Fiji Kava	FIJ	11 Feb
Gulf Manganese Corporation	GMC	10 Feb
Identitii Ltd	ID8	5 Feb
Integrated Green Energy Solutions	IGE	20 Jan
Matador Mining	MZZ	5 Feb
Speedcast International	SDA	5 Feb
Ziptel Ltd	ZIP	28 Jan

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>MLT</b>	Today	<b>9</b>	100	3.83
<b>RMD</b>	Today	<b>4.05</b>	0	0.45
DDR	Tomorrow	13	100	3.09
IGO	Tomorrow	6	0	1.71
PL8	Tomorrow	0.5	100	5.05
QMS	Tomorrow	1.3	100	1.78
SCG	Tomorrow	11.3	0	5.77
ARG	Fri	16	100	3.67
GUD	Fri	25	100	4.48

**Reports & Events**

(selected)

When	Company	Report/Event
<b>Today</b>	<b>AMC</b>	Interim
	<b>BAP</b>	Interim (tele 9.15am)
	<b>CAR</b>	Interim
	<b>CNI</b>	Interim
	<b>CBA</b>	Interim
	<b>CPU</b>	Interim
	<b>CSL</b>	Interim (teleconf 11am)
	<b>DOW</b>	Interim
	<b>ELO</b>	Interim
	<b>EVN</b>	Interim
	<b>IEL</b>	Interim
	<b>IAG</b>	Interim
	<b>JHX</b>	Dec Q
	<b>MP1</b>	Interim (teleconf 11.30am)
	<b>MCR</b>	Interim
	<b>MIN</b>	Interim
	<b>ORA</b>	Interim
	<b>URW</b>	Full year (overnight tonight)
<b>TGR</b>	Interim (teleconf 4pm)	
<b>Tomorrow</b>	AGL	Interim
	AMP	Full year
	ASX	Interim
	BRG	Interim
	GMG	Interim
	MFG	Interim
	NAB	Dec Q
	NGI	Interim (teleconf 10am)
	NCM	Interim
	PME	Interim
	S32	Interim
	SKC	Interim (teleconf 10am)
	TLS	Interim
	WPL	Interim



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<b>Fri</b>	BBN	Interim (teleconf 9.15am)
	CCX	Interim
	IPH	Interim
	MSB	Interim
	PXS	Interim
	SFC	Interim