

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7138	41	0.6
<b>NZX 50</b>	11899	97	0.8
<b>DJIA Futures</b>	33490	-42	-0.1
<b>S&amp;P 500 Futures</b>	4256	-6	-0.2
<b>NASDAQ Futures</b>	13441	-10	-0.1

**Local Markets Commentary**

The Australian market opens mid-week trade with material domestic and regional economic indicator reports due from mid-morning through early afternoon.

Overnight US equities trade proved positive, but futures have turned lower this morning.

Key commodities prices continued to fall overnight.

**Locally** today, the Westpac-Melbourne Institute leading index report for February is due for release **10.30am AEDT**.

Australian Bureau of Statistics (ABS) publications due today (11.30am) include a February assessment of the household impacts of Covid.

Stocks trading **ex-dividend** today include **ASB, DTL, ING** and **MNY**. Please see pp2-3 for a detailed ex-dividends list.

**Regionally** today, **China's** February residential property prices are anticipated **12.30pm AEDT**.

Tankan indices are expected to be published for **Japan** as the ASX opens.

**Japan's February trade** figures are due **10.50am AEDT**.

In overnight commodities trade, **oil** tumbled, both Brent and WTI crude settling below \$US100/bbl.

US **gold** futures also picked up the pace of their current decline, closing beneath \$US1930/oz.

**Iron ore** (Nymex CFR China, 62% Fe) also extended this week's fall.

LME (3mth evening) **copper** reportedly traded ~0.3% lower.

**Aluminium** was reported to have fallen by ~1.3%. **Nickel** is scheduled to recommence LME trade 8am GMT today, following last week's suspension, with prices constrained to trading within a 5% range (above or below) of the last closing price before the suspension.

*Last night's LME final price updates were unavailable from IRESS at time of publication.*

The **\$A** rose to ~US71.95c after trading at US71.80c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	33544	599	1.8
<b>S&amp;P 500</b>	4262	89	2.1
<b>NASDAQ</b>	12949	367	2.9
<b>FTSE 100</b>	7156	-18	-0.3

**\* Gold exploration listing – 1pm AEDT – MPG \***

**Today's Stock Watch**
**Suncorp Group (SUN)**

34,000 claims received by 14 March in relation to the recent floods in Queensland and New South Wales. ~80% relate to home damage.

**Westpac Banking Corporation (WBC)**

WBC has appointed Yianna Papanikolaou as chief transformation officer, a newly-created WBC role. Former Deutsche Bank UK chief transformation office MD Ms Papanikolaou recently commenced with WBC as GM transformation office.

**Helloworld Travel (HLO)**

New air sales bookings for the year to 6 March tallied \$547M, 121% higher than for 2021.

Welcoming international cruise ships travel returning to Australia from the proposed 17 April.

FY19 HLO cruise sales across Australia reached more than \$1B.

**Auckland International Airport (AIA)**

January passenger numbers fell 1.2% year-on-year.

For the financial year-to-date, the passengers tally was down 33.1%. Breakdown statistics lodged this morning.

**Unibail Rodamco Westfield (URW)**

The 34-acre site hosting the former Los Angeles San Fernando Valley Promenade Mall is to be sold to private investors for \$US150M. URW's share is 55%.

URW continues to own and operate adjacent properties, namely Westfield Topanga and The Village.

**OFX Ltd (OFX)**

Anticipating \$43M - \$45M FY22 EBITDA, representing a 41% - 48% increase.

Investor briefing scheduled for 9am – midday AEDT.

Presentation, including FY22 guidance, lodged pre-trade.

**KMD Brands / Kathmandu Holdings (KMD)**

As previously flagged, Kathmandu Holdings has changed its name to KMD Brands.

KMD commences trade under that name today.

**Resources**
**Gascoyne Resources (GCY)**

Debt cut by 50% with a \$10M pre-payment.

March quarter gold production is expected to exceed 21,000oz, representing a 25% increase on December quarter output.

**Piedmont Lithium (PLL)**

Updated presentation lodged pre-trade.



DAX 30	13917	-12	-0.1
Shanghai Comp	3064	-160	-5.0

### Overseas Markets Commentary

Major European, UK and US equities markets diverged again overnight, US indices largely opening higher and trending further so towards close.

Global economic growth prospects, monetary policy speculation and Russia-Ukraine developments proved the foremost considerations, with commentary mostly highlighting positive signs from efforts to achieve a resolution to Russia's attacks on Ukraine.

Negotiations between Russian and Ukrainian officials extended into a second day, the first time this has happened after three earlier rounds of talks since 24 February.

A Ukrainian negotiator described the talks as 'very difficult' but noted 'room for compromise', including Ukraine obtaining security guarantees without continuing its push to become a NATO member.

This supported equities trade sentiment and pushed oil prices as much as ~8% lower.

In addition, the prime ministers of the Czech Republic, a Poland and Slovenia travelled to Ukraine's capital city Kyiv to discuss solutions in person with Ukrainian officials.

There was no reported let-up in Russia's attacks however, with the major hospital in Mariupol reportedly under siege, trapping ~400 civilians, and an increase in residential building attacks in Kyiv.

In the meantime, Ukraine was reported to have raised \$US185M in a debt auction.

Earlier yesterday, China's industrial production, fixed assets investments and retail sales updates exceeded expectations.

New Covid management restrictions at select ports outweighed the data however, with fears the port restrictions could broaden.

In addition, China's February unemployment rate was notably calculated at 5.5%, following 5.3% for January and against expectations of an improvement to 5.1%.

Also yesterday, the People's Bank of China replaced 100B yuan due to mature with the same amount of new funding to ensure sufficient banking system liquidity. Similarly, the central bank provided 10B yuan via seven-day reverse repos.

Meanwhile, Morgan Stanley predicted 0.0% March quarter GDP growth for China.

In mostly dour overnight **data** releases, the ZEW March economic sentiment index for the **euro zone** plunged to -38.7 from 48.6. A much smaller decline to 15 had been anticipated.

Euro zone January industrial production was estimated flat for the month defying forecasts of a 0.4% increase to follow December's 1.3% gain.

Against January 2021, output was down 1.3%.

**Germany's** ZEW economic sentiment index dived from 54.3 to -39.3.

The current conditions component index dropped to -21.4 from -8.1, but forecasters had expected a larger decline to -27.2.

## Pre-Open Announcements

### Contact Energy (CEN)

February operational statistics lodged pre-trade. CEN recouped 5.73% yesterday, settling at \$7.75.

### Clover Corporation (CLV)

Flat, 0.5c fully franked interim dividend. 20% lower, \$2.0M interim NPAT. 1.0% higher, \$29.73M revenue. 35.7c NTA from 35.1c.

### Resources

#### Many Peaks Gold (\* MPG)

Gold explorer scheduled to list on the ASX **1pm** AEDT, following a \$5.5M IPO at 20c per share. ~32.1M quoted shares.

#### Group 6 Metals (G6M)

Interim results lodged post-trade yesterday.

### Trading Halts

Company	Code	Resuming
AustChina Holdings	AUH	16 Mar
Brightstar Resources	BTR	16 Mar
Grand Gulf Energy	GGE	16 Mar
Helix Resources	HLX	16 Mar
Melbana Energy	MAY	16 Mar
Classic Minerals	CLZ	17 Mar
E2 Metals	E2M	17 Mar
Golden Mile Resources	G88	17 Mar
Golden Rim Resources	GMR	17 Mar
Laneway Resources	LNW	17 Mar
Motio Ltd	MXO	17 Mar
Nanoveu Ltd	NVU	17 Mar
St George Mining	SGQ	17 Mar

### Suspensions (selected)

Company	Code	Since
Macarthur Minerals	MIO	15 Mar
Mindax Ltd	MDX	1 Mar
Roto-Gro International	RGI	1 Mar

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ASB</b>	Today	<b>4</b>	0	3.88
<b>BWF</b>	Today	<b>2.6</b>	100	2.86
<b>DTL</b>	Today	<b>7.25</b>	100	2.65
<b>EPY</b>	Today	<b>1.4</b>	100	4.82



In the **UK**, February unemployment claims were reported 48,100 lower than for January.

The January unemployment rate came in at 3.9% from 4.1% for December.

Average earnings, excluding bonuses, rose 3.8% during January following a 3.7% December increase.

In the **US**, February producer prices appreciated 0.8% for the month, but forecasters had anticipated a 1.1% climb.

Against February 2021, prices were up 10%.

The New York Fed's Empire State March manufacturing index slid to -11.8 from 3.1, following forecasts for an improvement to 7.0.

**Tonight** in the US, the US Federal Reserve concludes a two-day policy meeting and announces outcomes (early AEDT). These are expected to include a 0.25% interest rate increase.

The Fed is also due to publish a new set of forecasts.

In addition, chair Jerome Powell will host a press conference (~30 minutes later), comments from which could swing late US trade.

US data releases due earlier tonight include February retail sales, export and import prices, January business inventories, a home builders' housing market index and weekly mortgage applications.

Elsewhere, Germany hosts a 10-year bond auction.

Companies scheduled to report earnings or provide trading updates later today and tonight include BMW and E.ON.

### Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
<b>Gold (NY)</b> (Apr)	<b>1929.7</b>	oz	-31.1	<b>-1.6</b>
<b>Silver (NY)</b> (May)	<b>25.16</b>	oz	-0.14	<b>-0.6</b>
<b>Gold (LON)</b>	<b>1954</b>	oz	14 Mar	
<b>Platinum</b>	<b>982</b>	oz	-47	<b>-4.6</b>
<b>WTI Crude</b> (NYMEX Apr)	<b>96.44</b>	bbbl	-6.57	<b>-6.4</b>
<b>Brent Crude</b> (ICE EUR May)	<b>99.91</b>	bbbl	-6.99	<b>-6.5</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	<b>144.77</b>	t	-5.34	<b>-3.7</b>
<b>Copper</b> (LME 3mth Evening)	<b>9935</b>	t	14 Mar	
<b>Nickel</b>	<b>48078</b>	t	8 Mar	(susp)
<b>Aluminium</b>	<b>3319</b>	t	14 Mar	
<b>Lead</b>	<b>2268</b>	t		
<b>Zinc</b>	<b>3810</b>	t		
<b>Tin</b>	<b>42582</b>	t		

### Commodities Commentary

**Oil** – hopes for a resolution to the Russia-Ukraine conflict, fears of reduced demand from China due to the latest Covid spread and related restrictions, and comments from Russia suggesting support for negotiations to proceed with Iran regarding the 2015 international nuclear agreement pushed Brent crude as low as \$US97.44/bbl overnight and WTI down to \$US93.53/bbl.

**OPEC's** monthly market report, published overnight, included a warning that anticipated 2022 demand may not be realised, due to Russia's war on Ukraine, China's latest Covid spread and broader inflation issues.

The IEA's monthly market report is anticipated tonight.

Also tonight, US government agency the EIA is due to publish its weekly domestic petroleum inventories report.

Overnight, post-US trade, the American Petroleum Institute

<b>ING</b>	Today	<b>6.5</b>	100	5.48
<b>MCY</b>	Today	<b>7.45</b>	0	1.88
<b>MEC</b>	Today	<b>1.5</b>	100	4.58
<b>MNY</b>	Today	<b>6</b>	100	2.36
<b>MTO</b>	Today	<b>12</b>	100	6.47
<b>PL8</b>	Today	<b>0.5</b>	100	4.50
<b>SHM</b>	Today	<b>6</b>	100	9.30
<b>SSG</b>	Today	<b>4.5</b>	100	4.26
<b>VG1</b>	Today	<b>4.5</b>	100	3.32
<b>VG8</b>	Today	<b>5</b>	100	3.07
BOL	Tomorrow	0.5	0	7.89
CRN	Tomorrow	8.75	0	0.00
CUP	Tomorrow	1.5	100	3.93
DDH	Tomorrow	2.51	100	2.10
EMB	Tomorrow	15	100	1.72
FBU	Tomorrow	16.73	0	2.39
GNE	Tomorrow	7.89	0	5.98
MEZ	Tomorrow	5.34	0	3.22
PWH	Tomorrow	3.5	100	0.97
CAR	Fri	25.5	100	2.31
HUB	Fri	7.5	100	0.36
VLS	Fri	3	100	2.42
ADH	Mon (21 Mar)	8	100	3.52
AHX	Mon	1.2	100	2.86
KSC	Mon	4.5	100	3.71
NWH	Mon	5.5	100	4.13
PGC	Mon	0.6	100	2.27



released a report which included an estimated a 3.754MMbbl increase in US crude stocks last week.

**Gold** – overnight gold interest was damaged by renewed equities risk sentiment, this mostly attributed to hopes to a resolution to the Russia-Ukraine conflict.

The US Federal Reserve’s policy meeting outcomes statement and subsequent commentary early tomorrow AEDT is expected to influence some late-week gold sentiment.

The Bank of England also convenes a policy meeting tomorrow night, and the Bank of Russia and Bank of Japan on Friday.

**Base metals** – the LME announced price constraints overnight, with *aluminium, copper, lead, tin* and *zinc* prices restricted to within 15% (above or below) of the previous session’s closing price. Bids outside the limits will be rejected.

*Nickel* trade, which resumes this evening AEDT (8am GMT), will be constrained within a 5% limit.

Overnight trade was pushed and pulled by new data out of China, plus China’s Covid reports, including wider spread and increased restrictions extending to activity at select ports. *Aluminium* reportedly fell as much as 3% intra-session.

**China’s** January-February industrial production, fixed asset investment and retail sales updates, reported yesterday, surprised on the upside.

Industrial production was 7.5% higher than for January-February 2021, against forecasts for a 3.8% increase.

Fixed asset investment rose by 12%, more than double the expected 5%.

Retail sales improved 6.7% following forecasts for a 3.5% climb.

Residential property prices are anticipated today.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7198	0.0013	0.18
EUR – USD	1.0958	-0.0024	-0.22

#### Australian Data Today

Westpac-Melb Inst	Leading index	Feb
ABS	Covid household impacts	Feb

#### US Data Today & Tonight

Retail sales	Feb
Export & import prices	Feb
NAHB housing market index	Mar
Business inventories	Jan
MBA mortgage applications	11 Mar

#### Other Overseas Data Today & Tonight

<b>China</b>	Residential property prices	Jan-Feb
<b>Japan</b>	Trade balance; exports; imports	Feb
Japan	Tankan indices	Mar



Japan Industrial production (final) Jan

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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)

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