

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7049	-17	<b>-0.2</b>
<b>NZX 50</b>	11804	-30	<b>-0.3</b>
<b>DJIA Futures</b>	29395	0	0.0
<b>S&amp;P 500 Futures</b>	3381	0	0.0
<b>NASDAQ Futures</b>	9632	0	0.0

## Local Markets Commentary

The Australian market opens a new week's trade during which a deluge of domestic corporate earnings reports will feature, on a US Monday public holiday weekend.

**Regionally today, China's January residential property price index is expected 12.30pm AEDT.**

**Japan publishes an initial December quarter GDP estimate 10.50am AEDT.**

**Locally today, a relative smattering of large-caps stocks reports earnings.**

**In addition, BAP and JHG trade ex-dividend, with several other high-profile stocks also due to do so during the week.**

*Please see pp3-5 for detailed lists.*

In overnight Friday commodities trade, **oil** settled decidedly higher. US **gold** futures (CME April) recorded another gain.

**Iron ore** (Nymex CFR China, 62% Fe) closed lower, but remained above \$US84.85c.

LME (3mth evening) **copper, nickel** and **aluminium** turned lower.

The **\$A** essentially trod water after trading at ~US67.15c early Friday evening, but rose earlier this morning.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	29398	-25	<b>-0.1</b>
<b>S&amp;P 500</b>	3380	6	<b>0.2</b>
<b>NASDAQ</b>	9731	19	<b>0.2</b>
<b>FTSE 100</b>	7409	-43	<b>-0.6</b>
<b>DAX 30</b>	13744	-1.2	<b>-0.0</b>
<b>Shanghai Comp</b>	2917	11	<b>0.4</b>

## Overseas Markets Commentary

Major European and US equities markets largely chopped and swung through overnight Friday trade.

US markets were heading into a Monday public holiday weekend, amid a swag of data releases and multiple reports of the broadening impacts, and various government responses to, the coronavirus outbreak.

International Monetary Fund (IMF) MD Kristalina Georgieva warned against early forecasts of the potential economic impact of

**Japan – December quarter GDP – 10.50am AEDT**

**China – home price index – 12.30pm AEDT**

## Today's Stock Watch

### National Australia Bank (NAB)

Conducting a \$750M capital notes offer, and confirming a 23 March 2015 capital notes resale. Details lodged this morning.

### QBE Insurance (QBE)

41% higher, \$US550M full year NPAT. 1% higher, \$US15.19B revenue. A27c, 30% (8.1c)-franked final dividend, against A28c, 60%-franked.

### Brambles Ltd (BXB)

13% lower, \$US277.9M interim NPAT. 4% higher, \$US2.398B sales revenue.

US9c, 30%-franked interim dividend, against A14.5c.

### Bendigo & Adelaide Bank (BEN)

28.2% lower, \$145.8M interim NPAT. 5.6% higher, \$834.2M income. 2.0% lower, \$215.4M cash earnings.

31c fully franked in interim dividend, against 35c. 9.00 CET1, up 0.24. Trading halt called, to conduct a \$250M fully underwritten, \$9.34-per-share institutional placement. A \$50M SPP is also planned. BEN traded at \$10.07 - \$10.63 last week.

### Imdex Ltd (IMD)

35% higher, \$18.22M interim NPAT. 2% higher, \$127.88M revenue. 1c fully franked interim dividend, against 0.8c.

### GWA Group (GWA)

69% lower, \$23.59M interim NPAT. 13% higher, \$206.72M revenue. 8c fully franked interim dividend, against 9c. \$156.6M net debt.

### National Storage REIT (NSR)

Unsolicited indicative and conditional proposal received from Public Storage, in competition with the one from Gaw Capital Partners. Public Storage is offering \$2.40 per stapled security. NSR traded at \$2.13 - \$2.285 last week.

### AUB Group (AUB)

Proposing to acquire the balance 50.1% of MGA Whittles Group, and also 40% of BizCover, pending satisfactory due diligence.

The total \$A140M consideration comprises ~\$29.13M in cash and ~8.76M AUB shares.

## Energy

### Caltex Australia (CTX)

CTX is granting additional, but non-exclusive, due diligence to Alimentation Couche-Tard (ATD).

Last week, ATD presented CTX with a revised indicative \$A35.25 cash-per share offer.



the virus, while promoting an international governments and central banks response to support the global economy.

Among overnight Friday data releases, **Germany's** December quarter GDP growth came in flat for the three months, and 1.4% higher year-on-year. September quarter 2019 GDP growth was revised to 0.2%.

January wholesale prices rose 1% year-on-year and 0.3% for the month, following no change during December.

The final estimate for **euro zone** December quarter GDP growth confirmed 0.1% growth for the three months following 0.3% during the September quarter.

Year-on-year, GDP increased 0.9%, against 1.2% for the September quarter.

The December euro zone trade surplus rose to €23.1B from €20.7B.

In the **US**, January retail sales improved 0.3% for the month. Against January 2019, sales were 4.4% higher.

January industrial production fell 0.3% for the month and 0.8% year-on-year.

December business inventories grew by 0.1% after falling 0.2% in November.

January import prices appreciated 0.3% year-on-year, but were flat for the month. Export prices rose 0.5% and 0.7% respectively.

The University of Michigan's initial February consumer sentiment index was estimated at 100.9, from 99.8 at the end of January.

*US equities markets will be closed tonight due to a public holiday.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1586.4</b>	oz	7.6	<b>0.5</b>
<b>Silver (NY) (Mar)</b>	<b>17.734</b>	oz	0.115	<b>0.7</b>
<b>Gold (LON) (13 Feb)</b>	<b>1575</b>	oz		
<b>Platinum</b>	<b>964</b>	oz	-4	<b>-0.4</b>
<b>WTI Crude (Mar)</b>	<b>52.05</b>	bbl	0.63	<b>1.2</b>
<b>Brent Crude (Apr)</b>	<b>57.32</b>	bbl	0.98	<b>1.7</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>84.86</b>	t	-0.28	<b>-0.3</b>
<b>Copper (LME,3mth,PM)</b>	<b>5756</b>	t	-30	<b>-0.5</b>
<b>Nickel</b>	<b>13035</b>	t	-245	<b>-1.8</b>
<b>Aluminium</b>	<b>1724</b>	t	-26	<b>-1.5</b>
<b>Lead</b>	<b>1872</b>	t	-12	<b>-0.7</b>
<b>Zinc</b>	<b>2149</b>	t	-26	<b>-1.2</b>
<b>Tin</b>	<b>16555</b>	t	-35	<b>-0.2</b>

### Commodities Commentary

**Oil** – overnight Friday trade appeared at least partly influenced by reports independent refiners in China were buying up at favourable prices.

In addition, industry commentators ventured that Russia would ultimately support additional OPEC+ production curbs, due to a domestic oil glut and expected monetary support from the pending sale of a key bank.

Further, UBS stated that it 'assumed' China's economic activity, and commodity demand would pick up from the coronavirus during the June quarter.

## Pre-Open Announcements

### BrainChip Ltd (\* BRN)

US government export approval in hand for the Akida AI products to customers in China, Japan, Korea and Taiwan. The EAR99 approval covers the Akida neuromorphic system-on-chip, Akida software development environment and associated technologies.

### Uniti Ltd (\* UWL)

Anticipating \$35M - \$37M underlying FY 20 EBITDA, against previous \$32M guidance. 2H FY20 underlying EBITDA is expected at \$17.5M - \$18.5M.

### Sydney Airport (\* SYD)

Offering ~\$A600M worth of bonds in a multi-tranche US private placement.

Details lodged this morning.

### Johns Lyng Group (\* JLG)

Acquiring 60% of heating, ventilation and air conditioning mechanical services business Air Control Australia. Consideration comprises \$1.6M cash, \$300,000 worth of JLG shares, and a potential earn-out.

### Atlas Arteria (ALX)

All competition regulatory approvals in hand for ALX's proposed acquisition of an additional 6.14% indirect interest in APRR and ADELAC.

### Euroz Ltd (EZL)

\$8.55M interim NPAT, following a \$2.14M net loss for the six months to 31 December 2018.

14% lower, \$32.08M revenue.

1.75c fully franked interim dividend.

69c NTA, against 74c.

\$1.73B FUM.

### Paradigm Biopharmaceuticals (PAR)

Interim results lodged post-trade Friday.

### thedocyard Ltd (TDY)

Specialist business software TDY provider completed a successful ASX listing Friday, following a \$4.15M IPO at 20c per share.

Opened at 25c and slipped to 22.5c before settling at 24.5c.

685,758 shares changed hands across 104 transactions.

57.65M quoted shares.

## Resources

### Saracen Mineral Holdings (\* SAR)

90% higher, \$83.02M interim NPAT. 45% higher, \$409.93M revenue. Nil interim dividend. \$1.28 NTA, against 52c.

### Regis Resources (\* RRL)

17% higher, \$93.4M record interim NPAT. \$371.4M revenue. Flat, 8c fully franked interim dividend.



In production news, Kuwait and Saudi Arabia were planning to commence a joint production trial from within the border region neutral zone of the Wafra and Khafji oil fields overnight (Sunday) Prices notably settled higher for the week, Brent crude appreciating 5.2%, and WTI 3.4%.

A weekly US petroleum drill rig report, published overnight Friday, included two additional operational oil rigs, pushing the total to 678 against 857 a year earlier.

**Gold** – CME futures notably closed overnight Friday 0.8% higher for the week, notching another sessional gain.

This was mostly attributed to positioning as US markets headed into a Monday holiday weekend, and a hedge as the immediate economic impacts of coronavirus continued to be reported.

RBA and US Federal Reserve policy meeting minutes, CPI updates for the UK and Japan, and late-week PMI readings are expected to sway some currency trade this week.

**Base metals** – Friday's falls were largely attributed to demand fears, in light of widely reported broadening travel, logistics and manufacturing impacts of coronavirus, and speculation regarding China's overall GDP growth for the March quarter and beyond.

In the meantime, the International Copper Study Group's estimate of a 33,000t global copper deficit for October 2019, was pitted against a media poll predicting a 2020 160,000t shortfall.

In other commodity news, the European Commission revealed it had commenced an investigation into the alleged dumping of various aluminium products by China into the European Union.

An industry members' group, which includes Alcoa, Norsk Hydro and Rio Tinto, had reportedly filed a complaint in January.

New economic indicators due today, including China's January house prices, plus December quarter GDP and industrial production updates for Japan, could influence some of tonight's trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6720	-0.0003	<b>-0.04</b>
<b>EUR – USD</b>	1.0838	-0.0005	<b>-0.05</b>

### Overseas Data Today & Tonight

<b>China</b>	House price index	Jan
<b>Japan</b>	GDP	Dec Q
Japan	Tankan index	Feb
Japan	Industrial production (final)	Dec
<b>Euro zone</b>	Construction output	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](mailto:advice@stateone.com.au)

### Resolute Mining (\* RSG)

Additional 30,000oz of gold hedged, at \$US1590/oz. The new forward-sold ounces are due for delivery monthly from January through June 2021.

RSG now has 225,000oz hedged, representing ~3% of company reserves.

### Sheffield Resources (↑ SFX)

WA Thunderbird mineral sands project equity funding challenges have forced SFR to commence a 'rescoping' of the project, including scale and product mix revisions.

Details lodged this morning.

### Trading Halts

Company	Code	Resuming
MGC Pharmaceuticals	MXC	17 Feb
Spirit Telecom	ST1	17 Feb
Vulcan Energy Resources	VUL	17 Feb
American Pacific Borates	ABR	18 Feb
Collection House	CLH	18 Feb
Hampton Hill Mining	HHM	18 Feb
Parazero Ltd	PRZ	18 Feb
Rumble Resources	RTR	18 Feb
BNK Banking Corporation	BBC	19 Feb

### Suspensions (select)

Company	Code	Since
AuStar Gold	AUL	20 Jan
Comet Resources	CRL	14 Feb
Dacian Gold	DCN	3 Feb
Fiji Kava	FIJ	11 Feb
Gulf Manganese Corporation	GMC	10 Feb
Identitii Ltd	ID8	5 Feb
Matador Mining	MZZ	5 Feb
Pursuit Minerals	PUR	13 Feb
Speedcast International	SDA	5 Feb
Ziptel Ltd	ZIP	28 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>BAP</b>	Today	<b>8</b>	100	2.49
<b>JHG</b>	Today	<b>53.58</b>	0	5.25
CPU	Tomorrow	23	30	2.52
IAG	Tomorrow	10	70	2.95
IPH	Tomorrow	13.5	100	2.45
MFG	Tomorrow	92.9	75	2.51
CBA	Wed	200	100	2.54
CVF	Wed	0.46	100	8.59



GC1	Wed	1	100	3.66
IBC	Wed	1.2	100	3.40
NGI	Wed	12.63	0	6.94
SUN	Wed	26	100	5.57
JBH	Thu	99	100	3.42
KOV	Thu	15	100	4.73
MAM	Thu	1	100	3.81
NCM	Thu	11.15	100	1.14
QVE	Thu	2.2	100	4.27
DUI	Fri	7	100	2.98
MFD	Fri	7.71	100	7.97

## Reports & Events

(selected)

When	Company	Report/Event
<b>Today</b>	<b>ALU</b>	Interim (post-ASX trade; tele 5pm AEDT)
	<b>BEN</b>	Interim (teleconf 10am)
	<b>BXB</b>	Interim
	<b>IMD</b>	Interim
	<b>MNY</b>	Interim (teleconf 10.30am)
	<b>GWA</b>	Interim
	<b>IMD</b>	Interim
	<b>QBE</b>	Full year
	<b>RRL</b>	Interim
	<b>SAR</b>	Interim
<b>Tomorrow</b>	ABP	Interim
	ANN	Interim
	APA	Interim
	ARB	Interim
	BHP	Interim
	BLX	Interim
	COH	Interim
	COL	Interim
	EHL	Interim
	IFL	Interim
	ISU	Interim
	MAI	Interim (tele 11am AEDT)
	MND	Interim
	NWL	Interim
	OZL	Full year
	RHP	Interim
	SCG	Full year
SCG	Interim	
VRT	Interim	
<b>Wed</b>	ADI	Interim
	AHY	Interim
	AIA	December (operational statistics)
	CBR	Interim



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CWY	Interim
CTD	Interim
CWN	Interim
DMP	Interim
DTL	Interim
FBU	Interim
FMG	Interim
GNC	Interim (tele 10am AEDT)
LOV	Interim (tele 10.30am)
MMS	Interim
MVP	Interim
MGX	Interim
NEA	Interim
NEW	Full year (tele 9.30am)
OPC	Interim (post-ASX trade; tele 9am Thu)
OTW	Interim
PLS	Interim
RCG	Interim
RDC	Interim (w/cast tele 9.30)
RRL	Interim
SBM	Interim
SFR	Interim
SIQ	Full year (post-ASX trade; tele 9am Thu)
SHL	Interim
SGP	Interim
SPK	Interim (tele 8am)
TAH	Interim
VCX	Interim
WSA	Interim
WTC	Interim