

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	4839	-209	<b>-4.1</b>
<b>NZX 50</b>	9005	-472	<b>-5.0</b>
<b>DJIA Futures</b>	20556	157	0.8
<b>S&amp;P 500 Futures</b>	2431	15	0.6
<b>NASDAQ Futures</b>	7113	55	0.8

## Local Markets Commentary

The Australian market commences today's trade following an overnight US equities markets plunge, a concession of possible near-term recession from the US president, and a G7 finance ministers Covid-19 – related teleconference, ahead of an Australian national Government cabinet meeting scheduled for tonight, and with Reserve Bank of Australia (RBA) policy meeting minutes due by late-morning.

US equities futures have turned higher pre-ASX trade.

**Regionally** today, markets are expected to respond to any further government or central bank economic and market support initiatives.

**Locally**, the RBA publishes the **minutes** of the 3 March **policy meeting 11.30am AEDT**.

Yesterday, RBA governor Philip Lowe promised more supportive action as needed, and at least one more announcement Thursday, hinting at further change this week.

The Australian Bureau of Statistics (ABS) releases December quarter **capital city residential property price indices**, also at 11.30am.

In addition, the Australian Chamber of Commerce and Industry – Westpac March quarter **business survey** report is due this morning.

Pre-trade, a weekly consumer sentiment reading is due.

In overnight commodities trade, **oil** slid again.

US **gold** futures (CME April) fell further.

**Iron ore** (Nymex CFR China, 62% Fe) slipped US1c below US\$90.00/t.

LME (3mth evening) **copper** and **nickel** were propelled lower. **Aluminium** settled little changed.

The **\$A** fell to ~US61.05c after trading at ~US61.46c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	20189	-2997	<b>-12.9</b>
<b>S&amp;P 500</b>	2386	-325	<b>-12.0</b>
<b>NASDAQ</b>	6905	-970	<b>-12.3</b>
<b>FTSE 100</b>	5151	-215	<b>-4.0</b>
<b>DAX 30</b>	8742	-490	<b>-5.3</b>
<b>Shanghai Comp</b>	2789	-98	<b>-3.4</b>

## Australia – RBA 3 March policy meeting minutes – 11.30am AEDT

## Today's Stock Watch

### Coca-Cola Amatil (CCL)

Withdrawing 2020 earnings guidance. Confirming demand growth however, in Australia and New Zealand, amid 'stocking up' ahead of Easter and Ramadan. 'On-the-go' product purchases are falling however, in particular in Indonesia.

### Qantas Airways (QAN)

Cutting services further. Details lodged this morning.

### Eclix Group (ECX)

Teleconference scheduled to commence 10am, focusing on credit risk, liquidity, and simplification plan progress.

### Auckland International Airport (AIA)

Cancelling the planned NZ11c-per-share interim dividend payment. Other previously-flagged cost-cutting measures include suspending discretionary spending, reviewing consultants' work and not hiring new staff until at least 30 June.

### Fisher & Paykel Healthcare (FPH)

Revising expected full year (to 31 March) operating revenue to \$NZ1.24B from \$NZ1.2B, and NPAT to \$NZ275M - \$NZ280M, from \$NZ260M - \$NZ270M. FPH is mostly basing its revision on the New Zealand dollar having weakened. Confirming demand for respiratory humidifiers and patient treatment consumables has increased sufficiently for FPH to ramp manufacturing. In addition, Homecare product sales have also grown.

### Estia Health (EHE)

Withdrawing FY20 guidance.

### Unibail-Rodamco-Westfield (URW)

International Covid-19 – related restrictions, such as the closure of non-essential stores and capping of event participants in several nations, will impact URW's shopping centre operations and the group's convention and exhibition division.

Likely total impacts remain unquantifiable, however.

Meanwhile, URW is reducing expenses, deferring capex and accessing Covid-19 – related business support programs offered by governments. URW says it also retains access to undrawn credit facilities. The group has closed lower the past seven sessions, yesterday settling at \$5.96.

## Resources

### Rio Tinto (RIO)

Confirming Covid-19 – related people and goods movement restrictions in Mongolia, and across its borders, are slowing Oyu Tolgoi operations, including progress on the underground development. Open pit operations remain sufficient to continue to supply copper concentrate to customers, however.



## Overseas Markets Commentary

Major European and US equities markets dropped on opening overnight, after governments and central banks continued to offer fiscal and policy support, amid broadening international Covid-19 – related restrictions and predictions of a prolonged virus outbreak.

Key US indices headed back to plummet-level session lows in the final 15 minutes of trade, when the US president conceded a US recession was possible.

Earlier, US airlines were reported to have requested up to \$US50B worth of support, and in the same press conference, the president promised to 'back the airlines 100%', pushing that sector to session-best prices.

Sunday, the US Federal Reserve had cut its rates range by 1.0% to 0% - 0.25%.

Yesterday, **China** revealed mostly worse-than-anticipated January-February industrial production, retail sales and fixed asset investment figures.

The **Bank of Japan** in the meantime, had joined other central banks in vowing to purchase more assets at a faster rate and to introduce lending changes to keep access to \$US more feasible than it was becoming the past two – three weeks.

In overnight **US** data releases, the New York Fed Empire State manufacturing activity index plunged to -21.5 from 12.9.

January Treasury net capital flows tallied \$US122.9B, following \$US78.7B for December.

**Tonight** in the **US**, February industrial production and retail sales are due.

The US Federal Reserve is scheduled to commence a two-day policy meeting. The early, unscheduled FOMC meeting this past weekend, delivered a second US out-of-cycle rates cut for the year to date.

Elsewhere, the **UK** hosts a 30-year government bond auction. Meanwhile the Bank of England's new governor took over yesterday, also indicating preparedness to optimise central bank purchases and lending programs.

Antofagasta, China Telecom, FedEx, Volkswagen and XP are scheduled to report earnings.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1486.5</b>	oz	-30.2	<b>-2.0</b>
<b>Silver (NY) (May)</b>	<b>12.816</b>	oz	-1.684	<b>-12.0</b>
<b>Gold (LON) (13 Mar)</b>	<b>1563</b>	oz		
<b>Platinum</b>	<b>650</b>	oz	-95	<b>-12.4</b>
<b>WTI Crude (Apr)</b>	<b>28.70</b>	bbl	-3.03	<b>-9.6</b>
<b>Brent Crude (May)</b>	<b>30.05</b>	bbl	-3.80	<b>-11.2</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>89.99</b>	t	-0.14	<b>-0.2</b>
<b>Copper (LME,3mth,PM)</b>	<b>5270</b>	t	-190	<b>-3.5</b>
<b>Nickel</b>	<b>11980</b>	t	-335	<b>-2.7</b>
<b>Aluminium</b>	<b>1684</b>	t	1	<b>0.1</b>
<b>Lead</b>	<b>1744</b>	t	-12	<b>-0.7</b>
<b>Zinc</b>	<b>1955</b>	t	-30	<b>-1.5</b>
<b>Tin</b>	<b>15300</b>	t	-450	<b>-2.9</b>

## Pre-Open Announcements

### Virgin Australia Holdings (\* VAH)

S&P Global Ratings has lowered the VAH credit rating to B-, from B+, and the debt rating to CCC+, from B.

All ratings are on 'CreditWatch with negative implications'.

S&P expects 1.2% 2020 GDP growth for Australia.

### Commonwealth Bank of Australia (\* CBA)

Will not contest allegations contained in civil proceedings commenced in the Federal Court by the Australian Securities & Investments Commission (ASIC).

The proceedings relate to Financial Services Royal Commission referrals to ASIC.

### Spark New Zealand (\* SPK)

Postponing an investor strategy briefing previously scheduled for 2 April, until a date to be determined.

### Vista Group (VGL)

Suspending the group's final dividend payment and withdrawing 2020 revenue and EBITDA guidance.

Promising a dividend payment review.

### Gentrack Group (GTK)

Withdrawing FY20 EBITDA guidance, but retaining \$NZ2M - \$NZ3M half-year EBITDA.

Anticipating being able to update full-year guidance on the release of interim results in May.

### Noxopharm Ltd (NOX)

The Australian Patent Office has allowed a Veyonda patent application.

### Synlait Milk (\* SM1)

Due to report interim results Thursday.

### Kyckr Ltd (KYK)

Confirming that in association with KYK's cost-cutting plans to move finance administration to London, company secretary and CFO Karl Pechmann is stepping down, effective 1 April.

KYK has appointed Company Matters' Bill Hundy to take over as company secretary, effective yesterday, and two KYK employees as joint interim CFOs.

## Resources

### Alpha HPA (\* A4N)

Gladstone, Queensland HPA First project DFS results in hand, including \$A308M project Capex.

### Cardinal Resources (CDV)

Privately-held Nord Gold SE (Nordgold) is considering acquiring 100% of CDV at A45.775c per share, pending satisfactory due diligence, and has consequently submitted a non-binding preliminary proposal.

Nordgold has already acquired a 19.9% holding in CDV, including 16.4% at A45.775c cash-per-share from Gold Fields.

**Commodities Commentary**

**Oil** – demand fears fuelled by the implications of Covid-19 spread pushed prices yet lower overnight, WTI trading as low as \$US28.03/bbl, and Brent at \$US29.52/bbl.

China's daily refinery crude demand was revealed by the NBS to have fallen 4.8% year-on-year across January-February.

Meanwhile, Saudi Aramco offered that a planned lift in April production to record highs could also extend to May.

One analyst promptly suggested an 800MMbbl – 1.3BBbbl international surplus was possible.

**Gold** – prices dropped early overnight, investors seeking gains from anything that remained profitable for them, but US futures settled off session lows.

US silver futures settled at ~10-year lows and spot platinum dived.

**Base metals** – China's January-February industrial production (-13.5% year-on-year against +6.9%), retail sales (-20.5%; +8%), fixed asset investment (-24.5%; +5.4%) and February house price (+5.8%; +6.3%) figures, published yesterday, mostly undershot expectations.

LME copper trading volumes were reported exceptionally high, trading at a session peak of \$US5436.5/t before settling at its lowest in ~3.3 years.

Meanwhile, China's January-February aluminium output was revealed 2.4% higher year-on-year, at 5.85Mt.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6122	0.0001	0.02
<b>EUR – USD</b>	1.1178	0.0004	0.04

**Australian Data Today**

RBA	Policy meeting minutes	3 Mar
ANZ/RoyMorgan	Consumer sentiment	15 Feb
ACCI/Westpac	Business survey	Mar Q
ABS	Residential property prices	Dec Q

**US Data Tonight**

Retail sales	Feb
Industrial production	Feb
Business inventories	Jan
JOLTS job openings	Jan
NAHB housing market index	Mar

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Tankan index	Mar
Japan	Industrial production (final; 3.30pm AEDT)	Jan
<b>UK</b>	Average earnings	Jan
UK	Unemployment claims	Feb

CDV has traded at 23c – 39c over the past five trading sessions, appreciating 40% to 35c yesterday morning before entering a trading halt.

**Trading Halts**

Company	Code	Resuming
Bardoc Gold	BDC	17 Mar
Cann Global	CGB	17 Mar
Leigh Creek Energy	LCK	17 Mar
Sultan Resources	SLZ	17 Mar
Advance NanoTek	ANO	18 Mar
Air New Zealand	AIZ	18 Mar
Astivita Ltd	AIR	18 Mar
Blina Minerals	BDI	18 Mar
Carbon Revolution	CBR	18 Mar
Euroz Ltd	EZL	18 Mar
Golden Rim Resources	GMR	18 Mar
Kin Mining	KIN	18 Mar
Murray Cod Australia	MCA	18 Mar
NeuroScientific Biopharmaceuticals	NSB	18 Mar
Respiri Ltd	RSH	19 Mar
Stone Resources Australia	SHK	19 Mar

**Suspensions (select)**

Company	Code	Since
8IP Emerging Companies	8EC	16 Mar
Consolidated Tin Mines	CSD	2 Mar
Decmil Group	DCG	27 Feb
HHY Fund	HHY	27 Feb
Kalium Lakes	KLL	24 Feb
LionHub Group	LHB	24 Feb
Minbos Resources	MNB	16 Mar
Netlinkz Ltd	NET	5 Mar
Real Estate Investar Group	REV	3 Mar
Skin Elements	SKN	10 Mar
Smiles Inclusive	SIL	2 Mar

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AEG</b>	Today	2.5	100	4.21
<b>GNE</b>	Today	7.88	0	6.03
<b>PPK</b>	Today	1	100	0.81
<b>PWH</b>	Today	1.9	100	2.79
<b>REH</b>	Today	6	100	2.05
CAR	Tomorrow	22	100	3.76
CEN	Tomorrow	14.5	0	5.82
GDG	Tomorrow	1	0	2.22
PSQ	Tomorrow	2.4	100	4.83



UK	ILO unemployment	Jan
Germany	ZEW current conditions	Mar
Euro zone	ZEW economic sentiment	Mar
Euro zone	Wages growth	Dec Q

### Need More Information?

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SNL	Tomorrow	6.5	100	3.87
AIA	Thu	10.4	0	4.13
CIW	Thu	1	100	5.00
CUP	Thu	1.25	100	2.29
CWN	Thu	30	25	8.24
EMB	Thu	20	100	1.82
FBU	Thu	8.97	0	4.86
ONT	Thu	13.25	100	4.35
PPC	Thu	0.5	100	5.00
RXP	Thu	1	100	15.74
SWK	Thu	0.3	100	4.62
VLS	Thu	2.25	100	5.28
AHX	Fri	0.8	100	3.64
GDF	Fri	2.25	0	6.52
KSC	Fri	2	100	1.35