

Markets

SFE 200 Futures (9.30am AEDT)	4834	-80	-1.6
NZX 50	9275	-180	-1.9
DJIA Futures	19782	-199	-1.0
S&P 500 Futures	2390	-24	-1.0
NASDAQ Futures	7160	-65	-0.9

Local Markets Commentary

The Australian market commences today's trade with key domestic data and a Reserve Bank of Australia (RBA) semi-annual bulletin due late morning, and the RBA governor scheduled to speak on policy 4pm AEDT, following another overnight drop across major international equities markets and an \$A slide.

US equities futures are down this morning.

Post-US trade, the US Senate followed the House of Representatives positive vote last weekend, approving an initial support package, covering among other measures, free domestic Covid-19 testing and paid sick leave.

The \$US1 trillion worth of additional support, touted earlier this week, remains under discussion between the US administration and key legislators.

Regionally today, **Japan** is due to publish February CPI growth 10.30am AEDT.

The **Bank of Japan** is again expected to detail its policy stance, given a scheduled policy meeting.

Locally, the Australian Bureau of Statistics (ABS) reveals February employment statistics **11.30am** AEDT, the same time as the RBA publishes its semi-annual bulletin.

RBA governor Philip Lowe remains scheduled to deliver a **policy statement 4pm**.

Stocks trading ex-dividend include **CWN** and **FBU**. Please see p3 for additional details.

In overnight commodities trade, **oil** plunged.

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

Iron ore (Nymex CFR China, 62% Fe) turned higher, settling just below \$US90.45/t.

LME (3mth evening) **copper** plummeted. **Nickel** tumbled.

Aluminium slowed the pace of Tuesday's fall.

The **\$A** was propelled lower, trading beneath US58.00c after dropping below US59.40c early yesterday evening.

This morning, the \$A has traded below US57.70c.

NB: Today's ASX equity market group opening times are extended to four minutes (per group) today, due to the expiry of futures contracts.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	19899	-1338	-6.3

Reserve Bank of Australia (RBA) bulletin – 11.30am AEDT

Australia February employment statistics – 11.30am

RBA governor policy announcement - 4pm

Opening times for each equity market group will be **extended today** to four minutes (from 2m 15s), due to the expiry of March SPI 200 futures contracts.

Hence, **Group 2 (C - F)** does not open until **10:04:00 +/- 15s**, and **Group 5 (S - Z)** not until **10:16:00 +/- 15s**.

Today's Stock Watch

Qantas Airways (QAN)

Temporarily standing down 67% of employees, suspending international flights from late March, and reducing domestic services by 60%, mostly related to frequency. Deferring the 9 April interim dividend payment until 1 September.

Nine Entertainment Company (NEC)

Withdrawing FY 20 guidance, but describing current COvid-19 – related impacts on NEC markets as 'limited'.

Retaining plans to pay the 5c interim dividend 20 April.

Monadelphous Group (MND)

Late-trade yesterday, MND withdrew its FY20 10% revenue growth forecast, due to the uncertainty of the ultimate impacts of the Covid-19 outbreak on results.

MND traded at \$10.50 - \$12.43 yesterday, settling at \$10.50.

Bendigo & Adelaide Bank (BEN)

\$44.8M raised in BEN's \$6.72-per-share SPP, with 6% (valid) participation.

BEN has traded at \$5.85 - \$6.45 for the week to date.

Synlait Milk (SM1)

30% lower, \$NZ26.196M interim NPAT.

19% higher, \$NZ559.29M revenue.

\$NZ6.97M cash and equivalents.

Resources

BlueScope Steel (BSL)

North American vehicle manufacturer temporary production clamps (more announced overnight) and Malaysia's shutdown have prompted BSL to withdraw its 2H FY2020 outlook.

\$47M net debt; \$358M net cash; \$2.5B liquidity.

Mineral Resources (MIN) / Resources Development Group (RDG)

MIN plans to sell non-core manganese assets to RDG for a 75% RDG holding. MIN will also provide project funding and services support.



S&P 500	2398	-131	-5.2
NASDAQ	6990	-345	-4.7
FTSE 100	5081	-214	-4.1
DAX 30	8442	-497	-5.6
Shanghai Comp	2729	-51	-1.8

Overseas Markets Commentary

Fears of a global economic collapse appeared to drive most major European and US equities markets from the outset overnight, Italy's reported Covid-19 cases further raising containment disquiet.

Trade figures out of the euro zone undershot expectations, underscoring economic impact jitters.

The Bank of England's new governor Andrew Bailey described current Covid-19 – related economic damage as 'disruptive', but vowed to aim to sufficiently support the UK economy so that it would not prove 'destructive'.

Liquid assets were again sold heavily, to help boost cash and meet margin calls, 10-year US government bond (Treasury) yields trading as high at 1.19%, Germany's at -0.24% and the UK's at 0.74%.

In a German 30-year bond auction, yields fell to 0.01% from 0.07%.

In the meantime, the ICE \$US index was pushed to a three-year peak, the UK pound falling to \$US1.1463.

A media report provided more detail on the US administration's reported plan to deliver direct cash payments totalling \$US500B to US citizens, nominating 6 April and 18 May as two initial payment dates.

Further, the US administration was reported to be asking parliament to provide \$US50B in secured loans to domestic airlines.

The US treasury secretary admonished parliament that, without intervention, the US unemployment rate could escalate to 20%.

Meanwhile, the US and Canada announced they were closing their land border to all non-essential activity.

Among overnight data releases, the **euro zone** reported a €1.3B January trade surplus, against €23.1B at the end of December.

Italy's trade surplus dived to €0.542B from €5.007B.

The final February euro zone CPI reading confirmed a 0.2% rise for the month, and 1.2% year-on-year.

In the **US**, February building permits dropped 5.5% following a 9.2% January rise. Housing starts fell 1.5%, against a 1.4% gain.

Weekly mortgage applications declined by 8.4 **Syrax Resources (SYR)**

Suspending full year 2020 guidance, but maintaining expectations of a \$US64.6M cash balance as at 30 June. %, with 30-year mortgage rates rising from 3.47% to 3.74%.

Tonight in the **US**, the Philadelphia Fed manufacturing index, the Conference Board's February leading index report and weekly new unemployment claims are due.

In overnight corporate news, **JPMorgan Chase** announced the planned temporary closure of 1000 Chase branches, citing a desire to help contain the spread of Covid-19 among employees and

Pre-Open Announcements

HUB24 Ltd (** HUB) / ClearView Wealth (CVW)

HUB has secured a HoA to supply CVW wrap platform services, meaning ~\$1B of CVW FUM will migrate to HUB.

Happy Valley Nutrition (HVM)

Proposing to outlay \$NZ5.875M to acquire a total 142ha of land adjoining the company's Waikato, New Zealand processing facility currently under development.

FBR Ltd (FBR)

In association with Covid-19 uncertainty, FBR has let go employees to the extent of reducing the company payroll by \$10Mpa.

FBR has postponed the building of the company's first display home, and also the supply of one Hadrian X construction robot each to the US and Europe.

The robots were to be assessed by commercial parties in the US and used in a pilot program in Europe.

Nuchev Ltd (NUC)

CFO Darryl Lasnitzki is resigning, effective in June.

NUC has traded lower the past five sessions, settling at \$1.845 yesterday.

Resources

OceanaGold Corporation (* OGC)

President and CEO Mick Wilkes is resigning, effective immediately, for personal reasons.

OGC COO Michael Holmes has been appointed acting president and CEO, and is joining the OGC board.

OGC recouped 6.1% yesterday, settling at \$1.91.

Syrax Resources (SYR)

Suspending full year 2020 guidance, but maintaining expectations of a \$US64.6M cash balance as at 30 June.

Energy

Universal Coal (* UNV) / TerraCom Ltd (TER)

A potential new bidder, having notified UNV of intention to make an offer for 100% of UNV, has withdrawn its non-binding indicative offer after the ASX required the bidder's identity be disclosed.

UNV stock had been placed in a 'trading pause', but will resume trade this morning.

Meanwhile, TER says it has acquired ~60% of TER voting rights. The TER offer closes 25 March (Wednesday next week), at 1pm London time.

UNV last traded at 16c.

Peninsula Energy (PEN)

PEN is swapping \$US750,000 of debt by issuing ~6.7M shares to Resource Capital Fund VI, each share valued at A16.5c.

PEN has traded at 8.5c – 10c for the week to date.



customers. The bank promised to maintain employees' regular wages.

The list of vehicle manufacturers suspending operations across Europe, North America and the UK grew further, **Honda Motor** revealing a six-day North American total production halt.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1477.9	oz	-47.90	-3.1
Silver (NY) (May)	11.772	oz	-0.723	-5.8
Gold (LON) (17 Mar)	1536	oz		
Platinum	623	oz	-36	-5.8
WTI Crude (Apr)	20.37	bbl	-6.58	-24.4
Brent Crude (May)	24.88	bbl	-3.85	-13.4
Iron Ore (NYMEX,CHN,62%)	90.44	t	0.49	0.5
Copper (LME,3mth Ind,PM)	4694	t	-460	-8.9
Nickel	11345	t	-540	-4.5
Aluminium	1632	t	-16	-1.0
Lead	1652	t	21	1.3
Zinc	1847	t	-44	-2.3
Tin	13585	t	-665	-4.7

Commodities Commentary

Oil – Brent and WTI crude traded at their lowest in ~17 and ~18 years respectively overnight, amid global economic recession fears and plentiful supply indications.

Forecasters scrambled to revise demand and price predictions.

Yesterday's February trade figures out of Japan included a 9% year-on-year drop in crude imports.

Meanwhile, weekly US petroleum inventories, published overnight by government agency the EIA, included a 1.954MMbbl rise in stored crude and 6.18MMbbl drop in petrol stocks.

Net crude imports fell by 841,000bbl/d.

Overnight Tuesday, a US industry report had estimated a 421,000bbl domestic crude draw.

Gold – sold off overnight, with other liquid assets, as \$US bond yields and the \$US ICE index climbed.

Base metals – the list of producers announcing project closures and scale-downs, across multiple non-Fe base metals, grew further overnight, exacerbating economic survival angst.

Japan's February trade figures, announced yesterday, included an ¥1109.8B trade surplus, against a ¥1313.2B deficit at the end of January. Imports dropped 14%. Exports fell 1%.

Exchange Rates			
CURRENCIES	LAST	+/-	%
AUD – USD	0.5788	0.0013	0.23
EUR – USD	1.0907	-0.0012	-0.11

Australian Data Today

RBA Bulletin Mar

Trading Halts

Company	Code	Resuming
Castile Resources	CST	19 Mar
Chalice Gold Mines	CHN	19 Mar
Impression Healthcare	IHL	19 Mar
Respiri Ltd	RSH	19 Mar
SomnoMed Ltd	SOM	19 Mar
Stone Resources Australia	SHK	19 Mar
TBG Diagnostics	TDL	19 Mar
Arrow Minerals	AMD	20 Mar
DXN Ltd	DXN	20 Mar
Liquefied Natural Gas	LNG	20 Mar
Pacific Star Network	PNW	20 Mar

Suspensions (select)

Company	Code	Since
8IP Emerging Companies	8EC	16 Mar
Advance NanoTek	ANO	18 Mar
Air New Zealand	AIZ	18 Mar
Astivita Ltd	AIR	18 Mar
Blina Minerals	BDI	18 Mar
Cann Global	CGB	17 Mar
Consolidated Tin Mines	CSD	2 Mar
Decmil Group	DCG	27 Feb
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 (%)
CIW	Today	1	100	5.00
CUP	Today	1.25	100	2.35
CWN	Today	30	25	9.45
EMB	Today	20	100	1.82
FBU	Today	8.97	0	5.13
ONT	Today	13.25	100	4.55
PPC	Today	0.5	100	5.88
RXP	Today	1	100	17.71
SWK	Today	0.3	100	4.62
VLS	Today	2.25	100	5.28
AHX	Tomorrow	0.8	100	3.76
BGP	Tomorrow	12.17	0	4.90
CVF	Tomorrow	0.46	100	8.76
GDF	Tomorrow	2.25	0	6.70
KSC	Tomorrow	2	100	1.35



ABS Employment (incl wages, jobs) Feb

US Data Tonight

Initial jobless claims	14 Mar
Philadelphia Fed manufacturing	Mar
Conference Board leading index	Feb

Other Overseas Data Today & Tonight

Japan	CPI	Feb
Japan	All industry activity index (3.30pm AEDT)	Jan
Euro zone	Construction output	Jan

Need More Information?

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