

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6170	-4	<b>-0.1</b>
<b>NZX 50</b>	9430	-6	<b>-0.1</b>
<b>DJIA Futures</b>	25730	1	0.0
<b>S&amp;P 500 Futures</b>	2826	-1	0.0
<b>NASDAQ Futures</b>	7408	-2	0.0

## Local Markets Commentary

The Australian market commences today's trade ahead of two key domestic reports, with mixed overnight key commodities price leads, and a lower US Federal Reserve GDP forecast combined with indications of no new US rate rises this year.

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

US **gold** futures (April) turned to close lower, but climbed ~US14/oz post-settlement.

**Iron ore** (China port, 62% Fe) dropped.

LME **copper** and **nickel** each picked up the pace of Tuesday's gains.

The **\$A** was propelled to ~US71.20c after trading at ~US70.90c early yesterday evening.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes February **employment** statistics, **11.30am** AEDT.

Figures for NSW will draw more attention than usual on account of the State election Saturday.

Also at 11.30am, the **Reserve Bank of Australia** (RBA) publishes its **quarterly bulletin**.

Monthly forex transactions and reserve assets are also expected from the RBA today.

Stocks trading ex-dividend today include **AIA, FBU** and **FLT**. Please see pp3-4 for a comprehensive list.

**Regionally** this morning, **New Zealand** has announced December quarter **GDP** had grown 0.6% for the three months and 2.3% year-on-year, following 0.3% September quarter growth.

**Japan's** markets are closed today, due to a public holiday.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25746	-142	<b>-0.6</b>
<b>S&amp;P 500</b>	2824	-8	<b>-0.3</b>
<b>NASDAQ</b>	7729	5	<b>0.1</b>
<b>FTSE 100</b>	7291	-33	<b>-0.5</b>
<b>DAX 30</b>	11604	-185	<b>-1.6</b>
<b>Shanghai Comp</b>	3091	-0.3	<b>-0.0</b>

## Overseas Markets Commentary

Major European and US equities markets headed lower on open overnight, key US indices jumping two hours before close, on a

**Australia – February employment and Reserve Bank of Australia quarterly bulletin - 11.30am AEDT**

**ASX opening times** delayed today due to futures contracts expiring:

- Group 1 (A-B) - 10:00:00 ± 15 secs
- Group 2 (C-F) - 10:04:00 ± 15 secs
- Group 3 (G-M) - 10:08:00 ± 15 secs
- Group 4 (N-R) - 10:12:00 ± 15 secs
- Group 5 (S-Z) - 10:16:00 ± 15 secs

## Today's Stock Watch

### **QANTM Intellectual Property (QIP) / Xenith IP Group (XIP)**

The Australian Competition & Consumer Commission (ACCC) will not oppose the proposed QIP-XIP merger.

### **Sigma Healthcare (SIG)**

33.7% lower, \$36.52M full year NPAT.

2.9% lower, \$3.98B revenue.

20% lower, 2c fully franked final dividend. 36.7c NTA.

### **Washington H Soul Pattinson & Co (SOL)**

22.6% higher, \$179.19M interim NPAT.

31.6% higher, \$723.29M revenue.

24c fully franked interim dividend, up 1c. \$13.76 NTA.

### **Brickworks Ltd (BKW)**

18.1% higher, \$114.57M interim NPAT.

17.3% higher, \$442.47M revenue.

19c interim dividend, up 1c. Please also see p2 (ASX: FBR).

### **WorleyParsons Ltd (WOR)**

WOR has secured the United Arab Emirates (UAE) Ruwais petrochemicals complex fourth phase project management contract with the Borouge Abu Dhabi National Oil Company-Borealis JV.

## Resources

### **Aeris Resources (AIS)**

In response to a media article, AIS confirms the company is offering Glencore ~\$US525M cash plus ~\$US50M worth of AIS shares, plus a royalty, for the CSA mine.

AIS needs to raise finance however, including via a likely \$US185M - \$US240M equity capital raising and \$US250M - \$US300M worth of debt.

The company will also need shareholder approval and as such warns that no formal agreements in relation to a potential transaction have been reached.

AIS called a trading halt pre-trade yesterday after trading at 17c – 18c Monday – Tuesday.



Federal Reserve post-policy meeting statement, before retreating some before close.

The **US** president had offered overnight that he would need to be convinced of demonstrated compliance with any trade deal before lifting any new import tariffs imposed over the past year on goods from **China**. This, with reports out of China over the past week, suggested ongoing argy-bargy.

An overnight media article in the meantime cited administration officials in claiming the US chief trade representative and treasury secretary would return to Beijing next week for further face-to-face trade talks with China's VP Liu He.

Two hours prior to the close of US trade, the **US Federal Reserve** released its post-policy meeting statement, indicating no further rate rises were likely this year, and perhaps one only during 2020. In addition, the Fed lowered its forecast for 2019 GDP growth by 0.2% to 2.1%.

The central bank also confirmed plans to stop reducing its balance sheet on a monthly basis from October, and to slow the monthly balance sheet rundown from May.

The \$US fell, in particular against the yen and euro, after gaining in early trade.

Meanwhile in the **UK**, the PM had announced she had written to the European Council president, requesting the UK's planned withdrawal from the **European Union** (EU) be delayed until 30 June.

Indications out of the European Commission prior to this however, suggested permission would only likely be granted until the 23 May European Parliament elections.

The British pound was pushed sharply lower on news of the request, ahead of a scheduled European Council two-day summit from later today (AEDT).

Among data releases **UK** February CPI growth came in at 0.5% for the month, following 0.8% January deflation. On an annual basis, CPI growth slipped 0.1% to 1.9%.

A CBI industrial trends orders index tumbled to one, from six in February.

**Germany's** February producer prices fell 0.1% during the month, following a 0.4% January rise. Year-on-year they were 2.6% higher.

In the **US**, weekly mortgage applications rose 1.6% after climbing 2.3% the previous week.

**Tonight** in the **US**, weekly new jobless claims are due.

In the **euro zone**, the European Council (comprising EU leaders) considers whether to push back the initially legislated 29 March date for the UK's planned withdrawal from the European Union (EU).

Meanwhile in the UK, the **Bank of England** holds a policy meeting and announces outcomes. Subsequent media-conference comments are anticipated directly relating to UK-EU separation scenarios.

The **European Central Bank** publishes an economic bulletin which will be keenly parsed for any changes to forecasts.

Carnival, CITIC Securities, ConAgra Brands, Next, Nike and PetroChina are scheduled to report earnings and/or provide updates.

## Pre-Open Announcements

### Insurance Australia Group (\* IAG)

\$A450M raised in the proposed \$300M convertible notes institutional offer.

### Navitas Ltd (\* NVT)

SAE Education's UK VAT Supreme Court appeal has been successful.

NVT anticipates a one-off \$5M benefit to FY 2019 profit.

### Impression Healthcare (\*\* IHL)

Collaboration agreement with Cannvalate will enable IHL products to be sold wholesale and distributed to 1000 doctors and 600 pharmacies.

The agreement also includes collaborate sponsorship or four clinical trials of products.

### Magellan Financial Group (MFG)

MMG has appointed Marcia Venegas as company secretary following the resignation of Geoffrey Stirton.

### FBR Ltd (\* FBR) / Brickworks Ltd (BKW)

The negotiation period for a potential JV following an MoU announced 5 February has been extended by 45 days.

### Fatfish Blockchain (FFG)

Trading halt called yesterday on receiving an ASX price and volume query.

FFG ascribes the rise from a 1.3c settlement Friday last week to 2c yesterday in part to ~62% investee company iCandy Interactive (ASX: ICI) and ICI's revelation yesterday that it was calling a trading halt ahead of a collaboration agreement announcement.

## Resources

### Talga Resources (\* TLG)

Heralding freezing temperature results for the Talnode-C battery anode product.

### Base Resources (\* BSE)

Madagascar Toliara mineral sands project pre-feasibility outcomes lodged this morning.

### Breaker Resources (\* BRB)

Bombora drilling results have delivered additional high-grade mineralisation and a 700m longer strike length (to 3.2km). Resource update planned for release April or May.

### Altura Mining (AJM)

SPP interest 'considerably' exceeded the allowable \$14M total.

### Danakali Ltd (DNK)

Full year results lodged post-trade yesterday, including \$A9.6M cash.



In overnight corporate news, **Alphabet** company Google was penalised ~€1.5B for covertly restricting online searches and third-party advertising during 2006 – 2016.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1301.7</b>	oz	-4.8	<b>-0.4</b>
<b>Silver (NY) (May)</b>	15.32	oz	-0.05	<b>-0.4</b>
<b>Gold (LON)</b>	1308	oz		
<b>Platinum</b>	861	oz	10	<b>1.2</b>
<b>WTI Crude (Apr)</b>	<b>59.83</b>	bbl	0.8	<b>1.4</b>
<b>Brent Crude (May)</b>	<b>68.50</b>	bbl	0.89	<b>1.3</b>
<b>Iron Ore</b> (CHN port 62%)	<b>84.30</b>	t	-2.93	<b>-3.4</b>
<b>Copper</b> (LME,3mth,PM)	<b>6491</b>	t	37	<b>0.6</b>
<b>Nickel</b>	13340	t	185	<b>1.4</b>
<b>Aluminium</b>	1938	t	-1	<b>-0.1</b>
<b>Lead</b>	2052	t	18	<b>0.9</b>
<b>Zinc</b>	2877	t	58	<b>2.0</b>
<b>Tin</b>	21360	t	45	<b>0.2</b>
<b>CBT Wheat (May)</b>	<b>4.63</b>	bshl	0.06	<b>1.3</b>

### Commodities Commentary

**Oil** – WTI traded at four-month peaks, and as high as \$US60.12/bbl, overnight, after US government agency EIA reported a 9.6MMbbl weekly fall in US stored crude.

Exports rose to average 3.392MMbbl/d during the week, and refineries used 1.3% more crude than the previous week, despite the commencement of seasonal maintenance.

US petrol stocks fell by 4.6MMbbl and distillates by 4.1MMbbl.

In the meantime, a US Gulf of Mexico lease auction attracted \$US244M worth of bids, including \$US84.8M from Royal Dutch Shell.

In Australia meanwhile, cyclone activity in the North West Shelf region is expected to impact offshore and onshore operations over several days.

Among the forecasters, S&P Global lifted its 2019 Brent price prediction to \$US60/bbl.

The WTI April contract expired on overnight settlement. May futures closed at \$US60.23/bbl, 94c (1.6%) higher for the session.

**Gold** – Comex futures have been propelled higher post-settlement on the US Federal Reserve's indication of no new rate rises through the remainder of 2019.

The US Federal Reserve also lowered its US GDP growth forecast to 2.1% from the 2.3% predicted three months ago.

Tonight's European Council vote on whether to extend the date by which the UK proposes to withdraw from the European Union, plus Bank of England post-policy meeting statements and European Central Bank economic bulletin could combine to impact currency moves, and hence gold trade, tonight.

**Base metals** – caution appeared to reign in early overnight LME trade, with a higher \$US and the wait for the US Federal Reserve's policy meeting outcomes statement.

## Energy

### Armour Energy (\* AJQ)

AJQ's \$55M note offer has been oversubscribed.

AJQ remains in a trading halt, having last traded Monday, at 7.6c.

### Trading Halts

Company	Code	Resuming
Alt Resources	ARS	21 Mar
Cynata Therapeutics	CYP	21 Mar
Universal Coal	UNV	21 Mar
Venus Metals Corporation	VMC	21 Mar
Aeris Resources	AIS	21 Mar
Emerge Gaming	EM1	22 Mar
Fatfish Blockchain	FFG	22 Mar
Homestay Care	HSC	22 Mar
iCandy Interactive	ICI	22 Mar
MedAdvisor Ltd	MDR	22 Mar
Pure Alumina	PUA	22 Mar

### Suspensions (select)

Company	Code	Since
American Patriot Oil & Gas	AOW	14 Mar
Blackham Resources	BLK	15 Mar
Centaurus Metals	CTM	20 Mar
Elk Petroleum	ELK	1 Mar
Environmental Clean Technologies	ECT	15 Mar
Estrella Resources	ESR	20 Mar
Gascoyne Resources	GCY	18 Mar
IOT Group	IOT	13 Mar
Medigard Ltd	MGZ	8 Mar
Meteoric Resources	MEI	19 Mar
MZI Resources	MZI	20 Mar
Mustera Property Group	MPX	20 Mar
Niuminco Group	NIU	21 Feb
Range Resources	RRS	20 Mar
Serpentine Technologies	S3R	6 Mar
Skin Elements	SKN	18 Mar

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AGG</b>	Today	<b>1.53</b>	0	0.41
<b>AIA</b>	Today	<b>10.53</b>	0	2.68
<b>CII</b>	Today	<b>1.5</b>	100	4.30
<b>CIW</b>	Today	<b>0.75</b>	100	4.79
<b>CUP</b>	Today	<b>1</b>	100	3.70



In addition, the US president indicated increased import tariffs on goods from China would not be dialled back until he was satisfied China was complying with any trade deal that may be agreed.

Warehouse figures supported *zinc*.

Sumitomo revealed Madagascar Ambatovy *nickel* operations had been suspended for two weeks due to a fatal fire, and that 2019 output may need to again be revised lower.

Cyclone activity forced Rio Tinto in the meantime to suspend Queensland Weipa *bauxite* mining.

### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7128	0.0012	0.17
EUR – USD	1.1423	0.0012	0.11

### Australian Data Today

ABS	Employment (incl wages growth)	Feb
RBA	Quarterly bulletin	Mar Q
RBA	Official reserve assets	Feb
RBA	Forex transactions	Feb

### US Data Tonight

Philadelphia Fed manufacturing	Mar
Initial jobless claims	16 Mar
Conference Board leading index	Feb

### Other Overseas Data Today & Tonight

UK	Bank of England policy statement	Mar
UK	Retail sales	Feb
UK	Public sector finances	Feb
Euro zone	ECB economic bulletin	Mar
Euro zone	Consumer confidence (initial)	Mar

### Need More Information?

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FBU	Today	6.54	0	1.43
FLT	Today	209	100	3.70
HUO	Today	3	50	1.68
PGC	Today	1.1	100	6.89
PPC	Today	2	100	5.21
QMS	Today	1	100	3.01
XIP	Today	3.25	100	4.23
ALX	Tomorrow	15	0	3.83
BGA	Mon	5.5	100	2.30
BGP	Mon	11.59	0	5.72
BRI	Mon	2.2	100	4.22
COH	Mon	155	100	1.77
CWP	Mon	18	100	6.16
GAP	Mon	1	0	5.97
SEK	Mon	24	100	2.50
SVW	Mon	21	100	2.27
EPW	Tue	7.5	100	4.27
PEA	Tue	1	100	1.60
SSG	Tue	2	80	10.86
JHC	Wed	2.8	0	4.61
PWH	Wed	1.6	100	2.15
SGF	Wed	8.17	100	7.40
URW	Wed	30.21	0	2.52
VEA	Wed	4.8	100	1.91

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