

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	4992	278	<b>5.9</b>
<b>NZX 50</b>	9568	459	<b>5.0</b>
<b>DJIA Futures</b>	20895	211	1.0
<b>S&amp;P 500 Futures</b>	2466	23	0.9
<b>NASDAQ Futures</b>	7626	73	1.0

**Local Markets Commentary**

The Australian market opens mid-week trade following an overnight surge across major international equities markets, mostly attributed to the US Federal Reserve's overnight Monday announcement of additional and substantial stimulus.

The US congress is yet to put a \$US2 trillion support package to the vote, but any further progress early today, could extend optimism.

Meanwhile **regionally** today, **Bank of Japan** monetary policy meeting minutes are anticipated **10.50am** AEDT.

**Locally**, a skilled jobs vacancies report is due **11.30am** AEDT.

A quintet of high-profile stocks trades ex-dividend today. Please see p4 for a detailed list.

In overnight commodities trade, **oil** continued higher, again WTI crude recording a notably greater gain than Brent.

US **gold** futures (CME April) extended Monday's strong rally, settling beyond \$US1660.5/oz.

**Iron ore** (Nymex CFR China, 62% Fe) slipped US9c/t, remaining above \$US88.45/t.

LME (3mth evening) **copper** and **nickel** were pushed decisively higher.

The **\$A** effectively trod water after appreciating to ~US59.60c early yesterday evening, but has risen to \$US59.80c this morning.

This morning, **New Zealand** has reported a \$NZ594M February trade surplus, boosted by dairy exports.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	20705	2113	<b>11.4</b>
<b>S&amp;P 500</b>	2447	210	<b>9.4</b>
<b>NASDAQ</b>	7418	557	<b>8.1</b>
<b>FTSE 100</b>	5446	452	<b>9.1</b>
<b>DAX 30</b>	9701	959	<b>11.0</b>
<b>Shanghai Comp</b>	2722	62	<b>2.3</b>

**Overseas Markets Commentary**

Major European and US equities markets headed decidedly higher from the outset overnight: on stimulus optimism, in the face of a batch of data and corporate disclosures indicating the initial adverse Covid-19 – related economic effects across key trading nations; and amid further international shutdowns, including for

**Today's Stock Watch**
**Nufarm Ltd (NUF)**

\$121.74M interim net loss, against a \$13.59M loss a year ago. 6% lower, \$1.48B revenue.

**Reliance Worldwide Corporation (RWC)**

Describing March-to-date customer orders as strong, but anticipating some Covid-19 impact. Consequently deferring the 9 April interim dividend payment until 9 October, and withdrawing FY20 earnings guidance.

Cash flow and funding position also lodged this morning.

**Virgin Australia Group (VAH)**

Reducing domestic capacity by 90% and consequently grounding 125 craft from midnight Friday through 14 June. All Tigerair Australia services are suspended.

Remaining VAH capacity is reserved for essential services, critical freight and logistics.

80% (~8000) of employees will be temporarily stood down until at least 31 May.

**Atlas Arteria (ALX)**

Traffic numbers dropped 9.7% year-on-year during 1 – 15 March, and 52.5% for 16 – 22 March. Cash and funding position also lodged this morning.

**Bapcor Ltd (BAP)**

Withdrawing FY20 earnings guidance. Performance-to-date has been in line with guidance but BAP expects some impact from widespread business closures.

**Air New Zealand (AIZ)**

February passenger numbers fell 3.5% year-on-year.

**Fletcher Building (FBU)**

Will not pay the 9 April interim dividend and suspending the company's on-market share buy-back.

**PointsBet Holdings (PBH)**

Colorado, US internet sports betting operator licence and general sports betting operator licence in hand.

First bets are anticipated second-half 2020.

**Cochlear Ltd (COH)**

Trading halt called this morning ahead of a fully underwritten \$A800M institutional placement at \$A140 per share.

A \$A50M SPP, at a yet to be determined price, is planned for 1 – 23 April.

In addition, COH has secured an additional \$A150M bank facility.

Further, COH will pay the interim dividend as scheduled 17 April, but is suspending further dividend considerations.

COH has traded at \$154.60 - \$181.89 the past five sessions.



India.

US parliamentarians were reported to have forged substantial progress towards finalising an estimated \$US2 trillion worth of support measures ahead of voting.

This in addition to the US Federal Reserve's additional and substantial stimulus announced post-Monday European trade.

In the meantime, the US president indicated again that he wanted regional shutdowns reversed come Easter.

In overnight data releases, the **euro zone's** initial March PMI readings came in at 44.8 for the manufacturing sector, following 49.2 in February, and 28.4 for services activity, against an expansionary 52.6 for February.

**Germany's** manufacturing PMI declined to 45.7 from 48.

The nation's services PMI dropped to 34.5 from 52.5.

**France's** manufacturing PMI fell to 42.9 from 49.8.

The services PMI tumbled to 30.2 from 52.0.

In the **UK**, a CBI industrial trends orders index was reported at -29 from -18.

The UK preliminary March manufacturing PMI was estimated at a contractionary 48 from an expansion-mode 51.7.

The services PMI slid to 35.7 from 53.2.

In the **US**, the Richmond Fed manufacturing index encouraged, jumping to two from -2.

February new home sales pulled back 4.4%, following a 7.9% January spring.

Markit's initial estimates of US March PMIs continued in line with other international readings, although in the US the ISM's readings (yet to come) traditionally prove more influential.

Markit estimated the services PMI (more noteworthy re US GDP in than manufacturing) at 39.1 from 49.4.

The manufacturing PMI slipped a relatively slight 1.5 points to 49.2, nonetheless crossing into contractionary territory.

**Tonight** in the **US**, February durable goods orders, a January house price index and weekly mortgage applications are due.

Elsewhere, the **UK** reports February CPI.

Stocks scheduled to report earnings or provide updates include China Petroleum & Chemical Corp, E.ON, Nanjing Iron & Steel, Paychex, Posco Daewoo and Sinopec Oilfield.

In overnight corporate news, **Facebook** confirmed burgeoning usage, but a drop in advertising sales, prompting a 'keeping the lights on' concession.

**Chevron** revealed it was slashing capital expenditure by \$US4B.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Apr)	<b>1660.8</b>	oz	93.2	<b>6.0</b>
<b>Silver (NY)</b> (May)	<b>14.257</b>	oz	0.996	<b>7.5</b>
<b>Gold (LON)</b> (23 Mar)	<b>1525</b>	oz		
<b>Platinum</b>	<b>708</b>	oz	68	<b>10.6</b>
<b>WTI Crude</b> (May)	<b>24.01</b>	bbl	0.65	<b>2.8</b>
<b>Brent Crude</b> (May)	<b>27.15</b>	bbl	0.12	<b>0.4</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>88.46</b>	t	-0.09	<b>-0.1</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>4839</b>	t	223	<b>4.8</b>
<b>Nickel</b>	<b>11295</b>	t	370	<b>3.4</b>

## Pre-Open Announcements

### United Malt Group (\* UMG) / GrainCorp Ltd (GNC)

GNC malt and brewing products spinoff UMG listed on the ASX yesterday.

Opened at \$3.60 and closed at \$4.10 after trading as high as \$4.14.

378,154 shares were traded, across 85 transactions.

Trade commenced on a deferred settlement basis.

Normal (T+2) trade is expected to commence 2 April (Thursday next week). 254.28M quoted shares.

### Clover Corporation (CLV)

3.4% higher, \$4.63M interim NPAT. 9.8% higher, \$37.62M revenue. Nil interim dividend. 29.56c NTA, against 27.21c as at 31 July 2019.

### Vita Group (VTG)

Temporarily cutting board and senior leadership remuneration, effective 1 April (Wednesday next week).

CEO Maxine Home has offered to suspend her base salary indefinitely.

The CFO, COO and chief people officer will receive 80% of their base salary.

All directors' fees are being reduced by an additional 10%.

### Aventus Group (AVN)

\$100M cash and undrawn facilities.

No debt expiries until May 2022.

Planning to pay a 1.065c March quarter distribution, equivalent to 25% of paid December quarter 2019 distributions. Trading ex-dividend 30 March (Monday next week).

In addition, withdrawing FY20 guidance.

### 360 Capital Group (TGP)

\$96.7M cash as at 31 December 2019 and expecting \$118M by 30 June.

Reaffirming plans to pay a 1c-per-security distribution for each of the March and June quarters. Trading ex-dividend 30 March (Monday next week).

### 360 Capital REIT (TOT)

\$50M cash and expecting this to double over the next six months.

Reaffirming plans to pay a 2.25c-per-security distribution for each of the March and June quarters. Trading ex-dividend 30 March (Monday next week).

Confirming TOT sold its equity portfolio in January and moved to cash, along with the portfolio of short-term secured real estate mortgages.

TOT holds no construction, site or mezzanine loans, nor any preferred equity.

Proposing to boost the on-market buy-back capacity to up to 20% of issued securities.

TGP will not participate in the buy-back.



<b>Aluminium</b>	<b>1554</b>	t	-7	-0.5
<b>Lead</b>	<b>1599</b>	t	-17	-1.1
<b>Zinc</b>	<b>1824</b>	t	17	0.9
<b>Tin</b>	<b>13395</b>	t	225	1.7

### Commodities Commentary

**Oil** – the US Federal Reserve’s additional monetary stimulus, announced Monday, plus a related continuing lower \$US, stirred with a US administrative comment, helped push overnight prices higher, although settlement figures were well off session highs.

The US energy secretary confirmed a potential Saudi Arabia-US oil alliance was under consideration as one way of lifting prices.

In the meantime, further Covid-19 – related restrictions on business and community activity, kept prices in check, with even less demand anticipated for even longer.

This view appeared tempered in some trade, however, by the US president’s repeat declaration that the US shutdowns ought not remain come Easter.

US weekly petroleum inventories are due tonight from government agency the EIA.

Overnight, the American Petroleum Institute (API) published its weekly estimates, including a 1.25MMbbl draw on crude stocks, against last week’s 421,000bbl decline.

**Gold** – the US Federal Reserve’s announcement Monday of unlimited bond-buying again contained the \$US, supporting gold sentiment.

In addition, London spot prices had been considered inaccurate, helping push volatility amid a consequential rush for US futures.

US futures settled off session peaks, but nonetheless with the greatest (%) gain in ~11 years

**Base metals** – copper in particular benefited yesterday and overnight from the US Federal Reserve’s post-Monday LME trade of new initiatives, including limitless bond-buying.

Further Covid-19 – related regional shutdowns also impacted additional project operations.

The International Copper Study Group (ICSG) in the meantime reported a 68,000t global oversupply of refined copper for December, following a 49,000t November shortfall.

In addition, the ICSG estimated a 0.7% fall in copper mine production during 2019, and a 0.6% decline for copper concentrate output. Refined usage was calculated 0.8% lower for the year, China’s demand reportedly rising 2%.

Meanwhile earlier this week, spot copper refinery charges in China reportedly dropped 5.5% in a day to \$US68.5/t, an ~three-month low.

June quarter pricing by the China Smelters Copper Team is usually determined late-March, but the group (representing 12 major smelters) has reportedly not yet met.

The global nickel surplus has been estimated at 13,100t for January, from 5200t in December.

Yesterday, Japan’s March manufacturing PMI was reported at 44.8 following 47.8 for February. The services sector activity index dropped to 32.7 from 46.8.

PMIs dropped in the euro zone and UK also, by varying degrees.

### Resources

#### De Grey Mining (\* DEG)

Heralding Broilga RC and air core drilling results. Assays lodged this morning.

#### Mincor Resources (\* MCR)

Nickel reserve update, including an initial reserve for the Cassini project.

Kambalda, WA nickel operations re-start DFS outcomes also lodged this morning, including 98% IRR and a \$305M pre-tax NPV (7%).

### Trading Halts

Company	Code	Resuming
Bass Metals	BSM	25 Mar
Bellevue Gold	BGL	25 Mar
Graphex Mining	GPX	25 Mar
Imagion Biosystems	IBX	25 Mar
Infinity Lithium Corporation	INF	25 Mar
Redcape Hotel Group	RDC	25 Mar
Seafarms Group	SFG	25 Mar
Secos Group	SES	25 Mar
Simple Solutions	SIS	25 Mar
Southern Cross Media Group	SXL	25 Mar
(The) Star Entertainment Group	SGR	25 Mar
Tambla Ltd	TBL	25 Mar
Viva Leisure	VVA	25 Mar
Armour Energy	AJQ	26 Mar
Botanix Pharmaceuticals	BOT	26 Mar
Heron Resources	HRR	26 Mar
HRL Holdings	HRL	26 Mar
Mineral Commodities	MRC	26 Mar
New Zealand Coastal Seafoods	NZS	26 Mar

### Suspensions (select)

Company	Code	Since
8IP Emerging Companies	8EC	16 Mar
Advance NanoTek	ANO	18 Mar
Astivita Ltd	AIR	18 Mar
Blina Minerals	BDI	18 Mar
Cellmid Ltd	CDY	24 Mar
Euro Manganese	EMN	23 Mar
Flight Centre Travel Group	FLT	23 Mar
Liquefied Natural Gas	LNG	20 Mar
MGC Pharmaceuticals	MXC	23 Mar
Netlinkz Ltd	NET	5 Mar
oOh!media Ltd	OML	24 Mar
Pacific Star Network	PNW	20 Mar

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.5983	0.0025	<b>0.43</b>
<b>EUR – USD</b>	1.0805	0.0012	<b>0.11</b>

**Australian Data Today**

Dept Edn Skills Emplmnt	Skilled vacancies	Feb
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**US Data Tonight**

Durable goods orders	Feb
FHFA house prices	Jan
MBA mortgage applications	20 Mar

**Other Overseas Data Today & Tonight**

<b>Japan</b>	BoJ monetary policy meeting minutes	Mar
<b>UK</b>	CPI	Feb
<b>UK</b>	CBI distributive trades	Mar
<b>Germany</b>	IFO business climate (final)	Mar

**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)

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Prospect Resources	PSC	23 Mar
Pyrolyx AG	PLX	24 Mar
Real Estate Investar Group	REV	3 Mar
Respiri Ltd	RSH	19 Mar
Smiles Inclusive	SIL	2 Mar
SomnoMed Ltd	SOM	19 Mar
Stone Resources Australia	SHK	19 Mar
TBG Diagnostics	TDL	19 Mar
Webjet Ltd	WEB	23 Mar

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>SEK</b>	Today	<b>13</b>	100	3.80
<b>SGF</b>	Today	<b>6.94</b>	100	15.52
<b>SVW</b>	Today	<b>21</b>	100	4.26
<b>VRT</b>	Today	<b>12</b>	100	11.16
<b>WEB</b>	Today	<b>9</b>	100	3.59
BSA	Tomorrow	0.5	100	2.00
FLT	Tomorrow	40	100	9.89
FNP	Tomorrow	2.25	0	1.18
HLS	Tomorrow	2.6	100	1.51
JHC	Tomorrow	2	50	15.00
LAU	Tomorrow	1	100	3.33
MYE	Tomorrow	2	100	4.00
NMT	Tomorrow	2	7	0.00
VTG	Tomorrow	5.3	100	14.15
A2B	Fri	4	100	11.59
MOC	Fri	3	100	10.71
NWH	Fri	2.5	100	3.48

**Reports & Events**

(selected)

When	Company	Report/Event
<b>Today</b>	<b>NUF</b>	Interim
<b>Tomorrow</b>	BKW	Interim (webcast 12.30pm AEDT)
	SOL	Interim (webcast 12.30pm)
<b>Fri</b>	WBA	AGM
<b>Mon (30 Mar)</b>	KMD	Interim
<b>Tue</b>	FUN	Interim
<b>Wed (1 Apr)</b>	CIM	AGM
<b>Thu</b>	SPK	Investor day
<b>Fri (3 Apr)</b>	STO	AGM