

Markets

SFE 200 Futures (9.30am AEDT)	6664	-162	-2.4
NZX 50	11462	-257	-2.2
DJIA Futures	27147	30	0.1
S&P 500 Futures	3139	6	0.2
NASDAQ Futures	8874	20	0.2

Local Markets Commentary

The Australian market opens mid-week trade following further falls across key international equities markets overnight, amid Covid-19 consternation, and with high-profile domestic stocks continuing to report earnings and trade ex-dividend.

Locally today, the Australian Bureau of Statistics (ABS) publishes a report on construction work done during the December quarter 2019, 11.30am AEDT.

Stocks trading ex-dividend include: **AGL, IRE, ORA** and **TLS**.

Please see pp4-6 for detailed lists.

In overnight commodities trade, **oil** fell further.

US **gold** futures (CME April) swung decisively lower.

Iron ore (Nymex CFR China, 62% Fe) recorded another slight gain, approaching \$US86.75/t.

LME (3mth evening) **copper** settled essentially flat. **Nickel** and **aluminium** turned to close modestly higher.

The **\$A** traded a little above US66.00c after slipping below early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27081	-879	-3.2
S&P 500	3128	-98	-3.0
NASDAQ	8966	-256	-2.8
FTSE 100	7018	-139	-1.9
DAX 30	12790	-245	-1.9
Shanghai Comp	3013	-18	-0.6

Overseas Markets Commentary

Major European and US equities markets mostly opened positive overnight, but soon headed lower, to settle at or near session lows.

A US disease control and prevention agency issued a warning regarding the spread of Covid-19, following further virus-related community restrictions and business curtailments announced by nations across the Asia Pacific, Europe and Middle East.

In overnight data releases, a final December quarter GDP reading for **Germany** confirmed nil growth for the three months, following a 0.2% September quarter rise.

Year-on-year, December quarter GDP growth was estimated at 0.4%, against 0.6%.

Today's Stock Watch
Woolworths Ltd (WOW)

7.7% lower, \$887M interim NPAT. 6.0% higher, \$32.41M revenue. 46c fully franked interim dividend. \$2.009 NTA, against \$3.156.

Healius Group (HLS)

Confirming an unsolicited indicative \$3.40 cash-per-share offer from Partners Group, pending six weeks' due diligence.

Partners Group recently acquired 15.88% of HLS.

HLS has traded lower the past three sessions, settling at \$2.76 yesterday.

Decmil Group (DCG)

Resuming from a trading halt after having ended negotiations and a contract with the New Zealand Department of Corrections regarding the five-site rapid deployment prison project.

DCG says it has not been paid for project work for ~four months, but has continued to fund supplies.

The company says it is honouring subcontractor commitments.

DCG plans to finalise issues by agreement and/or mediation, and if needed by arbitration. DCG last traded at 41c.

Titomic Ltd (TTT)

\$25.5M contract secured with Composite Technology, for the supply of two TTT kinetic fusion systems.

Adelaide Brighton (ABC)

5c fully franked final dividend, against 11c a year ago.

74.5% lower, \$A47.3M full year NPAT. 7.0% lower, \$A1.52B revenue. \$1.40 NTA, against \$1.45.

Virgin Australia Holdings (VAH)

\$97.3M interim net loss, against a \$54.8M net profit a year ago. 1.5% higher, \$3.12B income.

Genworth Mortgage Insurance Australia (GMA)

58.7% higher, \$120.08M full year NPAT. 6.0% higher, \$298.21M revenue. 7.5c fully franked interim dividend.

InvoCare Ltd (IVC)

54.6% higher, \$63.75M full year NPAT. 4.0% higher, \$500.35M revenue. 23.5c fully franked final dividend. \$1.22 NTA, against 10c.

National Storage REIT (NSR)

\$150.74M interim NPAT. 15% higher, \$87.45M revenue. 4.7c interim distribution, up 0.2c. \$1.77 NTA, against \$1.52.

Nine Entertainment (NEC)

55.6% lower, \$76.10M interim NPAT. 65.7% higher, \$1.18B revenue (excl specific items). 5c fully franked interim dividend.

Nanosonics Ltd (NAN)

20% lower, \$5.71M interim NPAT. 19% higher, \$48.53M revenue.



Meanwhile, the **European Union (EU)** and the **UK** have each signed off on separate trade talks mandates ahead of talks scheduled to commence next week.

The argy-bargy began publicly overnight, in association with a 'level playing field' proposal, and an EU official's declaration that the discussions were expected to be 'very hard'.

The UK separated from the EU at the end of the January, commencing an 11-month transition period, aimed in part at agreements on key customs and trade arrangements.

In the **US**, the Richmond Fed manufacturing index dropped to -2 from 20.

The FHFA December house price index rose 0.6% for the month, while Case-Shiller's remained flat. Year-on-year, Case-Shiller estimated home prices had risen 2.9%.

The Conference Board's consumer sentiment index gained 0.3 to 130.7.

Tonight in the **US**, January new home sales are due, together with weekly mortgage applications.

Companies scheduled to report earnings include: Adecco, Best Buy, Danone, Hermes International, Hyundai, ING Life Insurance, Lotte, Lowe's, Marriott International, Rio Tinto, Saipem, Thales and TJX Companies.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1650	oz	-26.60	-1.6
Silver (NY) (Mar)	18.191	oz	-0.685	-3.6
Gold (LON) (22 Feb)	1643	oz		
Platinum	925	oz	-40	-4.3
WTI Crude (Mar)	49.90	bbl	-1.53	-3.0
Brent Crude (Apr)	54.95	bbl	-1.35	-2.4
Iron Ore (NYMEX,CHN,62%)	86.73	t	0.17	0.2
Copper (LME,3mth,PM)	5688	t	-4	-0.1
Nickel	12515	t	55	0.4
Aluminium	1704	t	6	0.4
Lead	1852	t	31	1.7
Zinc	2038	t	-5	-0.2
Tin	16715	t	165	1.0

Commodities Commentary

Oil – overnight prices were again impacted by Covid-19 – related demand anxiety.

A **US** Centers for Disease Control and Prevention warning to prepare for additional spread appeared to further impact sentiment intra-session, with WTI crude notably settling below \$US50/bbl.

Further, the **International Energy Agency (IEA)** said it expected 2020 international oil demand growth to fall to its least in 10 years, and that the agency expected to lower forecasts it had published earlier this month.

In addition, a media survey concluded US crude-in-storage would have risen again last week.

Pre-Open Announcements

Cash Converters International (CCV)

CEO Brendan White has resigned for family reasons. CCV has appointed CCV COO Sam Budiselik to take over as CEO immediately.

National Tyre & Wheel (NTD)

Planning to acquire select Industrial Tyre Services (ITS) assets, including plant, equipment, IP and some inventory.

Consideration is expected to be \$700,000 - \$800,000, funded from existing cash reserves.

NTD lodged interim results post-trade yesterday, these including a 30.5% fall in NPAT and 3.9% lower revenue.

Paying a flat 1.25c fully franked interim dividend.

Perenti Global (** PRN)

83.4% drop in interim NPAT to \$36.00M.

61.2% higher, \$1.01B revenue.

Flat, 3.5c fully franked interim dividend.

\$1.026 NTA, against \$1.0352.

Steadfast Group (SDF)

\$71.94M interim net loss, against a \$40.535M net profit a year ago.

34% higher, \$350.898M revenue.

3.6c fully franked interim dividend. 11c NTA, against 1c.

Regis Healthcare (REG)

50% lower, \$12.08M interim NPAT.

14% higher, \$361.49M revenue.

4.02c, 50%-franked interim dividend.

IVE Group (IGL)

33% lower, \$12.37M interim NPAT.

4% lower, \$360.15M revenue.

Flat, 8.6c fully franked interim dividend.

21.6c NTA, against 26.1c.

Bubs Australia (BUB)

\$7.56M interim net loss, against an \$8.83M net loss a year ago.

39% higher, \$27.1M interim revenue.

Prime Media Group (PRT)

56.2% lower, \$4.46M interim NPAT.

7.2% lower, \$90.85M revenue. 11.8c NTA, against 7.8c.

Capitol Health (CAJ)

77.4% lower, \$2.69M interim NPAT.

11.3% higher, \$80.55M revenue.

0.5c fully franked interim dividend.

82c NTA, against \$1.09.

Catapult Group International (CAT)

\$4.77M interim net loss, against a \$9.25M net loss a year ago.

18% higher, \$50.69M revenue. 7.2c NTA, against 11.4c.

Viva Leisure (VVA)

190.7% higher, \$2.81M interim NPAT.

75.1% higher, \$22.99M revenue.



Schlumberger predicted US shale oil production would fall from 2019's ~1MMbbl/d to 600,000bbl/d – 700,000bbl/d this year, and to a daily 200,000bbl during 2021.

In the meantime, Saudi Arabia offered that OPEC and OPEC+ members would be responsible in their market considerations late next week, in relation to the virus.

Saudi Arabia's former energy minister Khalid al-Falih meanwhile, has returned to the spotlight, appointed investment minister, a new role in the Kingdom.

Weekly US petroleum inventories, as calculated by government agency the EIA, are due tonight.

Gold – profit-taking was cited for a significant overnight price pullback, even while 10-year US government bond yields headed to another record low (1.322%), and as major international equities markets continued to fall.

A finalised December quarter GDP for Germany overnight came in as anticipated, with no change for the three months.

Base metals – one economic analyst declared a recent forecast of a Covid-19 – related 500,000t drop in China's 2020 demand for copper would likely prove optimistic, with an international surplus, rather than a deficit, possible.

Meanwhile, spot fees for treating and refining copper concentrates were reported at \$75/t, the most in ~11 months.

Overnight nickel prices were supported in the meantime with Indonesia conceding \$US1B worth of nickel project developments could be delayed due to the virus.

China's official PMI updates, due for release this coming weekend, will be in focus through second-half week trading and, together with a late-week US GDP growth update, could deliver some added caution.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6603	0.0002	0.02
EUR – USD	1.0882	0.0000	0.00

Australian Data Today

ABS	Construction work done	Dec Q
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US Data Tonight

New home sales	Jan
MBA mortgage applications	21 Feb

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Immutep Ltd (IMM)

IMM hosted a global webcast, based on a presentation highlighting TACT1-002 clinical results, at 8am AEDT.

Presentation lodged post-trade yesterday, after recouping 10.26% for the session, to settle at 43c.

Resources

Independence Group (IGO) / Mineral Resources (MIN)

International conference presentations lodged post-trade yesterday.

IGO and MIN were scheduled to present in different parts of Florida, US overnight.

Energy

Central Petroleum (* CTP)

Maiden interim \$3.2M NPAT, against a \$19.1M net loss a year ago.

Trading Halts

Company	Code	Resuming
De Grey Mining	DEG	26 Feb
Enterprise Metals	ENT	26 Feb
Nusantara Resources	NUS	26 Feb
Protean Energy	POW	26 Feb
Simavita Ltd	SVA	26 Feb
Strandline Resources	STA	26 Feb
Alto Metals	AME	27 Feb
Classic Minerals	CLZ	27 Feb
Marmota Ltd	MEU	27 Feb
Meteoric Resources	MEI	27 Feb
Netlinkz Ltd	NET	27 Feb

Suspensions (select)

Company	Code	Since
Alloy Resources	AYR	21 Feb
Collection House	CLH	18 Feb
Dacian Gold	DCN	3 Feb
DGO Gold	DGO	24 Feb
Gulf Manganese Corporation	GMC	10 Feb
Hampton Hill Mining	HHM	18 Feb
Identitii Ltd	ID8	5 Feb
Kalium Lakes	KLL	24 Feb
LionHub Group	LHB	24 Feb
Moreton Resources	MRV	20 Feb
ParaZero Ltd	PRZ	18 Feb
Speedcast International	SDA	5 Feb
Vection Technologies	VR1	24 Feb

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AGL	Today	47	80	3.13
CDA	Today	7.5	100	1.14
DHG	Today	2	100	1.17
IMF	Today	3	100	0.00
IRE	Today	30	40	3.82
KGN	Today	7.5	100	2.79
MOE	Today	10	100	1.44
ORA	Today	6.5	30	4.64
QIP	Today	3.3	100	6.38
TLS	Today	8	100	2.78
ABA	Tomorrow	17	100	5.09
ADA	Tomorrow	1	0	1.32
BBN	Tomorrow	4.1	100	2.55
BPT	Tomorrow	1	100	1.01
BWR	Tomorrow	3.5	0	6.34
CL1	Tomorrow	2.5	100	1.48
COL	Tomorrow	30	100	1.55
EBG	Tomorrow	2.35	100	5.55
EGG	Tomorrow	2.5	100	3.40
FSA	Tomorrow	3	100	3.75
GCI	Tomorrow	0.68	0	4.72
IRI	Tomorrow	3.5	100	2.41
LLC	Tomorrow	30	0	2.25
NBI	Tomorrow	0.9	0	6.02
PCI	Tomorrow	0.35	0	2.43
PPE	Tomorrow	4	100	2.44
QRI	Tomorrow	0.8	0	5.22
SKC	Tomorrow	9.6	0	5.65
WHC	Tomorrow	1.5	0	13.40
WOR	Tomorrow	25	0	2.02

Reports & Events

(selected)

When	Company	Report/Event
Today	AVG	Interim; fires update
	CAT	Interim (tele 10.30am AEDT)
	FDV	Full year
	GSS	Interim
	GTK	AGM
	GMA	Full year
	HLS	Interim
	IVC	Full year (tele 9.30am)
	IGL	Interim (tele 11am)
	MAD	Interim (tele 4pm)
	MLX	Interim
	MHJ	Interim (w/cast tele 10.30am)
	NAN	Interim



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	NEC	Interim
	OVH	Interim
	PRN	Interim
	RMC	Interim
	RIO	Full year
	RMY	Interim
	VAH	Interim
	WOW	Interim
Tomorrow	360	Full year (webinar 9.30am AEDT)
	A2M	Interim
	ACF	Interim
	ADA	Interim
	ABC	Full year
	APT	Interim (audio w/cast 10.30am AEDT)
	AIZ	Interim (tele 8am AEDT)
	ALX	Full year (tele 11am)
	ATS	Interim
	BRL	Interim
	BGA	Interim (tele 11am)
	BOQ	Strategy update (w/cast 10am AEDT)
	CDD	Interim
	CGA	Full year
	CYC	Full year
	FLT	Interim
	IFM	Interim
	LNK	Interim
	MSB	Interim (w/cast 8.30am AEDT)
	MWY	Interim
	NEU	Full year
	NXT	Interim
	NTO	Full year (w/cast 9am)
	PFP	Interim
	REH	Interim
	RHC	Interim
	VGI	Interim (w/cast tele 10.30am)
	YAL	Full year
	Z1P	Interim (tele midday)