

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5604</b>	<b>6</b>	<b>0.1</b>
<b>NZX 50</b>	7067	14	0.2
<b>DJIA Futures</b>	19821	0	0.0
<b>S&amp;P 500 Futures</b>	2276	1	0.0
<b>NASDAQ Futures</b>	5131	-18	-0.3

## Local Markets Commentary

The Australian market opens Friday trade on little change for US equities, amid mixed key commodities leads and heightened geopolitical tensions, and ahead of a manufacturing PMI estimate for China.

In overnight commodities trade, **gold** swung higher, and **oil** lower. **Copper** picked up the pace of Wednesday's fall as **nickel** continued to rally.

The **\$A** again traded in a relatively narrow range, after being propelled beyond US76.65c yesterday evening.

Locally pre-trade, a January services sector activity index is due. January vehicle sales are expected midday.

**China's** January manufacturing PMI, as estimated by Caixin, is anticipated **12.45pm** AEDST. Caixin will follow up with a services PMI Monday.

China's markets also resume today following a week of holidays.

Bank of **Japan** December policy meeting minutes are due **10.50am** AEDST. Final January manufacturing and services PMI readings are expected **11.30am**.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>19885</b>	-6	<b>-0.0</b>
<b>S&amp;P 500</b>	2281	1	0.1
<b>NASDAQ</b>	5636	-6	-0.1
<b>FTSE 100</b>	7141	33	0.5
<b>DAX 30</b>	11628	-32	-0.3
<b>Shanghai Comp</b>	3159	Public	Holiday

## Overseas Markets Commentary

Swinging and/or choppy trade featured across most major European and US equities markets overnight.

The **Bank of England** raised by 0.6%, to 2%, its 2017 UK GDP growth forecast, but kept policy unchanged in a unanimous vote. The central bank expects growth to slow to 1.6% in 2018.

Among **US** data releases, a monthly job cuts report revealed businesses outlined 37% more layoffs in January than in December, the 45,934 cuts amounting to the most in nine months

Weekly new unemployment claims fell by 14,000.

December quarter productivity was estimated 1.3% higher year-on-year, against a 1.7% rise in labour costs.

**Tonight** in the US, monthly employment figures, including the number of jobs created and headline

**China - Caixin manufacturing PMI 12.45pm AEDST**

## Today's Stock Watch

### James Hardie Industries (JHX)

8% higher, \$US232M NPAT for the nine months to 31 December. 10% higher, \$US1.4B sales. US10c (\$A13.784c) interim dividend. \$US52.6M December quarter net operating profit, down 6% for the quarter.

Anticipating \$US252M - \$US269M full-year (to 31 March) net operating profit (excluding asbestos). Adjusted net operating profit is expected at \$US245M - \$US255M, against \$US242.9M a year ago.

### Virgin Australia Holdings (VAH)

\$13.1M December quarter NPAT, impacted by restructuring. Net debt down 44.5% to \$936.3M. \$1.6B cash. Anticipating 3% - 6% FY 2017 EBIT growth. Planning to lodge interim results 17 February.

### ASX Ltd (ASX)

\$0.8B total capital raised by ASX-listed companies (including new listings) during January, 160% more than a year ago. The All Ordinaries index fell 0.8% during January.

### Macmahon Holdings (MAH) / Cimic Group (CIM)

MAH shareholder letter lodged this morning, repeating advice to take no action in respect to the CIM offer.

### Bionomics Ltd (BNO)

\$10M milestone payment due to BNO from partners Merck and Kenilworth, due to initiation of a Phase 1 clinical study of a proposed Alzheimer's treatment.

### Cover-More Group (CVO)

Proposing to pay a 5c fully-franked special dividend, pending go-ahead for the scheme of arrangement by which Zurich Insurance Company will acquire CVO. Given this, no interim dividend is envisaged. Planning to lodge half-year results 13 February.

### Commonwealth Bank of Australia (CBA) / Brambles Ltd (BxB)

Morgans has removed its CBA add recommendation, in favour of hold advice, but is recommending BxB as an add, from previous hold advice.

## Resources

### AngloGold Ashanti (AGG)

Anticipating \$US104M - \$US118M 2016 headline earnings, up 242% - 262%. Expecting to lodge the company's 2016 trading statement with the Johannesburg Stock Exchange 21 February.

### Eastern Goldfields (EGS)

Morgans has commenced EGS coverage with an add recommendation and 50c price target. EGS has traded at 36c - 40c for the week to date.

## Energy

### TerraCom Ltd (TER)

Resuming from a trading halt with indicative, conditional approval for a Blair Athol coal mine mining lease, Queensland. TER last traded at 3.9c.

unemployment, are due. In addition, ISM will publish its January services sector activity index and Markit, a revised January services PMI. Factory orders are also expected.

Hershey, Honda, Philips 66, Sharp, Sojitz and Yamaha are among companies scheduled to report earnings today and tonight.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1219</b>	oz	11	<b>0.9</b>
<b>Silver (NY) (Mar)</b>	17.4	oz	-0.1	<b>-0.2</b>
<b>Gold (LON)</b>	1222	oz	18	<b>1.5</b>
<b>Platinum</b>	997	oz	1	<b>0.1</b>
<b>WTI Crude (Mar)</b>	<b>53.5</b>	bbl	-0.3	<b>-0.6</b>
<b>Brent Crude (Mar)</b>	<b>56.6</b>	bbl	-0.2	<b>-0.4</b>
<b>Iron Ore (China port)</b>	<b>83.3</b>	t	Public Holiday	
<b>Copper (LME)</b>	<b>5886</b>	t	-59	<b>-1.0</b>
<b>Nickel</b>	10395	t	145	<b>1.4</b>
<b>Aluminium</b>	1829	t	10	<b>0.6</b>
<b>Lead</b>	2340	t	8	<b>0.3</b>
<b>Zinc</b>	2851	t	-29	<b>-1.0</b>
<b>Tin</b>	19840	t	-10	<b>-0.1</b>
<b>CBT Wheat (Mar)</b>	<b>4.35</b>	bshl	0.01	<b>0.2</b>

### Commodities Commentary

*Oil* – US stockpiles were reportedly still uppermost among overnight trade considerations.

A weekly US petroleum drill rig count is due tonight.

*Gold* – pushed to 12-week highs in early US trade. A mix of some \$US weakness and safe-haven buying again appeared the main influences.

*Base metals* – copper supplies were considered sufficiently high to survive a five-day mediation stretch at BHP's Escondida mine, Chile, traders opting to collect profits.

Meanwhile, China's likely environmental policy impact on its domestic aluminium industry was debated.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7662	0.0004	<b>0.05</b>
<b>EUR – USD</b>	1.0760	0.0004	<b>0.03</b>

### Australian Data Today

AiG	PSI	Jan
VFACTS	Vehicle sales	Jan

### US Data Tonight

Employment (incl jobs created, earnings)	Jan
ISM non-manufacturing	Jan
Markit PMI services (final)	Jan
Factory orders (rev)	Dec

### Other Overseas Data Today & Tonight

<b>China</b>	Caixin PMI manufacturing	Jan
<b>Japan</b>	BoJ policy meeting minutes	Dec
Japan	PMI manufacturing, services (rev)	Jan
<b>UK</b>	PMI services	Jan
<b>Euro zone</b>	Retail sales	Dec

## Pre-Open Announcements

### Hansen Technologies (HSN)

Former Telstra (ASX: TLS) and Sensis executive Jennifer Douglas has been appointed as an HSN non-executive director, filling the vacancy created by Peter Berry's resignation last December.

### Benitec Biopharma (BLT)

BLT's progress on developing eye virus treatments that can be delivered to the back of the eye will be presented at a four-day Association for Research in Vision & Ophthalmology conference in Brisbane next week.

### Nearmap Ltd (NEA)

Planning to publish interim results pre-trade 15 February and to host a teleconference commencing 9.30am AEDST that day. Access details lodged this morning.

### Velocity Property Group (\* VP7)

Scheduled to list 11am AEDST 7 February (Tuesday).

## Resources

### Greenpower Energy (GNP)

Guyana Morabisi project lithium/tantalum project activity underway, ahead of sampling scheduled to commence Monday. GPP holds exclusive rights to earn up to 74% of the project from Guyana Strategic Metals, and says it is fully-funded for all earn-in activity.

### Cobalt Blue Holdings (\* COB)

Explorer and project developer completed a successful ASX listing yesterday following a \$10M IPO at 20c per share. Opened at 23c and traded as high as 28c before settling at 22c. 12.67M shares were traded across 708 transactions.

## Energy

### Freedom Oil & Gas (FDM)

Drilling company secured for two wells within FDM's Eagle Ford shale territory, Dimmit County, Texas. Planned activity lodged this morning.

## State One Analyst Comment

### PepinNini Minerals (PNN)

PNN is in a halt pending a modest \$0.55M raising for the purpose of drilling its key lithium targets in Argentina, starting next month.

**The placement price is 1.2 cps, and the offer will close today.**

We are expecting that the March / April drilling program will make serious inroads into establishing PNN as a potentially significant lithium producer from Argentina's renowned lithium triangle.

Feel free to call Alan Hill on 0413 569 288, or your advisor on 1300 308 305, for a term sheet and further information.

*State One executive chairman Alan Hill*

### Trading Halts

Company	Code	Resuming
Animoca Brands Corporation	AB1	6 Feb



Euro zone PMI services (final) Jan

**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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Manalto Ltd	MTL	6 Feb
PepinNini Minerals	PNN	6 Feb
migme Ltd	MIG	7 Feb

**Suspensions** (selected)

Company	Code	Since
Ausnet Financial Services	AU1	25 Jan
De Grey Mining	DEG	25 Jan
LatAm Autos	LAA	2 Feb
Moko Social Media	MKB	25 Jan
Suda Ltd	SUD	27 Jan

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>ASW</b>	Today	<b>2.1</b>	100	4.83
AFI	Tue	10	100	4.03
RMD	Wed	~3.05	0	1.37
BKI	Fri (10 Feb)	3.6	100	4.26
MGP	Fri	0.2	0	2.46

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>JHX</b>	Dec Q
<b>Mon</b>	NAB	Trading update
<b>Tue</b>	AQG	Full-year
	MQG	Trading update
	SCP	Full-year
	TCL	Interim
<b>Wed</b>	BWP	Interim
	CIM	Full-year
	GMA	Full-year
	RIO	Full-year
<b>Thu</b>	AGL	Interim
	AMP	Full-year
	HGG	Interim
	NBN	Interim
	SKC	Interim
	SUN	Interim
<b>Fri</b> (10 Feb)	NWS	Interim