

Markets

SFE 200 Futures (9.30am AEDT)	5876	39	0.7
NZX 50	9001	21	0.2
DJIA Futures	25170	-18	-0.1
S&P 500 Futures	2721	17	0.6
NASDAQ Futures	6938	60	0.9

Local Markets Commentary

The Australian market commences today's trade amid a plethora of analysis of the finance sector **royal commission** report, ahead of a Reserve Bank of Australia policy statement and influential domestic data releases today, plus key economic indicator reports tonight out of the US and euro zone.

Overnight US equities trade leads are positive, but international commodities leads mixed.

Locally, **Reserve Bank of Australia (RBA)** is holding its first policy meeting of the year today and will announce outcomes and update its outlook in a statement due for release 2.30pm AEDT.

By then Australian Bureau of Statistics will have released December **trade** and **retail sales** figures, each report due at **11.30am** AEDT.

Pre-trade, AiG will publish its January **services sector PMI** and ANZ and Roy Morgan their weekly **consumer sentiment** report.

A new vehicle sales update is also expected today.

In overnight commodities trade, **oil** swung lower.

US **gold** futures (April) continued so.

LME **copper** turned higher, **aluminium** rallied, and **nickel** extended its current run higher with a sharp increase.

The **\$A** headed below US72.30c, after trading at ~US72.35c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25239	175	0.7
S&P 500	2725	18	0.7
NASDAQ	7348	84	1.2
FTSE 100	7034	14	0.2
DAX 30	11177	-4	-0.0
Shanghai Comp	2618	Public	Holiday

Overseas Markets Commentary

Major European and US equities markets mostly headed lower in early trade, but key US indices settled at or near session highs.

Among **US** data releases, November factory orders disappointed, falling 0.6% following a 2.1% October drop, and against forecasts of a 0.2% improvement.

ISM's New York January business activity index was estimated at a robust 63.4, but nonetheless, two points lower than for December.

In the **euro zone**, December producer prices fell 0.8% for the month, following a 0.3% November decline.

Australia – RBA policy meeting outcomes 2.30pm AEDT; December trade balance and retail sales 11.30am.

China's markets are closed this week for Lunar New Year/Spring Festival celebrations

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

Anticipating a \$40M adverse impact on the pre-tax profit of its financial planning business after undertaking to stop charging ongoing service fees.

CBA plans to implement a new financial advice fee model.

In addition, CBA says it will co-operate with further investigations, as recommended in the finance sector royal commission's final report.

CBA is due to publish interim results tomorrow.

Westpac Banking Corporation (WBC) / Australia & New Zealand Banking Group (ANZ) / National Australia Bank (NAB)

Promising updates following reviews of the finance sector royal commission's final report, Australian Government and regulatory responses.

NAB chairman Ken Henry has rejected assertions the bank may not have sufficiently begun to implement change.

AMP Ltd (AMP)

Pointing out changes already implemented following the commencement of the finance sector royal commission, and likewise planning to provide updates following a review of the commission's report.

Suncorp Group (SUN)

Also promising an update following a review of the finance sector royal commission's final report. Meanwhile, planning to reveal interim results 14 February (Thursday next week).

IOOF Holdings (IFL)

Pledging to work with regulators regarding finance sector royal commission referrals.

FlexiGroup Ltd (FXL)

Expecting \$76M - \$80M FY 2019 cash NPAT, in part due to a \$12M commercial leasing post-tax impairment.

Interim cash NPAT is expected to come in at ~\$32M.

FXL plans to publish interim results 26 February, and to host a webcast briefing that day, commencing 10.30am AEDT. Access details lodged this morning.

Shopping Centres Australasia Property (SCP)

43.5% lower, \$39.3M interim NPAT. 16.5% higher, \$125.1M revenue.

7.25c interim distribution, against 6.80c. \$2.27 NTA.

Navitas Ltd (NVT)

14% lower, \$21.4M interim NPAT. 5% higher, \$477.4M revenue. Will not pay an interim dividend.

James Hardie Industries (JHX)

12% higher, \$US228M NPAT for the nine months to 31 December. 23% higher, \$US1.88B net sales. \$US1.33 NTA.

Anticipating \$US297M - \$US311M full year net operating profit, excluding asbestos.

Year-on-year, prices came in 3% higher, against 4% at the end of November.

A **UK** construction PMI fell to a 10-month low of 50.6, from 52.8 in December 2018.

Meanwhile, a United Nations (UN) agency review of the likely impacts of a threatened **US** rise in taxes on **China** imports 1 March concluded widespread adverse economic and currency swing impacts, but also benefits to some major trading regions including across the European Union.

Tonight in the **US**, ISM's January services sector activity index is keenly anticipated.

December trade figures are also expected, together with an economic optimism index.

Companies scheduled to report **earnings** later today or tonight include: Archer Daniels Midland, BP, Estee Lauder, Genworth Financial, Itoshu, Janus Henderson Group, Mitsubishi Corp, Ocado, Snap, Softbank, Suzuki Motor, Viacom, Walt Disney and Yamaha Corp.

In overnight corporate news, **Janus Henderson** Group announced bond manager Bill Gross was retiring.

ConocoPhillips benefited from a buy recommendation.

Alphabet (owns Google) has reported post-US trade. Revenue exceeded expectations, but costs appear to be weighing.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1319.3	oz	-2.8	-0.2
Silver (NY) (Mar)	15.89	oz	-0.04	-0.3
Gold (LON)	1319	oz		
Platinum	819	oz	-2	-0.2
WTI Crude (Mar)	54.56	bbbl	-0.7	-1.3
Brent Crude (Apr)	62.51	bbbl	-0.24	-0.4
Iron Ore (CHN port 62%)	85.53	t Lunar		NY
Copper (LME,3mth,PM)	6168	t	29	0.5
Nickel	13260	t	600	4.7
Aluminium	1919	t	36	1.9
Lead	2128	t	1	0.1
Zinc	2801	t	24	0.9
Tin	20800	t	-90	-0.4
CBT Wheat (Mar)	5.26	bshl	2	0.3

Commodities Commentary

Oil – overnight prices swung, sentiment ultimately swayed by weekend data out of China and overnight US figures.

A Genscape report also estimated a 94,000bbbl increase in US crude stored at the Cushing, Oklahoma depot, for the week ending Friday 1 February.

In early trade, Brent crude traded as high as \$US63.63/bbl and WTI at \$US55.75/bbl.

Gold – overnight falls were attributed to additional profit-taking, a 0.3% rise in the ICE \$US index and positive US second-half equities trade.

Futures settled lower for a second consecutive session.

Base metals – overnight trade was pushed and pulled by inventories, views of US-China trade negotiation outcomes and a \$US rise.

Pre-Open Announcements

Tymlez Group (* TYM)

Google cloud technology partner status achieved, enabling TYM to list its blockchain platform on the Google cloud marketplace in order to promote and sell to customers.

Exopharm Ltd (EX1)

Heralding Plexaris and Exomeres proof-of-concept achievements in an animal study.

Details lodged this morning.

Janus Henderson Group (* JHG)

JHG global unconstrained bond funds head William (Bill) Gross is retiring from JHG 1 March.

Global bonds co-head and portfolio manager Nick Maroutsos has been appointed global unconstrained bond funds portfolio manager, effective 15 February (Friday next week).

HT&E Ltd (* HT1)

HT1 has appointed former ZenithOptimedia and Publicis Media executive Belinda Rowe as a non-executive director, effective immediately.

Nanosonics (* NAN)

NAN has appointed a COO, chief marketing officer and chief strategy officer.

Details lodged this morning.

Boom Logistics (BOL)

Anticipating \$13M - \$16M revenue from a wind turbine generator installation contract secured with Goldwind Australia, for the Cattle Hill wind farm, Tasmania.

Resources

OceanaGold Corporation (* OGC)

Expecting to produce 500,000oz – 550,000oz of gold and 14,000t – 15,000t of copper during 2019, at an \$US850/oz - \$US900/oz AISC.

Breakdown planned production, cost and investment figures lodged post-trade yesterday.

Bellevue Gold (* BGL)

WA Bellevue gold project resource boosted 47% to 1.53oz @ 11.8g/t Au. \$13.7M cash as at 31 December.

Pursuit Minerals (* PUR)

Sweden Airijoki vanadium project drilling has confirmed additional high-grade mineralisation.

Assays lodged this morning.

An initial resource is anticipated by early March.

AngloGold Ashanti (* AGG)

Anticipating \$US207M - \$US224M full year NPAT.

Northern Star Resources (NST)

WA Kalgoorlie site visit presentation lodged this morning.

VRX Silica (VRX)

VRX is acquiring E69/3560 which hosts the Boyatup silica sand project, located 100km east of Esperance, south east Western Australia.

Consideration comprises \$10,000 cash plus 2M VRX shares.

VRX has traded at 9c – 12.5c the past five trading sessions.

Kingsrose Mining (KRM)

KRM has appointed former Newcrest Mining (ASX: NCM) and BHP Billiton (ASX: BHP) geology manager John Carlile as a non-executive director, effective today.



Zinc traded at seven-month peaks due to several factors influencing views of supply-demand scenarios.

Antaika calculated China's 2018 zinc production at 4.53Mt, a 4.6% fall from 2017 output.

China's markets are closed this week, due to Lunar New Year (NYE tonight)/Spring Festival celebrations. This will mean lower trading volumes throughout the week, potentially exaggerating price moves.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7223	-0.0002	-0.03
EUR – USD	1.1437	0.0001	0.01

Australian Data Today

RBA	Policy statement (2.30pm)	Feb
ABS	Trade balance	Dec
ABS	Retail sales	Dec
AiG	PSI	Jan
ANZ/RyMgn	Consumer sentiment	3 Feb
VFACTS	Vehicle sales	Jan

US Data Tonight

Trade balance	Dec
ISM non-manufacturing	Jan
Markit services, composite PMIs (final)	Jan
IBD/TIPP economic optimism	Feb

Other Overseas Data Today & Tonight

UK	Services PMI	Jan
UK	New vehicle sales	Jan
Germany	Services PMI (final)	Jan
Euro zone	Retail sales	Dec
Euro zone	Services PMI (final)	Jan

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Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	CIM	Interim
	DXS	Interim
	JHX	Dec Q
	JHG	Interim
	MCR	Interim
	NVT	Interim
	PRU	Interim
	SCP	Interim
Tomorrow	BWP	Interim
	CBA	Interim
	GMA	Full year
	IAG	Interim
	SSM	Interim
Thu	AGL	Interim
	DOW	Interim
	ERA	Full year
	MGR	Interim
	NWS	Interim
	NCK	Interim
	PPH	Dec Q
Fri	PGC	Interim
	REA	Interim

Trading Halts

Company	Code	Resuming
Fe Ltd	FEL	4 Feb
Affinity Energy & Health	AEB	5 Feb
Altura Mining	AJM	5 Feb
Aura Energy	AEE	5 Feb
Cirralto Ltd	CRO	5 Feb
Environmental Clean Technologies	ECT	5 Feb
Global Energy Ventures	GEV	5 Feb
Simple Solutions	SIS	5 Feb
Artemis Resources	ARV	6 Feb
Eon NRG	E2E	6 Feb
Fenix Resources	FEX	6 Feb
Mareterram Ltd	MTM	6 Feb
Perpetual Resources	PEC	6 Feb
Sequoia Financial Group	SEQ	6 Feb
Sky & Space Global	SAS	6 Feb

Suspensions (select)

Company	Code	Since
Aurora Absolute Return Fund	ABW	21 Jan
Buddy Platform	BUD	31 Jan
Covata Ltd	CVT	30 Jan
Creso Pharma	CPH	5 Feb
Indiana Resources	IDA	31 Jan
ShareRoot Ltd	SRODC	1 Feb
Vector Resources	VEC	4 Feb

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ASW	Tomorrow	2	100	6.21
RMD	Tomorrow	3.64	0	1.08
KAT	Thu	0.25	100	3.82
AFI	Fri	18	100	3.80
AYK	Fri	24	100	4.74
AYZ	Fri	57	100	4.84
BKI	Fri	5.13	100	4.55
OCA	Fri	1.7	0	3.73