

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5559</b>	<b>-6</b>	<b>-0.1</b>
<b>NZX 50</b>	7079	-15	-0.2
<b>DJIA Futures</b>	19972	0	0.0
<b>S&amp;P 500 Futures</b>	2287	-5	-0.2
<b>NASDAQ Futures</b>	5158	3	0.1

## Local Markets Commentary

The Australian market commences today's trade on lacklustre international equities leads, amid uncertain domestic and political scenarios, and ahead of the Reserve Bank of Australia's (RBA) first policy meeting of the year.

In overnight commodities trade, **gold** rallied. **Oil** turned lower. **Copper** swung higher. **Iron ore** continued to fall.

The **\$A** traded a little lower, after being pushed beyond ~US76.65c yesterday evening.

Locally today, the **RBA** holds a policy meeting and at **2.30pm** AEDST, announces outcomes.

Pre-trade, a construction sector activity index and a weekly consumer sentiment reading are due.

Post-trade, the RBA publishes its monthly reserve assets report.

**China** is expected to report January foreign reserves anytime from today.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>20052</b>	-19	<b>-0.1</b>
<b>S&amp;P 500</b>	2293	-5	<b>-0.2</b>
<b>NASDAQ</b>	5664	-3	<b>-0.1</b>
<b>FTSE 100</b>	7172	-16	<b>-0.2</b>
<b>DAX 30</b>	11510	-142	<b>-1.2</b>
<b>Shanghai Comp</b>	3157	17	<b>0.5</b>

## Overseas Markets Commentary

Weak and/or vacillating sentiment featured across major European and US equities markets overnight.

In **France**, a right-wing candidate for the April-May national election launched her campaign in part on a vow to reinstate a national currency.

In data releases, a key **euro zone** sentiment index fell 0.8 to 17.4.

**Germany's** December industrial orders were reported 5.2% higher, following a 3.6% drop in November.

European Central Bank (ECB) president Mario Draghi told the European Parliament that he was concerned at potential adverse international ramifications should the US roll back financial regulations put in place following the 2008-09 global financial crisis.

**Tonight** in the US, December trade figures are due. Consumer credit and job opening reports are also expected.

Archer Daniels Midland, BNP Paribas, Coca-Cola, General Motors, Mondelez International, Singapore

**RBA – policy meeting outcomes statement 2.30pm AEDST**

\* Property sector listing **11am** AEDST – **VP7** \*

## Today's Stock Watch

### Macquarie Group (MQG)

Anticipating FY 2017 (31 March) results contributions across all divisions to be in line with FY 2016. In a quarterly update this morning, describing December quarter trading conditions as 'satisfactory'. \$A3.7B surplus capital (APEA Basel III). 10.5% CET 1, 0.1% higher for the quarter.

### Transurban Group (TCL)

35.8% higher, \$110M interim NPAT. 26.3% higher, \$1.3B revenue. 19c interim distribution (previously declared), to be paid Friday. 3.5c fully-franked interim dividend (previously declared). \$2.82 NTA. 5.4c EPS. \$1.4B cash and equivalents. Anticipating 12.1% higher FY 2017 EBITDA and raising FY 2017 distribution guidance to a 13.2% increase, on FY 2016.

### InvoCare Ltd (IVC)

Closing the company's funeral business in southern California, but retaining a cremation services business at the Macera crematory, Los Angeles. IVC determined the funeral business was unlikely to break even by mid-2018. Planning to report full year results 23 February.

### SCA Property Group (SCP)

125.4% higher, \$204.7M interim NPAT. 20.1% higher, \$108M revenue (continuing and ordinary activities). 6.4c interim distribution. \$2.12 NTA.

### Kathmandu Holdings (KMD)

Anticipating \$NZ9.9M interim NPAT, against \$NZ9.4M a year ago. Sales are expected to total \$NZ196.3M, against \$NZ196.0M. For the 26 weeks to 29 January, (constant currency) same store sales grew 3.4%. Planning to lodge half-year results 21 March.

### Cabcharge Australia (CAB)

\$20.7M impairment will be recorded for CAB's 49% holding in CityFleet Network UK, due to a drop in trading profit since August 2016. CAB has traded lower the past two trading sessions, settling at \$3.44 yesterday after closing out 2016 at \$3.88.

### Estia Health (EHE)

Former Careers Training Group finance director Steve Lemlin has been appointed EHE CFO, effective 3 February.

### Seven West Media (SWM) / Seven Group Holdings (SVW)

Deutsche Bank has placed a sell on SWM, following previous hold advice.

### GrainCorp Ltd (GNC)

Goldman Sachs is recommending GNC as a buy.

### Tabcorp Holdings (TAH)

Trading ex-dividend (12.5c) today. TAH slipped 2.2% (10c) yesterday, settling at \$4.44, after trading at \$4.43 - \$4.58.

### Velocity Property Group (VP7)

Property developer scheduled to list 11am AEDST, following a \$10.6M IPO at 20c per share. CEO Brendon Ansell directly holds 14.72%. Commercial manager Philip Raff directly holds 8.77%.

Airlines and Walt Disney are among companies scheduled to report earnings today and tonight.

In overnight corporate news, toy manufacturer **Hasbro** gained more than 12% after exceeding December quarter profit and revenue forecasts.

Earlier, **Toyota Motor** reported a 22.5% drop in December quarter profit and 3.5% sales revenue fall, but raised expected net and operating profits for the financial year ending 31 March, on support from a softer yen.

**Tiffany** shares also suffered, on the resignation of the company's CEO.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1232</b>	oz	11	0.9
<b>Silver (NY) (Mar)</b>	17.7	oz	0.2	1.5
<b>Gold (LON)</b>	1227	oz	12	1.0
<b>Platinum</b>	1012	oz	11	1.1
<b>WTI Crude (Mar)</b>	<b>53.0</b>	bbl	-0.8	-1.5
<b>Brent Crude (Mar)</b>	<b>55.7</b>	bbl	-1.1	-1.9
<b>Iron Ore (China port)</b>	<b>80.6</b>	t	-1.6	-1.9
<b>Copper (LME)</b>	<b>5846</b>	t	74	1.3
<b>Nickel</b>	10450	t	225	2.2
<b>Aluminium</b>	1835	t	0	0.0
<b>Lead</b>	2348	t	23	1.0
<b>Zinc</b>	2793	t	-3	-0.1
<b>Tin</b>	19220	t	-550	-2.8
<b>CBT Wheat (Mar)</b>	<b>4.23</b>	bshl	-0.08	-1.8

### Commodities Commentary

*Oil* – a stronger \$US, plus hangover from a third consecutive significant increase in the number of oil rigs reported (late-week) to be operational in the US, impacted trade sentiment.

Meanwhile, Iran's deputy oil minister declared US sanctions meant US oil companies would not be able to tender mid-month to develop Iran's oil and gas fields.

*Gold* – safe-haven purchases appeared to win out overnight, against a higher \$US, futures trading at 2.5-month highs.

*Base metals* – a 2.3-point drop in Caixin's January composite PMI for China, to 52.2, appeared not to impact overnight sentiment.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7657	-0.0003	-0.04
<b>EUR – USD</b>	1.0747	-0.0003	-0.03

### Australian Data Today

RBA	Policy statement (2.30pm AEDST)	Feb
AiG	PCI (9.30am AEDST)	Jan
ANZ/RMgn	Consumer sentiment	5Feb
RBA	Reserve assets	Jan

### US Data Tonight

Trade balance	Dec
JOLTs job openings	Dec
Consumer credit	Dec

## Pre-Open Announcements

### Hazer Group (HZR)

HZR has appointed the company's chief development officer Terry Walsh as a non-executive director, following the resignation of Bryant McLarty.

### 9Spokes International (9SP)

Preparing a 9 Spokes Direct product for the US market. Details lodged this morning.

### DroneShield (\* DRO)

DRO has accepted an invitation to present at the Cowen Aerospace/Defense & Industrials conference in New York, 8 February (9.15am US EST). Presentation lodged this morning.

### Spark New Zealand (SPK)

Intending to acquire 100% of TeamTalk with an NZ80c per share offer.

### ooh!Media Ltd (OML)

Planning to release full-year results 20 February and to host a teleconference that day, commencing 10am AEDST. Access details lodged post-trade yesterday.

## Resources

### Alacer Gold Corporation (AQG)

\$US6.2M 2016 full-year NPAT. \$US215M cash. Conference call 8.30am AEDST tomorrow.

### Regis Resources (RRL)

UBS has cancelled an RRL buy recommendation, in favour of a neutral rating.

### Pilbara Minerals (PLS)

Mick Cernotta is joining the PLS board as an independent, non-executive director, replacing Robert Adamson who is resigning 21 February.

### Danakali Ltd (DNK)

Tony Kiernan has resigned as a DNK non-executive director, effective today.

### Lepidico Ltd (LPD) / Lithium Australia (LIT)

LPD is advising shareholders take no action, after LIT yesterday announced an intended off-market takeover bid for LPD. LPD and associated Lake Johnston exploration indications were also lodged yesterday, by LIT, while LPD revealed a proposed Canadian lithium carbonate production JV. LPD traded at 1.3c – 1.5c, settling 0.1c (8.3%) higher for the session, at 1.3c.

### Great Western Exploration (GTE)

Pointing to a 31 January drilling results announcement as to a possible reason why 31.5M GTE shares changed hands yesterday. The company's shares traded at 2.2c – 3c, before settling 28.6% higher for the session, at 2.6c.

### AngloGold Ashanti (AGG)

Summary of this week's Mining Indaba conference, Cape Town, South Africa lodged post-trade yesterday.

## Energy

### FAR Ltd (\* FAR)

Heralding an increase in prospective resources for FAR's offshore Senegal JV holdings. Details lodged this morning.

## Trading Halts

Company	Code	Resuming
migme Ltd	MIG	7 Feb

**Other Overseas Data Today & Tonight**

<b>China</b>	Foreign reserves	Jan
<b>Japan</b>	Business conditions (prelim)	Dec
Japan	International reserves	Jan
<b>UK</b>	Halifax house prices	Jan
<b>Germany</b>	Industrial production	Dec

**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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Protean Energy	POW	7 Feb
Sacgasco Ltd	SGC	7 Feb
Australian Mines	AUZ	8 Feb
DigitalX Ltd	DCC	8 Feb
Galaxy Resources	GXY	8 Feb
Helix Resources	HLX	8 Feb
iCollege Ltd	ICT	8 Feb
Norwest Energy	NWE	8 Feb

**Suspensions** (selected)

Company	Code	Since
De Grey Mining	DEG	25 Jan
LatAm Autos	LAA	2 Feb
Manalto Ltd	MTL	6 Feb
Moko Social Media	MKB	25 Jan
PepinNini Minerals	PNN	6 Feb
Suda Ltd	SUD	27 Jan

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>AFI</b>	Today	<b>10</b>	100	4.03
<b>TAH</b>	Today	<b>12.5</b>	100	5.52
RMD	Tomorrow	~3.05	0	1.36
BKI	Fri	3.6	100	4.29
MGP	Fri	0.2	0	2.46
GUD	14 Feb	21	100	4.40
SKT	14 Feb	16.95	0	7.45

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>AQG</b>	Full-year
	<b>MQG</b>	Trading update
	<b>SCP</b>	Interim
	<b>TCL</b>	Interim
<b>Wed Tomorrow</b>	BWP	Interim
	CIM	Full-year
	GMA	Full-year
	RIO	Full-year
<b>Thu</b>	AGL	Interim
	AMP	Full-year
	HGG	Full-year
	SUN	Interim
<b>Fri</b>	NWS	Interim
	REA	Interim
<b>13 Feb</b>	ANN	Interim
	BEN	Interim
	CVO	Interim
	JBH	Interim
	NCM	Interim
<b>14 Feb</b>	CGF	Interim
	COH	Interim
	GPT	Full-year



<b>15 Feb</b>	PDN	Interim
	RIC	Interim
	TWE	Interim
	AOG	Interim
	BLD	Interim
	CBA	Interim
	CPU	Interim
	CSL	Interim
	DXS	Interim
	DMP	Interim
	ING	Interim
	IFL	Interim
	SGM	Interim
	SHL	Interim
	VCX	Interim
WES	Interim	
<b>16 Feb</b>	BAP	Interim
	GMG	Interim
	IPH	Interim
	MFG	Interim
	MGR	Interim
	ORG	Interim
	S32	Interim
	SPK	Interim
	SGR	Interim
	SYD	Full year
	TTS	Interim
TLS	Interim	
<b>17 Feb</b>	ABP	Interim
	AIA	Interim
	ANZ	Trading update
	ASX	Interim
	DUE	Interim
	ECX	Full year
	LNK	Interim
	MAH	Interim
	MTR	Interim
	MPL	Interim
	PRY	Interim
	STO	Full year
	VAH	Interim
	WHC	Interim