

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5597</b>	<b>-1</b>	<b>-0.0</b>
<b>NZX 50</b>	7094	27	0.4
<b>DJIA Futures</b>	20002	0	0.0
<b>S&amp;P 500 Futures</b>	2290	0	0.0
<b>NASDAQ Futures</b>	5191	15	0.3

## Local Markets Commentary

The Australian market commences today's trade on positive key commodities leads. Major international equities markets settled little changed overnight.

In commodities trade, **gold** continued to appreciate. **Oil** turned higher. **Copper** also swung positive and rallied. **Iron ore** (China port, 62% Fe) added modestly to Tuesday's rally.

The **\$A** rose a little after approaching ~US76.35c yesterday evening.

Locally today, NAB is expected to publish a December quarter business confidence report.

This morning, **New Zealand's** reserve bank has kept the main cash rate at 1.75% and forecast low rates for the foreseeable future.

**China's** January trade figures are anticipated tomorrow.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>20054</b>	-36	<b>-0.2</b>
<b>S&amp;P 500</b>	2295	2	0.1
<b>NASDAQ</b>	5682	8	0.2
<b>FTSE 100</b>	7189	3	0.0
<b>DAX 30</b>	11543	-6	-0.1
<b>Shanghai Comp</b>	3167	14	0.4

## Overseas Markets Commentary

Major European and US equities markets trade again appeared mostly unconvincing overnight, European bond yields rising and financial stocks out of favour, until a turn in oil prices dragged indices higher.

In the **UK**, the House of Commons approved legislation enabling the government to commence separation negotiations with the European Union.

**US** weekly mortgage applications rose 2.3% on an interest rate pullback.

**Tonight** in the US, weekly new unemployment claims are due.

Coca-Cola, Commerzbank, Kellogg, News Corp, KKR, Nissan Motor, PepsiCo, Singapore Telecommunications (incl Optus), ThyssenKrupp, Twitter and Yum!Brands are among companies scheduled to report earnings today and tonight.

In overnight corporate news, **Intel** heralded plans to outlay \$US7B on a new manufacturing plant in Arizona.

**Viacom** announced it would concentrate on offering six cable-TV channels.

**Royal Dutch Shell** was implicated in allegations

**RBA** – governor Philip Lowe is guest speaker at an Australian Economic Forum, Sydney, 8pm AEDST.

\* Minerals exploration listing **1pm** AEDST – **ARL** \*

## Today's Stock Watch

### AMP Ltd (AMP)

\$344M full-year net loss, following a \$972M net profit a year ago. Planning to buy back up to \$A500M worth of shares on-market. 14c, 90%-franked final dividend. \$1.45 NTA. \$8.8B cash and equivalents. Teleconference scheduled to commence 9.30am AEDST. Access details lodged this morning.

### Suncorp Group (SUN)

1.3% higher, \$537M interim NPAT. 10.8% higher, \$8.6B revenue. 33c fully-franked interim dividend.

### SkyCity Entertainment (SKC)

18% higher, \$NZ83.8M interim NPAT. Normalised net profit slipped 2% to \$NZ83.7M. 5.7% lower, \$NZ484.2 M revenue. NZ10c interim dividend, down NZ0.5c. NZ35.4c NTA. NZ12.7c EPS.

### Crown Resorts (CWN)

Conditional planning approval in hand for the JV (with Schiavello) development of the Queensbridge Hotel Tower, Southbank, Melbourne.

### Ruralco Holdings (RHL)

The Australian Competition & Consumer Commission (ACCC) will not oppose RHL subsidiary Roberts' planned acquisition of TP Jones.

### CFoam Ltd (CFO)

CFO subsidiary Carbon Innovations Llc has secured a commercial patent licence agreement with UT-Battelle for the production of pitch-based, graphite carbon foam products. The products will be manufactured and sold by Carbon Innovations under the Pfoam brand.

### Premier Investments (PMV) / Cimic Group (CIM)

Macquarie has reassessed PMV and CIM as outperform, from neutral.

### News Corporation (NWS)

Due to report in the US early tomorrow AEDST.

## Resources

### Rio Tinto (\* RIO)

\$US4.6B full year NPAT, supported by a stronger \$US and improved iron ore prices. The result followed an \$US866M loss for 2015. 3% lower, \$US33.8B revenue. \$US1.25 (~\$A1.64 RIO Ltd) final dividend, up US17.5c. Proposing to buy back up to \$US500M worth of (RIO plc) shares between 1 March and 31 December. RIO reduced net debt 30% to \$US9.6B during 2016.

### Ardea Resources (\* ARL)

Minerals exploration company ARL is scheduled to list 1pm AEDST following an ~\$5M IPO at 20c per share. Proposing to develop gold and nickel assets spun off from HRR.

## Energy

### AGL Energy (AGL)

\$A325M interim NPAT, following a \$449M net loss a year ago. 7.7% higher, \$6.0B revenue. 41c, 32.8c-franked interim dividend. \$7.23 NTA. 48.2c EPS.

that **ENI** had corruptly negotiated an oil opportunity in Nigeria.

Earlier, **Moelis** confirmed it had been contracted as the lead advisor for the planned **Saudi Aramco** IPO.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1240</b>	oz	4	0.3
<b>Silver (NY) (Mar)</b>	17.8	oz	0.0	0.1
<b>Gold (LON)</b>	1242	oz	11	0.9
<b>Platinum</b>	1015	oz	12	1.2
<b>WTI Crude (Mar)</b>	<b>52.3</b>	bbl	0.2	0.3
<b>Brent Crude (Apr)</b>	<b>55.1</b>	bbl	0.1	0.1
<b>Iron Ore (China port)</b>	<b>83.5</b>	t	0.2	0.3
<b>Copper (LME)</b>	<b>5895</b>	t	100	1.7
<b>Nickel</b>	10495	t	140	1.4
<b>Aluminium</b>	1848	t	17	0.9
<b>Lead</b>	2389	t	44	1.9
<b>Zinc</b>	2848	t	53	1.9
<b>Tin</b>	19025	t	95	0.5
<b>CBT Wheat (Mar)</b>	<b>4.33</b>	bshl	0.02	0.4

### Commodities Commentary

*Oil* – continued to fall early, WTI at ~nine-week lows.

A weekly EIA US petroleum inventories report estimated petrol stocks had fallen by 0.9Mbbbl. This pushed petrol futures higher, and also pulled oil futures. A 6-day Oklahoma-to-Texas (refineries) pipeline shutdown last week, followed by fog which stopped tankers from delivering imported oil, meant refiners had been short on some feedstock.

Meanwhile, stored crude rose by 13.8MMbbbl, more than five times forecasts.

In addition, media reports suggested China's 2016 crude demand had softened to the weakest pace in ~three years.

*Gold* – a weaker \$US, a dearth of major new data and broadening geopolitical uncertainties benefited gold sentiment overnight.

*Base metals* – *copper* was particularly supported by industrial action planned the Escondida mine, Chile (from Thursday early US EST), and the Grasberg operation, Papua, which still awaits an Indonesian export licence and is impacted by smelter worker unrest. Operator Freeport-McMoRan says it will need to cut output if the licence is still pending come mid-February.

In the meantime, *nickel* operators in the Philippines were still awaiting further direction on proposed shut-downs and suspensions.

China's January trade figures are expected tomorrow, and will impact at least some end-of-week trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7643	-0.0000	-0.00
<b>EUR – USD</b>	1.0697	0.0000	0.00

### Australian Data Today

NAB	Business confidence	Dec Q
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## Pre-Open Announcements

### Tower Ltd (\* TWR)

Trading halt called this morning.

### Abacus Property Group (\* ABP)

ABP and JV partners KKR and Riverlee are selling the World Trade Centre, Melbourne for \$267.5M. The IRR is expected to exceed 30%. Settlement is anticipated in June. ABP held 17.5%, Riverlee 30% and KKR 52.5%.

### BWX Ltd (\* BWX)

30.2% higher, \$8.2M interim NPAT. 36.4% higher, \$37.5M. 20.17c NTA. 8.28c EPS.

### Austal Ltd (ASB)

An expeditionary fast transport (ESF) vessel completed for the US Navy has successfully completed acceptance trials.

### OncoSil Medical (OSL)

CE Mark certification for OSL's OncoSil™ product to treat pancreatic cancer is scheduled to be granted on specified conditions, including supplementary data and post-clinical follow-up. OSL expects to provide the data by 30 September. A liver cancer use review ahead of potential CE Mark approval is continuing. OSL scheduled a teleconference to commence 9am AEDST today. Access details lodged post-trade yesterday.

### Alliance Aviation Services (\* AQZ)

77.5% higher, \$8.7M interim NPAT. 10.3% higher, \$102.5M revenue.

### Cycliq Group (CYC)

Cassini Resources chairman and Vimy Resources CEO and MD Mike Young has been appointed as a CYQ non-executive director.

### Roto-Gro International (\* RGI)

Hydroponic vertical farming system manufacturer scheduled to list 1.30pm AEDST tomorrow following a \$3.5M IPO at 20c per share.

## Resources

### Evolution Mining (\*\* EVN)

NSW Cowal gold project regulatory approval in hand for an extension through to 2032.

### McPherson's Ltd (MCP)

\$11.8M interim net loss, against a \$10.1M profit a year ago. 11.5% drop in sales revenue to \$148.9M.

### Talga Resources (\* TLG)

Orbital Corporation (ASX: OEC) MD and CEO Terry Stinson has been appointed TLG chairman, taking over from Keith Coughlan, who is retiring.

### Mustang Resources (\* MUS)

Maiden Mozambique ruby project sales of cut stones are anticipated in March. The rubies are being cut in Arizona, US and will sold to jewellery wholesalers.

### Millennium Minerals (\* MOY)

Executive MOY director Greg Bittar has been appointed non-executive chairman, effective 1 March, and replacing Richard Procter who is retiring. In addition, Peter Lester has been appointed as a MOY non-executive director.

**US Data Tonight**

Initial jobless claims	4 Feb
Wholesale inventories (final)	Dec

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Machinery orders	Dec
Japan	Machine tool orders (prelim)	Jan
<b>UK</b>	RICS house prices	Jan
<b>Germany</b>	Trade balance	Dec

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**Energy****Australian Pacific Coal (\* AQC)**

The sunset date for the agreement covering AQC's proposed purchase of the Hunter Valley, NSW Dartmoor coal project from Anglo American has been extended to 14 April. The break fee has been doubled to \$A1M.

**Trading Halts**

Company	Code	Resuming
Berkut Minerals	BMT	9 Feb
Blackham Resources	BLK	10 Feb
Gateway Mining	GML	10 Feb
Magnum Gas & Power	MPE	10 Feb
Mint Payments	MNW	10 Feb
PNX Metals	PNX	10 Feb
Tower Ltd	TWR	13 Feb

**Suspensions** (selected)

Company	Code	Since
De Grey Mining	DEG	25 Jan
LatAm Autos	LAA	2 Feb
Manalto Ltd	MTL	6 Feb
migme Ltd	MIG	7 Feb
Moko Social Media	MKB	25 Jan
Norwest Energy	NWE	8 Feb
Protean Energy	POW	7 Feb
Suda Ltd	SUD	27 Jan

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
BKI	Tomorrow	3.6	100	4.32
MGP	Tomorrow	0.2	0	2.46
GUD	Tue	21	100	4.39
SKT	Tue	16.95	0	7.50
DOW	Wed	12	100	3.58
MLT	Wed	8.7	100	4.22
HML	16 Feb	20	38	0.00
ARG	17 Feb	15	100	3.95

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>AGL</b>	Interim
	<b>AMP</b>	Full-year
	<b>HGG</b>	Full-year
	<b>SUN</b>	Interim
<b>Tomorrow</b>	NWS	Interim
	REA	Interim
<b>Mon</b>	AMC	Interim
	ANN	Interim
	AZJ	Interim
	BEN	Interim
	CVO	Interim
	JBH	Interim

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	NCM	Interim
<b>Tue</b>	CGF	Interim
	COH	Interim
	GPT	Full-year
	PDN	Interim
	RIC	Interim
	TWE	Interim
<b>Wed</b>	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
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
	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	