

Markets

SFE 200 Futures (9.30am AEDST)	5681	-131	-2.3
NZX 50	8042	-135	-1.7
DJIA Futures	24012	42	0.2
S&P 500 Futures	2594	0	0.0
NASDAQ Futures	6317	0	0.0

Local Markets Commentary

The Australian market commences Friday trade following overnight international equities turmoil.

Commodities leads are mixed however, and influential local and regional reports are due during the domestic trading session.

In overnight commodities trade, US **gold** futures swung higher. **Oil** fell further.

Iron ore (China port, 62% Fe) extended this week's gains a little.

LME **copper** and **nickel** continued lower.

The **\$A** dropped below US 77.90c after falling to US78.05c early yesterday evening.

Regionally today, **China** is expected to publish January CPI and PPI figures **12.30pm** AEDST.

Locally, the **Reserve Bank of Australia** (RBA) releases its quarterly bulletin, including economic growth predictions and inflation outlooks, at **11.30am** AEDST.

Overnight, RBA governor Philip Lowe told Australian Economic Forum dinner guests in Sydney that any rate rise was dependent in part on solid evidence of wages growth and that he did not anticipate any rate moves in the short term.

The Australian Bureau of Statistics (ABS) is due to reveal December housing finance, also 11.30am.

January lending figures are anticipated out of China anytime from the weekend, in the leadup to lunar new year late next week.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23860	-1033	-4.2
S&P 500	2581	-101	-3.8
NASDAQ	6777	-275	-3.9
FTSE 100	7171	-109	-1.5
DAX 30	12260	-330	-2.6
Shanghai Comp	3262	-47	-1.4

Overseas Markets Commentary

Sentiment deteriorated further across major European and US equities markets overnight, the DJIA and S&P 500 propelled into correction mode.

US and European bond yields ultimately climbed and oil prices continued lower.

US funding to support full government services past midnight (local time) hung in the balance, with crucial voting yet to play out as US markets settled.

A **US Federal Reserve** regional president in the meantime proffered that a March rate rise could be appropriate should economic indicators remain

China – January CPI and PPI **12.30pm** AEDST

Australia – RBA quarterly bulletin **11.30am** AEDST

Today's Stock Watch

REA Group (REA)

55% lower, \$A132.5M interim NPAT. 21% higher, \$A406.8M revenue.

47c fully-franked interim dividend, up 7c. 35c NTA.

News Corporation (NWS)

\$US66M December quarter net loss, against a \$US219M loss a year earlier. 3% higher, \$US2.18B revenue.

News and information division digital revenue grew to be worth 29% of that division's total (\$US1.30B), against 26% a year ago.

Digital real estate revenue grew 20% to \$US292M, and cable network revenue by 14% to \$US120M.

Paying a US10c quarterly distribution.

SkyCity Entertainment (SKC)

11.6% higher, \$NZ93.5M interim NPAT. 4.0% higher, \$NZ554.7M revenue. NZ10c, NZ3.9c-franked (unfranked for \$A) interim dividend. NZ44.4c NTA.

Specialty Fashion Group (SFH)

SFH has appointed former Myer (ASX: MYR) deputy CEO and chief merchandise & customer officer Daniel Bracken as CEO and MD, effective 12 February (Monday).

This morning, also revealing an unaudited \$18.5M interim EBITDA, against \$30.4M a year ago. 7.2% lower, \$399M sales revenue.

\$3.1M NPAT, against \$12.1M.

Ongoing structural review. Presentation lodged this morning.

Planning to release audited accounts 22 February.

Decmil Group (DCG)

\$37M worth of new contract work awarded in Victoria. Details lodged this morning.

Gentrack Group (GTK)

GTK has appointed The Warehouse Group deputy CFO Tim Bluett as CFO, effective April.

Big Un (BIG)

Clarification lodged post-trade yesterday in relation to Finstro providing funding support to BIG customers.

Boston Global Food Company (BFC)

Several new contracts secured since achieving 100% ownership of meat business, Scorpio Food and moving operations from Colac to Shepparton, Victoria. Additional plans lodged this morning.

Resources

First Cobalt Corp (FCC)

Cobalt North project grab sampling near an historic mine has produced high-grade assays. Details lodged this morning.

Pure Minerals (PM1)

Heralding initial RC drilling within the WA Gascoyne region battery Hub manganese project. Results indicate thick, continuous mineralisation with high-grade zones.

strong.

Earlier, the **Bank of England** held a policy meeting and released an inflation outlook update, noting any continuation of international economic growth could force it to raise rates earlier and further than previously anticipated.

Among few influential data releases, **Germany's** December trade balance declined to €21.4B from €22.3B.

Imports fell 1.4% for the month and exports slipped 0.3%, following respective 2.3% and 4.1% increases in November.

In the meantime, the **European Central Bank** (ECB) published an economic bulletin, highlighting expectations that regional economic growth would continue.

President Mario Draghi did note 'headwinds' in relation to currency volatility earlier in the week, however.

Tonight in the US, December wholesale inventories are due.

Key economic indicators, including trade balance, industrial production and construction output are due for the UK tonight.

Elsewhere, Russia's central bank is due to convene a policy meeting.

In overnight corporate news, **Twitter** unveiled a maiden quarterly profit and was pushed more than 10% higher.

Tesla and **Twenty-First Century Fox** reported post-US Wednesday trade, and despite some better-than-anticipated figures, were pushed ~8% and 4% lower respectively.

Meanwhile, chip manufacturer **Qualcomm** knocked back this week's improved bid from Singapore's **Broadcom**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1319	oz	4	0.3
Silver (NY) (Mar)	16.4	oz	0.1	0.6
Gold (LON)	1315	oz	-9	-0.7
Platinum	970	oz	-8	-0.8
WTI Crude (Mar)	61.2	bbl	-0.6	-1.0
Brent Crude (Apr)	64.8	bbl	-0.7	-1.1
Iron Ore (CHN port 62%)	77.3	t	0.1	0.2
Copper	6845	t	-35	-0.5
Nickel	13140	t	-35	-0.2
Aluminium	2170	t	12	0.6
Lead	2525	t	17	0.7
Zinc	3422	t	42	1.2
Tin	21325	t	-285	-1.3
CBT Wheat (Mar)	4.54	bshl	-0.06	-1.4

Commodities Commentary

Oil – prices were pushed to seven-week lows, as production scenarios dented recent encouraging commentary.

Following this week's US government agency confirmation of growing US production, a key North Sea pipeline was reported back in operation after a shutdown late last year and another Wednesday this week.

A weekly US petroleum drill rig count is due tonight.

Gold – an overnight turn higher was attributed to a slowdown in this week's \$US rally, bargain-buying

Pre-Open Announcements

Duxton Broadacre Farms (DBF)

Mixed farming business operator completed a successful ASX listing yesterday following a \$21.1M IPO at \$1.50 per share.

Seven transactions were recorded, each at \$1.58 per share, resulting in 4974 shares changing hands. 43.53M shares on issue. Canola, chick pea, cotton and wheat operations.

Resources

Orion Minerals (ORN)

Initial South Africa Prieska zinc-copper project resource estimated at 24Mt, containing 874,000t of zinc and 297,000t of copper.

Mineralisation remains open along strike and on dip.

ORN settled at 4.5c yesterday after closing out last week at 3.8c, and the previous week at 3.2c.

Trading Halts

Company	Code	Resuming
CSG Ltd	CSV	9 Feb
Prospect Resources	PSC	9 Feb
88 Energy	88E	12 Feb
Empire Energy Group	EEG	12 Feb
Fletcher Building	FBU	12 Feb
Paragon Care	PGC	12 Feb
Thor Mining	THR	12 Feb

Suspensions (selected)

Company	Code	Since
The Agency Group Australia	AU1	31 Jan
Buddy Platform	BUD	2 Feb
CBL Corporation	CBL	6 Feb
Chapmans Ltd	CHP	7 Feb
Eden Innovations	EDE	5 Feb
Genetic Technologies	GTG	31 Jan
GetSwift Ltd	GSW	24 Jan
Haranga Resources	HAR	22 Jan
MSM Corporation International	MSM	17 Jan
Pura Vida Energy	PVD	5 Feb
Quest Minerals	QNL	22 Jan
Raven Energy	REL	1 Feb
Tasman Resources	TAS	5 Feb
TV2U International	TV2	6 Feb
Ventnor Resources	VRX	2 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
KPG	Today	1	100	1.20
MFG	Today	44.5	100	3.52
BKI	Mon	3.63	100	4.20
OCA	Mon	1.64	0	1.75
GUD	Tue	24	100	3.93
PL8	Tue	0.45	100	2.51
WFD	Tue	12.75	0	3.23
CBA	Wed	200	100	5.62
MLT	Wed	8.8	100	3.96
JHG	Thu	40.8	0	6.25



and some safe-haven interest.

Base metals – China's January trade figures, reported yesterday, featured a 36.9% (\$US terms) year-on-year rise in the value of imports and 11.1% gain for exports, pushing the trade balance to \$US20.34B from \$US54.69B.

Imports rose so much overall, due to extreme cold weather which boosted *energy* imports.

Copper imports fell 2.2% for the month, due to higher local production and reduced construction activity, but were 15.8% higher than a year ago.

January *iron ore* imports were calculated 9.1% higher year-on-year, at 100.34Mt.

China's January PPI and CPI are anticipated today.

Lunar new year and the broader Spring festival holiday season commence 15 February (Thursday next week). This period traditionally influences China's imports in the leadup, and general industrial activity from commencement.

China's markets will be closed for a full week beginning 15 February.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7777	-0.0004	-0.06
EUR – USD	1.2245	-0.0003	-0.02

Australian Data Today

RBA	Monetary policy bulletin (qtrly)	Feb
ABS	Housing finance	Dec

US Data Tonight

Wholesale inventories	Dec
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Other Overseas Data Today & Tonight

China	CPI	Jan
China	PPI	Jan
Japan	Machine tool orders (5pm AEDST)	Jan
Japan	Tertiary industry index	Dec
UK	Trade balance	Dec
UK	Industrial production	Dec
UK	Construction output	Dec
UK	NIESR GDP estimate (3mths)	Jan

Need More Information?

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Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	NWS	2017
	REA	Interim
	SKC	Interim
Mon	ANN	Interim
	AZJ	Interim
	BEN	Interim
	COE	Interim
Tue	BLD	Interim
	CGF	Interim
	COH	Interim
	GPT	Full year
	MGX	Interim
	SGF	Interim
	TCL	Interim
Wed	AOG	Interim
	CPU	Interim
	CSL	Interim
	DXS	Interim
	DMP	Interim
	GMG	Interim
	IAG	Interim
	ORA	Interim
	VCX	Interim

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