

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5634</b>	<b>24</b>	<b>0.4</b>
<b>NZX 50</b>	7137	15	0.2
<b>DJIA Futures</b>	20136	0	0.0
<b>S&amp;P 500 Futures</b>	2304	0	0.0
<b>NASDAQ Futures</b>	5212	0	0.0

## Local Markets Commentary

The Australian market opens Friday trade on positive international equities sentiment, ahead of key data out of China.

**China's** January trade figures are anticipated **1pm** AEDST.

In overnight commodities trade, **gold** was pushed lower. **Oil** picked up the pace of Wednesday's gains. **Iron ore** (China port, 62% Fe) continued to rise moderately. **Copper** retreated.

The **\$A** rose to ~US76.30c after slipping below ~US76.20c early yesterday evening.

Locally today, the Reserve Bank of Australia (**RBA**) publishes a monthly monetary policy statement **11.30am** AEDST.

December housing finance figures are also due from the ABS.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>20172</b>	118	<b>0.6</b>
<b>S&amp;P 500</b>	2308	13	<b>0.6</b>
<b>NASDAQ</b>	5715	33	<b>0.6</b>
<b>FTSE 100</b>	7230	41	<b>0.6</b>
<b>DAX 30</b>	11643	99	<b>0.9</b>
<b>Shanghai Comp</b>	3183	16	<b>0.5</b>

## Overseas Markets Commentary

A US presidential promise of a 'phenomenal' tax announcement 'over the next two or three weeks', plus higher oil prices and some positive data appeared to combine to boost US equities markets. The \$US was also bolstered.

Major European equities indices also gained.

**Germany** reported a record €252.9B trade surplus for 2016, following €244.3B for 2015.

**US** weekly new unemployment claims fell 12,000 and the four-week moving average by 3750.

Wholesale inventories rose for a second consecutive month in December, this time by 1%.

**Tonight** in the US, a consumer confidence reading, export and import prices, a budget statement and factory orders are due.

ArcelorMittal, Bhushan Steel, Bosch, ComfortDelGro, INPEX and Renault are among companies scheduled to report earnings today and tonight.

In overnight corporate news, sub-expectation results and/or corporate challenges pushed the likes of **Twitter** and **Coca-Cola** lower, but a swag of other reports spawned support.

A better-than-anticipated result from French bank

**China** - January trade figures expected **1pm** AEDST

**RBA** - quarterly policy statement **11.30am** AEDST

\* Manufacturing listing **1.30pm** AEDST - **RGI** \*

## Today's Stock Watch

### QBE Insurance Group (QBE)

COO Colin Fagen has left QBE. QBE says it has identified a replacement for Mr Fagen and promises an announcement 'in the coming weeks'. Meanwhile, QBE is planning to report full-year results 27 February.

### nib Holdings (NHF) / Medibank Private (MPL)

Planning to increase premiums from 1 April, by 4.48% and 4.6% respectively.

### REA Group (REA)

154% higher, \$292.1M interim NPAT. 6% higher, \$121.8M NPAT for core operations. 16% higher, \$337.3M revenue. 40c fully-franked interim dividend, up 4c. 22.5c NTA. 97.8c EPS. \$166.3M cash and equivalents.

### News Corporation (NWS)

\$US219M December quarter net loss, impacted by Australian business impairments and the Presto streaming service closure. \$US2.12B revenue, against \$US2.16B a year earlier, adversely impacted by \$US53M from foreign currency movements. US10c common share interim dividend.

### Henderson Group (HGG)

AUM grew 10% during 2016 to £101B. 32% drop in NPAT to £109.6M. Net income fell 4% to £594.7M. 7.3p final dividend, up 0.1p. 38p NTA. 15.2p EPS.

### Ansell Ltd (ANN)

BlueScope Steel (ASX: BSL) chairman and non-executive ANN director John Bevan has been appointed deputy chair. Mr Bevan is also a former Alumina Ltd CEO.

### Coca-Cola Amatil (CCL)

Parent Coca-Cola reported a 6% drop in December quarter net revenue overnight, citing restructuring and foreign currency movements.

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

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

## Resources

### Rio Tinto (RIO)

Appointing to the RIO Plc and Ltd boards three independent, non-executive directors, namely: former Sasol CEO David Constable, former Centrica CEO Sam Laidlaw, and Royal Dutch Shell CFO Simon Henry. Non-executive directors Robert Brown and Anne Lauvergeon are stepping down at the 4 May AGM.

## Energy

### BHP Billiton (BHP)

\$US2.2B investment approval in hand for the (deepwater) Gulf of Mexico Mad Dog project phase two extension. BHP 23.9%; BP operator and 60.5%; Chevron affiliate 15.6%. Meanwhile, expected multi-week industrial action is underway at the BHP-operated Escondida copper project, Chile.

**Société Générale** helped support regional finance stocks.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1234</b>	oz	-5	-0.4
<b>Silver (NY) (Mar)</b>	17.7	oz	-0.0	-0.2
<b>Gold (LON)</b>	1237	oz	-5	-0.4
<b>Platinum</b>	1013	oz	-2	-0.2
<b>WTI Crude (Mar)</b>	<b>53.0</b>	bbl	0.7	1.3
<b>Brent Crude (Apr)</b>	<b>55.6</b>	bbl	0.5	0.9
<b>Iron Ore (China port)</b>	<b>83.8</b>	t	0.3	0.4
<b>Copper (LME)</b>	<b>5822</b>	t	-73	-1.2
<b>Nickel</b>	10280	t	-215	-2.1
<b>Aluminium</b>	1850	t	2.5	0.1
<b>Lead</b>	2335	t	-54	-2.2
<b>Zinc</b>	2830	t	-18	-0.6
<b>Tin</b>	19075	t	50	0.3
<b>CBT Wheat (Mar)</b>	<b>4.44</b>	bshl	0.11	2.5

### Commodities Commentary

*Oil* – further price gains achieved overnight despite a rising \$US.

An oil market report from the International Energy Agency (IEA), and a weekly US petroleum drill rig count are due tonight.

*Gold* – a decidedly stronger \$US and some reported profit-taking hurt gold prices overnight.

*Base metals* – a stronger \$US bruised overnight trade sentiment.

*Copper* retreated despite production issues for two major operations (Escondida and Grasberg).

*China's* January trade figures, due today, are expected to influence some trade tonight, and some associated caution was noted overnight.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7627	0.0001	0.01
<b>EUR – USD</b>	1.0656	0.0001	0.00

### Australian Data Today

RBA	Policy statement (quarterly)	Feb
ABS	Housing finance	Dec

### US Data Tonight

Import prices	Jan
Factory orders	Dec
Uni of Michigan Consumer Sentiment (prelim)	Feb
Budget statement	Jan

### Other Overseas Data Today & Tonight

<b>China</b>	Trade balance	Jan
China	New loans	Jan
<b>Japan</b>	Tertiary industry index	Dec
<b>UK</b>	Trade balance	Dec
UK	Industrial production	Dec
UK	Construction output	Dec
<b>Germany</b>	CPI (final)	Jan

## Pre-Open Announcements

### NetComm Wireless (\*\* NTC)

Anticipating \$28M revenue from an initial order commitment in association with the national broadband network. nbn co has scheduled readiness review testing (of four-port distribution point units) for April.

### WiseTech Global (WTC)

Acquiring Italian logistics customs compliance specialist ACO Informatica for up to €1.2M.

### Blue Sky Alternative Investments (\* BLA)

140% higher, \$10.3M interim NPAT. 22% higher, \$41.7M income.

### Transaction Solutions International (\* TSN) / Novatti Group (\* NOV)

Proposing a formal collaboration to produce mobile and alternative payment services suitable for the Indian market. 120-day MoU in place. Details lodged this morning.

### Propertylink Group (PLG)

The PLG Australian Logistics Trust is selling two refrigerated warehouses for a combined \$73.1M, to Deutsche Asset Management. PLG says the price represents a 6% premium to book value.

### Select Harvests (SHV)

Planning to lodge interim results 28 February and to host a live webcast that day, commencing 1pm. Access details lodged post-trade yesterday.

## Resources

### Galaxy Resources (\* GXY)

Second WA Mt Cattlin project lithium concentrate shipment scheduled for late February.

### Ardea Resources (ARL) / Heron Resources (HRR)

Minerals exploration company ARL completed its ASX listing yesterday following an ~\$5M IPO at 20c per share. Opened at 19c and traded at 17.5c – 20.5c before settling at 18c. 2.8M shares were traded across 116 transactions. Proposing to develop gold and nickel assets spun off from HRR.

## Trading Halts

Company	Code	Resuming
Blackham Resources	BLK	10 Feb
Gateway Mining	GML	10 Feb
Magnum Gas & Power	MPE	10 Feb
Mint Payments	MNW	10 Feb
MCG Pharmaceuticals	MXC	14 Feb

## Suspensions (selected)

Company	Code	Since
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

**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).

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>BKI</b>	Today	<b>3.6</b>	100	4.33
<b>MGP</b>	Today	<b>0.2</b>	0	2.46
KAM	Mon	2	100	5.68
SCG	Mon	10.65	0	4.68
WFD	Mon	12.55	0	3.14
GUD	Tue	21	100	4.29
SKT	Tue	16.95	0	7.55
DOW	Wed	12	100	3.58
MLT	Wed	8.7	100	4.21
HML	Thu	20	38	0.00
ARG	Fri	15	100	3.94

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>NWS</b>	Interim
	<b>REA</b>	Interim
<b>Mon</b>	AMC	Interim
	ANN	Interim
	AZJ	Interim
	BEN	Interim
	CVO	Interim
	JBH	Interim
	NCM	Interim
<b>Tue</b>	CGF	Interim
	COH	Interim
	GPT	Full-year
	PDN	Interim
	RIC	Interim
	SLK	Interim
	TWE	Interim
<b>Wed</b>	AOG	Interim
	BLD	Interim
	CBA	Interim
	CPU	Interim
	CSL	Interim
	DXS	Interim
	DMP	Interim
	ING	Interim
	IFL	Interim
	ORA	Interim
	SGM	Interim
	SHL	Interim
	SWM	Interim
	VCX	Interim
WES	Interim	
<b>Thu</b>	BAP	Interim
	EVN	Interim
	GMG	Interim
	IPH	Interim
	MFG	Interim
	MGR	Interim
ORG	Interim	

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

**Fri**

S32	Interim
SPK	Interim
SGR	Interim
SYD	Full year
TTS	Interim
TLS	Interim
ABP	Interim
AIA	Interim
ANZ	Trading update
ASX	Interim
BBN	Interim
DUE	Interim
ECX	Full year
LNK	Interim
MAH	Interim
MTR	Interim
MPL	Interim
PRY	Interim
STO	Full year
VAH	Interim
WHC	Interim