

Markets

SFE 200 Futures (9.30am AEDST)	5677	10	0.2
NZX 50	7112	8	0.1
DJIA Futures	20222	-1	0.0
S&P 500 Futures	2313	0	0.0
NASDAQ Futures	5227	0	0.0

Local Markets Commentary

The Australian market is set to be pushed and pulled this week by waves of domestic corporate reports, key (mostly international) data releases and geopolitical issues.

Overnight Friday, US equities markets advanced for a second consecutive session.

In overnight Friday commodities trade, US **gold** futures settled slightly lower. **Oil** rallied. **Copper, nickel** and **iron ore** jumped.

The **\$A** was pushed higher after slipping below US76.40c Friday evening.

Since then, geopolitical tensions have grown with the launch of a ballistic missile from North Korea into South Korean marine territory.

Locally today, major reporting season warms. A weekly house price report is also due. The week's major domestic data release will be the January employment report, due Thursday.

Japan reports December quarter GDP 10.50am AEDST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	20269	97	0.5
S&P 500	2316	8	0.4
NASDAQ	5734	19	0.3
FTSE 100	7259	29	0.4
DAX 30	11667	24	0.2
Shanghai Comp	3197	14	0.4

Overseas Markets Commentary

Major European and US equities markets continued higher overnight Friday, supported by rallying commodity prices and US tax-cut optimism.

In the **UK**, industrial output was reported 1.1% higher for the month and 4.3% year-on-year, boosted by a 2.1% monthly increase for manufacturing.

In the **US**, an initial 95.7 February University of Michigan consumer confidence estimate undershot expectations by 2.2, coming in 2.8 points below January's reading.

January import prices were calculated to have risen 0.4%, double the average forecast. Export prices rose 0.1%.

Over the weekend, US **Federal Reserve** deputy chair Stanley Fischer confirmed a view of 'significant uncertainty' regarding US fiscal policy, in particular regarding potential adjustments to regulations introduced following the 2008-09 international financial crisis. Friday, a Federal Reserve governor

Japan – December quarter GDP 10.50am AEDST

Today's Stock Watch

JB Hi-Fi (JBH)

72c fully-franked interim dividend, up 9c. 16.0% higher, \$110.4M interim NPAT. 23.6% higher, \$2.6B sales revenue. \$1.014 EPS. \$124.5M cash and equivalents.

Amcor Ltd (AMC)

6.2% lower, \$US286.6M interim NPAT. 1.8% lower, \$US4.4B revenue. 19.5c interim dividend, up 0.5c. 24.5c EPS. \$378.2M cash and equivalents.

Aurizon Holdings (AZJ)

\$54M interim NPAT, following a \$108M net loss a year ago. 1% higher, \$1.8B revenue. 13.6c, 70%-franked interim dividend. 2.6c EPS.

Ansell Ltd (ANN)

0.3% higher, \$69.8M interim NPAT. 1.1% lower, \$775.8M revenue. 20.25c interim dividend. 52c NTA. 47.4c (basic) EPS.

Bendigo & Adelaide Bank (BEN)

0.1% higher, \$209.0M interim NPAT. 1.5% higher, \$795.3M income. 0.4% higher, \$224.7M cash earnings. 34c interim dividend. 1.8% lower, 48c cash EPS.

Cover-More Group (CVO)

5.5% higher, \$8.6M NPAT. 7.2% higher, \$110.5M revenue. 2.5c EPS. Nil interim dividend, against 2.1c a year ago.

Superloop Ltd (SLC)

Acceptance testing of SLC's second cable for the company's Hong Kong fibre optic network is expected to be completed by the end of the month. A domestic sub-marine cable connecting Chai Wan (HK) and Tseung Kwan O Industrial Estate (mainland China) is expected to become available for customer access in March.

Macmahon Holdings (MAH)

MoU secured to be the preferred mining contractor for Amman Mineral Nusa Tenggara's Batu Hijau copper-gold mine, Sumbawa Island.

Resources

Newcrest Mining (NCM)

131% higher, \$US187M interim NPAT. 17% higher, \$US1.8B sales revenue. US7.5c interim dividend. \$US9.46 NTA. Resources and reserves update also lodged this morning.

Western Areas (WSA)

Heralding a high-grade zone within the WA Cosmos (sulphide) nickel project, immediately beneath the Odysseus North deposit.

Westgold Resources (WGX)

Toll processing and purchase option agreement secured with RNC Minerals, whereby RNC gains access to 50% of WGX's South Kalgoorlie plant capacity for 12 months commencing 1 July. In addition, RNC may opt over six months to purchase the South Kalgoorlie project for \$A80M. The option fee is 5%, but will double for a six-month option agreement extension.

Oz Minerals (OZL)

Morgan Stanley has re-assessed OZL as underweight, from equal-weight.

announced his intention to resign in early April.

Germany's parliament elected a former foreign minister as president, one who is viewed as a critic of 'fear' and 'hate'-style politics.

Meanwhile, **Greece's** PM repeated his government's belief that an agreement was possible for the release of further support funding, as creditors continued to warn of the opposite.

Tonight in the US, no major economic data releases are due.

Asics, Kirin and Saab are among companies scheduled to report earnings today and tonight.

In corporate news, private equity group **Cinven** has offered €3.6B for **Stada**, a drug manufacturer specialising in generics including for Viagra.

As previously flagged, **Reckitt Benckiser** confirmed an agreed \$US16.6B purchase of **Mead Johnson**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1236	oz	-1	-0.1
Silver (NY) (Mar)	18.0	oz	0.2	1.2
Gold (LON)	1228	oz	-9	-0.7
Platinum	1009	oz	-4	-0.4
WTI Crude (Mar)	53.9	bbl	0.9	1.6
Brent Crude (Apr)	56.6	bbl	1.0	1.8
Iron Ore (China port)	86.6	t	2.8	3.3
Copper (LME)	6090	t	268	4.6
Nickel	10660	t	380	3.7
Aluminium	1874	t	24	1.3
Lead	2400	t	54	2.8
Zinc	2924	t	94	3.3
Tin	19475	t	400	2.1
CBT Wheat (Mar)	4.49	bshl	0.06	1.2

Commodities Commentary

Oil – **China's** January crude imports supported overnight Friday trade.

An oil market report from the International Energy Agency (**IEA**), indicated OPEC members signed on to the output curb agreement were exceeding expectations overall.

Meanwhile, a weekly US petroleum drill rig count estimated eight more oil rigs were operational, pushing the tally higher for a fourth consecutive week, but at a much slower pace.

Later **today**, OPEC is due to release its monthly report, output figures certain to be compared with the IEA's estimates.

Gold – plenty of key data and US Federal Reserve chair Janet Yellen meeting with two US government committees this week will be sufficient to keep gold trade dynamic. Possible detail on proposed US tax revisions would also move prices.

Base metals – **China's** January trade figures, reported Friday, surprised on the upside.

In addition, current and potential supply disruptions supported **copper** and **nickel** trade. Copper traded at 20-month highs.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7672	-0.0007	-0.09
EUR – USD	1.0629	0.0002	0.02

Pre-Open Announcements

Boart Longyear (BLY)

Standard & Poor's has lowered its BLY credit rating to CCC-, with a negative outlook. Senior secured and unsecured notes ratings have been lowered to CCC and CC respectively.

Praemium Ltd (* PPS)

Record, 16% higher, \$17.2M interim revenue. 29% higher, \$5.4B FUA.

Eden Innovations (* EDE)

US approvals update lodged this morning, including approval for EdenCrete to be used in Arkansas and also to be considered for pre-cast concrete beam use in Texas. Other applications underway.

MMJ Phytotech (* MMJ)

Phase 2 clinical trial of MMJ's PTL101 proposed drug for the treatment of epilepsy in children is underway.

Emefcy Ltd (EMC)

Second wastewater treatment and reuse contract secured in Ethiopia. Details lodged this morning.

Lantern Hotel Group (LTN)

LTN is selling the Surry Hills Crown Hotel for \$26.1M, ~50% above 30 June 2016 book value. Completion is anticipated in March.

eSense-Lab Ltd (* ESE)

Phytochemical profiler and virtual plant-based products developer scheduled to list 1pm AEDST tomorrow, following a \$3.5M IPO at 20c per CDI/share. ESE is incorporated in Israel.

Roto-Gro International (RGI)

Hydroponic vertical farming system manufacturer completed a successful ASX listing Friday following a \$3.5M IPO at 20c per share. Opened at 21.5c and slipped to 20c before returning to settle at its opening price. ~1.5M shares changed hands across 90 trades.

Resources

Lucapa Diamond Company (↓ LOM)

Angola Lulo diamond JV has recovered a 227-carat high-quality diamond within area 28.

Red 5 (RED)

The Mindanao, Philippines earthquake has not been adversely impacted RED's Siana gold project.

Tawana Resources (* TAW)

Heralding Bald Hill metallurgical test work, including production of a 7.1% concentrate.

Energy

Xstate Resources (XST)

Hoping to achieve financial completion of the Los Angeles oil fields acquisition Friday despite a combined \$A25M worth of subscription funding from four investors in Asia having been delayed. XST has issued breach notices regarding the funding, agreed at 3.8c per share. XST traded on the ASX this past week at 1.8c – 2c.

Trading Halts

Company	Code	Resuming
Auroch Minerals	AOU	14 Feb

**Australian Data Today**

CLogic Capital city house prices 10 Feb

Overseas Data Today & Tonight

Japan GDP DecQ
 Japan Retail sales (revised) Dec
Euro zone EC economic forecasts Feb

Need More Information?

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Bligh Resources	BGH	14 Feb
HRL Holdings	HRL	14 Feb
IOT Group	IOT	14 Feb
MCG Pharmaceuticals	MXC	14 Feb
NSL Consolidated	NSL	14 Feb
Onterran Ltd	OTR	14 Feb
S2 Resources	S2R	14 Feb
Meteoric Resources	MEI	15 Feb

Suspensions (selected)

Company	Code	Since
Gateway Mining	GML	10 Feb
LatAm Autos	LAA	2 Feb
Magnum Gas & Power	MPE	10 Feb
Manalto Ltd	MTL	6 Feb
migme Ltd	MIG	7 Feb
Moko Social Media	MKB	25 Jan
Protean Energy	POW	7 Feb
Suda Ltd	SUD	27 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
KAM	Today	2	100	5.62
SCG	Today	10.65	0	4.70
WFD	Today	12.55	0	3.16
CL1	Tomorrow	1	100	1.29
GUD	Tomorrow	21	100	4.27
SKT	Tomorrow	16.95	0	7.45
DOW	Wed	12	100	3.58
MLT	Wed	8.7	100	4.22
HML	Thu	20	38	0.00
ARG	Fri	15	100	3.95

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AMC	Interim
	ANN	Interim
	AZJ	Interim
	BEN	Interim
	CVO	Interim
	JBH	Interim
	NCM	Interim
Tomorrow	CGF	Interim
	COH	Interim
	GPT	Full-year
	PDN	Interim
	RIC	Interim
	SLK	Interim
	TWE	Interim
Wed	AOG	Interim
	BLD	Interim
	CBA	Interim
	CPU	Interim
	CSL	Interim
	DXS	Interim

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	DMP	Interim
	ING	Interim
	IFL	Interim
	ORA	Interim
	SGM	Interim
	SHL	Interim
	SWM	Interim
	VCX	Interim
	WES	Interim
Thu	BAP	Interim
	EVN	Interim
	GMG	Interim
	IPH	Interim
	MFG	Interim
	MGR	Interim
	ORG	Interim
	S32	Interim
	SPK	Interim
	SGR	Interim
	SYD	Full year
	TTS	Interim
	TLS	Interim
Fri	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