

Markets

SFE 200 Futures (9.30am AEDST)	5774	33	0.6
NZX 50	8122	63	0.8
DJIA Futures	24561	-22	-0.1
S&P 500 Futures	2655	0	0.0
NASDAQ Futures	6532	0	0.0

Local Markets Commentary

The Australian market commences today's trade on positive overnight international equities leads and mostly improved metals and energy sentiment.

Regionally, **China's** foreign direct investment (FDI) figures are expected anytime from today, ahead of Thursday's Lunar New Year.

Yesterday evening, China reported January new lending had burgeoned to a record 2.9 trillion yuan, against 584.4B yuan for December.

For 2017, new bank loans in China totalled 13.53 trillion yuan, 7% more than in 2016.

Japan is due to publish January producer prices 10.50am AEDST.

In local data releases, a weekly consumer sentiment report is due pre-trade.

The National Australia Bank publishes its monthly business survey, and the Australian Bureau of Statistics (ABS) releases December lending figures, 11.30am AEDST.

Stocks trading ex-dividend today include **GUD**, **SCG**, **TAH** and **WFD**. Several other large-cap stocks have reported earnings pre-trade.

Also this morning, **Reserve Bank of Australia** (RBA) assistant governor Luci Ellis has publicly forecast gradual Australian wages growth, in part due to competition and rising costs.

In overnight commodities trade, US **gold** futures and **oil** swung higher, gold settling with the stronger gain.

Iron ore (China port, 62% Fe) headed a little lower for a second consecutive session.

LME **copper** and **nickel** rallied.

The **\$A** was pushed to ~US78.50c after trading at US78.20c early yesterday evening, and has appreciated further this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24601	410	1.7
S&P 500	2656	36	1.4
NASDAQ	6982	107	1.6
FTSE 100	7177	85	1.2
DAX 30	12283	175	1.5
Shanghai Comp	3154	24	0.8

Overseas Markets Commentary

Major European equities markets rallied from opening overnight, and US equities extended Friday's gains in more decisive fashion.

Oil and metals swung higher, supporting energy and

RBA – assistant governor (economic) Luci Ellis has predicted slow Australian wages growth while addressing an Australian Business Economists forecasting conference in Sydney this morning

Today's Stock Watch

Tower Ltd (TWR)

Summer storms in New Zealand and the South Pacific will likely impact TWR post-tax profit by ~\$NZ5M.

This does not include the potential impact of Cyclone Gita which severely damaged Samoa last weekend and Tonga this week.

Boral Ltd (BLD)

12.8% higher, \$173M interim NPAT. 40.3% higher, \$2.94B revenue. 12.5c, 50%-franked interim dividend, following 12c fully-franked a year ago. 14.7c EPS. \$148.3M cash and equivalents.

Transurban Group (TCL)

\$A331M interim NPAT, against \$88M a year ago. 21.9% higher, \$1.6B revenue. \$2.94 NTA. 25.5c interim distribution and 2.5c fully-franked interim dividend, each already declared, against 21.5c and 3.5c respectively a year ago.

GPT Group (GPT)

10.1% higher, \$1.27B full-year NPAT. 6.4% higher, \$1.65B revenue. 12.3c final distribution, declared December 2017. \$5.04 NTA.

Challenger Group (CGF)

3% lower, \$195.4M interim NPAT. 19.9% higher, \$1.13B revenue. 17.5c fully-franked interim dividend, up 0.5c (2.9%). \$4.77 NTA.

Cochlear Ltd (COH)

1% lower, \$110.8M interim NPAT. 7% higher, \$649.6M revenue. \$1.40 fully-franked interim dividend, against \$1.30 fully-franked a year ago. \$4.011 NTA, down 16%. \$1.925 EPS. Results include a one-off revaluation of deferred tax asset, due to the new US tax regime, adversely impacting net profit growth by 5%.

Reckon Ltd (RKN)

50% drop in full-year NPAT to \$2.2M. 1% lower, \$48.9M revenue.

SG Fleet (SGF)

18.8% higher, \$31.59M interim NPAT. 15.4% higher, \$154.18M revenue. 8.78c fully-franked interim dividend. 2c EPS.

Bendigo & Adelaide Bank (BEN)

UBS has cancelled BEN sell advice, in favour of a neutral rating.

Resources

Pilbara Minerals (PLS)

WA Pilbara Pilgangoora lithium project expansion (stage 2) PFS statistics in hand, including a \$A1.2B post-tax NPV (10%) with a three-year pay-back and 56% IRR.

DFS underway. A FID is anticipated by 30 September with commissioning expected to commence before 31 December 2019.

Nzuri Copper (NZN)

High-grade copper and cobalt intersections from Democratic Republic of Congo Kalongwe project drilling lodged this morning.

mining stocks.

Other sectors benefited from the release of the US president's 2019 budget proposal, which included plans for a \$US200B infrastructure spend over 10 years, and \$US716B for the military.

In the meantime, US 10-year sovereign bond yields reached new four-year peaks above 2.900%.

In **US** data releases, the monthly budget statement revealed an 11% rise in spending against tax revenue for the four months to 31 January.

Tonight in the US, a small business optimism report is due.

In the UK, January CPI growth is keenly anticipated following 3% and 3.1% respective year-on-year readings for December and November.

Baidu, PepsiCo, Singapore Airlines, TUI, Weibo and Yamaha Motor are among companies scheduled to report earnings or provide trading updates today or tonight.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1324	oz	9	0.7
Silver (NY) (Mar)	16.5	oz	0.3	2.1
Gold (LON)	1322	oz	8	0.6
Platinum	969	oz	6	0.6
WTI Crude (Mar)	59.3	bbl	0.09	0.2
Brent Crude (Apr)	62.6	bbl	-0.2	0.3
Iron Ore (CHN port 62%)	76.2	t	-0.3	-0.3
Copper	6831	t	76	1.1
Nickel	13100	t	130	1.0
Aluminium	2125	t	2	0.1
Lead	2516	t	-18	-0.7
Zinc	3383	t	-3	-0.1
Tin	21095	t	70	0.3
CBT Wheat (Mar)	4.64	bshl	0.15	3.3

Commodities Commentary

Oil – prices turned higher early overnight, but no rally-mode settlement followed.

OPEC's monthly oil market report, published overnight, raised 2018 daily global demand by 60,000bbl from the previous forecast, to 1.59MMbbl/d.

OPEC also estimated non-OPEC producers would boost their 2018 daily output by 1.4MMbbl, 250,000bbl/d more than OPEC forecast last month.

The report put OPEC January daily production at 32.302MMbbl, 8000bbl fewer each day than in December, but also predicted demand for OPEC output would come in at a daily 32.86MMbbl, 230,000bbl fewer each day than forecast in January.

Gold – prices turned higher, short-covering and bargain-buying mostly cited. The \$US traded lower against the euro and yen, also creating some opportunities.

Base metals – broader overnight equities, energy and metals trade indicated improved appetite for risk. A softer \$US also supported some trade.

China revealed yesterday evening that January lending had grown by more than anticipated, even while lending for this month is typically strong.

Lunar new year and the Spring festival holiday season commence Thursday.

China's markets will be closed for a week beginning Thursday.

Pre-Open Announcements

InvoCare Ltd (* IVC)

Scrapping plans to acquire Norwood Park and is consequently intending to apply to the Australian Securities & Investments Commission (ASIC) to withdraw the company's takeover offer. IVC says the 'minimum 90%' defeating condition is no longer able to be satisfied, due to Norwood 62.7%-holder FV (ACT)'s intended offer for Norwood.

Creso Pharma (* CPH)

Resuming from a trading halt having appointed former The Bazelet Group COO Amit Edri to the newly-created CPH role of international business development executive.

Canada production facility update lodged this morning. CPH last traded at 88.5c.

Resources

Mt Gibson Iron (MGX)

\$80.0M interim NPAT, up 249%. 3% lower, \$96.4M revenue. 43.5c NTA.

Accelerate Resources (* AX8) / Poz Minerals (POZ)

Australia-focused minerals explorer scheduled to list 1.30pm AEDST tomorrow following a \$5M IPO at 20c per share.

POZ holds 6.30% and appreciated 29.5% yesterday. 27.26M shares on issue.

Trading Halts

Company	Code	Resuming
iCollege Ltd	ICT	13 Feb
Pan Asia Corporation	PZC	13 Feb
Australian Mines	AUZ	14 Feb
DirectMoney Ltd	DM1	14 Feb
FYI Resources	FYI	14 Feb
Metals Australia	MLS	14 Feb

Suspensions (selected)

Company	Code	Since
Buddy Platform	BUD	2 Feb
CBL Corporation	CBL	6 Feb
Fletcher Building	FBU	12 Feb
Genetic Technologies	GTG	31 Jan
GetSwift Ltd	GSW	24 Jan
Haranga Resources	HAR	22 Jan
Pura Vida Energy	PVD	5 Feb
Quest Minerals	QNL	22 Jan
Raven Energy	REL	1 Feb
Ventnor Resources	VRX	2 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
CL1	Today	2.5	100	1.98
GUD	Today	24	100	4.09
PL8	Today	0.45	100	2.48
SCG	Today	10.87	0	5.56
TAH	Today	11	100	5.20
WFD	Today	12.75	0	3.31
CBA	Tomorrow	200	100	5.67

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7856	-0.0006	-0.08
EUR – USD	1.2290	-0.0001	-0.01

Australian Data Today

ANZ/RyMgn	Consumer sentiment	11 Feb
ABS	Lending finance	Dec
NAB	Business survey	Jan

US Data Tonight

NFIB small business optimism	Jan
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Other Overseas Data Today & Tonight

China	<i>FDI</i>	Jan
Japan	PPI	Jan
UK	CPI	Jan
UK	PPI	Jan

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MLT	Tomorrow	8.8	100	4.03
IBC	Thu	1.1	100	3.59
JHG	Thu	40.8	0	6.51
MIN	Thu	25	100	3.04
ARG	Fri	15.5	100	3.82
TCL	Fri	28c	n/a	tbc

Reports & Events

(selected scheduled)

When	Company	Report/Event	
Today	BLD	Interim	
	CGF	Interim	
	COH	Interim	
	GPT	Full year	
	MGX	Interim	
	SGF	Interim	
	TCL	Interim	
Tomorrow	AOG	Interim	
	CPU	Interim	
	CSL	Interim	
	DXS	Interim	
	DMP	Interim	
	GMG	Interim	
	IAG	Interim	
	ORA	Interim	
	RIC	Interim	
	VCX	Interim	
	Thu	ASX	Interim
		GNC	AGM
		HT1	Interim
		MTR	Interim
NCM		Interim	
ORG		Interim	
S32		Interim	
SHL		Interim	
SUN		Interim	
TLS	Interim		
Fri	ABP	Interim	
	AIA	Interim	
	BBN	Interim	
	IFL	Interim	
	MPL	Interim	
	NCM	Int teleconference	
	SGM	Interim	
	VRL	Interim	
	WHC	Interim	
Mon (19 Feb)	ALU	Interim	
	BPT	Interim	
	BXB	Interim	
	DHG	Interim	
	IMD	Interim	
	IFN	Interim	
	NHF	Interim	
	OML	Full year	