

Tuesday 13 March 2018

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5992</b>	<b>3</b>	<b>0.1</b>
<b>NZX 50</b>	8469	5	0.1
<b>DJIA Futures</b>	25208	0	0.0
<b>S&amp;P 500 Futures</b>	2783	-1	-0.0
<b>NASDAQ Futures</b>	7135	-4	-0.1

## Local Markets Commentary

The Australian market commences today's trade on mixed overnight equities and negative commodities leads ahead of a US CPI update tonight and a batch of influential data out of China tomorrow.

Locally pre-trade, a weekly **consumer sentiment** reading is due.

NAB's monthly **business survey** report and January housing finance are scheduled for release **11.30am**.

The ACCI and Westpac are also due to publish a **manufacturing sector optimism** report today.

In addition, Reserve Bank of Australia (**RBA**) assistant governor (financial system) is due to speak publicly **11.10am**.

Several high-cap and/or high-profile stocks trade **ex-dividend** today. Please see **pp3-4** for detailed information.

In overnight commodities trade, **oil** and US **gold** futures turned lower.

LME **copper**, **nickel** and **aluminium** also fell.

In a seventh consecutive decline, **iron ore** (China port, 62% Fe) slipped just below \$US70/t.

The **\$A** appreciated to ~US78.70c after trading at ~US78.60c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25179	-157	<b>-0.6</b>
<b>S&amp;P 500</b>	2783	-4	<b>-0.1</b>
<b>NASDAQ</b>	7588	28	<b>0.4</b>
<b>FTSE 100</b>	7215	-10	<b>-0.1</b>
<b>DAX 30</b>	12418	72	<b>0.6</b>
<b>Shanghai Comp</b>	3327	20	<b>0.6</b>

## Overseas Markets Commentary

Major European and US equities markets opened higher overnight, but sentiment soon began to vacillate, indicating wariness amid several geopolitical uncertainties.

In particular, large industrial stocks suffered in the US following threats and counter-threats regarding new US import tariffs.

In addition, some international vehicle manufacturers reportedly threatened to reduce their investment in production facilities in the US.

Among sparse data releases, a New York Fed survey revealed, as anticipated, that US consumer inflation growth expectations, had risen by 0.12% during January to 2.83%.

**Tonight** in the US, February CPI is keenly

**RBA** – assistant governor (financial system) Michele Bullock is scheduled to speak at a payments conference **11.10am** AEDST, Sydney

## Today's Stock Watch

### Aurizon Network Holdings (AZJ)

AZJ's concerns with the Queensland Competition Authority's (QCA) mid-December 2017 draft rail network access determination lodged this morning.

AZJ's QCA response submission in particular highlights differences in factors recognised in the rate of return calculation. The QCA determined AZJ could collect up to \$A3.89B from the network during the 2018 – 2021 financial years, but this undershot AZJ's proposal by ~\$A1B.

AZJ has traded higher the past three sessions, settling at \$4.47 yesterday.

### 9 Spokes (9SP)

Contract secured to provide a white-label version of the company's business performance product to the Bank of New Zealand (BNZ).

The resulting revenue ensures 9SP will meet its targeted \$6M - \$7M annualised revenue guidance by 31 March.

9SP is hosting a teleconference commencing 1.15pm AEDST. Access details lodged this morning.

### Ozforex Group (OFX)

OFX has appointed Silicon Valley fintech companies advisor Lisa Frazier as a non-executive director, effective 1 April.

Ms Frazier is also a former Commonwealth Bank of Australia (ASX: CBA) executive GM digital channels.

Today's investor day presentation lodged this morning, including a trading update.

OFX plans to release full year results 22 May.

## Resources

### St Barbara (SBM)

Industrial action is impacting PNG Simberi gold project operations. SBM stopped all production Wednesday last week, in order to resolve the issue.

Mediation, led by the PNG Department of Labour & Industrial Relations is planned for this week.

Day-shift processing is resuming today, together with 'limited mining operations'.

SBM expects to still achieve full year output guidance.

SBM fell 2.9% to \$4.02 Friday and settled flat yesterday.

## Energy

### Woodside Petroleum (WPL) / BHP Billiton (BHP)

WPL will operate the Scarborough gas field development once its acquisition of ExxonMobil's 50% holding in WA-1-R and the JV operating agreement is complete, under a new agreement with partner BHP.

WPL has agreed to grant BHP the option to purchase an additional 10% of Scarborough by 31 December 2019.

WPL expects the ExxonMobil purchase to complete by month's end, delivering WPL 75%.

### Comet Ridge (COI) / Santos Ltd (STO)

Production from the central Queensland Mahalo Block Mira 6/2 horizontal-vertical pilot well has surpassed a daily 840,000scf.

COI 40% and operator; STO 30%; Pacific LNG 30%.

anticipated.

Elsewhere, the **UK** chancellor will deliver the Spring budget update.

Companies scheduled to report earnings include Antofagasta and FedEx.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1319</b>	oz	-3	-0.2
<b>Silver (NY) (Mar)</b>	16.6	oz	0.1	0.6
<b>Gold (LON)</b>	1319	oz	-1	-0.1
<b>Platinum</b>	962	oz	-2	-0.2
<b>WTI Crude (Apr)</b>	<b>61.4</b>	bbl	-0.7	-1.1
<b>Brent Crude (Apr)</b>	<b>65.0</b>	bbl	-0.5	-0.8
<b>Iron Ore (CHN port 62%)</b>	<b>69.9</b>	t	-0.2	-0.2
<b>Copper</b>	<b>6913</b>	t	-49	-0.7
<b>Nickel</b>	13675	t	-185	-1.3
<b>Aluminium</b>	2091	t	-29	-1.4
<b>Lead</b>	2343	t	-33	-1.4
<b>Zinc</b>	3240	t	-37	-1.1
<b>Tin</b>	21375	t	-25	-0.1
<b>CBT Wheat (Mar)</b>	<b>4.90</b>	bshl	0.01	0.2

### Commodities Commentary

**Oil** – a \$US proved insufficient to prevent prices turning lower overnight.

The US government agency Energy Information Administration (EIA) predicted domestic output would increase by a daily 131,000bbl during April.

Additional factors cited as influential on last night's trade included: a significant number of long positions let go late last week by high-profile speculators; Iran's claim, reported over the weekend, that OPEC could agree as early as June to raise 2019 production levels; and ongoing commentary regarding US output usurping Russian production in the short-term.

**Gold** – a weaker \$US contained overnight losses ahead of influential data yet to come this week.

US January CPI growth, due tonight, could promote further \$US swings.

**Base metals** – international trade vagaries delivered broad overnight falls, ahead of key data out of China this week.

A relatively strong British pound (due to a prediction of near-term tangible progress in EU-UK separation talks) stymied some trade.

**China's** February industrial production, retail sales and fixed asset investment are scheduled for release tomorrow.

CPI and production figures from the US and euro zone this week could also toy with currencies and hence influence appetite.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7870	-0.0004	-0.05
<b>EUR – USD</b>	1.2335	-0.0001	-0.01

### Australian Data Today

ANZ/RyMgn	Consumer sentiment	10 Jan
NAB	Business survey	Feb
ABS	Housing finance	Jan

## Pre-Open Announcements

### Xref Ltd (\* XF1)

Human resources tech speciality group Xref has secured another platform integration, this time with fit2work, part of the Mercury Group, which was recently acquired by Equifax.

### Pointerra Ltd (\* 3DP)

Initial 3D data market place and business partnership agreement secured, with Total Earth Solutions.

Total Earth will collect aerial 3D data across Perth local government areas, 3DP will host the data, and the partners will share data and resultant products subscription revenue.

Under the agreement, Total Earth will market and access the data and products go government agencies and private entities.

### Meridian Energy (MEZ)

February statistics lodged this morning including a 12.7% year-on-year drop in retail sales volumes, amid significant New Zealand impacts on from two ex-tropical cyclones.

### K2fly Ltd (\* K2F)

January-February invoices totalled ~\$320,000, against \$185,000 a year earlier. Additional statistics lodged this morning.

### Updater Inc (UPD)

SNL Financial co-founder Jessica Nagle has been appointed as an independent non-executive UPD director. Ms Nagle is based in Virginia, US.

### MMJ Phytotech (MMJ)

Canada-focused investor presentation lodged this morning.

### AuMake International (AU8)

Plans associated with last Thursday's Haymarket, Sydney Daigou hub launch lodged this morning.

### Goldfields Money (GMY)

GMY non-executive director Keith John has resigned, effective immediately.

GMY has appointed Finsure co-founder and MD John Kolenda as Mr John's board replacement.

GMY is proposing to merge with Finsure.

Mr Kolenda is a former Aussie Home Loans GM sales and distribution.

## Resources

### Red 5 (RED)

\$A1.6M net loss for the six months to 31 December. Sales revenue totalled \$A37.5M.

\$A21.8M cash and gold bullion.

## Energy

### Oil Search (OSH)

Investor field trip presentation lodged post-trade yesterday.

## Trading Halts

Company	Code	Resuming
Alto Metals	AME	13 Mar
Pacifico Minerals	PMY	13 Mar
Sky and Space Global	SAS	13 Mar
Technology Metals Australia	TMT	13 Mar
Veris Ltd	VRS	13 Mar
ABM Resources	ABU	14 Mar
BBX Minerals	BBX	14 Mar



ACCI/Wstpc Manufacturing optimism MarQ

**US Data Tonight**

CPI Feb

**Other Overseas Data Today & Tonight**

UK Budget update Spring

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Factor Therapeutics	FTT	14 Mar
First Graphene	FGR	14 Mar
Greenpower Energy	GPP	14 Mar
Image Resources	IMA	14 Mar
Immuron Ltd	IMC	14 Mar
Lithium Power International	LPI	14 Mar
Norwood Systems	NOR	14 Mar
Sundance Energy	SEA	14 Mar

**Suspensions** (selected)

Company	Code	Since
Austex Oil	AOK	19 Feb
BidEnergy Ltd	BID	9 Mar
Big Un	BIG	21 Feb
Department 13 International	D13	5 Mar
Greatcell Solar	GSL	1 Mar
Netlinkz Ltd	NET	1 Mar
Raven Energy	REL	7 Mar
Tianmei Beverage Group	TB8	21 Feb
Total Face Group	TFG	19 Feb
Zyber Holdings	ZYB	16 Feb

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>AHX</b>	Today	<b>0.8</b>	100	1.95
<b>CAF</b>	Today	<b>1.2</b>	100	4.90
<b>CWY</b>	Today	<b>1.1</b>	100	1.49
<b>D2O</b>	Today	<b>2.4</b>	60	4.27
<b>EQT</b>	Today	<b>40</b>	100	3.62
<b>GNG</b>	Today	<b>6</b>	100	3.75
<b>GRR</b>	Today	<b>1</b>	100	5.13
<b>NSC</b>	Today	<b>2.5</b>	100	6.88
<b>NTD</b>	Today	<b>1</b>	100	0.83
<b>NSW</b>	Today	<b>8.96</b>	0	0.85
<b>NSWL</b>	Today	<b>8.96</b>	0	0.86
<b>PSI</b>	Today	<b>2.7</b>	100	2.31
<b>REG</b>	Today	<b>9.28</b>	100	4.85
<b>SGM</b>	Today	<b>23</b>	100	2.66
<b>SRG</b>	Today	<b>2</b>	100	3.49
<b>SSG</b>	Today	<b>1.8</b>	100	8.75
ASB	Tomorrow	2	0	2.23
CDA	Tomorrow	4	100	3.36
CGC	Tomorrow	5	100	1.58
CSL	Tomorrow	100.5	0	1.16
DTL	Tomorrow	1.6	100	3.97
IGL	Tomorrow	8	100	6.43
INM	Tomorrow	51.84	0	4.77
LMW	Tomorrow	2.6	100	7.95
MCY	Tomorrow	5.59	0	4.49
MEQ	Tomorrow	2.57	0	0.00
MHJ	Tomorrow	2.5	0	4.33
MTO	Tomorrow	5.5	100	2.92
NZK	Tomorrow	1.86	0	1.90
PAF	Tomorrow	2.5	100	3.65
PL8	Tomorrow	0.45	100	2.57
RCR	Tomorrow	2.5	0	2.03
SIQ	Tomorrow	18.5	100	3.18
SKT	Tomorrow	6.96	0	8.59
SSM	Tomorrow	3	100	3.57
TGR	Tomorrow	8	100	3.95
TOP	Tomorrow	0.6	100	1.79

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ADA	Thu	2	0	1.87
AHG	Thu	9.5	100	5.07
ASL	Thu	3.5	100	1.96
BAP	Thu	7	100	2.47
CEN	Thu	12.06	0	5.10
DWS	Thu	5	100	6.69
EBO	Thu	27.34	95.77	3.14
EMB	Thu	20	100	3.23
ING	Thu	9.5	100	5.07
LAU	Thu	0.8	100	3.81
LBL	Thu	0.2	100	4.17
LGD	Thu	0.7	100	5.20
MMS	Thu	33	100	3.84
MWY	Thu	9	100	7.20
NBL	Thu	9	100	4.92
PGC	Thu	1.1	100	4.13
PGR	Thu	1.5	100	6.52
PPC	Thu	2	100	3.50
SPK	Thu	10.20	0	5.92