

Markets

SFE 200 Futures (9.30am AEDST)	5729	27	0.5
NZX 50	7171	20	0.3
DJIA Futures	20482	0	0.0
S&P 500 Futures	2337	11	0.5
NASDAQ Futures	5276	17	0.3

Local Markets Commentary

The Australian market opens amid a swag of high-profile domestic earnings reports, following mixed overnight international equities and commodities leads.

In overnight commodities trade, US **gold** futures settled slightly lower. **Oil** turned higher. **Copper** fell. **Iron ore** pulled back.

The **\$A** was again pushed lower after trading at ~US76.80c early yesterday evening, but has turned higher this morning.

Locally today, a monthly consumer confidence report, January new vehicle sales and an employment indicator are due.

China's January FDI report is anticipated 1pm AEDST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	20504	92	0.5
S&P 500	2338	9	0.4
NASDAQ	5783	19	0.3
FTSE 100	7269	-10	-0.1
DAX 30	11772	-3	-0.0
Shanghai Comp	3218	1	0.0

Overseas Markets Commentary

Major European equities markets chopped and swung through overnight trade. US indices recovered from a shaky start, supported by the finance sector.

US Federal Reserve chair Janet Yellen told a Senate banking committee that a rate rise was possible soon but that as ever, policy would be set on economic progress and any fiscal policy change.

Meanwhile, January producer prices were reported to have risen 0.6% for the month and 1.6% year-on-year.

In the **euro zone** December quarter GDP was revised from 0.5% to 0.4% in a final estimate.

December industrial production fell 1.6% for the month but rose 2% year-on-year.

UK December CPI growth rose to 1.8% year-on-year from 1.6% in December, largely boosted by energy prices. However, clothing prices helped drag the monthly rate to -0.5%.

Greece revealed a surprise 0.4% GDP pullback for the December quarter.

Italy, in the meantime, was reported to be looking at a possible €5B regional bank sector bailout.

Tonight in the US, **Federal Reserve** chair Janet

China - January FDI expected **1pm AEDST**

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

6% higher \$4.90B interim NPAT. 1% higher, \$4.91B cash profit. 3% higher, \$22.6B revenue. \$1.99 fully-franked interim dividend, up 1c. 9.9% tier 1; 15.4% international basis. \$2.86, flat cash (basic) EPS. Risks include market volatility and potential international economic shocks.

Wesfarmers Ltd (WES)

Considering spinning off Officeworks. 13.2% higher, \$1.6B interim NPAT. 4.3% higher, \$34.9B revenue. \$1.03 fully-franked interim dividend, up 13%. \$4.23 NTA. Webcast analyst briefing commencing 1pm AEDST.

Domino's Pizza Enterprises (DMP)

Anticipating EBITDA to improve 32.5% for the 12 months to 31 December. 48.4c 50%-franked interim dividend. 15.5% higher, \$50.0M interim NPAT. 21.1% higher, \$539.4M revenue.

CSL Ltd (CSL)

12.1% higher, \$US805.5M interim NPAT. 17.2% higher, \$US3.7B revenue (continuing operations). US64c interim dividend.

Sonic Healthcare (SHL)

4.7% higher, \$196.7M interim NPAT. 0.9% higher, \$2.5B revenue. 31c, 6.2c-franked interim dividend, up 1c. 47.1c EPS.

Boral Ltd (BLD)

12.3% higher, \$153.4M interim NPAT. 4.6% lower, \$2.1B revenue. 12c fully-franked interim dividend, up 1c. 14.9c EPS.

Sims Metals Management (SGM)

132% higher, \$80.0M interim NPAT. 1.2% lower, \$2.4B revenue. 12c fully-franked interim dividend. \$8.76 NTA.

Seven West Media (SWM)

90.8% drop in interim NPAT to \$12.4M. 1% higher, \$906.0M revenue. 2c fully-franked interim dividend.

Computershare Ltd (CPU)

78.2% higher, \$150.2M interim NPAT. 7% higher, \$999.1M revenue. 17c, 30%-franked interim dividend.

Orora Ltd (ORA)

12.3% higher \$92.1M NPAT. 4.1% higher, \$1.98B sales revenue. 5c 30%-franked interim dividend.

Aveo Group (AOG)

82.3% higher, \$121.2M interim NPAT. 30.9% lower, \$196.3M revenue. \$3.23 NTA.

Resources

OceanaGold Corporation (OGC)

Proposing to continue Philippines Didipio project operations during an appeal process following receipt of a suspension order.

Energy

Paladin Energy (PDN)

\$US17.7M 2016 gross net loss, against a \$US23.7M gross net profit for 2015. \$US55.2M sales revenue. \$US46M interim (1H FY2017) net loss, against a \$US24.2M net loss a year ago. \$US26.7M cash and equivalents. Presentation lodged post-trade yesterday. Teleconference commencing 10.30am AEDST. Access details lodged 3 February.

Yellen meets with a House finance committee following last night's session with the Senate banking committee, and like with that committee, as scheduled bi-annually.

A plethora of data releases is also expected, including January CPI, retail sales, industrial production, December business inventories, New York region manufacturing activity and housing market indices, plus weekly mortgage applications.

PepsiCo is among companies scheduled to report tonight.

In overnight corporate news, **Rolls-Royce** reported a record £4.6B full-year loss.

A **Credit Suisse** update appeared to please, supporting early European trade. However, the bank also reported a Swiss franc 2.35B (\$US2.4B) 2016 loss, impacted mostly by a \$US5.3B US penalty.

Earlier, **Toshiba's** chairman resigned. The company had previously delayed reporting estimated full-year (to 31 March) results, but yesterday revealed an expected 390B¥ (US3.4B) loss, mostly due to nuclear energy projects in the US.

Peugeot announced it was interested in purchasing **General Motors'** European Opel business. Peugeot already jointly manufactures SUVs and vans with General Motors.

Meanwhile, **Apple** continued to a new record peak price.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1225	oz	-1	-0.1
Silver (NY) (Mar)	17.9	oz	0.0	0.3
Gold (LON)	1231	oz	9	0.7
Platinum	999	oz	3	0.3
WTI Crude (Mar)	53.2	bbl	0.3	0.5
Brent Crude (Apr)	56.0	bbl	0.4	0.7
Iron Ore (China port)	91.7	t	-0.5	-0.6
Copper (LME)	6021	t	-85	-1.4
Nickel	10770	t	40	0.4
Aluminium	1887	t	16	0.9
Lead	2356	t	-65	-2.7
Zinc	2903	t	-13	-0.5
Tin	19925	t	-70	-0.4
CBT Wheat (Mar)	4.50	bshl	-0.03	-0.6

Commodities Commentary

Oil – prices swung some, Brent having traded as high as \$US56.46/bbl intra-session. Another \$US intra-session strengthening constrained sentiment.

A US weekly petroleum inventories report is due tonight.

Gold – some profit-taking reported early. In addition, US **Federal Reserve** chair Janet Yellen promoted another sooner-rather-than-later rate rise, pushing the \$US higher. Futures traded as high as \$US1236/oz when the \$US had fallen during early trade.

Base metals – A \$US push higher impacted trade.

The Philippines started issuing project suspension orders, supporting *nickel* prices.

Freeport McMoRan revealed it had stopped production at the Grasberg, Papua *copper* operation. Industrial action continues to impact output at the BHP-operated Escondida mine, Chile.

China's 2.5% year-on-year CPI growth and 6.9%

Pre-Open Announcements

The A2 Milk Company (↓ A2M)

290% higher, \$NZ39.4M interim NPAT. 84% higher, \$NZ256.1M revenue. Nil interim dividend. NZ22c NTA.

Finbar Group (FRI)

Proposing to re-design the Civic Heart project, South Perth, due to new scheme amendment changes associated with local government and community planning issues. This has included Supreme Court action regarding a neighbouring development. FRI hopes to announce a new project design that can be completed within the intended timeframe of the current one. Accordingly, FRI will discontinue marketing the current Civic Heart project.

Hunter Hall International (* HHL) / WH Soul Pattinson (SOL) / Henry Morgan (HML) / Pinnacle Investment Management (PNI)

As with SOL's original offer for the balance of HHL, HHL is recommending shareholders reject the revised, \$2.00 cash-per-share one announced Monday.

Meanwhile, HML investment manager investment manager, NSX-listed John Bridgeman, intends to acquire on-market up to 20% of HHL at up to \$2.40 per share. John Bridgeman and HML currently hold 5.81% of HHL, and consider both the SOL and PNI subsidiary Pinnacle Ethical Investment Holdings (\$1.50 cash) offers for HHL do not recognise HHL's value.

Pinnacle will offer \$2.20 per share if it secures 24% of HHL.

HHL traded at \$2.42 - \$2.48 yesterday.

eSense-Lab Ltd (* ESE)

Phytochemical profiler and virtual plant-based products developer completed a successful ASX listing yesterday, following a \$3.5M IPO at 20c per CDI/share. Opened at 24.5c and traded at 23.5c – 27c before settling at 25.5c. 2.6M shares were traded across 205 transactions. ESE is incorporated in Israel.

Resources

Mt Gibson Iron (MGX)

\$22.9M interim NPAT. 22% lower, \$99.8M revenue. 37.9c NTA.

Western Areas (WSA)

Planning to lodge interim results 22 February (Wednesday next week), and to host a teleconference that day, commencing 9.30am AEDST. Access details lodged post-trade yesterday.

Trading Halts

Company	Code	Resuming
Frontier Capital Group	FCG	15 Feb
Greenpower Energy	GPP	15 Feb
Locality Planning Energy	LPE	15 Feb
Winmar Resources	WFE	15 Feb
Lawson Gold	LSN	16 Feb
NAOS Absolute Opportunities	NAC	16 Feb
Venturex Resources	VXR	16 Feb



PPI, reported yesterday, helped support overnight prices in general, and *aluminium* in particular.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7673	0.0010	0.13
EUR – USD	1.0576	-0.0004	-0.03

Australian Data Today

Wstpc/MInst	Consumer confidence	Feb
ABS	New vehicle sales	Jan
DoEmplt	Employment indicator	Feb

US Data Tonight

CPI	Jan
Retail sales	Jan
Industrial production	Jan
NAHB housing market index	Feb
Business inventories	Dec
MBA mortgage applications	10 Feb
NY Fed (Empire State) manufacturing	Feb

Other Overseas Data Today & Tonight

China	FDI	Jan
UK	Unemployment	Jan
UK	Average earnings	Dec
UK	ILO unemployment	Dec
Euro zone	Trade balance	Dec

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Suspensions (selected)

Company	Code	Since
Gateway Mining	GML	10 Feb
HRL Holdings	HRL	14 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
Onterran Ltd	OTR	14 Feb
Protean Energy	POW	7 Feb
Suda Ltd	SUD	27 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
DOW	Today	12	100	3.45
MLT	Today	8.7	100	4.22
MRN	Today	3	100	5.38
CTN	Tomorrow	2.7	50	5.84
HML	Tomorrow	20	55	0.00
ANN	Fri	~26.49	0	2.68
ARG	Fri	15	100	3.89
AYD	21 Feb	120	0	10.28
AYH	21 Feb	120	0	13.52
AYJ	21 Feb	50	100	3.23
AYK	21 Feb	51	100	3.25
AYZ	21 Feb	60	100	3.08
GMA	21 Feb	14	100	9.62
SUN	21 Feb	33	100	5.25

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	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	
Tomorrow	BAP	Interim
	EVN	Interim
	GMG	Interim
	IPH	Interim
	MFG	Interim
	MGR	Interim
	ORG	Interim
	S32	Interim
	SPK	Interim
SGR	Interim	

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Fri

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