

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5882</b>	<b>20</b>	<b>03</b>
<b>NZX 50</b>	8110	47	0.6
<b>DJIA Futures</b>	25225	-9	-0.0
<b>S&amp;P 500 Futures</b>	2734	0	0.0
<b>NASDAQ Futures</b>	6816	0	0.0

## Local Markets Commentary

The Australian market commences Friday trade following positive overnight US equities trade leads, amid a further swag of high-profile domestic corporate reports, amid Lunar New Year select market closures, and ahead of a US Monday public holiday weekend.

Also locally today, from 9.30am AEDST, **Reserve Bank of Australia** (RBA) governor Philip Lowe delivers a six-monthly scheduled policy and economic overview update to a House of Representatives economics committee.

**ANN** and **ARG** are among companies trading ex-dividend.

In overnight commodities trade, US **gold** futures turned a little lower.

**WTI crude** extended Wednesday's rally, but Brent closed US3c lower.

**Iron ore** (China port, 62% Fe) reportedly rose US2c/t.

LME **copper** and **nickel** continued modestly higher.

The **\$A** slipped to ~US79.40c after trading at US79.60c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>25200</b>	307	<b>1.2</b>
<b>S&amp;P 500</b>	2731	33	<b>1.2</b>
<b>NASDAQ</b>	7256	113	<b>1.6</b>
<b>FTSE 100</b>	7235	21	<b>0.3</b>
<b>DAX 30</b>	12346	7	<b>0.1</b>
<b>Shanghai Comp</b>	<b>3199</b>	Public	Holiday

## Overseas Markets Commentary

Vacillations featured again across major European and US equities markets overnight, but key US indices settled at or near session highs, the DJIA reaching the psychologically-significant 25,000 level.

The \$US weakened again, euro and British pound relative strength detracting from European equities trade sentiment.

In addition, AstraZeneca, BP, Shell, Unilever and TUI traded ex-dividend, constraining FTSE 100 gains.

US sovereign 10-year bond prices rose a little after falling in early trade.

Among a batch of mixed **US** data releases, January producer prices were reported 0.4% higher for the month, and up 2.7% year-on-year, as with CPI, in part pushed upwards by higher energy prices. December PPI had come in flat.

**RBA** – governor Philip Lowe meets with a House of Representatives economics committee from **9.30am** AEDST

## Today's Stock Watch

### Qantas Airways (QAN) / Air New Zealand (AIZ) / Virgin Australia Holdings (VAH)

The Australian Competition and Consumer Commission (ACCC) is conditionally reauthorising the QAN-Emirates alliance for an additional five years. A specific condition relates to a significant impact on the Sydney-Christchurch competition, affecting AIZ and VAH.

### Sims Metal Management (SGM)

14.4% higher, \$91.5M interim NPAT. 24.8% higher, \$2.98B revenue. 23c fully-franked interim dividend. \$9.28 NTA. \$390M net cash.

### Medibank Private (MPL)

5.9% higher, \$245.6M interim NPAT. 1.7% higher, \$3.5B income. 5.5c fully-franked interim dividend. 51.7c NTA.

### Auckland International Airport (AIA)

17% higher, \$NZ165.9M interim NPAT. 6.9% higher, \$NZ332.4M income.

Compressing full-year NPAT guidance to \$NZ250M - \$NZ257M, in part due to passenger number growth and facility upgrades.

### Abacus Property Group (ABP)

39% lower, \$117.5M interim NPAT. 23% lower, \$204.1M revenue. 9c pre-announced interim distribution. \$3.13 NTA.

### The Star Entertainment Group (SGR)

76.8% lower, \$32.9M interim NPAT. 3.3% higher, \$1.3B gross revenue. 7.5c fully-franked interim dividend. \$1.70 NTA.

### IOOF Holdings (IFL)

39% lower, \$45.2M interim NPAT. Flat \$456.2M revenue. 27c fully-franked interim dividend.

### Primary Healthcare (PRY)

4.7% higher, \$22.1M interim NPAT. 5.9% higher, \$856.5M revenue. 5.1c fully-franked interim dividend, against 4.8c a year ago. 4.2c EPS.

## Resources

### Rio Tinto (RIO)

Royal Mail Group CEO Moya Green has been appointed as a RIO independent non-executive director. Ms Greene is also an easyJet director. Paul Tellier is retiring from the RIO board after the 2 May RIO AGM in Melbourne. Mr Tellier has been a RIO non-executive director since 2007.

### Newcrest Mining (NCM)

48% drop in interim NPAT to \$US98M. 5% lower, \$US1.7B revenue. US 7.5c fully-franked interim dividend. 9.87c NTA.

Resources updated to 120Moz Au (-6% against 31 Dec 2016), 19Mt Cu (-1%) and 94Moz Ag (-1%). Reserves estimated at 62Moz Au (-5%), 10Mt Cu (-1%) and 37Moz Ag (-2%).

A webcast was scheduled to commence 9am AEDST.

## Energy

### Whitehaven Coal (WHC)

63% higher, \$257.2M interim NPAT. 39% higher, \$1.1B revenue. 13c interim dividend, against no dividend a year ago. \$3.2425 NTA. \$146.9M net debt.

January industrial production slipped 0.1% following a 0.4% gain in December.

A Philadelphia region manufacturing index rose 3.6 to 25.8.

A New York state manufacturing index fell by 4.6 to 13.1.

Weekly new unemployment claims rose by 7000.

A home builders' housing market index remained flat, but at a historically strong 72.

In the **euro zone**, the December trade surplus was reported at €25.4B from €26.43B at the end of November.

**European Central Bank** chief economist Peter Praet maintained the central bank would continue with stimulus until the region's economy looked like it could independently sustain reasonable inflation levels.

Meanwhile, **South Africa's** parliament voted in ANC leader since December, Cyril Ramaphosa, as the national president following the forced resignation of Jacob Zuma.

**Tonight** in the US, January housing starts, building permits and import and export prices are due, together with an initial February consumer sentiment reading from the University of Michigan.

Bridgestone, Campbell Soup, Coca-Cola, Deere and Kraft Heinz are among companies scheduled to report earnings today or tonight.

In overnight corporate news, **Berkshire Hathaway** promoted **Apple** to the top of its investment list, pushing the stock 3.2% higher. Another operating system fault has been reported however, and this could swing tonight's Apple trade.

*China's markets are closed through 21 February (Wednesday next week), due to Lunar New Year and Spring Festival holidays.*

*Hong Kong's and Singapore's are closed through Monday. South Korea's markets remain closed today.*

*US equities markets will be closed Monday, due to a public holiday.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1355</b>	oz	-3	-0.2
<b>Silver (NY) (Mar)</b>	16.8	oz	-0.04	-0.3
<b>Gold (LON)</b>	1352	oz	16	1.2
<b>Platinum</b>	1000	oz	5	0.5
<b>WTI Crude (Mar)</b>	<b>61.3</b>	bbl	0.7	1.2
<b>Brent Crude (Apr)</b>	<b>64.3</b>	bbl	-0.03	-0.1
<b>Iron Ore (CHN port 62%)</b>	<b>78.4</b>	t	0.02	0.0
<b>Copper</b>	<b>7182</b>	t	19	0.3
<b>Nickel</b>	14150	t	50	0.4
<b>Aluminium</b>	2165	t	-13	-0.6
<b>Lead</b>	2618	t	39	1.5
<b>Zinc</b>	3570	t	3	0.1
<b>Tin</b>	21570	t	20	0.1
<b>CBT Wheat (Mar)</b>	<b>4.62</b>	bshl	0.06	1.3

### Commodities Commentary

**Oil** – headed lower early, but then gained, supported by a falling \$US.

A weekly US petroleum drill rig count is due tonight.

**Gold** – a \$US at 15-month lows against the yen, and a \$US index at three-year lows overnight,

## Pre-Open Announcements

### Baby Bunting (\* BBN)

33.3% lower, \$3.5M interim NPAT. 9.8% higher, \$148.3N revenue. 2.8c fully-franked interim dividend. 34c NTA.

### McGrath Ltd (MEA)

Resuming from a trading halt with a statement from John McGrath refuting 'ridiculous recent press coverage'. MEA last traded at 42.5c.

## Resources

### Birimian Ltd (\*\* BGS)

BGS has secured a waiver of Australian Tax Office penalties relating to former directors. Details lodged this morning.

### Saracen Mineral Holdings (SAR) / AngloGold Ashanti (AGG)

AGG drilling, as part of its farm-in to SAR's far eastern goldfields Butcher Well project, indicates the Old Camp zone is 'strongly mineralised below 300m'. The mineralisation remains open at depth. Assays lodged post-trade yesterday.

## Energy

### Paladin Energy (\*\* PDN)

Recommencing ASX quotation at market open following a lengthy suspension.

Trade will commence on a deferred settlement basis. Normal (T+2) trade is scheduled to commence 23 February (Friday next week).

PDN last traded at 4.7c.

## Trading Halts

Company	Code	Resuming
Zyber Holdings	ZYB	16 Feb
Argonaut Resources	ARE	19 Feb
Austex Oil	AOK	19 Feb
MEC Resources	MMR	19 Feb
Tomizone Ltd	TOM	19 Feb
Total Face Group	TFG	19 Feb
Tyranna Resources	TYX	19 Feb
Woodside Petroleum	WPL	19 Feb
Aeris Resources	AIS	20 Feb

## Suspensions (selected)

Company	Code	Since
Australian Mines	AUZ	14 Feb
Buddy Platform	BUD	2 Feb
CBL Corporation	CBL	6 Feb
GetSwift Ltd	GSW	24 Jan
Haranga Resources	HAR	22 Jan
Pan Asia Corporation	PZC	13 Feb
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 (%)
<b>ANN</b>	Today	<b>26.35</b>	54.87	2.32



proved insufficient to produce another positive settlement for Comex futures.

**Base metals** – yesterday, **Japan's** December core machinery orders were reported 11.9% lower for the month and down 5% year-on-year, against respective forecasts of a 2.3% fall and 2.2% improvement. The rate of the monthly fall was the greatest in ~three years.

Japan is due to report January trade figures Monday.

**China's** markets remain closed until Thursday 22 February, so reduced trading volumes are expected during this time.

Iron ore spot prices will continue to be reported, but futures markets are closed until Thursday 22 February.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7942	-0.0003	<b>-0.04</b>
<b>EUR – USD</b>	1.2501	-0.0007	<b>-0.05</b>

### Australian Data Today

RBA Governor policy update to parliament Feb

### US Data Tonight

Import & export prices Jan  
 Housing starts Jan  
 Building permits Jan  
 Uni of Michigan consumer sentiment (prelim) Feb

### Other Overseas Data Today & Tonight

**UK** Retail sales 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).

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<b>ARG</b>	Today	<b>15.5</b>	100	3.80
<b>DDR</b>	Today	<b>4.8</b>	100	5.66
<b>TCL</b>	Today	<b>28</b>	n/app	tbc
BLD	Mon	12.5	50	3.28
KAM	Mon	0.5	100	3.33
CPU	Tue	19	0	2.18
DMP	Tue	58.1	40	2.40
IAG	Tue	14	100	4.39
AKG	Wed	1.5	100	4.55
AMP	Wed	14.5	90	5.42
AGL	Thu	54	80	4.67
DUI	Thu	6.5	100	3.58
JBH	Thu	86	100	4.90
KOV	Thu	5	100	3.45
WPL	Thu	62.26	100	4.00

### Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>ABP</b>	Interim
	<b>AIA</b>	Interim
	<b>BBN</b>	Interim
	<b>IFL</b>	Interim
	<b>MPL</b>	Interim
	<b>NCM</b>	Int webcast
	<b>PRY</b>	Interim
	<b>SGM</b>	Interim
	<b>SGR</b>	Interim
	<b>VRL</b>	Interim
	<b>WHC</b>	Interim
<b>Mon</b>	ALU	Interim
	BPT	Interim
	BXB	Interim
	CQR	Interim
	DHG	Interim
	GWA	Interim
	IMD	Interim
	IFN	Interim
	NHF	Interim
	OML	Full year
<b>Tue</b>	APO	Full year
	BAP	Interim
	BHP	Interim
	FXL	Interim
	GXL	Interim
	GOZ	Interim
	MND	Interim
	NST	Interim
	SFR	Interim
	SWM	Interim
	SUL	Interim
VRT	Interim	
VOC	Interim	
WSA	Interim	
<b>Wed</b>	APA	Interim
	APX	Full year
	ARB	Interim
	CCL	Full year
	DOW	Interim



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FXJ	Interim
FBU	Interim
FMG	Interim
IGO	Interim
LLC	Interim
MMS	Interim
PGH	Interim
SBM	Interim
STO	Full year
SPK	Interim
SRX	Interim
SIQ (post-trade)	Full year
SDF	Interim
SGP	Interim
SYD	Full year
TRS	Interim
WES	Interim
WOR	Interim