

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6206	35	<b>0.6</b>
<b>NZX 50</b>	9477	4	<b>0.0</b>
<b>DJIA Futures</b>	25860	-39	-0.2
<b>S&amp;P 500 Futures</b>	2827	-3	-0.1
<b>NASDAQ Futures</b>	7338	-6	-0.1

## Local Markets Commentary

The Australian market commences a new week's trade following positive talk out of China since post-ASX trade Friday, ahead of key data out of Japan today, and with a quarterly S&P/ASX indices rebalance effected on open.

Regionally today, **Japan** is scheduled to report February trade figures **10.50am** AEDT, ahead of revised January industrial production 3.30pm.

Late and overnight Friday, **China's** premier announced a manufacturing sector tax cut and repeated the administration's capacity to offer further stimulus.

**Locally** today, a weekly capital city residential property price report is due pre-trade.

In overnight Friday commodities trade, **Brent crude** and **WTI** each settled slightly lower.

US **gold** futures (April) turned higher.

**Iron ore** (China port, 62% Fe) declined.

LME **copper** and **nickel** swung higher, but nickel ultimately achieved just a relatively small gain. **Aluminium** was pushed lower.

The **\$A** mostly maintained gains after surpassing US70.90c early Friday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25849	139	<b>0.5</b>
<b>S&amp;P 500</b>	2822	14	<b>0.5</b>
<b>NASDAQ</b>	7689	58	<b>0.8</b>
<b>FTSE 100</b>	7228	43	<b>0.6</b>
<b>DAX 30</b>	11686	98	<b>0.9</b>
<b>Shanghai Comp</b>	3022	31	<b>1.0</b>

## Overseas Markets Commentary

Major European and US equities markets demonstrated a broad swing higher for risk sentiment overnight Friday.

**China** premier Li Keqiang again asserted Friday that administrators still held sufficient capacity to be able to stimulate economic growth.

**S&P/ASX indices – March quarter rebalance as trade opens**

*Please see p4*

## Today's Stock Watch

### Commonwealth Bank of Australia (CBA)

CBA has settled R&D tax relief eligibility claims, relating to a CBA software development and digital improvement program, with the Australian Tax Office (ATO) and Innovation and Science Australia (ISA).

### Bubs Australia (BUB) / Coles Group (COL)

BUB plans to sell a range of toddler certified-organic snacks in COL supermarkets from the end of May.

The snacks will also be available on Bubs Alibaba and other ecommerce partners.

### CIMIC Group (CIM)

CIM's Thiess has secured a nine-year \$A1.7B mining services contract with the Botswana Debswana Diamond Company Jwaneng Mine Cut 9, as part of the Majwe Mining JV.

Thiess holds 70% of the JV.

*Please also see p2 Heron Resources (HRR)*

### Fluence Corporation (FLC)

Commercial launch of the SUBRE submerged membrane aerated biofilm reactor achieve, with contracts in hand for two housing developments in Jamaica.

### Spark Infrastructure (SKI)

Victoria Power Networks has lodged a full Federal Court appeal following a capital contributions tax determination delivered 7 February. SKI expects the appeal to be heard late-2019.

## Resources

### Pilbara Minerals (PLS)

Pending final due diligence and financing, PLS plans to proceed with an option to join a downstream JV with POSCO that aims to develop a 40,000tpa lithium carbonate equivalent chemical conversion facility in South Korea.

PLS expects a final decision in May.

## Energy

### Cooper Energy (COE) / APA Group (APA)

COE is anticipating the Sole gas project will be ready to deliver gas to APA's Orbost gas plant by the end of May.

### Fremont Petroleum Corporation (FPL)

Pathfinder field JW Powell #23-25 has flowed at a daily 200boe during testing. Gas flow reached 2.1MMcf/d before choking to enable oil production.



Meanwhile, the **US** president vetoed a House of Representatives vote rejecting his declaration of emergency regarding the US-Mexico border.

The **European Union** (EU) is also reportedly considering ending the **UK's** EU membership come 1 July if the UK requests a longer-than-three-months extension to separation plans and then fails to participate in 23 – 26 May European parliament elections.

Further UK government updates are anticipated from later today through tomorrow night.

Among new overnight Friday data releases, the **euro zone's** final February CPI growth reading came in at 0.3% for the month, following 1.0% deflation in January.

Year-on-year, February CPI grew 1.5%.

In the **US**, February industrial production was reported 0.1% higher, following a 0.4% January decline. Year-on-year, output increased 3.5%.

The manufacturing component fell 0.4% for the month, following a 0.5% January drop.

A New York region March manufacturing activity index dropped to 3.70 from 8.8.

The University of Michigan's initial March consumer sentiment estimate represented a four-point rise to 97.8.

A January job openings report included 7.58M opportunities, against 7.48M in December.

**Tonight** in the **US**, a home builders' sentiment index is due.

Elsewhere, the **euro zone** reports January **trade** figures.

China's Angang Steel is scheduled to report earnings.

In corporate news since ASX trade Friday, **Deutsche Bank** and **Commerzbank** publicly confirmed they are investigating potential merger benefits.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1302.9</b>	oz	7.8	<b>0.6</b>
<b>Silver (NY) (May)</b>	15.32	oz	0.15	<b>1.0</b>
<b>Gold (LON)</b>	1296	oz		
<b>Platinum</b>	828	oz	6	<b>0.7</b>
<b>WTI Crude (Apr)</b>	<b>58.52</b>	bbl	-0.09	<b>-0.2</b>
<b>Brent Crude (May)</b>	<b>67.16</b>	bbl	-0.07	<b>-0.1</b>
<b>Iron Ore</b> (CHN port 62%)	<b>86.54</b>	t	-0.74	<b>-0.8</b>
<b>Copper</b> (LME,3mth,PM)	<b>6428</b>	t	44	<b>0.7</b>
<b>Nickel</b>	12925	t	20	<b>0.2</b>
<b>Aluminium</b>	1899	t	-7	<b>-0.4</b>
<b>Lead</b>	2065	t	-41	<b>-2.0</b>
<b>Zinc</b>	2783	t	-35	<b>-1.3</b>
<b>Tin</b>	21075	t	-95	<b>-0.5</b>
<b>CBT Wheat (May)</b>	<b>4.63</b>	bshl	0.10	<b>2.2</b>

### Commodities Commentary

**Oil** – traders were faced with plenty to consider overnight Friday, ahead of a keenly anticipated OPEC-led output agreement monitoring committee meeting over the weekend.

## Pre-Open Announcements

### Collection House (\* CLH)

Lev Mizikovsky has filed a Queensland Supreme Court claim, alleging defamation by CLH and seeking damages totalling \$2.8M. CLH intends to defend its position.

### Alcidion Group (\* ALC)

Five-year £1.16M (A\$2.1M) contract secured for a Miya Precision, Patientrack and Smartpage installation for the Dartford Gravesham National Health Scheme (NHS) Trust, UK.

### Eve Investments (\* EVE)

Orders for EVE subsidiary Meluka Honey products in hand from Los Angeles businesses following a recent promotional trip to the US.

### EMvision Medical Devices (EMV)

Becoming an Australian Stroke Alliance member, as a key commercial collaborator, in response to an invitation.

### Lindsay Australia (LAU)

Investor presentation lodged post-trade Friday.

## Resources

### Heron Resources (\* HRR) / CIMIC Group (CIM)

CIM subsidiary Sedgman's revised progress claim for an additional \$53M in costs has been rejected by the contract superintendent.

The superintendent has however, approved \$76,082 worth of new variations for February, for work recently requested by HRR and approved under the contract.

HRR settled at 67.5c Friday after closing out the previous week at 58c.

### Tando Resources (\* TNO)

Large-scale plant simulation test work using ore from TNO's South Africa SPD vanadium project has produced 2.19% V<sub>2</sub>O<sub>5</sub> concentrate.

Off-take discussions underway.

Scoping study expected to be completed soon.

### Pantoro Ltd (PNR)

Nicolsons gold project strike and depth extension drilling has returned several outstanding intersections.

Assays lodged this morning.

PNR plans to lodge upgraded resource and reserve figures by year's end.

### Kirkland Gold (KLA)

Planning to pay a C4c march quarter dividend.

### Walkabout Resources (WKT)

Non-executive director Tom Murrell has resigned.

### Ausmex Group (AMG)

Queried by the ASX on the timing of the Mt Freda geophysics announcement, which helped push AMG, on relatively high



The International Energy Agency's (IEA) monthly report, published Friday, included a prediction of a modest March quarter surplus but 500,000bbl/d June quarter 2019 deficit.

The IEA also placed OPEC February production at a daily 240,000bbl fewer than for January, at 30.68MMbbl/d, the lowest monthly output in four years.

The IEA's global daily demand growth prediction for 2019 remained at 1.4MMbbl/d.

China's January-February crude imports were confirmed 6.1% higher year-on-year, at a record 12.68MMbbl/d.

A weekly US petroleum drilling rig count, also released Friday, revealed one fewer oil rig in operation, bringing the tally to 833.

Meanwhile, WTI crude had traded at 2019-peaks, reaching \$US58.52 before settling 4.1% higher for the week.

Brent crude closed the week with a 1.9% gain.

In association with the OPEC and participating non-OPEC output agreement representatives monitoring committee meeting over the weekend, OPEC secretary general Mohammed Barkindo warned large industry investment was picking up too slowly to ensure longer-term market stability and that, in association, the implications for international economies were 'not encouraging'. US government agency the EIA is due to release a new domestic oil production forecast tonight.

**Gold** – a 0.2% pullback in the \$US ICE index, more positive comments out of, and regarding China, a major gold market, and heightened Gaza strip tensions combined to support gold trade overnight Friday.

Central bank meetings in both the US and UK, or more precisely, commentary following these, are expected to influence late-week trade this week.

**Base metals** – China's proposed new foreign investment laws, a newly-announced 1 April China VAT manufacturing sector reduction, and new data out of China produced swinging prices and mixed overnight Friday LME trade outcomes.

**China's** February residential property price index, reported Friday, rose 10.4% year-on-year, following a 10% rise in January.

Also Friday, China revealed January-February foreign direct investment (FDI) had risen 5.5% year-on-year, against 4.8% for January-February 2018.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7083	-0.0005	-0.07
<b>EUR – USD</b>	1.1325	0.0003	0.02

### Australian Data Today

CoreLogic Capital city residential property prices 15 Mar

### US Data Tonight

NAHB housing market index Mar

volume, to 13c at Friday's close from 7.7c at the end of the previous week.

## Energy

### Allegiance Coal (AHQ)

Tenas metallurgical coal project DFS outcomes lodged, including \$US54.3M start-up capex, \$A407.3M pre-tax NPV (8%), 56.9% pre-tax IRR and 2.5-year capital pay-back following commencement of production.

AHQ settled at 5.6c Friday after closing out the previous week at 4.7c.

### Trading Halts

Company	Code	Resuming
Alliance Resources	AGS	18 Mar
Bowen Coking Coal	BCB	18 Mar
Cazaly Resources	CAZ	18 Mar
Infinity Lithium Corporation	INF	18 Mar
Kingsgate Consolidated	KCN	18 Mar
Metals Australia	MLS	18 Mar
Northern Minerals	NTU	18 Mar
Skin Elements	SKN	18 Mar
Total Brain	TTB	18 Mar
Venturex Resources	VXR	18 Mar
Fenix Resources	FEX	19 Mar
First Au	FAU	19 Mar
Magnis Energy Technologies	MNS	19 Mar
Meteoric Resources	MEI	19 Mar

### Suspensions (select)

Company	Code	Since
American Patriot Oil & Gas	AOW	14 Mar
Blackham Resources	BLK	15 Mar
Carnegie Clean Energy	CCE	1 Mar
Elk Petroleum	ELK	1 Mar
Environmental Clean Technologies	ECT	15 Mar
IOT Group	IOT	13 Mar
LandMark White	LMW	19 Feb
Medigard Ltd	MGZ	8 Mar
Niuminco Group	NIU	21 Feb
Serpentine Technologies	S3R	6 Mar
Shree Minerals	SHH	20 Feb

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AQZ</b>	Today	<b>6.8</b>	100	4.89
<b>BWR</b>	Today	<b>5</b>	0	6.58
<b>CNU</b>	Today	<b>9.07</b>	0	3.74
<b>FFI</b>	Today	<b>10</b>	100	4.91

**Other Overseas Data Today & Tonight**

Japan	Trade balance	Feb
Japan	Industrial production (final)	Jan
Euro zone	Trade balance	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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IBC	Today	1.8	100	5.20
ONT	Today	12.5	100	3.87
PSQ	Today	2.3	100	5.02
SHM	Today	3	100	10.22
SLK	Today	6.5	100	3.62
TNK	Today	6.5	100	3.67
AHX	Tomorrow	0.8	100	3.37
ASB	Tomorrow	3	0	2.56
BBL	Tomorrow	1	100	2.17
BWF	Tomorrow	2	100	4.77
CAR	Tomorrow	20.5	100	3.45
REH	Tomorrow	6	100	2.03
TOP	Tomorrow	0.66	100	2.48
ACF	Wed	1	0	3.95
AEG	Wed	2	100	4.71
CEN	Wed	14.41	0	5.12
CGR	Wed	1	100	3.33
CWN	Wed	30	60	5.09
EAI	Wed	1	100	2.01
KPG	Wed	1.1	100	4.83
KSC	Wed	2	100	2.53
PPK	Wed	1	100	1.27
RXP	Wed	1.75	100	7.65
SNL	Wed	6	100	3.68
VLS	Wed	2.25	100	4.29
WEB	Wed	8.5	100	1.37

**March quarter S&P/ASX indices re-balance**

The following changes are effective from today's ASX open:

**S&P/ASX 100**

**Out:** IFL

**In:** SOL

**S&P/ASX 200**

**Out:** AHG, IFN

**In:** HUB, PNI

**S&P/ASX 300**

**Out:** BLA, SRV, WBA

**In:** AUB, BBN, CVN, JIN, MAH, MGX, PDN, RMS, RDC, SLR

**S&P/ASX All Ordinaries**

**Out:** AXP, ALK, AUZ, BKY, BNI, BLY, BRN, BSA, CRD, IPD, NTC, RND, SOM, TPE, NZM, DNA, EDE, OVT, GCY, ARV, GSW, RVA, BLA, ADA, MDC, RKN, XAM, OMN, SIV, RFG, BUL, YOJ, TTM, ISD

**In:** APD, AVG, CRN, SPO, RDC, CVN, ED1, PDN, NIC, LVT, SM1, COI, OTW, TGN, TER, CLV, SMR, AC8, CCX, PET, SFX, AD8, SFG, SFC, VHT, MEZ, AVH, AEF, BYE, GZL, RHP, VTH, AML, BGL, SNL, HE8, ISX, GNE, MOY, EGN, HZN, OPT, RCT, PVS, KSL, COG, MCP, PAR, STX, GLL, WHA, ELO, SHJ, PPE