

Markets

SFE 200 Futures (9.30am AEDST)	5750	-9	-0.2
NZX 50	7089	-1	-0.0
DJIA Futures	20797	0	0.0
S&P 500 Futures	2363	2	0.1
NASDAQ Futures	5332	-19	-0.4

Local Markets Commentary

Australian market investors are facing another swag of corporate earnings and further Reserve Bank of Australia commentary, on mixed commodities and lacklustre equities leads.

In overnight commodities trade, **gold** rallied. **Oil** turned higher. **Copper** and other key base metals dropped. **Iron ore** fell, picking up the pace of the current pullback.

The **\$A** appreciated further after trading above US76.95c early yesterday evening.

Locally today, **RBA** governor Philip Lowe is meeting with a parliamentary economics committee as scheduled twice a year.

AMC, CPU and **EVN** are among stocks trading ex-dividend today. Please see p4 for a detailed list.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	20810	35	0.2
S&P 500	2364	1	0.0
NASDAQ	5836	-25	-0.4
FTSE 100	7271	-31	-0.4
DAX 30	11948	-51	-0.4
Shanghai Comp	3251	-10	-0.3

Overseas Markets Commentary

Major European equities markets notably fell in late trade. Key US indices reacted to data, earnings reports and promises of 'millions of jobs', tax cuts and less onerous business regulation from the US administration.

US Treasury head Steven Mnuchin said he wanted some tax change legislated before parliament's summer recession, but that this would likely not benefit the national economy until late-2018.

Mr Mnuchin also cast doubts on border tax plans touted by the president and opposed by importers.

Germany reported a €23.7B 2016 budget surplus, the federal government share amounting to €7.7B.

December quarter GDP growth was confirmed at 0.4%. A consumer sentiment reading bucked the recent trend, declining a little and coming in short of forecasts.

US weekly new unemployment claims rose by 6000, more than forecast, but the four-week moving average fell by 4000.

A December house price index was reported 6.2% higher, following a 6.1% appreciation for November.

Tonight in the **US**, January new home sales are due, together with the University of Michigan's final February consumer sentiment reading.

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

* Minerals exploration listing **1pm** AEDST – **MTC** *

Today's Stock Watch

Bellamy's Ltd (BAL)

Class action launched in the Victoria Federal Court via shareholder representative Slater & Gordon (ASX: SGH). The shareholders allege continuous disclosure breaches by BAL during 2016. Other shareholders reportedly may launch similar action via Maurice Blackburn.

Automotive Holdings Group (AHG)

19.8% lower, \$38.7M interim NPAT. 7.6% higher, \$3.0B revenue. 9.5c fully-franked interim dividend. 92.8c NTA.

Cabcharge Australia (CAB)

10c interim and 80c special dividends, each fully-franked. \$106.8M interim net loss. \$18.2M loss from continuing operations. 10.7% lower, \$79.1M revenue.

Super Retail Group (SUL)

65.7% higher, \$74.4M interim NPAT. 6.6% higher, \$1.3B revenue. 21.5c fully-franked interim dividend. 38c NTA. 37.4c EPS. \$28.9M cash and equivalents.

Genworth Mortgage Insurance Australia (GMA)

10.9% lower, \$203.1M full-year NPAT. 3.6% lower, \$452.9M revenue. 14c fully-franked interim dividend.

Charter Hall Group (CHC)

20.8% higher, \$173.3M interim NPAT. 36.4% higher, \$110.9M revenue. 1.4c interim distribution. \$3.32 NTA. 41.7c EPS.

Reece Ltd (REH)

6.9% higher, \$96.1M interim NPAT. 6.1% higher, \$1.2B revenue. 29c fully-franked interim dividend, up 2c. \$8.46 NTA. 97c EPS. \$55.8M cash and equivalents.

Mayne Pharma (MYX)

298% higher, \$71.3M interim NPAT. 132% higher, \$294.8M revenue. 5.1c NTA. 5.03c EPS.

Platinum Asset Management (PTM)

20.3% lower, \$95.4M interim NPAT. 16% lower, \$161.8M revenue. 64c NTA. 16.26c EPS. 15c fully-franked interim dividend. FUM fell 14.3%, but grew 2.2% from 30 June 2016. Expenses fell 5.6%. \$18.86M cash and equivalents.

Regis Healthcare (REG)

9% higher, \$30.9M interim NPAT. 20% higher, \$284.7M revenue. 10.3c fully-franked interim dividend.

Corporate Travel Management (CTD)

28% higher, \$22.1M interim NPAT. 26% higher, \$150.5M revenue. 12c fully-franked interim dividend. 2.54c NTA. 21.9c EPS.

Resources

MetalsTech Ltd (* MTC)

Canada-focused lithium explorer scheduled to list 1pm AEDST following a \$4.3M IPO at 20c per share. Talos Mining holds 23.55%; JP Morgan Nominees 3.71%; Lithium Australia (ASX: LIT) 2.63%. MTC secured a lithium processing partnership agreement with LIT earlier this month.

Foot Locker, JC Penney, Royal Bank of Scotland (RBS) and Standard Chartered are among companies expected to report earnings later today and tonight.

In overnight corporate news, **Barclays** announced a swing to a full-year profit (£1.6B), supported by reduced penalties and litigation, plus improved investment banking business. Overall revenue fell 3%, however, and additional provisions were allocated for further litigation and potential penalties.

Tesla dented tech sentiment, reporting a larger December quarter loss, despite increased sales and 88.4% higher, \$US2.3B revenue.

Large-caps including **Rio Tinto** and **GlaxoSmithKline** impacted FTSE 100 trade, trading ex-dividend.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1251	oz	18	1.5
Silver (NY) (Mar)	18.1	oz	0.2	0.3
Gold (LON)	1248	oz	11	0.9
Platinum	1001	oz		
WTI Crude (Apr)	54.5	bbl	0.9	1.6
Brent Crude (Apr)	56.6	bbl	0.7	1.3
Iron Ore (China port)	91.3	t	-3.0	-3.1
Copper (LME)	5859	t	-181	-3.0
Nickel	10580	t	-230	-2.1
Aluminium	1867	t	-18	-0.9
Lead	2238	t	-38	-1.7
Zinc	2790	t	-75	-2.6
Tin	18780	t	-545	-2.8
CBT Wheat (Mar)	4.40	bshl	-0.02	-0.2

Commodities Commentary

Oil – pushed higher early, but retreated from session peaks.

EIA-calculated weekly US petroleum inventories revealed a 564,000bbl rise for stored crude, less than anticipated. The increase contrasted with an industry report released late-Wednesday, which calculated an 884,000bbl fall.

At a key crude delivery centre, stocks fell by 1.5MMbbl, the EIA estimated. Distillate inventories also receded.

Gold – a softer \$US supported trade at 3.5-month highs, but prices slipped a little when weekly unemployment claims came in higher than expected.

Safe-haven trade was again noted, attributed by some to border tax talk and US administrative nuclear aspirations.

Base metals – falls were attributed to repositioning, from what some have considered as overly-optimistic views

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7714	-0.0000	-0.01
EUR – USD	1.0582	0.0002	0.01

US Data Tonight

New home sales	Jan
Uni of Michigan consumer sentiment (final)	Feb

Pre-Open Announcements

Webjet Ltd (* WEB) / Cleanaway Waste (* CWY)

UBS has cancelled WEB and CWY buy recommendations, in favour of neutral ratings.

NEXTDC Ltd (↓ NXT)

\$19.3M interim NPAT, following a \$644,000 net profit a year ago. 39% higher, \$58.7M revenue. \$1.74 NTA.

MG Unit Trust (↑ MGC)

\$33M interim investment income loss, following an \$81M gain a year ago. 1.7c fully-franked interim distribution.

Vicinity Centres (* VCX)

From midday AEDST, DFO Essendon, Victoria will host those wishing to pay respects to the victims of this week's air accident. A dedicated area is being set up outside the centre. Details lodged post-trade yesterday. DFO Essendon will reopen 10am Monday, but 12 stores will remain closed, due to damage and/or loss of power supply.

GrainCorp Ltd (* GNC)

AGM today.

Monadelphous Group (MND)

Heralding new contracts worth a combined \$120M. Details lodged this morning.

Incitec Pivot (IPL)

CEO and MD James Fazzino is stepping down, but will remain with IPL for up to a year.

NetComm Wireless (NTC)

Acting CEO Ken Sheridan appointed to the CEO position permanently.

IMF Bentham (IMF)

\$14.0M interim NPAT. 179% higher, \$36.5M income. 3c fully-franked interim dividend. 26.74c NTA. 8.22c EPS.

Webster Ltd (* WBA)

\$4.1M interim NPAT, following a \$96.8M net loss a year ago. 6% lower, \$53.2M revenue. 46.21c NTA. 1.17c EPS. \$6.1M cash and equivalents.

AMA Group (AMA)

Acquiring seven additional vehicle repair centres for a total expected \$4.24M. AMA says it is using existing financial resources for the purchases, three of which include earn-outs in the purchase agreements.

Resources

OceanaGold Corporation (* OGC)

Record \$US136.5M full-year NPAT, following a \$US53.1M net profit a year ago. 23.8% higher, record \$US628.6M revenue. US1c final dividend. \$US2.19 NTA. US22c (basic) EPS. \$US68.9M cash. A teleconference is scheduled to commence 4.30pm AEDST. Access details and MD&A lodged post-trade yesterday. A webcast will also be available.

Kingsgate Consolidated (KCN)

Chile Nueva Esperanza precious metals project drilling update and exploration overview presentation lodged post-trade yesterday.

Energy

Peninsula Energy (PEN)

91% take-up already achieved by COB Wednesday in the fully-underwritten \$6.5M SPP which is scheduled to close 3 March.

Other Overseas Data Today & Tonight

Japan	Imports & exports (detailed)	Jan
Japan	Steel imports & exports	Jan
Japan	Trade 1 st 10 days	Feb
UK	BBA mortgages	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.

Oilex Ltd (* OEX)

Founding OEX chairman Max Cozjin has stepped down from his chairman's role. Elk Petroleum (ASX: ELK) MD and CEO, and OEX non-executive director since February 2016, Brad Lingo is interim OEX chairman. Mr Lingo was recently Drillsearch Energy MD and CEO.

State One Analyst Comment

Quickstep Holdings (QHL)

Quickstep fighter to strike Avalon - now just weeks away

Australian Joint Strike Fighter supplier Quickstep Holdings Ltd (ASX: QHL) is expecting its biggest ever lift in profile at the forthcoming Avalon Air Show near Geelong, Victoria.

The Joint Strike Fighter (JSF) will surely be the star of the show, being its first ever visit to Australia, after it reported big wins in highly scrutinised combat games held in the USA.

This is the first ever victory by the JSF in such games, and a stark reversal from previous outcomes.

Australian enthusiasts will see the F35 flying for the first time on Friday 3rd March when two of the aircraft fly into the Avalon Air Show direct from the USA.

This is due to occur just a few days after Quickstep reports its 1H FY 17 results.

While we forecast a very modest \$A0.4M operating loss for the December 2016 half, we see this as a substantial improvement on the \$5.6M operating loss incurred in the prior six-month period.

In addition, further contractual success is reckoned to be not far away, following extensive and long-running negotiations regarding both aerospace and auto parts.

Hyundai, Tesla and an unknown Chinese motor company are but a few of the numerous auto 'suspects' whom we believe are in discussions with Quickstep.

Our target price for Quickstep currently stands at 20cps.

Quickstep will enjoy high exposure at the Air Show through both the JSF and Deakin University.

Open to the public 3 March - 5 March.

Professionals admitted 28 February - 5 March.

(<https://www.airshow.com.au/airshow2017/index.asp>)

State One Executive Chairman Alan Hill

Trading Halts

Company	Code	Resuming
Dacian Gold	DCN	24 Feb
Australis Oil & Gas	ATS	27 Feb
Macquarie Atlas Roads	MQA	27 Feb
Quantum Resources	QUR	27 Feb
SMS Management & Tech	SMX	27 Feb
Valor Resources	VAL	27 Feb
Mustang Resources	MUS	28 Feb

Suspensions *(selected)*

<i>Company</i>	<i>Code</i>	<i>Since</i>
Frontier Capital Group	FCG	15 Feb
Gateway Mining	GML	10 Feb
LatAm Autos	LAA	2 Feb
Magnum Gas & Power	MPE	10 Feb
Manalto Ltd	MTL	6 Feb
migme Ltd	MIG	7 Feb
Mobilarm Ltd	MBO	15 Feb
Onterran Ltd	OTR	14 Feb
Pixie Group	PEG	22 Feb
Protean Energy	POW	7 Feb
Tiger Resources	TGS	22 Feb
Western Mining Network	WMN	21 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AMC	Today	25.6	0	3.74
AQF	Today	3	100	3.09
CPU	Today	17	30	2.45
EVN	Today	2	0	1.76
INA	Today	5.1	0	3.81
ISU	Today	1.5	100	1.67
AOD	Mon	0.35	77.14	6.11
ATL	Mon	0.5	100	0.37
AUF	Mon	1.1	100	1.76
AZJ	Mon	13.6	70	4.94
CCL	Mon	25	75	4.34
CEN	Mon	~9.93	0	5.05
CIE	Mon	3	50	6.67
IBC	Mon	1.05	100	6.90
ORA	Mon	5	30	3.29

Reports & Events
(selected scheduled)

When	Company	Report/Event
Today	AHG	Interim
	BDR	Interim
	BBG	Interim
	CAB	Interim
	CHC	Interim
	CTD	Interim
	CMW	Interim
	GNC	AGM
	MYX	Interim
	RCG	Interim
	REG	Interim
	SUL	Interim
Mon	ALL	AGM
	BLY	Full-year
	CDD	Interim
	GTY	Interim
	ISD	Interim
	JHC	Interim
	LLC	Interim
	QBE	Full-year
	SKI	Full-year
	TFC	Interim



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