

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	6138	8	<b>0.1</b>
<b>NZX 50</b>	9323	14	<b>0.2</b>
<b>DJIA Futures</b>	26002	0	0.0
<b>S&amp;P 500 Futures</b>	2791	0	0.0
<b>NASDAQ Futures</b>	7088	0	0.0

**Local Markets Commentary**

The Australian market opens a new week's trade with China-US trade talks reported to have continued through the weekend and with relatively positive overnight Friday international equities and key commodities trade leads.

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

In addition, several large-cap domestic stocks report earnings.

Stocks trading **ex-dividend** include **BRG** and **WHC**. Please see pp4-5 for details.

**Regionally**, some US-China trade talk commentary and/ or details of any weekend progress is anticipated out of China.

In overnight Friday commodities trade, **oil** settled higher.

US **gold** futures (April) seesawed to close modestly higher.

**Iron ore** (China port, 62% Fe) slipped a few cents.

LME **copper** and **nickel** swung higher and rallied.

The **\$A** approached US71.30c after appreciating to US71.15c early Friday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26032	181	<b>0.7</b>
<b>S&amp;P 500</b>	2793	18	<b>0.6</b>
<b>NASDAQ</b>	7528	68	<b>0.9</b>
<b>FTSE 100</b>	7179	11	<b>0.2</b>
<b>DAX 30</b>	11458	34	<b>0.3</b>
<b>Shanghai Comp</b>	2804	52	<b>1.9</b>

**Overseas Markets Commentary**

Major European and US equities markets headed higher from opening or early trade overnight Friday amid concerning data releases and a US Federal Reserve economic policy forum.

The week's US-China trade talks in Washington were assumed to have concluded, but with no definitive statements from either side, and the US administration instead promoting this week's Hanoi, Vietnam meeting between the US president and North Korea's leader Kim Jong Un.

No confirmation came within US trade of a touted meeting between China vice PM Liu He and US president Donald Trump.

A final January **euro zone** CPI estimate was reported as 1% deflation for the month and a 1.1% rise year-on-year.

**Today's Stock Watch**
**Brambles Ltd (BXB)**

Selling the IFCO reusable plastic containers business to Triton and Luxinva for \$SU2.5B.

In association, BXB is planning to return up to \$US1.95B to shareholders, via ~\$US300M cash and a maximum \$US1.65B share buy-back.

**Macquarie Group (MQG)**

\$A500M notes offer, scheduled for 5 March – 22 March.

Details lodged this morning.

**QBE Insurance (QBE)**

\$US390M full year NPAT, following a \$US1.25B net loss a year ago. 8% lower, \$US15.39B revenue.

A28c, 67%-franked final dividend

In addition, QBE will conduct a senior notes tender offer.

**Boral Ltd (BLD)**

36.7% higher, \$236.5M interim NPAT.

1.8% higher, \$2.99B revenue.

13c, 50%-franked interim dividend, down 0.5c.

**Lendlease Corporation (LLC)**

96.3% lower, \$15.7M interim NPAT.

10.7% lower, \$7.76B revenue.

12c interim dividend. \$8.28 NTA.

**Reliance Worldwide Corporation (RWC)**

58.4% higher, \$65.73M interim NPAT.

50.1% higher, \$A544.16M revenue.

4c fully franked interim dividend, against 3.5c. 20c NTA.

\$71.74M cash and equivalents.

**G8 Education (GEM)**

11% lower, \$71.83M full year NPAT.

8% higher, \$857.76M revenue.

8c fully franked final dividend, down 2c.

**Appen Ltd (APX)**

118.7% higher, \$41.73M full year NPAT.

\$364.29M revenue.

4c fully franked final dividend, up 33.3%. 19c NTA.

**Macmahon Holdings (MAH)**

\$23.5M interim NPAT.

101% higher, \$542.2M revenue. 20c NTA.

**Resources**
**BlueScope Steel (BSL)**

42% higher, \$US624.3M interim NPAT.

17% higher, \$US6.398B sales revenue.

A6c interim dividend. \$8.73 NTA.



**Germany's** final December quarter GDP reading came in flat for the quarter, following a 0.2% September quarter pullback.

Year-on-year, GDP had grown 0.6%, against 1.1% for the December quarter 2017.

Meanwhile, a business climate index fell by 0.8 to 98.4.

**Tonight** in the US, the Chicago Fed national activity index, a Texas region manufacturing index and wholesale inventories are expected.

In the **UK**, parliament is expected to react to the PM's weekend push to delay a final vote on European Union separation plans until 12 March.

Debate had been scheduled for mid-week ahead of another anticipated vote later this week.

Overnight Friday, a public speech by European Central Bank president Mario Draghi appeared to indicate central bank frustration with the process.

Companies scheduled to report earnings or updates later today or tonight include Associated British Foods and Daewoo Shipbuilding.

In overnight Friday corporate news, **Kraft Heinz** dropped more than 25% after revealing post-Thursday trade that it had received a (US) SEC subpoena last October regarding accounting policies, and that the company had suffered a \$US15.4B impairment.

Sales for 2018 were also essentially flat, contributing to a \$US10.2B full year loss, but the company also cited increased logistics and manufacturing costs.

Saturday (US time), **Berkshire Hathaway's** newsletter revealed the group's investment in Kraft Heinz had damaged last year's results.

During Friday trade, **Newmont Mining** benefited from reports **Barrick Gold** was considering lodging an ~\$US20B bid.

Earlier Friday, China search engine operator **Baidu** announced quarterly earnings and guidance that respectively exceeded and matched expectations, but was pushed ~2.5% lower in US trade.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1332.8</b>	oz	5	0.4
<b>Silver (NY) (May)</b>	15.91	oz	0.11	0.7
<b>Gold (LON)</b>	1344	oz	10	0.7
<b>Platinum</b>	841	oz	19	2.3
<b>WTI Crude (Apr)</b>	<b>57.26</b>	bbl	0.3	0.5
<b>Brent Crude (Apr)</b>	<b>67.12</b>	bbl	0.05	0.1
<b>Iron Ore (CHN port 62%)</b>	<b>86.65</b>	t	-0.03	-0.0
<b>Copper (LME,3mth,PM)</b>	<b>6478</b>	t	108	1.7
<b>Nickel</b>	12985	t	135	1.1
<b>Aluminium</b>	1910	t	5	0.2
<b>Lead</b>	2063	t	-2	-0.1
<b>Zinc</b>	2714	t	40	1.5
<b>Tin</b>	21550	t	125	0.6
<b>CBT Wheat (May)</b>	<b>4.93</b>	bshl	0.02	0.4

## Pre-Open Announcements

### Japara Healthcare (\* JHC)

26.5% lower, \$7.55M interim NPAT.

7.1% higher, \$193.33M revenue.

2.8c interim dividend. 15.6c NTA.

### Vonex Ltd (\* VN8)

27,000 registered PBX users achieved, and a record 28% higher year-on-year January new customer orders.

Details lodged this morning.

### Chorus Ltd (\* CNU)

\$NZ30M interim NPAT, following \$47M a year ago.

\$NZ489M operating revenue, against \$NZ499M.

NZ9.5c fully franked interim dividend.

\$NZ2.46B net debt. \$NZ281M cash and call deposits.

### Cadence Capital (\* CDM)

\$58.12M interim net loss.

\$79.38M worth of lost revenue.

3c fully franked interim dividend. \$1.08 NTA.

Investments in 'expensive companies with defensive characteristics but little to no growth performed well'.

Focusing on 'more liquid positions'.

## Resources

### Resolute Mining (\*\* RSG)

\$3.30M interim net loss, following a \$32.95M net profit a year ago.

10% higher, \$222.77M revenue. 93c NTA.

### Perseus Mining (\* PRU)

\$14.29M interim net loss, following a \$10.44M net profit a year ago.

69% higher, \$166.67M revenue. 84c NTA.

### BCI Minerals (\* BCI)

\$15.60M interim NPAT, following a \$6.08M net loss a year ago.

12.6% higher, \$19.77M revenue.

21c NTA.

## Energy

### Origin Energy (\*\* ORG)

Anticipating a \$44M adverse impact on pre-tax earnings from FY 2010, based on an Australian Energy Regulator default Market Offer draft determination published Saturday.

Expected small business and residential customer savings also lodged this morning.

### Liquefied Natural Gas (\* LNG)

\$16.9M interim net loss, following a \$13.32M net loss a year ago.

158% higher, \$439,000 revenue. 9c NTA.



## Commodities Commentary

**Oil** – vacillating trade overnight Friday produced little change for Brent crude, which traded at \$US67.73/bbl intra-session and ultimately ended higher (1.3%) for a second consecutive week.

WTI gained ~3% over the week after trading at ~two-month highs (US57/81/bbl) intra-session.

A weekly US petroleum drill rig count, published overnight Friday, reported four fewer oil rigs were in operation.

**Gold** – prices benefited from a relatively soft \$US overnight Friday and some bargain-buying following Thursday's drop

US Fed chair parliamentary testimony, international GDP, CPI and manufacturing updates, and the expected release of an investigative report into the 2016 US Presidential election campaign this week are expected to influence the week's trade.

**Base metals** – a weaker \$US helped support overnight Friday sentiment, as new comments were awaited regarding the progress of US-China trade talks, amid relatively broadly positive major northern hemisphere markets equities trade.

Japan's January CPI, reported Friday, rose 0.3% for the month and 0.2% year-on-year, following a respective 0.2% fall and 0.3% gain for December.

China's January house price index was calculated 10% higher, following a 9.7% December rise.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7139	0.0000	0.00
<b>EUR – USD</b>	1.1334	-0.0005	-0.05

### Australian Data Today

CoreLogic Capital city residential property prices 22 Feb

### US Data Tonight

Chicago Fed national activity index	Jan
Dallas Fed manufacturing index	Feb
Wholesale inventories	Dec

### Other Overseas Data Today & Tonight

<b>Japan</b>	Leading economic index (final)	Dec
<b>UK</b>	Mortgage approvals	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)

## Reports & Events

(selected scheduled)

When	Company	Report/Event	
<b>Today</b>	<b>ADH</b>	Interim	
	<b>AJX</b>	Interim	
	<b>ASB</b>	Interim	
	<b>BSL</b>	Interim	
	<b>BLY</b>	Interim	
	<b>BLD</b>	Interim	
	<b>DJW</b>	Interim	
	<b>GEM</b>	Full year	
	<b>HUB</b>	Interim	
	<b>JHC</b>	Interim	
	<b>LLC</b>	Interim	
	<b>MAH</b>	Interim	
	<b>OML</b>	Full year	
	<b>QBE</b>	Full year	
	<b>QIN</b>	Interim	
	<b>RWC</b>	Interim	
<b>TLX</b>	Interim		
<b>YAL</b>	Interim		
<b>Tomorrow</b>	CTX	Full year	
	EHE	Interim	
	FXL	Interim	
	GTK	AGM	
	PRT	Full year	
	RSG	Interim	
	SDA	Full year	
	SKI	Interim	
	<b>Wed</b>	AGI	Interim
		AGY	Interim
AAC		Interim	
AVH		Interim	
BAL		Interim	
BVS		Interim	
CAJ		Interim	
CGC		Interim	
LNG		Interim	
MHJ		Interim	
NSR		Interim	
OZL		Full year	
PDN		Interim	
REX		Interim	
RIO	Full year		
SEK	Interim		
SHV	Interim		
VEA	Interim		



	VOC	Interim
<b>Thu</b>	ABC	Interim
	HVN	Interim
	RHC	Full year

**Trading Halts**

Company	Code	Resuming
Millennium Minerals	MOY	25 Feb
Pure Minerals	PM1	25 Feb
Tilt Renewables	TLT	25 Feb
Alto Metals	AME	26 Feb
amaysim Australia	AYS	26 Feb
Blina Minerals	BDI	26 Feb
FBR Ltd	FBR	26 Feb
Galaxy Resources	GXY	26 Feb
Australian Mines	AUZ	27 Feb

**Suspensions (select)**

Company	Code	Since
Affinity Energy & Health	AEB	5 Feb
Coolgardie Minerals	CM1	8 Feb
Covata Ltd	CVT	30 Jan
Freedom Insurance Group	FIG	7 Feb
LandMark White	LMW	19 Feb
Niuminco Group	NIU	21 Feb
Reva Medical	RVA	20 Feb
Shree Minerals	SHH	20 Feb
Siburan Resources	SBU	22 Feb
Sinetech Ltd	STC	19 Feb
Threat Protect Australia	TPS	14 Feb
Titan Minerals	TTM	20 Feb
Vector Resources	VEC	4 Feb

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AZJ</b>	Today	<b>11.4</b>	70	5.25
<b>BRG</b>	Today	<b>18.5</b>	60	2.27
<b>CIE</b>	Today	<b>1.55</b>	100	8.02
<b>NAC</b>	Today	<b>1.35</b>	100	5.78
<b>NSC</b>	Today	<b>1.15</b>	100	7.91
<b>NWL</b>	Today	<b>5.5</b>	100	1.31
<b>SDF</b>	Today	<b>3.2</b>	100	2.52
<b>WHC</b>	Today	<b>20</b>	0	6.29
8EC	Tomorrow	1.5	0	6.47
AWC	Tomorrow	14.1	0	9.59
CCL	Tomorrow	26	50	5.71
CDA	Tomorrow	6.5	100	2.77

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CGF	Tomorrow	17.5	100	4.27
DMP	Tomorrow	62.7	75	2.56
IFL	Tomorrow	25.5	100	8.02
SGR	Tomorrow	10.5	100	5.11
STO	Tomorrow	8.66	100	1.91
WES	Tomorrow	200	100	5.28
WOR	Tomorrow	12.5	0	1.83
AMP	Wed	4	90	5.96
APD	Wed	1.25	100	5.06
BAP	Wed	7.5	100	2.63
BPT	Wed	1	100	1.00
EGG	Wed	2.5	100	3.62
FID	Wed	11	100	4.36
GCI	Wed	0.8	0	3.24
HLO	Wed	8	100	3.77
IRE	Wed	30	40	3.52
IRI	Wed	3.5	100	2.93
MAI	Wed	0.75	100	3.07
MOE	Wed	8	100	1.59
ORA	Wed	6.5	50	4.11
PMC	Wed	6	100	5.22
PPE	Wed	4	100	3.27
SLM	Wed	1	100	5.00
TLS	Wed	8	100	3.86
ABA	Thu	16	100	6.26
AVJ	Thu	1	100	7.69
BBN	Thu	3.3	100	2.56
CIN	Thu	55	100	3.96
FMG	Thu	30	100	4.91
NHF	Thu	10	100	3.56
PTM	Thu	13	100	5.70
SIQ	Thu	21	100	4.76
SKC	Thu	9.51	0	4.92
WLL	Thu	11	100	4.21
WOW	Thu	45	100	3.32