

Markets

SFE 200 Futures (9.30am AEDST)	6050	35	0.6
NZX 50	8398	57	0.7
DJIA Futures	25759	1	0.0
S&P 500 Futures	2785	0	0.0
NASDAQ Futures	7000	0	0.0

Local Markets Commentary

The Australian market opens today's trade on positive overnight international equities leads and price gains for key commodities.

US **gold** futures turned to settle modestly higher. **Oil** extended recent gains.

Iron ore (China port, 62% Fe) added to Friday's move higher.

LME **copper** and **nickel** swung higher, nickel rallying.

The **\$A** fell to ~US78.50c after appreciating beyond US78.85c early yesterday evening.

Locally today, a weekly consumer sentiment reading is due pre-trade, and a new home sales report at 11am AEDST.

High-profile companies continue to report at the tail-end of the current reporting season.

Large-cap stocks trading ex-dividend today include **AMC, AWC, CGF, FXJ, LLC** and **WOR**.

Regionally this morning, **New Zealand** has reported a \$NZ566M January trade deficit and \$NZ3.22B deficit for the year to 31 January. Both deficits are worse than forecast.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25709	399	1.6
S&P 500	2780	32	1.2
NASDAQ	7421	84	1.2
FTSE 100	7290	45	0.6
DAX 30	12527	43	0.4
Shanghai Comp	3330	41	1.2

Overseas Markets Commentary

Major European and US equities markets opened stronger overnight, key US indices trending yet higher throughout trade.

Oil and US bond prices remained firmer. Some attributed generally strong sentiment to Warren Buffett positive commentary regarding new US jobs and tax legislation.

US Federal Reserve chair Jerome Powell was scheduled post-US trade to meet with a House of Representatives finance committee following Friday's publication of a twice-yearly bank policy update prepared for parliament.

In the meantime, the \$US fell against most major currencies, before swinging, and US data releases proved mixed.

January new home sales dropped 7.8% for the month to a five-month low following a 9.3 tumble in

Second last trading day of the month

Today's Stock Watch

Costa Group Holdings (CGC)

315.8% higher, \$66.2M interim NPAT. 9.8% higher, \$489.3M revenue. 5c fully-franked interim dividend, up 25%. 58.16c NTA. Reporting 'solid' January-February trade.

Austal Ltd (ASB)

\$25.6M interim NPAT. 0.6% higher, \$653.0M revenue. 2c interim dividend. \$1.33 NTA.

Bingo Industries (BIN)

30.1% higher, \$17.8M interim NPAT. 43.2% higher, \$141.75M revenue. 1.72c fully-franked interim dividend. 43.9c NTA.

Creso Pharma (CPH)

CPH and Doetsch Grether plan to launch CPH's (human product) cannaQIX in Switzerland in March. Meanwhile, the animal product anibidiol and some canna QIX have produced \$A311,940 worth of initial revenue.

Synlait Milk (SM1)

Conditionally acquiring 28ha of land in North Waikato, New Zealand. Planning to outlay \$NZ260M to establish an infant base powder manufacturing facility on-site.

Ausdrill Ltd (ASL)

Retiring ASL MD Ron Sayers sold his ASL shares overnight, representing 10% of ASL stock on issue.

Resources

Rio Tinto (RIO)

\$US345M total binding offer in hand from Norsk Hydro for RIO's fully-owned Iceland aluminium smelter, the company's 53% holding in the Aluchemie anode facility (Norsk owns the balance) in the Netherlands and RIO's 50% of the Alufluor aluminium fluoride plant (Norwegian group Yara International holds the balance) in Sweden.

RIO anticipates settling the proposed transaction by mid-year following a 'consultation process', as required by relevant legislation, with employees and other stakeholders.

Iluka Resources (ILU)

\$171.6M full year net loss, following a \$224.0M net loss a year ago. 40% higher, \$1.0B mineral sands revenue. 25c final dividend, against nil dividend a year ago. \$185M total impairments. \$182.5M net debt, against \$506.3M. Positive 2018 mineral sands market outlook.

Appointing GLX Group chair and former Beach Energy (ASX: BPT) MD Rob Cole as an independent non-executive director, effective 1 March (Thursday this week).

A teleconference was scheduled to commence at 9am AEDST.

Energy

Caltex Australia (CTX)

1% higher, \$619M full year NPAT (historical cost basis). 19% higher, \$21.4B revenue. 61c fully-franked final dividend. \$814M net debt, against \$454M a year ago and \$730 as at 30 June 2017.

AWE Ltd (AWE)

China Energy Reserve & Chemical Group Australia (CERCG Aus Gas) is withdrawing its bid for AWE.

December. Year-on-year, new home sales were calculated 1% lower.

The Chicago Fed national activity index came in at 0.12 following expectations of 2.0 and a 0.14 December reading.

A Texas region manufacturing activity index jumped 3.8 points to 37.2 however, against forecasts of a 3.4-point fall.

January business lending disappointed in the **UK**, declining 1.4% year-on-year.

In **Germany**, the Angela Merkel-led Christian Democrats commenced a vote on proposed coalition government arrangements.

Meanwhile, European Central Bank (**ECB**) president Mario Draghi told a European parliamentary committee that inflation had yet to establish a sustainable upward trend, but that the bank remained positive on euro zone economic progress.

Tonight in the US, January durable orders, wholesale inventories, two house price indices and another regional manufacturing index are due, together with a consumer confidence reading.

Companies scheduled to report earnings later today or tonight include GKN, Macy's, Standard Chartered and Virgin Money.

In overnight corporate news, **Qualcomm** was reported to have conditionally agreed to negotiating a deal under which Singapore firm **Broadcom** would acquire the chip manufacturer. Conditions include a yet higher offer.

Berkshire Hathaway stock appreciated following the weekend's release of a significant December quarter boost from the change in US tax laws.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Apr)	1333	oz	2.5	0.2
Silver (NY) (Mar)	16.7	oz	0.12	0.7
Gold (LON)	1334	oz	6	0.4
Platinum	998	oz	4	0.4
WTI Crude (Apr)	63.9	bbl	0.4	0.6
Brent Crude (Apr)	67.5	bbl	0.2	0.3
Iron Ore (CHN port 62%)	79.4	t	0.6	0.7
Copper	7110	t	15	0.2
Nickel	13925	t	160	1.2
Aluminium	2138	t	-2	-0.1
Lead	2579	t	48	1.9
Zinc	3531	t	28	0.8
Tin	21600	t	-50	-0.2
CBT Wheat (Mar)	4.60	bshl	0.08	1.6

Commodities Commentary

Oil – Saudi Arabia's energy minister Khalid al-Falih claimed on the weekend that March quarter domestic crude output would undershoot agreement limits and daily exports would likely average fewer than 7MMbbl.

Meanwhile, a force majeure remained in place for a 70,000bbl/d oil field in Libya.

Gold – overnight \$US swings complicated gold trade, but futures settled with a modest gain.

Base metals – an early softer \$US supported LME sentiment.

China's February PMIs are due to be published from tomorrow.

Pre-Open Announcements

Smartgroup Corporation (SIQ)

Conducting a \$75M fully-underwritten placement at \$11.05 per share.

A SPP will follow.

SIQ traded at \$11.455 - \$11.78 yesterday, and at \$10.34 - \$11.56 last week.

Resources

First Graphene (** FGR)

Commercial graphene production underway at FGR's facility at the southern coastal suburb of Henderson, Perth, Western Australia.

Atlas Iron (AGO)

\$21M interim net loss. \$308M sales revenue, against \$498M a year ago. \$71M cash on hand.

Beadell Resources (BDR)

Four-year \$US60M credit facility conditionally secured.

Funds will be used in part for the Tucano gold project development, but also for paying out an existing facility and for 'general corporate purposes'.

BDR added 17.4% yesterday, to settle at 13.5c.

Trading Halts

Company	Code	Resuming
Auris Minerals	AUR	27 Feb
Azure Minerals	AZS	27 Feb
Hastings Technology Metals	HAS	27 Feb
Indiana Resources	IDA	28 Feb
Lodestar Minerals	LSR	28 Feb
RTG Mining	RTG	28 Feb
Secos Group	SES	28 Feb
Silver City Minerals	SCI	28 Feb
SmartTrans Holdings	SMA	28 Feb

Suspensions (selected)

Company	Code	Since
Austex Oil	AOK	19 Feb
Australian Mines	AUZ	26 Feb
Big Un	BIG	21 Feb
Impression Healthcare	IHL	26 Feb
Pan Asia Corporation	PZC	13 Feb
Pura Vida Energy	PVD	5 Feb
Taruga Gold	TAR	26 Feb
Tianmei Beverage Group	TB8	21 Feb
Total Face Group	TFG	19 Feb
Ventnor Resources	VRX	2 Feb
Zyber Holdings	ZYB	16 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AHY	Today	6	40	6.92
AMC	Today	26.17	0	3.91
AOD	Today	0.33	0	8.16
AUF	Today	1.1	100	1.59
AWC	Today	11.84	100	7.41

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7851	-0.0002	-0.03
EUR – USD	1.2314	-0.0004	-0.03

Australian Data Today

ANZ/RyMgn	Consumer sentiment	25 Feb
HIA	New home sales	Dec

US Data Tonight

Durable goods orders	Jan
Wholesale inventories	Jan
Case-Shiller house price index	Dec
FHFA house prices	Jan
Richmond Fed manufacturing	Feb
Conf Board consumer confidence	Feb

Other Overseas Data Today & Tonight

Germany	CPI (prelim)	Feb
Germany	Bundesbank annual report	2017
Euro zone	EC business confidence	Feb

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CGF	Today	17.5	100	2.78
FRI	Today	3	100	5.74
FXJ	Today	1.1	100	3.33
GXL	Today	10	100	3.20
IRI	Today	3	100	1.63
LLC	Today	34	0	3.75
MNY	Today	4.5	100	4.03
MOE	Today	7	100	1.07
QIP	Today	2.8	100	6.69
SHM	Today	7	100	6.96
WGN	Today	1.5	0	0.36
WOR	Today	10	0	0.63
APD	Tomorrow	1.25	100	4.71
CIN	Tomorrow	51	100	3.54
EGG	Tomorrow	1.5	100	1.46
EVT	Tomorrow	21	100	3.87
FID	Tomorrow	9	100	3.49
IFM	Tomorrow	1.4	100	3.06
IRE	Tomorrow	28	60	4.15
KGN	Tomorrow	6.9	100	1.15
MXT	Tomorrow	0.73	0	1.84
NVT	Tomorrow	9.4	100	3.88
ORA	Tomorrow	6	30	3.46
PPT	Tomorrow	135	100	5.05
SUL	Tomorrow	21.5	100	6.50
TLS	Tomorrow	11	100	6.53

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AGI (post-trade)	Interim
	ASB	Interim
	CAB	Interim
	CTX	Full year
	CGC	Interim
	ILU	Full year
	SHV	Interim teleconf
	SDA	Full year
	SKT	Interim
	TNE	AGM
Tomorrow	ABC	Full year
	AGI	Interim teleconf
	BGA	Interim
	BLY	Full year
	EHL	Interim
	MQA	Full year
	RHC	Interim
	SCO	Interim
	TME	Interim
	VAH	Interim