

Markets

SFE 200 Futures (9.30am AEDT)	6119	14	0.2
NZX 50	9310	-13	-0.1
DJIA Futures	26016	-21	-0.1
S&P 500 Futures	2792	-6	-0.2
NASDAQ Futures	7118	-8	-0.1

Local Markets Commentary

The Australian market opens mid-week trade again following vacillating international equities and commodities trade as reporting season continues to feature influential stocks.

Locally today, the Australian Bureau of Statistics (ABS) reports **construction work** done for the December quarter 2018, **11.30am** AEDT. This, ahead of a December quarter GDP reading Wednesday next week.

High-profile stocks continue to report **earnings**, today's list including **AAC, BAL, SEK, RIO** and **VOC**.

Large-cap stocks trading **ex-dividend** today include **AMP, IRE, ORA** and **TLS**. Please see pp4-5 for details.

Regionally, **China** is expected to release January industrial profits **12.30pm** AEDT.

In overnight commodities trade, **oil** turned higher, Brent crude gaining considerably against WTI.

US **gold** futures (April) settled lower for a second consecutive session.

Iron ore (China port, 62% Fe) fell for a second consecutive session.

LME **copper** settled essentially flat.

The **\$A** has appreciated to ~US71.90c after falling to ~US71.45c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26058	-34	-0.1
S&P 500	2794	-2	-0.1
NASDAQ	7549	-5	-0.1
FTSE 100	7151	-33	-0.5
DAX 30	11541	35	0.3
Shanghai Comp	2942	-20	-0.7

Overseas Markets Commentary

Major European and US equities markets headed lower early, but trended higher at various intervals as investors considered:

US central bank comments;

the prospect of a delayed UK withdrawal from the European Union;

mixed data releases; and

the likely figures from key data releases to come this week, including from China, the US and euro zone.

Today's Stock Watch
Bega Cheese (BGA) / Bubs Australia (BUB)

BGA subsidiary Tatura Milk Industries will supply goat milk to BUB under an agreement following successful trials.

In addition, BGA is closing the Coburg, Victoria cheddar and mozzarella cheese manufacturing site, effective immediately.

Reliance Worldwide Corporation (RWC)

Chairman Jonathan Munz is planning to retire and his family company has sold its balance 10% RWC holding for \$367M.

Janus Henderson Group (JHG)

20.1% lower, \$US523.8M full year NPAT.

26.8% higher, \$US2.31B revenue.

11% lower, \$US328.5B AUM.

US36c previously declared December quarter 2018 dividend. \$US1.32 NTA.

Viva Energy (VEA)

\$A579.6M (historical cost) full year NPAT, up 100%.

17.9% higher, \$16.395B revenue.

4.8c fully franked final dividend. \$1.21 NTA.

Acquiring the balance 50% of Liberty Oil's wholesale business.

Establishing a new JV for the Liberty Oil retail business, of which VEA will hold 50% after paying an estimated \$42M.

SEEK Ltd (SEK)

5% lower, \$99.3M interim NPAT.

21% higher, \$766.6M revenue.

In addition, SEK has appointed Aconex CEO and founder Leigh Jasper as a non-executive director, effective 1 April.

24c fully franked final dividend.

National Storage REIT (NSR)

55% lower, \$27.13M interim NPAT.

14% higher, \$76.11M revenue.

4.5c interim distribution. \$1.52 NTA.

\$1.6B AUM, up 11%.

\$53.49M cash and equivalents.

Costa Group Holdings (CGC)

96.2% lower, \$4.325M interim NPAT.

52.3% lower, \$477.60M revenue.

5c fully franked interim dividend. 64.83c NTA.

Resources
Rio Tinto (RIO)

Due to report earnings later today.

OZ Minerals (OZL)

8.7% lower, \$222.4M full year NPPAT.

93.9% higher, \$1.12B revenue.

15c fully franked final dividend.



All this amid the wait for official China comments on the latest trade negotiations and any outcomes from US-North Korea leaders' meeting commencing later today in Hanoi, Vietnam.

US Federal Reserve chair Jerome Powell told a parliamentary committee the central bank had taken note of slowing international economic growth and this would be a factor in considering domestic policy.

Mr Powell also spoke of a changing outlook and 'crosscurrents' and reiterated the bank would continue to focus on incoming data.

In the **UK**, PM Theresa May proposed to parliament that a vote to rule out a 'no-deal' separation from the European Union (EU) and hence push back the UK's withdrawal from 29 March would be offered should revised separation arrangements be voted down 12 March.

The British pound subsequently rallied significantly (the most against the euro in 1.75 years) and equities trade suffered.

A swag of **US** data releases came in decidedly mixed, the Richmond Fed manufacturing index jumping to 16 from -2.

The Conference Board's February consumer confidence reading also improved significantly, by 9.7 point to 131.4.

December building permits rose 0.3% for the month following a 4.5% November gain.

Housing starts dropped 11.2%, however, against a 0.4% November improvement.

FHFA-calculated December residential property prices rose 0.3% for the month, against a 0.4% November increase.

Case-Shiller's December house price index pulled back 0.2% for the month, following a 0.1% November slip, and came in 4.2% higher year-on-year.

In relatively scant other data releases, GfK's March consumer confidence index for **Germany** came in flat, at 10.8.

UK January mortgage approvals rose to 40,630 from 39,350.

Tonight in the US, Federal Reserve chair Jerome Powell continues parliamentary testimony, this time with a House of Representatives financial services committee.

US data releases scheduled for release include December factory orders, January pending home sales and weekly mortgage applications.

Companies scheduled to report earnings or updates later today or tonight include: Bayer, Best Buy, Campbell Soup, HP Inc, HSBC, Hyundai, ITV, Lotte, Lowe's, Office Depot, Petrobras, Posco and Rio Tinto.

In overnight corporate news, **Home Depot** results and guidance disappointed.

Department store **Macy's** exceeded profit expectations, however. The US SEC meanwhile was reported to have complained to the judiciary of a **Tesla** CEO (Elon Musk) SEC settlement violation.

Caterpillar suffered from a sell recommendation.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1328.5	oz	-1	-0.1

Pre-Open Announcements

Virgin Australia Holdings (* VAH)

\$A250M unsecured notes issue expected to settle ~5 March (Tuesday next week).

Bellamy's Ltd (** BAL)

63.7% lower, \$8.14M interim NPAT.

25.9% lower, \$129.60M revenue. \$1.587 NTA.

NEXTDC Ltd (* NXT)

3.14M interim net loss, following an \$8.42M NPAT a year ago.

17% higher, \$90.76M revenue. \$2.52 NTA.

Vocus Communications (* VOC)

56% lower, \$16.5M interim NPAT.

1% higher, \$974.2M revenue. 43.5c NTA.

Prime Media Group (* PRT)

\$10.18M interim NPAT, following an \$8.60M net loss a year ago.

5.9% lower, \$97.89M revenue. 7.8c NTA.

Ainsworth Game Technology (* AGI)

25% higher, \$A12.14M interim NPAT.

2% lower, \$118.01M revenue. 96c NTA.

Macquarie Telecom Group (* MAQ)

3% higher, \$8.27M interim NPAT.

5% higher, \$121.02M revenue.

Nil interim dividend, following a 25c fully franked dividend a year ago. \$3.73 NTA.

Cogstate Ltd (* CGS)

\$US1.97M interim net loss.

17% lower, \$US11.11M revenue. US3c NTA.

Anticipating march quarter sales will again underperform, but considers the June quarter 'more promising'.

Clean Seas Seafood (CSS)

CSS has appointed Helga Linacre as company secretary, effective yesterday, following the resignation of Wayne Materne from this role.

Resources

Nzuri Copper (↓ NZC)

Agreed 37c cash-per-share offer in hand from Xuchen International.

Details lodged this morning.

NZC has traded at 22c – 27.5c over the past four trading sessions.

Metals X (↑ MLX)

\$36.15M interim net loss, following an \$18.43M net loss a year ago.

13% higher, \$95.51M revenue. 26c NTA.



Silver (NY) (May)	15.832	oz	0.00	0.0
Gold (LON)	1329	oz	-2	-0.2
Platinum	859	oz	8	0.9
WTI Crude (Apr)	55.50	bbl	0.02	0.1
Brent Crude (Apr)	65.21	bbl	0.45	0.7
Iron Ore (CHN port 62%)	83.75	t	-1.09	-1.3
Copper (LME,3mth,PM)	6479	t	-2	-0.0
Nickel	12940	t	-30	-0.2
Aluminium	1915	t	8	0.4
Lead	2094	t	13	0.6
Zinc	2745	t	33	1.2
Tin	21610	t	-130	-0.6
CBT Wheat (May)	4.66	bshl	-0.07	-1.5

Commodities Commentary

Oil – overnight trade varied on the absence of new news and major definitive commentary and amid changeable equities sentiment.

The US EIA weekly petroleum inventories report is due tonight.

Gold – a cocktail of UK-European developments, US central bank commentary, and caution ahead of key events and data yet to come this week influenced overnight gold trade.

The US Federal Reserve chair's overnight parliamentary committee testimony contained reiterations of the Fed's focus, but also a concession broader international economic factors need to be considered perhaps more so than over the past two years.

Base metals – pushed and pulled overnight by currency moves and associated geopolitical scenarios, ahead of the wait for influential data out of China this week.

Meanwhile, Glencore complained that the LME was not delivering *aluminium* from certain warehouses in Malaysia in a timely manner.

Reports emerged also, from China data published online Monday, that China had continued to import increased quantities of aluminium from Russia in January – 11,185t against 1109t a year earlier.

During the December quarter, China had imported 56,000t from Russia, against 1237t across the September quarter.

China's January industrial profits are expected today. Official February PMIs are due for release tomorrow and Caixin's initial February China PMI Friday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7185	-0.0003	-0.04
EUR – USD	1.1391	0.0002	0.02

Australian Data Today

ABS	Construction work done	Dec Q
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OceanaGold Corporation (OGC)

Florida, US conference presentation lodged post-trade yesterday.

OGC presented overnight.

Energy

Paladin Energy (* PDN)

\$US18.37M interim net loss following a \$US52.14M net loss a year ago.

42% lower, \$US21.49M revenue. US5c NTA.

In the meantime, PDN's board has granted approval to commence a Langer Heinrich restart prefeasibility study.

This follows a concept study which determined operating cost reduction and uranium process reliability options.

The PFS is expected to cost \$US6.2M.

PDN intends to fund this from existing cash.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AGI	Interim
	AGY	Interim
	AAC	Interim
	AVH	Interim
	BAL	Interim
	BVS	Interim
	CAJ	Interim
	CGC	Interim
	JHG	Full year
	LNG	Interim
	MHJ	Interim
	NSR	Interim
	OZL	Full year
	PDN	Interim
	REX	Interim
	RIO	Full year
SEK	Interim	
SHV	Interim	
VEA	Full year	
VOC	Interim	
Tomorrow	ABC	Interim
	HVN	Interim
	RHC	Full year

Trading Halts

Company	Code	Resuming
AVZ Minerals	AVZ	27 Feb
Fiji Kava	FIJ	27 Feb

**US Data Tonight**

Pending home sales	Jan
Factory orders	Dec
MBA mortgage applications	22 Feb

Other Overseas Data Today & Tonight

China	Industrial profits	Jan
Euro zone	Business, economic confidence	Feb
Euro zone	Lending growth	Jan

Need More Information?

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Kibaran Resources	KNL	27 Feb
Memphasys Ltd	MEM	27 Feb
Superloop Ltd	SLC	27 Feb
amaysim Australia	AYS	28 Feb
Ausgold Ltd	AUC	28 Feb
Bardoc Gold	BDC	28 Feb
Kleos Space	KSS	28 Feb
Mareterram Ltd	MTM	28 Feb
New Age Exploration	NAE	28 Feb
Ruralco Holdings	RHL	28 Feb
The Betmakers Holdings	TBH	28 Feb
Wide Open Agriculture	WOA	28 Feb
Ellerston Asian Investments	EAI	1 Mar
Kalina Power	KPO	1 Mar

Suspensions (select)

Company	Code	Since
Affinity Energy & Health	AEB	5 Feb
Alto Metals	AME	26 Feb
Australian Mines	AUZ	27 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
Vector Resources	VEC	4 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AMP	Today	4	90	5.93
APD	Today	1.25	100	5.03
BAP	Today	7.5	100	2.65
BPT	Today	1	100	0.98
EGG	Today	2.5	100	3.60
FID	Today	11	100	4.31
GCI	Today	0.8	0	3.25
HLO	Today	8	100	3.85
IRE	Today	30	40	3.75
IRI	Today	3.5	100	2.95
LTN	Today	0.07	0	0.00
MAI	Today	0.75	100	3.02
MOE	Today	8	100	1.60
ORA	Today	6.5	50	4.09
PMC	Today	6	100	5.14

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PPE	Today	4	100	3.08
QIP	Today	3.5	100	4.56
QRI	Today	0.25	0	0.38
SLM	Today	1	100	5.22
TLS	Today	8	100	3.94
ABA	Tomorrow	16	100	6.15
AEF	Tomorrow	2	100	2.47
APX	Tomorrow	4	73	0.35
AVJ	Tomorrow	1	100	7.84
BBN	Tomorrow	3.3	100	2.53
BST	Tomorrow	1.5	100	3.74
CAA	Tomorrow	1	100	7.69
CIN	Tomorrow	55	100	3.96
FMG	Tomorrow	30	100	4.78
MXT	Tomorrow	0.96	0	5.25
NHF	Tomorrow	10	100	3.64
PTM	Tomorrow	13	100	5.23
SIQ	Tomorrow	21	100	4.80
SKC	Tomorrow	9.51	0	5.03
WLL	Tomorrow	11	100	4.18
WOW	Tomorrow	45	100	3.32
ALI	Fri	2.5	100	2.51
ALU	Fri	16	0	0.90
BEN	Fri	35	100	7.12
BIN	Fri	1.72	100	tbc
BLD	Fri	13	50	5.57
BLX	Fri	2.55	100	4.35
BSL	Fri	6	0	1.05
GMA	Fri	9	100	6.54
IDX	Fri	5	100	3.45
IFM	Fri	1.75	0	2.26
LLC	Fri	12	0	3.66
MCP	Fri	6	100	5.00
MYS	Fri	14.25	100	6.14
NBI	Fri	0.88	0	2.11
ORG	Fri	10	100	1.37
SXL	Fri	3.75	100	6.51