

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7357	0	0.0
<b>NZX 50</b>	12086	-93	-0.8
<b>DJIA Futures</b>	33895	0	0.0
<b>S&amp;P 500 Futures</b>	4100	0	0.0
<b>NASDAQ Futures</b>	12346	0	0.0

## Local Markets Commentary

The Australian market opens a new week's trade with new data in hand for China since Friday's trade and domestic December half reporting season ramping, amid broadening geopolitical tensions.

US equities markets settled mixed overnight Friday.

Since overnight Friday trade, both Canada and the US have reported what they have deemed as China surveillance objects over their territories.

**Locally** today, no major economic reports are scheduled for release.

**Reporting season** swings higher, however, several high-profile stocks having already lodged results pre-trade.

**DDR** is among stocks trading **ex-dividend** today. *Please see p4 for a detailed ex-dividends list.*

**Regionally** today, no influential economic indicators are anticipated.

Post-ASX trade Friday, **China** reported a 35% year-on-year drop in January **vehicle sales**. Forecasters had ventured a 10% fall following December's 8.4% year-on-year decline.

In addition, China's January **new lending** was estimated at 4900B yuan against expectations for 4150B following December's 1400B.

In overnight Friday **commodities** trade, **oil** swung ~2% higher.

US **gold** futures continued a string of declines, settling below \$US1875/oz.

**Iron ore** (Nymex CFR China, 62% Fe) turned modestly higher, trading above \$US125.00/t.

**Coal** (ICE-GC Newcastle) closed the week yet lower, below \$US220/t.

LME (3-mth evening) **copper**, **nickel** and **aluminium** fell decisively.

The **\$A** fell below US69.10c after trading at ~US69.40c - ~US69.55c early Friday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	33869	169	0.5
<b>S&amp;P 500</b>	4090	9	0.2
<b>NASDAQ</b>	11718	-71	-0.6
<b>FTSE 100</b>	7882	-29	-0.4
<b>DAX 30</b>	15308	-215	-1.4
<b>Shanghai Comp</b>	3261	-10	-0.3

## Today's Stock Watch

### Insurance Australia Group (IAG)

6c, 30%-franked interim dividend, from 6c unfranked a year ago.

170.5% higher, \$468M interim NPAT.

3.7% higher, \$9.576B revenue.

### Aurizon Holdings (AZJ)

7c fully franked interim dividend, against 10.5c a year ago.

49% lower, \$130M interim NPAT.

12% higher, \$1.694B revenue.

Lowering forecast FY23 underlying EBITDA by 4%.

### JB Hi-Fi (JBH)

\$1.97 fully franked interim dividend from \$1.63 a year ago.

14.6% higher, \$329.9M interim NPAT.

8.6% higher, \$5.28B revenue.

Flat, \$3.29 NTA.

### Lendlease Group (LLC)

4.9c interim distribution from 5c a year ago.

\$141M interim net loss from a \$264M loss a year ago.

13% higher, \$5.164B revenue.

\$8.09 NTA from \$8.34 at 30 June 2022.

### Endeavour Group (EDV)

14.3c fully franked interim dividend from 12.5c a year ago.

17% higher, \$364M interim NPAT.

2.6% higher, \$6.502B goods and services revenue.

In addition, EDV is appointing deputy EDV CFO Kate Beattie as CFO from 26 June.

Current CFO Shane Gannon is planning to leave EDV, and professional executive life, in June following professional appointments not only with EDV but also Mirvac Group (ASX: MGR), Lendlease (ASX: LLC), Goodman Fielder and CSR (ASX: CSR).

### Carsales.com Ltd (CAR)

28.5c fully franked interim dividend from 25.5c a year ago.

458.1% higher, \$A416.467M interim NPAT.

37.2% higher, \$331.836M revenue.

### Index Ltd (IMD)

Flat, 1.5c fully franked interim dividend.

7% lower, \$22.719M interim NPAT.

18% higher, \$198.784M revenue. 53.91c NTA from 41.93c.

## Energy

### Beach Energy (BPT)

2c fully franked interim dividend from 1c a year ago.

3% lower, \$A207.2M interim NPAT.

4% higher, \$827M revenue. \$1.59 NTA from \$1.38.



## Overseas Markets Commentary

Early negative trade and varying deteriorations in intra-session sentiment featured across most major European, UK and US equities markets overnight Friday.

Inflation speculation, economic growth prospects and central bank monetary policy commentary remained in focus.

Several European Central Bank and US Federal Reserve officials continued to publicly promote the need to maintain tight monetary policy, following a similar stance from the Reserve Bank of Australia earlier Friday.

Meanwhile, a December quarter GDP reading revealed the UK had narrowly avoided technical recession.

This was accompanied by a 'not out-of-the-woods' warning from the UK chancellor.

Earlier Friday, **China's** inflation rate was reported to have risen by more than expected for January following a flat December CPI.

On an annualised basis, the inflation rate rose to 2.1% from 1.8%.

China's January producer prices fell by 0.8% during the month, less than expected but more than during December.

**UK** December quarter GDP figures initially headlined overnight Friday **data releases**, growth coming in flat for the three months following a 0.2% September quarter contraction.

On an annualised basis, the GDP was calculated at 0.4% growth, against 1.9% at the end of the September quarter.

A 0.5% December GDP contraction concerned, following forecasts of a slighter decline and against 0.1% November growth.

Further, the NIESR monthly GDP tracker pointed to another decline for January, this time by 0.1%.

In the meantime, UK December trade figures included a £7.150B trade deficit, against forecasts for a £2.8B shortfall to follow November's £2.306B deficit.

December industrial production was estimated 0.3% higher for the month but 4.0% lower than for December 2021.

Also overnight Friday, **China** reported 4900B yuan worth of new lending during January, against 1400B yuan for December.

**Russia's** inflation growth for January was reported at 0.8%, the same rate as for December.

Against January 2022, January 2023 inflation was running at 11.8% from 11.9% for December 2022.

The Central Bank of Russia also convened a policy meeting at which it retained the key interest rate at 7.5% for a third consecutive meeting.

In the **US**, a 66.4 preliminary February consumer confidence reading from the University of Michigan represented a 1.5-point improvement on January's final reading.

The consumer expectations component index slipped by 0.4 to 62.3 while the inflation expectations sub-index rose to 4.2% from 3.9%.

The January budget statement included a \$US39B deficit against predictions of a \$US77B shortfall following December's \$US85B deficit.

All up, the \$US was pushed higher again and US 10-year bond yields continued to rise.

## Pre-Open Announcements

### Fletcher Building (\*\* FBU)

Due to report audited results Wednesday, but anticipating a 46% drop in interim NPAT to \$NZ92M.

Revenue is expected to rise 5% to \$NZ4.064B.

Adverse January – February weather is expected to lower pre-significant items FY23 EBIT to \$NZ800m - \$NZ855M.

Additional statistics and commentary lodged this morning.

### Star Entertainment Group (\*\* SGR)

Interim revenue expected to be 1% lower than for pre-Covid.

1H FY23 remediation costs estimated at ~\$20M.

Expecting a \$400M - \$1.6B non-cash impairment for the NSW business.

Treating provisions for fines and one-off legal costs as significant items.

Anticipating \$195M - \$205M interim underlying EBITDA (excluding these provisions).

FY23 underlying EBITDA expected to come in at \$330M - \$360M.

FY23 remediation costs expected to tally \$35M - \$45M, 50% of which are expected to be recurring from FY24.

### Appen Ltd (APX)

Expecting a \$204.3M full year pre-tax impairment.

Details lodged pre-trade.

Planning to release results 27 February.

### Droneshield Ltd (\* DRO)

DRO has been added to the MSCI Global Micro Cap Index, effective Friday (10 February).

### Regal Partners (\* RPL)

RPL has secured a binding agreement to acquire Hong Kong-headquartered alternative investment manager East Point Asset Management.

Consideration includes 788,195 RPL shares plus conditional deferred consideration.

Additional details lodged post-trade Friday and an update promise when RPL provides interim results, expected on 24 February.

RPL traded at \$3.60 - \$3.82 last week.

### Unith Ltd (UNT)

Resuming from a trading halt with \$4.5M worth of firm commitments received for the company's 3.3c-per-share placement. \$500,000 SPP also planned.

UNT traded at 3.1c – 4.0c over the five sessions immediately prior to calling the halt.

### Magellan Global Funds (MGF)

January update, including top holdings and sector exposure by source of revenue, lodged post-trade Friday.

### Thorney Technologies (TEK)

Planning an up to \$9.5M 12-month on-market share buy-back



**Tonight** in the US, January consumer inflation expectations are due, ahead of a CPI update overnight tomorrow.

Companies scheduled to report earnings later today or tonight include Cadence Design Systems, James Hardie Industries, Japan Steel Works, Michelin and Yamaha Motor.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Apr)	1874.5	oz	-4.00	<b>-0.2</b>
<b>Silver</b> (COMEX 5000 Mar)	22.08	oz	-0.06	<b>-0.3</b>
<b>Platinum</b>	946	oz	-8	<b>-0.8</b>
<b>WTI Crude</b> (NYMEX Mar)	79.72	bbl	1.66	<b>2.1</b>
<b>Brent Crude</b> (ICE EUR Apr)	86.39	bbl	1.89	<b>2.2</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	125.14	t	0.49	<b>0.4</b>
<b>Copper</b> (LME 3mth Evening)	8857	t	-124	<b>-1.4</b>
<b>Nickel</b>	27812	t	-1347	<b>-4.6</b>
<b>Aluminium</b>	2442	t	-59	<b>-2.4</b>
<b>Lead</b>	2080	t	-48	<b>-2.3</b>
<b>Zinc</b>	3041	t	-80	<b>-2.6</b>
<b>Tin</b>	27374	t	-391	<b>-1.4</b>
<b>Coal</b> (ICE-GC Newcastle; IRESS)	218	t	-7.5	<b>-3.3</b>
<b>Wheat</b> (CBT Mar; IRESS)	795.75	t	27.75	<b>3.6</b>

### Commodities Commentary

**Oil** – overnight Friday trade was influenced by several developments.

Russia's deputy PM revealed plans for Russia to scale back oil production by 5% (500,000bbl/d) from March, citing sanctions and price caps. The planned reduction reportedly did not apply to gas condensate.

However, at least one analyst offered that market-watchers had anticipated cuts of up to 900,000bbl/d.

A media report quoted OPEC anonymous member representatives as confirming OPEC+ was expected to retain production levels at its next official meeting, following Iran's OPEC representative asserting this publicly late-Thursday.

In addition, OPEC members reportedly also backed up Iran's expectations of oil prices possibly rallying to as much as \$US100/bbl during 2023. Some, however, offered they anticipated this to be followed by a pullback, pending, among other factors, demand out of China.

Meanwhile, Goldman Sachs reduced its forecast 2023 Brent price from \$US98/bbl to \$US92/bbl, and the 2024 prediction from \$US105/bbl to \$US100/bbl.

US diesel prices in the meantime were reported to have continued to drop since late-2022.

A weekly US petroleum drill rig report, published overnight Friday, included a turn higher in select activity with 10 additional oil rigs in operation. Eight fewer gas rigs were reported operational, however.

Brent crude closed the week ~8.1% higher and WTI up ~8.6%.

**Gold** – overnight Friday trade resulted in a further price decline for Comex futures, with some commentators suggesting sentiment was once again turning lower.

The \$US moved higher (ICE \$US index +~0.35%) and so did US 10-

commencing 27 February.

### MGC Pharmaceuticals (MXC)

Investor presentation lodged post-trade Friday.

### PeopleIN Ltd (PPE)

The ASX has requested PPE explain whether the company's announcement Monday last week regarding an MoU with TAFE Queensland will deliver material benefit to PPE and has queried if the notice could be considered 'promotional'.

PPE has assured the ASX the announcement was genuine in heralding potential mutual benefit.

### Resources

### Vulcan Energy Resources (VUL)

Zero carbon lithium project phase one DFS results lodged this morning.

### Azure Minerals (AZS)

Andover lithium JV project diamond drilling has confirmed extensive lithium prospectivity.

Heralding one particular high-grade assay and significant visible spodumene.

AZS 60%; Creasy Group 40%.

### Future Metals (FME)

Positive Panton project test work results and commentary lodged pre-trade.

Planning to complete the project scoping study by year's end.

### Argosy Minerals (AGY)

AGY has appointed former Red 5 (ASX: RED) CFO John Tasovac as CFO, effective immediately.

Mr Tasovac is also a former Xstrata South America GM commercial.

### Element 25 (E25)

E25 has negotiated an agreement whereby Acuity Capital will provide up to \$30M of standby equity capital over three years. Details lodged post-trade Friday.

### European Lithium (EUR)

Interim report lodged post-trade Friday.

### Resolution Minerals (RML)

RML has secured 100% of 3609sq km of South Australian territory prospective for high purity silica sands and uranium mineralisation.

RML has named the holding the George silica sand & uranium project.

Information, including historical results, lodged post-trade Friday.

### Vango Mining (VAN) / Catalyst Metals (CZL)

CZL has extended the offer period for its off-market takeover bid for VAN until 6 March.

### Energy

### Buru Energy (BRU) / Origin Energy (ORG)

BRU is acquiring 100% of the seven WA Canning Basin JV



year bond yields, amid a focus on central bank policy.

This week's gold sentiment is expected to be influenced in part by US and UK CPI updates.

**Base metals** – a stronger \$US, plus an accumulation of central bank commentary promoting tight policy for longer than hoped, impacted demand sentiment and hence overnight Friday base metals trade in general.

**China's** January producer prices, reported Friday, fell 0.8% year-on-year, against expectations for a 1.3% drop.

The January overall inflation rate rose 0.8% for the month, following forecasts for a 0.6% increase.

Against January 2022, inflation was up 2.1%.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6920	0.0004	0.06
<b>EUR – USD</b>	1.0678	-0.0000	-0.00

### US Data Tonight

Consumer inflation expectations 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)

permits the company holds with ORG.  
Details lodged this morning.

### Trading Halts

Company	Code	Resuming
Exopharm Ltd	EX1	13 Feb
First Au	FAU	13 Feb
Greenstone Resources	GSR	13 Feb
Ora Gold	OAU	13 Feb
Reach Resources	RR1	13 Feb
Reward Minerals	RWD	13 Feb
Aurora Labs	A3D	14 Feb
Cannindah Resources	CAE	14 Feb
Falcon Minerals	FAL	14 Feb
Jindalee Resources	JRL	14 Feb
Nimy Resources	NIM	14 Feb
Victory Metals	VTM	14 Feb
White Energy Company	WEC	14 Feb
Medibio Ltd	MEB	15 Feb

### Suspensions *(selected)*

Company	Code	Since
Bellavista Resources	BVR	10 Feb
k-TIG Ltd	KTG	27 Jan
M8 Sustainable	M8S	13 Feb
<i>Openpay Group (rcvrs &amp; mgrs)</i>	OPY	3 Feb
VIP Gloves	VIP	7 Feb

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>BTI</b>	Today	<b>3.5</b>	100	2.82
<b>DDR</b>	Today	<b>2.5</b>	100	6.07
<b>PL8</b>	Today	<b>0.55</b>	100	5.28
QVE	Tomorrow	1.3	100	5.19
SUN	Tomorrow	33	100	3.12
KOV	Thu	25	100	7.50
WOT	Thu	3	0	4.29

### Reports & Events

*(selected; all times AEDT)*

When	Company	Report/Event
<b>Today</b>	<b>AD8</b>	Interim
	<b>AZJ</b>	Interim
	<b>BPT</b>	Interim
	<b>CAR</b>	Interim
	<b>CEN</b>	Interim; Jan
	<b>EDV</b>	Interim

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	<b>IAG</b>	Interim
	<b>IMD</b>	Interim (w/cast tele midday)
	<b>JBH</b>	Interim
	<b>LLC</b>	Interim
	<b>LIC</b>	Interim (tele 3pm)
	<b>SCG</b>	Interim
<b>Tomorrow</b>	ANN	Interim
	BRG	Interim (tele 9am)
	CQE	Interim
	CSL	Interim (w/cast 11am)
	DXS	Interim
	JHX	Dec Q (w/cast tele 9am)
	SWM	Interim (w/cast tele 9am)
	VSL	Interim (w/cast tele 10am)
<b>Wed</b>	BMT	Interim (webinar 9am)
	COH	Interim (w/cast tele 10am)
	CBA	Interim
	CPU	Interim
	FBU	Interim (w/cast tele 9am)
	FMG	Interim
	GUD	Interim (w/cast 8.45am)
	NWL	Interim (w/cast 9.30am)
	PGH	Interim
	SKC	Interim (tele 9am)
<b>Thu</b>	AMP	Full year
	ASX	Interim (w/cast 10am)
	BAP	Interim (tele 9.30am)
	CDA	Interim (webinar 11am)
	DTL	Interim (w/cast 10.30am)
	EVN	Interim (w/cast tele 11am)
	GNC	AGM
	IPL	AGM
	IRI	Interim (tele 10.30am)
	IPH	Interim (w/cast 10.30am)
	MFG	Interim
	NAB	1Q FY23 trading update
	NCM	Interim
	RIC	Interim (tele 10am)
	SUL	Interim (tele 10.30am)
	TLS	Interim
<b>Fri</b>	HCW	Interim (w/cast tele 10.30am)
	ING	Interim (w/cast 10am)
	PWH	Interim (w/cast tele 10.30am)
	QBE	Full year