

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7119	28	0.4
<b>NZX 50</b>	12087	-55	-0.5
DJIA Futures	33583	0	0.0
S&P 500 Futures	4327	0	0.0
NASDAQ Futures	13840	0	0.0

## Local Markets Commentary

The Australian market opens a new week's trade with several large-cap domestic stocks trading ex-dividend, positive new material domestic economic data in hand, economic and strategic updates from China over the weekend, and influential data due out of China this afternoon.

Overnight Friday International equities headed yet lower. Major **commodities** prices were propelled yet higher.

Since overnight Friday trade:

- economic and humanitarian flood damage in eastern Australia has been assessed as far worse than initially perceived, and recovery periods as much longer than at first anticipated;
- the International Monetary Fund (IMF) has described the likely international economic impact of Russia's war on Ukraine, and associated sanctions, as 'severe';
- Russia has described Western nations' sanctions as effectively a declaration of war, and
- two partial ceasefires negotiated to enable some Ukrainian citizens to leave via a 'humanitarian corridor' have not held.

Also over the weekend, **China** has announced a 'somewhere around **5.5%** growth target for 2022.

Premier Li Keqiang added, at the National People's Congress opening that, 'achieving this goal will require arduous efforts'.

Mr Li noted that 'the external environment' had become 'increasingly volatile, grave and uncertain'.

At the same time, China's administration revealed it was bolstering the republic's **military budget** by 7.1% after boosting this by 6.8% in 2021.

Mr Li told the People's Congress that China's administrators aimed 'to advance ... the **reunification of China**', and that 'we firmly oppose any separatist activities seeking Taiwan independence and firmly oppose foreign interference'.

Meanwhile, China announced a Covid outbreak in the key iron ore port city of **Qingdao**, sparking fears of restrictions on industrial operations.

**Locally** today, the ANZ February **job advertisements** report is due for release **11.30am** AEDT.

At the same time, the Reserve Bank of Australia (RBA) releases January card transactions.

Pre-trade, the AiG has reported a robust **60** February **services PMI**. This from 56.2 in January and following forecasts for 57.0.

## S&P/ASX indices rebalance in hand

Please see pp4-5

## WA public holiday today

ASX trade and settlements as normal

## Today's Stock Watch

### AGL Energy (AGL)

AGL has knocked back a revised indicative \$8.25-per-share takeover proposal from a consortium led by Brookfield Asset Management. AGL continues to be advised by three firms, and to progress plans for a demerger, separating the group's retail and generation activities. AGL considers the demerger would deliver superior shareholder value.

AGL traded at \$7.25 - \$7.59 last week.

### Appen Ltd (APX)

Securing a minority holding in AI computer vision training data specialist Mindtech Global. Under an associated strategic partnership agreement APX CEO Mark Brayan has been appointed as a Mindtech director.

## Resources

### Arcadia Minerals (AM7)

Heralding results from mineralogical test work conducted in Germany on a Namibia Bitterwasser lithium-in-clay project composite sample. Details lodged this morning.

Leach test work is underway.

## Energy

### Strike Energy (STX)

Heralding WA Perth Basin South Erregulla-1 well results and implications for project Haber.

### Stanmore Resources (SMR)

Resuming from a trading halt having achieved ~94.6% take-up and raising ~\$A656M in an institutional entitlement offer at \$A1.10 per share. A shortfall bookbuild delivered no price change. A retail entitlement offer, also at \$1.10-per-share, is scheduled for 10 – 21 March.

SMR traded at \$1.0534 - \$1.145 over the five trading sessions immediately prior to calling the halt.

### Allegiance Coal (AHQ) / Stanmore Resources (SMR)

AHQ has appointed SMR GM development Jonathan Romcke as CEO and as an AHQ director.

AHQ chair and CEO Mark Gray will relinquish the CEO role when Mr Romcke commences with AHQ, expected by mid-year.

Mr Romcke is subject to a two-month notice period with SMR and will also relocate to the US.



Post-ASX trade, the RBA is scheduled to publish February official reserve assets.

Stocks trading **ex-dividend** today include: **ALU, BEN, CSL, NST, QBE, REA, RHC, SGM** and **SUL**. Please see pp3-4 for a detailed ex-dividends list.

**Regionally** today, **China** is expected to release January – February trade statistics **2pm** AEDT.

China's February foreign reserves are anticipated anytime from this evening.

In overnight Friday commodities trade, **oil** swung higher, both Brent and WTI crude settling beyond \$US115/bbl.

US **gold** futures posted consecutive gains, closing above \$US1965/oz.

**Iron ore** (Nymex CFR China, 62% Fe) continued higher, trading beyond \$US150/t after gaining 3.5% Thursday.

LME (3mth evening) **copper** and **aluminium** rallied further. **Nickel** added more than 7.0%.

CBT May **wheat** futures were pushed 6.6% higher, to \$US1209/t. The previous Friday's closing prices had been recorded at \$US859.75/t.

The **SA** again remained within a narrow range after trading at ~US73.70c early Friday evening. This morning, the SA has traded as low as US73.60c.

### Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	33615	-180	-0.5
<b>S&amp;P 500</b>	4329	-35	-0.8
<b>NASDAQ</b>	13313	-225	-1.7
<b>FTSE 100</b>	6987	-252	-3.5
<b>DAX 30</b>	13095	-604	-4.4
<b>Shanghai Comp</b>	3448	-33	-1.0

### Overseas Markets Commentary

Major European, UK and US equities markets fell on opening overnight Friday, sentiment never looking like recovering sufficiently to produce any gains.

Earlier Friday, reports of a Russian attack that sparked fire at Ukraine's largest nuclear power plant site exacerbated fears of present and future implications of Russia's war against Ukraine.

Overnight Friday, headline US January workforce statistics surprised on the upside, but failed to effectively boost equities market sentiment.

The figures included the creation of 678,000 new jobs, against forecasts for 350,000, supporting views the US Federal Reserve will announce an interest rate increase at the end of the 15 – 16 March policy meeting.

Other overnight Friday **data** releases released prior to the US employment data, included the **euro zone's** January retail sales. These disappointed, rising 0.2% for the month against expectations of a 2.1% increase following December's 2.7% fall.

Against January 2021 however, sales were up 7.8%.

A February construction PMI slipped to 56.3 from 56.6.

## Pre-Open Announcements

### AMP Ltd (AMP)

AMP has appointed AMP corporate governance head Kate Gordon as company secretary.

Ms Gordon was previously AMP company secretary and senior legal counsel when she joined AMP in June 2020.

AMP general counsel David Cullen has also been appointed as AMP company secretary.

Former company secretary Marissa Bendyk ceased being AMP company secretary Friday (4 March).

### Infratil Ltd (IFT)

49.9% IFT-held Vodafone New Zealand has commenced the process for the potential sale of passive mobile tower assets.

### Sprintex Ltd (SIX)

SIX technology partner Aeristech has commissioned the SIX e-compressor division to design two electric compressors.

Aeristech has agreed to pay non-recurrent engineering fees and \$A112,000 for initial tooling.

### Hydrix Ltd (HYD)

3M shares are due to be released from voluntary escrow 12 March.

### US Student Housing REIT (\* USQ)

Scheduled to list on the ASX 10.30am AEDT **tomorrow**, following a \$15.5M IPO at \$1.38 per unit. ~55.54M quoted units.

## Resources

### Xantippe Resources (\* XTC)

Exercising an option to acquire Carolina Lithium Pty Ltd, thus also securing rights to acquire Arlupo SA which holds rights to the Carachi Pampa lithium project.

Details lodged this morning.

### Golden West Resources (\* GWR)

Produced ~330,000t of Wiluna WA region C4 iron ore during February.

Shipped ~55,000t of lump and fines.

Monthly sales, at fixed prices, secured through October.

Additional details lodged this morning.

### Pantoro Ltd (\* PNR)

WA Norseman gold project resources and reserves update 'imminent'.

Additional high-grade drilling results lodged this morning.

PNR 50%.

### Argosy Minerals (\* AGY)

Argentina Rincon lithium project brine systems work complete.

### Ionic Rare Earths (IXR)

The exclusivity period for IXR's due diligence in relation to the proposed Seren Technologies acquisition has been extended until 31 March.



**Germany's** headline January trade figures included a €3.5B trade surplus, against forecasts for a €9.2B surplus following €6.6B for December.

Seasonally adjusted, exports fell 2.8% and imports by 4.2%.

Germany's February construction PMI rose to 54.9 from 54.4.

In the **UK**, February new domestic car sales were reported 15% higher than for February 2021. Forecasters had anticipated a 12.4% increase.

In the **US**, the February workforce statistics also included a 3.8% unemployment rate, from 4.0%.

Average hour earnings came in flat for the month, following a 0.6% increase in January.

Against February 2021, earnings were up 5.1%.

Tonight in the **US**, a January consumer credit report is due.

In overnight Friday and weekend corporate news, more companies, including **Mastercard, Microsoft, Paypal, Samsung, Visa** and **Zara**, announced they were suspending operations and services in Russia.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Apr)	<b>1966.6</b>	oz	30.7	<b>1.6</b>
<b>Silver (NY)</b> (May)	<b>25.79</b>	oz	0.58	<b>2.3</b>
<b>Gold (LON)</b>	<b>1945</b>	oz	15.7	<b>0.8</b>
<b>Platinum</b>	<b>1122</b>	oz	43	<b>4.0</b>
<b>WTI Crude</b> (NYMEX Apr)	<b>115.68</b>	bbbl	8.01	<b>7.4</b>
<b>Brent Crude</b> (ICE EUR May)	<b>118.11</b>	bbbl	7.65	<b>6.9</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	<b>151.11</b>	t	1.17	<b>0.8</b>
<b>Copper</b> (LME 3mth Evening)	<b>10645</b>	t	215	<b>2.1</b>
<b>Nickel</b>	<b>29130</b>	t	1950	<b>7.2</b>
<b>Aluminium</b>	<b>3845</b>	t	70	<b>1.9</b>
<b>Lead</b>	<b>2464</b>	t	48	<b>2.0</b>
<b>Zinc</b>	<b>4094</b>	t	123	<b>3.1</b>
<b>Tin</b>	<b>46940</b>	t	765	<b>1.7</b>

### Commodities Commentary

**Oil** – supply uncertainty appeared the major factor in propelling prices higher overnight Friday, both Brent and WTI crude settling ~25% higher for the week.

Since overnight Friday trade, new demands from Russia and China during talks towards a renewed nuclear agreement with **Iran** were reported to have pushed back expectations of near-term deal.

In addition, the US administration has confirmed it is discussing with European allies how nations could stop importing **Russian oil** without significantly disrupting supply.

Both developments could add further froth to oil prices today.

Also over the weekend, **Libya's** National Oil Corporation revealed the El Feel and Sharara oil fields are closed, impacting a combined 330,000bbl of daily output.

Meanwhile, **Gazprom natural gas supply** from Poland to Germany via the Yamal pipeline was reported to have slowed significantly overnight Friday against a booking for much higher transit capacity.

A weekly US petroleum drill rig report, published overnight Friday, included three fewer operational oil rigs, trimming the tally to

### Province Resources (PRL)

WA Fraser Range province Gnama nickel-copper project drilling update, including the completion of an RC program, lodged post-trade Friday.

Assays anticipated within eight weeks.

Pending results, additional RC and diamond drilling programs will proceed. Approvals are already in hand for these.

### Energy

#### 92 Energy (92E)

Canada Gemini uranium project GMZ drilling update, highlighting 14m of composite elevated radioactivity, lodged this morning.

### Trading Halts

Company	Code	Resuming
Brookside Energy	BRK	7 Mar
DRA Global	DRA	7 Mar
Metals Australia	MLS	7 Mar
Suvo Strategic Minerals	SUV	7 Mar
Intra Energy Corporation	IEC	8 Mar
Lucapa Diamond Company	LOM	8 Mar
Structural Monitoring Systems	SMN	8 Mar
Tennant Minerals	TMS	8 Mar
Vimy Resources	VMY	8 Mar

### Suspensions (selected)

Company	Code	Since
Delecta Ltd	DLC	15 Feb
Korab Resources	KOR	4 Mar
Mindax Ltd	MDX	1 Mar
Roto-Gro International	RGI	1 Mar
Tali Digital	TD1	3 Mar

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AFG</b>	Today	<b>7</b>	100	3.52
<b>ALU</b>	Today	<b>21</b>	100	0.63
<b>BEN</b>	Today	<b>26.5</b>	100	2.76
<b>BRI</b>	Today	<b>5.5</b>	100	2.41
<b>CSL</b>	Today	<b>145.92</b>	0	1.14
<b>ECL</b>	Today	<b>2</b>	100	2.35
<b>MVF</b>	Today	<b>2.2</b>	100	3.77
<b>NAC</b>	Today	<b>1.6</b>	100	4.55
<b>NSC</b>	Today	<b>1.35</b>	100	4.41
<b>NST</b>	Today	<b>10</b>	100	1.88
<b>PRU</b>	Today	<b>0.81</b>	0	0.00
<b>QBE</b>	Today	<b>19</b>	10	1.03
<b>REA</b>	Today	<b>75</b>	100	0.99



519.

**Gold** – overnight Friday gold interest was bolstered further by a ‘risk-off’ mood demonstrated across key international equities markets.

This week’s sentiment is again expected to variously swing on developments in Russia’s war with Ukraine, key international economic data releases, including a February **CPI** estimate for the **US**, and outcome statements from a **European Central Bank (ECB)** policy meeting scheduled for Thursday.

**Base metals** – energy prices, supply fears, and logistics challenges again combined to influence overnight LME base metals trade.

**Copper** stocks in LME-registered warehouses were reported at 69,825t, the least since 2005.

Cash prices for *nickel* were reported \$US736/t above those for three-month contracts, this not seen since 2007.

**China’s January-February trade** figures are anticipated **today**. These will be parsed even more closely this week, given the administration’s revelation Saturday of a 5.5% growth target for 2022, with achievement deemed as requiring ‘arduous efforts’.

China’s CPI and PPI updates are scheduled for release Wednesday.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7374	0.0003	0.04
<b>EUR – USD</b>	1.0929	-0.0006	-0.06

### Australian Data Today

AiG	Services PMI	Feb
ANZ	Job advertisements	Feb
RBA	Card transactions	Jan
RBA	Official reserve assets	Feb

### US Data Today & Tonight

Consumer credit change	Jan
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### Other Overseas Data Today & Tonight

<b>China</b>	Trade balance	Jan-Feb
China	<i>Foreign reserves</i>	Feb
<b>UK</b>	BBA mortgage rate	Feb
<b>Germany</b>	Retail sales	Jan
Germany	Factory orders	Jan
<b>Euro zone</b>	Sentix investor confidence	Mar

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<b>RHC</b>	Today	<b>48.5</b>	100	2.40
<b>SGM</b>	Today	<b>41</b>	44	2.20
<b>SUL</b>	Today	<b>27</b>	100	5.17
<b>VEA</b>	Today	<b>3.2</b>	100	1.71
CLX	Tomorrow	2.5	100	3.85
EAI	Tomorrow	3	100	5.56
ILU	Tomorrow	12	100	1.31
LGL	Tomorrow	6	100	0.00
LOV	Tomorrow	37	30	1.94
MAD	Tomorrow	2	100	0.66
PSI	Tomorrow	4.5	70	2.19
QUB	Tomorrow	3	100	1.95
SHL	Tomorrow	40	100	2.74
SIQ	Tomorrow	49	100	4.20
SRV	Tomorrow	10	0	4.53
TPC	Tomorrow	3	100	7.14
VEE	Tomorrow	0.07	0	1.11
AVJ	Wed	1.1	100	4.24
AX1	Wed	2.5	100	6.32
BXB	Wed	15.06	30	2.69
CGC	Wed	5	100	3.22
EQT	Wed	48	100	1.64
IMD	Wed	1.5	100	0.87
JYC	Wed	7.5	100	5.07
KME	Wed	1	100	2.08
SNZ	Wed	6.84	0	1.21
SRG	Wed	1.5	100	3.57
SXL	Wed	4.5	100	2.97

### March quarter S&P/ASX indices re-balance

The following changes will be effective prior to the opening of trade **21 March**:

#### S&P/ASX 20

**Out:** BXB, SQ2

**In:** JHX, STO

#### S&P/ASX 50

**Out:** AZJ

**In:** BSL

#### S&P/ASX 200

**Out:** MSB, SKC, SPK, URW

**In:** AVZ, CCX, DEG, HMC

#### S&P/ASX 300

**Out:** CWP, EHL, EOS, MGX, MMM, OPT, PAR, PLL, SZL,

**In:** ABB, APM, AVZ, CXL, CXO, FFX, JDO, JRV, LKE, MAF, PWH, SDR, SYA, SYR,

#### S&P/ASX All Ordinaries

**Out:** AIZ, ANO, AUT, AVJ, BYE, CAI, CBR, CEN, CSX, CYC, CYL, DCN, DGO, DOC, DTC, EMV, EOF, EVS, FMS, FRI, FWD,

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*In:* 29M, 3PL, 88E, ACL, AGI, AGY, AIS, ALC, AMS, APM, ART, ARU, AXE, BBT, BCK, BFL, BLY, BMN, BOE, BST, CBO, CEL, CGS, COG, CXL, CXO, DDH, DGL, DVP, DYL, EGG, EGR, ENN, ERD, FFX, FZO, GLB, GLN, GMD, GNG, GQG, HCW, HLA, IHL, IPD, JAN, JDO, KED, LFS, LGL, LKE, LOT, LRK, MAD, MLX, MNS, NEU, NMT, NPR, NWF, ORR, PDI, PPM, PWR, PXA, QAL, QPM, REP, RHY, RNU, RTR, RWL, SDR, SLX, STA, STP, SYA, TIG, TRJ, VNT, VSL

**S&P/ASX All Technology Index**

*Out:* 3DP, DTC, M7T, NOV, ONE, RDY, YOJ

*In:* SDR, SYM, VR1