

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7341	14	0.2
<b>NZX 50</b>	11883	2	0.0
<b>DJIA Futures</b>	34020	-358	-1.0
<b>S&amp;P 500 Futures</b>	4010	-0.25	0.0
<b>NASDAQ Futures</b>	11625	61	0.5

**Local Markets Commentary**

The Australian market opens mid-week trade with policy meeting outcomes anticipated from a regional central bank, ahead of influential economic indicators out of the UK and US tonight.

US equities markets settled decidedly mixed overnight, trading for the first time this week.

**Locally** today, no major economic reports are due.

December quarter and December half company reporting continues, however.

**Regionally** today, the **Bank of Japan** convenes a policy meeting from which outcomes are keenly anticipated **2pm** AEDT.

The bank is also due to publish a quarterly outlook report.

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

US **gold** futures closed a little below \$US1910/oz.

**Iron ore** (Nymex CFR China, 62% Fe) swung lower but remained above \$US120.90/t.

**Coal** (ICE-GC Newcastle) continued to trade at ~US\$370/t.

LME (3mth evening) **copper** was reported 1.9% higher at 1703 GMT. At the same time, **nickel** was reported to have gained 1.7% and **aluminium** to have declined by 0.1%.

*Last night's LME final 3-mth evening price updates were unavailable from IRESS at time of publication. These are expected to become available via IRESS at 11.30am AEDT.*

The **\$A** appreciated to ~US\$69.90c before dropping back to ~US\$69.85c, after trading at ~US\$69.50c - ~US\$69.60c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	33911	-392	-1.1
<b>S&amp;P 500</b>	3991	-8	-0.2
<b>NASDAQ</b>	11095	16	0.1
<b>FTSE 100</b>	7851	-9	-0.1
<b>DAX 30</b>	15187	53	0.4
<b>Shanghai Comp</b>	3224	-3	-0.1

**Overseas Markets Commentary**

Sentiment vacillated at various stages across major European, UK and US equities markets overnight.

US equities markets were trading for the first time this week, with

**Today's Stock Watch**
**SRJ Technologies Group (SRJ)**

Additional equipment supply/lease contract secured in West Africa.

Revenue for the first four weeks estimated at \$A144,000.

The client is proposing to purchase the equipment for ~\$A350,000 following the lease period.

**Resources**
**Allkem Ltd (AKE)**

Produced a record 4253t of Olaroz lithium carbonate during the December quarter, 17% more than for the December quarter 2021.

July – December output reached 7452t, 13% higher than the previous peak half-year production in 2019.

Sold 3131t of lithium carbonate during the December quarter for ~\$US151M revenue.

Revenue from selling 53,715t of spodumene concentrate tallied \$US32M.

Total December quarter revenue came in at \$US265M.

\$US552M net cash at 31 December, \$US105M higher for the quarter. Additional statistics lodged this morning.

**Riedel Resources (RIE)**

Arizona, US Kingman gold project Tintic zone diamond drilling has confirmed shallow high-grade gold mineralisation.

Assays lodged this morning.

**Centrex Metals (CXM)**

December quarter phosphate sales tallied \$7.5M.

Working to sell 26,000t of overall product during the March quarter and 45,000t in the June quarter.

**Calidus Resources (CAI)**

WA Pilbara region Blue Spec gold project RC drilling has confirmed a high-grade zone within the Felix discovery.

The Blue Spec project is located 70km from CAI's Warrawoona gold project.

**Energy**
**Ampol Ltd (ALD)**

The December quarter 2022 Lytton refiner margin averaged \$US11.75/bbl from \$US11.24/bbl for the December quarter 2021.

Refinery output tallied 1580 ML, from 1546 ML for the September quarter 2022.

EBIT (RCOP basis) is expected a little above that of September quarter EBIT. Planning to lodge full year results 20 February.



traders reacting to events from over the weekend and a cocktail of new international data variously indicating softening inflation and slowing economies.

Trader considerations also included corporate earnings from the likes of Goldman Sachs and Morgan Stanley, and a surprise launch (MacBooks) by Apple.

In his address to World Economic Forum (WEF) attendees, China's vice premier Liu He promoted international co-operation, including on climate change issues, but prioritising economic development and pushing for the establishment of a socialist market economy.

Yesterday afternoon (AEDT), **China** released a swag of economic updates including December quarter GDP which came in flat for the three months, but against forecasts for a 0.8% decline following 3.9% September quarter growth.

The 2.9% overall 2022 GDP growth undershot China's official 5.5% target.

China's 2022 fixed asset investment increased by 5% against forecasts for 5.5% growth.

Year-on-year December industrial production improved by more than anticipated, as did retail sales, although the sales were calculated 1.8% lower than for December 2021.

Among overnight data releases, **UK** unemployment claims rose by 19,700 during December.

UK November quarter average earnings (excluding bonuses) were also reported, these rising 6.4% year-on-year against the UK's 10.7% inflation rate.

In the **euro zone**, a Sentix economic sentiment index jumped to 16.7 from -23.6, against expectations for a relatively much smaller improvement to -17.

Meanwhile, **Germany** confirmed 0.8% deflation for December and 8.6% annualised inflation growth.

As with the reading for the entire euro zone, the Sentix January economic sentiment index for Germany surprised on the upside, estimated at 16.9 from -23.3. Economists had anticipated -16.

The component current conditions index improved relatively slightly however, to -58.6 from -61.4.

In the **US**, the New York Fed Empire State manufacturing index slid to -32.9 from -11.2, following forecasts for an improvement to -5.2.

In overnight geopolitical news, Vietnam's president resigned.

**Tonight** in the US, a plethora of material reports is expected, including December producer prices, retail sales, industrial production, the Federal Reserve's district-by-district economic roundup (beige book), November business inventories and a January housing market index.

Weekly mortgage applications and rates are also due.

Elsewhere, the UK reports December inflation and Germany hosts a 30-year bond auction.

Companies scheduled to report earnings later today or tonight include: Alcoa, Burberry, Charles Schwab, Kinder Morgan and Prologis.

In overnight corporate news, further **Microsoft** job cuts, impacting ~5% of employees, were reported to be planned in the near-term.

In the meantime, **Goldman Sachs** and **Morgan Stanley** quarterly

## Pre-Open Announcements

### JB Hi-Fi (JBH)

Traded as high as \$49.72 yesterday before settling with a 1.25% fall for the session, after announcing December quarter and (unaudited) 1H FY23 sales figure, each representing growth.

### Resources

#### Red Mountain Mining (RMX)

RMX has staked a further 102 contiguous lode claims as part of the Mustang lithium project, Nevada, US, pushing the overall project holding to 1070ha.

Additional details lodged this morning.

#### TNG Ltd (TNG)

\$1.9M R&D rebate in hand for 2021-22 R&D work relating to TNG's Northern Territory Mount Peake vanadium-titanium-iron project and the TIVAN proposed processing technology.

#### ACDC Metals (\* ADC)

Heavy mineral sands explorer and REE processing technology developer completed its ASX listing yesterday, following an \$8M IPO at 20c per share.

Opened at 20c and slipped to 18c before settling for day one back on par at 20c.

~1.99M shares were traded across 123 transactions.

46.7475M quoted shares.

Acquiring interests in the Goschen Central, Douglas and Watchem projects, east Murray Basin, Victoria.

Providence Gold & Minerals Pty Ltd held 9.25% on listing. TSXV-listed Medallion Resources held 6.22%.

PAC partners technical consultant Andrew Shearer ADC non-executive chair.

Medallion Resources CEO and director Mark Saxon ADC executive director.

St Barbara (ASX: SBM) Simberi gold project expansion project manager (on secondment from Beca Group) Tom Davidson ADC CEO.

### Trading Halts

Company	Code	Resuming
Kingsrose Mining	KRM	18 Jan
Arovella Therapeutics	ALA	19 Jan
Aston Minerals	ASO	19 Jan
Black Cat Syndicate	BC8	19 Jan
Cyclone Metals	CLE	19 Jan
Openn Negotiation	OPN	19 Jan
Xanadu Mines	XAM	19 Jan



results confirmed the extent of the adverse impacts of interest rate increases on investment banking business. Goldman Sachs reported a 48% drop in year-on-year December quarter investment banking revenue and Morgan Stanley a 49% tumble.

Morgan Stanley stock appreciated by greater than 6.5% however, on overall group earnings which exceeded expectations.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	1909.9	oz	-11.80	-0.6
<b>Silver</b> (COMEX 5000 Mar)	24.07	oz	-0.3	-1.2
<b>Platinum</b>	1039	oz	-22	-2.1
<b>WTI Crude</b> (NYMEX Feb)	80.18	bbbl	0.32	0.4
<b>Brent Crude</b> (ICE EUR Mar)	85.92	bbbl	-1.46	1.7
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	120.95	t	-1.38	-1.1
<b>Copper</b> (LME 3mth Evening) (16 Jan)	9104	t	-81	-0.9
<b>Nickel</b>	27217	t	414	1.5
<b>Aluminium</b>	2621	t	25	1.0
<b>Lead</b>	2217	t	-35	-1.6
<b>Zinc</b>	3304	t	-19	-0.6
<b>Tin</b>	28472	t	-282	-1.0
<b>Coal</b> (ICE-GC Newcastle; IRESS)	370	t	-0.25	-0.1
<b>Wheat</b> (CBT Mar; IRESS)	748.5	t	4.75	0.6

### Commodities Commentary

**Oil** – OPEC’s monthly oil market report, published overnight, retained a 2.22MMbbl/d 2023 demand growth forecast.

OPEC also predicted China’s oil demand would grow by 550,000bbl/d this year.

In addition, the organisation reported December (OPEC) output had risen by 90,000bbl/d.

Meanwhile, currency swings resulted in an ultimately continuing relatively weak \$US, supporting ultimate overnight crude price gains but also promoting choppy trade.

The International Energy Agency’s (IEA) monthly market report is anticipated tonight.

**Gold** – overnight gold interest was impacted by a temporary \$US rise intra-session.

In addition, some profit-taking was reported after prices had reached \$US1920/oz late last week.

Further inflation figures and other key data releases, plus decisions from a Bank of Japan meeting today are likely to keep sentiment fluid through the week.

**Base metals** – overnight base metals trade was influenced by several factors, including influential data out of China yesterday, reports of a falling birth rate and population decline in China, overnight currency swings and some positioning ahead of lunar new year (new year’s eve this coming Saturday).

Ongoing political/civil unrest in Peru was confirmed to have disrupted operations at Glencore’s Antapaccay *copper* operation, with blockades still preventing concentrate output from leaving the site following an attack last week.

**China’s** December quarter GDP and December updates for fixed asset investment, retail sales and industrial production, released yesterday, came in mixed, fixed asset investment failing to match

### Suspensions (selected)

Company	Code	Since
CFOAM Ltd	CFO	10 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
KPG	Tomorrow	0.4	100	1.40
PL8	Tomorrow	0.55	100	5.37
SEC	Tomorrow	2.2	100	5.00
MIR	24 Jan	3.5	100	3.50

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>AKE</b>	Dec Q (w/cast 10am)
	<b>ALD</b>	Dec Q
	<b>CXM</b>	Dec Q
<b>Tomorrow</b>	BHP	Dec Q
	DJW	Interim (w/cast 3.30pm)
	MHJ	Trading update 1H FY23
	NST	Dec Q (w/cast tele 10.30am)
	STO	Dec Q



or exceed forecasts.

The December quarter GDP figure defied forecasts for a 0.8% decline for the three months, coming in flat.

Year-on-year however, the 2.9% growth rate proved a sharper contrast against China's official 5.5% growth rate target.

China's markets will be closed next week, during the Lunar New Year holiday season.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6987	0.0018	0.25
<b>EUR – USD</b>	1.0795	-0.0032	-0.29

### US Data Tonight

Producer prices	Dec
Retail sales	Dec
Industrial production	Dec
Federal Reserve beige book	Dec-Jan
Business inventories	Nov
NAHB housing market index	Jan
MBA mortgage applications; 30-year rates	13 Jan

### Other Overseas Data Today & Tonight

<b>Japan</b>	BoJ policy meeting outcomes	18 Jan
Japan	BoJ outlook report	Mar Q
Japan	Machinery orders	Nov
Japan	Tankan index	Jan
Japan	Industrial production (final)	Nov
<b>UK</b>	Inflation	Dec
UK	Domestic vehicle registrations	Dec
<b>Germany</b>	Domestic vehicle registrations	Dec
<b>Euro zone</b>	CPI (final)	Dec
Euro zone	Domestic vehicle registrations	Dec
Euro zone	Construction output	Nov

### 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)

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