

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7006	-49	-0.7
<b>NZX 50</b>	12116	-232	-1.9
<b>DJIA Futures</b>	34157	0	0.0
<b>S&amp;P 500 Futures</b>	4390	0	0.0
<b>NASDAQ Futures</b>	14427	0	0.0

**Local Markets Commentary**

The Australian market commences a mid-week holiday-disrupted week's trade with domestic Covid-19 impacts and management remaining forefront, ahead of domestic and international PMI updates today and tonight and a plethora of domestic December quarter reports through Monday next week.

Overnight Friday, US equities markets fell for a fourth consecutive session, ahead of a US Federal Reserve policy meeting and earnings reports from several influential US stocks this week.

Since overnight Friday trade, the US and Russia have remained at a standoff over Ukraine, the US warning of a 'severe response' to any military action, following the reported late-Friday arrival in Kyiv of US military aid equipment.

**Locally** today, Markit has released January PMI estimates for Australia pre-trade, these traditionally not proving as influential as those calculated by AiG.

Nonetheless, the manufacturing index has been reported at 55.3 from 57.7 and the services PMI at a decided contractionary 45.0 from 55.1. Slight respective declines to 57.0 and 54.8 had been forecast.

**Regionally** today, **PMIs for Japan** are anticipated at 11.30am AEDT.

In overnight Friday commodities trade, **oil** extended Thursday's turn lower.

US **gold** futures also continued lower.

**Iron ore** (Nymex CFR China, 62% Fe) traded slightly higher, approaching \$US129.5/t.

Northern China port prices were reported at \$US137.26/t, 2.3% higher for the day and up \$US10/t for the week.

LME (3mth evening) **copper** turned moderately lower. **Nickel** remained in rally mode. **Aluminium** fell.

The **\$A** declined to ~US71.85 after falling to US71.90c early Friday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34265	-450	-1.3
<b>S&amp;P 500</b>	4398	-85	-1.9
<b>NASDAQ</b>	13769	-385	-2.7
<b>FTSE 100</b>	7494	-91	-1.2
<b>DAX 30</b>	15604	-308	-1.9
<b>Shanghai Comp</b>	3523	-32	-0.9

**\* Mineral exploration listing – midday AEDT – VMM \***

**Today's Stock Watch**
**Adairs Ltd (ADH)**

Reporting an unaudited \$242M worth of 1H FY22 sales, against \$243M a year ago and \$180.3M for 1H FY20. Breakdown statistics lodged pre-trade. \$90.9M net debt. Planning to lodge interim results 21 February.

**Qantas Airways (QAN)**

Reviewing the group's plans to reinstate the Perth – London service late March, given the WA Government decision to delay a border reopening beyond 5 February.

In addition, QAN is reducing recently planned domestic capacity by ~10% for the period 5 February – 31 March.

QAN expects to retain up to 15 flights per week between Perth and Adelaide, Brisbane, Darwin, Melbourne and Sydney.

**Aristocrat Leisure (ALL)**

ALL's recommended 680p cash-per-share offer for Playtech Plc remains the only firm bid, with JKO Play confirming it does not intend to bid to acquire Playtech.

Several material Playtech shareholders have not yet committed to the ALL offer, however.

ALL has closed lower for each of the past four sessions, settling at \$41.50 Friday after closing out the previous week at \$43.41.

**Resources**
**Fortescue Metals Group (FMG)**

MoU secured with Sinosteel to complete an assessment of Sinosteel's proposed WA Midwest magnetite iron project, which would include a rail link to a proposed port development at Oakajee.

Pending the outcome of the assessment, over a 12-month period, FMG will have the option to acquire up to 50% of the iron project and 100% of the proposed port and rail infrastructure.

Oakajee was previously considered as a likely port option for a Midwest WA iron ore project proposed, but subsequently abandoned, by Mitsubishi.

**South32 Ltd (S32)**

Produced a flat 496,000t of aluminium for the six months to 31 December. Payable nickel production rose by 26% to 16,100t. Metallurgical coal output dropped 15% to 3.26Mt and manganese output by 2% to 2.92Mt.

Breakdown figures and commentary for the December quarter and half-year lodged this morning.



## Overseas Markets Commentary

Major European, UK and US equities markets opened variously lower overnight Friday, sentiment mostly never looking like recovering.

Key US indices fell for a fourth consecutive session, settling near session lows, in part impacted by disappointing earnings and outlook revelations from Netflix post-trade Thursday.

End-of-week considerations included international economic prospects, inflation pressures and heightened speculation ahead of this week's US Federal Reserve monetary policy meeting.

Geopolitical concerns, in particular centred on Russia and the Middle East, showed no sign of easing.

Diplomats from Russia and the US revealed no progress in late-week talks but vowed to keep trying to resolve differences regarding Russia's troop build along the Ukraine border.

This followed warnings from Europe earlier in the week, that conflict looked the closest to unavoidable in years.

Another Saudi-led attack against Yemen, reportedly killing dozens of civilians, followed an initial renewed attack by Yemen Houthis on a UAE oil storage site five days earlier.

Speaking to delegates at the virtual World Economic Forum, US treasury secretary Janet Yellen expressed confidence in US economic recovery beyond the Covid-19 era, citing promising indicators against those during and following the 2008-09 financial crisis.

Also addressing the World Economic Forum, **European Central Bank** (ECB) president Christine Lagarde again pointed out that the US and Europe were experiencing different demand levels, in particular regarding wages.

Ms Lagarde added again that 'for the moment' the ECB was anticipating energy prices, plus supply and logistics issues to stabilise over the year and hence lower regional inflation levels.

Earlier, **Bank of Japan** January policy meeting minutes revealed several policy board members had called for vigilance on increasing inflationary pressures, even while inflation levels remained well below target.

Also Friday, Japan had reported December CPI growth at 0.1% for the month and 0.8% year-on-year.

November inflation growth had been reported at 0.3% and forecasters had anticipated 0.3% for December.

Overnight Friday **data** releases included **UK** December retail sales, these dropping 3.7% for the month and 0.9% down on December 2020.

Forecasters had expected a 0.6% sales pullback during December, following a 1.0% November improvement.

A GfK January consumer confidence index for the UK, released earlier Friday, came in at -19 from -15.

A **euro zone** January consumer confidence reading came in at -8.5 from -8.4, against an anticipated improvement to -7.6.

In the **US**, the Conference Board December leading index was predicted to remain at 0.7% but was calculated at 0.8%.

Tonight in the **US**, the Chicago Fed December national activity index is due, together with Markit's initial January PMIs.

## Pre-Open Announcements

### Dusk Group (DSK)

Anticipating \$80M worth of 1H FY22 sales, down 12% year-on-year. Breakdown statistics lodged this morning. ~\$33M net cash.

### Telix Pharmaceuticals (\* TLX)

Resuming trade having completed a \$175M, \$7.70-per-share placement.

A \$25M SPP at the same price is scheduled for 31 January (Monday next week) – 11 February.

### Synlait Milk (SM1)

Confirming the commencement of a new chair, CEO and independent director today.

### Silk Logistic Holdings (SLH)

Planning to outlay up to \$10.5M to acquire 101Warehousing. SLH will pay \$1.3M cash upfront and \$5M worth of SLH shares on completion.

An EBITDA-based deferred earn-out has also been negotiated.

SLH will use a \$1.7M debt facility to fund the acquisition.

In association, SLH will extend existing bank guarantee facilities by \$1.5M.

Pending satisfaction of conditions, completion is anticipated ~1 February.

### Objective Corporation (OCL)

OCL and the New Zealand Commerce Commission (NZCC) have settled regarding an investigation into OCL's Master Business Systems acquisition.

OCL has agreed to pay a \$NZ1.54M penalty for unintentionally breaching the New Zealand Commerce Act.

This will be jointly recommended to the New Zealand High Court by the NZCC and OCL.

### EBOS Group (EBO)

EBO's \$NZ105M retail entitlement offer in support of the proposed LifeHealthcare acquisition attracted applications totalling ~\$NZ412M worth of shares.

EBO has subsequently decided to accept a total \$NZ171M worth of applications.

### Spheria Emerging Companies (SEC)

December top 10 holdings lodged post-trade Friday.

### EROAD Ltd (ERD)

Contracted units grew by 53.3% during the December quarter to 70,736, bolstered by the Coretex acquisition.

### Orexplore Technologies (OXT)

Mineral technology services specialist completed a disappointing ASX listing Friday, following a \$2.4375M IPO at 25c per share.

Opened at 15c, the company's day one high. Traded as low as 12c before settling at 13.5c.

11.44M shares changed hands across 506 transactions.



Elsewhere, PMIs are also due for the UK and euro zone.

Companies listed to report earnings or provide trading updates later today or tonight include: Halliburton, IBM, LG Innotek, Logitech, Koninklijke Philips, Philips and Southern Copper.

In overnight Friday corporate news, **Schlumberger** revealed higher energy prices had pushed services demand sufficiently high to achieve better-than-anticipated December quarter results.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Feb)	<b>1831.8</b>	oz	-10.8	<b>-0.6</b>
<b>Silver (NY)</b> (Mar)	<b>24.32</b>		-0.40	<b>-1.6</b>
<b>Gold (LON)</b>	<b>1838</b>	oz	-8	<b>-0.4</b>
<b>Platinum</b>	<b>1028</b>	oz	-14	<b>-1.4</b>
<b>WTI Crude</b> (NYMEX Mar)	<b>85.14</b>	bbl	-0.41	<b>-0.5</b>
<b>Brent Crude</b> (ICE EUR Mar)	<b>87.89</b>	bbl	-0.49	<b>-0.6</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	<b>129.49</b>	t	0.40	<b>0.3</b>
<b>Copper (LME 3mth Evening)</b>	<b>9947</b>	t	-43	<b>-0.4</b>
<b>Nickel</b>	<b>24055</b>	t	260	<b>1.1</b>
<b>Aluminium</b>	<b>3042</b>	t	-69	<b>-2.2</b>
<b>Lead</b>	<b>2374</b>	t	24	<b>1.0</b>
<b>Zinc</b>	<b>3638</b>	t	-11	<b>-0.3</b>
<b>Tin</b>	<b>43998</b>	t	501	<b>1.2</b>

### Commodities Commentary

**Oil** – prices were pushed lower overnight Friday, industry watchers pointing to end-of-week profit-taking following seven-week price peaks reached during the week before US oil and petrol stocks were each reported higher for the week on Thursday.

Potential supply disruptions remained in focus however, with Russia-Ukraine tensions continuing to simmer and Middle East tensions rising.

Meanwhile, crude flow was restored through a fire-affected pipeline connecting Iraq and Turkey.

Among the forecasters, Bank of America ventured \$US120/bbl for Brent crude by mid-year.

UBS offered \$US90/bbl - \$US100/bbl for crude 'for now'.

Morgan Stanley scrapped its \$US90/bbl third quarter prediction for \$US100/bbl.

A weekly US petroleum drill rig report, published overnight Friday, included 491 operational oil rigs, from 492 the previous week.

**Gold** – liquidity considerations reportedly pushed prices lower overnight Friday.

General equities risk aversion, rather than favouring some gold interest, reportedly mostly pushed investors towards government bonds.

This week's US Federal Reserve policy meeting is expected to swing prices, pending action and commentary regarding rates moves.

Earnings reports from major US companies, international PMIs from today through tonight, plus December quarter GDPs for the US and Germany later in the week, could also produce some volatility.

**Base metals** – prices swung overnight Friday, with profit-taking

~103.66M quoted shares.

### Resources

#### Viridis Mining & Minerals (\* VMM)

Explorer and project developer scheduled to list on the ASX **midday** AEDT, following a \$5M IPO at 20c per share.

~31.2M quoted shares.

#### Tietto Minerals (\* TIE)

Reporting high-grade, significant-width intersections from infill drilling with the Cote D'Ivoire Abujar gold project Abujar-Gludehi deposit.

Assays, including 'bonanza' grades, lodged pre-trade.

#### Green Technology Metals (\* GT1)

GT1's 100% Lithium Triangle subsidiary has pegged, and secured options over, additional north west Ontario tenements, boosting total holdings from 9467ha to 35,576ha.

#### Ragnar Metals (RAG)

Satisfactory due diligence completed for WestOz Lithium and its assets under a HoA secured November 2021.

A RAG shareholders meeting to consider RAG's plans is anticipated in March.

#### Carnavale Resources (CAV)

CAV traded as high as 1.8c Friday before settling at 1.6c.

CAV had closed out the previous week at 0.8c.

In response to an ASX price query, CAV pointed to WA Kookynie gold project drilling results lodged Tuesday last week and the promise of further assays.

CAV had added 25% Tuesday and 10% and 9.09% respectively Wednesday and Thursday.

#### Calidus Resources (CAI)

Planning to install a 4MW solar farm with a 3.5MW battery energy storage system at the Warrawoona gold project.

The same contracted installer, Zenith Pacific, is also constructing an 11MW gas-fired power facility at the project under a previously agreed power purchase agreement.

The subsequent solar farm construction forms part of this agreement.

#### Genmin Ltd (GEN)

\$17.3M cash at 31 December.

December quarter activities report, highlighting three Gabon Baniaka iron ore project MoUs, lodged this morning.

#### Strickland Metals (STK)

Non-executive director Paul Skinner has resigned from the STK due to personal considerations.

#### Golden Deeps (GED) / Metals Australia (MLS) / Sabre Resources (SBR)

Mourning the passing of director Robert Collins.

MLS has appointed business consultant and SBR director Basil Conti as an MLS director.

SBR has appointed long-time resources sector engineer and GED director Michael Norburn as an SBR director.



cited for select declines following recent record prices.

General risk-off sentiment also toyed with prices early, together with commentary reporting concern at China's economic resilience.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7177	-0.0007	<b>-0.10</b>
<b>EUR – USD</b>	1.1342	-0.0004	<b>-0.03</b>

### Australian Data Today

Markit	PMIs	Jan

### US Data Tonight

Chicago Fed national activity index	Dec
Markit PMIs (prelim)	Jan

### Other Overseas Data Today & Tonight

<b>Japan</b>	PMIs (prelim)	Jan
<b>UK</b>	PMIs (prelim)	Jan
<b>Germany</b>	PMIs (prelim)	Jan
<b>Eurozone</b>	PMIs (prelim)	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)

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GED does not plan a new board appointment in the near-term.

### Trading Halts

Company	Code	Resuming
Alice Queen	AQX	24 Jan
Argonaut Resources	ARE	24 Jan
Askari Metals	AS2	24 Jan
BlackEarth Minerals	BEM	24 Jan
DXN Ltd	DXN	24 Jan
Carnaby Resources	CNB	25 Jan
Regis Resources	RRL	25 Jan
Sultan Resources	SLZ	25 Jan

### Suspensions (selected)

Company	Code	Since
Bulletin Resources	BNR	21 Jun
Cradle Resources	CXX	13 Jan
Emerald Resources	EMR	12 Jan
Hannans Ltd	HNR	21 Jun
IRIS Metals	IR1	10 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>MIR</b>	Today	<b>3.5</b>	100	2.47
<b>TGA</b>	Today	<b>7</b>	100	2.90
GCI	Fri	0.77	0	tbc

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>AFI</b>	Interim (webinar 1.30pm)
	<b>S32</b>	Dec Q
	<b>VMM</b>	IPO
<b>Tomorrow</b>	CHL	Dec Q (tele 9.30am)
	KP2	Webinar & Q&A (8pm)
	PAR	AGM (11am)
	VBS	AGM
<b>Thu</b>	ALC	Dec Q (w/cast & Q&A 11am)
	PAR	AGM
<b>31 Jan</b>	GOR	Dec Q (w/cast tele 11.30am)
	LIT	AGM
	MMM	Dec Q (tele 6pm)