

Markets

SFE 200 Futures (9.30am AEDT)	6964	55	0.8
NZX 50	12184	125	1.0
DJIA Futures	35274	277	0.8
S&P 500 Futures	4535	31	0.7
NASDAQ Futures	14995	90	0.6

Local Markets Commentary

The Australian market commences mid-week trade with a further overnight \$A appreciation and an early-afternoon speech from the Reserve Bank of Australia (RBA) governor keenly anticipated.

International equities markets advanced in concert overnight.

Key commodities trade also proved mostly positive.

Locally today, RBA governor Philip Lowe is scheduled to speak on **The Year Ahead** at the National Press Club (NPC) **12.30pm** AEDT.

The RBA publishes its monthly **chart pack** at 11.30am, outlining Australian economic indicators and financial markets performance in graphic form.

At the same time, the Australian Bureau of Statistics (ABS) releases a **living cost** indices report.

Regionally today, no major economic indicators are scheduled for release.

China's markets, and also those in Taiwan, are **closed this week** due to the Lunar New Year/Spring Festival holiday season.

Markets in Singapore and South Korea are scheduled to remain closed today.

Hong Kong's markets are expected to remain closed both today and tomorrow.

In overnight commodities trade, Brent **crude** turned a little lower, but WTI settled slightly higher.

US **gold** futures extended Monday's gains.

Iron ore (Nymex CFR China, 62% Fe) continued higher, but at a more moderate pace.

LME (3mth evening) **copper** and **nickel** each reportedly settled with ~2% gains. **Aluminium** was reported to have added ~0.6%. *Last night's LME final price updates were unavailable from IRESS at time of publication.*

The \$A was propelled to ~US71.20c after trading beyond US70.85c early yesterday evening, and has traded at ~US71.30c this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35405	273	0.8
S&P 500	4547	31	0.7
NASDAQ	14346	106	0.8
FTSE 100	7536	71	1.0
DAX 30	15619	148	1.0

Today's Stock Watch
Ancor Ltd (AMC)

3% higher, \$US427M interim net profit. Sales rose 12% to \$US6.93B. US12c quarterly dividend.

Telstra Corporation (TLS)

Expecting to spend an additional \$1.4B - \$1.6B over the next five years on two new infrastructure projects.

Details lodged pre-trade.

Virgin Money UK (VUK)

Deposits fell 2% to £65.5B during the December quarter.

Mortgage lending declined 0.5% to £5.6B.

Business lending fell 2.2% to £8.3B in line with expectations.

£16M impairment. CET1 rose ~0.3% to 15.2%.

The net interest margin (NIM) rose to 1.77% from 1.70%.

2022 NIM is anticipated at ~1.75%.

Genworth Mortgage Insurance Australia (GMA)

Anticipating FY21 net claims and investment income losses.

Planning to lodge full year results 25 February.

Arena REIT (ARF) / AusNet Services (AST)

ARF will replace AST on the S&P/ASX 200 prior to the ASX opening Monday next week (7 February), pending final approval of AST's propose acquisition by Brookfield Asset Management.

Biome Australia (BIO)

Positive independent clinical trial results, including a 64.2% reduction in asthma exacerbations in children treated with BIO's probiotic, published in the *Journal of Immunology Research*.

Resources
Talga Resources (TLG)

Additional strong results lodged for the Vittangi graphite project, Sweden.

Further assays are anticipated by month's end.

Mineral Resources (MIN) / Brockman Mining (BCK)

A new capacity allocation for iron ore exports at the Port of Port Hedland's Stanley Point berth three is to be allocated to the MIN-Hancock Prospecting JV, pending several approvals anticipated by mid-year.

BCK and MIN are JV partners for the regional Marillana and Ophthalmia iron ore projects.

MIN plans to export at least 20Mtpa of iron ore.

Energy
Boss Energy (BOE)

Heralding the potential to upsize resources for the Honeymoon uranium project, South Australia, given the latest drilling results. Assays lodged this morning.



Shanghai Comp

3361

Public

Holiday

Overseas Markets Commentary

Major European and UK equities markets jumped on opening overnight and despite some ensuing choppy trade, achieved rally-mode settlements.

Key US equities indices opened just a little higher, but sentiment improved sufficiently, particularly in late trade, for all to close at or near session highs.

Traders were faced with a batch of earnings from major stocks, mixed material data and apparent little resolution to concerns regarding Russia's Ukraine intentions.

Central bank thinking also continued forefront from last week, ahead of policy meetings for the **Bank of England** and **European Central Bank** (ECB) tomorrow night.

The ECB published the results of a bank lending survey covering the December quarter and outlooks for the March quarter, reporting a rise in business demand for investment finance and to cover increased need from factors such as supply constraints.

In addition, lenders generally viewed credit risk in relation to business lending as relatively low. Nonetheless, some banks raised credit standards for new business lending.

Earlier yesterday, the **Reserve Bank of Australia** (RBA) announced the end to a bond purchase program and revised key forecasts.

The central bank's 2022 GDP forecast for Australia was lowered to 4.25% from 5.5%.

The RBA raised the 2022 underlying inflation forecast to 3.25% from 2.25%, and the 2023 prediction from 2.5% to 2.75%.

Sub-4.0% unemployment is forecast for late 2022 and 3.75% for the end of 2023.

In the **UK**, PM Boris Johnson resisted further calls for his resignation.

For his part, Russia's president accused the US of trying to lure Russia into war with Ukraine.

Among overnight **data** releases, **Germany's** December retail sales tumbled 5.5% for the month, following a 0.8% November rise and expectations of a 1.0% decline.

Sales proved flat against those for December 2020.

The nation's January manufacturing PMI was finalised at 59.8 after an initial estimate of 60.5 and December's 57.4.

January unemployment was estimated in the meantime at 5.1% from 5.2% for December.

In the **euro zone**, the final January manufacturing PMI was also lower than the initial estimate, coming in at 58.7 from 59 and following 58 for December.

The December unemployment rate was also reported overnight, at 7.0% from 7.1%.

In the **UK**, the final January manufacturing PMI reading of 57.3 represented a 0.4-point increase on the initial estimate, but followed 57.9 for December.

In the **US**, the ISM's January manufacturing index fell by 1.2 to 57.6 against expectations for a smaller decline to 58.0.

December construction spending rose 0.2% for the month, undershooting forecasts for a 0.6% increase, as for November.

Pre-Open Announcements

Australian Pharmaceuticals (* API) / Wesfarmers Ltd (WES)

A class action against API and Priceline initiated in the Victoria Supreme Court October 2021 is being withdrawn, pending court approval.

Fleetwood Australia (* FWD)

Anticipating a \$35M - \$45M building solutions division 1H FY22 impairment.

Expecting to lodge interim results 24 February.

Collins Foods (CKF)

CKF has completed the acquisition of nine KFC restaurants in the Netherlands.

Tamawood Ltd (TWD)

Paying a flat 11c fully franked interim dividend.

Unaudited \$2.3M interim net profit, down 25% as anticipated.

~\$4.56M cash reserves. Debt-free.

Contract prices accord with costs for materials and contractors and also include provision for additional cost increases.

Hiremii Ltd (HMI)

December quarter-focused webinar scheduled for midday AEDT Friday.

HMI lodged the company's December quarter reports post-ASX trade Monday.

HMI added 8.89% Monday and 30.61% yesterday, settling at 6.4c.

Resources

Sandfire Resources (* SFR)

\$US1.865B Spain MATSA mining complex acquisition completed.

GWR Group (* GWR)

GWR has achieved full production once again at the C4 iron mine.

Additional operational details lodged this morning.

GWR dropped 19.4c yesterday, settling at 14.5c.

Australian Silica Quartz Group (* ASQ)

MoU terms sheet secured for the export of up to 45,000t/month of silica sand, over 24 months, from Marella Road, Bullsbrook WA.

ASQ is planning to supply the silica, suited to solar panel cover glass manufacturing, to Xiamen C&D Inc subsidiary C&D Logistics Group Co.

Tombola Gold (TBA)

TBA had appointed stockbroker and fund manager Byron Miles as MD effective immediately, taking over from Aaron Day who has resigned.



A November job openings report estimated 10.925M job opportunities following 10.775M for November. Forecasters had anticipated 10.52M openings.

Meanwhile, the Dallas Fed (Texas region) January services index plunged to 0.6 from 14.2, following forecasts for 11, the latest services sector indicator to pressure views of US GDP growth. The result was mostly attributed to Covid-19 omicron variant spread.

Earlier, Japan hosted a 10-year bond auction, this delivering a 0.175% yield from 0.096%.

Tonight in the **US**, a private sector January employment change report and weekly mortgage applications are due.

Elsewhere, the euro zone releases an initial January CPI estimate.

Companies listed to report earnings or provide trading updates later today or tonight include: AbbVie, Banco Santander, Boston Scientific, Brookfield Infrastructure, Casio Computer, eBay, Ferrari, Hitachi, Humana, Imperial Brands, Japan Airlines, Marathon Petroleum, Mitsubishi Electric, Mitsubishi UFJ Financial, Novartis, Novo Nordisk, Panasonic, Qualcomm, Sony, Spotify, Toyota Industries and Vodafone.

In overnight corporate news, **AT&T** announced it would spin off **Warner Media** into a merged group with **Discovery**, offering AT&T shareholders 71% of the proposed merged entity Warner Bros Discovery. At&T also announced a \$US1.11 dividend, from \$US2.08 previously, this helping push the stock ~5% lower in early trade.

Alphabet (Google parent) and **General Motors** have each reported post-US trade, Alphabet's sales figures exceeding forecasts, and the stock pushed greater than 5% higher in post-settlement trade.

General Motors provided a positive outlook following record 2021 sales and a 56% profit jump to ~\$US10B.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1801.5	oz	5.10	0.3
Silver (NY) (Mar)	22.603		0.21	0.9
Gold (LON) (31 Jan)	1795	oz		
Platinum	1025	oz	7	0.7
WTI Crude (NYMEX Mar)	88.20	bbbl	0.05	0.1
Brent Crude (ICE EUR Apr)	89.16	bbbl	-0.10	-0.1
Iron Ore (NYMEX CHN port;62%Fe)	138.79	t	0.75	0.5
Copper (LME 3mth Evening) (31 Jan)	9494	t		
Nickel	22233	t		
Aluminium	3017	t		
Lead	2242	t		
Zinc	3578	t		
Tin	42973	t		

Commodities Commentary

Oil – international demand and supply scenarios, in part due to fluid geopolitical relations and also to the wait for any new OPEC+ decision, pushed and pulled overnight trade.

OPEC+ members are due to meet later today and tonight. The alliance's joint monitoring committee was reported to have offered no new advice on output levels.

Infinity Mining (IMI)

Five-year extension granted for the WA Pilbara Hillside copper gold tenement E45/4685.

Energy

Strike Energy (STX)

Project Haber has been awarded major project status by the Australian Government.

Energy Resources of Australia (ERA) / Rio Tinto (RIO)

ERA has appointed RIO operational excellence, people, office of the chief operating officer head Rosemary Fagen as a non-executive director.

Trading Halts

Company	Code	Resuming
Energy Resources of Australia	ERA	2 Feb
Emperor Energy	EMP	3 Feb
Maxiparts Ltd	MXI	3 Feb
Sparc Technologies	SPN	3 Feb
Powerhouse Ventures	PVL	4 Feb
Pivotal Systems Corporation	PVS	7 Feb

Suspensions (selected)

Company	Code	Since
Cassius Mining	CMD	27 Jan
Comet Resources	CRL	31 Jan
Cradle Resources	CXX	13 Jan
Structural Monitoring Systems	SMN	27 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DJW	Today	6.75	100	1.79
NIC	Today	2	0	2.76
ASW	Tomorrow	0.5	100	3.08
KKC	Tomorrow	1	0	4.87
BLD	Fri	7	0	0.00

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Tomorrow	JHG	Dec Q; '21 (w/cast tele midnight)
	NUF	Investor event (9am)



In addition to the OPEC+ decision tonight, a weekly US petroleum inventories report from US government agency the EIA is keenly anticipated.

Overnight, post-US trade, the American Petroleum Institute (API) released a weekly report including a 1.645MMbbl fall for crude stocks last week.

Gold – Comex futures continued higher overnight, notably settling above \$US1800/oz.

Industry watchers cited a continuing relatively weaker \$US, safe-haven demand, some inflation hedging and cryptocurrency wariness among trader influences.

Base metals – overnight gains were attributed to a mix of PMI figures, no new push higher for the \$US and inventories updates. In addition, India revealed plans to boost infrastructure spending. Cash prices for nickel were reported ~\$US500/t higher than those for three-month contracts, following a further fall in warehouse inventories.

Markets in China and Taiwan are closed this week due to the Lunar New Year/Spring Festival holiday period.

Markets in Hong Kong, Singapore and South Korea have also been scheduled to be closed for some of this week.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7129	0.0064	0.90
EUR – USD	1.1272	0.0029	0.26

Australian Data Today

RBA	Chart pack (Aust eco & fin mkts graphs)	Jan
ABS	Living cost indices (selected)	Dec Q

US Data Tonight

ADP employment change	Jan
MBA mortgage applications	28 Jan

Other Overseas Data Today & Tonight

Euro zone	CPI (prelim)	Jan
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Need More Information?

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