

Markets

SFE 200 Futures (9.30am AEDT)	6704	7	0.1
NZX 50	13385	-173	-1.3
DJIA Futures	30993	0	0.0
S&P 500 Futures	3818	0	0.0
NASDAQ Futures	13097	0	0.0

Local Markets Commentary

The Australian market opens a new week's trade with key data due domestically and out of China from late morning, and a warning from China regarding international restrictions on Chinese entities and individuals.

Over the weekend, China's Ministry of Commerce announced a detailed response to what were deemed 'unjustified' restrictions imposed by other nations on individuals and companies.

The ministry revealed it was investigating the international legal violations of preventing people and companies from 'engaging in normal economic, trade and related activity' with another nation or citizens from elsewhere.

Further, 'necessary counter-measures' were possible, and support would potentially be offered to affected people and businesses, the ministry said.

Locally today, the Australian Bureau of Statistics (ABS) reports November **retail sales, 11.30am AEDT**. Preliminary sales figures were published last month.

In addition, a monthly inflation gauge report is anticipated this morning.

Regionally today, **China** is scheduled to report December **producer prices and CPI 12.30pm AEDT**.

In overnight Friday commodities trade, **oil** picked up the pace of Thursday's more modest moves higher.

US **gold** futures, and those for other precious metals, dropped.

Iron ore (Nymex 62% Fe) settled beyond \$US169.50/t.

Qingdao CFR China, 62% fines were reported at \$US170.95/t, up US35c for the day.

LME **copper** and other key base metals fell.

The **\$A** rose to ~US77.70c after falling to ~US77.55c early Friday evening.

Earlier this morning, the **\$A** returned to US77.55c.

Japan's markets will be closed today, due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31098	57	0.2
S&P 500	3825	21	0.6
NASDAQ	13202	134	1.0
FTSE 100	6873	16	0.2
DAX 30	14050	81	0.6

Today's Stock Watch
Shaver Shop (SSG)

Anticipating \$13.5M - \$14.0M 1H FY21 NPAT, against \$7.6M for 1H FY 20.

December quarter sales rose 12.4%, and 13.7% on a like-for-like basis. 1H FY21 sales are estimated to have grown 15.2%.

Splitit Payments (SPT)

Instalment payment plans agreement secured with Google for Japan Google Store customers.

Cogstate Ltd (CGS)

December quarter executed clinical sales contracts tallied \$US14.3M, propelling 1H FY21 sales contracts to \$US22.6M.

CGS recorded \$US19.2M for December quarter FY 20 sales and \$US26.9M for 1H FY 20. Promising a detailed business update 21 January (Thursday next week).

Viva Leisure (VVA)

Paying up to \$6.25M total for six Pinnacle health clubs.

Resources
Sayona Mining (SYA) / Piedmont Lithium (PLL)

PLL is outlaying a total \$7M for a 9.9% SYA shareholding and two unsecured convertible notes. In addition, PLL will also pay \$US5M cash for 25% of Sayona Quebec.

Gascoyne Resources (GCY)

Produced 20,381oz of gold during the December quarter, pushing FY2021 year-to-date production to 40,695oz. \$800,000 net cash; \$37.3M cash balance.

Castillo Copper (CCZ)

Heralding a copper find following receipt of assays from Big One copper-cobalt drilling. CCZ says the results significantly extend known mineralisation. Significant-width and high-grade intersections lodged pre-trade.

Energy
Strike Energy (STX)

Feasibility satisfactorily completed for a 1.4Mtpa urea facility using blue and green hydrogen (project Haber), and associated government approval in hand for an option to lease 60ha of land at Narngulu, near Geraldton, WA

The plans to produce what is expected to be low-cost urea are based on STX's onshore Perth Basin greater Erregulla gas holdings.

Triangle Energy (TEG)

BP has confirmed a 16 February termination of a Perth Basin crude oil supply agreement, due to the planned Kwinana oil refinery conversion to a fuel import terminal.



Shanghai Comp 3570 -6 -0.2

Overseas Markets Commentary

Major European, UK and US equities markets traded higher from the outset overnight Friday. Some sentiment vacillated, but most indices essentially maintained initial gains.

Select data releases appeared responsible for some of the chop, US December employment statistics including the loss of 140,000 jobs, following forecasts of the creation of 112,000, and against 336,000 additional positions reported for November.

The unemployment rate remained at 6.7% and the participation rate at 61.5%.

Average earnings were calculated 0.8% higher for the month, and 5.1% higher than for December 2019.

In other overnight Friday **data** releases, the **euro zone's** November unemployment rate slipped from 8.4 to 8.3% following expectations of a rise to 8.5%.

In **Germany**, November trade figures included a €17.2B trade surplus following €19.4B for October and forecasts of €17.6B.

Exports and imports rose 2.2% and 4.7% respectively for the month, on a seasonally adjusted basis, following 0.9% and 0.4% increases in October. November exports had been expected to rise 0.8% and imports by 0.4%.

The nation's November industrial production in the meantime rose 0.9% for the month, following a 3.4% October jump and forecasts of 1.1% November growth.

In the **US** in addition to December employment figures, November wholesale inventories came in flat for the month, following forecasts of a 0.1% decline and October's 1.3% rise.

November consumer credit change was reported at \$US15.27B, from \$US4.54B for October and following forecasts of \$US10.2B.

Tonight in the **US**, consumer inflation expectations are due.

Elsewhere, European Central Bank (ECB) president Christine Lagarde is scheduled to speak publicly.

In corporate news from Friday, **Hyundai Motor** was reported to have commenced discussions with Apple regarding the potential joint development of an electric vehicle.

Hyundai Motor stock subsequently appreciated ~19% during trade on the South Korea Stock Exchange (KOSPI).

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1835.4	oz	-78.2	-4.1
Silver (NY) (Mar)	24.637	oz	-2.62	-9.6
Gold (LON)	1963	oz	-57	-3.0
Platinum	1111	oz	-53	-5.0
WTI Crude (NYMEX Feb)	52.24	bbl	1.41	2.8
Brent Crude (ICE EUR Mar)	55.99	bbl	1.61	3.0
Iron Ore (NYMEX,CHN,62%)	169.52	t	0.21	0.1
Copper (LME Ind)	8130	t	-49	-0.6
Nickel	17672	t	-444	-2.5
Aluminium	2024	t	-15	-0.7
Lead	2004	t	-33	-1.6
Zinc	2816	t	-74	-2.6

Pre-Open Announcements

Magellan Financial Group (* MFG)

\$A101.37B FUM at 31 December, against \$102.996B 30 November.

CV Check (* CV1)

December quarter revenue rose 12% year-on-year, to \$3.5M, pushing 1H FY 21 revenue to \$7.0M.

\$5.2M cash at bank at 31 December. Nil debt.

ReadyTech Holdings (* RDY)

RDY has progressed a HoA for the proposed acquisition of Open Office to a share sale deed setting upfront consideration at \$54M and earn outs of up to \$26M.

RDY plans to pay the upfront consideration in cash (\$40.1M) and shares (13.9M at \$1.88 per share).

Earn out details also lodged this morning.

RDY traded at \$2.00 - \$2.12 last week.

Althea Group Holdings (* AGH)

December sales grew 40% for the month, to a record \$1.19M.

UK sales rose 90% to a record \$209,706.

Australian sales also represented a record, coming in at \$902,466, 22% higher for the month.

Digital Wine Ventures (* DW8)

WineDepot orders and shipping growth figures lodged this morning.

Eve Investments (* EVE)

EVE's Meluka Australia has secured an agreement for raw honey products to be sold through US supermarket chain Whole Foods Market.

Wisr Ltd (* WZR)

Record December quarter loan growth details lodged pre-trade.

Vection Technologies (* VR1)

Heralding the launch of a Mindesk computer aided design (CAD) software interface at the three-day CES 2021, commencing 11.30pm GMT (overnight tonight AEDT).

Details lodged this morning.

Tyro Payments (TYR)

Total transaction value for 1 – 8 January rose 12% year-on-year to \$0.49B.

Resources

Anson Resources (* ASN) / Novonix Battery Technology Solutions (NVX)

NVX is testing ASN Utah, US Paradox brine project lithium hydroxide and lithium carbonate samples in lithium-ion battery cells.

Results are expected to form a basis for additional ASN talks with prospective off-take partners.



Tin 20995 t -105 -0.5

Commodities Commentary

Oil – Saudi Arabia’s pledge, earlier in the week, of voluntary output cuts, and expectations of likely further central bank and fiscal support in the US, appeared to continue to outweigh dour international Covid-19 figures (and hence decreased oil demand) reported overnight Friday.

Prices reached almost 12-month peaks, WTI ultimately settling 7.7% higher for the first week of 2021, and Brent up 8.1%.

A weekly US petroleum drill rig count, published overnight Friday, included the addition of eight operating oil rigs, pushing the (oil rig) tally to 275, the most recorded since May 2020.

Among the forecasters, UBS had late-Thursday ventured a Brent crude forecast to \$US60/bbl by mid-2021.

Meanwhile, South Korea was yesterday attempting to secure the release of a tanker and its crew, seized by the Iranian Revolutionary guards in the Persian Gulf last week.

South Korea’s vice foreign minister was in Tehran, but Iran warned South Korea not to politicise the situation, at the same time demanding the release of \$US7B worth of Iranian funds frozen by South Korean banks in response to US sanctions.

Gold – the \$US appreciated, bitcoin traded at new record peaks, and US treasury yields continued higher overnight Friday, detracting from gold interest.

US jobs data supported expectations of additional US government and Federal Reserve support.

Comex futures dropped the most in a day since 9 November 2020, effectively forfeiting 3.2% during the first week of 2021. Silver futures settled 6.7% lower for the week.

Base metals – the approach of the Lunar New Year, including the week-long holiday period in China, appeared in focus overnight Friday, amid some profit-taking.

Meanwhile, Shanghai Futures Exchange-registered zinc inventories were reported 22.5% higher for the week, at 35,008t.

December **producer prices** and CPI, due from **China** today, are expected to influence at least some of tonight’s trade.

China’s December **trade balance** and associated figures are anticipated Thursday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7759	0.0004	0.06
EUR – USD	1.2221	0.0003	0.02

Australian Data Today

ABS	Retail sales (final)	Nov
MI/TD Securities	Inflation gauge	Dec

US Data Tonight

Consumer inflation expectations	Dec
---------------------------------	-----

Gateway Mining (* GML)

Boulder gold deposit high-grade in-fill drilling results lodged this morning.

Liontown Resources (LTR)

Kathleen Valley lithium-tantalum project DFS underway. Outcomes anticipated by year’s end.

Lucapa Diamond Company (* LOM)

The Mothae JV kimberlite diamond project has sold 4676 carats of rough diamonds at \$US1198/carats for \$US5.6M

Victory Mines (VIC)

Coogee gold project 6000m RC drilling program underway. Details lodged this morning.

Magnetic Resources (MAU)

New RC resource drilling underway at both HN9 and Lady Julie.

Details lodged this morning.

Assays expected soon from 2020 drilling within HN9.

PepinNini Minerals (PNN)

\$306,000 raised at 30.6c per share under a controlled placement agreement with Acuity Capital.

Issue of the shares is subject to shareholder approval, but Acuity Capital is paying the funds to PNN immediately.

PNN traded at 31.5c – 38.5c last week, settling at 34c Friday after closing out 2020 (Thursday the previous week) at 39c.

Energy

88 Energy (* 88E)

88E has successfully negotiated a sale and purchase agreement for the proposed acquisition of the North Slope of Alaska Umiat oil field.

Details lodged this morning.

Trading Halts

Company	Code	Resuming
Celsius Resources	CLA	12 Jan
Helix Resources	HLX	12 Jan
PolarX Ltd	PXX	12 Jan

Suspensions (select)

Company	Code	Since
BuildingIQ Inc	BIQ	23 Dec
Douugh Ltd	DOU	23 Dec
Eclipse Metals	EPM	8 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
TRA	13 Jan	3.8	85	4.49

**Other Overseas Data Today & Tonight**

China	Producer prices	Dec
China	CPI	Dec
Euro zone	Sentix investor confidence	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

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
15 Jan	SHO	AGM
20 Jan	AFI API	Interim AGM
21 Jan	CGS	Business update; Dec Q cash flow
28 Jan	RMD (NB: o'night AEDT)	Dec Q (w/cast 8.30am 29 Jan)
29 Jan	BUD FNP	AGM AGM