

Markets

SFE 200 Futures (9.30am AEDT)	7025	36	0.5
NZX 50	11784	46	0.4
DJIA Futures	29258	18	0.1
S&P 500 Futures	3317	1	0.0
NASDAQ Futures	9139	5	0.1

Local Markets Commentary

The Australian market opens Friday trade with new data in hand from China, and a further batch of influential economic indicators due out of China early-afternoon, ahead of material international data releases tonight and a US Monday public holiday weekend.

Post-ASX trade yesterday, **China** reported December new lending had fallen to 1140B yuan from 1390B yuan in November.

Today, China is due to report December quarter **GDP**, December **industrial production** and **retail sales**, and January – December **fixed asset investment 1pm AEDT**.

Locally, December **new home sales** are anticipated 11am AEDT.

In overnight commodities trade, **oil** swung higher.

US **gold** futures (February) seesawed slightly lower.

Iron ore (Nymex CFR China, 62% Fe) forfeited US4c/t, remaining above \$US94.50/t.

LME (3mth evening) **copper** extended Wednesday's pull back.

Nickel turned and dropped. **Aluminium** also swung, but to a modest gain.

The **\$A** fell to ~US68.95c after trading beyond US69.15c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	29298	267	0.9
S&P 500	3317	28	0.8
NASDAQ	9357	98	1.1
FTSE 100	7610	-33	-0.4
DAX 30	13429	-3	-0.0
Shanghai Comp	3074	-16	-0.5

Overseas Markets Commentary

Trade across major European and US equities markets diverged overnight.

Key US indices were boosted from the outset on a cocktail of US-international trade optimism and some better than anticipated corporate earnings and economic indicators, and achieved new record high settlements.

European Central Bank monetary policy meeting minutes included the chief economist's promotion of stabilising regional growth.

China – December quarter GDP – 1pm AEDT

Also 1pm AEDT, China's December **industrial production** and **retail sales**, plus 2019 **fixed asset investment**.

Today's Stock Watch
Westpac Banking Corporation (WBC)

WBC has appointed Boston Consulting Group founding partner Colin Carter AM as the third and final member of the independent advisory panel for WBC's post-AUSTRAC allegations accountability review.

Among other responsibilities, Mr Carter is Geelong Football Club president.

The other two WBC independent advisory panel members are Kerry Schott AO and Ziggy Switkowski AO.

Nufarm Ltd (NUF)

Anticipating \$55M - \$65M 1H FY20 EBITDA.

Region-by-region commentary also lodged pre-trade.

Planning to lodge interim results 25 March.

SeaLink Travel Group (SLK)

SLK has completed its Transit Systems Group acquisition, with Transit Systems Group CEO Clint Feuerherdt taking over from SLK CEO Jeff Ellison.

Mr Ellison will remain an SLK executive director during a transition period and then become an SLK non-executive director.

Transit Systems Group chair and co-founding shareholder Neil Smith has joined the SLK board as a non-executive director.

Transit Systems Group holds 15.3% of SLK.

G Medical Innovations Holdings (GMV)

China National Medical Products Administration (NMPA) Prizma device approval application process able to commence now that GMV has successfully concluded clinical trials in China. NMPA was previously the China Food & Drug Administration (CFDA).

Resources
Rio Tinto (RIO)

RIO shipped 327.4Mt of WA Pilbara iron ore during 2019, down 3% on 2018's total. FOB prices rose 37%.

December quarter WA Pilbara iron ore shipments fell 1% year-on-year, but improved 1% on the September quarter 20-19, tallying 86.8Mt.

IOC iron ore pellets and concentrate rose 18% for the year, to 10.5Mt.

Bauxite production rose 9% during 2019, to 55.1Mt.

Aluminium production fell 2%, to 3.17Mt, and mined copper by 5%, to 577,400t. Respective prices dropped 14% and 7%.

A teleconference was scheduled to commence 8.30am AEDT.



The US Senate approved the proposed new trade agreement between Canada, Mexico and the US. Canada's parliament is yet to agree to the new arrangements.

Meanwhile, pre-trial proceedings began in the US Senate for the proposed impeachment of the president.

Among overnight data releases, **Germany's** December CPI was confirmed and finalised at 0.5% growth for the month, representing a 1.5% year-on-year increase.

In the **US**, December retail sales rose 3.0% for the month, the same pace as in November, and 5.8% year-on-year. Sales improved 3.6% for January - December.

The Philadelphia Fed manufacturing index surprised on the upside, reported at 17 from 2.4 in December.

December import prices rose 0.3% for the month and were 0.55 higher than a year earlier.

Export prices declined by 0.2% for the month. Against December 2018, export prices were 0.7% lower.

November business inventories were calculated 0.2% lower for the month, following a 0.1% October increase.

Weekly new unemployment claims dropped by 10,000 to 204,000.

A home builders' housing market index slipped one point to 75.

Tonight in the **US**, December building permits and housing starts, industrial production, a JOLTS November job openings report and a University of Michigan initial January consumer sentiment reading are due.

Elsewhere, the UK reports December retail sales and the euro zone a final December CPI reading.

Schlumberger is among companies scheduled to report earnings. Premier Foods and Ryanair are expected to provide updates.

In overnight corporate news, **Morgan Stanley** appreciated 7.5% after releasing a better-than-anticipated December quarter report.

Taiwan Semiconductor had earlier reported 16% higher December quarter net profit, boosted by 9.5% revenue growth.

US markets will be closed Monday due to a public holiday.

China's markets will be closed for a week from 24 January (Friday next week), due to Lunar New Year/Autumn Festival holidays.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1550.50	oz	-3.5	-0.2
Silver (NY) (Mar)	17.939	oz	0.049	-0.3
Gold (LON) (15 Jan)	1549	oz		
Platinum	1004	oz	-15	-1.5
WTI Crude (Feb)	58.52	bbl	0.71	1.2
Brent Crude (Mar)	64.62	bbl	0.62	1.0
Iron Ore (NYMEX,CHN,62%)	94.55	t	-0.04	-0.0
Copper (3mth,evening)	6268	t	-41	-0.7
Nickel	13800	t	-550	-3.8
Aluminium	1809	t	7	0.4
Lead	1981	t	-25	-1.3
Zinc	2397	t	2	0.4
Tin	17670	t	170	1.0

Pre-Open Announcements

Sezzle Inc (** SZL)

California, US formal approval in hand for SZL's lending licence.

Kleos Space (* KSS)

Channel partner and integrator agreement secured with UK-headquartered geospatial intelligence and analysis specialist GeoCollect.

Details lodged pre-trade.

Creso Pharma (* CPH)

499% higher, \$A3.651M revenue achieved during 2019, \$A1.986M of this during the December quarter.

\$A2.812M cash on hand. \$A4.2M worth of debt facilities.

Acrow Formwork & Construction (* ACF)

BKH Group has ordered an ACF Powershore high-load shoring system for the Sydney Metro Barangaroo Station construction formwork.

ACF anticipates the system will be sold for \$2M - \$3M.

Australian Ethical Investment (AEF)

FUM grew 6.3%, to \$3.87B, during the December quarter.

Alexium International (AJX)

\$US9.47B debt to GPB Debt Holdings II LLC fully-paid.

In association, AJX is confirming a 6% \$A5.15M convertible note with Colinton Capital Partners.

Nyrada Inc (NYR) / Noxopharm Ltd (NOX)

NOX spinoff, drug researcher and developer NYR completed a successful ASX listing yesterday, following an \$8.5M IPO at 20c per CDI.

Opened at 30.5c and slipped to 22.5c before settling at 23.5c.

~5.66M shares were traded. ~76.1M quoted CDIs.

NOX held 30.51% on listing.

Resources

Resolute Mining (** RSG)

Produced 105,293oz of gold during the December quarter, boosting the 2019 total to 384,731oz.

Sold 394,920oz at \$US1344/oz.

Expecting to produce 500,000oz at \$US980/oz during 2020. \$US127M cash, bullion and listed investments.

Pantoro Ltd (* PNR)

Produced 9403oz of WA Kimberley region Halls Creek gold, at a \$1940/oz AISC, during the December quarter.

\$31.7M cash plus gold.

Debt-free.

Troy Resources (TRY)

5200oz gold loan facility secured with Asian Investment Management Services, in support of the recommencement of Karouni production.

**Commodities Commentary**

Oil – overnight prices were buoyed by different levels of progress with US trade pacts with China, Canada and Mexico.

In addition, US data releases heartened.

The International Energy Agency's (IEA) monthly report, published overnight, continued to forecast international oil demand to grow by a daily 1.2MMbbl during 2020, to 101.5MMMbbl/d.

A weekly US petroleum drill rig count is due tonight.

Gold – CME Group futures suffered overnight from some better-than-expected US economic indicators, the US-China trade pact and US Senate approval of a new Canada-Mexico-US trade deal, these combining to push major US equities markets to new peaks.

Base metals – caution ahead of **China's** December quarter GDP, December industrial production and retail sales, and 2019 fixed asset investment, each due today, appeared to largely influence overnight trade sentiment.

Yesterday, China reported a 6.6% rise in December residential property prices, following a 7.1% November increase, December growth the slowest in 17 months.

Post-ASX trade, China also released December new lending of 1140B yuan, against 1390B during November.

Some positioning is anticipated tonight, in the lead-in to the US Monday public holiday weekend.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6898	0.0001	0.01
EUR – USD	1.1137	0.0001	0.01

Australian Data Today

HIA	Residential property sales	Dec
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US Data Tonight

Industrial production	Dec
Building permits	Dec
Housing starts	Dec
Uni of Michigan consumer sentiment (prelim)	Jan

Other Overseas Data Today & Tonight

China	GDP	Dec Q
China	Industrial production	Dec
China	Retail sales	Dec
China	Fixed asset investment	2019
UK	Retail sales	Dec
Euro zone	CPI (final)	Dec
Euro zone	Construction output	Nov

Energy**Yancoal Australia (* YAL)**

Produced 19.0Mt of ROM coal, 10% more than for the December quarter 2018.

Saleable coal production rose 14%, totalling 14.1Mt.

Attributable saleable coal production increased by 12% to 9.4Mt, pushing the 2019 total to 35.6Mt.

The average realised price, for thermal and metallurgical coal combined, came in at \$A93/t against \$A107/t for the September quarter 2019.

Uncertain 2020 outlook for seaborne traded thermal coal prices.

Trading Halts

Company	Code	Resuming
Envirosuite Ltd	EVS	17 Jan
Hawkstone Mining	HWK	17 Jan
Agrimin Ltd	AMN	20 Jan
Amplia Therapeutics	ATX	20 Jan
AuStar Gold	AUL	20 Jan

Suspensions (select)

Company	Code	Since
Altura Mining	AJM	15 Jan
Coziron Resources	CZR	14 Jan
Force Commodities	4CE	15 Jan
Kangaroo Island Plantation Timbers	KPT	7 Jan
Reverse Corp	REF	16 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AIQ	Today	0.26	0	0.00
TRA	Today	3.78	85	7.11
CVF	Mon	0.46	100	7.61
MIR	Wed	3.5	100	3.64

Reports & Events

(selected)

When	Company	Report/Event
Tue	BHP	DecQ; 1H FY20 op review
Wed	API	AGM
	BKI	Interim
	IPD	Dec Q
Thu	GXY	Dec Q (tele 11am AEDT)
Fri	LYC	Dec Q (tele 11am AEDT)



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