

Markets

SFE 200 Futures (9.30am AEDT)	7385	-1	-0.0
NZX 50	11955	69	0.6
DJIA Futures	33139	-247	-0.7
S&P 500 Futures	3916	-30	-0.8
NASDAQ Futures	11357	-119	-1.0

Local Markets Commentary

The Australian market opens Friday trade with key domestic and regional economic reports due and new data already in hand from South Korea, ahead of early-week regional lunar new year public holidays.

US equities markets fell further overnight.

Locally today, the Australian Bureau of Statistics (ABS) releases a **business turnover** indicator report at **11.30am** AEDT.

In addition, revisions to December half earnings guidance and December quarter earnings reports continue.

Regionally today, **Japan** reports December **inflation** at **10.30am** AEDT.

Pre-trade, **South Korea** has published December **producer prices**, these having fallen by 0.3% for the month, as for November, against expectations for a 0.1% decline.

Against December 2021, prices were up 6.0%.

The **People's Bank of China** is expected to announce to announce prime **rates** for one- and five-year loans for the next month at **12.15pm** AEDT.

In overnight **commodities** trade, **oil** swung higher, Brent crude trading above \$US85/bbl and WTI exceeding \$US80.0/bbl.

US **gold** futures also turned to settle beyond \$US1920/oz again.

Iron ore (Nymex CFR China, 62% Fe) rose to close above \$US121.5/t.

Coal (ICE-GC Newcastle) declined to \$US368/t.

LME (3mth evening) **copper** was reported 0.5% lower for the day at 1700 GMT. At the same time, **nickel** reportedly had been propelled to a 5.8% gain. **Aluminium** reportedly fell by greater than 1.5%.

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 ~US69.20c after trading at ~US68.90c - ~US68.95c early yesterday evening.

*Meanwhile, several markets will be **closed** next week for lunar new year, including those in **China, Hong Kong and South Korea** on **Monday**.*

China's markets will remain closed all week, Hong Kong's until through Wednesday (inclusive) and South Korea's for Tuesday.

*Markets in **Australia** will be **closed Thursday**, due to **Australia Day**.*

Today's Stock Watch
Super Retail Group (SUL)

The Fair Work Ombudsman (FWO) has commenced Federal Court proceedings against SUL regarding previously revealed remuneration arrangements for some SUL employees. SUL self-reported the matters to the FWO in 2018 and commenced remediation.

Fisher & Paykel Healthcare (FPH)

Anticipating \$NZ1.55B - \$NZ1.60B full year (to 31 March) revenue.

City Chic Collective (CCX)

\$168.6M sales revenue estimated for the 26 weeks to 1 January. \$2.5M - \$4.0M underlying EBITDA loss.

Halo Food Co (HLF)

Coles Group (ASX: COL) has ordered a further six product lines from HLF in a third material private label contract estimated to be worth \$2.9Mpa in sales.

Resources
Pilbara Minerals (PLS)

A webcast was scheduled to commence 9.30am AEDT. \$A2.226B cash at 31 December 2022, from \$1.375B at 30 September.

Produced 62,151t of spodumene concentrate during the December quarter, 10% more than for the September quarter 2022. Shipped 148,627t, representing an 8% increase for the quarter.

The average sales price came in 33% higher than for the September quarter, at \$US5668/t (5.4% SC, CIF China).

Unit operating costs (FOB Port Hedland; excl royalties) fell 5% to \$A579/t.

Austral Resources (AR1)

Anthill copper project December quarter production reached 33.3t/d nameplate capacity.

Produced 2507t of cathode for the three months and 976t during December. Sold 2393t of copper for \$30.1M revenue.

Azure Minerals (AZS)

WA west Pilbara region Andover JV project pegmatites sampling has continued to return high-grade lithium results.

Assays lodged this morning. Several hundred pegmatite outcrops remain unsampled/tested.

High-priority target drilling expected to commence late February. AZS 60%; Creasy Group 40%.

Red Dirt Metals (RDT)

Heralding WA Gascoyne region Yinnetharra lithium project diamond drilling results, in particular one intersection.

A 90,000m, 400-hole program is continuing.

**Overseas Markets**

INDEX	CLOSE	+/-	%
Dow Jones	33045	-252	-0.8
S&P 500	3899	-30	-0.8
NASDAQ	10852	-105	-1.0
FTSE 100	7747	-83	-1.1
DAX 30	14920	-261	-1.7
Shanghai Comp	3240	16	0.5

Overseas Markets Commentary

Major European, UK and US equities markets fell on opening overnight, sentiment never seriously looking like it would improve through respective trading sessions.

The **European Central Bank** (ECB) released mid-December policy meeting minutes, these indicating policy makers considered inflationary risks remained on the upside, and expected euro zone GDP to decline for the December quarter 2022 and March quarter 2023.

Prior to this, ECB president Christine Lagarde had told World Economic Forum *Finding Europe's New Growth* panel attendees the ECB would continue to push interest rates higher and keep them there until inflation was sustainably back at 2%.

For his part, **Bank of England** governor Andrew Bailey ventured inflation could decline quickly this year due to falling energy prices, but that a UK recession remained likely due to Covid factors and the extent of cost of living woes.

Among overnight data releases, **US** weekly new unemployment claims tallied 190,000, following 205,000 the previous week and forecasts for 207,000 new claims.

This sparked further speculation regarding likely Federal Reserve moves at the 31 January – 1 February policy meeting.

The January Philadelphia Fed manufacturing index improved to -8.9 from -13.7.

December building permits and housing starts respectively fell 1.6% and 1.4% for the month, mixed against respective forecasts for a 3.7% increase and 1.9% drop.

In the **UK**, a 10-year index-linked treasury gilt auction produced a 0.007% yield from -0.558%.

Yesterday afternoon (AEDT), a 20-year bond auction in Japan resulted in a 1.341% yield from 1.088%.

Tonight in the US, December existing home sales are due.

In addition, a Federal Reserve regional president is scheduled to speak publicly.

Elsewhere, the UK is expected to report December retail sales and Germany to reveal December producer prices.

Companies scheduled to report earnings later today or tonight include: Ericsson, HDFC Bank, Piedmont Lithium, Reliance Industries, Sandvik, Schlumberger and Tokyo Steel Manufacturing.

Pre-Open Announcements**Perpetual Ltd (PPT)**

Anticipating \$65M - \$70M 1H FY23 underlying post-tax profit. \$A93.7B AUM at 31 December, up 4% year-on-year. Additional December quarter statistics lodged pre-trade.

Imugene Ltd (IMU)

IMU's HER-Vaxx and CF33 are featuring in presentation and poster formats at the ASCO Gastrointestinal Cancers Symposium, San Francisco. Details lodged this morning.

Australian Ethical Investment (AEF)

\$8.37B FUM at 31 December 2022, up 35% from 30 June.

CTI Logistics (CLX)

Anticipating ~90% year-on-year growth in pre-tax interim profit against the previously expected 60% increase.

Eden Innovations (EDE)

December quarter sales tallied \$A1.615M, 190% more than for the December quarter 2021.

July – December sales reached \$A3.086M, 52% more than for the same period in 2021.

Imdex Ltd (IMD)

Trading halt extended to Monday while raising funds in support of the proposed ~\$A324M acquisition of Norway-headquartered mining-tech specialist Devico.

Resources**American Rare Earths (ARR)**

Wyoming, US Halleck Creek rare earths drill samples at laboratories for analysis, following completion of a 38-hole program and the collection of 3817 samples.

Focus Minerals (FML)

\$US35M three-year unsecured loan facility successfully negotiated with major FML shareholder Shandong Gold International Mining Co.

The funds will cover the planned WA goldfields Coolgardie gold project Three Mile Hill plant refurbishment and the resumption of mining and processing.

Details lodged post-trade yesterday.

FML already holds a \$A20M unsecured loan with Shandong Gold Group Co and \$US10M unsecured loan with Shandong Gold Financial Holdings Group (Hong Kong) Co.

Catalina Resources (CTN)

CTN has appointed CTN company secretary and executive director Sanjay Loyalka as executive chair.

Non-executive director Davide Bosio has resigned due to other professional commitments, including with Shaw & Partners.

In association, CTN has appointed geologist Michael Busbridge to the CTN board as technical director.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Feb)	1923.9	oz	16.90	0.9
Silver (COMEX 5000 Mar)	23.87	oz	0.22	0.9
Platinum	1036	oz	-2	-0.2
WTI Crude (NYMEX Feb)	80.33	bbl	0.85	1.1
Brent Crude (ICE EUR Mar)	86.16	bbl	1.18	1.4
Iron Ore (NYMEX CHN port;62%Fe)	121.79	t	0.60	0.5
Copper (LME 3mth Evening) (18 Jan)	9323	t	37	0.4
Nickel	27843	t	1154	4.3
Aluminium	2638	t	19	0.7
Lead	2183	t	-42	-1.9
Zinc	3405	t	110	3.4
Tin	29105	t	682	2.4
Coal (ICE-GC Newcastle; IRESS)	368	t	-1.25	-0.3
Wheat (CBT Mar; IRESS)	733.75	t	-8.75	-1.2

Commodities Commentary

Oil – overnight trade featured swings, influenced by new demand figures for China, US data and currency moves.

The Joint Organisations Data Initiative reported China's crude demand had increased by ~1MMbbl/d during November, to 15.41MMbbl/d.

In addition, International Energy Agency (IEA) executive director Fatih Birol predicted a potential tight energy market as China's economy picks up amid sanctions against Russian crude and fuel trade, set to be broadened early February.

In the meantime, a weekly US petroleum inventories report, released overnight by US government agency the EIA, included another jump in US stored crude last week, this time by 8.408MMbbl.

Petrol stocks rose by 3.483MMbbl.

Petrol production was estimated at 332,000bbl. Net crude imports were reported to have fallen by 1.224MMbbl.

Overnight Wednesday, post-US trade, the American Petroleum Institute had released a weekly report which included a 7.615MMbbl increase for US crude stocks last week.

Tonight, a weekly US petroleum drill rig report is due.

Gold – one analyst pointed to the US debt ceiling issue as one reason gold prices turned higher overnight, reflecting some safe-haven demand.

In addition, equities trade faltered in general for a second consecutive session.

Meanwhile, recession, interest rates and inflation commentary continued out of the World Economic Forum, providing plenty to consider.

Base metals – recession talk, select new economic data releases, and pending lunar new year impacted broad overnight base metals sentiment.

Meanwhile, political rest continued in key copper producing nation Peru.

Some further positioning is anticipated tonight, due to China's markets being closed next week during the Lunar New Year holiday season. New Year's Eve is Saturday.

High-Tech Metals (* HTM) / Marquee Resources (MQR)

Explorer HTM is scheduled to list on the ASX 1.30pm AEDT **Monday**, following a \$4.718M IPO at 20c per share.

~24.59M quoted shares.

HTM has acquired the Ontario, Canada Werner Lake cobalt project, recently 70% owned by Global Energy Metals Corp (GEMC) and 30% by MQR.

GEMC holds 7.61% of HTM and MQR 3.20%.

MQR executive chair Charles Thomas is HTM non-executive chair.

Harpreet Singh Sonu Cheema HTM executive director.

Mr Sonu Cheema is a non-executive director of Avira Resources (ASX: AVW), and company secretary of AVW and several other ASX-listed companies.

Energy**Yancoal Australia (YAL)**

\$A2.7B cash at 31 December 2022.

2022 output comprised 50.5Mt of ROM coal, 38.9Mt of saleable coal and 29.4Mt of attributable saleable coal, each 20% lower than for 2021.

Production was impacted by wet weather, Covid disruptions and labour shortages.

Full December quarter activities report lodged post-trade yesterday.

Whitehaven Coal (WHC)

Anticipating \$2.6B 1H FY23 EBITDA.

December quarter operational statistics lodged this morning.

\$2.5B cash at 31 December.

Trading Halts

Company	Code	Resuming
Mayfield Childcare Centre	MFD	20 Jan
Sunshine Gold	SHN	20 Jan
Adelong Gold	ADG	23 Jan
Imdex Ltd	IMD	23 Jan
Indiana Resources	IDA	23 Jan

Suspensions (selected)

Company	Code	Since
CFOAM Ltd	CFO	10 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	Tue	3.5	100	3.48
VUK	9 Feb	13.36	0	1.84
BKI	10 Feb	4.2	100	3.91

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.6910	0.0006	0.09
EUR – USD	1.0830	0.0034	0.31

Australian Data Today

ABS	Business turnover indicator	Nov
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US Data Tonight

Existing home sales	Dec
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Other Overseas Data Today & Tonight

Japan	Inflation	Dec
South Korea	Producer prices	Dec
UK	Retail sales	Dec
UK	GfK consumer sentiment (~11am AEDT)	Jan
Germany	Producer prices	Dec
Euro zone	Consumer confidence	Jan

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Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	AR1	Dec Q
	CCZ	Dec Q
	PPT	Dec Q
	WHC	Dec Q
Tue	AMH	Interim
Wed	FMG	Dec Q
	ILU	Dec Q
	NCM	Dec Q
	RRL	Dec Q (w/cast 11am)
	WDS	Dec Q
30 Jan	LYC	Dec Q (w/cast 11am)
31 Jan	GOR	Dec Q (w/cast tele 11.30am)
	NIC	Dec Q (w/cast tele 11am)
	PAC	31 Dec FUM
	PBH	Dec Q & update (tele 9am)
	1 Feb	NUF

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