

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	6689	12	0.2
<b>NZX 50</b>	12939	57	0.5
<b>DJIA Futures</b>	30828	82	0.3
<b>S&amp;P 500 Futures</b>	3791	22	0.6
<b>NASDAQ Futures</b>	12986	172	1.3

**Local Markets Commentary**

The Australian market commences mid-week trade with positive overnight US equities trade leads, and domestic December quarter reporting season featuring several large-cap stocks, ahead of US inauguration proceedings, scheduled to commence tonight.

**Locally** today, a monthly **consumer sentiment** report is due from Westpac and the Melbourne Institute, 10.30am AEDT.

**Regionally**, the **People's Bank of China** is due to announce monthly one- and five-year loan prime **rates**, 12.30pm AEDT.

In overnight commodities trade, both Brent and WTI **crude** recorded gains.

US **gold** futures swung higher.

Qingdao **iron ore** (CFR 62% fines) was reported to have turned lower, settling at \$US171.33, down \$US2.74/t for the day.

LME **copper** turned to settle slightly lower. **Nickel** gained decisively. **Aluminium** settled essentially flat.

The **\$A** retreated below US76.95c after trading above US77.15c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	30931	116	0.4
<b>S&amp;P 500</b>	3799	31	0.8
<b>NASDAQ</b>	13197	199	1.5
<b>FTSE 100</b>	6713	-8	-0.1
<b>DAX 30</b>	13822	-18	-0.1
<b>Shanghai Comp</b>	3566	-30	-0.8

**Overseas Markets Commentary**

Major European, UK and US equities markets mostly forfeited early overnight gains, but US key indices steadied, with the NASDAQ and S&P 500 ultimately supported decisively higher.

Amid a plethora of news surrounding tonight's inauguration of a new US president, US markets seemed buoyed by economic support assurance and recovery predictions.

The confirmation hearing commenced for **US** president-elect nominee for Treasury secretary and immediate past US Federal Reserve chair, Janet Yellen.

Ms Yellen told a Senate finance committee, as pre-empted in prepared remarks, that a longer near-term recession was likely, together with economic 'long-term scarring', should the US

\* Minerals exploration listing – 10.30am AEDT – AGC \*

**Today's Stock Watch**
**Ansell Ltd (ANN)**

Anticipating minimum 20% year-on-year 1H FY21 organic growth. Planning to lodge interim results, together with revised FY21 guidance, 16 February.

**Australian Foundation Investment Company (AFI)**

Flat, fully-franked 10c interim dividend.

42.4% lower, \$84.1M year-on-year interim NPAT.

38% lower, \$96.2M revenue. \$103.2M cash.

**Australian Primary Hemp (APH) / Woolworths Ltd (WOW)**

Resuming from a trading halt with commitments for a \$5.2M, 32c-per-share placement, and plans for a \$1M SPP at the same price.

APH trading halt called pre-trade Monday, when announcing WOW will sell APH's Mt Elephant baking products range across Australia from March.

APH anticipates \$2.31M in annual retail sales.

APH added 18.75% Friday last week, settling at 38c, after trading at 31c – 39c through the week.

**Resources**
**BHP Group (BHP)**

Iron ore production rose 6% to 128.4Mt during the six months to 31 December.

Petroleum production fell 12% to 50.5MMboe.

Nickel output rose 31%, to 46.2Mt.

Metallurgical coal production fell 5% and energy coal by 30%.

**Argosy Minerals (AGY)**

A 20t cargo of 99.5% (battery quality) lithium carbonate is on its way from AGY's Argentina pilot plant to Korean-headquartered YN Chemical Co.

**Hammer Metals (HMX)**

Heralding Mt Isa East JV RC drilling, which HMX says has confirmed a copper-gold discovery within the Trafalgar prospect. Assays lodged this morning.

**Australian Gold and Copper (\* AGC) / Magmatic Resources (MAG)**

MAG spin-off and NSW-focused minerals exploration and project development company AGC is scheduled to list on the ASX 10.30am AEDT, following a \$10M IPO at 20c per share.

AGC holds three projects covering a total ~1000sq km within the NSW Lachlan Fold belt. AGC's chairman is MAG founder and executive chairman David Richardson.

~67.71M quoted shares. MAG holds ~5.64%.



Congress not approve new, broad and significant **fiscal support**.

Earlier, **Bank of England** chief economist Andy Haldane had offered an optimistic view of the rate of economic recovery for the UK, from as early as the June quarter 2021, pending the success of Covid-19 vaccination programs.

A UK government employment support program is due to end 30 April, but Mr Haldane forecast no significant rise in unemployment should UK GDP remain no more than 10% lower than before the Covid-19 outbreak.

Covid-19 containment remained in broader focus, China revealing increasing spread, the US reporting the most weekly new diagnoses during the outbreak, and the UK the most daily deaths. The UK, however, also revealed the least new daily diagnoses since 27 December, and ~4.27M initial vaccinations achieved.

Germany ordered medical-grade masks be worn on public transport and in shops, and extended a broad lockdown until 14 February.

Among overnight data releases, **Germany's** final December CPI reading confirmed 0.5% inflation for the month and 0.3% deflation since December 2019.

Germany's November CPI estimate had represented 0.8% monthly deflation.

The January ZEW economic sentiment index for Germany jumped to 61.8 from 55.0.

The current conditions component index was calculated at -66.4 however, from -66.5, following forecasts of -70.

The ZEW economic sentiment index for the **euro zone** was estimated at 58.3, from 54.4.

Euro zone December domestic motor vehicle registrations were earlier reported to have fallen 3.3% year-on-year, following a 12% November drop.

**Tonight** in the **US**, the US presidential inauguration will demand attention.

Scheduled data releases include weekly mortgage applications and a home builders' housing market index.

In addition, the US is expected to conduct a 20-year bond auction.

Elsewhere, a December CPI reading is due for the UK, and Bank of England governor Andrew Bailey is due to speak.

In addition, Germany conducts a 30-year bond auction and the euro zone releases a final December CPI reading.

Companies scheduled to report earnings later today and tonight include: Morgan Stanley, Bank of New York Mellon, Kinder Morgan, Procter & Gamble, United Airlines, UnitedHealth and US Bancorp.

In overnight corporate news, post-US trade, **Netflix** has reported a forecast-beating 8.5M new subscribers for the December quarter, but an ~\$US45M fall in year-on-year net income, to \$US542.2M. Netflix also revealed its subscriber tally had exceeded 200M.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1840.2</b>	oz	10.3	0.6
<b>Silver (NY) (Mar)</b>	<b>25.32</b>	oz	0.45	1.8
<b>Gold (LON) (15 Jan)</b>	<b>1839</b>	oz		

## Pre-Open Announcements

### PolyNovo Ltd (PNV)

PNV has secured LotuS to distribute PNV's NovoSorb BTM in Turkey.

### Range International (RAN)

PT Unilever Indonesia plans to reduce its use of virgin plastic and provide further recycling opportunities for RAN.

Unilever plastic packaging will be recycled by RAN subsidiary Re>Pal Indonesia for use in Re>Pal pallets.

A Unilever Indonesia raw materials warehouse operated by a Unilever logistics partner is expected to also replace timber pallets with Re>Pal pallets, which will be, in turn, recycled by Re>Pal.

RAN appreciated 14.29% yesterday, settling at 2.4c after trading as high as 2.6c.

11.9M shares changed hands, following 149,060 – 850,000 over the previous five sessions.

### MACA Ltd (MLD)

MLD has appointed former Ernst & Young corporate finance and transactions specialist Nicholas Ward as joint company secretary, effective immediately.

### Australian Pharmaceutical Industries (\* API)

API online AGM scheduled to commence 2pm AEDT.

Access details lodged Thursday last week.

## Resources

### Independence Group (\* IGO)

\$57M raised in the recent \$A4.60-per-share retail entitlement offer. Reporting 93% shareholder take-up.

IGO has traded at \$6.94 - \$7.31 over the past five sessions, after closing out 2020 at \$6.38.

### Alumina Ltd (AWC)

AWC JV partner Alcoa is due to report in the US early tomorrow morning AEDT.

### New Century Resources (NCZ)

\$A14.1M reduction (to \$183.9M) in the Century mine estimated rehabilitation cost agreed with Queensland authorities.

Details lodged this morning.

### Citigold Corporation (CTO)

Heralding recent exploration, including results from geochemical sampling in the Charters Towers region.

CTO appreciated 15.38% yesterday, settling at 1.5c after trading as high as 1.6c.

19.8M shares changed hands, against 671,719 - ~7.2M over the previous five sessions.

### Lithium Australia (LIT)

LIT is \$1.28M better off following the full payment of 25.6M partly-paid shares since mid-December.



<b>Platinum</b>	<b>1078</b>	oz	-2	<b>-0.2</b>
<b>WTI Crude (NYMEX Feb)</b>	<b>52.98</b>	bbl	0.62	<b>1.2</b>
<b>Brent Crude (ICE EUR Mar)</b>	<b>55.90</b>	bbl	1.15	<b>2.1</b>
<b>Iron Ore (NYMEX,CHN,62%) (15 Jan)</b>	<b>169.97</b>	t		
<b>Copper (LME Ind)</b>	<b>7962</b>	t	-8	<b>-0.1</b>
<b>Nickel</b>	<b>18220</b>	t	165	<b>0.9</b>
<b>Aluminium</b>	<b>1971</b>	t	-0.8	<b>-0.0</b>
<b>Lead</b>	<b>2011</b>	t	13	<b>0.7</b>
<b>Zinc</b>	<b>2689</b>	t	6	<b>0.2</b>
<b>Tin</b>	<b>21227</b>	t	0	<b>0.0</b>

### Commodities Commentary

**Oil** – post-overnight trade, Syria has reported a fire that impacted seven oil tankers near the Homs refinery. The refinery was reported as undamaged.

Overnight prices were pushed and pulled by new US stimulus plans, China's newly-reported 3% 2020 rise in refinery output, the monthly oil market report from the International Energy Agency (IEA), and commentary out of OPEC.

The **IEA** reduced its 2021 international crude demand forecast by a daily 280,000bbl, to 5.5MMbbl/d.

For its part, the **OPEC** secretary-general ventured an improved oil market by year's end.

Meanwhile, the US administration lengthened its list of sanctioned companies and individuals alleged to have breached US-implemented Venezuela petroleum sector business restrictions.

The WTI February front-month contract expires at settlement tonight.

Overnight, the March delivery contract added 1.1% to also settle at \$US52.98/bbl.

**Gold** – a \$US pullback (ICE \$US index -0.3%), in part attributed to stimulus promotion by the US president-elect's nominee to be US Treasury secretary, supported overnight gold interest.

**Base metals** – overnight trade appeared to mostly react to a weaker \$US, inventories, the further promotion of proposed US stimulus, and optimism from a Bank of England official.

LME-registered warehouses were reported to be holding 10% more *aluminium* than two days prior. Shanghai Futures Exchange-registered facilities were estimated to contain 12% more than in December.

The People's Bank of China is due to announce the coming month's one-year and five-year loan prime rates today.

NB: *China's lunar new year holiday season is scheduled for 11 (NYE) – 17 February.*

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7694	-0.0001	<b>-0.02</b>
<b>EUR – USD</b>	1.2129	-0.0001	<b>-0.00</b>

### Australian Data Today

Wstpc/MInst	Consumer sentiment	Dec
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### Pensana Rare Earths (PM8)

Planning to delist from the ASX.

Maintaining the company's primary London Stock Exchange listing.

### Australian Vanadium (AVL)

Pleading ignorance in response to an ASX price and volume query.

AVL settled 38.89% higher for the session yesterday, at 2.5c after trading as high as 2.6c. 188M shares were traded, against 12.38M - 29.27M over the previous five sessions.

### Energy

#### Yancoal Australia (\* YAL)

Produced 17.3Mt of ROM coal during the December quarter, and 9.1Mt of attributable saleable coal.

Attributable saleable coal output rose 8% for the year, to 38.3Mt.

Sold 9.4Mt of mine production at a mean realised \$A72/t.

Attributable sales rose 6%, to 37.9Mt.

### Trading Halts

Company	Code	Resuming
Delecta Ltd	DLC	20 Jan
Red Sky Energy	ROG	20 Jan
TAO Commodities	TAO	20 Jan
Theta Gold Mines	TGM	20 Jan
Venture Minerals	VMS	20 Jan
Chase Mining Corp	CML	21 Jan
Los Cerros	LCL	21 Jan
Think Childcare Group	TNK	21 Jan
Victory Mines	VIC	21 Jan
Jadar Resources	JDR	22 Jan
Magnum Mining & Exploration	MGU	22 Jan

### Suspensions (select)

Company	Code	Since
(The) Agency Group Australia	AU1	19 Jan
Cipherpoint Ltd	CPT	14 Jan
Contrarian Value Fund	CVF	14 Jan
Whitebark Energy	WBE	15 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CVC	Tomorrow	3	100	0.00
KPG	Tomorrow	0.33	100	2.32
MIR	Fri	3.5	100	2.99
DJW	29 Jan	5.25	100	4.50
OZG	1 Feb	0.3	100	2.55
WIC	1 Feb	3	100	4.72

**US Data Tonight**

MBA mortgage applications	15 Jan
NAHB housing market index	Jan

**Other Overseas Data Today & Tonight**

<b>China</b>	PBoC loan prime rates (one- & five-yr)	Jan
<b>UK</b>	CPI	Dec
<b>Germany</b>	PPI	Dec
<b>Euro zone</b>	CPI (final)	Dec

**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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SAR	2 Feb	3.8	100	0.00
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**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>AFI</b>	Interim
	<b>API</b>	AGM (2pm, online only)
	<b>BHP</b>	Dec Q; Jul-Dec 2020
<b>Tomorrow</b>	CGS	Business update; Dec Q cash flow
	GCY	Dec Q (teleconf 1pm)
	NST	Dec Q (w/cast tele midday)
	STO	Dec Q
	SAR	Dec Q (w/cast tele 11am)
	WPL	Dec Q
<b>28 Jan</b>	LBY	Dec Q
	RMD	Dec Q (w/cast 8.30am 29 Jan)
		(NB: o'night AEDT)
<b>29 Jan</b>	BFC	AGM
	BUD	AGM
	FNP	AGM
	ORG	Dec Q
	PBH	Dec Q
	SZL	Dec Q