

Markets

SFE 200 Futures (9.30am AEDT)	7031	5	0.1
NZX 50	11777	30	0.3
DJIA Futures	29293	14	0.1
S&P 500 Futures	3325	0	0.0
NASDAQ Futures	9176	1	0.0

Local Markets Commentary

The Australian market opens today's trade following no overnight US equities trade during the Martin Luther King public holiday but with new global economic growth forecasts in hand.

Regionally today, the **Bank of Japan** convenes a policy meeting and is expected to announce outcomes, and publish a quarterly outlook, at **2pm AEDT**.

Locally today, a weekly consumer sentiment reading is due pre-trade.

In overnight commodities trade, Brent **crude** rallied.

Iron ore (Nymex CFR China, 62% Fe) swung lower, remaining above \$US94.10/t.

LME (3mth evening) **copper** again settled virtually flat. **Nickel** continued higher. **Aluminium** turned so.

The **\$A** appreciated to ~US68.75c after falling below US68.70c early yesterday evening.

Meanwhile, political, business and economic leaders are meeting in Davos, Switzerland for the four-day **World Economic Forum**, scheduled to officially commence later today.

The **International Monetary Fund** (IMF), in the meantime, has published a new World Economic Outlook report, forecasting 2.9% international economic growth for 2020, and 3.3% for 2021, each rate 0.1% lower than the IMF's October-published predictions.

The IMF also said it expected growth to remain 'sluggish'.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	29348	Public	Holiday
S&P 500	3330	Public	Holiday
NASDAQ	9389	Public	Holiday
FTSE 100	7651	-23	-0.3
DAX 30	13549	23	0.2
Shanghai Comp	3096	20	0.7

Overseas Markets Commentary

Trade across major European equities markets diverged overnight, the FTSE 100 chopping markedly and trending lower, and the DAX 30 also vacillating significantly early, but ultimately climbing decisively.

US equities markets were closed due to a public holiday.

Japan – Bank of Japan post-policy meeting statement – 2pm AEDT

Today's Stock Watch

Seafarms Group (SFG)

Minimum five-year offtake and marketing agreement secured with Primstar.

Primstar will take and sell in Europe black tiger prawns from SFG's Project Sea Dragon.

Dicker Data (DDR)

Cloud data management backup specialist Veeam has appointed DDR as its Australian distributor.

HUB24 Ltd (HUB)

58% 2019 FUA growth to \$15.8B FUA.

\$2.497B record net inflows achieved during 1H FY 20.

December quarter net inflows totalled \$1.259B.

Creso Pharma CPH)

Greater than 3M CPH anibidiol sachets have been sold since the late-2017 launch.

The sachets are produced and marketed in collaboration with Virbac.

THC Global Group (THC)

Manufacturing licence in hand for THC's Southport, Queensland facility, enabling commercial production of medicinal cannabis.

Roots Sustainable Agricultural Technologies (ROO)

Australian design patent in hand for ROO's heat exchange stub.

Data#3 Ltd (DTL)

Anticipating \$12.5M interim pre-tax profit, against \$9M for 1H FY19. Planning to lodge first-half results 19 February.

Splitit Payments (SPT)

Co-founder and GM (Europe, Middle East, Asia) Gil Don, and non-executive director Michael DeFranco have resigned from the SPT board, effective today.

CEO Brad Paterson has been appointed MD.

In addition, SPT has appointed Clade co-founder and COO Jan Koelble as an independent non-executive director.

Resources

BHP Billiton (BHP)

Petroleum output grew 9% year-on-year for the six months to 31 December, to 57MMboe. Crude realised prices fell 13% and LNG by 25%.

Iron ore production rose 2% to 121Mt. Prices rose 41% to \$US78.30/t FOB.

Energy coal output increased by 12% to 12Mt, and nickel by 11% to 35,000t. Prices dropped 30% for energy coal and appreciated 26% for nickel.



In the **UK**, Chancellor Sajid Javid's weekend warning the UK would not remain within either the single market or the customs union come 2021, but rather seek independent regulation to suit various trade relationships, pushed the British pound ~0.2% below the euro and 0.1% below the \$US (sub-\$US1.30).

The UK is due to leave the European Union (EU) 31 January, but will operate within a transition period until year's end.

Overnight in the UK parliament's House of Lords, members voted for a change to proposed legislation approved in December by the House of Commons, in essence to allow select EU citizens the right to remain in the UK rather than have to apply to the government to remain.

A child refugee protection amendment is also due for a House of Lords vote, this anticipated tonight.

Meanwhile in the **US**, the president's defence team for his impeachment trial submitted that the impeachment charges, essentially abuse of power and obstruction of Congress, were 'deficient'.

Among scant overnight data releases, **Germany's** December producer prices were reported 0.1% higher for the month, following no change in November.

Against December 2018, prices were 0.2% lower.

Tonight, in addition to earnings and economic sentiment figures for the UK and euro zone respectively, plenty of commentary is anticipated from the official start of the World Economic Forum in Davos, Switzerland.

Companies scheduled to report earnings include: easyJet, IBM, Halliburton, Netflix (post-US trade), Posco, Sharp, UBS and United Airlines.

China's markets will be closed for a week from Friday, due to Lunar New Year/Autumn Festival holidays. Friday is Lunar New Year's Eve.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1560.3	oz	Public	Holiday
Silver (NY) (Mar)	18.073	oz	Public	Holiday
Gold (LON) (17 Jan)	1558	oz		
Platinum	1017	oz	-5	-0.5
WTI Crude (Feb)	58.54	bbl	Public	Holiday
Brent Crude (Mar)	65.50	bbl	0.65	1.0
Iron Ore (NYMEX, CHN, 62%)	94.15	t	-0.66	-0.7
Copper (3mth, evening)	6266	t	-0.5	-0.0
Nickel	14025	t	90	0.7
Aluminium	1816	t	11	0.6
Lead	1967	t	-10	-0.5
Zinc	2443	t	8	0.3
Tin	17850	t	40	0.2

Commodities Commentary

Oil – Brent crude rallied overnight, trading as high as \$US66/bbl, supported by production shut downs in **Libya** and broader fears regarding Middle East security.

WTI crude did not trade regularly due to the US public holiday and hence no new settlement will be recorded for overnight.

Pre-Open Announcements

McMillan Shakespeare (MMS)

CFO and company secretary Mark Blackburn is planning to leave MMS, after nine years, late-2020.

Primewest Group (PWG)

Outlaying a combined \$65.1M for two properties in Western Australia.

PWG is paying \$33.1M for a refurbished, 100%-leased office building at 66 Kings Park Rd, West Perth.

In addition, PWG is paying \$32M for the three-year-old Greenfields shopping centre, Mandurah. The centre hosts a Woolworths (ASX: WOW) supermarket and BWS liquor store.

Resources

Adriatic Metals (* ADT)

Ongoing phase two metallurgical test work has delivered a 25.1% copper concentrate containing 9550g/t silver and 20.9g/t Au.

Pantoro Ltd (* PNR)

Western Australia Norseman gold project Scotia deposit drilling has confirmed continuity of mineralisation. Details, including assays, lodged this morning. PNR 50%.

Energy

Universal Coal (UNV)

UNV has appointed non-executive director Mark Eames as interim chair, while a nomination committee identifies and appoints a new chairperson following the resignation of John Hopkins OAM last week.

Trading Halts

Company	Code	Resuming
Alta Zinc	AZI	21 Jan
Skin Elements	SKN	21 Jan
Lake Resources	LKE	22 Jan
RTG Mining	RTG	22 Jan
TZ Ltd	TZL	22 Jan
XCD Energy	XCD	22 Jan
Emerald Resources	EMR	23 Jan
Rumble Resources	RTR	23 Jan
Zenith Minerals	ZNC	23 Jan

Suspensions (select)

Company	Code	Since
Altura Mining	AJM	15 Jan
AuStar Gold	AUL	20 Jan
Coziron Resources	CZR	14 Jan
Force Commodities	4CE	15 Jan



A Khalifa Haftar-aligned military faction has closed ports in eastern Libya, plus a pipeline, forcing the closure of the Sharara and El Feel fields in south west Libya. Force majeure has been declared for the fields.

Analysts estimate up to 1.2MMbbl/d worth of output has been impacted.

In **Iraq**, industrial action by security personnel shut down one oil field's operations. Iraq is the second largest OPEC producer, after Saudi Arabia.

Regional tensions flared over the weekend, also following an attack on a military base in **Yemen**, reportedly by Houthi militia.

Further, **Iran** threatened yesterday to pull out of the 1968 international nuclear non-proliferation treaty (NPT) should European nations refer Iran to the UN Security Council in association with an international nuclear pact secured with Iran in 2015.

Meanwhile, Guyana has shipped its first crude, the maiden 1MMbbl destined for Exxon Mobil refining operations along, and inland from, the US gulf coast. Exxon, Hess and CNOOC produced the Stabroek light crude. The JV is targeting 750,000bbl/d output by 2025.

Gold – CME gold futures did not trade as normal overnight, due to the US public holiday, and hence no settlement is recorded.

Some safe-haven buying pushed spot gold prices as high as \$US1562.51/oz.

Geopolitical developments are expected to prove the major influence on gold sentiment this week, although equities sentiment, and hence gold's attraction, could swing on some large-cap earnings reports.

Base metals – relatively low-volume LME trade reported overnight.

Yesterday, the **People's Bank of China** retained the one-year and five-year loan prime rates at 4.1% and 4.8%, respectively, for January.

Over the weekend, China revealed new content specifications for scrap copper and aluminium.

Japan finalised November industrial production yesterday as representative of a 1.0% fall for the month and 8.2% year-on-year drop, against 4.5% and 7.7% respective October tumbles.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6873	0.0001	0.01
EUR – USD	1.1097	0.0002	0.02

Australian Data Today

ANZ/Roy Morgan	Consumer sentiment	19 Jan
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Overseas Data Today & Tonight

Japan	BoJ monetary policy statement	Jan
Japan	Quarterly outlook	MarQ
UK	Average earnings	Nov
UK	Unemployment rate	Nov

Hawkstone Mining	HWK	17 Jan
Integrated Green Energy Solutions	IGE	20 Jan
Kangaroo Island Plantation Timbers	KPT	7 Jan
MEC Resources	MMR	17 Jan
Reverse Corp	REF	16 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	Tomorrow	3.5	100	3.68
DJW	29 Jan	8.75	100	5.54

Reports & Events

(selected)

When	Company	Report/Event
Today	BHP	DecQ; 1H FY20 op review
Tomorrow	API	AGM
	BKI	Interim
	IPD	Dec Q (tele 9.15am AEDT)
Thu	GXY	Dec Q (tele 11am AEDT)
Fri	LYC	Dec Q (tele 11am AEDT)



UK	Unemployment claims	Dec
Germany	ZEW current conditions	Jan
Euro zone	ZEW economic sentiment	Jan

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