

Markets

SFE 200 Futures (9.30am AEDT)	6757	44	0.7
NZX 50	13098	71	0.6
DJIA Futures	31096	268	0.9
S&P 500 Futures	3845	55	1.4
NASDAQ Futures	13294	309	2.4

Local Markets Commentary

The Australian market opens today's trade with Joe Biden as US president, key domestic data late morning, and several high-profile domestic resources and energy stocks reporting for the December quarter, ahead of central bank post-policy meeting announcements for Japan this afternoon and the euro zone tonight.

US equities markets gained overnight, as did most key commodities.

Locally today, December **workforce** statistics are keenly anticipated from the Australian Bureau of Statistics, **11.30am** AEDT.

The Reserve Bank of Australia (RBA) reports monthly foreign exchange transactions and official reserve assets at the same time.

In addition, the Melbourne Institute is scheduled to publish a monthly consumer inflation expectations report, ~11am AEDT.

Regionally overnight, China reported a 6.2% rise in 2020 FDI against 6.3% for January through November, and following forecasts of a 6.0% annual increase.

Japan's economy features today.

The **Bank of Japan** (BoJ) convenes a **policy** meeting from which outcomes are anticipated **2pm** AEDT. The BoJ also publishes a new quarterly outlook.

Japan's December **trade** figures are also expected, at 10.50am, ahead of CPI and PMI updates tomorrow.

In overnight commodities trade, **oil** extended Tuesday's gains.

US **gold** futures also closed higher.

Qingdao **iron ore** (CFR 62% fines) was reported at \$US170.55/t, down US78c/t for the day.

LME **copper** and **aluminium** swung higher. **Nickel** settled slightly lower.

The **\$A** appreciated to ~US77.45c after trading at ~US77.40c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31188	258	0.8
S&P 500	3851	53	1.4
NASDAQ	13457	260	2.0
FTSE 100	6740	27	0.4

The **ASX** will be **closed Tuesday 26 January**, due to the Australia Day public holiday.

Tomorrow's trades will settle Wednesday 27 January.

Trades executed Monday next week settle Thursday 28 January.

Today's Stock Watch
Link Administration Holdings (LNK)

Unaudited \$65M interim NPATA, against previous guidance of \$57M. \$597M revenue, against guidance of \$594M.

Planning to lodge audited results 25 February.

PointsBet Holdings (PBH)

Michigan gaming Control Board approval in hand to commence online sport betting Friday midday (US ET time).

PBH will then be operating in six US States.

Resources
OZ Minerals (OZL) / Downer EDI (DOW)

OZL is transitioning Carrapateena underground and associated mining services, over seven weeks, from DOW to Byrnegut Australia, under a five-year alliance-style contract valued at \$130Mpa. Byrnegut has been the Prominent Hill underground mining services contractor for the past 10 years.

The new Byrnegut agreement follows DOW's decision to offload all mining services business, as outlined and updated in a separate announcement post-trade yesterday.

Northern Star Resources (NST)

Teleconference scheduled to commence **midday** AEDT.

Unaudited \$A100M December quarter NPAT.

\$A372M cash, bullion and investments.

Saracen Mineral Holdings (SAR)

Anticipating \$A115M - \$A125M interim NPAT. Produced a record 309,512oz of gold, at a \$A196/oz AISC, for June-December 2020. \$A466M cash and bullion. \$A283M debt.

Alumina Ltd (AWC)

AWC JV partner Alcoa reported in the US early morning AEDT, figures including a \$US170M 2020 net loss and \$US9.286B revenue.

Energy
Woodside Petroleum (WPL)

Produced 24.9MMboe during the December quarter, pushing 2020 production to a record 100.3MMboe, 12% higher than for 2019. December quarter sales revenue rose 32% for the three months, to \$920M.

Santos Ltd (STO)

2020 production rose 18% to a record 89MMboe. Record 2020 sales (107.1MMboe) delivered \$US3.4B revenue.



DAX 30	13914	92	0.7
Shanghai Comp	3583	17	0.5

Overseas Markets Commentary

Major European and UK equities markets opened higher overnight, and despite vacillations, settled with further gains.

US equities markets also opened higher and soon trended even more so, the NASDAQ and S&P recording new intra-day peaks.

US president Joe Biden was sworn in with no reported incident.

China announced it would seek co-operation with the new US administration, while revealing sanctions against 28 officials from the previous administration.

Also overnight, **Bank of England** governor Andrew Bailey described the likely effect on the UK economy of the latest Covid-19 containment restrictions, including lockdowns, as 'profound'.

BoE forecasts are due to be updated 4 February, but in the meantime the BoE expected UK businesses would continue to learn how to adapt to lockdowns.

In overnight data releases, **Germany's** December producer prices surprised on the upside, reported 0.8% higher for the month, following a 0.2% November increase and forecasts of a new 0.2% gain.

Prices were 0.2% higher than for December 2019, after November's 0.5% year-on-year fall and forecasts of a new 0.4% decline.

The **euro zone's** final December CPI reading confirmed 0.3% growth for the month and 0.3% deflation year-on-year.

In the **UK**, December CPI growth was calculated at 0.3% for the month, and 0.6% year-on-year, the gains mostly attributed to higher transport costs.

November's CPI reading had represented 0.1% deflation for the month. This was followed by forecasts for 0.2% inflation during December.

In the **US**, a home builders' housing market index fell to 83 from 86.

Weekly mortgage applications declined by 1.9% after jumping 16.7% the previous week. Mean 30-year mortgage rates came in at 2.92%, from 2.88%.

A 20-year US bond auction produced a 1.657% yield, from 1.470%.

Earlier, a 30-year bond auction in Germany delivered a -0.13% yield, from -0.06%.

Tonight in the **US**, a Philadelphia manufacturing index, December housing starts and building permits, and weekly new unemployment claims are due.

Elsewhere, the **European Central Bank** (ECB) convenes a policy meeting after which president Christine Lagarde is scheduled to host a press conference.

Companies scheduled to report earnings later today and tonight include: Baker Hughes, CSX, Intel, IBM, PPG Industries and Sandvik.

In overnight corporate news, positive growth numbers out of **Netflix** post-Tuesday trade helped buoy the tech/communications/entertainment sector, Netflix stock appreciating ~17%.

Pre-Open Announcements

Cleanaway Waste Management (* CWY)

CEO Vik Bansal is stepping down ~19 February, when CWY publishes interim results.

Mr Bansal, who has been CEO since August 2015, will continue to support the board during a transition period.

Chairman Mark Chellew will assume executive duties and CFO Brendan Gill will push back his retirement.

Netwealth Group (NWL)

FUA rose 14% (\$4.8B) during the December quarter, to \$38.8B. FUA rose 15.5% to \$9.3B.

Vicinity Centres (VCX)

The overall net value (\$570M) of 60 directly-owned retail properties fell 4.0% during July through December.

Whispir Ltd (WSP)

\$47.4M annualised recurring revenue at 31 December, up 29% year-on-year and 8.5% for the quarter.

Cash receipts rose 8.2% for the three months, to \$11.3M.

The Agency Group Australia (AU1)

The Federal Court has ordered that AU1's administration/purported administration end 4pm 1 February.

Further, a 12.15pm AEDT 1 February Federal Court hearing has been scheduled for any creditors or interested parties to apply to discharge or vary the court orders.

Meanwhile, AU1 control remains in the hands of AU1 directors.

Further details, including additional court orders, lodged post-trade yesterday.

AU1 trade remains suspended.

Wisetech Global (WTC)

119,356 WTC shares are due for release from escrow 4.15pm AEDT 3 February.

Resources

Lithium Australia (* LIT) / Galan Lithium (GLN)

The European Patent Office has approved a patent for LIT subsidiary VSPC's process which manufactures nano-structured metal oxide products.

Such oxides are used in the production of battery materials, catalysts, fuel cells and supercapacitors.

VSPC anticipates preliminary feasibility results for the production of lithium ferro phosphate (LFP) cathode material by 31 March.

In addition, GLN has completed its acquisition of the WA Greenbushes South lithium project from LIT, issuing 1.221M GLN shares under an acquisition and JV agreement announced Thursday last week.

GLN has traded higher each of the past six sessions, settling at 54c yesterday, and trading as high as 64c Tuesday.

LIT had traded higher for five consecutive sessions, trading as



Morgan Stanley, Procter & Gamble and UnitedHealth eclipsed headline forecasts and offered encouraging outlooks.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1866.5	oz	26.3	1.4
Silver (NY) (Mar)	25.766	oz	0.45	1.8
Gold (LON) (19 Jan)	1835	oz		
Platinum	1106	oz	28	2.6
WTI Crude (NYMEX Feb)	53.24	bbbl	0.26	0.5
Brent Crude (ICE EUR Mar)	56.08	bbbl	0.18	0.3
Iron Ore (NYMEX,CHN,62%) (19 Jan)	170.03	t	0.6	0.0
Copper (LME Ind)	8019	t	68	0.9
Nickel	18205	t	-9	-0.1
Aluminium	1985	t	21	1.1
Lead	2037	t	21	1.1
Zinc	2722	t	36	1.4
Tin	21640	t	480	2.3

Commodities Commentary

Oil – proposed new US fiscal support has bolstered demand expectations, helping push prices higher again overnight.

Industry watchers are keen to assess the likelihood and timing of any policy change, including regarding sanctions against Iran, domestic fracking, the Paris climate accord, Arctic exploration.

A weekly US petroleum inventories report is due from government agency the IEA tonight.

Overnight, the WTI February front-month contract expired at settlement.

The March delivery contract added 33c (0.6%), settling at \$US53.31/bbl.

Post-US settlement, an American Petroleum Institute (API) report estimated a 2.56MMbbl increase in stored US crude during last week.

Gold – no new overall rally for the \$US, and expectations of new US economic support supported overnight gold interest.

Central bank commentary out of Japan this afternoon and the euro zone tonight will be considered moving into late-week trade, ahead of a batch of international PMI updates due tomorrow and tomorrow night.

Base metals – inventories, output reports, anticipation of new US stimulus and currency considerations again appeared the major influences on overnight LME trade.

The International Aluminium Institute estimated December primary aluminium production had risen ~4.22% year-on-year, to 5.67Mt.

During the Trump administration's last hours in office, a 10% import tax on most aluminium from the United Arab Emirates was ordered to be lifted 3 February, following an agreement curtailing imports.

Overnight, **China** reported a 6.3% increase in 2020 foreign direct investment (FDI).

Yesterday, the People's Bank of China retained one-year and five-year loan prime rates at 3.85% and 4.65% respectively.

NB: *China's lunar new year holiday season is scheduled for 11*

high as 21c before forfeiting 1c (5.88%) yesterday, to settle at 16c.

Jadar Resources (* JDR)

Resuming from a trading halt, raising \$1.8M in a select placement at 3c per share.

In addition, 97 JDR lithium exploration licenses in Austria have been extended for a further five years.

JDR has returned two licences, and holds an additional 36 for which the licences remain valid until 31 December 2023.

JDR traded at 2.4c – 3.6c over the five sessions prior to calling the halt.

Los Cerros (* LCL)

Heralding Colombia Quinchia project Tesorito South target copper and gold drilling results.

Assays lodged pre-trade.

Perseus Mining (* PRU)

December quarter, half-year and 2020 operational statistics lodged pre-trade.

\$US118.1M available cash and bullion. \$US130M debt.

Gascoyne Resources (* GCY)

Produced 40,695oz of gold during June – December.

\$800,000 net cash.

Red 5 (* RED)

Lowering FY21 gold production guidance.

Produced 21,534oz of gold and sold 22,412oz, with a \$2181/oz AISC, during the December quarter.

\$98.5M cash on hand and bullion.

Australian Strategic Materials (* ASM)

December quarter production figures lodged this morning.

Hammer Metals (* HMX)

Post-trade yesterday, HMX lodged an amended notice of yesterday's pre-trade Mt Isa East JV Trafalgar prospect copper find announcement.

The wording in a section relating to the JOGMEC agreement has been amended.

Following yesterday's pre-trade announcement, HMX traded as high as 9.7c before settling 175.76% higher for the session, at 9.1c.

~323.65M shares changed hands across 6926 transactions.

Vulcan Energy Resources (* VUL)

Comprehensive reply regarding a 15 January pre-ASX trade PFS results and associated ore reserves announcement provided post-trade yesterday, following receipt of an ASX 'aware' query.

VUL pre-empted the 15 January announcement in an ASX notice lodged 15 December.

VUL also noted several announcements and reports from 4 January through 11 January, in the US and Germany, which appeared to have boosted interest in ASX and Frankfurt trade.

VUL's price began to significantly appreciate early January and

*(NYE) – 17 February.***Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7748	0.0001	0.02
EUR – USD	1.2107	0.0001	0.01

Australian Data Today

ABS	Workforce (incl jobs, unemployment)	Dec
MelInst	Consumer inflation expectations	Jan
RBA	Forex transactions	Dec
RBA	Official reserve assets	Dec

US Data Tonight

Initial jobless claims	16 Jan
Philadelphia Fed manufacturing	Jan
Housing starts	Dec
Building permits	Dec

Other Overseas Data Today & Tonight

Japan	BoJ policy meeting outcomes	21 Jan
Japan	BoJ quarterly outlook	Mar Q
Japan	Trade balance	Dec
UK	CBI business optimism	Mar Q
Euro zone	ECB policy meeting outcomes	21 Jan
Euro zone	Consumer confidence	Jan

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continued this week.

Yesterday, VUL forfeited 24c (2.43%), settling at \$9.65.

VUL closed out 2020 at \$2.76 and Tuesday this week, traded as high as \$14.20.

Pilbara Minerals (PLS) / Altura Mining (AJM, receivers & managers and administrators appointed)

PLS has completed the initial \$US155M acquisition of the AJM's Altura Lithium Operations Pty Ltd.

PLS will also pay 69M shares, or a cash equivalent, within 12 months.

Catalyst Metals (CYL)

CYL has completed its ownership of the Henty gold mine via the acquisition of Unity mining from Diversified Minerals via a cash and scrip deal.

CYL has paid the equivalent of \$13.2M to date.

Details of additional payments lodged post-trade yesterday.

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

MAG spin-off and NSW-focused minerals exploration and project development company AGC completed its ASX listing yesterday, following a \$10M IPO at 20c per share.

Opened at 20c and traded at 18.5c – 21c before settling at 20.5c.

6.46M shares changed hands across 346 trades.

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 held ~5.64% on AGC's listing.

Trading Halts

Company	Code	Resuming
Chase Mining Corp	CML	21 Jan
Victory Mines	VIC	21 Jan
Emerge Gaming	EM1	22 Jan
Jatcorp Ltd	JAT	22 Jan
Magnum Mining & Exploration	MGU	22 Jan
Nelson Resources	NES	22 Jan
Red Emperor Resources	RMP	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

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CVC	Today	3	100	0.00
KPG	Today	0.33	100	2.33
MIR	Tomorrow	3.5	100	2.95
DJW	29 Jan	5.25	100	4.49
OZG	1 Feb	0.3	100	2.55
WIC	1 Feb	3	100	4.69
SAR	2 Feb	3.8	100	0.00

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	CGS	Business update; Dec Q cash flow
	GCY	Dec Q (teleconf 1pm)
	NWL	Dec Q
	NST	Dec Q (w/cast tele midday)
	PRU	Dec Q
	STO	Dec Q
	SAR	Dec Q (w/cast tele 11am)
	WPL	Dec Q
28 Jan	EVN	Dec Q
	LBY	Dec Q
	PFT	Update (webinar midday)
	RMD	Dec Q (w/cast 8.30am 29 Jan)
		(NB: o’night AEDT)
29 Jan	BFC	AGM
	BUD	AGM
	FNP	AGM
	ORG	Dec Q
	OZL	Dec Q
	PBH	Dec Q (w/cast tele 10am)
	SZL	Dec Q