

Markets

SFE 200 Futures (9.30am AEDT)	6754	-18	-0.3
NZX 50	13372	260	2.0
DJIA Futures	31082	-14	-0.1
S&P 500 Futures	3846	1	0.0
NASDAQ Futures	13396	101	0.8

Local Markets Commentary

The Australian market commences Friday trade, ahead of a domestic Tuesday public holiday, with mixed overnight international equities and commodities trade leads.

Key domestic and regional data releases are scheduled for release this morning, and a batch of international PMI updates tonight.

Locally today, the Australian Bureau of Statistics (ABS) is due to report **preliminary** December **retail sales** figures **11.30am** AEDT.

Markit releases January PMI estimates for Australia pre-trade, ahead of the more influential AiG readings due early February.

Regionally, Japan is scheduled to report December **CPI 10.30am** AEDT.

January **PMI** estimates are also due, **11.30am**.

In overnight commodities trade, Brent **crude** continued higher, but by just US2c/bbl. WTI turned modestly lower.

US **gold** futures also turned to record a slight decline.

Qingdao **iron ore** (CFR 62% fines) was reported at \$US171.51/t, up US96c/t for the day.

LME **copper** turned slightly lower. **Nickel** swung higher. **Aluminium** continued to rally.

The **\$A** slipped below US77.60c after trading at ~US77.65c early yesterday evening.

This morning, the **\$A** has traded beyond US77.65c again.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31176	-12	-0.0
S&P 500	3853	1	0.0
NASDAQ	13531	74	0.6
FTSE 100	6715	-25	-0.4
DAX 30	13929	16	0.1
Shanghai Comp	3621	38	1.1

Overseas Markets Commentary

Early optimism waned significantly across major European and UK equities markets overnight, and marked vacillations featured for key US equities indices.

Despite varying settlements however, the NASDAQ and S&P 500 continued to achieve new closing records.

Covid-19 impacts and containment debates, plus US and central

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

Today's trades will settle **Wednesday 27 January**.

Trades executed Monday next week settle **Thursday 28 January**.

Today's Stock Watch
Coca-Cola Amatil (CCL)

Anticipating \$340.3M FY20 ongoing NPAT, 6.1% lower, \$4.762B revenue, and 13.9% lower, \$550.7M FY20 ongoing EBIT. \$1.462B net debt expected.

Washington H Soul Pattinson & Co (SOL)

\$A250M convertible notes offer, including a base \$225M. SOL intends to use estimated \$221M - \$246M net proceeds to repay ~\$200M worth of debt and to boost liquidity. SOL plans to apply to list the notes on the SGX-ST.

Redflex Holdings (RDF)

Agreeing to a scheme of arrangement plan for Verra Mobility Corporation to acquire RDF for A92c per share. Additional details lodged this morning.

Worley Ltd (WOR)

Four master services agreements secured with Chenier Energy subsidiaries.

Novatti Group (NOV)

NOV clients can use NOV Visa prepaid cards with Apple Pay.

Perenti Global (PRN)

PRN's Barminco and Ausdrill have secured a combined \$A307M worth of new work and contract extensions across six projects in NSW and WA. Details lodged post-trade yesterday.

NRW Holdings (NWH) / Primero Group (PGX)

NWH's RCR Mining Technologies has secured Fortescue Metals Group (ASX: FMG) WA Pilbara Solomon Hub contracts worth a combined \$80M.

RCR has subcontracted \$30M worth of the work to PGX.

Immutep Ltd (IMM)

Licensing partner GSK has discontinued the GSK2831781 ulcerative colitis phase two clinical trial, pending further data assessment. GSK2831781 is derived from IMM's IMP731 antibody. Under an ongoing collaboration agreement, IMM is entitled to developmental milestone payments.

In addition, IMM has lodged a December quarter report pre-trade, this including a \$54.9M cash position.

Resources
Lynas Rare Earths (LYC)

Contract in hand to build a commercial light rare earths separation facility in the US. Details lodged this morning.

bank policy proved major considerations, together with some better-than anticipated US data releases and the wait for post-trade earnings releases from the likes of Intel and IBM.

A batch of executive orders issued from the new US president's office from Wednesday afternoon highlighted an immediate emphasis on Covid-19 management policy.

Overnight, the president warned the US casualty figures for Covid-19 would worsen before they improved.

Also overnight, the **European Central Bank** (ECB) held a policy meeting after which president Christine Lagarde emphasised that while Covid-19 presented 'serious risks' to the euro zone economy, the commencement of vaccination programs, the European Commission's approval late 2020 of €750B worth of regional recovery funding and the agreement achieved for the UK-EU separation, gave cause for optimism of ultimate recovery.

While the ECB had retained status quo for rates, an asset purchase scheme (boosted in December) and economic forecasts for this month, Ms Lagarde highlighted willingness and readiness to update policy as needed.

Yesterday, the **Bank of Japan's** (BoJ) post-policy meeting disclosures also included status quo for rates and a warning of increased economic risk.

However, in a new quarterly outlook from the BoJ raised GDP forecast growth for the fiscal year commencing 1 April, from 3.6% to 3.9%.

Among overnight data releases, a consumer confidence reading for the **euro zone** declined to -15.5 from -13.8.

In the **US**, weekly new unemployment claims rose by 900,000, against 926,000 the previous week and following expectations of 915,000 new claims.

A Philadelphia manufacturing index encouraged, jumping from nine to 26.5, following forecasts of a more modest rise, to 12.

December housing starts rose 5.8% for the month, following predictions of a 0.2% increase and November's 3.1% rise.

Building permits came in 4.5% higher for the month, against forecasts of 0.1% and following a 5.9% November increase.

Tonight in the **US**, Markit's initial January PMIs and December existing home sales are due.

Hyundai Engineering, Kia Motors, Reliance Industries, Schlumberger and Tokyo Steel Manufacturing Co are scheduled to report earnings later today and tonight.

In overnight corporate news, **Intel** and **IBM** each declined post-US trade, as investors considered outlooks and sales against reported earnings.

Apple rallied, ahead of next week's expected record figures and following a positive stock price prediction from Morgan Stanley.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Feb)	1865.9	oz	-0.6	-0.1
Silver (NY) (Mar)	25.854	oz	0.09	0.3
Gold (LON) (20 Jan)	1857	oz	22	1.2
Platinum	1119	oz	13	1.2
WTI Crude (NYMEX Mar)	53.13	bbl	-0.18	-0.3
Brent Crude (ICE EUR Mar)	56.10	bbl	0.02	0.3

Pre-Open Announcements

Spirit Technology Solutions (* ST1)

Heralding December quarter and 1H FY21 growth in a presentation lodged pre-trade.

InvoCare Ltd (IVC)

Independent non-executive director Robyn Stubbs is resigning from the IVC board, due to family and other professional commitments, effective 20 February.

Mercury NZ (MCY)

Revised FY 21 EBITDAF guidance and December quarter update lodged this morning.

OncoSil Medical (OSL)

OSL has appointed OSL EMEA (Europe Middle East Africa) president Nigel Lange as CEO and MD, effective yesterday. Mr Lange is a former Sirtex Medical interim CEO, interim Asia Pacific CEO and Europe CEO.

Resources

Fortescue Metals Group (* FMG)

Anticipating \$US4M - \$US4.1M interim NPAT.

December NPAT exceed (an unaudited) \$US940M.

Meanwhile, Founder and chairman Andrew Forrest will deliver the initial ABC Boyer lecture this weekend.

A copy (Oil vs Water: Confessions of a Carbon Emitter) has been lodged this morning.

Jupiter Mines (* JMS)

Planning to demerge the WA central Yilgarn iron ore assets, including the Mt Mason DSO haematite project, into a newly-established company named Juno Minerals.

JMS is providing \$5M seed capital and plans to list Juno on the ASX

Pending JMS shareholder approval, Juno will pay 120M shares to JMS for the assets and capital.

The Juno shares will be distributed in-specie to JMS shareholders.

In addition, 80M shares will be offered in an IPO, to raise up to \$20M.

PepinNini Minerals (* PNN)

Update lodged post-trade yesterday, highlighting the planned Hillside Minerals acquisition. Hillside holds two Eyre Peninsula, South Australia tenements deemed prospective for kaolin and halloysite.

PNN settled at 28c Monday, but closed at 49c yesterday, adding 40% for the session.

PNN appreciated 14.29% Tuesday and 9.38% Wednesday.

Podium Minerals (POD)

Parks Reef PGM project resource extension drilling results lodged post-trade yesterday.

POD remains in a trading halt, called pre-trade yesterday.



Iron Ore (NYMEX,CHN,62%) (20 Jan)	169.85	t	-0.18	-0.1
Copper (LME Ind)	8027	t	-16	-0.2
Nickel	18390	t	169	0.9
Aluminium	1997	t	17	0.8
Lead	2054	t	10	0.5
Zinc	2715	t	-13	-0.5
Tin	22120	t	491	2.3

Commodities Commentary

Oil – demand versus supply proved a major consideration in overnight trade, in the wait for a key US petroleum sector report, and as the new US president ordered a temporary stay on oil and gas permits and leases for federal-held land.

In addition, key crude consumer China reported concerning Covid-19 development including local transmission within Shanghai's commercial district.

Further, a media report included anonymous quotes bringing into question levels of OPEC+ compliance with production agreements. A weekly US petroleum inventories report by US government agency the IEA was pushed back until **tonight**, due to a combination of this week's Monday public holiday and Wednesday's presidential inauguration.

Post-US settlement Wednesday however, an American Petroleum Institute (API) report had estimated a 2.56MMbbl increase in stored US crude during last week, and respective 1.1MMbbl and 816,000bbl climbs also for petrol and distillate inventories.

A weekly US petroleum drill rig count is also due tonight.

Gold – forecast-beating US data releases appeared to detract from overnight gold interest.

Post-policy meeting commentary out of Bank of Japan yesterday afternoon and the European Central Bank overnight remained little changed and rates and asset purchase programs were retained at status quo levels.

Base metals – overnight trade was influenced by several factors, these including an early turn lower for the \$US, China's new lockdowns and the approaching lunar new year, inventories, US stimulus optimism. and ongoing community protests against nickel operations in New Caledonia.

A batch of international PMI updates due today and tonight could influence economic recovery views and hence swing some of tonight's trade.

Japan's December trade figures, reported yesterday, included a ¥751B surplus, following ¥366.8B at the end of November.

Exports rose 2% year-on-year after dropping 11% in November.

Imports were 11.6% lower than for December 2019, against an 11.1% November year-on-year fall and following expectations of a 14% December year-on-year tumble.

NB: *China's lunar new year holiday season is scheduled for 11 (NYE) – 17 February. Metals demand can decrease ahead of this time.*

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7665	0.0001	0.01
EUR – USD	1.2167	0.0005	0.04

Flinders Mines (FMS)

WA Canegrass vanadium project drilling results lodged post-trade yesterday.

TNG Ltd (TNG)

TNG raised ~\$12.5M in the recent entitlement issue, after receiving \$3.73M from placing the shortfall.

Black Cat Syndicate (BC8)

~12.54M shares are due to be released from voluntary escrow on or after 30 January.

BC8 recouped 7.86% yesterday, settling at 75.5c following the release of Kal East gold Project Finals Fortune drilling results.

Energy

Senex Energy (* SXY)

December quarter report lodged this morning.

Triangle Energy (Global) (TEG)

\$US1.02M worth of escrowed funds received from PT Enso Asia in relation to the February 2016 sale of the Pase PSC.

TEG is subsequently withdrawing a claim against PT Enso Asia in the Singapore International Arbitration Centre.

Pending new Pase PSC developments, a maximum \$US25M worth of production royalties may also be payable to TEG.

Trading Halts

Company	Code	Resuming
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
Volt Resources	VRC	22 Jan
Cyclopharm Ltd	CYC	25 Jan
PNX Metals	PNX	25 Jan
Podium Minerals	POD	25 Jan

Suspensions (select)

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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	Today	3.5	100	2.97
GCI	Thu (28 Jan)	0.75	0	4.22
DJW	Fri (29 Jan)	5.25	100	4.52
OZG	1 Feb	0.3	100	2.61
WIC	1 Feb	3	100	4.69

**Australian Data Today**

ABS	Retail sales (<i>preliminary</i>)	Dec
Markit	PMIs	Jan

US Data Tonight

Existing home sales	Dec
Markit PMIs	Jan

Other Overseas Data Today & Tonight

Japan	CPI	Dec
Japan	PMIs	Jan
UK	Retail sales	Dec
UK	PMIs	Jan
UK	Public sector borrowing	Dec
UK	GfK consumer confidence	Jan
Germany	PMIs	Jan
Euro zone	PMIs	Jan

Need More Information?

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SAR	2 Feb	3.8	100	0.00
AFI	8 Feb	10	100	3.19

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	IMM	Dec Q
	MCY	Dec Q
	SXY	Dec Q
Wed (27 Feb)	DOC	Dec Q (w/cast 11am)
Thu	EVN	Dec Q
	IPD	Dec Q (tele 9.15am)
	LBY	Dec Q
	MMM	Dec Q (NB: tele 29 Feb 9am)
	PFT	Update (webinar midday)
	RMD	Dec Q (w/cast 8.30am 29 Jan)
	(NB: o'night AEDT)	
Fri (29 Jan)	BFC	AGM
	BUD	AGM
	FNP	AGM
	LCY	Dec Q (w/cast tele 11am)
	ORG	Dec Q
	OZL	Dec Q
	PBH	Dec Q (w/cast tele 10am)
	SZL	Dec Q