

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7418	26	0.4
<b>NZX 50</b>	11687	21	0.2
<b>DJIA Futures</b>	38045	0	0.0
<b>S&amp;P 500 Futures</b>	4870	0	0.0
<b>NASDAQ Futures</b>	17439	0	0.0

## Local Markets Commentary

The Australian market opens a four-day trading week with domestic weather conditions and their likely impact on national growth prospects in focus, plus new data in hand for China, ahead of a monthly key rates decision today, and monetary policy meetings for central banks in Japan, the euro zone and Canada this week.

Australia's markets will be closed Friday due to the Australia Day public holiday.

US equities markets extended Thursday's gains by ~1.0% - 1.7% overnight Friday.

Since overnight Friday trade, Australia's PM has called a cost of living – focused national caucus meeting for Wednesday this week, rather than wait for parliament to resume 6 February.

Iran has vowed retaliation against Israel for a weekend strike targeting Revolutionary Guard personnel in Damascus, Syria.

Storm warnings across the UK and western Europe have impacted transport, with early-week business activity expected to be adversely impact.

**Locally** today, the Australian Bureau of Statistics releases a report containing additional 2022-2023 international trading information for Australia at 11.30am AEDT.

Meanwhile, numerous high-profile stocks' December quarter reports are anticipated from today through the week.

**Regionally**, post-ASX trade Friday, **China** reported an 8% year-on-year fall in December foreign direct investment (FDI) following a 10% annualised November decline.

Today, the People's Bank of China is due to announce prime rates for one-year and five-year loans at **12.15pm** AEDT.

The Bank of **Japan** commences a two-day monetary policy meeting from which outcomes will be known during tomorrow's ASX trade.

In overnight Friday **commodities** trade, **oil** turned 0.7% - 0.9% lower.

US **gold** (Comex) futures traded higher for a second consecutive session, this time moderately, reaching \$US2029/oz again.

**Iron ore** (Nymex CFR China, 62% Fe) ultimately declined by US20c/t, settling below \$US136/t.

LME (3mth evening) **copper** extended Thursday's gain by a further 0.5%. **Nickel** swung greater than 0.5% lower. **Aluminium** turned to record a slight rise.

The **\$A** range-traded, at the top end, after climbing from

## Today's Stock Watch

### Appen Ltd (APX)

Google is terminating an inbound services contract by 19 March. Meanwhile, APX 2023 revenue is estimated at ~\$373M and a \$20.4M underlying EBITDA (ex FX) loss is anticipated. \$31.2M cash on hand at 31 December.

### Zip Co (ZIP)

Anticipating \$29M - \$33M 1H24 cash EBTDA from \$33.2M for 1H23. December quarter revenue rose 26.1% year-on-year to \$225.6M. The active customer tally grew by 200,000 during the three months, to 6.3M. \$81.3M cash and liquidity.

### Baby Bunting (BBN)

\$248.5M (unaudited) 1H FY24 sales, down 2.5% year-on-year. NPAT down 1%.

### Australian Foundation Investment Company (AFI)

AFI has appointed Total Tools Holdings (owned by Metcash [ASX: MTS]) CEO-appointee, previous Premier Investments (ASX: PMV) CEO and former JB Hi-Fi (ASX: JBH) CEO Richard Murray as a non-executive director.

### Austin Engineering (ANG)

1H FY24 NPAT is expected to be 140% higher than 1H FY23's \$5.4M. Anticipating \$138M - \$144M 1H FY24 revenue, against the previous forecast for \$120M - \$140M. Expecting \$12M - \$14M underlying NPAT, against \$10M - \$12M.

## Resources

### South32 Ltd (S32)

Lowering FY24 copper equivalent output guidance.

1H alumina production fell by 1% year-on-year and aluminium output rose 1%. Payable copper output dropped 17% and nickel production by 10%. Metallurgical coal production tumbled 35%. Zinc and manganese output each declined by 5%. Lead and silver production increased by 12% and 20% respectively.

### Lynas Rare Earths (LYC)

Produced 1566t of REO during the December quarter 2023 against 3609t for the September quarter and 4457t for the December quarter 2022. Sales revenue tallied \$A112.5M against \$128.1M and \$232.7M respectively. The average selling price came in at \$A28.7/kg from \$47.4/kg and \$58.4/kg respectively. Output was impacted by an upgrade-related shutdown of LYC's facility in Malaysia.

### Chalice Mining (CHN)

Reducing 2024 spending, due to weak market conditions, such that expenditure will likely come in 40% lower than that for 2023. Details, including executive and management impacts, lodged this morning. \$112M cash on hand.



~US65.80c to approach US66.00c Friday evening.

### Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	37864	395	1.1
<b>S&amp;P 500</b>	4840	59	1.2
<b>NASDAQ</b>	15311	255	1.7
<b>FTSE 100</b>	7462	3	0.0
<b>DAX 30</b>	16555	-12	-0.1
<b>Shanghai Composite</b>	2832	-14	-0.5

### Overseas Markets Commentary

European and UK equities markets opened higher overnight Friday but sentiment deteriorated during second-half trade, amid some concerning economic data releases.

US equities markets opened cautiously but steadily gained momentum, in part supported by consumer optimism, and a general sentiment lift from an ongoing semiconductor sector rally following another positive outlook statement, this time from server manufacturer Super Micro Computer.

The S&P 500 settled at a record peak, the previous one set in January 2022.

Meanwhile, the US government House of Representatives approved another short-term spending bill to enable government functions to continue to early March.

European president Christine Lagarde, speaking during a World Economic Forum panel discussion, promoted private capital market investment to bolster euro zone self-sufficiency in the face of potential new international subsidy competition.

Earlier Friday, Japan had reported 0.1% inflation for December, following a flat November result.

On an annualised basis, December inflation was running at 2.6% from 2.8% in November, ahead of a Bank of Japan monetary policy meeting from which outcomes will be known tomorrow.

Among overnight Friday economic **data** releases, December retail sales for the **UK** dropped by 3.2% for the month, against expectations for a 0.5% decline following November's Black Friday sales response.

Further, sales had been expected to show a 1.1% improvement on December 2022, but instead, were down 2.4%.

For November, sales had risen by 1.4% and 0.2% respectively.

**Germany's** December producer prices were reported 1.2% lower for the month and down 8.6% against December 2022.

Forecasters had anticipated a much slighter, 0.5% monthly fall in prices.

November's declines had been recorded at 0.5% and 7.9% respectively.

In the **US**, December existing home sales fell by 1.0% following a 0.8% November rise.

A 78.8 January consumer sentiment reading represented a 9.1-point jump, in a preliminary estimate from the University of Michigan.

Economists had anticipated a 0.3-point improvement only, to

## Pre-Open Announcements

### FBR Ltd (\*\* FBR)

Resuming trade having raised \$A12.6M in a A2.7c-per-share placement.

Prior to calling a halt, FBR announced agreements for a potential JV with CRH Ventures.

FBR traded at 2.6c – 3.0c across the five sessions immediately prior to calling the halt.

### Djerriwarrh Investments (DJW)

Interim results anticipated today.

Webcast scheduled to commence 3.30pm AEDT.

### Link Administration Holdings (LNK)

The Link Fund Solutions Ltd scheme sanction hearing has been completed and LNK expects an initially embargoed judgment early February.

Once published, LNK will lodge an update.

### Alternative Investment Trust (AIQ)

Planning to pay a 3.95c special distribution.

## Resources

### Flynn Gold (\* FG1)

Heralding Tasmania Firetower project drilling results.

Assays lodged this morning.

### Sheffield Resources (SFX)

\$23.2M cash at 31 December after commencing output from the 50%-held Kimberley mineral sands project.

December quarter-focused webinar scheduled to commence 5pm AEDT **tomorrow**.

### Pioneer Lithium (PLN)

PLN ended the December quarter with a \$2.80M cash balance.

The company spent ~\$462,000 on exploration during the three months.

Benham acquisition costs tallied \$67,000.

PLN made \$95,000 worth of payments to directors and their associates.

### Lion One Metals (LLO)

Comprehensive company update, highlighting Tuvatu gold project progress in Fiji, lodged post-trade Friday.

### Trinex Minerals (TX3)

\$A3.3M cash balance at 31 December.

December quarter activities report lodged post-trade Friday for the former Todd River Resources.

### Infinity Mining (IMI)

Resuming from suspended trade with additional information for the *Maiden Gold Resource Estimate* announcement lodged Tuesday last week (16 January).

The amended announcement contains complete results and details of the resource estimates for the Craig's Rest and



70.0.

The current conditions and outlook component indices both rose sharply, the conditions index by 10 points to 83.3 and the expectations reading by 8.5 to 75.9.

Meanwhile, the US treasury recorded \$US260.2B for net international capital inflows for November. This followed \$US62.2B in net outflows for October.

**Tonight** in the **US**, the Conference Board is due to report the December leading index.

United Airlines is among companies scheduled to report earnings later today or tonight.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	2029.3	oz	7.7	0.4
<b>Silver</b> (COMEX 5000 Mar)	22.71	oz	-0.1	-0.4
<b>Platinum</b> (NYMEX Apr)	897	oz	-6	-0.7
<b>WTI Crude</b> (NYMEX Feb)	73.41	bbl	-0.67	-0.9
<b>Brent Crude</b> (ICE EUR Mar)	78.56	bbl	-0.54	-0.7
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	135.88	t	-0.2	-0.1
<b>Copper</b> (LME 3mth Evening)	8353	t	42	0.5
<b>Nickel</b>	16034	t	-122	-0.8
<b>Aluminium</b>	2167	t	2	0.1
<b>Lead</b>	2111	t	32	1.6
<b>Zinc</b>	2463	t	-0.25	-0.0
<b>Tin</b>	25300	t	-59	-0.2

### Commodities Commentary

**Oil** – since overnight Friday trade, Russia has been revealed as the major single supplier of crude oil to China for 2023. China imported 107.02Mt (2.14MMbbl/d) of Russian crude, against its total 563.99Mt (11.28MMbbl/d) 2023 intake, at prices cheaper than those offered by China's usual largest supplier, Saudi Arabia.

Near- and longer-term demand and supply commentary featured during overnight Friday trade.

Meanwhile, the North Dakota pipeline authority estimated ~30% of the US State's crude production remained adversely impacted by severe cold. Earlier in the week, up to 50% had been affected.

Overnight Friday, a weekly US petroleum rig report from Baker Hughes, included a fall in the number of oil rigs operating in the US, this time by two, to 497. This represented the least number of operational oil rigs for 10 weeks.

**Gold** – the \$US slipped a further 0.2% - 0.26% overnight Friday, and US 10-year bond yields were pushed a little lower, supporting gold interest. Prices pulled back from early session peaks (beyond \$US2036.00/oz) however, this attributed by some to weaker-than-anticipated US home sales figures.

Gold sentiment is expected to remain fluid as speculation continues regarding central bank moves, and with monetary policy meetings scheduled this week for Japan (from today, with results tomorrow), Canada and the euro zone (European Central Bank).

US economic figures due this week, including consumer income and spending and an initial estimate for December quarter GDP, are also likely to influence some trade.

Victor Bore prospects.

IMI traded at 13c – 13.5c Tuesday last week, closing at 13c.

### Leo Lithium (LLL; in extended suspended trade)

LLL has agreed a potential \$US65M sale of 5% of the Goulamina lithium project to GFL International Co (Ganfeng).

LLL will retain 40% of the project via the Goulamina holding company Mali Lithium BV.

A settlement payment to the Mali Government remains under negotiation.

LLL ASX trade has been suspended since 19 September 2023.

### Great Northern Minerals (GNM)

GNM non-executive director Donald Garner has resigned from the GNM board.

GNM has appointed Albion Resources (ASX: ALB) and Ragnar Metals (ASX: RAG) chair Steven Formica as a non-executive director.

GNM will pay Mr Formica \$50,000pa and grant him 5M performance rights.

### Energy

#### Cooper Energy (COE)

Basker Manta Gummy wells decommissioning update, highlighting early delays and consequent impacts, lodged this morning.

#### Sacgasco Ltd (SGC)

SGC shareholders approved on Friday the planned \$US1.25M cash sale of Nido Petroleum.

In addition, under approval from shareholders at SGC's May 2023 AGM, SGC has paid December quarter 2023 director fees in SGC shares (~1,694M in total) rather than monetary payments.

Further, SGC has paid a consultant part services remuneration in the form of 937,500 shares.

### Trading Halts

Company	Code	Resuming
European Lithium	EUR	23 Jan
Evolution Energy Minerals	EV1	23 Jan
FBR Ltd	FBR	22 Jan
Mayur Resources	MRL	22 Jan
NeuRizer Ltd	NRZ	23 Jan
Sacgasco Ltd	SGC	23 Jan
Toro Energy	TOE	22 Jan

### Suspensions (selected)

Company	Code	Since
Australian Pacific Coal	AQC	17 Jan
Galena Mining	G1A	11 Jan
Gathid Ltd	GTH	4 Jan
Icon Energy	ICN	9 Jan



Among other considerations, Lunar New Year preparation in China is expected to bolster gold demand this month.

**Base metals** – copper prices were pushed higher in part by reduced inventories overnight Friday.

China demand speculation varied, due to reports local governments had been instructed to manage debt by delaying or stopping work on some infrastructure projects, amid speculation China's administrators are about to announce further stimulus.

In the meantime, First Quantum Minerals was reported to be considering a rights issue to bolster funds, after shutting down the major Cobra, Panama operation in December, suspending nickel output in Western Australia this month, and reportedly commencing reviews to potentially offload other smaller ventures.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6600	0.0020	<b>0.31</b>
<b>EUR – USD</b>	1.0893	-0.0004	<b>-0.04</b>

### Australian Data Today

ABS	International trade (additional info)	2022 - 2023
-----	---------------------------------------	-------------

### US Data Tonight

Conference Board leading index	Dec
--------------------------------	-----

### Other Overseas Data Today & Tonight

<b>China</b>	Interest rates for one-& five-year loans	Jan
--------------	--	-----

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 625 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

#### Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Laramide Resources	LAM	15 Jan
Mandrake Resources	MAN	19 Jan
MetalsTech Ltd	MTC	18 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
5GN	Wed	2	0	0.00
AIQ	Wed	3.95	0	0.00
MIR	Wed	4	100	3.29
DVR	30 Jan	2	100	4.40

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>DJW</b>	Interim (w/cast 3.30pm)
	<b>LYC</b>	Dec Q (w/cast 10am)
	<b>S32</b>	Dec Q
	<b>SFX</b>	Dec Q
<b>Tomorrow</b>	CRN	Dec Q (tele 10am)
	SMR	Dec Q (tele 11am)
<b>Wed</b>	AFI	Interim (webinar 3.30pm)
	PRU	Dec Q (webinar 9am)
	RMD	Dec Q (o/night US; w/cast 8.30am <b>Thu</b> )
	WDS	Dec Q
<b>Thu</b>	FMG	Dec Q
	RRL	Dec Q (w/cast tele 11am)
	STO	Dec Q
<b>29 Jan</b>	STX	Dec Q
<b>30 Jan</b>	ALX	Dec Q
	BPT	Dec Q
	MP1	Dec Q (w/cast 10.30am)
	SFR	Dec Q
	WOA	Dec Q
<b>31 Jan</b>	CIA	Dec Q (w/cast tele <b>1am 1 Feb</b> )
	IGO	Interim; Dec Q
	ORG	Dec Q
	PAC	FUM 31 Dec
	PBH	Dec Q (w/cast tele 10.30am)
	SLR	Dec Q (tele 11am)