

Markets

SFE 200 Futures (9.30am AEDT)	7428	34	0.5
NZX 50	11953	-24	-0.2
DJIA Futures	33474	0	0.0
S&P 500 Futures	3989	0	0.0
NASDAQ Futures	11677	0	0.0

Local Markets Commentary

The Australian market opens a disrupted week's trade with domestic December half and December quarter reporting season firmly in focus, together with speculation regarding early year central bank activity, and with several regional markets closed for lunar new year holidays.

US equities markets rallied decisively overnight Friday.

Locally today, no major economic reports are due for release.

December half and December quarter reporting season warms further, however.

Regionally today, the **Bank of Japan** is due to release last week's **policy meeting minutes** at **10.50am** AEDT.

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

US **gold** futures also continued higher, trading above \$US1925/oz.

Iron ore (Nymex CFR China, 62% Fe) was pushed a little higher, settling beyond \$US122.0/t.

Coal (ICE-GC Newcastle) fell again, trading below \$US365/t.

LME (3mth evening) **copper** settled slightly higher. **Nickel** turned to record a fall. **Aluminium** was pushed higher again.

The **\$A** rose to ~US69.60 after trading at ~US69.30c - ~US69.40c early Friday evening.

*Several markets, including those in **China, Hong Kong, Singapore and South Korea**, will be **closed today** for lunar new year holidays.*

China's markets will remain closed all week, Hong Kong's through Wednesday (inclusive) and Singapore's and South Korea's again tomorrow.

*Markets in **Australia** will be **closed Thursday**, due to **Australia Day**.*

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	33375	331	1.0
S&P 500	3973	74	1.9
NASDAQ	11140	288	2.7
FTSE 100	7771	23	0.3
DAX 30	15034	113	0.8
Shanghai Comp	3265	25	0.8

*** Cobalt exploration listing – 1.30pm AEDT – HTM ***

Today's Stock Watch
Australian Foundation Investment Company (AFI)

11c fully franked interim dividend, from 10c a year ago.
 12.2% higher, \$163.7M interim after-tax profit.
 10.1% higher, \$178.1M operating revenue.

Imdex Ltd (IMD)

Resuming from a trading halt having raised \$A75M in a fully underwritten \$2.20-per-share institutional placement in support of the proposed ~\$A324M acquisition of Norway-headquartered mining-tech specialist Devico.

IMD has also completed a \$A110M fully underwritten institutional entitlement offer at the same price, reporting ~93.7% take-up.

The retail entitlement offer is scheduled for 27 January – 7 February. IMD traded at \$2.31 - \$2.56 over the five sessions immediately prior to calling the halt.

Sezzle Inc (SZL)

December revenue rose 15.7% year-on-year and 1.7% for the month to \$US13.6M.

December quarter net income estimated at \$US500,000, against a \$US25.9M net loss for the December quarter 2021. \$US69.7M cash.

Planning to lodge December quarter results 27 February.

Duratec Ltd (DUR)

\$100M wharf and harbour basin upgrade contract secured with the Department of Defence.

Resources
Critical Resources (CRR)

First Mavis Lake lithium project, Canada concentrate produced during test work. Concentrate grade and recovery/yield statistics are expected in March.

Meanwhile, a 20,000m drilling program continues.

Greenstone Resources (GSR) / Conico Ltd (CNJ)

WA Mt Thirsty 50:50 JV drilling results continue to include high-grade cobalt, nickel and scandium assays.

Details and plans lodged this morning.

Energy
Regener Ltd (RLT)

Virginia gas project liquid helium module operational with production being optimised.

Boss Energy (BOE)

South Australia Honeymoon uranium project committed expenditure has reached \$A55.1M of the budgeted ~\$A105.4M capex. \$115.6M cash. \$88.3M stockpiled uranium.



Overseas Markets Commentary

Major European, UK and US equities markets opened positive overnight Friday, and while European and UK trade featured varying chop, US indices mostly steadily improved further towards decidedly positive settlements.

Gains were supported by some high-profile corporate announcements and earnings reports.

Inflation rates also remained in focus, from new data releases and in some high-level commentary.

European Central Bank (ECB) president Christine Lagarde told World Economic Forum (WEF) participants that inflation was likely to increase in Europe due to China's reopening and increased consequent competition for energy fuels outweighing the expected improvement in overall supply chains.

Ms Lagarde cited demand for LNG, this following the International Energy Agency's prediction, also last week, of increased competition for natural gas.

For her part, International Monetary Fund (IMF) president Kristalina Georgieva directly addressed Ms Lagarde, participating in the same WEF panel, telling her: 'All power to you. If fiscal policy works against purpose with monetary policy, then you may have to tighten even further.'

Ms Georgieva warned policy makers and business leaders in general that the handling of supply chain security would 'matter tremendously' on future growth prospects.

In general, she warned of not swinging too far towards over-optimism.

Also overnight Friday, **US Federal Reserve** governor Christopher Waller revealed he favoured a 0.25% interest rate increase at next week's Fed policy meeting, adding he expected continued policy tightening would be required to tame inflation growth to the 2% level.

He also ventured, however, that rates could be close to the point where they would prove 'sufficiently restrictive'.

Post-US trade Thursday, Fed vice chair Lael Brainard had spoken of the increased likelihood that the US economy would achieve a 'soft landing' from slowing in response to interest rate rises.

Earlier Friday, the People's Bank of China retained prime rates for one- and five-year loans at 3.65% and 4.3% respectively, as expected.

Overnight Friday data releases included **UK** December retail sales concerned, falling 1% for the month, against forecasts for a 0.3% improvement following November's 0.5% decline.

Against December 2021, sales were down 5.8%.

Earlier in the UK, the December GfK consumer sentiment reading was reported at -45 from -42 for November. Rather than deteriorating, the confidence level had been expected to improve to -38.

Germany's December producer prices declined by 0.4% for the month, but after dropping 3.8% in November had been expected to fall by 1.8%.

Against December 2021, prices were up 21.6%.

In the **US**, December the existing home sales tally came in less than feared, falling 1.5% for the month.

Pre-Open Announcements

Hydrix Ltd (HYD)

December quarter customer revenue grew 22% year-on-year to \$3.1M.

July – December revenue rose by 24% to \$6.4M.

Osteopore Ltd (OSX)

Confirming a binding agreement has been secured to acquire, as flagged in December, several medical distribution businesses responsible for 40% - 45% of OSX total sales.

Consideration includes cash and performance rights.

Sequoia Financial Group (SEQ)

Anticipating \$2.3M 1H FY23 EBITDA, 40% lower than initially budgeted.

Nonetheless, boosting the interim dividend by 40% to 0.7c.

Further, 2H FY23 is expected to prove much improved on 1H.

Planning to lodge half-year results 16 February.

Serko Ltd (SKO)

Lifting FY23 (to 31 March) revenue guidance to \$NZ42M - \$NZ47M, against \$NZ18.9M reported for FY22.

Spectur Ltd (SP3)

December quarter revenue rose 37% year-on-year, and 18% for the three months, to a record \$1.957M.

\$2.860M cash reserves.

Genesis Energy (GNE)

GNE's customer tally grew by 2.5% year-on-year during the December quarter.

Wholesale renewable energy generation rose by 50% to 980GWh.

Kupe gas sales fell by 1.2PJ to 1.8PJ.

Detailed breakdown statistics lodged this morning.

Austal Ltd (ASB)

In response to an ASX query regarding an earnings guidance update released Tuesday last week, ASB asserts it only became aware of a material difference to anticipated results that day.

ASB forfeited 9.4% for that day's trade, settling at \$1.83, and closed out the week at \$1.76 after ending the previous week at \$2.03.

SelfWealth Ltd (SWF)

SWF non-executive director John O'Shaughnessy has resigned from the SWF board.

Resources

High-Tech Metals (* HTM) / Marquee Resources (MQR)

Cobalt explorer HTM is scheduled to list on the ASX 1.30pm AEDT, following a \$4.718M IPO at 20c per share.

~24.59M quoted shares.

HTM has acquired the Ontario, Canada Werner Lake cobalt project, recently 70% owned by Global Energy Metals Corp (GEMC) and 30% by MQR.



Forecasters had anticipated a 2.0% drop following a 7.9% November tumble.

Existing home sales for 2022 came in 17.8% lower than for 2021.

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

Elsewhere, the 2023 commencement of monthly reports from Germany's central bank the Bundesbank is keenly anticipated, in particular for any new projections regarding economic growth scenarios.

Meanwhile, European Central Bank president Christine Lagarde is scheduled to speak publicly again. No essential change in the bank's general policy stance is anticipated however, ahead of the 2 February (Thursday week) policy meeting.

Companies scheduled to report earnings later today or tonight include Baker Hughes, Brown & Brown and Logitech.

In overnight Friday and weekend corporate news, **Alphabet** (Google parent) revealed it was planning to reduce the size of its workforce by ~6% (12,000 positions).

This followed Amazon's decision to cut 18,000 jobs and Microsoft 10,000, Alphabet stock subsequently appreciating by greater than 5.0% Friday and the (Standard & Poors US) communications services index by ~4.0%.

Post-US trade Thursday, **Netflix** reported customer growth for the second half of 2022, this helping to push the stock ~8.5% higher overnight Friday.

In addition, co-founder and co-CEO Reed Hastings announced he had stepped down as co-CEO that day but would remain with Netflix as chairman.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Feb)	1928.2	oz	4.3	0.2
Silver (COMEX 5000 Mar)	23.94	oz	0.07	0.3
Platinum	1042	oz	6	0.6
WTI Crude (NYMEX Feb)	81.31	bbbl	0.98	1.2
Brent Crude (ICE EUR Mar)	87.63	bbbl	1.47	1.7
Iron Ore (NYMEX CHN port;62%Fe)	122.16	t	0.37	0.3
Copper (LME 3mth Evening)	9326	t	20	0.2
Nickel	28771	t	-575	-2.0
Aluminium	2611	t	24	0.9
Lead	2089	t	-53	-2.5
Zinc	3423	t	-35	-1.0
Tin	29546	t	746	2.6
Coal (ICE-GC Newcastle; IRESS)	363.5	t	-4.5	-1.2
Wheat (CBT Mar; IRESS)	741.5	t	7	1.0

Commodities Commentary

Oil – general 2023 China demand optimism, and growing expectations of a smaller interest rate increase at next week's US Federal Reserve policy meeting, helped support overnight Friday trade, although an ultimately higher \$US capped price gains.

In the meantime, OPEC sold its first (ever) bond, reportedly raising \$US1B. A 4.5% interest rate was set for the three-year bonds. OPEC revealed 62% of the bonds were purchased by central banks

GEMC holds 7.61% of HTM and MQR 3.20%.

MQR executive chair Charles Thomas is HTM non-executive chair.

Harpreet Singh Sonu Cheema HTM executive director.

Mr Sonu Cheema is a non-executive director of Avira Resources (ASX: AVW), and company secretary of AVW and several other ASX-listed companies.

Widgie Nickel (WIN)

WA Mt Edwards nickel project Gillett deposit resource boosted 20% to 1.56Mt @ 1.5% Ni, for 23,400t of nickel.

60% of the resource qualifies for indicated status.

Kingfisher Mining (KFM)

Sampling results from within the MW2 and MW7 areas of the WA Gascoyne region Mick Well REE project have extended known strike, with mineralisation remaining open in all directions.

In addition, Kingfisher prospect KF3 target sampling has determined a further area of high-grade REE mineralisation.

Assays lodged this morning.

Southern Cross Gold (SXG)

Additional Victoria Sunday Creek project high-grade gold and antimony mineralisation confirmed by step-out drilling from easterly extensions of the Apollo prospect.

Assays lodged this morning.

Gateway Mining (GML) / SensOre Ltd (S3N)

S3N has secured a farm-in to GML's Montague gold project, to explore for lithium across select tenements.

Details lodged this morning.

Pantera Minerals (PFE)

WA Weelaranna manganese project RC drilling has delivered a strike length extension to at least 600m with mineralisation open to both the north and east.

High-grade and shallow-depth assays lodged this morning.

Cosmos Exploration (C1X)

Pleading ignorance in response to an ASX price query, other than to point out a positive drill results announcement was lodged Thursday by a company exploring near a project that C1X proposes to acquire in Quebec, Canada.

C1X gained 17.39% Thursday and 44.44% Friday, closing out the week at 39c after settling for the previous week at 23c.

Group 6 Metals (G6M)

G6M has received applications for greater than \$4.0M worth of shares in the 17c-per-share SPP and has decided to cap the offer at \$4.5M.

The closing date for applications has been pushed back from 18 January until 1 February.

G6M traded at 16.5c – 18c last week.

Dreadnought Resources (DRE)

2.35M DRE shares are due for release from escrow 31 January (Tuesday next week).



and other institutions. Commercial banks were reported to have accounted for another ~20%.

Brent crude settled ~2.8% higher for the week, and WTI up ~1.8%. A weekly US petroleum drill rig report, released overnight Friday, included a notable 10-rig drop for the operational oil rig tally.

This, together with a pending broadening of Russian fuel trade sanctions from later next week, is expected to support some early-week trade interest.

Gold – overnight Friday prices reached nine-month peaks, industry watchers pointing to some early safe-haven buying before US equities markets opened.

Some attributed this in part to a potential US interest payment default given the Congress stalling on extending the debt limit.

Profit-taking was then quoted by others, on positive US trade, and as the \$US moved higher.

Base metals – lunar new year considerations, inflation data and related interest rate talk, plus varying supply scenarios pushed and pulled overnight Friday trade.

Among the producers, Glencore announced it had temporarily suspended all operations at the Antapaccay *copper* project in south Peru, due to the nation's worsening politically-related social unrest. The project site was attacked for the third time in less than three weeks Friday.

China's markets will remain closed through this week during the Lunar New Year holiday season. Markets in Hong Kong, Singapore and South Korea are also closed today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6965	0.0047	0.68
EUR – USD	1.0864	0.0007	0.07

US Data Tonight

Conference Board leading index	Dec
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Other Overseas Data Today & Tonight

Japan	BoJ policy meeting minutes	18 Jan
Germany	Bundesbank report ('monthly')	Jan
Euro zone	Consumer confidence	Jan

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Energy

Norwest Energy (NWE) / Mineral Resources (MIN)

The MIN-NWE WA Perth Basin EP 368 and EP 426 JVs have secured the Ensign 370 rig to drill the Lockyer-2 and North Erregulla Deep-1 wells from late March.

MIN operates both JVs via subsidiary Energy Resources which holds 80% and 77.78% respectively of EP 368 and EP 426. NWE holds the balance.

Trading Halts

Company	Code	Resuming
Adelong Gold	ADG	23 Jan
Imdex Ltd	IMD	23 Jan
Indiana Resources	IDA	23 Jan
Leaf Resources	LER	24 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	Tomorrow	3.5	100	3.53
DJW	30 Jan	7.25	100	4.66
VUK	9 Feb	13.36	0	1.83
BKI	10 Feb	4.2	100	3.91

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	ARU	Dec Q
	AFI	Interim
	GNE	Dec Q
	SZL	Dec
Tomorrow	AMH	Interim
Wed	FMG	Dec Q
	ILU	Dec Q
	NCM	Dec Q
	RRL	Dec Q (w/cast 11am)
	WDS	Dec Q
30 Jan	LYC	Dec Q (w/cast 11am)
31 Jan	GOR	Dec Q (w/cast tele 11.30am)
	NIC	Dec Q (w/cast tele 11am)
	PAC	31 Dec FUM
	PBH	Dec Q & update (tele 9am)
1 Feb	NUF	AGM



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