

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7506	18	0.2
<b>NZX 50</b>	11862	5	0.0
<b>DJIA Futures</b>	37979	-110	-0.3
<b>S&amp;P 500 Futures</b>	4898	3	0.1
<b>NASDAQ Futures</b>	17621	90	0.5

## Local Markets Commentary

The Australian market commences the last ASX trading session for this week with updated research from the Reserve Bank of Australia (RBA) due late morning, and additional December quarter reports in hand from high-profile domestic stocks.

This, ahead of a US GDP reading and European Central Bank (ECB) monetary policy meeting tonight, and tomorrow's Australia Day public holiday, when the ASX will be closed.

US equities markets again closed mixed and slightly – to – modestly changed overnight.

**Locally** today, the **RBA** publishes a quarterly **bulletin**, containing a collection of research articles, at **11.30am AEDT**.

At the same time, the Australian Bureau of Statistics (ABS) provides additional detail for the December workforce report published Thursday last week.

Also today, announcements addressing **cost-of-living** pressures from an Australian Government caucus meeting yesterday included changes to planned tax cuts, comments on which are promised at today's National Press Club appearance by the PM.

Mining industry participants are scheduled to meet with Australian and WA government ministers today to discuss project support amid falling critical minerals prices.

**Regionally** today, **South Korea** releases December quarter **GDP** growth as the ASX commences trade.

This afternoon, Japan hosts a 40-year government bond auction.

In overnight **commodities** trade, **oil** swung 0.6% - 1.0% higher, Brent crude closing above \$US80.00/bbl and WTI above \$S75.00/bbl.

US **gold** (Comex) futures turned moderately lower, settling below \$US2020/oz.

**Iron ore** (Nymex CFR China, 62% Fe) added just US1c/t for the session.

US (Dec) **copper** futures were pushed US10c/lb higher, to \$US3.89/lb.

Last night's **LME** final 3-mth evening price updates were unavailable from IRESS at time of publication. These are expected to become available via IRESS at ~11.30am AEDT.

The **\$A** dropped below US65.80c after trading at ~US65.95c - ~US66.10c early yesterday evening.

The **ASX** will be **closed tomorrow** due to the Australia Day public holiday

## Settlements

Trades executed today will settle **Tuesday next week** (30 January)

Yesterday's trades will settle **Monday**

## Today's Stock Watch

### ResMed Inc (RMD)

US4.8c December quarter dividend from US4.44c a year ago. December quarter revenue grew 12% year-on-year to \$US1.163B. Net income fell by 7% to \$US208.8M.

Operating profit fell by 2%.

For the six months to 31 December, revenue rose 14% to \$US2.265B. Net income declined 2% to \$US482.2M.

### Domino's Pizza Enterprises (DMP)

Anticipating \$87M - \$90M 1H FY24 pre-tax net profit, against \$104.8M for 1H FY23, and from \$74.4M for 2H FY23.

Network sales rose 8.8% year-on-year to \$2.139B. Against 2H FY23, network sales were up 4.9%.

\$770.0M net debt.

### Incitec Pivot (IPL)

Confirming a \$500M return of capital comprising a 15.57c-per-share capital reduction and 10.17c-per-share unfranked special dividend.

Additional details lodged this morning.

## Resources

### FMG Ltd (FMG)

December quarter production figures lodged. \$0.6B net debt.

### Regis Resources (RRL)

Produced 109,207oz of gold during the December quarter, pushing FY24-to-date output to 220,632oz. Sold 104,000oz at \$2671/oz for \$279M revenue, and \$551.8M (from \$2615/oz) for FY24-to-date. \$155M cash and bullion at 31 December.

### Mineral Resources (MIN)

December quarter iron ore shipments grew by 23% to 4.8Mt (wet). Pilbara production dropped 16% to 2.419Mt; Yilgarn output rose 6% to 2.032Mt.

Mt Marion spodumene concentrate production and shipping grew by 30% and 34% respectively to 83,000t and 86,000t.

Wodgina attributable spodumene concentrate output and shipping rose 22% to 55,000t and 162% to 65,000t respectively. Bald Hill figures tallied 26,000t and ~20,000t respectively. \$3.4B - \$3.6B estimated net debt.

## Energy

### Santos Ltd (STO)

December quarter operational statistics anticipated.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	37806	-99	-0.3
<b>S&amp;P 500</b>	4869	4	0.1
<b>NASDAQ</b>	15482	56	0.4
<b>FTSE 100</b>	7528	42	0.6
<b>DAX 30</b>	16890	263	1.6
<b>Shanghai Composite</b>	2821	50	1.8

**Overseas Markets Commentary**

Major European, UK and US equities markets rallied early overnight, but sentiment across key US indices ultimately waned.

Chip manufacturer AMSL had buoyed early sentiment with December quarter earnings and orders, plus a positive outlook, as did Netflix subscriber numbers from post-Tuesday US trade. In addition, Microsoft (\$US3 trillion market cap), Nvidia and Broadcom traded at record peaks.

Meanwhile, the latest US primary vote ahead of the ultimate presidential election later this year, the New Hampshire primary, had earlier delivered a win to former US president Donald Trump.

The \$US headed lower as voters in South Carolina cast their preferences.

The Bank of Canada retained a 5.0% overnight interest rate following a monetary policy meeting, warning of inflation outlook risks, but noted an economic slowdown as suggested by select activity indicators.

Earlier yesterday, the People's Bank of China announced a further easing of the reserve requirements for banks, effective 5 February.

In overnight economic **data** releases, **euro zone** initial January PMI estimates proved mixed while remaining indicative of contraction.

The manufacturing PMI rose to 46.6 from 44.4, exceeding expectations for a 0.4-point improvement, but the services PMI declined to 48.4 from 48.8, following forecasts for 49.0.

Preliminary January PMIs for **Germany** included a 45.4 manufacturing PMI from 43.3 and a 47.6 services PMI from 49.3.

In the **UK**, the CBI March quarter business optimism index improved markedly, albeit still indicating pessimism, estimated at -3 from -15.

The CBI January industrial trends orders reading tumbled further, to -30 from -23.

Initial January PMIs indicated continuing expansion for the services sector, with a 53.8 reading from 53.4.

The manufacturing PMI continued to suggest contraction, despite an improvement, the index calculated at 47.3 from 46.2.

**Russia's** December producer prices were reported 3.1% lower for the month but 19.2% higher than for December 2022.

In the meantime, a 15-year government bond auction in Germany produced a 2.51% yield from 2.77%.

A five-year UK treasury gilt offer delivered a 3.946% yield from 4.041%.

In the **US**, S&P Global initial January PMIs indicated further expansion for both the manufacturing and services sectors, at the

**Pre-Open Announcements****Australia & New Zealand Banking Group (\* ANZ)**

Considering a new capital notes offer in February.

This may include a reinvestment offer for some Capital Notes 4 holders.

**Whispir Ltd (WSP)**

WSP director and management changes, associated with the extended Soprano Design Technology takeover offer, lodged post-trade yesterday.

The offer has been extended until 14 February.

**Resources****St Barbara (\* SBM)**

Sold 14,957oz of gold at \$A3016/oz during the December quarter.

\$A214M cash at 31 December.

**Flynn Gold (FG1)**

In response to an ASX price query, FG1 has pointed out a series of positive progress announcements, including Tasmania Firetower project drilling results as recently as Monday this week.

FG1 gained 18% Monday to settle at 5.9c, but yesterday, traded as high as 7.6c, ultimately closing at 6.1c, up ~15.1% for the session following a 5.7M share turnover.

The only other announcement this week, Tuesday post-trade, heralded placement and SPP approvals at an EGM.

**Energy****Beach Energy (\* BPT)**

December quarter production fell 4% quarter-on-quarter to 4.3MMboe.

Sales revenue grew 37% to \$544M.

Lowering the top end of FY24 production guidance.

\$474M net debt at 31 December.

**Paladin Energy (PDN)**

December quarter operational report lodged this morning.

**Trading Halts**

Company	Code	Resuming
Anax Metals	ANX	25 Jan
Cassius Mining	CMD	29 Jan
International Graphite	IG6	29 Jan
Matador Mining	MZZ	29 Jan
Merchant House International	MHI	29 Jan
Papyrus Australia	PPY	29 Jan
Sierra Rutile Holdings	SRX	25 Jan



same time exceeding expectations.

Weekly mortgage applications rose 3.7% following a 10.4% jump the previous week.

The mean average 30-year mortgage rate was calculated at 6.78% from 6.75%.

**Tonight** in the **US**, a wave of economic releases is due, including the first of three estimates for December quarter GDP growth and weekly new unemployment claims.

Other indicators expected to be published include the December Chicago Fed national activity index, plus December durable goods orders, wholesale inventories and new homes sales, and the January Kansas City Fed manufacturing index.

Elsewhere, the European Central Bank (ECB) concludes a monetary policy meeting from which it will announce outcomes ahead of hosting a press conference.

Companies scheduled to report earnings later today or tonight include: American Airlines, Atlas Copco, Comcast, Daewoo, Dow, Fujitsu General, Humana, Hyundai, Intel, Kia, Louis Vuitton (LVMH), Nokia, Northrop Grumman, POSCO, Samsung SDS, Sandvik, SEB, and Visa.

Overnight, **Tesla** reported post-US trade, confirming falling margins and warning of likely lower sales volumes for 2024.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	2016	oz	-9.8	-0.5
<b>Silver</b> (COMEX 5000 Mar)	22.89	oz	0.43	1.9
<b>Platinum</b> (NYMEX Apr)	908	oz	3	0.3
<b>WTI Crude</b> (NYMEX Mar)	75.09	bbl	0.72	1.0
<b>Brent Crude</b> (ICE EUR Mar)	80.04	bbl	0.49	0.6
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	135.49	t	0.01	0.0
<b>Copper</b> (LME 3mth Evening) (23Jan)	8403	t	59	0.7
<b>Nickel</b>	16295	t	300	1.9
<b>Aluminium</b>	2227	t	70	3.2
<b>Lead</b>	2178	t	46	2.2
<b>Zinc</b>	2521	t	64	2.6
<b>Tin</b>	26253	t	636	2.5

### Commodities Commentary

**Oil** – US supply considerations, geopolitical tensions threatening broader supply, expected increased demand out of China, and the \$US index at a one-week low influenced overnight crude trade.

In the US, a return to full North Dakota production was estimated at likely a month away.

A weekly US petroleum inventories report, published overnight by US government agency the EIA, included a 9.2MMbbl drop for US crude stocks last week, and a 4.9MMbbl rise for stored petrol.

As anticipated, US output fell, due to extreme cold, a five-month low of 12.3MMbbl/d recorded against a record high 13.3MMbbl/d two weeks earlier.

Meanwhile, greater than 20 countries were reported to have supported further US and UK attacks in Yemen this week, the activity targeting Houthi bases, in response to Houthi attacks on commercial vessels in the Red Sea region.

### Suspensions (selected)

Company	Code	Since
DMC Mining	DMM	23 Jan
Galena Mining	G1A	11 Jan
Gathid Ltd	GTH	4 Jan
Icon Energy	ICN	9 Jan
Laramide Resources	LAM	15 Jan
MetalsTech Ltd	MTC	18 Jan
Spenda Ltd	SPX	24 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CD1	Mon	5	0	0.00
CD2	Mon	5	0	0.00
CD3	Mon	15	0	0.00
DJW	Tue	7.25	100	4.92
DVR	Tue	2	100	4.26
GCI	Tue	1.5	0	8.23
KKC	Tue	1.67	0	7.44
PCI	Tue	0.68	0	7.50
TCF	Tue	3.5	0	7.94

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>BPT</b>	Dec Q
	<b>FMG</b>	Dec Q
	<b>MIN</b>	Dec Q
	<b>PDN</b>	Dec Q
	<b>RRL</b>	Dec Q (w/cast tele 11am)
	<b>SBM</b>	Dec Q
	<b>STO</b>	Dec Q
<b>Mon</b>	MSV	Dec Q (webinar 11.30am)
	STX	Dec Q
<b>Tue</b>	ALX	Dec Q
	BPT	Dec Q
	MP1	Dec Q (w/cast 10.30am)
	SFR	Dec Q
	WOA	Dec Q
<b>Wed</b>	CIA	Dec Q (w/cast tele <b>1am Thu, 1 Feb</b> )
	IGO	Interim; Dec Q
	IPD	Dec Q (tele 11am)
	ORG	Dec Q
	PAC	FUM 31 Dec
	PBH	Dec Q (w/cast tele 10.30am)



The US also retaliated against Iran-backed militia, with an attack in Iraq. This followed an Iranian-backed attack which injured US military personnel at an airbase in Iraq earlier this week.

Earlier yesterday, China demand expectations were buoyed by the People's Bank of China announcing an easing of commercial bank reserve requirements, enabling increased lending.

Overnight Tuesday, post-US trade, the American Petroleum Institute (API) had published a weekly report which included a 6.67MMbbl draw on US crude stocks last week.

**Gold** – prices were pushed lower overnight despite a falling \$US and a boost for lending activity in China, expected to support China's gold demand.

**Base metals** – a weaker \$US, lower inventories and new support for lending in China helped push copper prices to three-week highs overnight.

China's December industrial profits update and 2023 industrial profits growth are anticipated over the weekend.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6578	0.0005	0.08
<b>EUR – USD</b>	1.0886	0.0020	0.18

### Australian Data Today

RBA	Quarterly bulletin	Mar Q
ABS	Workforce (additional info)	Dec

### US Data Tonight

GDP (1 <sup>st</sup> of three estimates)	Dec Q
Initial jobless claims	20 Jan
Chicago Fed national activity index	Dec
Durable goods orders	Dec
Wholesale inventories	Dec
New home sales	Dec
Kansas City Fed manufacturing	Jan

### Other Overseas Data Today & Tonight

<b>South Korea</b>	GDP	DecQ
<b>UK</b>	Domestic vehicle production (~11am AEDT)	Dec
UK	CBI distributive trades	Jan
<b>Germany</b>	IFO business climate	Jan
<b>Euro zone</b>	ECB policy meeting outcomes	25Jan

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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