

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6913	-89	<b>-1.3</b>
<b>NZX 50</b>	11691	-116	<b>-1.0</b>
<b>DJIA Futures</b>	28496	15	0.1
<b>S&amp;P 500 Futures</b>	3241	1	0.0
<b>NASDAQ Futures</b>	8960	6	0.1

## Local Markets Commentary

The Australian market commences this week's trade following overnight falls across major international equities and commodities markets, ahead of influential earnings reports in the US from tonight through the end of the week, and amid warnings regarding the UK's departure from the European Union at the end of the week.

**Locally today, NAB publishes its monthly business confidence and conditions survey report, 11.30am AEDT.**

**CommSec also releases a quarterly State-of-the-States economic report.**

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

US **gold** futures (CME February) were pushed higher.

**Iron ore** (Nymex CFR China, 62% Fe) recorded a modest decline.

LME (3mth evening) **copper** and other key base metals were propelled lower.

The **\$A** has fallen to ~US67.60c.

**China's markets will remain closed through Thursday. Trade is scheduled to resume Friday.**

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	28536	-454	<b>-1.6</b>
<b>S&amp;P 500</b>	3244	-52	<b>-1.6</b>
<b>NASDAQ</b>	9139	-176	<b>-1.9</b>
<b>FTSE 100</b>	7412	-174	<b>-2.3</b>
<b>DAX 30</b>	13205	-372	<b>-2.7</b>
<b>Shanghai Comp</b>	2977	Public	<b>Holiday</b>

## Overseas Markets Commentary

Major European and US equities markets fell on opening overnight, and mostly settled at or near session lows, this attributed mostly to coronavirus spread and uncertainty regarding ultimate international economic impacts.

Among overnight data releases, a January business climate index for **Germany** slipped 0.4 to 95.9.

In the **US**, December new home sales fell 0.4% for the month, following a 1.1% November drop.

A Texas region manufacturing index improved to -0.2 from -3.2 in December.

**Settlement – trades executed Thursday last week (23 January) settle today**

**Last Friday's trades will settle tomorrow (29 January)**

## Today's Stock Watch

### Credit Corp (CCP)

Anticipating 15% - 18% FY 20 NPAT growth.

This morning reporting 15% higher, \$38.57M interim NPAT. 20% higher, \$190.95M revenue.

Flat, 36c fully franked interim dividend. \$8.774 NTA, against \$6.339. 13% growth in consumer loans to \$230M.

### AUB Group (AUB)

Anticipating reporting at the top end of 8% - 10% FY 20 adjusted NPAT. AUB plans to publish interim results 25 February.

### AuMake International (AU8)

Assessing the potential impact of a Chinese travel agents' mandatory suspension of overseas sales of flight and hotel packages for China from yesterday.

### Electro Optic Systems Holdings (EOS)

Acquiring US-headquartered space communications specialist Audacy Corporation for ~\$A10M cash.

### Virgin Money UK (VUK)

Chairman Jim Pettigrew plans to retire from the VUK board by September, having been a VUK board member for ~nine years.

### Crown Ltd (CWN)

CWN disclosed post-trade Friday the appointment non-executive CWN director (The Hon) Helen Coonan as chair.

In addition, CWN appointed John Horvath AO as deputy chair.

Further, the CWN board appointed CFO Tony Barton as CEO and MD, the CEO appointment effective Friday (24 January).

John Alexander, who has stepped down as executive CWN chair will remain with CWN as an executive director for up to 12 months, to assist with chair and CEO transitions.

Non-executive chairs have also been appointed for Crown Melbourne, Crown Sydney Gaming and Burswood Ltd, respectively Andrew Demetrious, Jane Halton AO PSM, and John Poynton AO.

## Resources

### BHP Billiton (BHP)

Apart from oil and base metals price falls, some BHP sentiment could be impacted today by events associated with a joint venture (JV) partner. Minas Gerais State prosecutors have filed murder charges against former executives of Vale, regarding a 2019 tailings dam failure, Brumadinho, Brazil almost a year ago. Vale is BHP's partner in the 2015 Samarco Mineracao JV dam failure in Minas Gerais, Brazil.



**Tonight** in the US, the **US Federal Reserve** commences a two-day policy meeting from which outcomes will be known early-Thursday AEDT.

US December durable goods orders, the Richmond Fed manufacturing index, a November house price index and the Conference Board's January consumer confidence reading are also due tonight.

Elsewhere, **UK** markets are trading through their final week with the UK as a member of the **European Union (EU)**, as the **Bank of England (BoE)** prepares for a keenly anticipated policy meeting Thursday.

This will be the last BoE policy meeting overseen by governor Mark Carney.

Meanwhile, the EU's chief negotiator and the Irish PM have warned trade may not be as flexible as UK politicians have indicated over the past couple of weeks.

Companies scheduled to report earnings include: 3M, AMD, Apple (post-US trade), eBay, Lockheed Martin, LVMH, Pfizer, PZ Cussons, SAP, Starbucks, United Technologies and Virgin Money.

*China's markets will remain closed through Thursday. Trade is scheduled to resume Friday.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1577.4</b>	oz	5.5	0.4
<b>Silver (NY) (Mar)</b>	<b>18.056</b>	oz	-0.057	-0.3
<b>Gold (LON) (23 Jan)</b>	<b>1563</b>	oz		
<b>Platinum</b>	<b>982</b>	oz	-22	-2.2
<b>WTI Crude (Mar)</b>	<b>53.14</b>	bbl	-1.05	-1.9
<b>Brent Crude (Mar)</b>	<b>59.32</b>	bbl	-1.37	-2.3
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>94.01</b>	t	-0.34	-0.4
<b>Copper (3mth,evening)</b>	<b>5745</b>	t	-174	-2.9
<b>Nickel</b>	<b>12670</b>	t	-285	-2.2
<b>Aluminium</b>	<b>1768</b>	t	-17	-1.0
<b>Lead</b>	<b>1893</b>	t	-43	-2.3
<b>Zinc</b>	<b>2251</b>	t	-88	-3.8
<b>Tin</b>	<b>16270</b>	t	-580	-3.4

### Commodities Commentary

**Oil** – demand fears persisted overnight, amid news of the further spread of the coronavirus, pushing Brent crude and WTI settlement prices to more than three-month lows.

Saudi Arabia, however, offered OPEC members would address any market destabilisation.

In industry news, Exxon Mobil yesterday announced the recent Guyana oil find has lifted known recoverable oil and gas resources for the broader Stabroek block to ~eight billion barrels.

**Gold** – coronavirus news, central bank meetings in the UK and US, plus influential data and reports from tomorrow night spread through the end of the week for China, the euro zone, UK and US are expected to deliver some volatility to gold trade this week.

Overnight, CME futures traded as high as \$US1588.40/oz, and reached a settlement not seen since early-April 2013.

## Pre-Open Announcements

### Air New Zealand (\* AIZ)

FY 20 'other significant items' will likely tally \$45M - \$50M, these including include \$21M from Heathrow Airport slots sales, \$20M - \$25M in costs associated with a company 'reorganisation', plus a \$46M accounting charge related to \$US-denominated debt.

AIZ December operating statistics, also disclosed pre-trade, included a 3.2% year-on-year increase in the number of passengers carried, pushing financial year-to-date passenger growth to 1.6%.

AIZ plans to lodge interim results 27 February.

### Emeco Holdings (\* EHL)

Moody's Investors Service has raised EHL secured debt ratings to B1 from B2, and altered the outlook for all ratings to stable, from positive.

### Splitit Payments (\* SPT)

Stripe will provide SPT's payment platform for all new SPT merchants. Details lodged this morning.

### BetMakers Technology (\* BET)

Planning to launch two new wagering products with the Waterhouse Group. Details lodged this morning.

### Imugene Ltd (\* IMU)

PD1-Vaxx vials manufacturing and positive toxicology results mean IMU can plan to commence a PD1-Vaxx clinical trial, in patients in the US and Australia with non-small cell lung cancer, before year's end.

### Creso Pharma (\* CPH)

CPH has achieved the sale of 2.5M cannaQIX lozenges, equivalent to 100,000 packs, since the April 2018 launch.

2019 cannaQIX lozenges sales revenue is estimated at \$A1M.

### Virgin Australia Holdings (VAH)

Non-executive director Mark Chellew is leaving the VAH board, effective tomorrow, due to work commitments.

### Synlait Milk (SM1)

Raising the forecast 2019-2020 base milk price from \$NZ7.00/kgMS to \$NZ7.25/kgMS.

### BlackWall Ltd (BWF) / BlackWall Property Trust (BWR)

Former BWF CEO Stuart Brown has resigned as a BWF and BWR director.

Mr Brown will also step down from his role as WOTSO CEO at the end of this week.

Joint BWF and BWR MDs Tim Brown and Jess Glew will take over as interim joint WOTSO MDs.

Mr Stuart Brown has been with BWF for 20 years.

## Resources

### Saracen Mineral Holdings (\*\* SAR)

Teleconference scheduled to commence **11am** AEST.



**Base metals** – as with oil, demand fears prevailed across overnight LME trade, benchmark *copper* trading at three-month lows.

In addition to coronavirus impact views, this week's trade is expected to be influenced by material data for key trading nations. This includes China's official January PMI estimates, anticipated late-week.

China's markets remain closed through Thursday, and will continue to impact trading volumes. Trade is scheduled to resume Friday.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6761	0.0001	0.01
EUR – USD	1.1019	0.0000	0.00

#### Australian Data Today

NAB	Business conditions & confidence	Dec
CommSec	State of the States	Dec Q

#### US Data Tonight

Durable goods orders	Dec
Case-Shiller home price index	Nov
Richmond Fed manufacturing	Jan
Conference Board consumer confidence	Jan

#### Other Overseas Data Today & Tonight

UK	CBI distributive trades	Jan
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Produced a record 120,1127oz of gold at a \$A1098/oz AISC during the December quarter.

Sold 117,575oz at \$A2034/oz, for \$A239M revenue.

\$A283.8M cash and equivalents, against \$196.1M at 30 September 2019.

538,000oz of gold hedged at \$A1997/oz.

Anticipating producing 500,000oz for FY 20 and 600,000oz during FY 21.

#### Resolute Mining (\* RSG)

Terms agreed for the acquisition, including a \$US12M termination value, of a 1.1% gold royalty for the Mako gold project, Senegal.

Additional details lodged this morning.

#### Medusa Mining (\* MML)

Produced 20,792oz of gold at a \$US1346/oz AISC during the December quarter, following 27,515oz at \$US997/oz for the September quarter 2019.

\$US25M cash and equivalents.

#### Energy

#### Woodside Petroleum (\*\* WPL)

The WA Supreme Court has dismissed action brought against WPL by Armada Balnaves (Bumi) in relation to the termination of an FPSO services agreement.

#### Trading Halts

Company	Code	Resuming
BPH Energy	BPH	28 Jan
Lifespot Health	LSH	28 Jan
Sensera Ltd	SE1	28 Jan
UUV Aquabotix	UUV	28 Jan
Ziptel Ltd	ZIP	28 Jan
Auteco Minerals	AUT	29 Jan
9 Spokes International	9SP	29 Jan
Artemis Resources	ARV	29 Jan
Neurotech International	NTI	29 Jan

#### Suspensions (select)

Company	Code	Since
Altura Mining	AJM	15 Jan
AuStar Gold	AUL	20 Jan
Coziron Resources	CZR	14 Jan
Force Commodities	4CE	15 Jan
Hawkstone Mining	HWK	17 Jan
Homestay Care	HSC	24 Jan
Integrated Green Energy Solutions	IGE	20 Jan
Kangaroo Island Plantation Timbers	KPT	7 Jan
Lake Resources	LKE	22 Jan
MEC Resources	MMR	17 Jan

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Reverse Corp	REF	16 Jan
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**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DJW	Tomorrow	8.75	100	5.52
GCI	Thu	0.73	0	4.71
QRI	Thu	0.82	0	4.92

**Reports & Events**

(selected)

When	Company	Report/Event
<b>Today</b>	<b>CCP</b>	Interim
<b>Tomorrow</b>	EVN	Dec Q (audiostream/tele 11am)
	NST	Dec Q (tele 9.30am AEDT)
	VG1	Interim (tele 10.30am)
<b>Thu</b>	FMG	Dec Q
<b>Fri</b>	GUD	Interim (w/c analyst brief 11am)