

Markets

SFE 200 Futures (9.30am AEDT)	6632	-73	-1.1
NZX 50	13150	-224	-1.7
DJIA Futures	30189	-653	-2.1
S&P 500 Futures	3744	-98	-2.6
NASDAQ Futures	13106	-380	-2.8

Local Markets Commentary

The Australian market commences today's trade with a plethora of high-profile stocks reporting for the December quarter and providing updates, a weaker \$A, and a turn higher for iron ore prices, ahead of material data out of the US tonight.

Overnight international equities trade leads are negative. Prices for most key commodities also fell.

Locally today, the Australian Bureau of Statistics (ABS) publishes import and export prices for the December quarter, 11.30am AEDT.

Regionally, Japan is due to publish December retail sales, 10.50am AEDT.

This morning, New Zealand has reported a \$NZ17M December trade surplus, against an anticipated \$NZ800M and following \$NZ252M for November.

In overnight commodities trade, Brent **crude** settled 10c/bbl lower. WTI turned to settle higher.

US **gold** futures settled lower for a fifth consecutive session.

Qingdao **iron ore** (CFR 62% fines) was reported to have turned higher yesterday, closing at \$US166.59/t, up \$US1.52/t for the day.

LME **copper** and other key base metals fell decisively.

The **\$A** dropped to ~US76.65c, after falling to ~US77.20c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30303	-634	-2.1
S&P 500	3751	-99	-2.6
NASDAQ	13271	-355	-2.6
FTSE 100	6567	-87	-1.3
DAX 30	13647	-245	-1.8
Shanghai Comp	3573	4	0.1

Overseas Markets Commentary

Major European, UK and US equities markets mostly opened lower overnight, any subsequent gains in sentiment proving insufficient for key indices to recover from early falls.

The \$US and US treasury prices were pushed higher on safe-haven interest, the \$US currency index ending the session 0.53% higher, and trading at a nine-day peak of 90.896 intra-session.

Settlements - trades executed Monday will settle today
Today's Stock Watch
Eagers Automotive (APE)

Anticipating \$209.4M 2020 underlying operating pre-tax profit, against \$195M - \$205M guidance provided in December. Planning to lodge audited full year results 24 February.

Pointsbet Holdings (PBH) / Saracen Mineral Holdings (SAR)

PBH will replace SAR on the S&P/ASX 200, due to SAR's planned merger with Northern Star Resources (ASX: NST).

The change will occur prior to ASX open 4 February (Thursday next week).

Bubs Australia (BUB)

December quarter gross revenue fell 12% year-on-year, to \$12.8M, but was 36% higher than for the September quarter. \$40.2M cash reserves at 31 December.

Wide Open Agriculture (WOA)

December quarter revenue grew 29% for the three months, to \$A989,261.

Resources
IGO Ltd (IGO)

December quarter income rose 4% for the three months to \$A235.9M. Nova and Tropicana statistics lodged this morning.

Strategic Elements (SOR)

SOR self-charging battery ink has generated >4V from moisture in the air over an ~five-hour testing period. Details lodged this morning.

Hawkstone Mining (HWK)

Metallurgical testing using Big Sandy project sedimentary material has delivered 90% lithium recoveries. Details lodged pre-trade.

Newcrest Mining (NCM)

Produced 535,000oz of gold during the December quarter. \$968/oz AISC. \$836/oz AISC margin.

Resolute Mining (RSG)

Produced 395,136oz of gold during 2020, against 384,731oz for 2019. \$US106.5M cash and bullion. \$US230.4M net debt.

Energy
Cooper Energy (COE)

Produced 1.16MMboe in the six months to 31 December, and sold 1.21MMboe, each a record. Sales revenue rose 24% to \$48.6M. December quarter production fell 28% to 0.49MMboe.



Investors were faced with ongoing dour Covid-19 numbers and broadening restrictions, including Norway's touted border closure plan, and China's increasingly vigorous testing procedures, amid the wait for any moves towards new US stimulus.

As expected, the US Federal Reserve maintained status quo for rates and asset purchases at its policy meeting, but a post-meeting statement, released in second-half US trade, described US economic recovery, and employment improvement, as moderating.

Investors also considered earnings from a batch of large-cap stocks, but were more keenly anticipating Apple, Facebook and Tesla results, due post-US trade.

In addition, the new US secretary of state (confirmed by the Senate late Monday, 72-22), Anthony Blinken, offered his views of US diplomacy challenges in a press conference.

Among data releases, China had yesterday reported industrial profits for 2020, these rising 4.2% against forecasts of a 3.2% increase.

In overnight data releases, GfK's February consumer confidence reading for **Germany** dropped to -15.6, from -7.5 for January and against expectations of a small improvement to -7.1.

Meanwhile a 10-year German bond auction delivered a -0.54% yield, from -0.52%.

In the **US**, December durable goods orders grew 0.2% for the month, against forecasts of a 0.8% increase following November's 1.2% rise.

Excluding the transport sector and defence, orders rose 0.7% and 0.5% respectively.

Weekly mortgage applications fell 4.1% after a 1.9% decline the previous week. Average (mean) 30-year mortgage rates rose to 2.95% from 2.92%.

Tonight in the **US**, an initial December quarter GDP reading, December new home sales and wholesale inventories, and weekly new unemployment claims are anticipated. A Conference Board leading index and the Kansas City Fed January manufacturing index are also due.

Elsewhere, Germany releases an initial January CPI estimate.

Companies scheduled to report earnings later today and tonight include: American Airlines, Atlassian Corp (post-US trade/pre-ASX trade tomorrow), Canon, Comcast, Diageo, Dow, Fujitsu, Fuji Electric, Hitachi Metals, Lundin Petroleum, Mastercard, Mondelez, Northrop Grumman, ResMed Inc (post-US trade/pre-ASX trade tomorrow), Samsung Electronics, Softbank Technology, Stanley Black & Decker and Visa

In overnight corporate news, **Apple** has reported, post-US trade, a record \$US65.6B worth of iPhone sales for the December quarter and total \$US111.44B revenue, each figure exceeding expectations.

Also post-trade, **Facebook** and **Tesla** reported better-than-anticipated December quarter revenue.

Tesla profit figures and forecast talk appeared to disappoint, however.

Earlier, the European Union Aviation Safety Agency approved the **Boeing** 737 Max for flights again in the UK and EU.

Pre-Open Announcements

Splitit Payments (* SPT)

218% year-on-year higher, \$US86.3M December quarter merchant sales volumes.

Gross revenue tallied \$US2.9M, up 359%, and greater than FY 19 total revenue.

IOOF Holdings (* IFL)

December quarter FUM fell \$0.4B for the three months, to \$202.4B. Additional details lodged this morning.

The a2 Milk Company (A2M)

A2M chief growth and brand officer Susan Massasso is stepping down from A2M, after eight years, 15 April, in favour of broader advisory opportunities.

Ms Massasso intends to work with A2M as an advisor.

Tyro Payments (TYR)

486 merchants remain without an operational EFTPOS terminal, following an early-January connectivity incident impacting TYR terminals.

1490 merchants remain with at least one non-functional terminal but at least on fully operational unit.

TYR is encouraging 643 merchants with obsolete terminals to upgrade.

Good Drinks Australia (GDA)

GDA (the former Gage Roads Brewing) appreciated 9.46% yesterday, trading as high as 8.2c intra-session and settling at 8.1c, following a 1H FY21 sales and results update.

GDA lodged a webinar recording of the update post-trade yesterday.

PPK Group (PPK)

Mourning the passing of PPK director and major PPK shareholder Graeme Webb.

Mr Webb had been a major PPK shareholder and/or director for 35 years.

Pentanet Ltd (* 5GG)

Telecommunications carrier and ISP scheduled to list on the ASX 1pm AEDT **tomorrow**, following a \$22.45M IPO at 25c per share.

175.36M quoted shares.

Resources

Galaxy Resources (* GXY)

Shipped a record 75,366t of WA Mt Cattlin lithium concentrate during the December quarter, pushing full year shipments to 150,630t.

Red 5 (RED)

Produced 21,534oz of gold, during the December quarter, pushing FY21 year-to-date output to 41,817oz.

\$2181/oz AISC. Sold 22,412 oz.

\$98.5M cash and bullion at 31 December.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1844.9	oz	-6	-0.3
Silver (NY) (Mar)	25.389	oz	-0.15	-0.6
Gold (LON) (25 Jan)	1857	oz		
Platinum	1058	oz	-36	-3.3
WTI Crude (NYMEX Mar)	52.85	bbbl	0.24	0.5
Brent Crude (ICE EUR Mar)	55.81	bbbl	-0.10	-0.2
Iron Ore (NYMEX,CHN,62%) (26 Jan)	169.52	t	-0.26	-0.2
Copper (LME Ind)	7851	t	-160	-2.0
Nickel	17845	t	-211	-1.2
Aluminium	1991	t	-29	-1.4
Lead	2042	t	-37	-1.8
Zinc	2576	t	-80	-3.0
Tin	22845	t	-65	-0.3

Commodities Commentary

Oil – overnight trade was influenced by a mix of \$US strength; demand views exacerbated by China's introduction of more aggressive Covid-19 testing, in addition to broader lockdowns and increased quarantining; US data; and US policy.

On the flip side, China reported the least new Covid-19 diagnoses daily tally yesterday since 11 January.

Meanwhile, as previously flagged the new US president moved to have fossil fuel subsidies removed and to restrict new oil and gas drilling on federal land.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 9.91MMbbl drop in crude stocks. This was attributed in part of Gulf Coast fog which had limited import more than export traffic, net crude imports falling 2.085MMbbl/d.

In addition, US production had fallen by 100,000bbl/d, to 10.9MMbbl/d.

Petrol stocks were reported 2.47MMbbl higher, and distillate inventories 815,000bbl lower.

Post-US settlement Tuesday, the American Petroleum Institute (API) published a report which had included a 5.27MMbbl draw on stored crude for last week.

Gold – a stronger \$US (ICE \$US index +0.4%) detracted from overnight gold interest.

The US Federal Reserve concluded a policy meeting, announcing status quo outcomes and a 'moderating' economic recovery view post-US gold futures trade, this having little impact on prices during post-settlement electronic trade.

Base metals – overnight LME trade sentiment was bruised by a combination of several factors.

The \$US strengthened early, LME-registered warehouse zinc stocks were estimated to have jumped by 57% in two days, Hebei Covid-19 management concerns impacted China demand views in general, not just for steel-making inputs.

In addition, China demand historically declines on the approach to, and through Lunar New Year.

Among data releases, China's 2020 industrial profits, reported yesterday, rose 4.1% during 2020, against a 2.4% January -

Chalice Mining (CHN)

Webinar presentation lodged post-trade yesterday.

Firefly Resources (FFR)

FFR has lodged with ASIC the IPO prospectus for its manganese demerger company Firebird Metals.

Firebird is chasing \$5.5M from the IPO.

Lithium Australia (LIT)

Non-executive director Bryan Dixon is retiring from the LIT board.

Mr Dixon will continue to provide consulting services to LIT as chair of LIT subsidiary Envirostream Australia and a director of Envirostream UK.

Mr Dixon was appointed as a LIT director in December 2009.

Energy**Buru Energy (BRU)**

Produced 78,000bbl of onshore WA Canning Basin Ungani oil during the December quarter.

Received \$A3.5M cash from two liftings, one which occurred in September.

\$A21.4M cash and equivalents. No debt.

Trading Halts

Company	Code	Resuming
Kopore Metals	KMT	28 Jan
Perpetual Resources	PEC	28 Jan
RBR Group	RBR	28 Jan
Challenger Exploration	CEL	29 Jan
Field Solutions Holdings	FSG	29 Jan
Key Petroleum	KEY	29 Jan
Lachlan Star	LSA	29 Jan
Mithril Resources	MTH	29 Jan
Range International	RAN	29 Jan
Triangle Energy (Global)	TEG	29 Jan

Suspensions (select)

Company	Code	Since
(The) Agency Group Australia	AU1	19 Jan
Archtis Ltd	AR9	27 Jan
Contrarian Value Fund	CVF	14 Jan
Impelus Ltd	IMS	27 Jan
Red Emperor Resources	RMP	22 Jan
Sacgasco Ltd	SGC	27 Jan
Skin Elements	SKN	27 Jan
Strategic Energy Resources	SER	27 Jan
Volt Resources	VRC	22 Jan
Whitebark Energy	WBE	15 Jan
Xstate Resources	XST	27 Jan



November year-on-year increase, and forecasts of a 2.3% annual gain.

China's Lunar New Year/Spring festival holiday season is scheduled for 11 (NYE) – 17 February.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7662	-0.0001	-0.01
EUR – USD	1.2109	-0.0002	-0.02

Australian Data Today

ABS	Import, export prices	Dec Q
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US Data Tonight

GDP (first of three readings)	Dec Q
New home sales	Dec
Wholesale inventories	Dec
Initial jobless claims	23 Jan
Conference Board leading index	Dec
Kansas City Fed manufacturing	Jan

Other Overseas Data Today & Tonight

Japan	Retail sales	Dec
UK	Domestic vehicle production	Dec
Germany	CPI (initial)	Jan
Euro zone	Economic sentiment	Jan

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GCI	Today	0.75	0	4.21
PCI	Today	0.3	0	3.54
QRI	Today	0.87	0	6.10
DJW	Tomorrow	5.25	100	4.58
MOT	Tomorrow	1.64	0	6.89
MXT	Tomorrow	0.72	0	4.97
PGG	Tomorrow	0.68	0	4.94
NBI	Mon	0.7	0	5.14
OZG	Mon	0.3	100	2.61
WIC	Mon	3	100	4.62
SAR	Tue	3.8	100	0.00
BKI	5 Feb	2	100	3.81
AFI	8 Feb	10	100	3.20
OCA	9 Feb	1.02	0	1.98
MLT	10 Feb	5.75	100	3.56

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	BUB	Dec Q
	COE	Dec Q
	EVN	Dec Q (w/cast tele 11am)
	FMG	Dec Q
	GXY	Dec Q
	IGO	Dec Q; Interim
	IPD	Dec Q (tele 9.15am)
	IFL	Dec Q
	LBY	Dec Q
	LVT	Dec Q (tele 11am)
	MMM	Dec Q (NB: tele 29 Feb 9am)
	NCM	Dec Q
	PAN	Dec Q
	PFT	Update (webinar midday)
	RED	Dec Q
	RMD	Dec Q (w/cast 8.30am 29 Jan)
	(NB: o'night AEDT)	
	RSG	Dec Q
	SPT	Dec Q
	TEAM	Dec Q
(NB: o'night AEDT)		
Tomorrow	BFC	AGM
	BUD	AGM
	FLC	Dec Q (w/cast tele 9.30am)
	FNP	AGM
	LCY	Dec Q (w/cast tele 11am)



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MIN	Dec Q
ORG	Dec Q
OZL	Dec Q
PBH	Dec Q (w/cast tele 10am)
RAP	Dec Q (tele 11am)
SZL	Dec Q