

Markets

SFE 200 Futures (9.30am AEDT)	6977	38	0.6
NZX 50	11730	44	0.4
DJIA Futures	28756	46	0.2
S&P 500 Futures	3283	5	0.1
NASDAQ Futures	9125	19	0.2

Local Markets Commentary

The Australian market opens today's trade with material domestic data due late-morning, ahead of US Federal Reserve policy decisions tonight and a European parliamentary vote on the planned 31 January departure of the UK from the European Union.

Regionally today, the Bank of Japan releases a summary of opinions from last week's policy meeting 10.50am AEDT.

Locally, the Australian Bureau of Statistics publishes December quarter CPI growth 11.30am AEDT.

Westpac and the Melbourne Institute are also due to release their December leading index report 11.30am.

Also, being the third last trading day for January, a plethora of quarterly reports is expected.

Meanwhile, DJW trades ex-dividend.

In overnight commodities trade, oil swung higher.

US gold futures (CME February) turned lower.

Iron ore (Nymex CFR China, 62% Fe) recorded another moderate decline.

LME (3mth evening) copper and other base metals continued to fall.

The \$A appreciated to ~US\$0.6755c, after dropping below US\$0.6745c early yesterday evening, and has been pushed higher this morning.

China's markets remain closed through this week. Trade is scheduled to resume Monday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28723	187	0.7
S&P 500	3276	33	1.0
NASDAQ	9270	130	1.4
FTSE 100	7481	69	0.9
DAX 30	13324	119	0.9
Shanghai Comp	2977	Public	Holiday

Overseas Markets Commentary

Major European equities markets vacillated in early overnight trade, but were dragged higher when key US indices bounced some on opening and ultimately trended higher, buoyed by some encouraging data and corporate earnings.

Australia – December quarter CPI - 11.30am AEDT

Settlement – trades executed Friday last week settle today

Today's Stock Watch

Virgin Money UK (VUK)

December quarter business lending grew 2.5% to £8.1B, personal lending increased by 3.7% to £5.2B, customer deposits rose 1.6% to £64.8B and total mortgages fell 0.8% to £59.6B.

The net interest margin remained flat for the three months, at 1.60%. The CET1 ratio fell 0.20% to 13.1%.

Treasury Wine Estates (TWE)

A webcast teleconference was scheduled to commence 9am AEDT, following the release of unaudited TWE 1H FY 20 results and new FY 20 guidance post-trade yesterday.

Reporting (unaudited) 5.1% higher, \$229.2M interim NPAT. 0.9% higher, \$A1.551B revenue.

On a constant currency basis, revenue fell 1.6% to \$A1.577B.

Paying a 20c fully franked interim dividend, against 18c a year ago. \$355.6M cash and equivalents.

Expecting 10% - 15% FY 20 EBITs growth, following 5.7% interim EBITs growth.

Additional 1H statistics, including regional breakdown figures, also lodged.

TWE plans to lodge audited interim results 13 February.

HomeStay Care (HSC)

Master services agreement secured with not-for-profit healthcare and independent living owner-operator service provider Bolton Clarke. Bolton Clarke is known as RSL Care RDNS.

HSC will supply IoT services to Bolton Clarke for three years, following an initial order for \$300,000 worth of HSC devices.

In addition, HSC has been awarded the tender to upgrade nurse call systems at Aged Care & Housing Group residential sites, South Australia. HSC is in receipt of an initial order worth \$500,000.

Resources

Iluka Resources (ILU)

9.4% fall in 2019 mineral sands production to 1.02Mt. Sales dropped 19% to 851,600t. Revenue came in 4.1% lower, at \$A1.193M. \$43M net cash.

Northern Star Resources (NST)

Sold 214,535oz of gold at a \$A1421/oz AISC during the December quarter, for \$A815.6M revenue. \$A1.4B cash, bullion and investments. A webcast teleconference was scheduled to commence 9.30am AEDT.



In overnight data releases, a **UK** distributive trades index came in flat, as for December, against expectations of a sound improvement.

In the **US**, better-than-feared data pushed the ICE \$US index to an ~six-week peak.

US December durable goods orders rose 2.4% for the month following a 3.1% November tumble.

Excluding defence, orders fell 2.5%.

The Richmond Fed manufacturing index rebounded to 20 following -5 for December.

The Conference Board's 131.6 January consumer confidence reading represented a 3.4-point gain.

Case-Shiller's November home price index rose 0.1% for the month and 2.6% year-on-year.

Tonight in the US, the **US Federal Reserve** concludes a policy meeting from which outcomes will be known pre-ASX trade tomorrow.

Progress on the signing of a revamped trade deal between the US, Canada and Mexico is also anticipated tonight.

Among US data releases, December wholesale inventories, pending home sales and weekly mortgage applications are due.

Elsewhere, **UK** markets continue to trade through their last days with the UK as a member of the **European Union (EU)**.

Tonight, the European **parliament** is expected to debate, and deliver, final approval for the UK-EU separation.

Meanwhile, the **Bank of England (BoE)** prepares for a crucial policy meeting commencing later tomorrow.

This is scheduled to be the last BoE policy meeting overseen by governor Mark Carney, who will speak after the meeting.

Companies scheduled to report earnings include: Archer Daniels Midland, ADP (post-US trade), AT&T, Banco Santander, Boeing, Dow, General Electric, Facebook (post-US trade), Hyundai Steel, LG Innotek, McDonald's, Mastercard, Microsoft (post-US trade), Mondelez (post-US trade), NEC, Novartis, PayPal (post-US trade), Siemens and Tesla (post-US trade).

In overnight corporate news, **Lockheed Martin** and **United Technologies** lodged better-than-expected earnings reports.

Apple has reported post-US trade, and will influence at least some sentiment tonight, with record profit and sales well surpassing expectations.

The stock propelled overnight US equities trade sentiment ahead of its December quarter results, adding more than 2.5% on a bounce from a coronavirus-related sell-off.

Starbucks revealed it expected March quarter results to be impacted by the coronavirus outbreak, as the company had closed half its China stores and was changing trading hours at others.

China's markets remain closed through this week. Trade is scheduled to resume Monday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1569.8	oz	-7.6	-0.5
Silver (NY) (Mar)	17.458	oz	-0.598	-3.3
Gold (LON) (27 Jan)	1580	oz		

Pre-Open Announcements

VGI Partners Global Investments (** VG1)

Interim income dropped 59% to \$12.11M.

NPAT tumbled 94% to \$821,099.

Centuria Capital Group (** CNI)

Intending to launch a \$NZ180M takeover bid for New Zealand-headquartered real estate funds management specialist Augusta Capital.

CNI anticipates boosting its AUM 26% to \$A9.2B.

Trading halt called this morning.

ELMO Software (* ELO)

December quarter and preliminary half-year results, including a 33.9% rise in interim revenue to \$23.6M, lodged pre-trade.

Atlas Arteria (* ALX)

December quarter revenue and traffic figures lodged pre-trade.

MGM Wireless (* MWR)

Preliminary interim statistics lodged this morning.

oOh!media Ltd (* OML)

MD and CEO Brendon Cook is intending to resign his positions by year's end.

National Australia Bank (* NAB)

Assistant company secretary Kelly Patterson has resigned, effective yesterday.

NAB retains company secretary Louise Thomson and assistant company secretaries Tricia Conte and Penny MacRae.

GUD Holdings (* GUD)

Banking facilities renewed and a fixed term loan secured, amounting to a total \$A225M worth of borrowing power.

Two new GUD financiers have joined Westpac and National Australia Bank, namely Citibank and Pricoa Capital Group.

The previous arrangements, covering \$A255M, were due to expire July this year.

GUD is scheduled to report interim results Friday.

Auckland International Airport (AIA)

Passenger numbers fell 1.5% year-on-year in November and were 0.3% lower for the financial year-to-date.

Breakdown statistics lodged this morning.

Exopharm Ltd (EX1)

The Plexoval Phase I clinical study has progressed, with the first patient dosed with Plexaris, comprising exosomes isolated from human platelets designed for wound healing.

Local Planning Energy Holdings (LPE)

LPE has appointed LPE cofounder Justin Pettett as non-executive chairman, effective immediately.



Platinum	986	oz	4	0.4
WTI Crude (Mar)	53.48	bbl	0.34	0.6
Brent Crude (Mar)	59.51	bbl	0.19	0.3
Iron Ore (NYMEX,CHN,62%)	93.6	t	-0.41	-0.4
Copper (3mth,evening)	5702	t	-45	-0.8
Nickel	12595	t	-65	-0.5
Aluminium	1753	t	-17	-1.0
Lead	1890	t	-7	-0.3
Zinc	2245	t	-7	-0.3
Tin	16260	t	-10	-0.1

Commodities Commentary

Oil – reports emerged overnight that OPEC members were considering extending the current production curb, set to expire at the end of March, by at least three months.

Weekly US petroleum inventories, as estimated by government agency the EIA, are due tonight.

Gold – a return to favour for equities, some heartening US data and associated \$US strength bruised overnight gold sentiment

Tonight's US Federal Reserve post-policy meeting statement could influence trade heading towards the Bank of England's policy meeting tomorrow, just one day before the UK is due to leave the European Union.

In addition, GDP and PMI readings yet to come this week, are expected to keep currencies trade and gold sentiment fluid.

Base metals – a stronger \$US and commentary highlighting the ongoing coronavirus threat to international economic growth prospects mostly influenced overnight base metals trade.

China's markets remain closed through this week. This will continue to impact trading volumes. Trade is scheduled to resume Monday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6761	-0.0002	-0.03
EUR – USD	1.1024	0.0002	0.02

Australian Data Today

ABS	CPI	Dec Q
Wstpc/MInst	Leading index	Dec

US Data Tonight

Federal Reserve policy meeting outcomes	Jan
Wholesale inventories	Dec
Pending home sales	Dec
MBA weekly mortgage applications	24 Jan

Other Overseas Data Today & Tonight

Japan	BoJ summary of opinions	Jan
Japan	Consumer confidence (4pm AEDT)	Jan

Resources

OZ Minerals (** OZL)

\$1.107B revenue estimated for 2019. \$134M cash balance. December quarter statistics also lodged this morning.

Sandfire Resources (** SFR)

Produced 34,988t of copper and 19,370oz of gold in concentrate during the six months to 31 December, at a US\$4c/lb C1 cost.

December quarter statistics also lodged this morning, ahead of a 1pm AEDT webcast teleconference.

Evolution Mining (** EVN)

Produced 362,857oz of gold at a \$A1041/oz AISC for the six months to 31 December.

December quarter statistics also lodged this morning.

Teleconference scheduled for 11am AEDT.

Fortescue Metals Group (** FMG)

In response to speculation, FMG has disclosed that following the maturing of some exchangeable bonds and associated transfer of FMG shares, Hunan Valin Iron & Steel Group Co's holding in FMG has fallen to 10.15%.

Classic Minerals (CLZ)

Heralding latest WA Forrestania region Kat Gap gold project RC drilling results.

CLZ says the system remains open in all directions.

Assays lodged post-trade yesterday.

Gascoyne Resources (GCY, administrators appointed)

December quarter, half-year and 2019 operational statistics lodged post-trade yesterday.

Energy

Beach Energy (** BPT)

Produced 12.96MMboe for the half year to 31 December, representing a 2% year-on-year decline.

Sales revenue rose 6% to \$900M.

Trading Halts

Company	Code	Resuming
Artemis Resources	ARV	29 Jan
Amani Gold	ANL	30 Jan
Black Dragon Gold	BDG	30 Jan
Emeco Holdings	EHL	30 Jan
Hammer Metals	HMX	30 Jan
HGL Ltd	HNG	30 Jan
Krakatoa Resources	KTA	30 Jan
Sovereign Metals	SVM	30 Jan
Syndicated Metals	SMD	30 Jan
Centuria Capital Group	CNI	31 Jan
Korab Resources	KOR	31 Jan



Germany	GfK consumer confidence	Feb
Germany	Import prices	Dec
Euro zone	Lending – business and household	Dec

Need More Information?

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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
Integrated Green Energy Solutions	IGE	20 Jan
Kangaroo Island Plantation Timbers	KPT	7 Jan
Lake Resources	LKE	22 Jan
MEC Resources	MMR	17 Jan
Reverse Corp	REF	16 Jan
Sensera Ltd	SE1	28 Jan
Ziptel Ltd	ZIP	28 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DJW	Today	8.75	100	5.52
GCI	Tomorrow	0.73	0	4.74
PCI	Tomorrow	0.37	0	2.10
QRI	Tomorrow	0.82	0	4.91
MOT	Fri	1.03	0	4.34
MXT	Fri	1.05	0	5.30

Reports & Events

(selected)

When	Company	Report/Event
Today	BPT	Dec Q
	EVN	Dec Q (tele 11am AEDT)
	ILU	Dec Q
	NST	Dec Q (tele 9.30am)
	OZL	Dec Q
	SFR	Dec Q (tele 1pm)
	VG1	Interim (tele 10.30am)
Tomorrow	FMG	Dec Q
Fri	GUD	Interim (w/c analyst brief 11am)