

Markets

SFE 200 Futures (9.30am AEDT)	6659	69	1.1
NZX 50	13267	181	1.4
DJIA Futures	30507	318	1.1
S&P 500 Futures	3779	35	0.9
NASDAQ Futures	13186	81	0.6

Local Markets Commentary

The Australian market opens Friday trade, on the last domestic trading day for the month, with material domestic data due late morning, a deluge of high-profile stocks reporting for the December quarter, and a second iron ore price drop for the week, ahead of influential data out of the euro zone tonight.

Locally today, the Reserve Bank of Australia (RBA) publishes its monthly financial aggregates report, which includes **private sector credit**, at 11.30am AEDT.

December quarter **producer prices**, as calculated by the Australian Bureau of Statistics (ABS), are due at the same time.

In addition, **DJW** and **MOT** are among stocks scheduled to trade ex-dividend. *Please see p3 for a detailed list.*

Being the last domestic trading day for January, a torrent of December quarter reports is anticipated through today's trade into this evening.

Regionally, **Japan** is expected to release December **industrial production**, 10.50am AEDT.

The **Bank of Japan** is due to publish the 'summary of opinions' from last week's policy meeting at the same time. Commentary on renewed deflation and contraction is keenly anticipated.

China is scheduled to release official (NBS) January **PMIs** over the **weekend**.

In overnight commodities trade, both Brent and WTI **crude** fell.

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

Qingdao **iron ore** (CFR 62% fines) reportedly dropped \$US9.17/t for the day, to \$US157.42/t.

LME **copper** swung higher, but not so **nickel** or **aluminium**.

The **\$A** appreciated, to approach US77.00c, after trading beneath US76.05c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30603	300	1.0
S&P 500	3787	37	1.0
NASDAQ	13337	67	0.5
FTSE 100	6526	-41	-0.6
DAX 30	13658	12	0.1
Shanghai Comp	3505	-68	-1.9

Last trading day for January
Australia – private sector credit – 11.30am AEDT

 * Telecommunications and ISP listing **1pm AEDT – 5GG ***
Today's Stock Watch
ResMed Inc (RMD)

December quarter revenue grew 9% year-on-year and net operating profit by 12%.

McMillan Shakespeare (MMS)

Anticipating \$42.7M 1H FY21 underlying NPAT. Planning to lodge interim results 24 February.

Marley Spoon (MMM)

A teleconference was scheduled to commence 9am AEDT. December quarter revenue grew 95% year-on-year, to €69M, pushing 2020 revenue to €254M. Breakdown figures and presentation lodged post-trade yesterday.

PointsBet Holdings (PBH)

106.6% December quarter year-on-year increase in active clients, to 211,100.

CresoPharma Ltd (CPH)

December quarter cash receipts grew 740% for the three months, to \$A709,000.

Worley Group (WOR)

Two-year CNOOC Petroleum Europe EPC contract in hand. In addition, WOR is partnering with Avantium Renewable Polymers, providing €10M equity support for a recycling plant.

NRW Holdings (NWH)

\$123M Roper Bar iron ore project mining contract in hand. In addition, NWH's 50:50 JV with WBHO has been named preferred proponent for a Perth, WA Freeway upgrade.

Resources
BlueScope Steel (BSL)

Expecting \$530M 1H FY21 EBIT, against previous \$475M guidance. Planning to lodge interim results 22 February.

OZ Minerals (OZL)

Produced 97,620t of copper and 257,987oz of gold in concentrate during 2020. US\$56.9c/lb AISC.

Mineral Resources (MIN)

Shipped 4.364Mt of iron ore, and 85,000t of spodumene during the December quarter.

Energy
Origin Energy (ORG)

December quarter operational statistics lodged pre-trade.



Overseas Markets Commentary

Trade across major European, UK and US equities markets diverged overnight from their respective opens, key US indices trending lower in second half trade.

Covid-19 containment issues remained in focus, including the likely availability of vaccines and their recommended regional use.

The US released an initial December quarter GDP estimate (the first of three readings), this indicating 4% growth for the three months, against a 33.4% September quarter jump, and following forecasts of a 4.2% gain.

Among other overnight data releases, **Germany's** preliminary January CPI reading represented 0.8% growth for the month and 1% year-on-year inflation, against expectations of a 0.4% rise for both readings.

A **euro zone** economic sentiment index slipped to 91.5 from 92.4 but followed forecasts of 89.2.

In the **US**, in addition to the GDP reading, weekly new unemployment claims tallied 847,000, against expectations of 900,000, flowing the previous week's 914,000.

December new home sales rose 1.6% after tumbling 12.6% in November.

Wholesale inventories rose 0.1%, just 50% of the forecast rise and following a flat November estimate.

The Conference Board leading index fell to 0.3% from 0.7%.

Meanwhile, the Kansas City Fed January manufacturing index jumped to 22 from 13, following forecasts of 15.

Tonight in the **US**, December personal income and spending, plus pending home sales are due, together with the January Chicago PMI and a final January consumer sentiment reading from the University of Michigan.

Elsewhere, Germany releases an initial December quarter GDP reading.

In addition, this year's virtual World Economic Forum concludes.

Companies scheduled to report earnings later today and tonight include: Asahi Holdings, Atlas Copco, Caterpillar, Charter Communications, Chevron, Colgate-Palmolive, Eli Lilly, Ericsson, H&M, Honeywell, KKR, Komatsu, LG Electronics, NEC, Phillips 66, SAP, Sumitomo Mitsui Financial Group and TDK.

In overnight corporate news, **GameStop** and other select stocks were also placed on a restricted trade list, following claims of concerted discussion forum influence.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Apr)	1841.2	oz	-7.7	-0.4
Silver (NY) (Mar)	25.922	oz	0.53	2.1
Gold (LON) (27 Jan)	1843	oz	-14	-0.7
Platinum	1066	oz	8	0.8
WTI Crude (NYMEX Mar)	52.34	bbbl	-0.51	-1.0
Brent Crude (ICE EUR Mar)	55.53	bbbl	-0.28	-0.5
Iron Ore (NYMEX,CHN,62%) (27 Jan)	169.26	t	-0.26	-0.2
Copper (LME Ind)	7901	t	74	1.0
Nickel	17870	t	-43	-0.2

Pre-Open Announcements

National Australia Bank (** NAB)

Acquiring 86 400 Holdings under a scheme implementation agreement. Details lodged this morning.

Pentanet Ltd (* 5GG)

Telecommunications carrier and ISP scheduled to list on the ASX **1pm** AEDT, following a \$22.45M IPO at 25c per share. 175.36M quoted shares.

Domino's Pizza Enterprises (DMP)

A DMP subsidiary is returning \$792,000 worth of JobKeeper assistance.

Additional commentary lodged this morning.

Shriro Holdings (* SHM)

Anticipating \$192M full year (to 31 December) revenue, against \$180M - \$185M guidance provided 10 December.

Expecting an \$18M NPAT, following \$15M - \$17M guidance.

BARD1 Life Sciences (BD1)

Recouped 2.56% yesterday, trading as high as 62.5c and settling at 60c after announcing the US grant of a 'molecular nets and devices for capturing analytes including exosomes' patent.

The patent is granted to BD1 subsidiary Sienna Cancer Diagnostics Inc.

It has been set to expire 19 August 2031.

Resources

Sandfire Resources (* SFR)

Produced 35,790t of copper and 21,343oz of gold in concentrate July – December, at a US72c/lb C1 cost.

Torrens Mining (TRN)

PNG's minister of mines has refused to grant TRN the Laloki project exploration licence.

TRN lodged the exploration licence application over Laloki permit 2557 16 November 2017.

TRN listed on the ASX 7 January, following a \$10M IPO at 20c per share.

TRN traded as high as 34.5c during its debut session, but settled at 22c yesterday, after trading as low as 20.5c.

Energy

Xstate Resources (* XST) / Sacgasco Ltd (* SGC)

XST is outlaying \$C250,000 cash, plus 10.9M XST shares at A0.64c each (\$A70,000 value), to acquire a 10% working interest in oil and gas assets producing a daily 500boe within reactivated oil field in Alberta, Canada.

SCG is acquiring a 20% working interest in the same oil and gas assets. Consideration comprises \$C500,000 cash, plus 1.92M SGC shares at A7.3c each (\$A140,000 value).

Asset details lodged post-trade yesterday.

XST is resuming from suspension having traded at 0.6c – 0.8c



Aluminium	1982	t	-9	-0.4
Lead	2037	t	-8	-0.4
Zinc	2595	t	13	0.5
Tin	23015	t	155	0.7

Commodities Commentary

Oil – recent lockdowns in China and new moves to restrict lunar new year travel further impacted demand sentiment overnight.

Covid-19 vaccine optimism appeared to wane further, also, due to a combination of production and supply angst and Germany's recommendation to only use the AstraZeneca vaccine for people less than 65 years old.

A US petroleum drill rig report is due tonight.

Also tonight, the March Brent contract expires on settlement. April delivery Brent crude settled 0.8% (US43c) lower overnight, at \$US55.10/bbl.

Gold – overnight trade in part reacted to US Federal Reserve chair Jerome Powell's comments post-gold settlement Wednesday, including the US being 'a long way from a full economic recovery'.

However, improved equities sentiment, relative \$US strength and rising US treasury yields ultimately produced another session fall for Comex futures.

Overnight, the World Gold Council estimated 2020 international gold demand at 3759.6t, down 14% on 2019, and with December quarter demand dropping 28% year-on-year.

In other precious metals trade, some Comex *silver* trade was attributed to a reported discussion forum promotional campaign.

Base metals – overnight LME trade was influenced in part by currency swings, *copper* trading at a low of \$US7705/t before settling ~\$US200/t higher.

Copper stocks in both LME and Shanghai Futures Exchange registered warehouses were reported lower.

Among the forecasters, the Chilean Copper Commission boosted its predicted 2021 copper price to \$US3.30/lb, citing Covid-19 vaccines and China's economy as the most likely to ultimately boost overall international demand.

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

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7678	-0.0005	-0.07
EUR – USD	1.2122	-0.0001	-0.01

Australian Data Today

RBA	Financial aggregates (incl private sector credit)	Jan
RBA	International reserves	Jan
RBA	Foreign currency liquidity	Jan

US Data Tonight

Personal income and spending Dec

over the five sessions before calling a halt.

SGC is also resuming from suspension, having traded at 7c – 7.7c over the five sessions before calling a halt.

Trading Halts

Company	Code	Resuming
Challenger Exploration	CEL	29 Jan
Key Petroleum	KEY	29 Jan
Mithril Resources	MTH	29 Jan
Range International	RAN	29 Jan
Triangle Energy (Global)	TEG	29 Jan
4DS Memory	4DS	1 Feb
Indiana Resources	IDA	1 Feb
Micro-X Ltd	MX1	1 Feb
MRG Metals	MRQ	1 Feb
Orbital Corporation	OEC	1 Feb
Revasum Inc	RVS	1 Feb

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
Perpetual Resources	PEC	28 Jan
Red Emperor Resources	RMP	22 Jan
Skin Elements	SKN	28 Jan
Volt Resources	VRC	22 Jan
Whitebark Energy	WBE	15 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DJW	Today	5.25	100	4.64
MOT	Today	1.64	0	7.02
MXT	Today	0.72	0	4.97
PGG	Today	0.68	0	5.02
BWR	Mon	3.5	0	5.19
NBI	Mon	0.7	0	5.20
OZG	Mon	0.3	100	2.61
WIC	Mon	3	100	4.69
SAR	Tue	3.8	100	0.00
ASW	Wed	2.5	100	5.13
BKI	Fri	2	100	3.82
AFI	8 Feb	10	100	3.20
OCA	9 Feb	1.02	0	1.96
MLT	10 Feb	5.75	100	3.62
KOV	18 Feb	15	100	5.61



Chicago PMI	Jan
Pending home sales	Dec
Uni of Michigan consumer sentiment (final)	Jan

Other Overseas Data Today & Tonight

Japan	Tokyo CPI	Jan
Japan	Industrial production (prelim)	Dec
Japan	Unemployment	Dec
Japan	BoJ summary of opinions	21 Jan
Japan	Consumer confidence (4pm AEDT)	Jan
Germany	GDP (initial)	Dec Q
Germany	Unemployment	Jan
Germany	Import prices	Dec
Euro zone	Business and household lending	Jan

Need More Information?

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Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	BFC	AGM
	BUD	AGM
	CPH	Dec Q
	DOU	AGM
	FLC	Dec Q (w/cast tele 9.30am)
	FNP	AGM
	LCY	Dec Q (w/cast tele 11am)
	MIN	Dec Q
	ORG	Dec Q
	OZL	Dec Q
	PDN	Dec Q
	PBH	Dec Q (w/cast tele 10am)
	RAP	Dec Q (tele 11am)
	SFR	Dec Q (w/cast tele 1pm)
SZL	Dec Q	
WBT	Dec Q	
Tue	TPW	Interim (w/cast 10.30am)
Thu	JHG	Full year (post-ASX; w/cast tele midnight)
	PNI	Interim (tele 9am)
9 Feb	BLD	Interim
	CGF	Interim
	JHX	Dec Q (w/cast tele 9am)
10 Feb	CBA	Interim
	IAG	Interim
	MIN	Interim
	MP1	Interim (w/cast webinar 11am)