

Markets

SFE 200 Futures (9.30am AEDT)	7553	14	0.2
NZX 50	11892	17	0.1
DJIA Futures	38258	0	0.0
S&P 500 Futures	4916	0	0.0
NASDAQ Futures	17527	0	0.0

Local Markets Commentary

The Australian market opens a new week's trade with intensified geopolitical relations and fresh data in hand from China, as January gives way to February in a week featuring a wave of material economic and earnings reports, coupled with monetary policy meetings in both the US and UK.

US equities markets settled slightly – to – moderately changed, and mixed, overnight Friday.

Since overnight Friday trade, dozens of **US** military personnel have been reportedly injured, and some killed, in a drone attack in **Jordan**, near the border with **Syria**.

Nations have reacted to an International Court of Justice interim ruling regarding **Israel's** defence following the early October 2023 **Hamas** attack, and also to a UN report that staff from the UN Relief and Works Agency (UNRWA) aided the Hamas attack.

Locally today, no major economic reports are anticipated.

Being the third last trading day for January, a wave of **December quarter** reports is anticipated, however, together with further trading updates ahead of February's (mostly) interim reporting season.

Regionally, over the weekend China announced a second consecutive annual decline in **industrial profits**, 2.3% for 2023, following a 4.0% 2022 fall.

New Zealand has reported December **international trade** figures pre-trade. These included a \$NZ323M deficit against forecasts for a \$NZ600M shortfall.

Singapore is scheduled to release December **export and import prices** as the ASX closes today.

In overnight Friday **commodities** trade, **oil** extended a 3% overnight Thursday rally, Brent crude closing above \$US83.50/bbl again.

US **gold** (Comex) futures moved just US50c/oz lower, remaining above \$US2015/oz.

Iron ore (Nymex CFR China, 62% Fe) also settled essentially unchanged, just US1c/t higher, retaining \$US135.5/t.

LME (3mth evening) **copper** settled slightly lower. **Nickel** gained ~0.5%. **Aluminium** rallied by greater than 1.5%.

The **\$A** fell below US65.75c.

Settlements

Trades executed **Wednesday last week** (24 January) settle today
Thursday's (25 January) trades will settle tomorrow

Today's Stock Watch

Woolworths Group (WOW)

Anticipating a \$NZ1.6B NZ food segment impairment and a \$A209M Endeavour Group loss, recognised as a significant item, for the half year to 31 December. Overall 1H FY24 EBIT is expected to come in at \$1.682B - \$1.699B, from \$1.637B for 1H FY23. Planning to lodge interim results 21 February.

Bapcor Ltd (BAP)

Anticipating a 13% - 15% year-on-year drop in interim pro-forma NPAT to \$53M - \$54M. Revenue is expected to be up 2%, at \$1.02B. Additional figures lodged this morning. Planning to release interim results 23 February.

Suncorp Group (SUN)

SUN's FY24 natural hazard allowance is \$1.36B but severe weather event claim costs for the six months to 31 December are estimated at \$568M, \$380M of these for November – December 2023. SUN has received 500 claims to date relating to tropical cyclone Kirrily last week, mostly for home damage. Additional half-year figures and commentary lodged this morning. SUN plans to release interim results 26 February.

Netwealth Group (NWL)

\$78B FUA at 31 December, up \$6B for the three months. FUA grew by \$15.6B (24.9%) during 2023. \$18.1B FUM at 31 December, up \$1.6B for the three months. CFO Grant Boyle is planning to leave NWL following completion and reporting of full year accounts.

Resources

Gold Road Resources (GOR)

The 50:50 Gruyere JV produced 74,659oz of gold during the December quarter 2023, against 88,668oz for the September quarter. AISC rose to \$A1973/oz from \$A1682/oz. GOR sold 37,037oz at \$A3040/oz. At 31 December, GOR held \$149.9M cash and equivalents; \$465M worth of listed investments and 1989oz of gold doré and bullion.

BHP Group (BHP)

Continuing Samarco Dam failure settlement negotiations and as yet has not been served with last week's reported Federal Court of Brazil decision.

Energy

Strike Energy (STX)

Produced 1.9PJc at 51c/GJ during the December quarter.

**Overseas Markets**

INDEX	CLOSE	+/-	%
Dow Jones	38109	60	0.2
S&P 500	4891	-3	-0.1
NASDAQ	15455	-55	-0.4
FTSE 100	7635	105	1.4
DAX 30	16961	54	0.3
Shanghai Composite	2910	4	0.1

Overseas Markets Commentary

Major European and UK equities markets generally trended higher overnight Friday, albeit to markedly different gains.

Not so major US indices which largely chopped and swung, ahead of a week set to deliver major earnings and outlook reports, US and UK central bank monetary policy meetings, and several material international economic indicators.

Meanwhile some corporate and economic forecasts weighed.

Chip manufacturer Intel delivered a softer-than-expected outlook. Chip sector supplier KLA also forecast lower-than-expected revenue, describing near-term market conditions as remaining 'challenging'.

A **European Central Bank** (ECB) survey of professional forecasters revealed participants expect euro zone inflation to average 2.4% in 2024, rather than the 2.7% last predicted by the ECB and also by respondents to the last survey conducted three months earlier.

Those surveyed also predicted 0.6% 2024 euro zone GDP growth, against the 0.9% forecast in the previous survey.

Earlier Friday, **Bank of Japan** December monetary policy meeting minutes revealed board members discussed the appropriate conditions for reducing stimulus.

Among overnight Friday economic **data** releases, **euro zone** December lending to households and businesses rose by 0.3% and 0.4% year-on-year respectively. November's figures had included a 0.5% increase for households but flat result for business lending. Hence the new results indicated improved credit demand from businesses.

In **Germany**, the GfK February consumer confidence index came in at -29.7 from -25.4, against expectations for a slight improvement. The new figure was the lowest estimate in 11 months.

In the **UK** earlier Friday, the GfK UK consumer confidence reading for January was reported at -19 from -22. The new reading was the highest recorded in two years.

In the **US**, December personal income and spending rose by 0.3% and 0.7% respectively.

Forecasters had expected the income figure but spending surprised, following a prediction for 0.4% growth only.

For November, both income and spending were recorded 0.4% higher for the month.

The personal consumption expenditure (PCE) price index for December was calculated 0.2% higher for the month, on par with expectations, following a 0.1% November decline.

Against December 2022, the index was up 2.6%, the same magnitude of annualised growth recorded for November.

Pre-Open Announcements**Perpetual Group (* PPT)**

Anticipating 1H FY24 significant items to tally \$A60M - A65M post-tax.

\$A213.9B AUM at 31 December 2023, from \$A211.7B at 30 September.

Planning to lodge interim results 28 February.

Starpharma Ltd (* SPL)

Heralding positive indications for the Viraleze nasal spray as a treatment for Covid-19 symptoms.

Details lodged pre-trade.

Xref Ltd (* XF1) / Seek Ltd (* SEK)

SEK's Certsy and XF1 are planning to collaborate on employment reference checking.

Certsy and XF1 have agreed on a potential integration of the two group's checking services.

Additional details lodged this morning.

Australian Unity Office Fund (AOF)

Selling a Beenleigh, Queensland property for \$29.7M.

AOF intends to use sale proceeds to reduce debt and bolster cash.

Planning to lodge interim results 23 February.

IPD Group (IPG) / Excelsior Capital (ECL)

IPG expects to complete the ~\$100M acquisition of ECL subsidiary CMI Operations Wednesday.

ECL shareholders approved the proposed CMI sale to IPG Thursday last week.

Resources**Legacy Minerals (* LGM) / S2 Resources (* S2R)**

S2R has agreed a farm-in to LGM's Glenlogan porphyry copper and gold project, NSW.

Details lodged this morning.

RareX Ltd (REE)

REE has updated the WA Kimberley Cummins Range rare earths & phosphate project resource to 524Mt @ 0.31% TREO & 4.6% P₂O₅ for 1.6Mt of TREO and 24Mt of P₂O₅.

The indicated component of the resource has grown 10% to 77Mt @ 0.46% TREO and 6.7% P₂O₅.

Details lodged post-trade Thursday last week.

Lucapa Diamond Company (LOM)

Planning a 5:1 share, options and performance rights consolidation.

This would reduce LOM shares on issue to ~288M.

Shareholder approval will be sought at a 29 February meeting.

Culpeo Minerals (CPO)

\$A189,000 cash and equivalent at 31 December.

Options exercised since then have delivered ~\$A791,000.



The annualised core (excluding fuel and food) PCE declined to 2.9% from 3.2%. The new reading was the lowest since February 2021, supporting views the Fed will consider no further interest rate rises in the near-term.

December pending homes sales jumped 8.3% for the month following a 0.3% decline in November.

Against December 2022, pending home sales were up 1.3%, from a 5.4% year-on-year November drop.

US gold futures were reported lower immediately following the release of the stronger-than-expected housing data.

Tonight in the **US**, the January Dallas Fed (Texas region) manufacturing index is due.

Companies scheduled to report earnings later today or tonight include: Nucor, Philips, Ryanair Holdings, Sumitomo Mitsui Financial and Super Micro Computer.

Other earnings scheduled for release this week include for: Alphabet, Amazon, Apple, Meta Platforms and Microsoft.

Amid a backdrop of weak international growth forecasts and precarious geopolitical relations, outlook statements are expected to influence markets more so than usual.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Feb)	2017.8	oz	-0.50	-0.0
Silver (COMEX 5000 Mar)	22.87	oz	-0.06	-0.3
Platinum (NYMEX Apr)	921	oz	27	3.0
WTI Crude (NYMEX Mar)	78.01	bbl	0.65	0.8
Brent Crude (ICE EUR Mar)	83.55	bbl	1.12	1.4
Iron Ore (NYMEX CHN port;62%Fe)	135.55	t	0.01	0.0
Copper (LME 3mth Evening)	8542	t	-25	-0.3
Nickel	16762	t	78	0.5
Aluminium	2273	t	36	1.6
Lead	2177	t	13	0.6
Zinc	2579	t	-2	-0.1
Tin	26680	t	25	0.1

Commodities Commentary

Oil – prices were supported yet higher overnight Friday by positive demand indications for China and the US and a targeted attack on a Trafigura vessel transporting crude through the Gulf of Aden.

For the week, Brent and WTI crude each added ~6%, the most since the week Hamas-Israel conflict flared on a Hamas attack in Israel.

Friday's gains were likely capped a little however, by a shift in expectations for any US interest rate cut from March until at least April.

In addition, a weekly US petroleum drill rig report published by Baker Hughes overnight Friday, included two additional oil rigs in operation, bringing the total back to 499.

In Brazil, State-run Petrobras reported 2.78MMboe/d production for 2023, this representing a 3.7% increase on 2022 output. Further, Petrobras revealed it was targeting the drilling of 16-new petroleum wells during 2024 – 2028.

Gold – overnight Friday trade ultimately left prices little changed,

Battery Age Minerals (BM8)

\$3.076M cash balance at 31 December, after outlaying \$2.884M on exploration during the December quarter.

In addition, during the December quarter, the Falcon Lake project, Ontario, Canada attracted a \$A223,000 grant.

Agua Resources (AGR)

The shortfall placement following the 1.4c-per-share entitlement boosted the entitlement raising by \$1.02M to \$1.544M.

AGR agreed with lead manager Lynx Advisors a 6% shortfall placement fee, plus 2.5M options with an 18-month expiry, and 5M options with a three-year expiry.

Black Cat Syndicate (BC8)

In lieu of cash, BC8 has paid employee short-term incentive bonuses for the year ended June 2023 with the issue of a total 440,277 performance rights and 216,288 shares.

BC8 traded at 22c – 24.5c last week.

Energy

92 Energy (* 92E)

Update lodged this morning regarding 92E's proposed merger with ATHA Group Corp.

Details include an application by ATHA to list on the TSX Venture Exchange.

Global Uranium and Enrichment (GUE)

\$1.178M cash reserves and \$96,000 listed investments at 31 December.

Trading Halts

Company	Code	Resuming
Adavale Resources	ADD	30 Jan
Blue Star Helium	BNL	30 Jan
Cassius Mining	CMD	29 Jan
International Graphite	IG6	29 Jan
Matador Mining	MZZ	29 Jan
Papyrus Australia	PPY	29 Jan

Suspensions (selected)

Company	Code	Since
Anax Metals	ANX	25 Jan
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
Sierra Rutile Holdings	SRX	25 Jan
Spenda Ltd	SPX	24 Jan



sentiment proving cautious ahead of a week that could provide a number of catalysts to move prices more decisively.

Any end-of-month positioning is likely to be usurped this week by events and data including US Federal Reserve and Bank of England monetary policy meetings, US January workforce statistics, key CPI updates, a euro zone GDP reading, China PMIs, and a batch of earnings from major stocks.

Meanwhile, geopolitical turbulence is expected to remain on the trader radar.

Base metals – supply and demand considerations appeared to rule overnight Friday base metals trade sentiment.

China's January - December 2023 industrial profits, reported Saturday, are expected to influence some of tonight's trade.

Profits were down 2.3% for the year, following a 4.4% January - November year-on-year decline.

Profits fell 4.0% in 2022.

January PMIs for China are due this week.

In addition, pre-Lunar New Year buying and travel will be in focus ahead of Lunar NYE (9 February), influencing some gold, base metals and oil trade considerations.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6575	-0.0013	-0.20
EUR – USD	1.0844	-0.0010	-0.09

US Data Tonight

Dallas Fed manufacturing	Jan
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Other Overseas Data Today & Tonight

New Zealand	International trade	Dec
Singapore	Export & import prices	Dec

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CD1	Today	5	0	0.00
CD2	Today	5	0	0.00
CD3	Today	15	0	0.00
DJW	Tomorrow	7.25	100	4.85
DVR	Tomorrow	2	100	4.26
GCI	Tomorrow	1.5	0	8.19
KKC	Tomorrow	1.67	0	7.31
PCI	Tomorrow	0.68	0	7.43
TCF	Tomorrow	3.5	0	7.78
IPL	Wed	10.17	0	5.17
MOT	Wed	1.66	0	9.12
MXT	Wed	1.55	0	8.74
MYG	Wed	1	100	2.76
NBI	Thu	1.22	0	9.07
AFI	Fri	11.5	100	3.35

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	GOR	Dec Q (w/cast tele 11.30am)
	MSV	Dec Q (webinar 11.30am)
	NWL	Dec Q (w/cast 9.30am)
	PPT	Dec Q
	STX	Dec Q (webinar 11am)
Tomorrow	ALX	Dec Q
	AMI	Dec Q (tele 11am)
	BPT	Dec Q
	MP1	Dec Q (w/cast 10.30am)
	RMS	Dec Q (tele 11am)
	SFR	Dec Q
	WOA	Dec Q
Wed	CCP	Interim
	CIA	Dec Q (w/cast tele 1am Thu, 1 Feb)
	IGO	Interim; Dec Q
	IPD	Dec Q (tele 11am)
	ORG	Dec Q
	PAC	FUM 31 Dec
	PBH	Dec Q (w/cast tele 10.30am)
SYR	Dec Q (tele 11am)	
Thu	PNI	Interim (post-ASX trade; tele 9am Fri)



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