

Markets

SFE 200 Futures (9.30am AEDT)	6689	65	1.0
NZX 50	11535	43	0.4
DJIA Futures	28868	27	0.1
S&P 500 Futures	3262	3	0.1
NASDAQ Futures	8901	9	0.1

Local Markets Commentary

The Australian market opens Friday trade following overnight gains across major international equities markets and ahead of key reports in the US tonight.

Locally today, no major economic indicators are due for release. Trade is expected to remain light.

In overnight commodities trade, **oil** scored slight-moderate gains.

US gold futures (February) continued higher.

Iron ore (Nymex CFR China, 62% Fe) rallied beyond \$US92.55/t.

LME **copper** settled a little higher, and **nickel** modestly so. **Aluminium** rallied.

The **\$A** was pushed below US69.90c after trading at US70.00c early yesterday evening.

Japan's markets are **closed today**.

New Zealand's markets are trading for the first time in 2020.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28869	330	1.2
S&P 500	3258	27	0.8
NASDAQ	9092	120	1.3
FTSE 100	7604	62	0.8
DAX 30	13386	137	1.0
Shanghai Comp	3085	35	1.2

Overseas Markets Commentary

Major European and US equities markets resumed trade for the first time this year overnight, mostly heading higher from opening and with vacillations having little ultimate impact on the overall trend. Key US indices achieved new intra-day highs.

Earlier yesterday, a 0.5% reduction in the required bank reserves/deposit ratio by the People's Bank of China had effectively released ~\$US115B worth of additional funds available for domestic lending.

A China manufacturing PMI represented a 0.3 slowdown, but was considered acceptable in representing a fifth consecutive month of sector expansion.

Among new data releases, the **euro zone's** 46.3 final manufacturing PMI for December exceeded expectations, but indicated the sector remained firmly in contraction, against 46.9 in November.

Trades executed **Tuesday (31 December)** settle today

Today's Stock Watch

Domino's Pizza Enterprises (DMP)

Appreciated 2.9% on the ASX yesterday, settling at \$53.88 and trading as high as \$US54.26, despite negative PR out of New York city New Year's Eve.



Source: IRESS Domino's Pizza Enterprises (ASX: DMP)

Resources

Northern Star Resources (NST) / Saracen Mineral Holdings (SAR)

NST has completed its 50% acquisition of WA Kalgoorlie-Boulder Super Pit owner Kalgoorlie Consolidated Gold Mines (KCGM), plus other associated assets, from Newmont Goldcorp. SAR holds the balance of the Super Pit.



Source: IRESS Northern Star Resources (ASX: NST)



Source: IRESS Saracen Mineral Holdings (ASX: SAR)



Germany's December manufacturing PMI was finalised at 43.7, from 44.1 for November.

The **UK's** December manufacturing PMI also confirmed ongoing sector contraction at 47.5, significantly below November's 48.9.

In the **US**, a job cuts report estimated 32,843 jobs were expected to go in December against 44,569 through November.

Weekly new unemployment claims fell by 2000 to 222,000.

Markit's final December PMI remained an expansionary 52.4, but followed 52.6 at the end of November.

In the meantime, **Brazil** reported a 20% annual trade surplus drop to \$US46.67B.

Denmark revealed 47% of the nation's 2019 power usage had been sourced from wind power.

Tonight in the **US**, the ISM's influential manufacturing index and US Federal Reserve December policy meeting minutes are keenly anticipated. An ISM New York business activity index and November construction spending are also due.

Elsewhere, a December preliminary CPI reading is expected for Germany.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1528.1	oz	5	0.3
Silver (NY) (Mar)	18.046	oz	0.125	0.7
Gold (LON)	1515	oz		
Platinum	978	oz	14	1.5
WTI Crude (Feb)	61.18	bbl	0.12	0.2
Brent Crude (Mar)	66.25	bbl	0.25	0.4
Iron Ore (NYMEX,CHN,62%)	92.58	t	1.05	1.1
Copper (LME,3mth,PM)	6183	t	13	0.2
Nickel	14100	t	60	0.4
Aluminium	1830	t	21	1.2
Lead	1937	t	15	0.8
Zinc	2292	t	17	0.7
Tin	16855	t	-300	-1.8

Commodities Commentary

Oil – \$US strength capped overnight oil price gains, as US-Iran-Iraq tensions remained fluid, despite an end to the two days' of protests outside the US embassy in Iraq's capital, Baghdad.

In addition, Turkey's parliament approved an additional military presence in Libya.

Meanwhile, Russia reported record 11.25MMbbl/d oil and gas condensate production for 2019, against 11.16MMbbl/d (also a record) for 2018.

The US government agency EIA weekly petroleum inventories report is anticipated tonight, together with an industry drill rig count.

Gold – Comex futures continued a run of higher settlements overnight, despite a stronger \$US, a batch of PMI updates underscoring global economic slowdown concerns.

Federal Reserve December policy meeting minutes and the ISM's manufacturing index are expected to sway some trade tonight.

Pre-Open Announcements

Tower Ltd (TWR)

TWR has completed its acquisition of the Youi NZ insurance portfolio, adding 34,000 in-force policies to TWR's insurance business.

Pacific Current Group (PAC)

PAC has appointed Clare Craven as company secretary following the resignation of Philip Mackey.

De.mem Ltd (DEM)

DEM has appointed Melanie Leydin as company secretary, effective 1 January.

DEM company secretary Brett Tucker and joint company secretary Deborah Ho have each resigned.

Quickstep Holdings (QHL)

QHL non-executive director Patrick Largier has acquired 100,000 QHL shares as a director of the Largier Family Trust.

The shares were acquired for a total \$12,000.

QHL has traded at 11c – 12c over the past five trading sessions.

Alexium International Group (AJX)

Top-five AJX shareholder Wentworth Williamson Management has boosted its AJX holding from 6.12% to 10.44%.

Resources

Krakatoa Resources (KTA)

Heralding historical RAB drilling results in relation to expectations for the Larras Lake and Copper Hill targets within the Belgravia project, NSW.

Trading Halts

Company	Code	Resuming
A-Cap Energy	ACB	3 Jan
Cape Lambert Resources	CFE	6 Jan
Mincor Resources	MCR	6 Jan

Suspensions *(select)*

Company	Code	Since
Bounty Mining	B2Y	19 Dec
Gulf Manganese Corporation	GMC	18 Dec
Horseshoe Metals	HOR	16 Dec
Kalia Ltd	KLH	19 Dec
Kore Potash	KP2	24 Dec
Kula Gold	KGD	2 Jan
Paringa Resources	PNL	27 Dec



Base metals – Caixin's 51.5 December manufacturing PMI for China, revealed yesterday, against 51.8 for November was noted more for growth in the output and confidence components, and the fifth consecutive month of expansion, rather than for a slowing.

Copper was also supported overnight by the People's Bank of China, which had earlier yesterday announced it was lowering the reserves/deposit ratio required to be held by banks by 0.5%, in essence making available an additional 800B yuan (~\$US115B) for lending.

Some analysts also pointed to the US president's nomination of 15 January as the date the US intended to sign an initial trade pact with China in Washington.

Others warned however, that details of the agreements remained scant. In addition, no further confirmation of a potential signing came from China.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6991	0.0001	0.01
EUR – USD	1.1173	0.0000	0.00

US Data Tonight

ISM manufacturing	Dec
US Federal Reserve policy meeting minutes	Dec
ISM New York	Dec
Construction spending	Nov

Other Overseas Data Today & Tonight

UK	Construction PMI	Dec
UK	BoE consumer credit	Nov
Germany	CPI (prelim)	Dec
Germany	Unemployment	Nov

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CAM	Today	1.25	100	5.03
SLK	Tue	6.5	100	tbc
CLF	Wed	1.5	100	3.98

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