

Markets

SFE 200 Futures (9.30am AEDT)	6964	56	0.8
NZX 50	11604	Public	Holiday
DJIA Futures	29252	11	0.0
S&P 500 Futures	3336	0	0.0
NASDAQ Futures	9388	7	0.1

Local Markets Commentary

The Australian market commences today's trade ahead of influential domestic data, following further gains on international equities markets overnight.

Regionally today several large-cap stocks are reporting across China, Japan and South Korea.

Locally today, the Australian Bureau of Statistics (ABS) reports December **trade** figures and December quarter **retail sales**, **11.30am AEDT**.

NAB's December quarter **business conditions and confidence** report is also due late-morning.

In overnight commodities trade, **oil** turned higher and rallied.

US **gold** futures (CME April) also swung to record a rise.

Iron ore (Nymex CFR China, 62% Fe) seesawed lower.

LME (3mth evening) **copper, nickel** and **aluminium** rallied.

The **\$A** fell to ~US67.45c after approaching US67.65c early yesterday evening.

New Zealand's markets are closed today, due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	29291	483	1.7
S&P 500	3335	37	1.1
NASDAQ	9509	41	0.4
FTSE 100	7482	43	0.6
DAX 30	13478	197	1.5
Shanghai Comp	2818	35	1.3

Overseas Markets Commentary

Major European and US equities markets mostly jumped early and maintained gains overnight, the NASDAQ proving the exception with some intra-session vacillations.

The NASDAQ and S&P each settled at new record highs.

Tuesday evening, the US president had promoted stock market growth and economic progress in his State of the Union address.

Last night, he was expected to be acquitted in the Republican-majority Senate following his impeachment trial. Post-US trade, the overall vote proved in his favour.

Australia – trade balance and retail sales - 11.30pm AEDT

Today's Stock Watch

Coles Group (COL)

Anticipating \$710M - \$730M interim EBIT.

Supermarkets, Liquor and Express comparable sales grew 2.0%, 1.5% and 2.9% respectively.

Liquor EBIT fell however, due to margin pressure.

Planning to release interim results 18 February.

Ansell Ltd (ANN)

Outlaying ~\$US9M for 50% of Careplus Group's Malaysia-headquartered glove manufacturer Careplus Sdn.

Careplus supplies ANN and can offer spare manufacturing facility capacity near Kuala Lumpur.

Dexus Property Group (DXS)

36.9% higher, \$994.2M interim NPAT.

28.1% higher, \$583.5M revenue.

7.0% higher, \$378.2M funds from operations (FFO).

Flat, 27c interim distribution.

Raising expected FY 20 distribution per security growth by 0.5% to 5.5%.

10.2% higher, \$11.10 NTA.

Mirvac Group (MGR)

5% lower, \$613M interim NPAT.

4% higher, \$1.62B income.

6.1c interim distribution. \$2.58 NTA, against \$2.44.

Nick Scali (NCK)

15.7% lower, \$21.39M interim NPAT.

2.5% lower, \$137.55M revenue.

25c fully franked interim dividend. 93.32c NTA, against \$1.0685.

Pinnacle Investment Management Group (PNI)

36.8% higher, \$13.83M NPAT.

33.1% higher, \$11.42M revenue. 95c NTA, against 91c.

6.9c fully franked interim dividend.

Service Stream (SSM)

13.3% higher, \$27.29M interim NPAT.

43.1% higher, \$497.76M revenue.

4c fully franked interim dividend, against 3.5c.

Resources

Highfield Resources (HFR)

MoU secured with Switzerland-headquartered Keytrade covering 300,000t of muriate of potash (MOP) from HFR's Muga potash project, Spain.



In overnight data releases, **euro zone** December retail sales disappointed, dropping 1.6% for the month, following a 0.8% November increase.

Against December 2018, sales were 1.3% higher.

A final January services PMI slipped to 52.5, against 52.8 for December.

Germany's services PMI was finalised at 54.2, following 52.9 for December.

In the **UK**, January new car sales dropped 7.3%, against a 3.4% December rise.

The services PMI jumped to 53.9 from 50, however.

Among a swag of **US** data releases, the ISM's services sector activity index improved further than anticipated, to 55.5 from 54.9 for December. This helped push the \$US higher.

December international trade figures included a \$US48.9B deficit, against November's \$US43.7B deficit.

A January private sector employment report estimated 291,000 new jobs, following 199,000 for December, and forecasts of as few as 150,000.

Markit's final January services PMI came in at 53.4, from 52.8 for December.

Weekly mortgage applications rose 5%, on a 0.1% fall in the mean 30-year mortgage rate to 3.71%, following a 7.2% gain the previous week.

Tonight in the **US**, weekly new unemployment claims, December quarter productivity and a January job cuts report are due.

Elsewhere, the **European Central Bank** (ECB) is due to publish an economic bulletin, and the European Union to issue new economic forecasts.

Companies scheduled to report **earnings** include: Activision Blizzard, ArcelorMittal, Baidu Inc, Bristol-Myers Squibb, Cigna Corp, Estee Lauder, Fiat Chrysler, ING, Kobe Steel, Kumho Tire, L'Oréal, Lotte Shopping, Mitsubishi Chemical, Mitsubishi Heavy Industries, Motorola, News Corp, Nokia, Philip Morris, Pinterest, Sanofi, Société Générale, Swisscom, Total, Toyota Motor, Twitter, Tyson Foods, Uber Technologies, Verisign, Wynn Resorts and Yum! Brands.

In overnight corporate news, **Tesla** was pushed ~17% lower following a company report outlining adverse impacts of the coronavirus.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1559.9	oz	4.4	0.3
Silver (NY) (Mar)	17.61	oz	0.049	0.3
Gold (LON) 4 Feb	1558	oz		
Platinum	982	oz	20	2.1
WTI Crude (Mar)	50.75	bbl	1.14	2.3
Brent Crude (Apr)	55.28	bbl	1.32	2.5
Iron Ore (NYMEX,CHN,62%)	79.87	t	-1.76	-2.2
Copper (LME,3mth,PM)	5718	t	94	1.7
Nickel	13210	t	280	2.2
Aluminium	1722	t	22	1.3
Lead	1823	t	-13	-0.7
Zinc	2218	t	35	1.6

Pre-Open Announcements

Southern Cross Electrical Engineering (* SXE)

\$18M relocation works contract secured with Rio Tinto (ASX: RIO) for the Northern Territory Gove Peninsula alumina refinery site.

Alliance Aviation Services (* AQZ)

8.2% higher, \$10.66M interim NPAT.

9.8% higher, \$151,32M revenue.

7.3c fully franked interim dividend.

\$1.35 NTA, against \$1.29.

Beston Global Food Company (BFC)

\$2.4M raised in the recent 8.6c-per-share SPP, which had initially targeted \$3M.

BFC has traded at 7.9c – 8.9c for the week to date.

G Medical Innovations Holdings (GMV)

Company secretary Steven Wood has resigned.

GMV has subsequently appointed Brett Tucker to take over from Mr Wood.

Resources

Pantoro Ltd (PNR)

Director Wayne Zekulich has been appointed non-executive chair, following the resignation from this role by Mike Jefferies. Mr Jefferies remains on the PNR board.

Calidus Resources (CAI)

Purchasing a 240-room accommodation village and associated facilities for relocation to Marble Bar, proximal to CAI's WA Pilbara Warrawoona gold project.

Galan Lithium (GLN)

GLN has appointed Cardinals Lawyers & Consultants principal Richard Homsany as interim chairman following the retirement from the GLN board of Nathan McMahon.

Mr Homsany's other board responsibilities include Toro Energy (ASX: TOE) executive chair, Redstone Resources (ASX: RDS) and Central Iron Ore (TSX_V: CIO) chair and chairman of the Health Insurance Fund of Australia (HIF).

Trading Halts

Company	Code	Resuming
De Grey Mining	DEG	6 Feb
STEMify Ltd	SF1	6 Feb
Twenty Seven Co	TSC	6 Feb

Suspensions (select)

Company	Code	Since
Altura Mining	AJM	15 Jan



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Commodities Commentary

Oil – overnight prices were pushed higher early, following a media report in China claiming researchers had determined two drugs appeared effective in constraining the new **coronavirus** strain during invitro cell experiments.

In addition, a UK media report announced a scientist in Britain, looking to develop a coronavirus vaccine, had made progress in reducing some development time.

Brent crude and WTI notably settled back above \$55.00/bbl and \$50.00/bbl respectively.

In the meantime, among forecasters assessing the virus impact on crude demand, Capital Economics conditionally estimated 10% lower March quarter demand from China.

Meanwhile, an **OPEC+** technical committee met for a second consecutive day in Vienna to consider impacts and any responses, following a meeting with China's envoy to the UN Tuesday.

Last night's meeting reportedly ended with a continuation scheduled for **tonight**.

US weekly petroleum **inventories**, report overnight by government agency the EIA, included a 3.36MMbbl rise in stored crude.

Petrol stocks declined by 91,000bbl.

Net crude imports rose by 51,000bbl.

Gold – prices swung higher overnight, this mostly attributed to cash market bargain-hunting and reported short-covering.

A better-than-anticipated US private sector jobs report, impacted some intra-session trade, however.

Base metals – overnight prices were pushed and pulled by coronavirus vaccine and drug reports, data and further commentary on the likely impacts of the virus.

China Nonferrous Metals Industry Association research division Antaika estimated the virus could cut domestic copper smelter output by 15% this month, against January production, and that the reductions could continue, in part due to port closures impacting the availability of copper concentrate.

China's downstream copper processing sector had collectively extended plant closures to 10 – 15 February, Antaika said.

Antaika added that while zinc ingot production had largely held, transport restrictions could also impact this output second-half February.

China's January trade statistics are expected tomorrow.

Yesterday, Caixin reported a 51.8 January services PMI for China, following 52.5 for December.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6747	0.0000	0.01
EUR – USD	1.1000	0.0001	0.01

AuStar Gold	AUL	20 Jan
Consolidated Tin Mines	CSD	4 Feb
Coziron Resources	CZR	14 Jan
Dacian Gold	DCN	3 Feb
Force Commodities	4CE	15 Jan
Identitii Ltd	ID8	5 Feb
Integrated Green Energy Solutions	IGE	20 Jan
Lake Resources	LKE	22 Jan
Matador Mining	MZZ	5 Feb
MEC Resources	MMR	17 Jan
Reverse Corp	REF	16 Jan
Speedcast International	SDA	5 Feb
Ziptel Ltd	ZIP	28 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AFI	Tomorrow	10	100	3.35
BKI	Tomorrow	3.63	100	4.23
OCA	Tomorrow	1.88	0	3.18
PTB	Tomorrow	2.5	100	7.06
MLT	12 Feb	9	100	3.86
RMD	12 Feb	4.05	0	0.62
IGO	13 Feb	6	0	1.70
PL8	13 Feb	0.5	100	5.03
ARG	14 Feb	16	100	3.72
GUD	14 Feb	25	100	4.53

Reports & Events

(selected)

When	Company	Report/Event
Today	DXS	Interim
	MGR	Interim
	NCK	Interim
	PNI	Interim
	VG8	Interim (w/cast brief 10.30am AEDT)
	NWS	Dec Q (tonight in the US; Fri AEDT)
Tomorrow	PNI	Interim (teleconf 9am)
	REA	Interim (teleconf 8.30am)
Mon	AZJ	Interim (w/cast briefing 10.30am)
	GPT	Full year
	PPS	Interim
Tue	BPT	Interim
	CGF	Interim
	NST	Interim (w/cast tele 9am AEDT)
	SUN	Interim

**Australian Data Today**

ABS	Trade balance	Dec
ABS	Retail sales	Dec; Dec Q
NAB	Business survey	Dec Q

US Data Tonight

Challenger job cuts	Jan
Initial jobless claims	1 Feb
Productivity	Dec Q

Other Overseas Data Today & Tonight

Germany	Factory orders	Dec
Germany	Construction PMI	Jan
Euro zone	ECB economic bulletin	Feb
Euro zone	EU economic forecasts	Feb

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Wed	BAP	Interim (tele 9.15am)
	CSL	Interim (teleconf 11am)
	CBA	Interim
	ELO	Interim
	IAG	Interim
	TGR	Interim (teleconf 4pm)
Thu (13 Feb)	BBN	Interim (teleconf 9.15am)
	SFC	Interim

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