

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6703	30	<b>0.5</b>
<b>NZX 50</b>	11614	-13	<b>-0.1</b>
<b>DJIA Futures</b>	28627	-15	-0.1
<b>S&amp;P 500 Futures</b>	3243	-1	0.0
<b>NASDAQ Futures</b>	8853	5	0.1

## Local Markets Commentary

The Australian opens today's trade following improved overnight sentiment across US equities markets, ahead of material economic indicators due for the US tonight, and with international relations remaining unsettled.

**Locally** today, a weekly **consumer sentiment** reading is due pre-trade.

The ANZ releases its December **job advertisements** report 11.30am AEDT.

Meanwhile, **SLK** is trading ex-dividend.

**Regionally**, China is expected to reveal December foreign reserves anytime from this evening (AEDT).

In overnight commodities trade, **oil** extended Friday's gains, but at a more moderate rate.

US **gold** futures (February) rallied further.

**Iron ore** (Nymex CFR China, 62% Fe) continued higher.

LME (indicative) **copper** settled barely changed. **Nickel** swung modestly higher. **Aluminium's** gains moderated.

The **\$A** remained within a relatively narrow range after trading below US69.45c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	28703	69	<b>0.2</b>
<b>S&amp;P 500</b>	3246	11	<b>0.4</b>
<b>NASDAQ</b>	9071	51	<b>0.6</b>
<b>FTSE 100</b>	7575	-47	<b>-0.6</b>
<b>DAX 30</b>	13127	-92	<b>-0.7</b>
<b>Shanghai Comp</b>	3083	-0.4	<b>-0.0</b>

## Overseas Markets Commentary

Major European and US equities markets again headed lower on opening overnight, but ultimately trended higher, amid simmering international relations, but with some moderation prevailing and economic indicators surprising on the upside.

The US president had threatened sanctions against **Iraq** should US military personnel be forced out following an Iraqi parliament resolution Sunday, but a letter emerged from the head of US Iraqi military operations showing the US was prepared to respect Iraq's 'sovereignty' and to 'reposition' troops in the Middle East.

## Today's Stock Watch

### Iress Ltd (IRE)

IRE has acquired blockchain data communication specialist BC Gateways.

### Domino's Pizza Enterprises (DMP)

Expecting Federal Court action to be initiated by a 20+-year Australian franchisee.

DMP considers the franchisee's claims to be 'without merit' and does not expect these to prove financially material to DMP.

### Magellan Financial Group (MFG)

\$A97.516B FUM 31 December, against \$A97.715B as at 30 November.

### NRW Holdings (NWH)

Realised the total targeted \$10M in the \$2.85-per-share SPP which closed Thursday last week, with oversubscriptions resulting in scale-backs, and \$10.9M worth of excess application funds to be returned.

~3.5M new shares will commence trade Thursday.

NWH has traded lower the past three sessions, yesterday settling at \$3.07.

### Raiz Invest (RZI)

\$444.7M FUM 31 December, against \$438.07M as at 30 November 2019.

For the year, FUM grew 75% and for the December quarter, rose 12.7%.

### Althea Group (AGH)

An additional 36 patients per day were prescribed AGH medicinal cannabis in Australia during December, representing 48% growth for the month.

4018 patients had received AGH medicinal cannabis by 31 December, against the company's 4000 target.

### 8common Ltd (8CO)

\$475,000, three-year Expense8 contract extension secured with the Northern Territory Department of Corporate Information Systems.

Expense8 offers travel and expense management and card services for 120 groups within the national, New South Wales and Northern Territory governments.

### Opthea Ltd (OPT)

Patient recruitment completed for the Phase 2a clinical trial of OPT-302 in treating diabetic macular oedema.

### Sezzle Inc (SZL)

An overnight teleconference with representatives of California's Department of Business Oversight has boosted SZL's confidence in ultimately gaining a finance lender licence.



The United Nations secretary general called for dialogue to replace provocation and NATO admonished **Iran** not to retaliate with violence after ambassadors met in Brussels.

In the meantime, **France** warned of retaliation should the US act on its threat of select tariffs in response to France's digital services tax. The nation's economy minister also cautioned relations between France and the US could be damaged 'deeply and durably'.

Meanwhile, a media report in **China** on the weekend had claimed select trade officials would be in Washington from 13 January, for the signing of an initial US-China trade pact, but China's administration remained silent.

Earlier, a December services PMI for China indicated a slowing and pushed the composite PMI below expectations.

Among overnight data releases, **Germany's** November retail sales heartened, improving 2.1% for the month following a 1.3% October drop. In addition, against November 2018, sales were 2.8% higher.

The final December services PMI for Germany was reported at 52.9, against 51.7 for November and following expectations of 52.0.

In the **euro zone**, the December services PMI was finalised at 52.8, from 51.9 in November and against expectations of 52.4.

November producer prices rose 0.2% for the month, following no change in November. Year-on-year, prices were down 1.4%.

The **UK's** final December services PMI bettered forecasts, rising to 50 from 49.3.

In the **US**, Markit's final December services PMI did likewise, rising to 52.8 from November's 51.6 and following forecasts of 52.2.

**Tonight** in the **US**, the ISM's December non-manufacturing index, November trade figures and factory orders are due.

The services sector activity index in particular will influence views of US December quarter GDP.

Elsewhere, a euro zone December CPI estimate is due.

UK supermarket chain WM Morrison (Morrison's) is due to provide a trading update, ahead of competitors Sainsbury's (Wednesday) and Tesco (Thursday).

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1568.8</b>	oz	16.4	1.1
<b>Silver (NY) (Mar)</b>	<b>18.179</b>	oz	0.028	0.2
<b>Gold (LON)</b>	<b>1549</b>	oz		
<b>Platinum</b>	<b>962</b>	oz	-18	-1.8
<b>WTI Crude (Feb)</b>	<b>63.53</b>	bbl	0.22	0.4
<b>Brent Crude (Mar)</b>	<b>68.91</b>	bbl	0.31	0.5
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>93.85</b>	t	0.44	0.5
<b>Copper</b> (indicative)	<b>6144</b>	t	-3	-0.1
<b>Nickel</b>	<b>13810</b>	t	40	0.3
<b>Aluminium</b>	<b>1832</b>	t	8	0.4
<b>Lead</b>	<b>1920</b>	t	4	0.2
<b>Zinc</b>	<b>2320</b>	t	12	0.5
<b>Tin</b>	<b>16850</b>	t	80	0.5

## Pre-Open Announcements

### ASX Ltd (\* ASX)

December activity report lodged pre-trade, highlighting a 45% year-on-year increase in total capital raised (A\$11.6B).

For 2019, \$66.3B capital was raised, against \$98.9B during 2018. 94 new entities listed on the ASX during 2019, against 132 for 2018.

ASX average daily number of trades rose 7% year-on-year in December, but the average daily value (on-market) of \$4.6B represented a 5% decline.

### Schaffer Corporation (\* SFC)

Anticipating interim NPAT to be higher than the \$12.7M recorded for 1H FY 2019.

Planning to lodge half-year results 14 February.

### Dimerix Ltd (\* DXB)

An independent safety review committee has recommended the continuation of both the DMX-200 Phase 2 clinical trials.

### K2fly Ltd (K2F)

December quarter invoices totalled a record ~\$1.67M, more than double that for the December quarter 2018.

\$1.1M cash at hand and ~\$1.05M worth of receivables.

## Resources

### Jupiter Mines (\* JMS)

Concept study completed for the proposed expansion of the Tshipi Borwa manganese mine.

Feasibility studies will commence in the near term, addressing in part potential water, logistical and mining constraints.

Pending successful studies and processes, JMS is targeting an additional 1.5Mtpa production (from 3Mtpa) within three years.

### Sunstone Metals (STM)

STM has secured 87.5% of the Bramaderos gold-copper project, Ecuador, due to a change in the earn-in JV agreement.

### MRG Metals (MRQ)

90M MRQ shares and 90M listed options will be released from voluntary escrow 22 January.

## Energy

### Ansila Energy (\* ANA)

Sicity-2 clean-up continuing ahead of testing through January-February.

### Trading Halts

Company	Code	Resuming
Cann Group	CAN	7 Jan
Anson Resources	ASN	9 Jan

**Commodities Commentary**

**Oil** – petroleum sector majors continued to remove expatriate staff from projects in Iraq overnight, Chevron confirming operations were nonetheless continuing.

Meanwhile a media survey estimated OPEC December oil output at 29.5MMbbl/d, 50,000bbl/d fewer than in November.

Prices vacillated during overnight trade, with Brent trading as high as \$US70.74/bbl.

**Gold** – a relatively weaker \$US (ICE \$US -0.2%) and geopolitical verbal argy-bargy supported Comex futures to another definitive gain overnight.

Key US economic reports due tonight could influence some sentiment, pending any moves by Iran following the slain military leader's funeral.

**Base metals** – pushed and pulled overnight by a weaker \$US, softer Caixin China services PMI (52.5 following 53.5 in November), and continuing higher oil prices due to uncertainty following the US attack late last week, in Iraq, on a key Iranian military leader.

China's December trade and inflation figures, due later this week, will keep general international economic growth prospects in focus.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6940	-0.0000	-0.01
<b>EUR – USD</b>	1.1196	-0.0001	-0.01

**Australian Data Today**

ANZ/RoyMgn	Consumer sentiment	5 Jan
ANZ	Job advertisements	Dec

**US Data Tonight**

ISM non-manufacturing	Dec
Trade balance	Nov
Factory orders	Nov

**Other Overseas Data Today & Tonight**

<b>China</b>	Foreign reserves (6pm AEDT)	Dec
<b>Japan</b>	Services PMI (final)	Dec
<b>UK</b>	New car sales	Dec
<b>Germany</b>	Construction PMI	Nov
<b>Euro zone</b>	CPI (prelim)	Dec
<b>Euro zone</b>	Retail sales	Nov

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**Suspensions *(select)***

Company	Code	Since
A-Cap Energy	ACB	3 Jan
Bounty Mining	B2Y	19 Dec
Gulf Manganese Corporation	GMC	18 Dec
Kangaroo Island Plantation Timbers	KPT	7 Jan
Kula Gold	KGD	2 Jan
Paringa Resources	PNL	27 Dec

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>SLK</b>	Today	<b>6.5</b>	100	3.16
CLF	Wed	1.5	100	3.08

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