

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	6796	-14	-0.2
<b>NZX 50</b>	13055	0.9	0.0
<b>DJIA Futures</b>	31268	226	0.7
<b>S&amp;P 500 Futures</b>	3908	28	0.7
<b>NASDAQ Futures</b>	13683	85	0.6

**Local Markets Commentary**

The Australian market commences today's trade with several large-cap domestic stocks reporting for the half year, ahead of a key economic report late morning, and following a turn higher for iron ore prices.

Overnight US equities trade proved decisively positive.

In addition, prices continued to rise for most key commodities.

**Locally** today, NAB publishes its monthly business conditions and confidence survey report 11.30am AEDT.

**Regionally**, Japan reports earnings this morning, and industrial orders post-ASX trade.

In overnight commodities trade, **oil** rose further, Brent crude notably surpassing \$US60.50/bbl.

US **gold** futures also extended Friday's rally.

Qingdao **iron ore** (CFR 62% fines) was reported \$US3.49/t higher for the day, at \$US160.50/t.

LME **copper** and most key base metals continued higher.

The **\$A** appreciated to ~US77.00c, after trading at US76.75c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	31386	238	0.8
<b>S&amp;P 500</b>	3916	29	0.7
<b>NASDAQ</b>	13988	131	1.0
<b>FTSE 100</b>	6524	34	0.5
<b>DAX 30</b>	14086	36	0.3
<b>Shanghai Comp</b>	3532	36	1.0

**Overseas Markets Commentary**

Trade across European, UK and US equities markets largely demonstrated improved risk sentiment overnight.

DAX trade appeared constrained by disappointing data, an economic recovery warning and some particularly bleak, disruptive winter weather, however.

**European Central Bank** (ECB) president Christine Lagarde told the European parliament the bank recognised a 'significant downside risk' to the regional economy, despite vaccination programs, due to the extent of the recent Covid-19 spread, the increasing number of mutations and consequential 'strict containment

\* Online marketplace listing 11am AEDT – BEX \*

**Today's Stock Watch**
**Suncorp Group (SUN)**

23.68% lower, \$490M interim NPAT. 4.22% lower, \$7.35B revenue. Flat, 26c fully franked interim dividend.

**Emeco Holdings (EHL)**

\$A26.3M interim net loss, against a \$3.3M profit a year ago. 21.1% higher, \$298.6M revenue. 92c NTA, against 94c. Nil interim dividend, as for 1H FY20.

**Boral Ltd (BLD)**

Nil interim dividend, against 9.5c, 50%-franked a year ago. 18.2% higher, \$161.4M interim NPAT. 8.7% lower, \$2.70B continuing operations revenue.

**James Hardie Industries (JHX)**

30% lower, \$US164.8M NPAT for the nine months to 31 December. 9% higher, \$US2.10B net sales. \$US1.97 NTA, from \$US1.55.

**Dexus Property Group (DXS)**

55.5% lower, \$442.9M interim NPAT. 7.4% higher, \$626.6M revenue. 28.8c interim distribution, against 27c a year ago. \$10.96 NTA, against \$11.10.

**Challenger Ltd (CGF)**

9.5c fully franked interim dividend, against 17.5c a year ago. 1.1% higher, \$222.8M interim NPAT. 5.5% higher, \$1.29B revenue. \$4.28 NTA, against \$5.07.

**SCA Property Group (SCP)**

5.7c interim distribution, from 7.5c a year ago. 14.1% higher, \$102.9M interim NPAT. 6.8% lower, \$138.0M revenue. \$2.25 NTA, from \$2.22.

**AD1 Holdings (AD1)**

New, five-year agreement secured with energy retailer Locality Planning Energy. In addition to billing and operations SaaS product supply and managed services, AD1 will also provide energy sales intelligence and customer portal support. AD1 expects a total \$10M revenue from the new agreement.

**Dough Ltd (DOU)**

Launching the money management app Autopilot's Salary Sweeper, which can allocate income, for example, to upcoming expenses and/or savings.

**IOUpay Ltd (IOU)**

Merchant referral agreement secured with EasyStore Commerce, to provide buy now-pay later (BNPL) services.

**Bionomics Ltd (BNO)**

Commitments in hand for a \$A15.99M, 14.5c-per-share placement, in support of the BNC210 PTSD phase 2b trial.

measures’.

Ms Lagarde assured the bank would continue to focus on maintaining ‘favourable financing conditions’.

However, she also promoted the necessity of euro zone government business support spending programs, and use of the €750B euro zone recovery fund.

In overnight data releases, **Germany’s** December industrial production came in flat for the month, following a 1.5% November rise and expectations of a new 0.2% improvement.

A Sentix investor confidence reading for the **euro zone** dropped to -0.2 from 1.3 for January, following expectations of an improvement to 2.0.

In the **US**, a January consumer inflation expectations report included a rise in growth forecasts to 3.05% from 3.00%.

**Tonight** in the **US**, a small business optimism index and December job openings report are due.

Elsewhere, Germany reports December trade statistics.

Companies scheduled to report earnings later today and tonight include: Cisco Systems, Daimler, DuPont De Nemours, Fox Corp, Honda Motor, Lyft, Mattel, Mitsui Mining & Smelting, Modec, Nissan, Ocado, Seiko Holdings, Shiseido, Total, Tui and Twitter

In overnight corporate news, **Tesla** disclosed purchasing \$US1.5B worth of **Bitcoin**, together with plans to broaden its investments to include assets such as gold bullion, gold ETFs and digital currencies. Further, Tesla revealed it could potentially accept Bitcoin as currency. A greater than 15% intra-session jump in Bitcoin was attributed to the disclosures.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1834.2</b>	oz	21.2	1.2
<b>Silver (NY) (Mar)</b>	<b>27.576</b>	oz	0.557	2.1
<b>Gold (LON) (5 Feb)</b>	<b>1803</b>	oz		
<b>Platinum</b>	<b>1153</b>	oz	30	2.7
<b>WTI Crude (NYMEX Mar)</b>	<b>57.97</b>	bbbl	1.12	2.0
<b>Brent Crude (ICE EUR Apr)</b>	<b>60.56</b>	bbbl	1.22	2.1
<b>Iron Ore (NYMEX,CHN,62%) (5 Feb)</b>	<b>153.90</b>	t		
<b>Copper (LME Ind)</b>	<b>8033</b>	t	123	1.6
<b>Nickel</b>	<b>18180</b>	t	145	0.8
<b>Aluminium</b>	<b>2027</b>	t	8	0.4
<b>Lead</b>	<b>2073</b>	t	17	0.8
<b>Zinc</b>	<b>2648</b>	t	-21	-0.8
<b>Tin</b>	<b>22990</b>	t	-118	-0.5

### Commodities Commentary

**Oil** – prices on both sides of the Atlantic were trading greater than 60% higher than in November 2020 overnight, and at their highest since January 2020.

Expectations of a 2021 deficit, rather than an ongoing surplus, appeared the main driver.

In addition, the US refusal to negotiate a potential lifting of sanctions with Iran under current Iranian demands supported views Iranian exports would not be influencing global supply anytime soon.

## Pre-Open Announcements

### BikeExchange Ltd (\* BEX)

Online bicycle products marketplace (previously RPro Holdings) scheduled to list on the ASX **11am** AEDT, following a \$20M IPO at 26c per share. 137.68M quoted shares.

### Nick Scali (\* NCK)

Refunding the \$3.6M worth of JobSeeker wage subsidy benefits received during the six months to 31 December.

### Buddy Technologies (BUD)

Anticipating \$24M - \$28M 2H FY21 revenue, against \$10.8M for 2H FY20. Expecting positive adjusted EBITDA.

### IXUP Ltd (\* IXU)

Clarifications lodged post-trade, after yesterday’s pre-trade announcement regarding a collaborative data analytics and insights collaboration agreement with DataPOWA.

IXU points out that the agreement is non-exclusive, covers two years, and that IXU and DataPOWA will cover their own costs.

IXU settled 32.65% higher for the session yesterday, closing at its day high of 13c.

### BSA Ltd (BSA)

Unaudited \$1.3M interim NPAT, following \$4.7M for the six months to 31 December 2019.

Revenue tallied \$213.2M, against \$258.9M.

Anticipating the ‘temporary decline’ to continue through 2H FY21 and for FY revenue to come in at \$400M - \$420M.

Targeting \$750M annual revenue by FY24.

Planning to lodge interim results 18 February.

### Resources

### Westgold Resources (\* WGX)

Reporting minor production impacts from adjusting FIFO operations (rosters and flights) in response to last week’s Covid-19 lockdown in parts of WA.

WGX has resumed FIFO activity in line with some remaining restrictions.

WGX is maintaining 2021 output guidance ‘at this stage’.

### Essential Metals (\* ESS)

Crest Investment Group (associated with Peter Langworthy and Heath Hellewell) is planning to spend \$4M to earn a 75% interest in the nickel rights from ESS’s Blair – Golden Ridge project.

ESS will be free-carried to a decision to mine, pending the JV being established, in turn from satisfactory due diligence by 15 March.

### Matador Mining (\* MZZ)

Heralding Newfoundland, Canada Cape Ray gold project



**Gold** – late-weekend comments from the US treasury secretary urging ‘robust’ fiscal support to help return the US to full employment in 2022, and a lower \$US (ICE \$US index -0.1%) during Comex trade, supported gold futures to record a second consecutive gain overnight.

**Base metals** – general overnight base metals trade sentiment was attributed to a restrained \$US and continuing expectations of significant US fiscal support, in addition to warehouse inventory updates.

Among the forecasters, a Bank of America analyst ventured 6% international copper consumption growth for 2021, to 24.76Mt.

Europe’s consumption was forecast to increase 10%, to 3.1Mt, based on consumer products, in particular household appliance, demand.

International copper demand was estimated to have fallen 1.3% during 2020.

In the meantime, Peru reported a 12.5% drop in 2020 copper output, to 2.15Mt, this mostly attributed to Covid-19 containment measures.

Some of this week’s sentiment is expected to hinge on new data out of **China**, which is expected to report January producer prices and CPI tomorrow.

*China’s markets will be closed from Thursday (NYE) this week through 17 February, due to the Lunar New Year/Spring festival holiday season.*

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7704	0.0004	0.05
<b>EUR – USD</b>	1.2050	-0.0002	-0.01

#### Australian Data Today

NAB	Business conditions, confidence	Jan
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#### US Data Tonight

NFIB small business optimism	Jan
JOLTS job openings	Dec

#### Other Overseas Data Today & Tonight

<b>Japan</b>	Cash earnings	Dec
Japan	Machine tool orders (5pm AEDT)	Jan
<b>Germany</b>	Trade balance	Dec

#### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

Window Glass Hill deposit drilling results. Assays lodged this morning.

#### Pathfinder Resources (PF1)

Detailed response lodged post-trade yesterday following an ASX ‘aware’ query regarding the Hamersley iron project and an announcement lodged Tuesday last week.

#### Carpentaria Resources (CAP)

Director Linda Lau has resigned from the CAP board, effective yesterday, due to personal reasons.

#### OzAurum Ltd (\* OZM)

WA-based gold explorer completed its ASX listing yesterday, following a \$12M IPO at 25c per share.

Opened at 19.5c and traded at 17.5c – 21c before settling at 20.5c.

~4.19M shares were traded across 239 transactions.

~52M quoted shares.

#### Trading Halts

Company	Code	Resuming
Cyprium Metals	CYM	9 Feb
Jadar Resources	JDR	9 Feb
Lindian Resources	LIN	9 Feb
Metals X	MLX	9 Feb
MSM Corporation International	MSM	9 Feb
Vonex Ltd	VN8	9 Feb
Avecho Biotechnology	AVE	10 Feb
Brookside Energy	BRK	10 Feb
CV Check	CV1	10 Feb
Kin Mining	KIN	10 Feb
Medibio Ltd	MEB	10 Feb
Stonehorse Energy	SHE	10 Feb
Victory Mines	VIC	10 Feb
Wellfully Ltd	WFL	10 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
Myanmar Metals	MYL	3 Feb
Pacific Nickel Mines	PNM	3 Feb
Pathfinder Resources	PF1	4 Feb
PolarX Ltd	PXX	8 Feb
Red Emperor Resources	RMP	22 Jan
Skin Elements	SKN	28 Jan
Whitebark Energy	WBE	15 Jan

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AVA</b>	Today	<b>2</b>	0	0.00
<b>OCA</b>	Today	<b>1.02</b>	0	0.65
MLT	Tomorrow	5.75	100	3.55
RMD	Tomorrow	3.58	0	0.60
PL8	Thu	0.4	100	4.27
VG1	Thu	1.5	100	1.14
QVE	15 Feb	1.1	100	5.91
JHG	16 Feb	(US)36	0	5.09
KOV	18 Feb	15	100	5.61
AMC	23 Feb	15.21	0	4.48

**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>BLD</b>	Interim
	<b>CGF</b>	Interim
	<b>DXS</b>	Interim (tele 9.30am)
	<b>EHL</b>	Interim (tele 11am)
	<b>JHX</b>	Dec Q (w/cast tele 9am)
	<b>SCP</b>	Interim
	<b>SUN</b>	Interim
<b>Tomorrow</b>	AQZ	Interim
	CIM	Full year
	CBA	Interim
	IAG	Interim
	MIN	Interim
	MP1	Interim (w/cast webinar 11am)
	NST	Interim (w/cast tele 11am)
	PPS	Interim (w/cast 9.30am)
	RXP	Interim (tele 9am)
	URW	Full year (post-ASX)
<b>Thu</b>	AGL	Interim (w/cast tele 10.45am)
	AMP	Full year
	ASX	Interim (w/cast 10.30am)
	BTI	Interim
	BPT	Interim
	DOW	Interim
	GNC	AGM (10am)
	GUD	Interim
	KPG	Interim (tele 10am)
	MGF	Interim
	MFG	Interim (webinar & tele 11.30am)
	NCM	Interim
	TLS	Interim



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	TCL	Interim
<b>Fri</b>	AVH	Dec Q
	BBN	Interim (tele 9.15am)
	CMW	AGM (3pm)
	GMA	Full year
	MGR	Interim (tele 10.30am)