

Markets

SFE 200 Futures (9.30am AEDST)	6063	32	0.5
NZX 50	8443	18	0.2
DJIA Futures	24879	1	0.0
S&P 500 Futures	2711	0	0.0
NASDAQ Futures	6585	0	0.0

Local Markets Commentary

The Australian market opens today's trade on positive international equities leads but some key base metals price falls, ahead of final December PMIs for China and Japan.

Caixin will release its December services and composite PMIs for **China 12.45pm** AEDST.

Japan's final December manufacturing PMI is expected **11.30am** AEDST. National markets also traded for the first time this year.

In overnight commodities trade, **oil** swung back to rally mode. **Gold** futures settled a little higher. **Iron ore** (China port, 62% Fe) added modestly to Tuesday's gain.

LME **copper**, **nickel** and **aluminium** continued lower.

Locally today, AiG is due to report December services sector activity 9.30am AEDST. December vehicle sales are scheduled for release midday.

The **\$A** effectively marked time overnight, after vacillating trade early yesterday evening, when it fell to ~US78.15c before rising to ~US78.35c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24923	99	0.4
S&P 500	2713	17	0.6
NASDAQ	7066	59	0.8
FTSE 100	7671	23	0.3
DAX 30	12978	107	0.8
Shanghai Comp	3369	21	0.6

Overseas Markets Commentary

Major European and US equities mostly headed higher from open overnight, some robust data pushing US indices to new record peaks and new 2.5-year highs for oil buoying select stocks.

Broad new **European Union** financial sector regulations, including for equities trade, reportedly kept institutional volumes relatively low in relevant markets, due to compliance caution.

US Federal Reserve December policy meeting minutes revealed a degree of uncertainty regarding the ultimate impact of new US tax laws. Consumer spending was generally seen higher, at least initially, and the inflation rate appeared to remain of concern.

Meanwhile, ISM's 59.7 December manufacturing PMI represented a 1.5-point increase for the month, supported by the new orders component which rose 5.4 points.

November construction spending improved 0.8% for

China – services & composite PMIs (Caixin) 12.45pm AEDST

Today's Stock Watch

Bod Australia (↓ **BDA**)

Exclusive manufacturing and commercialisation agreement secured with Singapore Stock Exchange-listed iX Biopharma. Under the agreement, BDA will supply iX Biopharma with medicinal cannabis extracts for the potential development of iX wafer-based products that BDA can use in Phase 1 clinical trials.

Animoca Brands (AB1) / iCandy Interactive (ICI)

AB1 has sought to clarify the proposed sale of its mobile games to ICI, initially set out in announcements lodged 15 November, 23 November and 27 December.

Pending ICI shareholder approval and other conditions, ICI will pay AB1 \$1M cash plus 4M ICI shares valued at 16c (fixed) per share.

Performance and earn-out payments have also been agreed for up to five years after transaction close, including up to \$A3M in 2018 and 2019.

AB1 settled at 1.3c 27 December, and yesterday traded as high as 2.5c, settling at 2.3c.

Dongfang Modern Agriculture Holding Group (DFM)

\$HK300M (~\$A50M) term loan facility secured with China Huarong Macau (HK) Investment Holdings, in support of working capital and potential acquisitions.

DFM must repay \$US30M 20 December 2019 and the remainder by 20 December 2020. The facility may be repaid in full from 20 December 2019.

Interest is payable six-monthly at 9.2% pa for the first year, 10.5% pa for the second and third years and 13% pa during the fourth year.

DFM has appreciated 7.5% since a positive harvest and revenue announcement Tuesday, settling at 86c yesterday and trading as high as 88c.

GetSwift Ltd (GSW)

Former DNAinfo chief technology officer Hal Danziger has been appointed GSW chief product officer.

Resources

Monax Mining (↓ **MOX**)

Resuming from a trading halt with significant width and/or high-grade maiden diamond drilling results for the WA Western Queen gold project.

MOX says mineralisation within a high-grade zone remains open. Additional drilling is planned for the June quarter.

MOX last traded at 0.7c.

Traka Resources (TKL)

Exercising an exclusive option to earn up to 51% of the Gorge Creek copper JV, Queensland.

the month to a record \$US1.257 trillion. On an annual basis construction spending has risen 2.4%.

In the **UK**, the December construction PMI was estimated at 52.2, following 53.1 for November.

Germany's December unemployment rate eased 0.1% to 5.5%, representing a 27-year low.

Tonight in the US, private sector employment and job cuts reports are due, ahead of official monthly national employment statistics tomorrow night. Weekly new unemployment claims and Markit's final December services PMI are also due.

Monsanto and Walgreens Boots are among companies expected to report earnings.

In overnight corporate news, UK retailer **Next** lifted full-year profit guidance £8M to £725M following better-than-anticipated November-December sales.

US December **vehicle** sales came in mixed, but higher than feared for General Motors (-3.3%), Ford Motor (+0.9%) and Fiat Chrysler (-11%). Outlooks were generally weak.

Toyota Motor reported an 8.3% fall, Honda Motor 7% lower sales and Nissan Motor a 9.5% drop.

Meanwhile, **Spotify** filed for a NYSE direct listing.

In Brazil, **Petrobras** revealed it would settle US corruption legal action with a \$US2.95B payment.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1316	oz	2	0.2
Silver (NY) (Mar)	17.2	oz	-0.0	-0.2
Gold (LON)	1315	oz	3	0.2
Platinum	955	oz	13	1.4
WTI Crude (Feb)	61.4	bbl	1.2	1.7
Brent Crude (Mar)	67.5	bbl	0.9	1.4
Iron Ore (CHN port 62%)	75.0	t	0.1	0.3
Copper	7147	t	-58	-0.8
Nickel	12415	t	-205	-1.6
Aluminium	2228	t	-37	-1.6
Lead	2579	t	9	0.4
Zinc	3327	t	-22	-0.7
Tin	19900	t	-140	-0.7
CBT Wheat (Mar)	4.36	bshl	0.03	0.6

Commodities Commentary

Oil – gains were attributed to civil-government conflict in Iran, with increasing speculation of a spill-over effect through the Middle East. No oil sector impact has yet been reported, however.

Brent traded as high as \$US67.84, representing another ~2.5-year peak.

Freezing conditions in north-east US and Canada have also boosted diesel and heating oil demand.

A weekly US petroleum inventories report is anticipated tonight from government agency EIA.

Gold – traded at 3.5-month peaks but traded lower post-settlement following the release of the US Federal Reserve's December policy meeting minutes. These revealed a less bullish view than anticipated.

In addition, some profit-taking had earlier been noted and the \$US strengthened from the previous session, with the support of positive US economic indicators.

Safe-haven demand, however, supported overall trade.

Employment reports, culminating in the monthly US workforce statistics tomorrow night, are seen as a

Pre-Open Announcements

Benitec Biopharma (BLT)

Presenting at the JP Morgan Healthcare Conference Biotech Showcase in San Francisco, California 8 January (Monday next week), 10.30am local time.

Eden Innovations (* EDE)

In response to an ASX price and volume query, EDE is in part pointing to infrastructure spending plans by the US administration, highlighted earlier this week.

EDE was propelled 39% higher yesterday on comparatively high volume, settling at 16c.

Resources

Vector Resources (VEC)

Former (TSE-listed) Moto Goldmines finance manager, and short-term contract VEC CFO Andrew Steers has been officially appointed VEC CFO.

Non-executive director and company secretary Neville Bassett is stepping down from his roles. Consequently, Mr Steers will also be VEC's company secretary.

First Cobalt Corp (FCC)

Speaking at a mining conference in Toronto, Canada 18 January and also presenting at a resource investment conference in Vancouver, Canada 22 January.

In addition, FCC will host a booth at the Vancouver conference and at an AME Roundup, also in Vancouver (22 – 25 January). FCC recouped 3.8% Tuesday and ~5.3% yesterday, settling at \$1.30 after trading as high as \$1.35.

Aruma Resources (AAJ)

Expecting to release WA goldfields Slate Dam gold project RC drilling results later this month and in February

King River Copper (KRC)

Pointing to assay results lodged 20 December, as one possible reason for relatively strong volume trade which pushed KRC 13.3% higher Tuesday and 17.65% yesterday.

KRC settled at 2c yesterday after trading as high as 2.3c.

Frontier Diamonds (* FDX)

Explorer scheduled to list 1.30pm AEDST tomorrow following a \$4M IPO at 20c per share.

57.15M shares.

Trading Halts

Company	Code	Resuming
Strategic Minerals Corporation	SMC	4 Jan
Environmental Clean Tech	ESI	5 Jan
Pacific Star Network	PNW	5 Jan

Suspensions (selected)

Company	Code	Since
AJ Lucas Group	AJL	29 Dec
Blackham Resources	BLK	18 Dec
Black Mountain Resources	BMZ	27 Dec
China Dairy Corporation	CDC	11 Dec
Eastern Iron	EFE	20 Dec
Jatenergy Ltd	JAT	13 Dec
Mount Ridley Mines	MRD	13 Dec
Success Global Media	SGU	27 Dec

major influence on late-week trade.

Base metals – a stronger \$US impacted trade in general overnight.

Lead has traded at 10-year highs following Tuesday's rally however, northern winter demand (typically due to batteries freezing and hence vehicle replacement battery orders rising) lifting on further forecasts of extreme conditions in north-east US and Canada.

Caixin December services and composite PMIs for **China** are expected today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7834	-0.0001	-0.01
EUR – USD	1.2013	-0.0001	-0.01

Australian Data Today

AiG	PSI	Dec
VFACTS	Vehicle sales	Dec

US Data Tonight

Initial jobless claims	30 Dec
ADP employment change	Dec
Challenger job cuts	Dec
Markit PMI services (final)	Dec

Other Overseas Data Today & Tonight

China	PMIs services, composite (Caixin)	Dec
Japan	PMI manufacturing (final)	Dec
UK	PMI services	Dec
UK	BoE consumer credit	Nov
UK	New vehicle sales	Dec
UK	Nationwide house prices	Dec
Germany	PMI services (final)	Dec
Euro zone	PMI services (final)	Dec

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Vector Resources VEC 20 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
TGA	Today	1	100	4.43
ALR	Tomorrow	1	100	3.94
HNG	Mon	1.5	100	5.39
MPP	Mon	3.25	0	7.72

Reports & Events

(selected scheduled)

When	Company	Report/Event
16 Jan	RIO	Dec Q
18 Jan	BHP	Dec Q
24 Jan	API	AGM
	STO	Dec Q
25 Jan	BCI	Dec Q
30 Jan	NVT	Interim
	NCM	Dec Q
31 Jan	AWE	Dec Q
	SYR	Dec Q

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