

Markets

SFE 200 Futures (9.30am AEDT)	5631	69	1.2
NZX 50	8771	27	0.3
DJIA Futures	22395	0	0.0
S&P 500 Futures	2531	0	0.0
NASDAQ Futures	6434	0	0.0

Local Markets Commentary

The Australian market opens the first full week's trade for 2019 following disappointing domestic manufacturing data this morning, ahead of new **UK** parliamentary **EU**-related budget discussions tomorrow and separation plan debate Wednesday, plus influential **China** data late-week.

Overnight Friday, international equities markets rallied and several key commodities recorded price gains.

A US trade representative and China trade officials are expected to meet in Beijing today and tomorrow following China's confirmation of the planned resumption of **US-China** face-to-face trade talks Friday.

In addition on Friday, China's central bank was reported to be reducing bank sector reserve ratios by 1%, plus some charges, essentially unleashing \$US210B (1.5 trillion yuan) for new lending.

China is scheduled to report major economic indicators for December later this week. Some economists anticipate foreign reserves anytime from this evening.

Also regionally, a services PMI is expected for Japan 11.30am AEDT today.

Locally today, (8.30am AEDT), AiG has published a contractionary 49.5 December manufacturing PMI, against 51.3 for November.

A weekly capital city residential property price report was expected ~9.30am.

In overnight Friday commodities trade, **oil** extended its current rallying.

US (February) **gold** futures turned lower.

Iron ore (China port 62% Fe fines) again gained.

LME **copper** turned and rallied. **Aluminium** continued to do so, and **nickel** resumed a push higher.

The **\$A** was propelled beyond US71.17c after surpassing US70.45c early Friday evening, and this morning continued higher for a while.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23433	747	3.3
S&P 500	2532	84	3.4
NASDAQ	6739	275	4.3
FTSE 100	6837	145	2.2
DAX 30	10768	351	3.4
Shanghai Comp	2515	51	2.1

Australia – 49.5 December manufacturing PMI

Today's Stock Watch

Cynata Therapeutics (CYP)

IP Australia has accepted CYP's application for a patent covering the company's Cymerus mesenchymal stem cell technology. CYP expects an Australian patent in hand by 30 April, and for the patent to remain valid for ~15 years. The Australian acceptance follows a 'notice of allowance' from the European Patent Office and a US Patent & Trademark Office patent grant.

Pushpay Holdings (PPH)

Positive cash flow achieved for the December quarter 2018, supporting full year (to 31 March) \$US97.5M - \$US110.5M revenue.

Nuheara Ltd (NUH)

Launching IQbuds MAX in Las Vegas, US tonight.

Immutep Ltd (IMM)

Cancer vaccine plans are progressing with efitlagimod alpha (efti) clinical trial collaboration, supply and service agreements secured with CYTLIMIC Inc.

IMM will receive up to \$US4.5M in milestone payments, following an initial \$US500,000 upfront.

Creso Pharma (CPH)

Binding LoI secured with Sri Lanka-headquartered pharmaceutical distribution company Ceyoka Health, targeting CPH approval to offer cannAFFORD50 lozenges in Sri Lanka.

Resources

Resolute Mining (RSG)

Produced 73,691oz of gold during the December quarter, 33% more than for the September quarter 2018.

\$A173M debt.

Holding \$A111M cash, bullion and listed investments.

RSG will publish a comprehensive quarterly activities report later this month.

RSG traded at \$1.145 - \$1.225 last week.

Black Rock Mining (BKT)

Targeted 100,000tpa, three-year Mahenge graphite off-take agreement secured with Dalian, China-based Taihe Soar Supply Chain Management Co.

BKT has now secured three off-take agreements, totalling 82,500t, 145,000t and 205,000t for the first three years respectively of Mahenge graphite project production, Tanzania.

Celsius Resources (CLA)

Resource development drilling has extended known mineralisation with the Namibia Opuwo cobalt project, Namibia, in particular within the DOF Northwest Anticline.

Details lodged this morning.

Overseas Markets Commentary

A robust bounce across major European and US equities markets overnight Friday came courtesy of a cocktail of encouraging indications, including positive research reports and recommendations for Intel and Netflix.

Earlier Friday, **China** confirmed trade talks would commence again with the US this week, supporting higher openings on indices.

Major markets continued upwards to settle near session peaks, following pleasing comments from **US Federal Reserve** chair Jerome Powell and a better-than-anticipated US jobs report. The \$US also retreated on each of these.

Mr Powell spoke publicly in a joint discussion with immediate former Fed chairs Yellen and Bernanke, confirming: the Fed would continue to be monitor data rather than pre-determine a policy; that policy could be 'quickly and flexibly' altered; that the Fed was prepared to adjust its balance sheet if needed; and that the Fed would be 'patient' regarding any further rate rises, in particular due to inflation levels.

The Richmond Fed president backed the general stance, also offering the US economy was expected to slow this year.

In addition, **European Central Bank** (ECB) policy setter Benoit Coeure ventured regional rates would remain lower for longer, and that while financial crisis risks remained, current economic growth was viewed as 'comfortable'.

The release of US December employment statistics delivered particularly pleasing wages growth and job creation.

312,000 jobs were created, following expectations of 176,000, and year-on-year wages growth was estimated at 3.2%. For the month, wages grew US11c per hour (0.4%).

Unemployment rose by 0.2% for the month to 3.9%. Markit's final 54.4 US December services PMI followed an initial 53.6 estimate and a final 54.7 in November.

In the **euro zone**, an initial year-on-year December CPI growth reading was estimated at 1.6% following 1.9% for November and against expectations of 1.8%.

November producer prices rose 4.0% year-on-year, following 4.9% during October.

A final December services PMI was reported at 51.2, from the initial 51.4 estimate, and represented a third consecutive monthly fall.

In the **UK**, November consumer credit was reported by the Bank of England to have increased by 7.1%, but at the slowest rate in ~four years, and against 10.9% a year earlier.

The December services PMI encouraged, coming in at 51.2, from 50.4 in November.

A December house price index fell 0.7% for the month, following a 0.4% November rise.

Year-on-year, prices rose 0.5%, against 1.9% for November.

Tonight in the US, ISM's December services sector activity index is due, and will impact views on expected December quarter GDP.

A final November factory orders reading is also expected.

Pre-Open Announcements

REVA Medical (RVA)

Four new distribution partnerships secured, in particular for marketing Fanto Encore in the Czech Republic, Lithuania, Poland, Russia and Slovakia.

RVA has previously signed distribution partnerships for Italy and Turkey.

Quickstep Holdings (QHL)

25M unlisted options issued to Newmarket Financing Management expired 31 December 2018.

The options were issued in January 2015 as part consideration for a working capital loan facility.

Resources

Ironbark Zinc (* IBG)

IBG disputes Glencore's claim that Glencore holds a contractual right to a nominee director on the IBG board.

Glencore has referred the disagreement to arbitration.

IBG says it intends to defend its position.

Platina Resources (PGM)

In receipt of a \$1.1M R&D rebate.

Korab Resources (KOR)

KOR has placed 2M shares at 2.5c each, in support of debt reduction and working capital.

KOR traded at 2.5c – 2.7c last week.

Energy

Yancoal Australia (YAL)

Update lodged post-trade Friday regarding a put option on \$US775M worth of nine-year secured bonds.

YAL traded lower for each of its three trading sessions last week, settling at \$3.60 after closing out the week ending 28 December at \$3.92.

Trading Halts

Company	Code	Resuming
Cape Lambert Resources	CFE	8 Jan
Dotz Nano	DTZ	9 Jan

Suspensions (select)

Company	Code	Since
Alice Queen	AQX	21 Dec
Alliance Mineral Assets	A40	27 Dec
Castillo Copper	CCZ	27 Dec
Frontier Diamonds	FDX	27 Dec
Mayur Resources	MRL	28 Dec
Valor Resources	VAL	21 Dec
Vector Resources	VEC	4 Jan
Wollongong Coal	WLC	13 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
HNG	Today	1.5	100	6.74
BHP	Thu	~141.8	100	4.77
CYB	17 Jan	5.479	0	1.69
TRA	21 Jan	~3.75	0	5.14

Elsewhere, UK plans to separate from the **European Union** could again unsettle following the UK PM's confirmation over the weekend that parliament would resume debating issues Wednesday this week, and that she expected a new parliamentary vote ~January 15, that is, Tuesday next week.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1287	oz	-9	-0.8
Silver (NY) (Mar)	15.8	oz	-0.04	-0.3
Gold (LON)	1290	oz		
Platinum	820	oz	24	3.0
WTI Crude (Feb)	47.96	bbbl	0.87	1.9
Brent Crude (Feb)	57.06	bbbl	1.11	2.0
Iron Ore (CHN port 62%)	72.62	t		0.8
Copper (LME,3mth,PM)	5918	t	182	3.2
Nickel	11110	t	235	2.2
Aluminium	1865	t	30	1.6
Lead	1950	t	17	0.9
Zinc	2438	t	59	2.5
Tin	19550	t	-20	-0.1
CBT Wheat (Mar)	5.18	bshl	0.05	0.9

Commodities Commentary

Oil – renewed US-China trade optimism, a strong US job reports and encouraging remarks and moves from central banks supported further price gains overnight Friday.

Brent crude settled ~9.3% higher for the week and WTI ~5.8%.

Meanwhile, Iran has confirmed previous key customers including China, India, Japan and South Korea, which were granted six-month sanction waivers by the US regarding purchases of Iranian oil, were not importing from Iran.

Weekly US petroleum inventories and drill rig count reports, published overnight Friday produced mixed interpretations.

Refinery ramping (utilisation up 2.1% to 97.2%) in part produced a 6.9MMbbl rise stored petrol and 9.5MMbbl jump in distillate (including diesel) stocks. Crude inventories rose by a relatively minor 7000bbl. The number of US oil rigs in operation were reported to have fallen by three, to 877.

Gold – comments from US Federal Reserve chair Jerome Powell, plus some strong figures in the US December national employment report pushed prices lower overnight Friday.

The 200-day moving average remained intact, however.

Several public speeches by Fed officials, Fed policy meeting minutes, key data out of China and a US CPI reading, are likely to most move currencies, and hence gold prices, this week.

Base metals – overnight Friday general sentiment was mostly supported by new data out of China and China's confirmation of new face-to-face trade talks from today.

Nonetheless, *copper* settled 2.4% lower for the week. Caixin's six-month high 53.9 December services PMI for **China**, pleased Friday, following November's 53.8 and forecasts of 52.2.

A December manufacturing PMI for **Japan** was finalised at 52.6, from 52.4 for November.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7111	-0.0005	-0.06
EUR – USD	1.1402	0.0004	0.03

Australian Data Today

AiG	PMI	Dec
CLgc	Captl city resdntl property prices	4 Jan

US Data Tonight

ISM non-manufacturing	Dec
Factory orders (final)	Nov

Other Overseas Data Today & Tonight

China	Foreign reserves (~7pm AEDT)	Dec
Japan	Services PMI	Dec
UK	New car sales	Dec
Germany	Factory orders	Nov
Germany	Retail sales	Nov
Germany	Construction PMI	Dec
Euro zone	Retail sales	Nov

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