

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5627	-4	<b>-0.1</b>
<b>NZX 50</b>	8806	0	0.0
<b>DJIA Futures</b>	23540	28	0.1
<b>S&amp;P 500 Futures</b>	2553	22	0.9
<b>NASDAQ Futures</b>	6497	63	1.0

## Local Markets Commentary

The Australian market commences today's trade ahead of influential domestic data, and with **US-China** trade talks scheduled to continue today in Beijing, following optimistic comments from the US administration overnight.

Yesterday evening, China's December foreign reserves were reported at \$US3.07 trillion, following \$US3.06 trillion for November.

In overnight commodities trade, **oil** continued in rally mode.

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

**Iron ore** (China port 62% Fe fines) extended recent gains.

LME **copper** settled almost flat. **Aluminium** and **nickel** continued higher.

The **\$A** has remained buoyant after trading at ~US71.40c early yesterday evening.

**Locally** today, the Australian Bureau of Statistics is due to report December **trade** figures **11.30am** AEDT.

ANZ is also expected to publish a December job advertisements at 11.30am.

A weekly consumer sentiment report is due pre-trade.

The Reserve Bank of Australia (RBA) will release official reserve assets post-trade.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	23531	98	<b>0.4</b>
<b>S&amp;P 500</b>	2550	18	<b>0.7</b>
<b>NASDAQ</b>	6823	85	<b>1.3</b>
<b>FTSE 100</b>	6811	-27	<b>-0.4</b>
<b>DAX 30</b>	10748	-20	<b>-0.2</b>
<b>Shanghai Comp</b>	2533	18	<b>0.7</b>

## Overseas Markets Commentary

Major European and US equities markets headed lower in early overnight trade.

US indices recovered to post a second consecutive session of positive settlements, in part supported by positive US Secretary of State comments regarding yesterday's renewed face-to-face trade talks with China, coupled with a third batch of US soy bean purchases from China since 1 December.

The \$US headed lower, notably falling 0.7% against both the euro and Swiss franc, as commentary further supported expectations of a slowdown in US rate rises this year.

**Australia - December trade balance - 11.30am AEDT**

## Today's Stock Watch

### Wattle Health Australia (WHA)

China certification and accreditation renewed for WHA investee company Blend & Pack infant formula manufacturing.

### The a2 Milk Company (A2M)

A2M has appointed National Roads & Motorists' Association (NRMA) roadside operations head Melanie Kansil to the newly-created A2M position of chief commercial officer.

Ms Kansil will join A2M by mid-year.

A2M has also created the position of A2M chief technical officer, appointing Parmalat R&D and quality head Phil Rybinski to this role, effective April.

### Avita Medical (AVH)

US national RECELL burns skin harvesting treatment system launch underway. Order, purchase authorisation, and training and certification details lodged this morning.

### Telix Pharmaceuticals (TLX)

Proposing a Phase III clinical study for antibody huJ591, ahead of developing a potential prostate cancer treatment.

TLX says 'much' clinical data from lead-up studies remains undisclosed, but that a quality-assured database is expected to be published by 31 March.

### Fluence Corporation (FLC)

Confirming talks with Hassan Allam, but says no new contracts have been agreed. FLC added 9.8% yesterday, settling at 33.5c.

### Patrys Ltd (PAB)

CEO and MD James Campbell will present a PAB overview tonight at the Biotech Showcase annual conference, San Francisco.

In addition, PAB has received a \$556,129 R&D tax rebate.

### BrainChip Holdings (BRN)

Strategic partnership agreement secured with SoftCryptum, targeting the sale by SoftCryptum of BRN's AI video analytics products to government agencies in Belgium, France and Switzerland.

## Resources

### Tanami Gold (TAM)

TAM is pleading ignorance to yesterday's 14.6% gain to 4.7c.

Several major gold stocks declined yesterday after gold prices pulled back overnight Friday.

Copper producers were supported in general by a copper price rally.

## Energy

### Leigh Creek Energy (LCK)

LCK has continually produced commercial-quality syngas for 13 consecutive days from the company's demonstration plant, South Australia.

In addition, LCK is chasing \$3.86M in a 12c-per-share, one-for-15 rights issue.

The Atlanta Federal Reserve president supported this view, opting for one likely rise during 2019.

In addition, a batch of key statistics on both sides of the Atlantic came in mixed.

Meanwhile, the World Bank president resigned, effective 1 February, in favour of promoting infrastructure investment for struggling countries.

Among overnight data releases ISM's US December services sector activity index dropped 3.1 points to a nonetheless robust 57.6.

However, due to the services sector weighting in GDP calculations, this lowered expectations for US December quarter GDP growth.

Final November factory orders were not reported, due to the partial US government services shutdown.

The US president was reported meanwhile to want to bolster his position on securing new government funding legislation by hosting a televised national address from the Mexico border wall site.

In earlier overnight data releases, **euro zone** November retail sales were estimated to have grown by 0.6% for the month, the same as the revised October increase. Year-on-year, sales were up 1.1%.

A regional Sentix economic sentiment index dropped to -1.5 from -0.3, although forecasters had anticipated -2.8.

**Germany's** November factory orders fell 1% after a 0.2% October rise.

November retail sales rose 1.4% for the month and 1.1% year-on-year, following respective 0.1% and 5.2% October gains.

A December construction PMI rose two points to 53.3.

In the **UK**, year-on-year new car sales tumbled 5.5% during December following a 3% November drop.

**Tonight** in the US, November trade statistics are due, but might not be released due to the US government services partial shutdown.

A November job openings report and small business optimism index are also due.

In addition, the European Union (EU) and US are scheduled to resume trade talks in Washington tonight.

Overnight, the EU revealed its imports of US soya beans had jumped to 75% of the regional market, and could grow further.

UK supermarket chain WM Morrison (Morrison's) is due to provide a trading update.

In overnight corporate news, **Eli Lilly** revealed plans to outlay \$US8B cash for **Loxo Oncology**.

**General Electric** appreciated 6% on speculation regarding a potential \$US40B offer for GE's aircraft leasing business.

**Tesla** officially launched the construction of its first manufacturing facility in China.

**Amazon** benefited ~3% from a positive research report.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1290</b>	oz	4	0.3
<b>Silver (NY) (Mar)</b>	15.76	oz	-0.03	-0.2
<b>Gold (LON)</b>	1280	oz		
<b>Platinum</b>	820	oz	0	0.0
<b>WTI Crude (Feb)</b>	<b>49.23</b>	bbl	1.27	2.7
<b>Brent Crude (Feb)</b>	<b>58.19</b>	bbl	1.13	2.0
<b>Iron Ore (CHN port 62%)</b>	<b>73.51</b>	t	0.9	0.6

## Pre-Open Announcements

### Elixinol Global (EXL)

Relocating the CFO and company secretary to the US, ahead of planned international growth, and appointing an Australia-based joint company secretary.

### RCR Tomlinson (RCR, *in administration*)

The Environmental Group will purchase RCR's energy services business.

Completion is anticipated before mid-month.

Late December, John Holland agreed to buy RCR O'Donnell's Griffin rail.

### Starpharma Ltd (SPL)

The ASX has queried SPL on the timing of its US FDA and Japan PMDA announcements, after dropping 29.6% Thursday 27 December, regaining 23.4% Monday 31 December and forfeiting 10.55% Wednesday 2 January.

SPL maintains it has remained compliant with regulations.

SPL settled at \$1.03 yesterday, after closing out 24 December at \$1.40.

### Jatenergy Ltd (JAT)

JAT has appointed Justyn Stedwell as joint company secretary, effective immediately.

JAT recouped 11.8% yesterday, settling at 7.6c.

### Raiz Invest (RZI)

\$A254.18M FUM as at 31 December, against \$A257.37M at the end of November.

Customer sign-ups increased 2.1% to 603,589.

### Janus Henderson Group (JHG)

Planning to publish full year results 8pm AEDT 5 February, and to host a webcast teleconference commencing midnight (ie four hours later).

Teleconference access details lodged this morning.

## Resources

### Lepidico Ltd (\* LPD) / Venus Metals Corporation (VMC)

WA Youanmi lepidolite project RC drilling has returned several lithium assays and up to 45% lepidolite.

Details, including assays, lodged this morning.

## Energy

### Whitebark Energy (WBE)

Wizard Lake Rex flowback update, including increased oil proportions, lodged this morning.

WBE 30% working interest.

### 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



<b>Copper</b> (LME,3mth,PM)	<b>5923</b>	t	5	<b>0.1</b>
<b>Nickel</b>	11155	t	45	<b>0.4</b>
<b>Aluminium</b>	1878	t	14	<b>0.7</b>
<b>Lead</b>	1953	t	3	<b>0.2</b>
<b>Zinc</b>	2498	t	60	<b>2.5</b>
<b>Tin</b>	19750	t	200	<b>1.0</b>
<b>CBT Wheat (Mar)</b>	5.17	bshl	-0.05	<b>-0.1</b>

### Commodities Commentary

**Oil** – overnight trade was supported by several factors, including OPEC production figures reported late last week, a new Genscape estimate of a 565,000bbl fall in Cushing, Oklahoma stored crude between Tuesday and Friday last week, and a \$US fall.

Among the forecasters, Goldman Sachs ventured \$US62.50/bbl for 2019 Brent crude, from \$US70/bbl previously.

Société Générale opted for \$US64/bbl for Brent, and \$US57/bbl for WTI, each new prediction down \$US9/bbl from the immediate past estimate.

**Gold** – a weaker \$US index (down 0.4% in afternoon US ET trade) supported overnight gold gains.

Another public appearance by US Federal Reserve chair Jerome Powell tomorrow night, plus a US CPI update this week, are expected to influence gold sentiment through the late week.

**Base metals** – a \$US fall against key currencies, and new stockpiles data supported general overnight base metals sentiment.

International growth considerations, underscored by some additional disappointing data releases (including Germany's industrial orders), plus caution regarding the ultimate execution of any outcomes from US-China trade talks, reportedly constrained prices the most.

Yesterday, Japan's December services PMI was reported at 51.0, from 52.3 in November.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7145	-0.0001	<b>-0.01</b>
<b>EUR – USD</b>	1.1473	-0.0001	<b>-0.01</b>

### Australian Data Today

ABS	Trade balance	Dec
ANZ	Job advertisements	Dec
ANZ/RyMgn	Consumer sentiment	6 Jan
RBA	Reserve assets	Dec

### US Data Tonight

Trade balance	Nov
JOLTS job openings	Nov
NFIB small business optimism	Dec
Consumer credit	Nov

### Other Overseas Data Today & Tonight

<b>Japan</b>	Consumer confidence (4pm AEDT)	Dec
<b>Germany</b>	Industrial production	Nov
<b>Euro zone</b>	Business confidence (final)	Dec

Castillo Copper	CCZ	27 Dec
Frontier Diamonds	FDX	27 Dec
Valor Resources	VAL	21 Dec
Vector Resources	VEC	4 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BHP	Thu	~141.8	100	4.63
CYB	17 Jan	5.479	0	1.63
TRA	21 Jan	~3.75	0	5.14



### **Need More Information?**

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