

Markets

SFE 200 Futures (9.30am AEDT)	5683	20	0.4
NZX 50	8865	44	0.5
DJIA Futures	23729	-14	-0.1
S&P 500 Futures	2573	22	0.9
NASDAQ Futures	6557	61	0.9

Local Markets Commentary

The Australian market opens mid-week trade ahead of a national address by the **US** president, with key new domestic data, and US-China trade talks in Beijing extended to a third day today, following positive overnight US equities sentiment.

The US president's national address is due to commence ~**1pm** AEDT in Washington, ahead of a visit to the Mexico-US border wall site now scheduled for Thursday.

In overnight commodities trade, **oil** and **iron ore** (China port 62% Fe fines) rallied further.

US (February) **gold** futures fell modestly.

LME **copper** headed lower. **Aluminium** swung so. **Nickel** posted a slight gain.

The **\$A** recovered to ~US71.40c after trading at US71.25c early yesterday evening.

Locally this morning, AiG has reported a 52.1 December services activity index, against November's 55.1. November's reading had represented a four-point increase.

November building approvals are anticipated 11.30am AEDT.

Meanwhile, Australia's iron ore shipments for the week ending 6 January were reported at 16.68Mt, 3.1% lower than for the previous week. Australia-China shipments fell 4.9% to 13.95Mt. Total iron ore shipped from Australia and Brazil reportedly dropped 9.3% for the week.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23787	256	1.1
S&P 500	2574	25	1.0
NASDAQ	6897	74	1.1
FTSE 100	6862	51	0.7
DAX 30	10804	56	0.5
Shanghai Comp	2526	-7	-0.3

Overseas Markets Commentary

Major European and US equities markets opened higher but mostly declined some before choppy recoveries. Notably, the S&P 500 traded at a three-week peak intra-session.

Among geopolitical and international trade considerations, **North Korea** president Kim Jong Un reportedly visited China yesterday for discussions with **China** president Xi Jinping.

The news came before both China and the **US** confirmed the extension of trade talks in Beijing into a third day today. Earlier, China approved imports of five GM crops from the US.

Australia - services PMI down three points to 52.1

Today's Stock Watch

Navigator Global Investments (NGI)

FY 2019 performance fee revenue is expected to come in 'nominal'.

Anticipating a 10% fall in 2H FY 2019 management fee revenue, against 1H.

Promising a December AUM update next week.

Planning to publish interim results, and to host a teleconference, 14 February.

Australian Foundation Investment Company (AFI)

\$4.97 past-tax NTA as at 31 December, the same as for 30 November.

AFI's top-10 investments at 31 December were: CBA, BHP, WBC, CSL, TCL, NAB, WES, ANZ, MQG and WOW.

AFI lodged its top-25 post-trade yesterday.

Platinum Asset Management (PTM)

\$24.09B FUM as at 31 December, against \$24.19B at the end of November. Anticipating nominal absolute return-related performance fee income for the half year to 31 December.

Planning to publish interim results 21 February.

CIMIC Group (CIM)

CIM's Sedgman has secured a \$155M EPC contract with the central Queensland Byerwen coal project.

Work is underway and is expected to continue until early-2020.

Nuheara Ltd (NUH)

Subscription-based hearing services app IQstore launch underway at the Consumer Electronic show, Las Vegas, US.

Medlab CLinical (MDC)

Heralding the results of a NanoStat (cholesterol treatment) bioequivalence trial.

Resources

Dacian Gold (DCN)

WA Mt Morgans gold project commercial production underway.

During the December quarter, DCN produced 37,930oz of gold, 30% more than for the September quarter.

Holding \$A85.6M in cash and gold.

Kirkland Gold (KLA)

Produced a record 230,993oz of gold during the December quarter, pushing 2018 output to a record, 21% higher year-on-year 723,477oz.

\$US332M cash.

Western Areas (WSA)

Positive Odysseus nickel sulphide project update lodged this morning. Expecting company cash reserves to cover capital outlay through until at least FY 2022.

BHP Billiton (BHP)

Trading ex-dividend (\$1.418) tomorrow.

Overnight in the meantime, a new round of **European Union (EU)** - US trade talks commenced, in Washington.

In the **UK**, a parliamentary vote (303 – 296) paved the way for parliamentarians to be given the opportunity to approve any ultimate move to separate from the EU with no firm agreement in place.

Legislation remains in place for the UK to withdraw from the EU 29 March. However, EU officials were reported to be ready to consider a delay of up to one year.

The \$US turned higher, after pulling back over three sessions. Oil continued to gain, supporting energy stocks, China developments also bolstering select tech and industrial sector sentiment.

In overnight **US** data releases, a November job openings report reported 243,000 fewer opportunities. The employment resignation rate remained at 2.3%.

A December small business optimism index also included 39% of survey participants reporting difficulty filling all available positions, in particular in the manufacturing sector.

November trade statistics, scheduled for release overnight, were pushed back, due to the US government services partial shutdown.

Germany's November industrial production disappointed, as did factory orders overnight Monday. Industrial output dropped 1.9% for the month after falling 0.9% in October.

Meanwhile, **France's** November trade deficit was reported as €5.1B, from €4.1B at the end of October.

In the **UK**, parliament debated budget plans designed to account for withdrawal from the European Union (EU) with no firm agreement in place.

Tonight in the **US, Federal Reserve** December policy meeting minutes are keenly anticipated. Weekly mortgage applications are also due.

In the UK, **Bank of England** governor Mark Carney is scheduled to speak publicly.

The UK parliament also formally recommences debate regarding the planned agreement for separating from the EU.

Constellation Brands and UK supermarket chain Sainsbury's are among companies scheduled to report earnings or provide trading updates.

In overnight corporate news, UK supermarket chain **WM Morrison** (Morrison's) undershot festive season sales expectations, and was pushed ~3% lower.

A **Samsung** December quarter profit warning also fell short of forecasts.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1286	oz	-4	-0.3
Silver (NY) (Mar)	15.7	oz	-0.04	-0.3
Gold (LON)	1292	oz		
Platinum	817	oz	-3	-0.4
WTI Crude (Feb)	49.8	bbl	1.3	2.6
Brent Crude (Feb)	58.7	bbl	1.4	2.4
Iron Ore (CHN port 62%)	74.46	t	0.95	1.3
Copper (LME,3mth,PM)	5906	t	-17	-0.3
Nickel	11180	t	25	0.2
Aluminium	1864	t	-14	-0.8
Lead	1968	t	15	0.8
Zinc	2485	t	-13	-0.5

Pre-Open Announcements

Weebit Nano (* WBT)

ReRAM development collaboration agreement secured with Silvaco.

Details lodged this morning.

Telix Pharmaceuticals (TLX)

Program update lodged this morning, in presentation format.

TLX added 9.9% yesterday, settling at 72c after trading at 78.5c intra-session.

Zelda Therapeutics (ZLD)

Pleading ignorance in regards to settling at 6.6c yesterday after closing out last week at 5.1c.

ZLD traded at 6.7c Wednesday last week, one of three sessions for 2019 to date where trading transactions have proved relatively high.

Resources

Pursuit Minerals (* PUR)

Heralding northern Finland Koitelainen Vosa vanadium prospect geochemical results, which produced grades up 2.5%.

BCI Minerals (BCI) / Vimy Resources (VMY)

BCI has appointed VMY COO Tony Chamberlain as project director.

Mr Chamberlain will become a VMY non-executive director, effective 1 February.

Classic Minerals (CLZ)

CLZ has exercised an option to acquire 100% of the WA Kat Gap gold project (E74/422 and E74/467).

CLZ settled 20% higher yesterday, at 0.3c, after dropping 16.7% Monday.

Energy

Red Emperor Resources (* RMP)

£2.8M raised in a select placement at 2.8p (~A5c) per share, in support of working capital.

RMP has traded on the ASX at A5.2c – A5.8c for 2019 to date, and is resuming from a trading halt, having last traded Monday at A5.6c.

Trading Halts

Company	Code	Resuming
Dotz Nano	DTZ	9 Jan

Suspensions (select)

Company	Code	Since
Alice Queen	AQX	21 Dec
Alliance Mineral Assets	A40	27 Dec
Cape Lambert Resources	CFE	8 Jan
Castillo Copper	CCZ	27 Dec
Frontier Diamonds	FDX	27 Dec
Valor Resources	VAL	21 Dec
Vector Resources	VEC	4 Jan

Ex-Dividends



Tin	19940	t	190	1.0
CBT Wheat (Mar)	5.20	bshl	0.03	0.6

Commodities Commentary

Oil – further overnight price gains were mostly attributed to US – China trade talks optimism.

However, S&P Global Ratings warned of higher supply and lower demand when reducing its 2019 crude price forecasts by \$US10/bbl to \$US55/bbl and \$US50/bbl respectively for Brent and WTI.

In the meantime, a banking official from **India** confirmed refineries in India were still purchasing crude from **Iran**, and that they were paying in rupees rather than \$US.

The official also claimed the US had imposed sanctions on five of 15 banks to which refiners' payments had been made.

In November, the US granted six-month Iranian-import waivers to several countries, including India. Weekly US petroleum inventories, as prepared by the government agency EIA, are scheduled for release tonight.

Gold – a stronger \$US index, together with further positive US equities trade, damaged some overnight gold sentiment.

US Federal Reserve December policy meeting minutes could influence \$US and hence gold price moves tonight. Fed chair Jerome Powell speaks publicly tomorrow night.

Base metals – some overnight traders were reportedly unsettled by news of a third day of US-China trade talks in Beijing today, when two days only had been initially scheduled.

Aluminium prices suffered from new inventories data and expectations of increasing supply out of Bahrain, China and the US within the short-medium term, against expectations of ongoing comparatively weak demand.

In addition, the US lifting of sanctions against Rusal would benefit few US consumers, a metals industry analyst report claimed.

Monday, official Chile *copper* agency Cochilco predicted the nation's copper production could increase by 30% over the next decade.

China is expected to report December CPI and producer prices tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7136	-0.0003	-0.04
EUR – USD	1.1441	0.0000	0.00

Australian Data Today

AiG	PSI	Dec
ABS	Building approvals	Dec
ABS	Job vacancies	Nov Q

US Data Tonight

Federal Reserve policy meeting minutes	Dec
Consumer credit	Nov
MBA mortgage applications	4 Jan

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BHP	Tomorrow	~141.8	100	4.62
CYB	17 Jan	5.479	0	1.63
TRA	21 Jan	~3.75	0	5.14
OZG	1 Feb	0.25	100	3.13
WIC	1 Feb	3	100	5.77



Other Overseas Data Today & Tonight

Germany	Trade balance	Nov
Euro zone	Unemployment	Nov

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