

Markets

SFE 200 Futures (9.30am AEDT)	5758	4	0.1
NZX 50	8990	26	0.3
DJIA Futures	23992	8	0.0
S&P 500 Futures	2606	25	1.0
NASDAQ Futures	6677	132	2.0

Local Markets Commentary

The Australian market commences mid-week trade with new China data in hand, and a UK parliamentary defeat of arrangements proposed to govern the UK's planned withdrawal from the European Union (EU).

The vote will produce plenty of commentary and speculation through today's trade, and some potential new developments post-ASX trade.

Post-ASX trade yesterday, **China** reported 1080B yuan worth of December new lending, following 1250B yuan for November, and forecasts of 1100B.

In overnight commodities trade, **oil** swung sharply higher.

Iron ore (China port 62% Fe fines) slipped by US2c/t.

US (February) **gold** futures settled slightly lower.

LME **copper** turned modestly higher. **Nickel** and **aluminium** also turned, and rallied.

The **\$A** headed back towards US72.0c after trading at ~US72.20c early yesterday evening.

Locally today, the monthly consumer sentiment report from Westpac and the Melbourne Institute is due 10.30am AEDT.

Regionally, December producer prices are expected for Japan.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24066	156	0.7
S&P 500	2610	28	1.1
NASDAQ	7024	118	1.7
FTSE 100	6895	40	0.6
DAX 30	10892	36	0.3
Shanghai Comp	2570	35	1.4

Overseas Markets Commentary

Major European and US equities markets mostly opened higher overnight, and featured ensuing choppy trade, US indices maintaining strong gains through to settlement.

There was plenty to consider, but repeat confirmation yesterday that **China** would continue US trade talks this month in Washington, and a reiteration of last week's promised domestic economic support initiatives, appeared to buoy sentiment.

Overnight, Goldman Sachs warned of a sharp slowdown for the **US** economy after JP Morgan had earlier ventured all growth could evaporate.

During second-half US trade, the **UK** parliament's House of Commons voted down (432-202)

Today's Stock Watch

GPT Group (GPT)

Planning to sell the group's 50% holding in the MLC Centre, Sydney.

Proceeds are earmarked for existing development plans and additional logistics development opportunities.

The sale will lower GPT's Sydney office exposure by 5% to 60% and boost the group's Melbourne exposure by 4% to 34%.

Telstra Corporation (TLS)

Director Jane Hemstrich has resigned, effective immediately, in favour of philanthropic interests featuring medical research.

Data#3 Ltd (DTL)

Anticipating \$8.5M - \$9.0M interim pre-tax profit, against \$4.0M a year ago.

DTL plans to pay an interim dividend, and to lodge half year results 20 February.

Michael Hill International (MHJ)

Interim continued operations and same store sales dropped 4.2% and 6% respectively, to \$322.94M and \$A311.34M.

December quarter continued operations revenue fell 1.3%, against an 8.8% tumble for the September quarter.

Same store sales dropped 2.9% against an 11% September quarter slide.

December quarter figures were supported by November-December business, when continued operations revenue and same store sales rose 2.9% and 1.3% respectively.

Navigator Global Investments (NGI)

\$US14.72B AUM at the end of December, against \$US16.14B as at 30 September.

Impression Healthcare (IHL)

Licences in hand to sell or supply four cannabinoid substances, on a wholesale basis, in Victoria.

Wattle Health Australia (WHA)

WHA has appointed Australian Securities Exchange (ASX) listing compliance senior advisor Zheng (Kobe) Li as an independent non-executive director, effective immediately.

Resources

Galaxy Resources (GXY)

GXY has appointed former Newmont global projects engineering and construction director Alan Fitzpatrick as an independent, non-executive director.

In association, Jian-Nan Zhang has retired from the GXY board. Mr Zhang was a GXY director for five years.

Orocobre Ltd (* ORE)

Planning to publish the December quarterly report tomorrow and to host an audio webcast commencing midday AEDT.

Written questions may be submitted.

Access details lodged post-trade yesterday.

arrangements governing the UK's planned 29 March withdrawal from the **European Union (EU)**.

European Commission president Jean-Claude Juncker was quick to assure the EU would continue with already broadly-discussed contingency plans.

Earlier, **European Central Bank (ECB)** president Mario Draghi the euro zone commemorated the 20th anniversary of the launch of the **euro**, confirming views of another regional slow-down.

While stimulus measures were still required, and the slow-down could persist, Mr Draghi asserted the euro zone was not heading into recession.

Among a session of currency swings, the euro subsequently held at ~0.7% down against the \$US.

Overnight data releases again largely underwhelmed.

Germany's 2018 GDP growth was estimated at 1.5%, against 2.2% for 2017.

Euro zone November trade figures, pleased, including a €19B trade surplus against €14.7B at the end of October.

Exports rose 1.9% year-on-year, to €203B, and imports by 4.7%, to €184B.

Meanwhile in **Italy**, a €10B 15-year bond sale attracted €35B worth of bids.

US data releases included a 0.2% pull back in December producer prices.

A New York region manufacturing index was reported 7.6 point lower, at 3.9.

IBD/TIPP's business optimism index slipped 0.3 to 52.3.

Tonight in the **US**, the Federal Reserve's region-by-region economic report (beige book), December retail sales, import and export prices, November business inventories, and a home builders' housing market index are scheduled for release.

Elsewhere, **Bank of England** governor Mark Carney's scheduled financial stability remarks are keenly anticipated.

Germany is due to conduct a 10-year bond auction.

Earnings will again feature.

Companies scheduled to report for the December quarter include Alcoa, Bank of America, Bank of NY Mellon, BlackRock, CSX, Goldman Sachs, Kinder Morgan, PNC Financial and US Bancorp.

In overnight corporate news, **JP Morgan Chase** December quarter revenue failed to meet expectations for the first three-month period in almost two years, in part due to a drop in fixed income trading income

Banco Santander in the meantime reversed its decision to appoint UBS investment bank head Andrea Orcel as CEO.

Netflix gained ~6.6% after revealing 13% - 18% price rises, further buoying NASDAQ trade.

A cloud services agreement with **Walgreens Boots** supported **Microsoft** to an ~3% appreciation.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1288.4	oz	-2.9	-0.2
Silver (NY) (Mar)	15.6	oz	-0.07	-0.4
Gold (LON)	1293	oz		
Platinum	798	oz	-1	-0.1
WTI Crude (Feb)	52.11	bbl	1.60	3.2
Brent Crude (Mar)	60.64	bbl	1.65	2.8
Iron Ore (CHN port 62%)	73.78	t	-0.02	-0.0

Pre-Open Announcements

Animoca Brands (* AB1)

Collaboration terms agreed with Worldwide Asset eXchange overseer Exposition Park Holdings, to potentially support virtual trade.

Meridian Energy (* MEZ)

December retail sales volumes fell 23.9% year-on-year. National (New Zealand) December electricity demand was calculated 4.5% lower. Additional December operational statistics lodged this morning.

Bod Australia (* BDA)

December quarter revenue reached a record \$1.22M, representing a 129% improvement on the December quarter 2017.

BDA product sales totalled \$766,000 and a \$453,000 R&D tax rebate was received.

Invion Ltd (IVX)

IVX has appointed three members to the company's scientific advisory board, ahead of planned clinical trials for potential lung, prostate and skin cancer treatments.

PainChek Ltd (PCK)

Heralding a new partnership agreement with Allity Aged Care and Ward Medication Management, with the aim of combing PCK's smart phone pain assessment and monitoring with Ward's Thrive medication-DNA matching service, for use by Allity.

Resources

Birimian Ltd (* BGS)

Presentation featuring BGS's Mali Goulamia lithium project lodged this morning.

Lucapa Diamond Company (LOM)

December quarter operational and financial statistics lodged this morning.

Energy

Aspire Mining (AKM)

An AKM-commissioned Mongolia Ovoot coal project competitive assessment, in relation to China's coal markets, has indicated AKM's Ovoot project could help ease an anticipated fat coking coal shortage.

Details lodged this morning.

Trading Halts

Company	Code	Resuming
Venus Metals Corporation	VMC	16 Jan
Kogi Iron	KFE	17 Jan
Korab Resources	KOR	17 Jan

Suspensions (select)

Company	Code	Since
(The) Agency Group Australia	AU1	15 Jan
Alice Queen	AQX	21 Dec
Cape Lambert Resources	CFE	8 Jan
Castillo Copper	CCZ	27 Dec



Copper (LME,3mth,PM)	5920	t	23	0.4
Nickel	11670	t	280	2.5
Aluminium	1845	t	17	0.9
Lead	1968	t	-15	-0.8
Zinc	2456	t	-28	-1.1
Tin	20670	t	195	1.0
CBT Wheat (Mar)	5.09	bshl	-0.06	-1.1

Commodities Commentary

Oil – traders were confronted overnight with a cocktail of geopolitical issues, China's repeat promises of supportive domestic fiscal policy, new industry reports, international supply/demand commentary, and ongoing disappointing economic data releases, pushing currencies into some pronounced vacillations.

US government agency the EIA forecast 2020 domestic output at 12.9MMbbl/d, a new record.

The EIA predicted 12.07Mbbbl/d production for 2019, up a daily 1.14MMbbl from the 2018 average.

Late-Monday, the US had reiterated no extensions to six-month sanction waivers for Iran's crude customers.

Also Monday, OPEC had confirmed dates in February, March and April for various-level reviews of output policy.

A weekly US petroleum inventories report is due tonight.

Gold – prices were pushed and pulled overnight by some safe-haven interest, mixed data releases and buoyant equities sentiment.

A plethora of US data tonight, some key earnings reports and UK-European considerations are expected to feature among tonight's trade influences.

Base metals – overnight sentiment was supported early by some China-US and stimulatory optimism, but some caution was noted ahead of the UK parliamentary vote and key data yet to be released this week.

China's 1080B yuan December new lending total, reported post-ASX trade yesterday, undershot expectations by 20B yuan and represented a 170B fall from November's total.

Also post-ASX yesterday, **Japan** reported an 18.3% year-on-year slide in December machine tool orders, following a 17.0% November tumble.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7199	-0.0004	-0.05
EUR – USD	1.1408	-0.0005	-0.05

Australian Data Today

Wstpc/MI	Consumer sentiment	Jan
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US Data Tonight

Retail sales	Dec
Fed beige book	Jan
Import & export prices	Dec
Business inventories	Nov
NAHB housing market index	Jan
MBA mortgage applications	11 Jan

Frontier Diamonds	FDX	27 Dec
Vector Resources	VEC	4 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
EZL	Today	1.75	100	10.09
PL8	Today	0.5	100	5.84
CYB	Tomorrow	5.479	0	1.66
TRA	Mon (21 Jan)	~3.75	0	5.14
OZG	1 Feb	0.25	100	3.13
WIC	1 Feb	3	100	5.80

**Other Overseas Data Today & Tonight**

Japan	PPI	Nov
Japan	Machinery orders	Nov
Japan	Tertiary industry index	Nov
UK	CPI	Dec
UK	PPI	Dec
Germany	CPI (final)	Dec

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