

Markets

SFE 200 Futures (9.30am AEDT)	5790	9	0.2
NZX 50	9036	9	0.1
DJIA Futures	24162	11	0.1
S&P 500 Futures	2613	8	0.3
NASDAQ Futures	6666	-11	-0.2

Local Markets Commentary

The Australian market opens today's trade following relatively positive overnight international equities and commodities trade, while political issues remained unresolved in the US and UK.

Yesterday, **China's** central bank made available the equivalent of an additional \$US83B (560B yuan) net for domestic lending.

In overnight commodities trade, **oil** added to Tuesday's gains.

Iron ore (China port 62% Fe fines) settled higher, following an essentially flat Tuesday close.

US (February) **gold** futures seesawed modestly higher.

LME **copper** and **aluminium** continued higher. **Nickel** turned lower.

The **\$A** retreated after trading at ~US72.05c early yesterday evening.

Locally today, the Australian Bureau of Statistics publishes November **housing finance** statistics 11.30am AEDT.

Both **WPL** and **WHC** have reported for the December quarter pre-trade.

CYB trades ex-dividend.

Regionally, **Bank of Japan** governor Haruhiko Kuroda is scheduled to speak publicly 2.20pm.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24207	142	0.6
S&P 500	2616	6	0.2
NASDAQ	7035	11	0.2
FTSE 100	6863	-32	-0.5
DAX 30	10931	39	0.4
Shanghai Comp	2570	0.1	0.0

Overseas Markets Commentary

Choppy trade again featured across major European and US equities markets overnight, as political, border and trade considerations continued to play out on both sides of the Atlantic.

In addition, large banking stocks reported in the US, where new administrative US-China trade talks comments, reported yesterday, indicated some disappointment.

In the **UK**, the PM survived a no-confidence vote (325-306) and immediately called for individual meetings with the leaders of other parties represented in parliament.

The British pound mostly held Tuesday's gains against the \$US, achieved when the UK parliament

Today's Stock Watch

Kogan.com Ltd (KGN)

9.7% higher year-on-year revenue achieved for the six months to 31 December.

The number of Kogan mobile active customers rose by 32.2% for the year to 31 December, coming in at 1.542M.

Kathmandu Holdings (KMD)

KMD has appointed former VF Corporation Smartwool and Lucy Activewear executive Amy Beck as Oboz/Kathmandu North America president, effective 1 April.

Chorus Ltd (CNU)

51% UFB uptake growth achieved during the December quarter.

Total fixed line connections fell by 21,000 to 1.486M.

Broadband connections fell by 4000 to 1.186M.

Total data consumption grew to ~11MGB.

Planning to lodge interim results pre-trade 25 February.

Resources

South32 Ltd (S32)

December quarter and 1H FY 2019 production statistics lodged this morning.

In addition, S32's VP corporate affairs and investor relations, and treasury head Katie Tovich has been appointed CFO, to take over from Brendan Harris 1 May. In the meantime, Ms Tovich will take on the deputy CFO role.

Mr Harris has been appointed chief marketing officer, effective 1 July, taking over from Peter Finimore. Mr Harris has been S32's CFO for four years and is a former BHP Billiton (ASX: BHP) investor relations head.

Alumina Ltd (AWC)

AWC Western Australia JV partner Alcoa Inc reported a \$US43M December quarter net profit in the US overnight, following a \$US196M loss a year earlier.

Revenue was calculated 5.4% higher, at \$US3.34B.

Energy

Woodside Petroleum (WPL)

43% higher, year-on-year, \$US1.419B December quarter sales revenue. Total revenue came in at \$US1.56B

10% higher, 24.1MMboe December quarter production achieved.

For the year to 31 December, WPL output grew 8% to 91.4MMboe. Forecasting 88MMboe – 94MMboe for 2019.

Comprehensive December quarter and 2018 statistics lodged in presentation format this morning.

Whitehaven Coal (WHC)

Produced 9.6Mt of saleable coal for the six months to 31 December, down 12%, and sold 10.3Mt, down 14%.

On an attributable basis, WHC's coal sales fell 9% for the six months.

During the December quarter, attributable saleable coal production grew 14% year-on-year, to 4.35Mt.

Oil Search (OSH)

Alaska JV Pikka B appraisal well drilling has encountered hydrocarbons.

OSH is describing 'early results' as 'very encouraging'.

OSH 25.5%; Repsol 49.0%)

voted down the negotiated arrangements for the UK's proposed late-March withdrawal from the European Union (EU).

Bank of England governor Mark Carney's scheduled financial stability remarks to parliament included a market volatility warning and confirmation of the bank's view that China's economy was decidedly slowing, but also a reassurance the UK banking system was fit to manage any 'disorderly' separation from the EU.

Meanwhile, in overnight data releases, UK December CPI growth came in at 0.2% for the month and 2.1% year-on-year, following 0.2% and 2.3% respectively for November.

In the **US**, a Fed Reserve region-by-region economic progress report indicated falling optimism, difficulty for businesses wanting to fill employee positions, general moderate wages growth, and modest-moderate cost increases.

December import prices were reported 0.1% lower, following a 1.9% November fall. Year-on-year, prices were 0.6% lower.

Earlier, **Germany's** final December CPI growth readings had been confirmed at 0.1% for the month and 1.7% year-on-year, following respective 0.1% and 2.3% November figures.

Meanwhile in **Greece**, the PM also survived a Macedonia-related no-confidence vote.

Tonight in the **US**, weekly new unemployment claims are scheduled for release, together with building permits and housing starts, plus a Philadelphia region manufacturing index.

Companies scheduled to report for the December quarter include American Express, Morgan Stanley, Netflix (post-US trade; early Friday AEDT), PPG Industries and Taiwan Semiconductor Manufacturing.

Associated British Foods and Premier Foods are among companies expected to provide trading updates.

In overnight corporate news, **Goldman Sachs** reported 13% lower year-on-year December quarter pre-tax profit and one per cent lower overall revenue, but the figures exceeded expectations.

Fixed income revenue dropped 18%, but sharply higher investment banking income supported total revenue.

Bank of America also supported overnight financial sector sentiment, with a quarterly profit that also came in better than anticipated.

Reckitt Benckiser's CEO of eight years, and company employee for more than 30 years, revealed he was planning to step down from his leadership role at the end of the year.

*Meanwhile, **US equities markets are heading towards a Monday public holiday weekend.***

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1293.8	oz	5.4	0.4
Silver (NY) (Mar)	15.64	oz	0.02	0.1
Gold (LON)	1294	oz		
Platinum	805	oz	7	0.9
WTI Crude (Feb)	52.3	bbl	0.20	0.4
Brent Crude (Mar)	61.3	bbl	0.68	1.1
Iron Ore (CHN port 62%)	74.3	t	0.52	0.7
Copper (LME,3mth,PM)	5970	t	50	0.8
Nickel	11630	t	-40	-0.3

Pre-Open Announcements

FBR Ltd (* FBR)

FBR has told ASX compliance officers that this week's increased interest could be due in part to an outdoor demonstration of the company's robot construction technology, planned for this year. FBR added 21.4% Monday, after settling lower the first eight trading sessions of the new calendar year.

The company added 32.5% yesterday, settling at 11c after trading as high as 12c intra-session.

Recce Pharmaceuticals (RCE)

RCE confirmed post-trade yesterday that it was reviewing potential funding options following the provision of a short-term loan by an RCE director in December.

Resources

Northern Star Resources (* NST)

Planning to lodge the company's December quarter report 23 January (Wednesday next week) and to host a teleconference that day, commencing 10.30am AEDT.

Access details lodged post-trade yesterday.

Mineral Resources (MIN)

Planning to report interim results 21 February, and to host a teleconference that day, commencing 3pm AEDT.

Access details lodged post-trade yesterday.

Northern Minerals (NTU)

NTU has issued a total 30.9M shares to various creditors and suppliers.

15M of the shares are to be held in voluntary escrow until 31 March.

NTU has traded at 4.9c – 5.7c for the first 11 trading sessions of the new calendar year.

Energy

Paladin Energy (* PDN)

Sold 475,000lb of U₃O₈ during the December quarter, at \$US31.41/lb.

\$US44.1M cash and equivalents.

Full December quarter report lodged this morning.

Trading Halts

Company	Code	Resuming
Kogi Iron	KFE	17 Jan
Korab Resources	KOR	17 Jan
Inca Minerals	ICG	18 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
Frontier Diamonds	FDX	27 Dec



Aluminium	1859	t	14	0.8
Lead	1975	t	7	0.4
Zinc	2497	t	41	1.7
Tin	20575	t	-95	-0.5
CBT Wheat (Mar)	5.14	bshl	0.03	0.5

Commodities Commentary

Oil – a weekly US petroleum inventories report from government agency the EIA, published overnight, estimated a 2.7MMbbl fall in stored crude. This, against an industry report released late Tuesday, indicating a 560,000bbl decline.

Production grew by 200,000bbl/d, the EIA said.

Petrol stocks rose by 7.5Mbbbl.

Monthly international market reports are anticipated over the next two nights - OPEC's is due tonight, and the International Energy Agency's (IEA) tomorrow night.

Gold – overnight trade was mostly viewed as supported by some safe-haven interest and technical, with the \$US index remaining relatively stable.

Some key US data reports were again held over, due to the partial government services shut down.

Palladium futures notably settled above gold for the first time in 16 years overnight, March futures at \$US1318.5/oz.

Base metals – a more stable \$US and continuing stronger British pound appeared to support some overnight base metals trade.

Among data considerations, yesterday **China** reported a 9.7% year-on-year rise in December house prices, following a 9.3% November gain.

Japan reported a 0.6% fall in December producer prices, after a 0.3% November decline. Year-on-year, December prices came in 1.5% higher.

In addition, Japan's tertiary industry index was estimated 0.3% lower for the month, following a 2.2% increase in November.

Japan is due to publish December CPI and industrial production tomorrow.

GDP, industrial production and retail sales reports are anticipated out of **China** Monday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7171	0.0002	0.03
EUR – USD	1.1396	0.0004	0.04

Australian Data Today

ABS	Housing finance	Nov
HIA	New home sales	Dec
RBA	Forex transactions	11 Jan
RBA	Reserve assets holdings	11 Jan

US Data Tonight

Initial jobless claims	12 Jan
Housing starts	Dec
Building permits	Dec
Philadelphia Fed manufacturing	Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CYB	Today	5.479	0	1.67
TRA	Mon	~3.75	0	5.14
MIR	Tue	13.5	100	3.73
OZG	1 Feb	0.25	100	3.13
WIC	1 Feb	3	100	5.63



Other Overseas Data Today & Tonight

Euro zone	CPI (final)	Dec
Euro zone	Construction output	Nov

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