

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5840	23	<b>0.4</b>
<b>NZX 50</b>	8993	-14	<b>-0.2</b>
<b>DJIA Futures</b>	24622	69	0.3
<b>S&amp;P 500 Futures</b>	2640	-2	-0.1
<b>NASDAQ Futures</b>	6639	-63	-0.9

## Local Markets Commentary

The Australian market commences today's trade following overnight gains for key commodity prices, ahead of influential domestic data today and new China-US trade talks tonight, and with European negotiators this morning having rejected a UK parliamentary-approved proposal to reconsider UK-EU separation arrangements regarding Ireland's border.

The proposal has been considered the only way for sufficient UK parliamentarians to consider approving a final EU withdrawal deal.

This comes after the European Central Bank earlier this week conceded disappointment at euro zone economic progress.

In addition, further US-China trade and US-Venezuela leadership-sanctions-military involvement commentary could influence some regional sentiment today.

In largely positive overnight commodities trade, **oil** swung higher and rallied.

US **gold** futures (April) settled higher for a third consecutive session.

**Iron ore** (China port 62% Fe fines) also continued to gain.

LME **copper, nickel** and **aluminium** rose decisively.

The **\$A** headed towards US71.50c after trading at ~US71.65c early yesterday evening.

**Locally today, December quarter CPI growth is due 11.30am AEDT.**

**In addition, a barrage of December quarter reports is anticipated through the end of the month.**

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	24580	52	<b>0.2</b>
<b>S&amp;P 500</b>	2640	-4	<b>-0.2</b>
<b>NASDAQ</b>	7028	-57	<b>-0.8</b>
<b>FTSE 100</b>	6834	87	<b>1.3</b>
<b>DAX 30</b>	11219	9	<b>0.1</b>
<b>Shanghai Comp</b>	2594	-3	<b>-0.1</b>

## Overseas Markets Commentary

Swinging, choppy trade featured across most major European and US equities markets overnight, as investors tried to assess the state of relations between the US and China, and the US and Venezuela, plus earnings and outlooks from high-profile, large-cap stocks, while awaiting the outcome of UK parliamentary votes regarding the planned UK-European Union (EU) separation.

## Australia – Dec Q CPI – 11.30am AEDT

Trades executed Friday last week (25 January) settle today

## Today's Stock Watch

### GUD Holdings (GUD)

Webcast scheduled to commence 11am AEDT, after reporting 3% higher, \$29.34M interim NPAT.

13% higher, \$219.785M revenue.

Paying a 25c fully franked interim dividend, up 1c.

24c NTA. 33.7c EPS.

### Mayne Pharma Group (MYX)

MYX's Tolsura anti-fungal 65mg capsule is now available in the US.

### Air New Zealand (AIZ)

Lowering anticipated \$NZ340M - \$NZ400M FY 2019 EBT. Planning to provide more guidance with interim results 28 February.

### Atlas Arteria (ALX)

December quarter weighted average toll revenue rose 1.5%, pushing the 2018 overall rise to 4.0%.

Traffic fell 1.6%, however.

Breakdown statistics lodged this morning.

### Adacel Technologies (ADA)

ADA will continue to supply ATC Tower simulator system and support services to the US Air Force under a new five-year contract.

### Splitit Payments (SPT)

Credit card scheduled payments specialist completed a stellar ASX listing yesterday following a \$12M IPO at 20c per share.

Opened at 30.5c, the company's day one low, and settled at its day one high of 38c.

15.525M shares changed hands across 1275 transactions.

173M quoted securities.

SPT revealed during early trade yesterday that merchant fees rose 22% during the December quarter, to \$423,000.

## Resources

### Sandfire Resources (SFR)

Webcast teleconference commencing 1pm AEDT, after reporting for the December quarter pre-trade.

\$179M cash.

### Syrah Resources (SYR)

Produced 33,000t of graphite during the December quarter, pushing the 2018 tally to 104,000t.

Anticipated reduction was impacted by a fire in October.

Recoveries improved to a mean 70% from 53%.

Sold 37,000t. \$US77.1M cash.

Outlook statistics also lodged this morning.

## Energy

### Senex Energy (SXY)

Produced a net 276,000boe during the December quarter, 2% fewer barrels than for the September quarter 2018.

Sold 264,000bbl at \$78/bbl, for \$17.2M revenue.

\$39.0M net cash.

In the **UK** post-FTSE trade, the House of Commons approved (318-310) a proposal to prevent the UK separating from the **European Union** without a withdrawal agreement and framework for the future.

The house also voted against (321-298) a move to enable parliament to push back the planned 29 March separation should parliament not be in favour of any proposed withdrawal deal.

Another, and perhaps the most crucial, proposal was approved (317-301), to enable the PM to seek to negotiate with EU leaders a new arrangement regarding border arrangements with EU member Ireland.

A spokesperson for the European Council was quick to announce that president Donald Tusk was not considering renegotiating, however.

The **US**, in the meantime, had remained embroiled in Huawei allegations and **China's** associated ire, and also imposed oil sanctions against **Venezuela**, at the same time a security official was noted carrying a message indicating possible US military involvement in the Venezuelan leadership confrontation.

Official US-China trade talks are due to resume in Washington tonight.

Among US data releases, Conference Board's January consumer confidence index was calculated 6.4 points lower than for December (revised), at 120.2. The reading represented an ~18-month low and undershot forecasts.

A Case-Shiller November house price index rose 4.7% year-on-year, the least in almost four years.

**Tonight** in the **US**, the **Federal Reserve** announces (early tomorrow AEDT) outcomes from its policy meeting and hosts a media conference.

Any commentary out of renewed US-China trade talks is also keenly anticipated.

In addition, an initial December quarter GDP reading, a private sector January employment report, December pending home sales and weekly mortgage applications are also scheduled for release.

The GDP reading may be pushed back, however, due to a delay in preparing component statistics during the partial government services shut down.

Companies expected to report earnings, or provide a trading update, include: Alibaba, AT&T, Banco Santander, Boeing, Facebook, ING, McDonald's, Mondelez International, Novartis, Paypal, Qualcomm, Siemens, Tesla and Visa.

In overnight corporate news, **Apple Advanced Micro Devices** and eBay have reported mixed results and guidance post-US trade, and will influence at least some of tonight's equities sentiment.

Earlier, **Nvidia** and **General Electric** each suffered from negative research reports.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Apr)</b>	<b>1315.2</b>	oz	5.9	<b>0.5</b>
<b>Silver (NY) (Mar)</b>	15.84	oz	0.07	<b>0.5</b>
<b>Gold (LON)</b>	1302	oz	8	<b>0.6</b>
<b>Platinum</b>	812	oz	2	<b>0.3</b>
<b>WTI Crude (Mar)</b>	<b>53.3</b>	bbbl	1.3	<b>2.5</b>
<b>Brent Crude (Mar)</b>	<b>61.3</b>	bbbl	1.4	<b>2.3</b>
<b>Iron Ore</b> (CHN port 62%)	<b>78.69</b>	t	0.51	<b>0.7</b>
<b>Copper</b> (LME,3mth,PM)	<b>6050</b>	t	48	<b>0.8</b>
<b>Nickel</b>	12120	t	295	<b>2.5</b>
<b>Aluminium</b>	1892	t	25	<b>1.3</b>

## Pre-Open Announcements

### VGI Partners Global Investments (VGI)

\$13.2M interim NPAT, up 252%. 222% higher, \$29.84M revenue. \$2.17 NTA.

### Magellan Global Trust (\* MGG)

Conducting a unit purchase plan at a price to be determined the day the offer closes, but at no greater than \$1.5327 per unit.

The offer is scheduled to commence 6 February (Wednesday next week) and to close, tentatively, 6 March.

MGG has traded at \$1.63 - \$1.695 over the past five trading sessions.

### Audinate Group (AD8)

AD8's Dante AV (audio over IP network) module and product design suite will be previewed at the Integrated Systems Europe tradeshow, scheduled for 5 - 8 February (Tuesday - Friday next week) in Amsterdam.

### The Reject Shop (TRS)

Allensford has extended the period of its on-market offer for TRS to 5 March.

## Resources

### OZ Minerals (\* OZL) / Red Metal (\* RDM)

OZL is planning to spend a minimum \$8M over two years, and to pay \$1.8M to RDM to support six RDM exploration projects, two in Western Australia and four in Queensland.

Details lodged this morning.

## Energy

### Otto Energy (\* OEL)

Sold 135,537bbl of oil and 291,296MMcf of gas during the December quarter for a gross \$US10.4M.

\$US10.3M cash.

### Byron Energy (BYE)

Attributable December quarter sales comprising 110,056bbl of oil and 258,048MMbtu of gas delivered \$US7.7M net revenue.

\$US6.1M cash.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>GUD</b>	Interim
	<b>SFR</b>	Dec Q
	<b>SXY</b>	Dec Q
<b>Tomorrow</b>	FLC	Dec Q
	FLN	Dec Q
	IGO	Dec Q; Interim

## Trading Halts

Company	Code	Resuming
Novonix Ltd	NVX	30 Jan
Oliver's Real Food	OLI	30 Jan
Azumah Resources	AZM	31 Jan
Buddy Platform	BUD	31 Jan



<b>Lead</b>	2075	t	-3	<b>-0.1</b>
<b>Zinc</b>	2656	t	-24	<b>-0.9</b>
<b>Tin</b>	20700	t	25	<b>0.1</b>
<b>CBT Wheat (Mar)</b>	5.12	bshl	-0.07	<b>-1.3</b>

### Commodities Commentary

**Oil** – overnight the **US** imposed sanctions on **Venezuela's** state-held oil company PdVSA (an attempt to stymie ~90% of Venezuelan government export income), a supplier to some US refineries, including operations owned by Chevron and Phillips 66.

Venezuela, for its part, vowed to sell US export volumes to other nations, at reduced prices, and/or indirectly supply US refinery customers.

A US administration official offered US emergency supplies could be used to supply affected domestic refineries.

**Saudi Arabia** announced it would likely produce a daily 1.1MMbbl of crude during February, against the kingdom's agreed 10.33MMbbl/d limit.

Weekly US petroleum inventories, calculated by government agency EIA, are due tonight.

**Gold** – Comex futures prices attained more than seven-month highs overnight, geopolitics appearing to maintain sufficient safe-haven interest to outweigh select company earnings reports supporting equities sentiment.

Outcomes and the press conference from the US Federal Reserve policy meeting, will influence at least some of tonight's trade.

Other likely trade factors include any commentary out of China-US trade talks in Washington.

**Base metals** – geopolitical scenarios, corporate results and key data to come this week appeared not to produce too much overnight caution, with base metals trade supported by supply-demand expectations and no new \$US rally.

**China** is expected to report official January PMIs tomorrow.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7152	-0.0004	<b>-0.06</b>
<b>EUR – USD</b>	1.1435	0.0003	<b>0.02</b>

### Australian Data Today

ABS	CPI	Dec Q
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### US Data Tonight

<i>GDP (1<sup>st</sup> estimate of three)</i>	Dec Q
ADP employment	Jan
Pending home sales	Dec
MBA mortgage applications	25 Jan

### Other Overseas Data Today & Tonight

<b>Japan</b>	Retail sales	Dec
Japan	Consumer confidence (4pm AEDT)	Jan
<b>UK</b>	BoE consumer credit	Dec
<b>Germany</b>	CPI (prelim)	Jan
Germany	Import & export prices	Dec

ClearVue Technologies	CPV	31 Jan
(The) Data Exchange Network	DXN	31 Jan
Eden Innovations	EDE	31 Jan
enage:BDR Ltd	EN1	31 Jan
Galena Mining	G1A	31 Jan
G Medical Innovations	GMV	31 Jan
Indiana Resources	IDA	31 Jan
Kogi Iron	KFE	31 Jan
Matador Mining	MZZ	31 Jan
Sovereign Metals	SVM	31 Jan
Talon Petroleum	TPD	31 Jan
Tasman Resources	TAS	31 Jan

### Suspensions (select)

Company	Code	Since
Aurora Absolute Return Fund	ABW	21 Jan
Cape Lambert Resources	CFE	8 Jan
Hot Chili	HCH	25 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AMH</b>	Today	<b>3.5</b>	100	7.02
<b>GCI</b>	Today	<b>0.88</b>	0	2.87
<b>QRI</b>	Today	<b>0.24</b>	0	0.23
MXT	Tomorrow	1.08	0	5.16
NBI	Fri	0.88	0	1.75
OZG	Fri	0.25	100	3.13
WIC	Fri	3	100	5.63
RMD	6 Feb	3.64	0	1.08
AFI	8 Feb	18	100	3.82
BKI	8 Feb	5.13	100	4.68
OCA	8 Feb	1.7	0	3.66



Germany	GfK consumer confidence	Feb
<b>Euro zone</b>	Economic confidence	Jan
Euro zone	Consumer confidence	Jan

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

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