

Markets

SFE 200 Futures (9.30am AEDT)	6537		
NZX 50	13092		
DJIA Futures	30497	0	0.0
S&P 500 Futures	3749	0	0.0
NASDAQ Futures	12886	0	0.0

Local Markets Commentary

The Australian market opens first domestic trade for 2021 with positive comments out of China over the weekend regarding future China – US relations, but threats regarding the NYSE delisting of certain Chinese companies, and international Covid-19 containment measures remaining in focus.

Over the weekend, in relation to Covid-19, local and national government leaders in Japan considered declaring a new emergency declaration for the Tokyo region; the UK PM warned more onerous restrictions were likely needed; regulators in India recommended the emergency use of two vaccines, one developed in India and the other by AstraZeneca and Oxford University; Greece extended a lockdown and France introduced an earlier curfew.

Locally today, a Markit December manufacturing PMI is due pre-trade.

Regionally today, Caixin is due to release a December manufacturing PMI for China 12.45pm AEDT.

A final December manufacturing PMI for Japan is expected 11.30am AEDT.

New Zealand's markets remain closed for a New Year holiday.

In overnight Thursday (31 December) commodities trade, **oil** recorded a modest gain.

US **gold** futures settled a little higher.

Iron ore (Nymex, 62%) settled just below \$US155.85/t.

Dalian Commodity Exchange futures (May) were reported at \$US152.45/t Friday, after rising ~54% for 2020.

LME **copper** settled more than 25% higher for the year.

The **\$A** slipped towards US76.95c after trading at ~US77.0c early Thursday evening.

Earlier this morning, the \$A traded beyond US77.5c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30606	197	0.7
S&P 500	3756	24	0.6
NASDAQ	12888	18	0.1
FTSE 100	6461	-95	-1.5
DAX 30 (30 Dec)	13719	-43	-0.3
Shanghai Comp	3473	59	1.7

Best wishes from all at State One for a successful 2021

Trades executed **Wednesday last week** (30 December) settle **today.**

Thursday's (31 December) trades will settle tomorrow.

Today's Stock Watch
Link Administration Holdings (LNK)

SS&C Technology Holdings (SS&C) has withdrawn an indicative proposal to acquire LNK.

LNK continues to consider options for its Torrens Group Holdings interest, including a potential demerger or trade sale. LNK jumped 13.7% early December on the SS&C proposal announcement.

LNK ultimately closed out the year at \$5.55, after settling at \$4.92 at the end of November.

Infratil Ltd (IFT)

An independent 31 December 2020 valuation of CDC Data Centres (CDC) has valued IFT's 48.1% CDC holding at \$A2.039B - \$A2.334B, from \$A1.597B - \$A1.807B at the end of September 2020.

The re-evaluation has added \$89.9M to IFT's expected international portfolio annual incentive fee.

IFT promises an update at the 16 February investor day.

Clean TeQ Holdings (CLQ)

Two additional water purification contracts secured, one in Queensland, following a competitive tender, and the other in Oman for an upgrade of an existing CLQ purification facility.

Resources
De Grey Mining (DEG)

DEG has appointed Peter Canterbury as CFO, effective February. Mr Canterbury's previous professional experience includes as Triton Minerals MD, Bauxite Resources CEO and executive director, and Sundance Resources CFO and acting CEO. Current DEG CFO Craig Nelmes will continue with DEG in his company secretary role.

Energy
Strike Energy (STX) / Warrego Energy (WGO)

A second 'abnormally over-pressured' gas column has been encountered during the drilling of the onshore Perth Basin EP469 West Erregulla 3 well and has forced a temporary suspension.

In the meantime, STX and WGO intend to commence West Erregulla 4 drilling as soon as possible.

STX 50% and operator; WGO operator.



Overseas Markets Commentary

Markedly divergent trade featured across major European, UK and US equities markets New Year's Eve (Thursday last week), the DJIA and S&P 500 the only two key indices to trend notably higher towards close. Germany's markets did not trade due to a New Year holiday.

Investor considerations included: the finality of the UK's separation from the European Union, with an 11pm (GMT) expiry of an 11-month transition period; the US Senate rejection of key US amended economic support legislation; and a late-Wednesday announcement out of the Office of the US Trade Representative regarding the imposition of higher import taxes on a list of products from the European Union.

In overnight Thursday **data** releases **US** weekly new unemployment claims tallied 787,000, following 806,000 the previous week and against expectations of 815,000 new claims.

Tonight in the **US**, November construction spending and a final Markit PMI for December are due.

A Georgia **Senate** runoff election, tomorrow night, is keenly anticipated and could overshadow data releases, as it will determine which major political party will control the US Senate.

Elsewhere tonight, the euro zone and UK also report final December PMIs.

In overnight Thursday corporate news, the NYSE confirmed it was delisting three **China** telecommunications companies, to comply with an executive order from the US president regarding companies deemed to be linked to China's military.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1895.1	oz	1.7	0.1
Silver (NY) (Mar)	26.412	oz	-0.161	-0.6
Gold (LON) (30 Dec)	1888	oz		
Platinum	1061	oz	-1	-0.1
WTI Crude (NYMEX Feb)	48.52	bbl	0.12	0.3
Brent Crude (ICE EUR Mar)	51.80	bbl	0.17	0.3
Iron Ore (NYMEX,CHN,62%)	155.84	t	0.14	0.1
Copper (LME,3mth Ind,PM)	7769	t		
Nickel	16626	t		
Aluminium	1982	t		
Lead	1996	t		
Zinc	2755	t		
Tin	20313	t		

Commodities Commentary

Oil – OPEC+ is expected to begin considering production output for February from later today, after media polls indicated oil prices were not expected to increase by much during 2021, survey results including a majority of outlook commentators citing uncertain Covid-19 containment.

In addition, yesterday, OPEC secretary general Mohammad Barkindo confirmed OPEC viewed 2021 as containing significant downside risk for oil markets, but predicted international oil

Pre-Open Announcements

AMA Group (* AMA) / GUD Holdings (GUD)

AMA completed the sale of the ACAD businesses to GUD Thursday last week.

AMA earmarked the \$70M proceeds for debt reduction.

Net debt at the close of 2020 was estimated to be \$158M.

InvoCare Ltd (IVC)

Former IVC CEO and MD Martin Earp has resigned from the IVC board, effective today.

Mr Earp will assist new IVC MD and CEO Olivier Chretien, and the IVC board, until 31 March.

Challenger Ltd (CGF)

Company secretary Andrew Brown has resigned, effective 1 January.

CGF has appointed Linda Matthews to take over from Mr Brown.

DroneShield Ltd (DRO)

Reporting a record \$2.1M worth of December quarter customer cash receipts, plus \$250,000 worth of grant funding.

Tyro Payments (TYR)

December total transaction value (TTC) rose 19% year-on-year to \$2.626B.

Jumbo Interactive (JIN)

Australian Company Secretary Service principal and JIN company secretary Bill Lyne has relinquished his JIN company secretary role.

Mr Lyne remains with JIN as a non-executive director.

Company Matters' Graeme Blackett has been appointed JIN company secretary.

Tribeca Global Natural Resources (TGF)

TGF has appointed former mining engineer and mining analyst Rebecca O'Dwyer as an independent non-executive director, effective today.

Meanwhile, Greg Clarke and Judy Mills have resigned as independent non-executive TGF directors, effective 1 January.

Motio Ltd (MXO)

Non-executive director Mark Niutta has resigned from the MXO board, effective 31 December 2020.

Resources

Red River Resources (* RVR)

New South Wales Hillgrove gold mine Eleanora lode drilling has returned several significant-width, high-grade intersections.

Assays lodged this morning.

Project stockpile mining and trucking has been underway since last week.

Chalice Mining (* CHN)

Access approval in hand enabling the commencement of



demand to ultimately rise by 5.9MMbbl/d to 95.9MMbbl/d.

The latest OPEC+ agreement, to lift output by a combined 500,000bbl/d, came into effect Friday (1 January).

Over the weekend, OPEC+ member Russia's 2020 oil and gas condensate output was reported to have tallied 10.27MMbbl/d, against a daily 11.25MMbbl for 2019.

In the meantime, US government agency the EIA reported an ~10% year-on-year drop in October domestic crude output to 10.42MMbbl/d.

A weekly US petroleum inventories report, published overnight Wednesday by the EIA, estimated a 6MMbbl decline in stored crude. Daily net crude imports fell by 764,000bbl.

Weekly US petroleum sector drill rig counts, also released overnight Wednesday, included three additional operational oil rigs.

WTI futures were reported down 20.5% for the year. Brent crude fell 21.5%.

Prices rose 20% and 26.5% respectively for the December quarter.

In industry news, Exxon Mobil warned December quarter accounts would include asset write-downs tallying a potential \$US20B.

Gold – US futures traded as high as \$US1904.9/oz New Year's Eve (overnight Thursday) before settling higher for the session and with an ~25% gain for the year.

Market watchers in the meantime have predicted a similar gain for 2021.

Thursday's prices swung on data, including encouraging US new unemployment claims and end-of-year positioning.

Base metals – LME three-month benchmark *copper* has reportedly ended 2020 ~27% higher than it had closed out 2019.

Thin trade was reported overnight Thursday (New Year's Eve).

Among Thursday data releases, China's NBS reported a 51.9 manufacturing PMI for December, following 52.1 for January.

The services PMI was estimated at 55.7, against 56.4 for January.

In output news, Chile reported 493,538t of copper production for November, representing a 2.1% fall for the month, but a 0.2% increase on November 2019.

Caixin is due to release a December manufacturing PMI for **China today**.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7697	-0.0009	-0.12
EUR – USD	1.2236	-0.0004	-0.04

Australian Data Today

Markit	PMI (final)	Dec
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US Data Tonight

Construction spending	Nov
Markit manufacturing PMI (final)	Dec

initial reconnaissance exploration activities within the WA Julimar Ni-Cu-PGE project.

Lucapa Diamond Company (* LOM)

The Lulo diamond JV in Angola has recovered a 113-carat gem-quality white diamond.

Location details lodged this morning.

Calidus Resources (CAI)

CAI has appointed John Ciganek as a non-executive director, effective immediately.

Mr Ciganek's initial professional training and experience was as a mining engineer.

Trading Halts

Company	Code	Resuming
BPH Energy	BPH	5 Jan

Suspensions (select)

Company	Code	Since
(The) Agency Group	AU1	31 Dec
Anteris Technologies	AVR	29 Dec
BuildingIQ Inc	BIQ	23 Dec
Dough Ltd	DOU	23 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CAM	Today	1.18	100	5.25
E72	Today	1	100	0.00
MHH	Today	2.25	0	3.03
NBI	Today	0.7	0	5.24
PE1	Today	2.5	0	2.87
PIA	Wed	1.25	100	3.82
PMV	Wed	36	100	1.45
TRA	13 Jan	3.8	85	4.74



Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	Dec
Japan	PMI (final)	Dec
UK	BoE consumer credit	Dec
UK	Manufacturing PMI (final)	Dec
Germany	Manufacturing PMI (final)	Dec
Euro zone	Manufacturing PMI (final)	Dec

Need More Information?

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