

Markets

SFE 200 Futures (9.30am AEDT)	6592	-7	-0.1
NZX 50	13468	100	0.8
DJIA Futures	30285	181	0.6
S&P 500 Futures	3718	26	0.7
NASDAQ Futures	12794	108	0.9

Local Markets Commentary

The Australian market opens mid-week trade following ultimately positive overnight US equities and key commodities trade, with an economic trends update from the Reserve Bank of Australia (RBA) late morning and material data due for China by early afternoon.

This, ahead of a batch of material economic indicators for the US tonight, together with the official ceremonial electoral college presidential election vote count in Congress.

Scheduled voting for two US Senate runoffs in Georgia commenced overnight, with many votes cast in-person early, or by mail, meaning a definitive result, pending challenges, is expected to be delayed.

Locally today, the Reserve Bank of Australia (RBA) is scheduled to release its monthly chart pack, outlining **macro-economic and financial market trends, 11.30am AEDT.**

Also today, **PMV** trades ex-dividend.

Regionally today, Caixin is due to publish a December **services PMI for China 12.45pm AEDT.**

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

A 10-year government bond auction is also scheduled for Japan mid-afternoon.

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

US **gold** futures gains continued, but more moderately so.

Iron ore (Qingdao CFR China, 62% Fe) was reported at \$US167.86/t yesterday, up \$US2.57 for the day.

LME **copper** and **nickel** extended Monday's rally. **Aluminium** also continued higher.

The **\$A** was propelled to ~US77.70c after appreciating to US77.20c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30392	168	0.6
S&P 500	3727	26	0.7
NASDAQ	12819	121	1.0
FTSE 100	6612	40	0.6
DAX 30	13651	-76	-0.6
Shanghai Comp	3529	26	0.7

* Cancer detection listing **11am AEDT – TRU ***

Today's Stock Watch
Insurance Australia Group (IAG)

IAG has retained gross reinsurance protection cover at up to \$10B for CY 2021. Details lodged this morning.

In addition, IAG has disclosed 1H FY21 net corporate expenses will include the previously-disclosed \$1.15B provision for business interruption claims.

Planning to report interim results 10 February.

Pinnacle Investment Management Group (PNI)

Anticipating a total \$11.0M in 1H FY21 net performance fees from four affiliates.

In addition, expecting an ~\$800,000 net return on principal investments.

Planning to lodge interim results 4 February.

Redhill Education (RDH)

Anticipating \$22.4M - \$22.8M 1H FY21 revenue. Additional preliminary statistics and commentary lodged pre-trade.

TruScreen Group (* TRU)

Cancer detection device and systems manufacturer scheduled to list on the ASX, under a foreign exempt declaration, **11am AEDT**, after raising \$NZ2M in an offer at NZ7c per share.

~360.97M quoted shares. TRU's home exchange is the NZX.

Premier Investments (PMV)

Trading ex-dividend (36c) today.

Resources
Vango Mining (VAN)

Resuming from a trading halt with results from Marymia gold project Trident resource drilling, these including a 'bonanza' grade intersection. Assays lodged pre-trade.

Si6 Metals (SI6)

Botswana Maibele project IP surveying has identified multiple strong chargeability anomalies.

SI6 intends to advance exploration across several Cu-Ag and Ni-Cu-PGE targets.

Energy
Armour Energy (AJQ) / Santos Ltd (STO)

Agreement formally executed for AJQ's sale of the balance 30% interest in part of the South Nicholson Basin exploration project. Consideration includes ~\$12.25M cash.

Details, including AJQ's subsequent 100% ownership of ATP (A) 1107, lodged pre-trade.



Overseas Markets Commentary

Choppy, swinging trade featured across major European, UK and US equities markets overnight, but so did intra-session trends higher for key US indices.

US Senate double runoff voting in Georgia commenced overnight, a relatively high turnout reported despite significant early in-person voting the past few weeks and a strong mail vote.

The outcomes for the two seats could determine US Senate control for two years.

In overnight **data** releases, the **euro zone's** November household and business lending grew 3.1% and 6.9% respectively year-on-year.

Germany's November retail sales defied forecasts of a 2.0% drop for the month, rising 1.9% following a 2.6% October increase.

Sales were 5.6% higher against November 2019.

The December unemployment rate was estimated flat, at 6.1%.

In the **US**, the ISM's December national manufacturing activity index rose 3.2 points to a robust 60.7, against expectations of a 1.1-point decline.

The ISM also published its December New York business activity index, this jumping to 61.3 from 44.2, and following forecasts of 48.5.

Meanwhile in **North Korea**, the ruling Worker's Party Congress, at which president Kim Jong-un is expected to deliver a speech, was reported to have commenced.

Tonight in the **US**, the ceremonial **electoral college presidential election vote count** in Congress will be conducted.

Among reports and data releases, **Federal Reserve** December policy meeting minutes, the ISM's influential services sector activity index for December and a final Markit December services PMI are due, together with November factory orders and producer prices.

A December private sector employment report is also scheduled for release, ahead of official national December employment statistics Friday.

Elsewhere, **Bank of England** governor Andrew Bailey is due to speak publicly.

Final December services sector activity indices are also due for the euro zone and UK, and preliminary December CPI readings for France and Germany.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1954.4	oz	7.8	0.4
Silver (NY) (Mar)	27.64	oz	0.276	1.0
Gold (LON) (30 Dec)	1888	oz		
Platinum	1105	oz	41	3.9
WTI Crude (NYMEX Feb)	49.93	bbbl	2.31	4.9
Brent Crude (ICE EUR Mar)	53.60	bbbl	2.51	4.9
Iron Ore (NYMEX,CHN,62%) (4 Jan)	163.93	t	8.09	5.2
Copper (LME Ind)	8002	t	140	1.8
Nickel	17705	t	292	1.7
Aluminium	2047	t	13	0.7

Pre-Open Announcements

SenSen Networks (* SNS) / VGI Partners Asian Investments (VG8)

SNS is resuming from a trading halt having raised \$7.15M in a select placement at 12.5c per share.

VGI has become an SNS substantial shareholder as a result of its participation in the placement.

SNS traded at 12.5c – 18c last week, adding 25% in the New Year's Eve session, prior to calling the halt.

Strategic Elements (* SOR)

In response to an ASX price and volume query, SOR has suggested interest in company subsidiary Australian Advanced Materials' self-charging battery activity, and capital gains tax concessions when selling shares, as possible reasons for recent spikes.

SOR added 20% Monday this week and 50% yesterday, settling at 36c yesterday following two sessions of relatively high-volume trade.

Wednesday last week, SOR appreciated 30.3%, also in high-volume trade, closing at 21.5c and then settling for the year the next day at 20c.

Paradigm Pharmaceuticals (PAR)

Scheduled to present at the JP Morgan Healthcare Conference Wednesday next week, 8.20am AEDT.

PAR will focus on its Zilosul clinical activity.

The company has lodged a link to the live audio version of the presentation.

A webcast replay will also be available.

Resources

Auroch Minerals (AOU)

Planning to commence a 3500m RC drilling campaign within the WA goldfields Nepean nickel project.

AOU is targeting potential near-mine high-grade nickel sulphide extensions.

Errawarra Resources (ERW)

Recently ASX-listed ERW has completed the acquisition of the WA Binti Binti/Gindalbie goldfield, consideration including the issue of 250,000 ERW shares.

ERW listed on the ASX 14 December, trading at 22c – 25c on day one after an IPO at 20c per share.

ERW settled flat for the session yesterday, at 21.5c.

Trading Halts

Company	Code	Resuming
Lion Energy	LIO	7 Jan



Lead	2055	t	2	0.1
Zinc	2823	t	28	1.0
Tin	21040	t	4	0.0

Commodities Commentary

Oil – OPEC+ again debated production levels overnight, agreeing to allow Kazakhstan and Russia to lift output through to 31 March, and Saudi Arabia offering compensatory (up to 1MMbbl/d) cutting.

A meeting has been scheduled for early March to assess production and demand, and possibly agree on levels from 1 April. WTI subsequently traded as high as \$US50.20/bbl intra-session, the most since February 2020.

Meanwhile, South Korea demanded the release of a tanker and its crew seized by Iran's military in the Persian Gulf over the weekend. The ship was reported to be carrying ethanol.

A weekly US petroleum inventories report from government agency the EIA is due tonight.

Gold – official polling day for US Senate runoff elections in Georgia commenced overnight, highlighting uncertainty regarding control of the Senate for the next two years.

This, together with a 0.5% drop in the ICE \$US index and renewed tougher Covid-19 control measures in an increasing number of regions internationally, boosted gold interest.

Tonight's release of US Federal Reserve December policy meeting minutes and several key economic indicators from tonight through Friday, in addition to initial indications from Georgia voting, mean prices could swing from today through the end of the week.

Base metals – LME copper prices approached eight-year peaks overnight.

The gains were supported by a \$US fall, LME-registered warehouse stocks at 105,425t, 40% lower than for mid-October, and medium-term demand optimism based on broadening Covid-19 vaccine emergency use approvals.

Caixin's December **services PMI** for **China** is due today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7755	-0.0004	-0.06
EUR – USD	1.2296	-0.0002	-0.02

Australian Data Today

RBA	Chart pack	Jan
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US Data Tonight

US Fed monetary policy meeting minutes	Dec
ISM non-manufacturing	Dec
ADP private sector employment	Dec
Factory orders	Nov
PPI	Nov
Markit services PMI (final)	Dec

Suspensions *(select)*

Company	Code	Since
Anteris Technologies	AVR	29 Dec
BuildingIQ Inc	BIQ	23 Dec
Dough Ltd	DOU	23 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PIA	Today	1.25	100	3.76
PMV	Today	36	100	1.43
TRA	13 Jan	3.8	85	4.49



MBA mortgage applications

31 Dec

Other Overseas Data Today & Tonight

China	Caixin services PMI	Dec
Japan	Services PMI (final)	Dec
Japan	Consumer confidence (2.45pm AEDT)	Dec
UK	Services PMI (final)	Dec
Germany	CPI (prelim)	Dec
Germany	Services PMI (final)	Dec
Euro zone	Services PMI (final)	Dec

Need More Information?

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