

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	6642	98	1.5
<b>NZX 50</b>	13505	171	1.3
<b>DJIA Futures</b>	30720	435	1.4
<b>S&amp;P 500 Futures</b>	3741	22	0.6
<b>NASDAQ Futures</b>	12617	-177	-1.4

**Local Markets Commentary**

The Australian market commences today's trade with a further \$A appreciation and material domestic data due late morning.

In addition, Washington DC tensions remain, and a curfew has been called, after protestors forced their way into the US parliament and offices, Capitol Hill, overnight, disrupting the scheduled ceremonial electoral college presidential election vote count in Congress.

Earlier, counting of votes for two US Senate seats in Georgia overnight Tuesday had indicated at least one position would transfer from the Republicans to the Democrats, suggesting a change of control in the Senate.

Since then, both seats have been declared by media in favour of the Democrats.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes November **trade** figures **11.30am** AEDT. Initial trade statistics were reported last month.

November **building approvals** are also due from the ABS 11.30am.

At the same time, the Reserve Bank of Australia (RBA) releases two monthly reports, one covering card transactions and the other retail payments.

**Regionally**, December **foreign exchange reserves** are anticipated for **China** anytime from this evening.

In overnight commodities trade, **oil** continued higher.

US **gold** futures swung decisively lower.

**Iron ore** (Qingdao CFR China, 62% fines) was reported at \$US168.72, up US86c/t for the day.

LME **copper** and **nickel** extended this week's gains. **Aluminium** turned lower.

The \$A remained in a narrow range after trading at ~US78.00c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	30829	438	1.4
<b>S&amp;P 500</b>	3748	21	0.6
<b>NASDAQ</b>	12741	-78	-0.6
<b>FTSE 100</b>	6842	230	3.5
<b>DAX 30</b>	13892	241	1.8
<b>Shanghai Comp</b>	3551	22	0.6

\* Minerals exploration listing **11.30am** AEDT – TRN \*

**Today's Stock Watch**
**Mayne Pharma Group (MYX)**

Commercial sales of MYX's pregnancy prevention generic Microgestin 24 Fe tablets are underway in the US.

**Zebit Inc (ZBT)**

Record FY 20 \$US88.1M net sales, support by December quarter net sales, which rose 35.2% year-on-year, to \$US44.8M.

December net sales grew 55.4% year-on-year, to \$US21.3M.

**Boart Longyear (BLY)**

Strategic review commencing under an independent advisor, in part in association with debt maturities due during second-half 2022.

**Bod Australia (BDA)**

114% year-on-year increase in H2 CY 2020 MediCabilis prescriptions filled, and 91% growth from H1, to 3941.

H2 CY 2020 prescriptions comprised 62% repeat orders.

**ASX Ltd (ASX)**

December activity report lodged pre-trade, highlighting a 61% year-on-year increase in total capital raised.

**Immutep Ltd (IMM)**

Phase 2 TACTI-002 study update lodged this morning. Additional data is expected by 30 June.

**Resources**
**Torrens Mining (\* TRN) / Coda Minerals (COD)**

Perth, WA-headquartered minerals exploration company TRN is scheduled to list on the ASX **11.30am** AEDT, following a \$10M IPO at 20c per share.

One of TRN's assets is held in JV with COD.

66.46M quoted shares.

**Energy**
**88 Energy (88E)**

Operations update lodged this morning, including plans for ongoing northern hemisphere winter activity.

## Overseas Markets Commentary

Major European, UK and US equities markets headed higher overnight, but US indices ultimately pared gains, the DJIA nonetheless reaching a new settlement peak, and the NASDAQ recording a fall for the session.

US political developments post-European trade did not appear to overly-concern equities trade, with some commentators reporting initial selling on a US Congress disruption triggering significant select buying.

Earlier Wednesday (US time), the US president announced his administration would never concede the presidential election outcome.

This was followed by supporters breaching Capitol Hill (parliament) building security and entering offices, forcing a lockdown and disrupting the ceremonial **electoral college presidential election vote count** in Congress.

Counting following **US Senate** runoff voting for two seats in Georgia had been followed closely, media projections assigning at least one win to the Democrats in early trade, hence indicating Democrats may have wrested control of the Senate from Republicans.

In addition, **Covid-19** developments remained on watch, with record hospitalisations reported for the US and China's administration reimplementing containment measures in an area close to Beijing, but also the European Medicines Agency recommending European Commission approval of the Moderna Covid-19 vaccine.

Overnight considerations also included new economic forecasts and key data releases, these including a 4% international economic growth prediction from the World Bank, coupled with a Covid-19 ongoing impact warning.

**US Federal Reserve** December policy meeting minutes confirmed agreement on the minimum \$US120B-per-month asset purchase program and also on issuing plenty of notice for whenever the central bank considered changes to purchases.

The minutes also underscored the general view that the Covid-19 economic recovery, as indicated by second-half 2020 data, had slowed.

**Bank of England** (BoE) governor Andrew Bailey told a parliamentary treasury committee that the central bank agreed with the government's Office for Budget Responsibility (OBR), that the UK's recent deal when separating from the European Union could impact UK economic output by up to four per cent over the longer term.

Over two years, the BoE anticipates a 2% impact.

The BoE also anticipated some liquidity issues, the governor confirmed, but not to the extent that would threaten financial stability.

Meanwhile yesterday afternoon, **yields** for 10-year US Treasury bonds rose to 1.00% for the first time in ~nine months.

A 10-year government bond auction in Japan, also yesterday afternoon, had delivered a flat 0.019% yield.

Overnight 10-year bond auctions in Germany and the UK delivered -0.52% and 0.332% yields respectively, from -0.57% and 0.432%.

## Pre-Open Announcements

### TruScreen Group (\* TRU)

Cancer detection device and systems manufacturer completed a successful ASX listing yesterday, under a foreign exempt declaration, after raising \$NZ2M in an offer at NZ7c per share. Opened at A9.8c and traded at A8.5c – A10.5c before settling at A9.6c.

~5.2M shares changed hands across 290 transactions.

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

### Resources

#### Strickland Metals (STK)

In response to an ASX 'aware' query, STK has lodged an explanation of the timing of a decision to curtail WA Doolgunna project drilling for 2020, and a subsequent (14 December) announcement, regarding the discovery of sulphide copper mineralisation prior to temporarily halting the drilling.

STK had added 34.69% Friday 11 December, but dropped 16.67% and 18.18% respectively Monday 14 December and Tuesday 15 December.

STK settled at 4.5c 15 December, and at 4.6c yesterday.

### Energy

#### Prairie Mining (PDZ)

Resuming trade while pleading ignorance in response to an ASX price and volume query.

PDZ traded for the first time since 21 December on Monday, recording two transactions, each at 17.5c each.

Tuesday and yesterday however, PDZ added 45.71% and 25.49% respectively, in relatively high-volume trade, settling at 32c yesterday.

This, when PDZ traded for less than two hours yesterday, before calling a trading halt.

#### Calima Energy (CE1)

~20.96M CE1 shares are due to be released from voluntary escrow 14 January (Thursday next week).

### Trading Halts

Company	Code	Resuming
Eclipse Metals	EPM	8 Jan
Sayona Mining	SYA	8 Jan

### Suspensions *(select)*

Company	Code	Since
BuildingIQ Inc	BIQ	23 Dec
Dough Ltd	DOU	23 Dec



Among overnight **data** releases, the **euro zone's** final December services PMI of 46.4 undershot expectations (47.3) while representing a 4.7-point increase from November's reading.

Euro zone November producer prices came in flat for the month at 0.4%, but were 1.9% lower than for November 2019.

**Germany's** preliminary December CPI reading indicated 0.5% inflation for the month, following November's 0.8% deflation. Year-on-year however, the December CPI was down 0.3%.

The nation's final December services PMI rose by one point to 47, as with the overall euro zone region, remaining in contraction mode.

In the **UK**, a 49.4 final December services PMI represented a 1.8-point gain for the month.

Across the Atlantic, a **US** December private sector employment report included an estimated 123,000 fewer jobs, following a 304,000 increase in November and forecasts of an additional 170,000 jobs for the last month of the year.

The monthly decline was the first recorded since April.

In addition, a 54.8 final Markit December services PMI represented a 3.6-point drop from November's reading.

November factory orders encouraged however, rising 1.0% following forecasts of a 0.6% increase.

**Tonight** in the **US**, weekly new unemployment claims, the ISM's December non-manufacturing activity index and November trade figures are keenly anticipated.

A December job cuts report is also due, ahead of tomorrow night's release of December employment statistics.

Elsewhere, the European Central Bank publishes an economic bulletin.

Companies scheduled to report earnings later today or tonight include ConAgra Brands, Constellation Brands, Kewpie Corp, Micron Technology and Walgreens Boots Alliance.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1908.6</b>	oz	-45.8	<b>-2.3</b>
<b>Silver (NY) (Mar)</b>	<b>27.042</b>	oz	-0.6	<b>-2.2</b>
<b>Gold (LON) (5 Jan)</b>	<b>1940</b>	oz	-3	-0.2
<b>Platinum</b>	<b>1093</b>	oz	-12	<b>-1.1</b>
<b>WTI Crude (NYMEX Feb)</b>	<b>50.63</b>	bbl	0.7	<b>1.4</b>
<b>Brent Crude (ICE EUR Mar)</b>	<b>54.30</b>	bbl	0.7	<b>1.3</b>
<b>Iron Ore (NYMEX,CHN,62%) (5 Jan)</b>	<b>166.08</b>	t	2.15	1.3
<b>Copper (LME Ind)</b>	<b>8040</b>	t	38	<b>0.5</b>
<b>Nickel</b>	<b>17745</b>	t	54	<b>0.3</b>
<b>Aluminium</b>	<b>2035</b>	t	-7	<b>-0.4</b>
<b>Lead</b>	<b>2082</b>	t	-1	<b>-0.1</b>
<b>Zinc</b>	<b>2861</b>	t	46	<b>1.6</b>
<b>Tin</b>	<b>21150</b>	t	-30	<b>-0.1</b>

### Commodities Commentary

**Oil** – Brent crude traded as high as \$US54.73/bbl overnight, and WTI at \$US50.94/bbl.

Post-settlement trade, while relatively light, has halved ultimate session gains, however.

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
TRA	13 Jan	3.8	85	4.49



A weekly US petroleum inventories published by government agency the EIA overnight, included an ~8MMbbl drawdown on crude stocks (mostly attributed to seasonal tax-related activity), but 4.519MMbbl increase in stored petrol.

Net crude imports rose by 36,000bbl/d.

Post-US trade Tuesday, an industry report estimated a 1.66MMbbl fall in crude inventories last week.

**Gold** – the \$US swung higher, and US 10-year treasury bond yields had reached 1.06%, during US Senate runoff elections vote counting, this detracting from overnight gold interest.

Futures moved higher however, in post-settlement electronic trade.

**Base metals** – LME copper again traded at almost eight-year highs overnight, the \$US also again lower in early trade.

The Las Bambas copper operation in Peru was reported to be nearing total temporary shutdown, due to a continuing community protest that has blocked access.

Caixin's 56.3 December **services PMI** for **China**, published yesterday, represented a 1.5-point fall from November.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7802	-0.0001	<b>-0.01</b>
<b>EUR – USD</b>	1.2327	0.0001	<b>0.01</b>

#### Australian Data Today

ABS	Trade balance	Nov
ABS	Building approvals	Nov
RBA	Retail payments	Dec
RBA	Card transactions	Dec

#### US Data Tonight

ISM non-manufacturing	Dec
Trade balance	Nov
Initial jobless claims	1 Jan
Challenger job cuts	Dec

#### Other Overseas Data Today & Tonight

<i>China</i>	<i>Forex reserves</i>	Dec
<b>Japan</b>	Cash earnings	Nov
<b>UK</b>	Construction PMI	Dec
<b>Germany</b>	Factory orders	Nov
<b>Euro zone</b>	CPI (preliminary)	Dec
Euro zone	Retail sales	Nov
Euro zone	Economic sentiment	Dec
Euro zone	ECB economic bulletin	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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