

Markets

SFE 200 Futures (9.30am AEDT)	6766	-33	-0.5
NZX 50	12852	22	0.2
DJIA Futures	31328	50	0.2
S&P 500 Futures	3903	-3	-0.1
NASDAQ Futures	13644	-37	-0.3

Local Markets Commentary

The Australian market commences today's trade with several large-cap domestic stocks having reported earnings pre-trade, new data in hand for China, and with China's markets closed for a week.

Overnight international equities trade leads are again weak, but key commodities trade generally positive.

Post-ASX trade yesterday, China reported a 4.6% year-on-year increase in January foreign direct investment (FDI), against 6.2% for December, and following expectations of a new 4.0% rise.

Locally today, the Melbourne Institute is expected to publish its monthly **inflation expectations** report, 11am AEDT.

The Reserve Bank of Australia (RBA) releases monthly **business lending** and **Australian government securities holdings** reports at 11.30am AEDT.

In overnight commodities trade, **oil** rose further.

US **gold** futures continued to extend this week's gains.

Qingdao **iron ore** (CFR 62% fines) added \$US2.80/t, to last trade at \$US166.90/t.

LME **copper** and other key base metals were supported to further decisive gains.

The **\$A** declined to ~US77.20c, after trading at US77.40c early yesterday evening.

Japan's markets are closed today, due to a public holiday.

China's markets are also closed, and will remain so through 17 February (Wednesday next week), due to lunar new year and the Spring festival holiday season.

Markets in South Korea, Taiwan and Vietnam are closed today and tomorrow.

Markets in Hong Kong, Indonesia, Malaysia, the Philippines and Singapore will also be closed tomorrow.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31438	62	0.2
S&P 500	3910	-1	-0.0
NASDAQ	13973	-35	-0.3
FTSE 100	6524	-7	-0.1
DAX 30	13933	-74	-0.5
Shanghai Comp	3655	52	1.4

Today's Stock Watch
AMP Ltd (AMP)

\$177M full year NPAT, following a \$2.46B net loss a year ago. 15% lower, \$3.43B continuing operations revenue. \$1.06 NTA, against \$1.17. Nil final dividend.

Telstra Corporation (TLS)

Flat, 5c interim and 3c special dividends, each fully franked. 3.6% lower, \$1.098B interim NPAT. 10.4% lower, \$12.015B income. 62.1c NTA, against 63.2c.

In addition, TLS plans to own and operate all TLS-branded retail stores in Australia.

Transurban Group (TCL)

15c interim distribution/dividend, against 31c a year ago. \$385M interim net (continuing operations) loss. 21.9% lower, \$1.42B revenue.

GUD Holdings (GUD)

18% higher, \$31.28M interim NPAT. 11% higher \$251.47M revenue. Flat 25c fully franked interim dividend. 43c NTA, from 33c.

In addition, GUD is proposing to outlay \$32M to acquire Australian Clutch Services and its US and NZ subsidiaries.

Downer EDI (DOW)

9c interim dividend, against 14c a year ago. 14.4% lower, \$73.9M interim NPAT. 10.6% lower, \$6.116B total income. 29.1c NTA.

BARD1 Life Sciences (BD1)

Griffith University has determined BD1's SubB2M can detect all stages of ovarian cancer.

Unibail-Rodamco-Westfield (URW)

€7.7B interim net loss, against a €1.22B profit a year ago. 28.1% lower, €1.79B net rental income. 40% lower, €1.057B recurring net result. €2.13B cash and equivalents.

Resources
Newcrest Mining (NCM)

134% higher, \$US553M interim NPAT. 21% higher, \$US2.17B revenue. \$US11.73NTA, from \$US9.96. US15c interim dividend, from US11.355c.

Energy
AGL Energy (AGL)

31c interim and 10c special dividends, from 47c, 80%-franked a year ago. \$A2.287B interim net loss, from a \$323M profit a year ago. 14.2% lower, \$5,41B revenue. \$3.54 NTA, against \$6.88.



Overseas Markets Commentary

European, UK and US equities markets gave up general early gains overnight.

Trader considerations included central bank commentary, Covid-19 news, large-cap international corporate earnings reports and key data.

US Federal Reserve chair Jerome Powell told the Economic Club of New York that the nation's true unemployment rate was likely close to 10%, due to classification errors.

He promoted continuing low business and household borrowing costs, but also longer-term investment in job creation and retention.

The US had shed nine million jobs within a year, employment for the lowest quartile by job earnings dropping by 17%, but for the highest-earning positions by 4%.

Earlier, **European Central Bank** (ECB) president Christine Lagarde confirmed the ECB was looking at developing a digital currency to complement cash, and that one could be available within four years.

Bank of England (BoE) governor Andrew Bailey used an annual speech to promote the need for the European Union to be fair in its negotiations over financial markets access.

In addition, the BoE announced a financial policy committee member intended to leave his committee post, and financial stability strategy and risk executive director role, after the expiry of his three year term at the end of March, and then leave the bank 30 September, at the end of a notice period.

In Covid-19 developments, Germany underscored a broad international concern at the reported greater ease of spread of the newer mutations of the virus, the national government and State leaders agreeing to extend a general lockdown until 7 March, and to tighten conditions for a general and gradual re-opening.

Daily new case tallies are falling, but Germany will now require the number of new daily diagnoses per 100,000 residents over a week to drop to 35, rather than 50, for an easing of restrictions.

In overnight data releases, **Germany** reported a finalised January CPI estimate, this confirming 0.8% inflation for the month and a 1.0% year-on-year increase.

In the **US**, the January budget deficit came in at \$US163B from \$US144B at the end of December, in part boosted by stimulus spending.

January CPI readings were reported in line with expectations, being 0.3% higher for the month and 1.4% higher year-on-year.

December wholesale inventories were calculated to have grown by 0.3% following no rise during November and expectations of a 0.1% increase.

Weekly mortgage applications dropped 4.1% after jumping 8.1% the previous week.

The mean 30-year mortgage rate came in at 2.96% from 2.92%.

Meanwhile, a 10-year note auction in the US produced a 1.155% yield, from 1.164%.

Earlier, a five-year bond auction in Germany had delivered a -

Pre-Open Announcements

Alliance Aviation Services (* AQZ)

119.7% higher, \$23.4M interim NPAT.

2.3% higher, \$154.8M ordinary activities revenue. \$153.3M operations revenue, against \$151.3M.

\$1.93 NTA, from \$1.35.

VIP Gloves (VIP)

Paying a 0.18c interim dividend.

\$2.25M interim NPAT, against a 995,700 net loss a year ago.

289.9% higher, \$20.98M revenue.

\$2.01 NTA, from \$1.29.

\$1.41M cash and equivalents.

CIMIC Group (* CIM)

CIM's UGL has recently secured maintenance contract extensions in New South Wales, South Australia and Western Australia worth a combined \$110M.

Details lodged post-trade yesterday.

CIM dropped 17.08% yesterday, after lodging full year results pre-trade.

Healius Ltd (* HLS)

HLS has appointed former Chorus (ASX: CNU) CEO and previous Telstra (ASX: TLS) COO Kate McKenzie as an independent non-executive director, effective 25 February.

Ms McKenzie is an AMP (ASX: AMP), nbn co and Stockland (ASX SGP) director.

Pharmaxis Ltd (PXS)

\$46,000 interim NPAT, against a \$10.32M net loss a year ago.

\$13.687M income, against \$4.02M.

~\$18.25M cash and equivalents.

Pengana International Equities (PIA)

Anticipating a 69% increase in interim NPAT to \$28.9M.

Paying a 1.25c fully-franked December quarter dividend, as for the September quarter.

Actinogen Medical (ACW)

ACW has raised ~\$3.55M in placing the shortfall shares from the entitlement offer that closed November 2020.

The shares were issued at 2.2c each, the same as for the initial offer.

ACW has traded at 2.25c – 2.7c for the week to date.

OncoSil Medical (OSL)

OSL has appointed Ralph Peters as chief medical officer, and David Turner as medical affairs head.

Dr Peters joined OSL in January, having previously been Sirtex Medical's medical director for the EMEA regions.

Mr Turner also joined OSL in January, having previously been Sirtex Medical's marketing head.

Vysarn Ltd (VYS)

Management systems ISO certification in hand, as previously flagged, for VYS 100% subsidiary Pentium Hydro.



0.69% yield, from -0.70%.

Tonight in the **US**, weekly new unemployment claims are due. A 30-year bond auction is also scheduled.

Companies listed to report earnings later today and tonight include: ArcelorMittal, AstraZeneca, Brookfield Asset Management, Commerzbank, Credit Agricole, Credit Suisse, Duke Energy, Kellogg, Kraft Heinz, Kumho Industrial, L'Oréal, Nvidia, PepsiCo, Pernod Ricard, Tyson Foods, Walt Disney and Zurich Insurance.

In overnight corporate news, **Twitter** traded greater than 10% higher on a stronger-than-expected forecast, in part due to a pickup in advertising.

Post-US trade Tuesday, Twitter had lodged December quarter earnings and revenue (+28% to \$US1.29B) which surpassed expectations, but also revealed lower-than-anticipated user growth.

US markets are heading towards a Monday public holiday weekend.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1842.7	oz	5.2	0.3
Silver (NY) (Mar)	27.078	oz	-0.32	-1.2
Gold (LON) (8 Feb)	1835	oz		
Platinum	1235	oz	63	5.4
WTI Crude (NYMEX Mar)	58.68	bbbl	0.32	0.6
Brent Crude (ICE EUR Apr)	61.47	bbbl	0.38	0.6
Iron Ore (NYMEX,CHN,62%) (9 Feb)	158.15	t	2.05	1.3
Copper (LME Ind)	8279	t	133	1.6
Nickel	18690	t	321	1.8
Aluminium	2067	t	11	0.5
Lead	2092	t	12	0.6
Zinc	2725	t	28	1.0
Tin	23325	t	165	0.7

Commodities Commentary

Oil – no new \$US rally and ongoing demand versus supply optimism again supported price gains overnight.

Overnight, US government agency the EIA published a weekly petroleum inventories report, which included a 6.64MMbbl fall in stored crude, 4.26MMbbl rise in petrol stocks and a 216,000bbl/d rise in net crude imports.

Refinery utilisation rates had risen 0.7% to 83% and refinery crude runs by a 152,000bbl/d.

Post-US settlement Tuesday, a US petroleum industry group released a report which included an estimated 3.5MMbbl draw on crude stocks last week.

Meanwhile, the UN's International Atomic Energy Agency (IAEA) revealed Iran had manufactured, as planned, uranium metal, for the purpose of enriching this to weapons grade material. The IAEA reported Iran had produced 3.6g of 20% uranium metal. 90% is considered weapons grade.

Tonight, OPEC is scheduled to publish its monthly oil report.

Gold – overnight trade appeared mostly supported by a relatively weaker \$US and longer-term projections.

VYS lodged the confirmation post-trade yesterday.

A trading halt was called earlier yesterday. ASX had queried VYS trade, VYS having traded as high as 15.5c (yesterday), after remaining within 10c – 12c the past 3.5 weeks.

~4.43M shares changed hands yesterday, across 87 transactions.

Singular Health Group (* SHG)

Medical imaging and visualisation software and technology specialist scheduled to list on the ASX 11am AEDT **tomorrow**, following a \$6M IPO at 20c per share.

46.785M quoted shares.

Resources

Auric Mining (* AWJ)

Gold exploration company scheduled to list on the ASX 1pm AEDT **tomorrow**, following a \$7.256M IPO at 25c per share.

40.49M quoted shares; 14.51M quoted options.

Mincor Resources (ASX: MCR) holds 4.09% of AWJ shares and 4.18% of AWJ options.

Inca Minerals (ICG)

The exploration permit application submitted to Peru's ministry of energy and mines (MINEM) in association with the Riqueza drilling permit has been determined to be under a 30-business day assessment period, rather than the usual five-day period.

ICG is seeking to shorten the assessment period, as the 30-day time has been attributed to a MINEM oversight.

The co-requisite water permit application is being assessed as per usual.

Mineral Commodities (MRC)

MRC has suspended its proposed listing on the Oslo Stock Exchange. Details lodged post-trade yesterday.

Trading Halts

Company	Code	Resuming
Atrum Coal	ATU	11 Feb
Bannerman Resources	BMN	11 Feb
88 Energy	88E	12 Feb
Challenger Exploration	CEL	12 Feb
EcoGraf Ltd	EGR	12 Feb
Pilot Energy	PGY	12 Feb
Tyranna Resources	TYX	12 Feb
Sunshine Gold	SHN	12 Feb

Suspensions *(select)*

Company	Code	Since
Archtis Ltd	AR9	27 Jan
Impelus Ltd	IMS	27 Jan
MSM Corporation International	MSM	9 Feb



A US January CPI reading, released overnight, confirmed ongoing growth, this fuelling anticipation of further inflation increases.

Post-gold settlement, the US Federal reserve chair assured the central bank was aware of inflation concerns in light of 'accommodative' monetary policy and the need for additional fiscal stimulus.

Base metals – overnight LME trade was again supported by comparatively low warehouse stocks, increased demand due to US fiscal support and Covid-19 containment vaccination programs, but also by new data out of China.

China's January producer prices, reported yesterday, rose 0.3% year-on-year, following a 0.4% December decline. January CPI represented 0.3% year-on-year deflation, but for the month, 1.0% inflation.

China's January foreign direct investment (FDI) was also reported higher-than-anticipated.

LME trading volumes are expected to be lighter than usual from tonight through most of next week, due to a string of holidays, mostly in association with lunar new year.

China's markets are now closed, from today (NYE) through 17 February, due to the Lunar New Year/Spring festival holiday season.

Markets in Japan and South Korea are also closed today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7722	0.0001	0.01
EUR – USD	1.2119	0.0001	0.01

Australian Data Today

MelbInstit	Inflation expectations	Feb
RBA	Business lending	Jan
RBA	Australian government securities holdings	Jan

US Data Tonight

Initial jobless claims	6 Feb
------------------------	-------

Other Overseas Data Today & Tonight

Germany	Wholesale prices	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

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information

Myanmar Metals	MYL	3 Feb
Pacific Nickel Mines	PNM	3 Feb
Pathfinder Resources	PF1	4 Feb
Red Emperor Resources	RMP	22 Jan
Skin Elements	SKN	28 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FSA	Today	3	100	5.19
MLD	Today	2	100	8.20
PL8	Today	0.4	100	4.24
VG1	Today	1.5	100	1.13
DDR	Tomorrow	10.5	100	2.96
SCG	Tomorrow	7	0	4.05
QVE	Mon	1.1	100	5.98
SUN	Mon	26	100	3.41
CPU	Tue	23	100	3.16
JHG	Tue	47.22	0	5.14
KOV	18 Feb	15	100	5.66
ARG	19 Feb	14	100	3.36
AMC	23 Feb	15.21	0	4.61
CGF	23 Feb	9.5	100	2.72

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	AGL	Interim (w/cast tele 10.45am)
	AMP	Full year
	ASX	Interim (w/cast 10.30am)
	BTI	Interim
	DOW	Interim
	GNC	AGM (10am)
	GUD	Interim
	KPG	Interim (tele 10am)
	MGF	Interim
	MFG	Interim (webinar & tele 11.30am)
	NCM	Interim
	TLS	Interim
	TCL	Interim
	Tomorrow	AVH
BBN		Interim (tele 9.15am)
CMW		AGM (3pm)
GMA		Full year
MGR		Interim (tele 10.30am)



mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.