

Market Opener

Tuesday, 12 January 2021

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this document

Markets

SFE 200 Futures (9.30am AEDT)	6637	-1	-0.0
NZX 50	13190	-100	-0.8
DJIA Futures	30902	-91	-0.3
S&P 500 Futures	3792	-26	-0.7
NASDAQ Futures	12897	-200	-1.5

Local Markets Commentary

The Australian market commences today's trade following overnight falls across major international equities markets, together with price declines for most key commodities and the \$A.

Locally today, December card transactions are expected from the Reserve Bank of Australia (RBA) 11.30am AEDT.

In addition, a weekly **consumer sentiment** reading is due pre-trade.

Regionally today, **Japan** is due to report December **bank lending** 10.50am AEDT.

In overnight commodities trade, Brent **crude** swung lower. WTI settled essentially flat.

US **gold** futures turned decisively higher.

Qingdao **iron ore** (CFR 62% fines) was reported at \$US172.13, US\$93c/t lower for the day.

LME **copper** and **nickel** dropped. **Aluminium** also extended Friday's fall.

The **\$A** rose to ~US\$77.10c after trading at ~US\$77.00c early yesterday evening.

This morning, the \$A has fallen below US\$77.00c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31009	-89	-0.3
S&P 500	3800	-25	-0.7
NASDAQ	13036	-166	-1.3
FTSE 100	6798	-75	-1.1
DAX 30	13937	-113	-0.8
Shanghai Comp	3531	-39	-1.1

Overseas Markets Commentary

Major European, UK and US equities markets opened lower overnight, choppy trade ensuing, indicating new-week investor disquiet.

The \$US strengthened as US 10-year treasury yields continued to climb.

Tech stocks fell out of favour.

Covid-19 international spread and mutations appeared to concern, this underscored by a second weekly record death tally reported for the US, and continued reports of rising cases in

* SaaS marketplace operator listing - **11am AEDT – FLX** *

Today's Stock Watch

ARB Corporation (ARB)

Anticipating \$70M - \$72M 1H FY21 pre-tax profit, bolstered by \$9.8M worth of government benefits.

1H FY 21 sales revenue tallied (an unaudited) \$284M, 21.6% greater than for 1H FY20.

Planning to lodge interim results 16 February.

PolyNovo Ltd (PNV)

Heralding 1H FY21 sales growth.

Breakdown statistics lodged this morning.

Sezzle Inc (SZL)

Reporting positive December quarter growth in sales, consumer, merchant and repeat usage tallies.

Statistics lodged this morning, ahead of a quarterly report anticipated 29 January.

Pushpay Holdings (PPH)

Lifting FY 21 (to 31 March) EBITDAF guidance to \$US56M - \$US60M, from the 4 November 2020 \$US54M - \$US58M forecast.

In addition, PPH has appointed PPH chief customer officer Molly Matthews as CEO, effective 1 March. Ms Matthews will take over from interim CEO, and PPH chair, Bruce Gordon.

Acrux Ltd (ACR)

US FDA approval in hand for ACR's generic testosterone topical product, equivalent to one already available in the US.

Sales, marketing and distribution partner Dash Pharmaceuticals will share sales profits.

ECS Botanics Holdings (ECS)

Proposing to acquire cannabis cultivator Murray Meds for an initial \$A1M and 100M ECS shares at 5c each, plus a potential \$A1.5M. Murray Meds holds a TGA manufacturing licence for dried flower, oils and tinctures.

Felix Group Holdings (* FLX)

Commercial construction-focused SaaS marketplace operator scheduled to list on the ASX **11am AEDT** following a \$12M IPO at 36c per share. ~102.12M quoted shares.

Resources

Rio Tinto (RIO)

Mongolia's authorities reportedly yesterday threatened to disrupt the Oyu Tolgoi copper-gold mine plans.

Mineral Resources (MIN) / Brockman Resources (BRK)

Marillana project update lodged by BRK post-trade yesterday.

Germany and China.

Further, Japan reported a new strain identified during international traveller testing.

In the UK, the chancellor warned the national economy would worsen before improving, conceding 800,000 people had become unemployed since February 2020, despite government support programs, and foreshadowing the near-term as 'tough'.

In addition yesterday, China followed up retaliatory threats in relation to international restrictions on businesses and individuals from China with criticism of the US move to open up relations with Taiwan, hence indicating US-China trade relations could remain fraught for some time.

Among scant overnight **data** releases, a **euro zone** Sentix investor confidence index jumped to 1.3 from -2.7, the first positive estimate since February 2020.

The reading was based on a survey of 1168 investors during 7 – 9 January.

The current situation index, however, remained negative, coming in at -26.5, albeit an improvement on December's -30.3.

A **US** consumer inflation expectations reading rose to 3.0% from 2.96%.

Tonight in the **US**, economic and small business optimism indices are due, together with a November job openings report.

In addition, a 10-year note auction is scheduled to commence at equities market close.

In overnight corporate news, US retailer **Walmart** announced plans for a fintech company to be established in partnership with investment firm Ribbit Capital.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1850.8	oz	15.4	0.8
Silver (NY) (Mar)	25.284	oz	0.647	2.6
Gold (LON) (8 Jan)	1863	oz		
Platinum	1027	oz	-31	-2.9
WTI Crude (NYMEX Feb)	52.25	bbl	0.01	0.0
Brent Crude (ICE EUR Mar)	55.66	bbl	-0.33	-0.6
Iron Ore (NYMEX,CHN,62%) (8 Jan)	169.52	t		
Copper (LME Ind)	7864	t	-266	-3.3
Nickel	17205	t	-467	-2.6
Aluminium	2010	t	-14	-0.7
Lead	1975	t	-28	-1.4
Zinc	2766	t	-50	-1.8
Tin	20730	t	-265	-1.3

Commodities Commentary

Oil – further reports of Covid-19 spread, including out of China over several days, a reported new strain identified by international traveller testing in Japan, and sobering figures out of the US, exacerbated demand fears overnight.

A stronger \$US also pushed prices lower, Brent crude trading as low as \$US54.99 intra-session.

Among the forecasters, Goldman Sachs predicted Brent at \$US65/bbl during the northern hemisphere summer.

Pre-Open Announcements

MACA Ltd (MLD)

MLD's \$1.02-per-share retail entitlement offer raised an initial \$A12.5M.

The shortfall allocation to underwriters raised the tally to ~\$15.5M.

MLD traded at \$1.195 - \$1.49 last week, settling at \$1.49 as the retail offer closed. Yesterday, MLD traded at \$1.4325 - \$1.515, settling at \$1.44.

IOUpay Ltd (IOU)

IOU has appointed Byung Moo Shin as a non-executive director.

Andrew Bristow's IOU board membership was not renewed by shareholders at yesterday's AGM.

Cadence Capital (CDM)

December 2020 top 20 holdings lodged post-trade yesterday.

Resources

Helix Resources (* HLX)

Resuming trade with a response to an ASX price and volume query, and initial results from reconnaissance drilling across further Cobar gold project targets.

HLX added 27.27% early Friday with 58.6M shares changing hands across 270 trades. Trading was paused within 40 minutes of opening and a halt subsequently advised.

New Cobar gold project drilling results were received early Friday, and were to be reviewed by the board yesterday. HLX lodged exploration reports November through 23 December.

HLX traded at 1.0c – 1.15c last week before trading as high as 1.5c early Friday, and at 1.4c when trade was halted.

Alderman Resources (AL8)

Utah, US Black Rock copper-gold target first-pass drilling underway.

The 1000m program is expected to be completed by 18 January (Monday next week).

Beacon Minerals (BCN)

Proposed director options issues and remuneration changes lodged post-trade yesterday.

Citigold Corporation (CTO)

December quarter activity report lodged post-trade yesterday.

Arafura Resources (ARU)

Pleading ignorance in response to an ASX price and volume query, but suggesting shareholder interest is due to progress with the Northern Territory Nolans NdPr project.

ARU appreciated 15.28% Thursday last week and 20% Friday, trading as high as 19.5c Friday and settling for the week at 18c.

ARU closed out 2020 at 13c.



Gold – a 0.4% rise in the ICE \$US index proved insufficient to prevent some overnight gold trade bargain-hunting, helping push Comex futures higher.

In addition, equities sentiment waned and bitcoin dropped.

Key data to come this week, US political developments, Covid-19 containment views and US Federal Reserve commentary are expected to keep gold sentiment fluid this week.

Base metals – reports out of China over several days of Covid-19 spread, and a third new strain reported by Japan, appeared to combine with a strengthening \$US and a flare in US-China relations, to prompt significant overnight selling.

China's December producer prices reported yesterday, fell 0.4% year-on-year, following a 1.5% November drop and expectations of a new 1.0% decline.

December CPI, also reported yesterday, rose 0.7% for the month, following 0.6% November deflation and forecasts of 0.5% December inflation.

Year-on-year China's December CPI represented 0.2% inflation, against expectations of a flat result.

China's December trade figures are keenly anticipated Thursday.

China's lunar new year, scheduled for 11 – 17 February, also remains in focus.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7697	0.0000	0.00
EUR – USD	1.2153	0.0001	0.01

Australian Data Today

ANZ/Roy Morgan	Consumer sentiment	10 Jan
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US Data Tonight

NFIB small business optimism	Dec
IBD/TIPP economic optimism	Jan
JOLTS job openings	Nov

Other Overseas Data Today & Tonight

Japan	Bank lending	Dec
Japan	Eco watchers survey (4pm AEDT)	Dec

Need More Information?

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Trading Halts

Company	Code	Resuming
Celsius Resources	CLA	12 Jan
Maximus Resources	MXR	13 Jan
PINCHme.com Inc	PIN	13 Jan
Vulcan Energy Resources	VUL	13 Jan

Suspensions (select)

Company	Code	Since
BuildingIQ Inc	BIQ	23 Dec
Douugh Ltd	DOU	23 Dec
Eclipse Metals	EPM	8 Jan

Ex-Dividends

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

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Fri	SHO	AGM
20 Jan	AFI	Interim
	API	AGM
21 Jan	CGS	Business update; Dec Q cash flow
28 Jan	RMD	Dec Q (w/cast 8.30am 29 Jan) (NB: o'night AEDT)
29 Jan	BUD	AGM
	FNP	AGM



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