

Markets

SFE 200 Futures (9.30am AEDT)	6817	-52	-0.8
NZX 50	11565	4	0.0
DJIA Futures	28777	0	0.0
S&P 500 Futures	3265	0	0.0
NASDAQ Futures	8978	0	0.0

Local Markets Commentary

The Australian market opens a new week's trade with: uncertain expectations regarding a China-US trade pact signing and new EU responses to the planned UK-EU separation; plus civil unrest in Iran; ahead of a week of key international economic data; and the commencement of a new earnings reporting season in the US.

In addition, international-Iran relations remain strained, following the arrest and brief detention in Tehran of the UK to ambassador to Iran over the weekend.

Locally today, the Melbourne Institute's monthly inflation gauge report is due 11am AEDT.

Regionally today, **China's** December foreign direct investment (FDI) and vehicle sales are anticipated anytime from this evening.

In overnight commodities trade, **oil** continued to fall.

US **gold** futures (February) swung higher.

Iron ore (Nymex CFR China, 62% Fe) traded US1c lower, remaining above \$US93.55/t. Spot prices (62% Fe, fines) intra-session Friday traded as low as \$US92.59/t.

LME (3mth evening) **copper, nickel** and **aluminium** gained.

The **\$A** has appreciated to ~US69.00c again, after trading at ~US68.80c early Friday evening.

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

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28824	-133	-0.5
S&P 500	3265	-9	-0.3
NASDAQ	9179	-25	-0.3
FTSE 100	7588	-10	-0.1
DAX 30	13483	-12	-0.1
Shanghai Comp	3092	-3	-0.1

Overseas Markets Commentary

Marked vacillating trade featured across most major European and US equities markets overnight Friday, ahead of a possible China-US trade pact signing this week.

China's vice premier Liu He and other key China-US trade negotiators are due in Washington from tonight through at least Wednesday, with a view to signing an initial agreement.

Today's Stock Watch

Integrated Research (IRI)

Expecting \$11.5M - \$12.0M interim PAT, against \$11.7M for 1H FY 2019.

Anticipating revenue to grow 4% - 6%, to \$52.5M - \$53.5M.

Expecting to lodge half-year results 20 February.

Eve Investments (EVE)

First order for Meluka Australia honey received for China, with an initial shipment anticipated late-January.

Planning the near-term launch of Meluka tea tree oil products, and a March launch in the US and Japan for a honey and lemon pro-biotic beverage.

Compumedics Ltd (CMP)

Expecting \$17.7M 1H FY 2020 revenue, following \$18.7M for 1H FY 2019, due mostly to delays to several US orders.

CMP does not expect any adverse material impact on full year results. Planning to lodge interim results 25 February.

Praemium Ltd (PPS)

FUA grew to \$20.3B during the December quarter, from \$20.0B at the end of the September quarter.

Additional quarterly statistics lodged this morning.

Wisr Ltd (WZR)

\$31.6M worth of new loans originated during the December quarter, pushing the 2019 total to \$163.8M.

Family Zone (FZO)

Record December quarter client, student licence and total contract value growth. Details lodged pre-trade.

engage:BDR Ltd (EN1)

December quarter revenue grew 43% for the three months and came in 202% higher than for the December quarter 2018.

Atlas Arteria (ALX)

Issuing €500M worth of bonds that will mature 20 January 2023.

Resources

Resolute Mining (RSG)

Produced 384,731oz of gold during 2019 at a \$US1090/oz AISC.

Sold 394,920oz for \$US1344/oz.

\$US127M cash, bullion and listed investments.

Anticipating 500,000oz output for 2020, at a \$US980/oz AISC.

St Barbara (SBM) / Australian Potash (APC)

SBM has completed its \$1.75M initial earn-in exploration spend for APC's WA Lake Wells gold project, and will also reimburse APC \$318,000 for previous gold exploration expenditure.

SBM plans to spend a further \$3.5M on Lake Wells exploration, to earn 70% of the project.



The US president indicated on Friday, however, that the signing could happen a little later than 15 January, the day he initially nominated.

In addition overnight Friday, the US administration announced new sanctions against Iran.

Also overnight Friday, the US reported 145,000 jobs were created in December, undershooting expectations by ~20,000 positions, and contrasting with the 256,000 new jobs reported for November. Average earnings grew by just 0.1% for the month, following a 0.3% November increase, and were 2.9% higher year-on-year.

The unemployment rate remained at 3.5%.

US November wholesale inventories were also released, estimated 0.1% lower for the month, following a 0.1% October rise.

Tonight in the **US**, the December budget statement is due, together with a consumer inflation expectations report.

Shaw Communications is expected to report earnings.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1561.1	oz	5.8	0.4
Silver (NY) (Mar)	18.105	oz	0.169	0.9
Gold (LON)	1551	oz		
Platinum	976	oz	11	1.1
WTI Crude (Feb)	59.56	bbl	-0.52	-0.9
Brent Crude (Mar)	64.98	bbl	-0.39	-0.6
Iron Ore (NYMEX,CHN,62%)	93.56	t	-0.01	-0.0
Copper (3mth,evening)	6205	t	41	0.7
Nickel	14230	t	120	0.9
Aluminium	1811	t	11	0.6
Lead	1926	t	-3	-0.2
Zinc	2370	t	3	0.1
Tin	17225	t	20	0.1

Commodities Commentary

Oil – WTI crude notably ended 6.4%, and Brent 5.3%, lower for the week on Friday, following the previous Friday's jump on the US drone attack on a key Iranian military leader in Iraq.

A weekly US petroleum drill rig count, published overnight Friday, indicated a significant slowing in activity, with 11 fewer oil rigs operational.

OPEC's monthly oil market report is keenly anticipated overnight Wednesday.

Gold – US December employment statistics, reported overnight Friday, had underwhelmed, detracting from equities trade and supporting gold interest

Key international economic indicators are due throughout this week, putting global growth views in focus, and hence, potentially adding volatility to select currency and gold sentiment.

Base metals – Anticipation of the signing of an initial US-China trade pact anytime from Wednesday this week was cited as one influence on overnight Friday trade. China's trade delegation, led by VP Liu He, is due in Washington for at least a three-day visit from later tonight.

Pre-Open Announcements

Freedom Foods Group (* FNP)

In response to external reports, FNP is keen to point out there had been no disruption to the supply of Blue Diamond almond paste and that payments have been made for all past shipments. FNP has traded higher the past two sessions, following a five-session decline, settling at \$4.95 Friday.

Tesserent Ltd (* TNT)

TNT has appointed TNT top-shareholder, Belgravia Group founder and CEO, and UXC Ltd founder and former chairman, Geoff Lord as non-executive chairman.

Mr Lord had been advising the TNT board through 2019.

Clime Capital (CAM)

Intending to commence a new 12-month on-market share buy-back 28 January, a day after the current one expires.

Resources

Image Resources (IMA)

Produced 68,600t of mineral sands during the December quarter, pushing the 2019 total to 270,000t.

This against guidance of 260,000t – 280,000t.

Sold 62,500t during the December quarter and 237,500t for the year, following 230,000t – 250,000t guidance.

Further, raising 2020 production guidance from 280,000t – 300,000t to 300,000t – 330,000t.

Full quarterly report and additional guidance information to come by month's end.

Chalice Gold Mines (* CHN)

Heralding drilling results from the Victoria Pyramid Hill gold project Karri target.

Assays and further plans lodged this morning.

Trading Halts

Company	Code	Resuming
Anglo Australian Resources	AAR	13 Jan
AuStar Gold	AUL	13 Jan
Challenger Exploration	CEL	13 Jan
Consolidated Zinc	CZL	13 Jan
Quantify Technology Holdings	QFY	13 Jan
Coziron Resources	CZR	14 Jan
New World Resources	NWC	14 Jan
Prospect Resources	PSC	14 Jan

Suspensions (select)

Company	Code	Since
Kangaroo Island Plantation Timbers	KPT	7 Jan



China's December trade statistics are anticipated tomorrow and will likely influence some LME sentiment through the end of the week.

Meanwhile, China port *iron ore* stockpiles continued to fall ahead of the late-January lunar new year.

Indonesia revealed it exported 6447t of refined *tin* during December, 23% more than a year earlier.

Norsk Hydro announced it was targeting a 100% increase in sales of low-carbon aluminium manufactured from recycled materials this year, and expected sales to keep growing.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6900	0.0002	0.02
EUR – USD	1.1119	0.0003	0.03

Australian Data Today

TD-Melb Institute	Inflation gauge	Dec
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US Data Tonight

Consumer inflation expectations	Dec
Budget statement	Dec

Other Overseas Data Today & Tonight

<i>China</i>	<i>FDI</i>	Dec
<i>China</i>	<i>Vehicle sales</i>	Dec
UK	Trade balance	Nov
UK	Industrial production	Nov
UK	GDP	Nov
UK	NIESR GDP tracker	Dec

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Kula Gold	KGD	2 Jan
Paringa Resources	PNL	27 Dec

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