

Markets

SFE 200 Futures (9.30am AEDT)	7347	-3	-0.0
NZX 50	12827	22	0.2
DJIA Futures	36160	32	0.1
S&P 500 Futures	4716	11	0.2
NASDAQ Futures	15887	56	0.4

Local Markets Commentary

The Australian market commences today's trade with a significant overnight \$A appreciation, new economic data in hand from China and South Korea since yesterday's ASX close, and a domestic business lending report due late morning.

Overnight US equities trade produced slight to modest gains across key indices.

Locally today, the Reserve Bank of Australia (RBA) publishes two reports at 11.30am AEDT, one outlining **business lending** and the other holdings of Australian Government securities and semis.

Regionally today, **South Korea** has reported **December import and export prices** pre-trade, these rising 29.7% and 23.5% year-on-year respectively.

October import and export prices had been estimated 35.0% and 25.5% higher respectively than for October 2020.

Post-ASX trade yesterday, **China** reported 1130B yuan worth of **new lending** for December, following 1270B during November. Forecasters had anticipated 1250B worth of new lending for December.

New lending for January – December was reported at a record 19.95 trillion (19950B) yuan.

In addition, China released a 1.6% year-on-year decline in December **vehicle sales**. This followed expectations for an 8.9% fall after November's 9.1% drop.

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

US **gold** futures also recorded another rise.

Iron ore (Nymex CFR China, 62% Fe) also extended its latest run higher.

LME (3mth evening) **copper** reportedly traded ~3.5% higher towards close, at ~\$10,059/t. **Nickel** was reported to have reached 10-year peaks intra-session, at ~\$US22,745/t before being quoted at \$US22,085/t at 1700h GMT, 1.3% higher than the previous session's close. **Aluminium** reportedly posted a slight gain. *Last night's LME final price updates were unavailable from IRESS at time of publication.*

The \$A was propelled beyond US72.80c after falling to ~US72.00c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	36290	38	0.1

Today's Stock Watch
Crown Resorts (CWN)

Blackstone has lifted its indicative takeover proposal for CWN from \$A12.50 cash-per-share to \$13.10.

CWN has traded at \$11.53 - \$11.84 over the past five sessions.

Paradigm Biopharmaceuticals (PAR)

Osteoarthritis-focused conference presentation lodged post-trade yesterday, ahead of a presentation scheduled for 7.30am AEDT (today).

Webcast access link lodged.

Immuron Ltd (IMC)

European patent secured for compositions and methods for treating travellers' diarrhoea.

Details lodged pre-trade.

Rent.com.au Ltd (RNT)

Resuming from a trading halt having raised \$2.5M in a 6c-per-share placement.

RNT had initially targeted \$2M.

RNT traded at 5.9c – 6.3c the five sessions immediately prior to calling a halt.

Resources
Cohiba Minerals (CHK)

South Australia Horse Well prospect diamond drilling has returned further high-grade copper intersections.

Also encouraged by an initial drill core technical review.

Global Lithium Resources (GL1)

MD Jamie Wright is stepping down from his GL1 roles in favour of returning to South Australia, his home State.

In addition, GL1 has appointed former Tianqi Lithium Corporation and Talison Lithium commercial, strategy and business development specialist Ronald Mitchell as executive director markets and growth.

Mr Mitchell is also the inaugural chair of the London Metals Exchange (LME) lithium committee.

Further, GL1 has appointed former Fortescue Metals Group (ASX: FMG) COO and operations director and previous Rio Tinto (ASX: RIO) WA Pilbara iron ore operations president Greg Lilleyman as a non-executive director.

Energy
Energy Resources of Australia (ERA)

Sold 1.37Mlb of uranium oxide on contract and 1.50Mlb on the spot market during 2021.

Northern Territory Ranger project processing operations ceased 8 January.

Rehabilitation continues as does estimating costs.



S&P 500	4726	13	0.3
NASDAQ	15188	35	0.2
FTSE 100	7552	60	0.8
DAX 30	16010	69	0.4
Shanghai Comp	3597	30	0.8

Overseas Markets Commentary

Marked choppy trade featured across most major European, UK and US equities markets overnight.

Investor considerations included key data releases, economic growth commentary and geopolitical developments.

Among overnight geopolitical developments, **Russia met with NATO (North Atlantic Treaty Organisation) officials in Brussels to discuss Russia's military presence at the Ukraine border, NATO subsequently warning of a 'real risk for a new armed conflict in Europe'.**

Russia's deputy foreign minister Alexander Grushko reiterated military action was possible should Russia's preferred political measures prove insufficient to neutralise threats against Russia.

A 'further sliding of the situation could lead to the most unpredictable and most severe consequences for European security,' Mr Grushko stated.

Russia is scheduled to meet with the Organisation for Security and Cooperation in Europe (OSCE) in Vienna tonight.

For its part, the International Energy Agency (IEA) accused Russia of manipulating a gas supply shortage to Europe.

In the UK, the PM faced concerted calls for his resignation.

Meanwhile, the \$US traded at two-month lows and 10-year bond yields were again pushed lower.

The **US Federal Reserve's** district-by-district economic roundup 'beige book' report concluded modest overall progress during late 2021.

Yesterday afternoon (AEDT), **Bank of Japan** governor Haruhiko Kuroda ventured Japan's economy, while remaining 'in a severe state', was trending higher.

The central bank also released a quarterly report summarising economic progress across nine regions with Japan. For the first time since October 2013, the bank lifted the overall economic assessment for each region.

In overnight **data** releases, **Germany's** December wholesale prices were reported 16.1% higher than for December 2020.

For the month, prices rose 0.2% after increasing 1.3% during November. Forecasters had anticipated a 0.8% December appreciation.

In the meantime, the BGA trade association in Germany warned of significant supply chain disruption due to the Omicron variant spread, but offered long-term 'collapse' looked unlikely.

Euro zone November industrial production improved 2.3% for the month, following expectations for a 0.5% increase after falling 1.3% during October.

In the **US**, the initial December **CPI** reading represented 0.5% inflation growth for the month, in line with expectations.

The 7.0% annualised rate followed forecasts for 7.1% inflation and represented the fastest growth pace in 40 years.

Pre-Open Announcements

National Australia Bank (NAB)

\$US1.25B notes issued. 3.347% fixed rate. Due 2037.

BWX Ltd (BWX)

BWX COO Rory Gration has been appointed CEO and MD, effective 1 March.

Mr Gration is taking over from Dave Fenlon who will remain with BWX as a non-executive director.

Jayride Group (JAY)

Airport transfer marketplace operator JAY recorded \$396,000 net revenue for the December quarter, down 19% for the three months, but 255% higher than for the December quarter 2020.

Trip bookings fell 21% for the three months but were 238% higher than for a year earlier.

National Growth Solutions (NGS)

Pleading ignorance in response to an ASX price query.

NGS traded at 17.5c – 22c yesterday, settling 6.98% lower for the session, at 20c after trading 10.26% higher Tuesday.

~8.579M shares were traded yesterday, across 333 transactions.

Resources

Predictive Discovery (PDI)

Heralding Guinea Bankan gold project diamond drilling results. Assays lodged this morning, including 33m @ 4.5g/t Au.

Vertex Minerals (* VTX) / Peak Minerals (PUA)

PUA gold exploration spinoff VTX is scheduled to list on the ASX 10.30am AEDT **Monday** following a \$5.5M IPO at 20c per share.

44.1M quoted shares.

Energy

Brookside Energy (BRK)

Anadarko Basin Rangers Well update, including continuing 'extensive oil and gas shows', lodged this morning.

Trading Halts

Company	Code	Resuming
Elsight Ltd	ELS	13 Jan
OZZ Resources	OZZ	13 Jan

Suspensions (selected)

Company	Code	Since
Emerald Resources	EMR	12 Jan
IRIS Metals	IR1	10 Jan
Zenith Minerals	ZNC	11 Jan



The December budget statement included a \$US21B deficit, against expectations for a \$US95B shortfall following on from November's \$US191B deficit.

Weekly mortgage applications rose 1.45 after dropping 5.6% the previous week.

The mean average 30-year mortgage rate was calculated at 3.52% from 3.33%.

A 10-year US note auction delivered a 1.723% yield from 1.518% previously.

Earlier in Germany, a 30-year bond auction produced a notable 0.28% yield from 0.08%.

Tonight in the **US**, weekly new unemployment claims are due, together with December producer prices.

In addition, US Federal Reserve vice chair nominee Lael Brainard meets with a parliamentary committee as part of her confirmation hearing.

The US is also scheduled to conduct a 30-year bond auction tonight.

Companies listed to report earnings or provide trading updates later today or tonight include Delta Airlines and Taiwan Semiconductor.

In overnight corporate news, **Philips** suffered a 15% share-price (€4.5B market cap plunge) drop on an earnings warning, coupled with a 45% boost to the provision for a sleep apnoea machine recall, to €725M.

Infosys raised FY22 revenue guidance and **Wipro** reported flat quarterly profit.

US markets will be closed Monday 17 January due to a public holiday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1827.3	oz	8.8	0.5
Silver (NY) (Mar)	23.21	oz	0.4	2.0
Gold (LON)	1807	oz		
Platinum	978	oz	7	0.7
WTI Crude (NYMEX Feb)	82.64	bbbl	1.42	1.7
Brent Crude (ICE EUR Mar)	84.67	bbbl	0.95	1.1
Iron Ore (NYMEX CHN port;62%Fe)	128.66	t	1.91	1.5
Copper (LME 3mth Evening) ^(11 Jan)	9719	t		
Nickel	21784	t		
Aluminium	2968	t		
Lead	2300	t		
Zinc	3554	t		
Tin	40448	t		

Commodities Commentary

Oil – prices traded at two-month peaks overnight as the \$US traded at two-month lows.

A US weekly petroleum inventories report published by government agency the EIA overnight included a seventh consecutive weekly fall for crude stocks, this time by 4.553MMbbl to 413.3MMbbl, the least since October 2018.

Petrol stocks rose by 7.916MMbbl, however.



Overnight Tuesday, post-US trade, the American Petroleum Institute revealed an estimated 1.077MMbbl draw on crude stocks last week.

Gold – overnight prices benefited again from falling 10-year US bond yields and a further \$US decline.

US inflation, largely in line with expectations, appeared to exert little influence on trade.

Base metals – a yet weaker \$US and expectations of further stimulus from the People’s Bank of China supported overnight LME trade.

Meanwhile, the *nickel* cash premium over three-month contracts reached \$US192/t.

China’s December producer prices and CPI, reported yesterday, included a 10.3% year-on-year rise for producer prices and a 1.5% annualised inflation rate.

For December, China’s CPI reading represented 0.3% deflation, following 0.4% inflation for November and forecasts for a 0.3% increase during December.

China’s December trade figures are anticipated tomorrow, perhaps producing tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7283	0.0065	0.90
EUR – USD	1.1441	0.0068	0.60

Australian Data Today

RBA	Business lending	Nov
RBA	Holdings of Austn Government securities & semis	Jan

US Data Tonight

Initial jobless claims	8 Jan
PPI	Dec

Other Overseas Data Today & Tonight

South Korea	Import & export prices	Dec
Japan	Machine tool orders (5pm AEDT)	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

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 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.