

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	6622	7	0.1
<b>NZX 50</b>	13170	50	0.4
<b>DJIA Futures</b>	30959	-15	-0.1
<b>S&amp;P 500 Futures</b>	3804	9	0.2
<b>NASDAQ Futures</b>	12972	82	0.6

**Local Markets Commentary**

The Australian market commences today's trade with mixed overnight international equities and commodities trade leads and new data in hand from China, ahead of key domestic data late-morning, material data out of China this afternoon, and influential reports for the euro zone tonight.

US civil and political tensions are considered heightened, as post-overnight US trade, the US House of Representatives has voted to impeach the president. Any follow through however, would be dependent on the outcome of a US Senate trial.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes a final November building permits report 11.30am AEDT. Initial details were released in December.

In addition, **ABP** trades ex-dividend.

**Regionally** today, **China** is scheduled to report December trade statistics 2pm AEDT.

Overnight, China's December vehicle sales were reported 6.4% higher year-on-year, following a 12.6% November gain and forecasts of a new 12% rise.

In overnight commodities trade, **oil** swung lower.

US **gold** futures seesawed higher.

Qingdao **iron ore** (CFR 62% fines) was reported at \$US170.11/t, down \$US2.56/t for the day.

LME **copper** and **nickel** continued higher, but slightly so. **Aluminium** turned lower.

The **\$A** has been trading at ~US77.35c after falling beneath US77.55c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	31060	-8	-0.0
<b>S&amp;P 500</b>	3810	9	0.2
<b>NASDAQ</b>	13129	57	0.4
<b>FTSE 100</b>	6746	-9	-0.1
<b>DAX 30</b>	13940	15	0.1
<b>Shanghai Comp</b>	3599	-10	-0.3

**Overseas Markets Commentary**

Marked choppy trade featured across a majority of major European, UK and US equities markets overnight.

**Today's Stock Watch**
**Laybuy Group Holdings (LBY)**

December quarter gross merchandise value tallied a record \$NZ182M, representing a 184% year-on-year increase and 44% quarterly growth. In addition, active customer and merchant tallies grew by record amounts during the quarter.

Comprehensive statistics lodged pre-trade.

Planning to lodge a full December quarter report 28 January.

**Pro Medicus (PME)**

\$A40M, seven-year imaging products supply contract secured with Healthcare Intermountain, which provides medical services in the US states of Idaho, Nevada and Utah.

**Orthocell Ltd (OCC)**

US FDA 510(k) clearance in hand to market and supply in the US the CelGro device designed for dental bone and tissue regeneration procedures.

**Resources**
**Lithium Australia (LIT) / Galan Lithium (GLN)**

Acquisition and JV agreement negotiated for GLN to purchase an 80% holding in LIT's Greenbushes South lithium project, WA, pending regulatory approvals.

Consideration comprises 1.221M GLN shares, with GLN to pay JV expenditure share through to the completion of preliminary feasibility. Pro-rata contributions are anticipated thereafter, with LIT to retain a 2% net smelter royalty.

Completion is expected within five business days.

GLN has traded at 35.5c – 44.5c over the past five trading sessions.

**Lucapa Diamond Company (LOM)**

Lesotho Mothae JV project operations have been temporarily suspended due to a Covid-19 – related 14-day national lockdown scheduled to commence midnight Wednesday Lesotho time. LOM has traded lower the past three sessions, settling at 6.7c yesterday.

**Energy**
**Ampol Ltd (ALD)**

December quarter unaudited Lytton RCOP EBIT represented a \$4M loss, delivering a full year \$145M RCOP EBIT loss.

The December quarter refiner margin came in at \$US5.13/bbl. Refinery production reach 1369ML, pushing 2020 production to 3496ML. \$434M net debt, excluding lease liabilities, at 31 December. Planning to release full year results 22 February.

**Whitehaven Coal (WHC)**

December quarter ROM production rose 64% year-on-year, to 5.138Mt. Managed saleable coal output grew 15%, to 3.949Mt. Total managed coal sales increased 2%, to 4.386Mt.



Apart from a continued watch on Covid-19 and US political developments, US Federal Reserve commentary was in focus.

Two US Federal Reserve regional presidents indicated the central bank was likely not to begin cutting back on asset purchases anytime soon.

The US Federal Reserve's district-by-district economic summary (beige book), published overnight, revealed an overall modest increase in economic activity, amid slowing employment levels for several districts.

Notably New York and Philadelphia reported some economic slowdown.

The employment change was attributed to regional Covid-19 – related restrictions, including lockdowns.

Meanwhile, a week out from the inauguration of a new president, the US House of Representatives debated impeaching the current president.

Among overnight **data** releases, **euro zone** November industrial production rose 2.5% for the month following a 2.3% October increase and forecasts for a new 0.3% rise.

**Germany's** December wholesale prices were estimated 0.6% higher for the month, following a 0.1% November rise.

Prices were 1.2% lower than for December 2019, but were expected to have declined by 1.4%.

In the **US**, in addition to the Federal Reserve's beige book report, December CPI was calculation 0.4% higher for the month, following a 0.2% November rise and expectations of 0.3% December growth.

Year-on-year, CPI growth came in at 1.4%.

A December budget statement included a \$US144B deficit, following a \$US145B November shortfall.

Weekly mortgage applications jumped 16.7%, despite the mean 30-year mortgage rate moving to 2.88% from 2.86%.

Meanwhile, a 30-year bond auction produced a 1.825% yield, against 1.665% previously.

**Tonight** in the **US**, **US Federal Reserve** chair Jerome Powell is scheduled to speak publicly (4.30am AEDT).

In addition, weekly new unemployment claims and December import and export prices are due.

Elsewhere, the **European Central Bank** (ECB) publishes the minutes of its December policy meeting.

**Germany** reports a **2020 GDP** estimate.

Companies listed to report earnings today and tonight include: Associated British Foods, BlackRock, Delta Air Lines, Taiwan Semiconductor and Tesco.

*US equities markets are heading towards a **Monday public holiday**, two days prior to the scheduled US presidential inauguration. Other US markets will close early.*

### Commodities

COMMODITY	CLOSE	\$/oz	+/-	%
<b>Gold (NY)</b> (Feb)	<b>1854.9</b>	oz	10.7	0.6
<b>Silver (NY)</b> (Mar)	<b>25.572</b>	oz	0.137	0.5
<b>Gold (LON)</b> (12 Jan)	<b>1841</b>	oz	-6	-0.3
<b>Platinum</b>	<b>1090</b>	oz	22	2.1

## Pre-Open Announcements

### Meridian Energy (\* MEZ) / Rio Tinto (RIO)

RIO has accepted new MEZ-offered contract terms, effective today.

RIO is planning to continue operations at the Tiwai Point aluminium smelter through to December 2024.

MEZ plans to host a teleconference 18 January (Monday next week).

### Sparc Technologies (\* SPN)

Heralding coatings test work completed with the University of Adelaide, in particular with respect to corrosion control and adhesion.

SPC is developing graphene—based additives for marine sector protective coatings.

### Envirosuite Ltd (\* EVS)

December quarter new non-recurring revenue tallied \$3.0M, \$1.8M greater than for the September quarter.

New annual recurring revenue (ARR) came in at \$1.1M, from 19 new clients.

### NRW Holdings (NWH) / Primero Group (PGX)

NWH has extended the offer period for its proposed takeover of PGX until 12 February.

In addition, in the absence of a superior proposal, NWH's price (27.5c cash-per-share plus 0.106 NRW shares-per-share) has been deemed final.

NWH has secured 61.55% of PGX.

NWH added 4.35% yesterday, settling at \$3.12. PGX closed flat at 57c.

### Felix Group Holdings (FLX)

Commercial construction-focused SaaS marketplace operator FLX completed its ASX listing Tuesday, following a \$12M IPO at 36c per share.

FLX opened day one at 37.5c and traded at 34.5c – 39.5c before settling at 35c.

Yesterday however, FLX appreciated 21.4%, settling at 42.5c after trading as high as 47c. ~102.12M quoted shares.

## Resources

### Aeris Resources (\* AIS) / GBM Resources (GBZ)

AIS has completed the sale of the Yandal gold exploration project to GBZ.

Consideration comprised \$3M worth of GBZ shares at 13.5c per share plus a 1.5% net smelter royalty on the initial 300,000oz of gold equivalent mined.

In addition, AIS has subscribed for \$1M worth of GBZ shares, also at 13.5c.

AIS will hold ~6.85% (29.6M shares) of GBZ.

GBZ has traded at 12.5c – 15.5c over the past five sessions.

### Vimy Resources (VMY)

Approval in hand for VMY to commence trade on the OTCQB



<b>WTI Crude</b> (NYMEX Feb)	<b>52.91</b>	bbbl	-0.30	-0.6
<b>Brent Crude</b> (ICE EUR Mar)	<b>56.06</b>	bbbl	-0.52	-0.9
<b>Iron Ore</b> (NYMEX,CHN,62%) (12 Jan)	<b>169.33</b>	t	0.34	0.2
<b>Copper</b> (LME Ind)	<b>7992</b>	t	18	0.2
<b>Nickel</b>	<b>17695</b>	t	24	0.1
<b>Aluminium</b>	<b>2015</b>	t	-6	-0.3
<b>Lead</b>	<b>2049</b>	t	27	1.3
<b>Zinc</b>	<b>2768</b>	t	-11	-0.4
<b>Tin</b>	<b>21040</b>	t	120	0.6

### Commodities Commentary

**Oil** – prices turned lower overnight, attributed to a combination of factors, including a US petroleum inventories report, some profit-taking and a stronger \$US.

Meanwhile international Covid-19 containment reports, including from China, Europe and the UK, continued disquieting, dampening demand hopes.

Among other considerations, Saudi Arabia was reported to have reduced February crude supplies to at least three customers in Asia.

The International Energy Agency (IEA) reported, in the meantime, producer concerns at trying to balance supply with demand, in part due to uncertainty regarding the likely impact of Covid-19 vaccines.

US government agency the EIA published weekly US petroleum stockpiles overnight, these including a 3.247MMbbl fall in stored crude, but 4.395MMbbl rise in petrol stocks and 4.786MMbbl distillate inventories increase.

Petrol and distillate production were respectively reported 498,000bbl/d and 124,000bbl/d lower for the week.

Net crude imports rose by 1.49MMbbl/d.

Post-overnight trade Tuesday, a US petroleum industry group report had indicated a 5.82MMbbl draw on domestic crude stocks last week.

OPEC's monthly oil market report is anticipated **tonight**.

**Gold** – Comex futures settled higher overnight, amid a watch on threatened violence in the US as the inauguration of the next president approaches and as the US House of Representatives debated impeaching the current president.

The ICE \$US index rose ~0.3%.

**Base metals** – overnight LME trade sentiment proved mixed.

LME-registered warehouse copper stocks were estimated 40% lower than for October 2020, at 102,550t. Further 36% of stock was earmarked for delivery.

A Bank of America forecaster ventured 2021 international copper demand to grow 6% to 24.76Mt.

Meanwhile, respondents to a media survey predicted 8.4% 2021 China GDP growth, bolstering views of ongoing copper demand.

**China's** December headline trade statistics, due today, are likely to influence at least some of tonight's trade.

China's December residential property price index is anticipated tomorrow.

NB: *China's lunar new year holiday season is scheduled for 11 – 17 February.*

venture market tonight, under the code VMRSF. VMY recouped 5.06% yesterday, settling at 8.3c.

### Cohiba Minerals (CHK)

20M options are scheduled to be released from escrow, when exercised, anytime from 21 January (Thursday next week).

### Energy

#### Protean Energy (POW)

Pleading ignorance in response to an ASX price and volume query.

POW traded as high as 1.9c yesterday, ultimately adding 41.67% for the session to settle at 1.7c following comparatively high volume trade.

POW had traded at 1.2c – 1.5c over the previous five sessions. POW is developing a vanadium/uranium project in South Korea and is aiming to commercialise vanadium battery energy storage systems.

### Trading Halts

Company	Code	Resuming
Cipherpoint Ltd	CPT	14 Jan
Lodestar Minerals	LSR	14 Jan
DiscovEx Resources	DCX	15 Jan
Global Oil & Gas	GLV	15 Jan
Prominence Energy	PRM	15 Jan
Sagalio Energy	SAN	15 Jan
Whitebark Energy	WBE	15 Jan

### Suspensions *(select)*

Company	Code	Since
BuildingIQ Inc	BIQ	23 Dec
Dough Ltd	DOU	23 Dec
Vulcan Energy Resources	VUL	13 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ABP</b>	Today	<b>8.5</b>	0	3.09
KPG	21 Jan	0.33	100	2.37
SAR	2 Feb	3.8	100	0.00

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>WHC</b>	Dec Q
<b>Tomorrow</b>	SHO	AGM
<b>20 Jan</b>	AFI	Interim

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7733	-0.0001	<b>-0.01</b>
<b>EUR – USD</b>	1.2157	0.0000	0.00

**Australian Data Today**

ABS	Building permits (final)	Nov
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**US Data Tonight**

Import and export prices	Dec
Initial jobless claims	9 Jan

**Other Overseas Data Today & Tonight**

<b>China</b>	Trade balance	Dec
<b>Japan</b>	Producer prices	Dec
Japan	Machinery orders	Nov
<b>Germany</b>	GDP	2020
<b>Euro zone</b>	ECB policy meeting minutes	Dec

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	API	AGM
<b>21 Jan</b>	CGS	Business update; Dec Q cash flow
<b>28 Jan</b>	LBY RMD (NB: o'night AEDT)	Dec Q Dec Q (w/cast 8.30am 29 Jan)
<b>29 Jan</b>	BUD FNP SZL	AGM AGM Dec Q

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