

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7328	-38	-0.5
<b>NZX 50</b>	12843	16	0.1
<b>DJIA Futures</b>	35989	-171	-0.5
<b>S&amp;P 500 Futures</b>	4652	-64	-1.4
<b>NASDAQ Futures</b>	15490	-397	-2.5

**Local Markets Commentary**

The Australian market opens Friday trade with influential data due for China this afternoon, ahead of material data out of Germany and the US tonight, plus some high-profile US earnings reports, as the US commences a Monday public holiday weekend.

Overnight US equities sentiment declined notably in second-half trade and falls were recorded for most key commodities.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes **November lending** statistics, including for residential property, at 11.30am AEDT.

**Regionally** today, **China** is expected to publish **December trade balance 2pm** AEDT.

Post-ASX trade yesterday, **China** reported a 14.9% increase in **foreign direct investment (FDI)** for 2021. For January – November, FDI had been calculated up 15.9% year-on-year.

In addition today, the **Bank of Korea** convenes a monetary policy meeting from which outcomes are anticipated **midday** AEDT.

**Japan** is due to report **December producer prices** 10.50am AEDT.

In overnight commodities trade, **oil** turned lower, WTI crude more so than Brent.

US **gold** futures also reversed direction, recording a modest decline.

**Iron ore** (Nymex CFR China, 62% Fe) turned to trade below \$US128/t.

LME (3mth evening) **copper** and other base metals reportedly fell early. *Last night's LME final price updates were unavailable from IRESS at time of publication.*

The **\$A** fell to ~US72.85c after trading beyond 73.05c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	36114	-177	-0.5
<b>S&amp;P 500</b>	4659	-67	-1.4
<b>NASDAQ</b>	14807	-382	-2.5
<b>FTSE 100</b>	7564	12	0.2
<b>DAX 30</b>	16032	21	0.1
<b>Shanghai Comp</b>	3555	-42	-1.2

**Today's Stock Watch**
**Qantas Airways (QAN)**

QAN is anticipating third quarter FY22 domestic capacity at ~70% of pre-Covid levels, rather than the 102% for which the group had recently planned.

Where possible, rather than planning to eliminate service routes in response, QAN will adjust service frequencies and aircraft sizes.

QAN expects international capacity at 20% of pre-Covid levels, rather than the 30% recently anticipated.

This is mostly due to travel restrictions in Indonesia, Japan and Thailand and largely impacts Jetstar routes.

QAN plans to retain 100% crew levels.

The group is promising a financial impact update when releasing interim results late next month.

**City Chic Collective (CCX)**

July – December sales revenue grew 49.8% year-on-year to \$178.3M (unaudited). Additional statistics lodged pre-trade.

**Michael Hill International (MHJ)**

All store sales rose 9.8% year-on-year during the December quarter, to \$A217.5M. Same store sales grew 9.6% to \$A204.2M. For July to December, all store sales increased by 2.4% to \$325.1M and same store sales by 11.4% to \$306.5M.

**Pendal Group (PDL)**

\$A135.7B FUM at 31 December from \$A139.2M at the end of September.

In addition, FY22 NPAT is estimated to have been boosted by \$22.4M by JOHCM performance fees.

**Resources**
**Zenith Minerals (ZNC)**

Resuming from suspended trade having secured agreement on a planned JV with EV Metals Group (EVM) over ZNC's Waratah Well and Split Rocks lithium projects.

In addition, EVM and ZNC propose to add potential other lithium or electric vehicle (EV) metals projects to the JV.

Further, EVM or an EVM nominee will subscribe for \$A6M worth of ZNC shares at 30c each.

ZNC also plans to de-merge its non-EV metals projects.

ZNC traded at 23.5c – 31.5c the five sessions immediately prior to calling a trading halt and subsequent suspended trade.

**Critical Resources (CRR)**

Additional visual massive and base metal sulphides intersected in NSW Halls Peak project Gibsons prospect drilling. Details and plans lodged this morning.



## Overseas Markets Commentary

Swings and chop again featured variously across several major European, UK and US equities markets overnight, key US indices settling at or near session lows.

A **US Federal Reserve** regional president ventured up to four interest rate increases were possible by year's end, but that the US economy was likely to 'power through' Covid-19.

Meanwhile, Federal Reserve vice chair nominee Lael Brainard met with a parliamentary committee as part of her confirmation hearing, emphasising inflation control while supporting economic recovery as the central bank's priority.

In overnight geopolitical developments, **Russia** met with the Organisation for Security and Cooperation in Europe (OSCE) in Vienna, Russia describing progress from this week's talks, including separately with the US prior to discussions with NATO, as 'really disappointing' and again warned of the potential for 'catastrophic consequences'.

In the meantime, Chinese property developer Evergrande was reported to have secured a six-month hiatus on payments for a 4.5B yuan (~\$US157M) bond.

Among overnight **data** releases, **US** December producer prices were calculated 0.2% higher for the month, following November's 1.0% rise.

Forecasters had anticipated a 0.4% new monthly increase.

The increase represented a 9.7% appreciation since December 2020, this figure influencing sentiment more than the weaker-than-expected monthly increase.

Weekly new unemployment claims tallied 230,000, against expectations for 215,000 and following the previous week's 207,000.

Meanwhile, the \$US continued lower.

A 30-year US bond auction resulted in a 2.075% yield from 1.895% previously.

**Tonight** in the **US**, December retail sales, industrial production, import and export prices, November business inventories and the initial January consumer confidence reading, as estimated by the University of Michigan, are due.

Elsewhere, Germany releases a 2021 GDP growth estimate.

Companies scheduled to report earnings or provide trading updates later today or tonight include: BlackRock, Citigroup, JPMorgan Chase and Wells Fargo.

In overnight corporate news, **Taiwan Semiconductor's** earnings and new revenue forecast exceeded expectations, pushing the stock greater than 5% higher in US trade.

**Delta Airlines** reported a \$US408M December quarter net loss but forecast-beating sales revenue and rose ~2.0% during US trade.

The company retained a 2022 profit forecast, despite higher costs and reduced earnings during an anticipated 'difficult' several weeks during the current quarter.

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

## Pre-Open Announcements

### VGI Partners (VGI)

\$A2.5B FUM at 31 December from \$2.8B at 30 September.

### Cadence Capital (CDM)

Paying a 4c fully franked FY22 interim dividend 14 April.

CDM paid a 3c final FY21 dividend and 2c interim FY22 dividend, each fully franked.

Trading ex-dividend 31 March.

### Novatti Group (NOV)

NOV has completed its acquisition of Malaysia-headquartered payments fintech specialist ATX.

### Beforepay Group (\* B4P)

Pay-on-demand specialist scheduled to list on the ASX 11am AEDT **Monday** following an ~\$35M IPO at \$3.41 per share. 31.675M quoted shares.

## Resources

### SSR Mining (SSR)

Selling the Pitarrilla silver-lead-zinc project, Mexico to Endeavour Silver Corp for up to \$US127M.

Details lodged this morning.

### Pursuit Minerals (PUR)

March quarter exploration plans lodged pre-trade.

### Castillo Copper (CCZ)

Heralding cobalt values determined during a Broken Hill Alliance East zone geological review of 108 drill holes.

Details lodged this morning.

### 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

### Jade Gas Holdings (JGH)

Reporting ~58m of gas-bearing coal seams from a total ~145m of total coal core recovered from Red Lake-1, Mongolia.

### Strike Energy (STX) / ADX Energy (ADX)

Anshof-3 wireline logging has indicated 6m gross of oil, with 2.5m – 4m expected to be productive net pay.

In addition, gas has been indicated across 20m gross, with 14m expected to be productive pay.

XST is funding 40% of the well to earn a 20% participating interest in the Anshof prospect.

## Trading Halts

Company	Code	Resuming
Gladiator Resources	GLA	17 Jan

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Feb)	<b>1821.4</b>	oz	-5.90	<b>-0.3</b>
<b>Silver (NY)</b> (Mar)	<b>23.16</b>	oz	-0.05	<b>-0.2</b>
<b>Gold (LON)</b> (12 Jan)	<b>1821</b>	oz		
<b>Platinum</b>	<b>970</b>	oz	-8	<b>-0.8</b>
<b>WTI Crude</b> (NYMEX Feb)	<b>82.12</b>	bbl	-0.52	<b>-0.6</b>
<b>Brent Crude</b> (ICE EUR Mar)	<b>84.47</b>	bbl	-0.20	<b>-0.2</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	<b>127.84</b>	t	-0.82	<b>-0.6</b>
<b>Copper</b> (LME 3mth Evening) (12 Jan)	<b>10063</b>	t		
<b>Nickel</b>	<b>22050</b>	t		
<b>Aluminium</b>	<b>2981</b>	t		
<b>Lead</b>	<b>2346</b>	t		
<b>Zinc</b>	<b>3550</b>	t		
<b>Tin</b>	<b>41401</b>	t		

**Commodities Commentary**

**Oil** – US interest rate talk and a greater-than-expected rise in US weekly unemployment claims appeared to impact ultimate overnight sentiment, but assurances of economic recovery helped limit losses.

China's December crude imports are keenly anticipated tonight.

A US weekly petroleum drill rig count is also due tonight.

**Gold** – Comex futures settled lower for the first time in five sessions overnight, this in part attributed to US producer prices rising at a more modest pace than anticipated during December.

Industry watchers also noted some profit-taking as US 10-year bond yields turned a little higher.

**Base metals** – caution was noted in overnight trade, even as the \$US continued near two-month lows.

China's December trade figures are due today and will influence at least some of tonight's trade.

Monday, China is expected to release December quarter GDP growth, December retail sales, 2021 fixed asset investment and December industrial production.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7281	-0.0007	<b>-0.10</b>
<b>EUR – USD</b>	1.1457	0.0015	<b>0.13</b>

**Australian Data Today**

ABS	Lending indicators	Nov
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**US Data Tonight**

Retail sales	Dec
Industrial production	Dec
Import & export prices	Dec
Business inventories	Nov
Uni of Michigan consumer sentiment (prelim)	Jan

Lunnon Metals	LM8	17 Jan
Mayfield Group Holdings	MYG	17 Jan
MRG Metals	MRQ	17 Jan

**Suspensions** (selected)

Company	Code	Since
Cradle Resources	CXX	13 Jan
Emerald Resources	EMR	12 Jan
IRIS Metals	IR1	10 Jan

**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Mon</b>	B4P	IPO
	VTX	IPO
<b>Wed</b>	LYC	Dec Q (w/cast 9am)
<b>Thu</b>	API	AGM
	AVA	Dec Q; FY22 update
	GCY	AGM
	IHL	AGM
	LMG	AGM
	NST	Dec Q (w/cast tele 9am)
<b>24 Jan</b>	AFI	Interim (webinar 1.30pm)
<b>25 Jan</b>	CHL	Dec Q (tele 9.30am)
	PAR	AGM (11am)
	VBS	AGM
<b>31 Jan</b>	LIT	AGM



**Other Overseas Data Today & Tonight**

<b>China</b>	Trade balance	Dec
<b>South Korea</b>	BoK monetary policy meeting outcomes	Dec
<b>Japan</b>	PPI	Dec
<b>UK</b>	GDP	Nov Q
UK	NIESR GDP tracker	Dec
UK	Trade balance	Nov
UK	Industrial production	Nov
<b>Germany</b>	GDP	2021
<b>Euro zone</b>	Trade balance	Nov

**Need More Information?**

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