

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6914	5	<b>0.1</b>
<b>NZX 50</b>	11652	27	<b>0.2</b>
<b>DJIA Futures</b>	28928	-6	0.0
<b>S&amp;P 500 Futures</b>	3288	0	0.0
<b>NASDAQ Futures</b>	9063	0	0.0

## Local Markets Commentary

The Australian market opens mid-week trade with new data in hand from China, ahead of a bevy of material international economic indicators tonight, and amid the wait for when the US and China will sign an initial trade pact.

Post-ASX trade yesterday, **China** reported new lending had risen by 1.1 trillion yuan during 2019, to 17 trillion yuan (~\$US2.45 trillion).

**Regionally** today, **Bank of Japan** governor Haruhiko Kuroda is scheduled to speak publicly 11.30am AEDT.

**Locally** today, the Australian Bureau of Statistics releases details of the construction activity and building approvals reported for the September quarter and November 2019 respectively, also at 11.30am.

In overnight commodities trade, **oil** turned higher.

US **gold** futures (February) was pushed lower again.

**Iron ore** (Nymex CFR China, 62% Fe) extended Monday's gain, trading beyond \$US94.80/t.

LME (3mth evening) **copper** continued higher and **nickel** lower. **Aluminium** swung higher.

The **\$A** rose to trade at ~US69.00c after falling below US68.95c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	28940	33	<b>0.1</b>
<b>S&amp;P 500</b>	3283	-5	<b>-0.2</b>
<b>NASDAQ</b>	9251	-23	<b>-0.2</b>
<b>FTSE 100</b>	7622	5	<b>0.1</b>
<b>DAX 30</b>	13456	5	<b>0.0</b>
<b>Shanghai Comp</b>	3107	-9	<b>-0.3</b>

## Overseas Markets Commentary

Marked vacillating trade featured across European and US equities markets overnight, amid some key US data considerations and earnings reports, European parliamentary consideration of relations with Iran, and the wait for this week's muted signing of an initial trade agreement between the US and China.

Unofficial reports of what the China-US trade accord might include promoted increased expenditure by China on imports across several sectors.

## Today's Stock Watch

### GI Dynamics (GID)

The University of Freiburg, Germany has reported improved cardiovascular risk biomarkers following a study using GID's EndoBarrier implants for patients with Type 2 diabetes and metabolic syndrome.

Statistics lodged this morning.

### Gentrack Group (GTK)

E.ON is planning to suspend its deployment of the new GTK billing platform in favour of integrating newly-acquired business. This, together with ongoing difficult market conditions has prompted GTK to conduct a detailed review of company guidance.

An update is promised within a week.

### AppsVillage Ltd (APV)

December quarter monthly and annual recurring revenues grew 58% for the three months, pushing overall 2019 monthly and annual recurring revenues growth to 212%.

### Volpara Health Technologies (VHT)

VHT has appointed healthcare technology lawyer and IT executive Karin Lindgren as an independent non-executive director.

Director and VHT co-founder Mike Brady is retiring, effective 31 January, following 10 years as a VHT director.

### Flamingo Ai (FGO)

Twenty-year Australian patent in hand for FGO's semi-supervised question answering machine.

## Resources

### Kingston Resources (KSN)

Reporting significant-width and grade gold intersections at relatively shallow depths following drilling within the Misima gold project North prospect, PNG.

### Legend Mining (LEG)

Additional results from diamond drilling have confirmed the recent WA Fraser Range region Mawson multi-mineral discovery.

Assays lodged this morning.

### Galan Lithium (GLN)

Reporting another outstanding assay from the Hombre Muerto lithium brine project Rana de Sal tenement, Argentina.

### Lindian Resources (LIN)

High-grade conglomerate bauxite intersected during drilling within the Gaoul project, Guinea. Awaiting parts and another drill rig to be delivered from Mali.



Meanwhile, Britain, France and Germany triggered a dispute resolution mechanism contained within the 2015 international nuclear agreement with Iran.

Among overnight data releases, **US** December CPI growth was estimated at 0.2% for the month and 2.3% year-on-year, following respective 0.3% and 2.1% gains in November.

A small business optimism index slipped two points to 102.7.

The IBD/TIPP economic optimism index rose by 0.4 to 57.4.

**Tonight** in the **US**, December producer prices, the Federal Reserve's district-by-district economic summary 'beige book' report and the New York Fed regional manufacturing index are due.

Elsewhere, a 2019 GDP growth estimate is due for Germany, December CPI growth for the UK and November industrial production and trade figures for the euro zone.

Companies scheduled to report earnings include: Alcoa (post-US trade), Bank of America, BlackRock, CSX, Goldman Sachs, PNC Financial Services, United Health and US Bancorp.

In overnight corporate news, **JP Morgan Chase** reported strong December quarter revenues and a record annual profit.

**Citigroup's** December quarter figures also exceeded expectations.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1544.6</b>	oz	-6.0	<b>-0.4</b>
<b>Silver (NY) (Mar)</b>	<b>17.742</b>	oz	-0.254	<b>-1.4</b>
<b>Gold (LON) (10 Jan)</b>	<b>1554</b>	oz		
<b>Platinum</b>	<b>981</b>	oz	9	<b>0.9</b>
<b>WTI Crude (Feb)</b>	<b>58.23</b>	bbl	0.15	<b>0.3</b>
<b>Brent Crude (Mar)</b>	<b>64.49</b>	bbl	0.29	<b>0.5</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>94.83</b>	t	0.80	<b>0.8</b>
<b>Copper (3mth,evening)</b>	<b>6315</b>	t	28	<b>0.5</b>
<b>Nickel</b>	<b>13905</b>	t	-195	<b>-1.4</b>
<b>Aluminium</b>	<b>1809</b>	t	13	<b>0.7</b>
<b>Lead</b>	<b>1954</b>	t	40	<b>2.1</b>
<b>Zinc</b>	<b>2374</b>	t	-1	<b>-0.0</b>
<b>Tin</b>	<b>17430</b>	t	55	<b>0.3</b>

### Commodities Commentary

**Oil** – yesterday, China reported a 9.5% rise in 2019 crude oil imports, to a 17<sup>th</sup> consecutive annual record, of 506Mt, helping produce higher oil price settlements overnight, after a string of declines.

Refined fuel exports jumped 14.1% for the year, to 66.85Mt, 6.79Mt of this in December.

In the meantime, reports emerged OPEC may cancel the 5-6 March extraordinary meetings, in favour of the regular 9-10 June meetings. This was interpreted as a possible extension of the current curb agreement past 31 March.

OPEC's monthly oil market report is expected overnight, together with a weekly US petroleum inventories report from government agency the EIA.

Overnight, the EIA raised its 2020 WTI forecast by 7.7% from November's prediction, to \$US59.25/bbl. The EIA's Brent forecast went up 7.1%, to \$US64.83/bbl.

## Pre-Open Announcements

### Meridian Energy (\* MEZ)

December operating statistics lodged this morning, highlighting 4.9% higher year-on-year national electricity demand.

### Nyrada Inc (\* NYR) / Noxopharm Ltd (NOX)

NOX spinoff, drug researcher and developer NYR is scheduled to list on the ASX 11am AEDT tomorrow, following an \$8.5M IPO at 20c per CDI. ~76.1M quoted CDIs.

NOX holds 30.51%.

### Resources

### Panoramic Resources (\* PAN) / Zeta Resources (ZTA)

PAN's 30c-per-share retail entitlement offer attracted a 72.4% take-up and raised \$19M.

Major PAN shareholder ZTA off-set its full take-up commitment against its loan to PAN, consequently paying a residual \$760,000M for its ~\$11.5M worth of new PAN shares.

PAN has traded at 29c – 31.5c the past five sessions.

### Archer Minerals (\* AXE)

Heralding results from initial aircore drilling within the Frankly halloysite-kaolin project, Adelaide.

### Trading Halts

Company	Code	Resuming
Altura Mining	AJM	15 Jan
Aura Energy	AEE	15 Jan
Force Commodities	4CE	15 Jan
Indiana Resources	IDA	15 Jan
Kalamazoo Resources	KZR	15 Jan
Nova Minerals	NVA	15 Jan
Tamaska Oil & Gas	TMK	15 Jan
Wisr Ltd	WZR	16 Jan

### Suspensions (select)

Company	Code	Since
Coziron Resources	CZR	14 Jan
Kangaroo Island Plantation Timbers	KPT	7 Jan
Kula Gold	KGD	2 Jan
Paringa Resources	PNL	27 Dec

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Tomorrow	0.5	100	5.00
AIQ	Fri	0.26	0	0.00
TRA	Fri	3.78	85	7.11

The EIA also predicted record 13.31MMbbl/d domestic production for 2020, and 13.71MMbbl/d for 2021.

A monthly report from the International Energy Agency (IEA) is anticipated overnight tomorrow.

**Gold** – prices continued lower overnight, sentiment bruised by earnings reports, key data and the proposed US-China trade accord signing.

US December CPI growth was reported at 0.2% for the month overnight. In addition, JPMorgan Chase and Citigroup December quarter reports exceeded expectations.

A plethora of key international data, due tonight, could influence global economic growth prospects and hence toy with currency trade and gold sentiment.

**Base metals** – China data and the US-China trade talks in Washington appeared the dominant influences on overnight base metals trade.

**China's** December trade statistics, reported yesterday, included a \$US46.79B surplus, following a \$US37.93B at the end of November.

Exports rose 7.6% year-on-year, against a 1.3% November fall.

Imports jumped 16.3%, following a 0.5% November rise.

China's December *unwrought copper* imports grew 9.1% for the month, to 527,000t.

For the year, unwrought copper imports fell 6% from a 2018 record, to 4.98Mt.

*Copper concentrate* imports fell 10.6% for the month, to 2.157Mt, but were 31.8% higher year-on-year.

For the year, copper concentrate imports grew 11.6%, to 21.99Mt.

*Iron ore* imports were reported 0.47% higher for the year, at 1.069Bt, against a record 1.075Bt during 2017.

*Steel product* exports for the year fell 7.3%, to 64.29Mt.

December *aluminium* unwrought exports rose 5.8% for the month to 478,000t, but were 9.3% lower year-on-year.

For the year, unwrought aluminium exports fell 1.2% to 5.73Mt, again against a record for 2018.

*Rare earths* exports grew 39% from November, to 3657t, but nonetheless came in 33% lower than for December 2018. For the year, china exported 46,330t of rare earths.

China is due to report December quarter GDP, plus December industrial production and retail sales, and 2019 fixed asset investment Friday.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6902	-0.0002	-0.04
<b>EUR – USD</b>	1.1127	0.0000	0.00

**Australian Data Today**

ABS	Construction activity - detailed	Sep Q
ABS	Building approvals – geographic breakdowns	Nov



**US Data Tonight**

Federal Reserve districts economic updates ('beige book')	Dec
New York Fed (Empire State) manufacturing	Jan
Producer prices	Dec
MBA mortgage applications	10Jan

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Machine tool orders (5pm AEDT)	Dec
<b>UK</b>	CPI	Dec
<b>Germany</b>	GDP	2019
<b>Euro zone</b>	Trade balance	Nov
Euro zone	Industrial production	Nov

**Need More Information?**

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