

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	6644	-5	-0.1
<b>NZX 50</b>	13122	6	0.1
<b>DJIA Futures</b>	30909	-50	-0.2
<b>S&amp;P 500 Futures</b>	3791	-12	-0.3
<b>NASDAQ Futures</b>	12901	-71	-0.6

**Local Markets Commentary**

The Australian market opens Friday trade on mixed overnight international equities and commodities trade leads, ahead of a plethora of key international data releases tonight and a US Monday public holiday.

Also tonight, major US financial stocks begin reporting for the December quarter.

**Locally today, the Australian Bureau of Statistics (ABS) reports November lending activity, 11.30am AEDT.**

**Regionally, China's December residential property price index is expected 12.30pm.**

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

US **gold** futures settled slightly lower.

Qingdao **iron ore** (CFR 62% fines) was reported at \$172.36, \$US2.25/t higher for the day.

LME **copper** and **nickel** rallied. **Aluminium** continued to decline.

The **\$A** traded beyond US77.85c after rising to ~US77.60c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	30992	-69	-0.2
<b>S&amp;P 500</b>	3796	-14	-0.4
<b>NASDAQ</b>	13113	-16	-0.1
<b>FTSE 100</b>	6802	56	0.8
<b>DAX 30</b>	13989	49	0.4
<b>Shanghai Comp</b>	3566	-33	-0.9

**Overseas Markets Commentary**

US equities markets opened higher overnight, but all key indices ultimately trended lower, with Covid-19 reports, US politics and central bank commentary remaining in focus.

Trade across major European and UK equities markets continued to chop, but settled variously.

In addition, the US president-elect was reported to be preparing to outline stimulus plans before week's end.

In US afternoon trade, **Federal Reserve** chair Jerome Powell confirmed the central bank was anticipating retaining ultra-low rates and a \$US120B-per-month government securities purchase program for the foreseeable future.

**Today's Stock Watch**
**Integrated Research (IRI)**

Anticipating 1H FY 21 after-tax profit and revenue to be at the lower end of guidance released 30 December.

This guidance is for a breakeven - \$2M pre-tax profit (following \$11.8M for 1H FY20), and \$34M - \$37M revenue (against \$53.2M).

**Michael Hill International (MHJ)**

Anticipating \$56M - \$60M 1H FY 21 EBIT, representing 30% - 40% year-on-year growth.

December quarter same store sales rose 5.6% year-on-year, pushing 1H sales to a 6.3% year-on-year increase.

In addition, MHJ has appointed Amy Sznicer as chief retail officer and Jo Feeney as chief marketing officer, following the resignations of Vanessa Brennan and Andrea Slingsby.

**Pendal Group (PDL)**

December quarter FUM grew 5.4% to \$97.4B.

J O Hambro Capital Management performance fees tallied \$41.2M for the full year.

**Objective Corporation (OCL)**

Anticipating 40% higher year-on-year, \$46.5M 1H FY 21 revenue, 74% higher, \$11.8M EBITDA, and 70% higher, \$7.2M NPAT.

\$27.7M cash balance at 31 December.

**Bank of Queensland (BOQ)**

BOQ has appointed Nicholas Allton as general counsel and company secretary.

Fiona Daly is continuing with BOQ, also as company secretary.

**FBR Ltd (FBR)**

Pilot program agreement secured with German firm Xella Technologie. Xella will supply blocks to FBR in Australia, for FBR to complete a minimum two houses for Xella using FBR's Hadrian X.

**Resources**
**Medusa Mining (MML)**

Two contract workers suffered fatal injuries Tuesday this week while conducting maintenance at an underground pumping station within MML's Philippines Co-O gold mine.

The accident occurred on Level 3.

Operations are continuing within other mine areas.

**Venus Metals (VMC)**

Heralding high-grade gold mineralisation determined during WA Sandstone gold project Range View drill testing.

Assays lodged pre-trade.



The **European Central Bank (ECB)** had earlier released the minutes of its December policy meeting, these revealing some disagreement regarding the size of the €1.85 trillion emergency asset purchase program.

Yesterday, **Bank of Japan** governor Haruhiko Kuroda spoke of 'severe' conditions for the nation's economy, due to Covid-19, but said the central bank anticipated an ultimate trend to recovery.

Also yesterday, **China** reported December trade statistics which exceeded expectations in terms of the surplus plus exports and imports growth.

However, imports of key commodities including copper, crude and iron ore, fell for the month and also year-on-year.

In overnight **data** releases, **Germany's** 2020 GDP was estimated to have contracted by 5%, and 5.3% if adjusted for the number of working days.

Forecasters had anticipated a 5.4% drop, following 0.6% 2019 growth.

In the **US**, weekly new unemployment claims proved less than encouraging, coming in at 834,250 following 816,000 the previous week and against forecasts of 793,250 new claims.

December export and import prices rose 1.1% and 0.9% respectively for the month, against expectations of 0.3% and 0.5% gains.

Year-on-year, export prices were 0.2% higher and import prices 0.3% lower.

**Tonight** in the **US**, December retail sales, industrial production and producer prices, the New York Federal Reserve's January manufacturing index, November business inventories and the University of Michigan's initial January national consumer sentiment reading are due.

Elsewhere, the euro zone and UK report November trade statistics.

A November GDP update is also due for the UK.

Companies listed to report earnings today and tonight include: Carnival Corp, Citigroup, HDFC Bank, JPMorgan Chase, PNC Financial, Reliance Industries and Wells Fargo.

**US equities markets will be closed Monday due to a public holiday. Other US markets will close early.**

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1851.4</b>	oz	-3.5	<b>-0.2</b>
<b>Silver (NY) (Mar)</b>	<b>25.802</b>	oz	0.23	<b>0.9</b>
<b>Gold (LON) (13 Jan)</b>	<b>1859</b>	oz	18	1.0
<b>Platinum</b>	<b>1113</b>	oz	23	<b>2.1</b>
<b>WTI Crude (NYMEX Feb)</b>	<b>53.57</b>	bbbl	0.66	<b>1.3</b>
<b>Brent Crude (ICE EUR Mar)</b>	<b>56.42</b>	bbbl	0.36	<b>0.6</b>
<b>Iron Ore (NYMEX,CHN,62%) (13 Jan)</b>	<b>169.51</b>	t	0.18	0.1
<b>Copper (LME Ind)</b>	<b>8080</b>	t	73	<b>0.9</b>
<b>Nickel</b>	<b>18200</b>	t	521	<b>2.9</b>
<b>Aluminium</b>	<b>2010</b>	t	-5	<b>-0.2</b>
<b>Lead</b>	<b>2032</b>	t	-20	<b>-1.0</b>
<b>Zinc</b>	<b>2755</b>	t	-20	<b>-0.7</b>
<b>Tin</b>	<b>21095</b>	t	75	<b>0.4</b>

## Pre-Open Announcements

### Tilt Renewables (TLT)

December quarter 2020 production came in 61.9% above that for normalised December quarter 2019 output.

Breakdown statistics lodged post-trade yesterday.

### Resources

#### Vulcan Energy Resources (\* VUL)

Zero Carbon lithium project maiden ore reserve and pre-feasibility outcomes lodged pre-trade.

#### VentureX Resources (\* VXR) / Anax Metals (\* ANX)

ANX has completed an 80% earn-in interest to the Whim Creek copper-zinc project under an agreement with VXR.

Details lodged this morning, including a feasibility progress update.

#### Euro Manganese (\* EMN)

Czech Republic authorities have completed an initial six-month screening procedure for the Chvaltice manganese project preliminary environmental impact assessment.

Targeting definitive feasibility by year's end

#### Copper Mountain (C6C)

C6C has appointed recent Alacer Gold Corp chair Ed Dowling as C6C chairman, effective immediately.

Mr Dowling takes over from interim chair Bruce Aunger, who remains a C6C director.

### Trading Halts

Company	Code	Resuming
DiscovEx Resources	DCX	15 Jan
Prominence Energy	PRM	15 Jan
Firefinch Ltd	FFX	18 Jan
Shekel Brainweigh	SBW	18 Jan

### Suspensions *(select)*

Company	Code	Since
Cipherpoint Ltd	CPT	14 Jan
Contrarian Value Fund	CVF	14 Jan
Whitebark Energy	WBE	15 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Mon	0.4	100	4.34
KAT	Tue	0.5	100	1.84
KPG	Thu	0.33	100	2.41
OZG	1 Feb	0.3	100	2.50



## Commodities Commentary

**Oil** – overnight prices were pushed and pulled by several influences, including currency swings, data releases, demand forecasts and sobering Covid-19 containment updates out of nations including China, France, Germany and the US.

**OPEC's** monthly oil market report, published overnight, included a retained forecast for 2021 demand growth.

OPEC qualified its figures, citing persistent Covid-19 impact uncertainty, but nonetheless the current expected demand pick of a daily 5.9MMbbl, to 95.9MMbbl/d, contrasts with the 9.8MMbbl/d drop in daily 2020 demand (to 90MMbbl/d) estimated by the organisation.

Earlier yesterday, **China's** crude imports were reported to have risen 7.3% during 2020, to 10.85Mmbbl/d, representing ~12% of international demand.

December crude imports, however, were estimated 17.9% lower for the month and 15% lower than for December 2019.

A US weekly petroleum drill rig count is due tonight.

**Gold** – an early strengthening \$US and generally improved initial equities risk sentiment weakened overnight gold interest.

The \$US was pushed lower however, even before US Federal Reserve chair Jerome Powell confirmed asset purchase programs would likely continue, and rates stay lower, for some time yet.

**Base metals** – **China's** December trade figures, published yesterday, included a \$US78.17B trade surplus, against \$US75.4B for November, and following expectations of a fall to \$US65B.

Exports rose 18.1% year-on-year, following forecasts of a 15% increase, and against 21.1% November year-on-year growth.

Imports grew 6.5% against expectations of a 5% rise.

2020 **copper** and **iron ore** imports were each reported at record peaks, unwrought copper 34.2% higher, at 6.68Mt, and iron ore 9.5% higher, at 1.17Bt.

December **copper** imports fell 8.7% for the month however, to 512,332t. In addition, this represented the third consecutive monthly decline.

**Iron ore** imports also fell in December, by 1.4% for the month and 4.5% year-on-year, to 96.75Mt.

2020 refined **nickel** output was reported 1.4% higher, by Chinese research firm Antaika.

China's December residential property price index is expected today.

**Monday**, China is expected to provide GDP, industrial production, fixed asset investment and retail sales updates.

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

## Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7778	0.0001	0.02
EUR – USD	1.2156	0.0001	0.01

WIC	1 Feb	3	100	4.69
SAR	2 Feb	3.8	100	0.00

## Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>SHO</b>	AGM
<b>Mon</b>	MEZ	Tiwai update (teleconf 9am)
<b>Wed</b>	AFI API	Interim AGM
<b>Thu</b>	CGS NST SAR	Business update; Dec Q cash flow Dec Q (w/cast tele midday) Dec Q (w/cast tele 11am)
<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

**Australian Data Today**

ABS	Lending indicators	Nov
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**US Data Tonight**

Retail sales		Dec
Industrial production		Dec
PPI		Dec
New York Fed (Empire State) manufacturing		Jan
Uni of Michigan consumer confidence (initial)		Jan
Business inventories		Nov

**Other Overseas Data Today & Tonight**

<b>China</b>	House price index	Dec
<b>Japan</b>	Tertiary industry index (3.30pm AEDT)	Nov
<b>UK</b>	GDP	Nov
UK	NIESR GDP tracker	Dec
UK	Trade balance	Nov
UK	Industrial production	Nov
<b>Euro zone</b>	Trade balance	Nov

**Need More Information?**

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