

Markets

SFE 200 Futures (9.30am AEDT)	7333	-20	-0.3
NZX 50	11731	-36	-0.3
DJIA Futures	37458	-95	-0.3
S&P 500 Futures	4771	-27	-0.6
NASDAQ Futures	16870	-97	-0.6

Local Markets Commentary

The Australian market opens today's trade with the \$A at ~US65.50c and material domestic economic data due late morning.

US equities markets ultimately declined by 0.3% - 0.6% overnight.

Locally today, the Australian Bureau of Statistics (ABS) publishes December **employment** figures at **11.30am** AEDT.

At the same time, the Reserve Bank of Australia (RBA) releases December foreign exchange transactions and holdings of official reserve assets.

Regionally today, **Japan** reports November machinery orders at 10.50am AEDT.

This afternoon, Japan hosts a 20-year government bond auction.

In overnight **commodities** trade, **oil** settled mixed for a second consecutive session, Brent crude turning moderately lower and WTI slightly higher.

US **gold** (Comex) futures extended Tuesday's fall by a further ~1.0%, settling below \$US2007/oz.

Iron ore (Nymex CFR China, 62% Fe) extended its recent decline, settling below \$US136/t.

US **copper** (Comex) futures were pushed back by US4c/lb to \$US3.73/lb.

Last night's **LME** final 3-mth evening price updates were unavailable from IRESS at time of publication. These are expected to become available via IRESS at ~11.30am AEDT.

The \$A remained range-bound after trading at ~US65.40c - ~US65.55c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	37267	-94	-0.3
S&P 500	4739	-27	-0.6
NASDAQ	14856	-89	-0.6
FTSE 100	7446	-112	-1.5
DAX 30	16432	-140	-0.8
Shanghai Composite	2834	-60	-2.1

Overseas Markets Commentary

Major European, UK and US equities markets dropped early overnight, European and UK indices by greater magnitude, amid a

Today's Stock Watch
Qantas Airways (QAN)

QAN has appointed QAN commercial partnerships and business rewards executive manager Andrew Glance as QAN loyalty CEO, effective from the end of February.

Mr Glance has been with QAN since 2002.

Dropsuite Ltd (DSE)

December quarter annual recurring revenue (ARR) grew by 35% year-on-year to \$34.3M.

\$24.3M cash at 31 December.

APM Human Services International (APM)

Anticipating \$1.14B interim revenue and \$148M underlying EBITDA. Expecting \$55M underlying NPATA.

\$800M net debt.

2H FY24 underlying EBITDA and NPATA are expected to be higher than for 1H.

EML Payments (EML)

Planning to completely wind down the PCSIL business.

Liquidator provisionally appointed. Exposure includes an ~\$A25M impairment and \$20M worth of cash outflow.

Resources
BHP Group (BHP)

Iron ore output fell 2% year-on-year for the December quarter and also for the six months to 31 December.

Nickel output grew by 11% and 4% respectively.

Copper production rose by 3% and 7%.

Metallurgical coal output dropped by 18% and 17% and BHP has lowered its full year guidance by 5Mt - 6Mt to 23Mt - 25Mt. Energy coal production rose by 35% and 36%.

Alumina Ltd (AWC)

AWC's WA AWAC JV partner Alcoa has reported a \$US150M December quarter loss, and \$US651M loss for 2023.

Mount Gibson Iron (MGX)

Sold 1.2Mt (wet) of iron ore for \$A228M (FOB) during the December quarter, pushing the 1H FY24 total to \$436M.

Grades averaged 65.3% Fe.

\$358M cash and investment reserves at 31 December.

Energy
Ampol Ltd (ALD)

Anticipating a slight 2023 RCOP EBIT improvement.

December quarter refinery volumes fell to 1.428ML from 1.589ML for the December quarter 2022.

The Lytton refiner margin came in at \$US10.52/bbl from \$US11.76/bbl.

Planning to lodge full year results 19 February.



plethora of economic data releases.

Considerations again included inflation rates and likely central bank policy responses, a UK inflation estimate and US retail sales surprising in particular.

In an interview conducted at the World Economic Forum, European Central Bank (ECB) president Christine Lagarde did not rule out interest rate cuts for later this year, but warned against market expectations and pointed out broad international economic uncertainty.

Underscoring this, Iran's foreign minister, also speaking at the World Economic Forum, asserted attacks against Israel would be discontinued if it ended its conflict with Hamas, but also highlighted prospects for broader combat.

During US markets trade, the US Federal Reserve's district-by-district economic roundup report concluded barely, if any, change in economic activity for the December-January survey period for two-thirds of districts, and positive overall outlooks for most.

Earlier yesterday, **China** reported December quarter GDP which grew by 1.0% for the three months and 5.2% on an annualised basis. This was on par with quarterly expectations but 0.1% lower than expected year-on-year growth.

September quarter GDP had grown 1.5% across three months and 4.9% on an annualised basis.

A batch of other material December economic indicators released by China yesterday included 3.0% fixed asset investment growth for the year against 2.9% for 2022.

December industrial production rose by 6.8% year-on-year, against forecasts for a 6.6% increase, the same annualised rate of growth recorded for November.

December retail sales undershot expectations, coming in 7.4% higher than for December 2022, but against 8.0% consensus. November sales had grown by 10.1% year-on-year.

Among overnight economic **data** releases, the **UK's** December CPI reading represented 0.4% inflation growth for the month and an annualised 4.0% inflation rate.

This, against expectations for 0.2% growth for the month and an annualised 3.8% following November's respective 0.4% deflation and 3.9% year-on-year inflation growth for November.

The **euro zone's** December CPI update confirmed 0.2% inflation for the month and a 2.9% annualised growth rate, following November's respective 0.6% deflation and 2.4% year-on-year inflation growth.

In the **US**, December retail sales surprised on the upside, climbing by 0.6% against consensus for a 0.4% increase following November's 0.3% rise.

Against December 2022, sales were up 5.6% against November's 4.0% year-on-year increase.

December import and export prices came in mixed following 0.4% and 0.9% respective November declines.

Import prices did not change, but export prices dropped by 0.9% again, against respective forecasts for 0.5% and 0.6% declines.

Against December 2022, import prices were down 1.6% and export prices down 3.2%, following November's annualised 1.5% and 5.2% falls.

December industrial production rose by just 0.1% for the month,

Pre-Open Announcements

Boral Ltd (BLD)

CFO Belinda Shaw has resigned, in favour of family interests. BLD has appointed recent Bapcor (ASX: BAP) CFO Stefan Camphausen to take over from Ms Shaw, by no later than July.

Infratil Ltd (IFT)

Contracts covering 110MW secured by IFT 48.24% investee company CDC recently, pushing the past 12 months' total to ~200MW.

Oliver's Real Food (OLI)

December quarter (unaudited) revenue tallied \$6.855M against \$6.758M for the December quarter 2022.

Also estimating an operating loss of \$131,000, against an \$80,000 operating profit.

Additional statistics and commentary lodged post-trade yesterday.

Resources

Culpeo Minerals (CPO)

CPO re-lodged Tuesday's pre-trade El Quillay drilling results announcement post-trade yesterday, with the addition of further information.

CPO settled at 4.3c yesterday after closing out last week at 10c.

Tuesday, CPO traded at 4.6c – 6.3c before settling at 4.7c, down 39.74% for the session. ~61.37M shares changed hands for the session.

Energy

Deep Yellow (DYL)

December quarter reports lodged this morning. \$25.248M cash at 31 December.

Trading Halts

Company	Code	Resuming
Amplia Therapeutics	ATX	19 Jan
Energy Transition Minerals	ETM	19 Jan
Mandrake Resources	MAN	19 Jan
MetalsTech Ltd	MTC	18 Jan
PhosCo Ltd	PHO	18 Jan
Rex Minerals	RXM	18 Jan
WA1 Resources	WA1	19 Jan

Suspensions *(selected)*

Company	Code	Since
Australian Pacific Coal	AQC	17 Jan
Galena Mining	G1A	11 Jan



following no change for November.

Against December 2022, output was up 1.0% following November's 0.6% year-on-year fall.

November business inventories were calculated 0.1% lower, the same rate of decline for October and that had been forecast for the new month.

A home builders' industry market index jumped to 44 from 37.

Weekly mortgage applications rose by 10.4% following a 9.9% increase the previous week.

Mean average 30-year mortgage rates were estimated at 6.75% from 6.81% the previous week.

In overnight debt offers, a UK 10-year treasury gilt auction resulted in a 3.973% yield from 3.739%.

A US 20-year bond auction delivered a 4.423% yield from 4.213%.

In the meantime, a 30-year bond auction in Germany had produced a 2.45% yield from 2.76%.

Tonight in the **US**, weekly new unemployment claims are due, together with the January Philadelphia Fed manufacturing index, December housing starts and December building permits.

Elsewhere, the European Central Bank (ECB) releases the minutes of the December monetary policy meeting.

Companies scheduled to report earnings later today or tonight include: Fastenal, PPG Industries and Taiwan Semiconductor Manufacturing Company.

In overnight corporate news, **Tesla** revealed further price discounting, this time for select stock in Germany.

A new **Samsung** smartphone was reported to feature several AI functions.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Feb)	2006.5	oz	-23.7	-1.2
Silver (COMEX 5000 Mar)	22.67	oz	-0.42	-1.9
Platinum (NYMEX Apr)	891	oz	-14	-1.5
WTI Crude (NYMEX Feb)	72.56	bbl	0.16	0.2
Brent Crude (ICE EUR Mar)	77.88	bbl	-0.41	-0.5
Iron Ore (NYMEX CHN port;62%Fe)	135.79	t	-0.96	-0.7
Copper (LME 3mth Evening) (16Jan)	8354	t	-28	-0.3
Nickel	16150	t	-72	-0.4
Aluminium	2212	t	8	0.4
Lead	2104	t	-6	-0.3
Zinc	2547	t	-12	-0.5
Tin	25170	t	389	1.6

Commodities Commentary

Oil – prices were again pushed and pulled overnight by competing influences, including mixed interpretations of a wave of influential data reported by China yesterday, an OPEC forecast, \$US strength and weather-related curbs on US crude production and delivery.

Prices swung, WTI crude falling by \$US1/bbl in early trade before settling with a gain for the session, and Brent dropping ~2.0% before closing well off session lows.

OPEC's monthly market report, published overnight, included a

Gathid Ltd	GTH	4 Jan
Icon Energy	ICN	9 Jan
Infinity Mining	IMI	17 Jan
Laramide Resources	LAM	15 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Today	0.55	100	5.50
SEC	Today	4.65	100	4.69
KPG	Tomorrow	0.44	100	0.94
5GN	24 Jan	2	0	0.00

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	ALD	Dec Q
	BHP	Dec Q; 1H
	DSE	Dec Q
	DYL	Dec Q
	MGX	Dec Q
	YAL	Dec Q (post-ASX trade; w/cast 11am Fri)
Mon	DJW	Interim
	LYC	Dec Q (w/cast 10am)
Tue	CRN	Dec Q (tele 10am)
	SMR	Dec Q (tele 11am)
Wed	AFI	Interim (webinar 3.30pm)
	PRU	Dec Q (webinar 9am)
	WDS	Dec Q
25 Jan	RRL	Dec Q (w/cast tele 11am)
	STO	Dec Q
29 Jan	STX	Dec Q
30 Jan	ALX	Dec Q
	BPT	Dec Q
	MP1	Dec Q (w/cast 10.30am)
	WOA	Dec Q
	31 Jan	CIA
	ORG	Dec Q
	PAC	FUM 31 Dec
	PBH	Dec Q (w/cast tele 10.30am)
	SLR	Dec Q (tele 11am)



prediction of 'robust' 2025 crude demand (106.21MMbbl/d) and retained its strong 2024 2.25MMbbl/d demand growth forecast.

In the US, North Dakota reported greater than 50% (650,000bbl/d – 700,000bbl/d) of its usual crude output had been adversely impacted by sub-zero temperatures.

Yesterday, China revealed a 9.3% increase in 2023 refinery crude throughput to 14.7MMbbl/d.

The International Energy Agency's (IEA) monthly oil report is anticipated tonight.

In addition, weekly US petroleum inventories, as calculated by government agency the EIA, are also expected tonight.

Overnight, post-US trade, the American Petroleum Institute released a weekly report which included an estimated 483,000bbl increase for US crude stocks last week.

Gold – sentiment was again damaged overnight by \$US strength and higher bond yields, following a surprise UK inflation advance and stronger-than-expected retail sales.

Base metals – a batch of material data out of China yesterday, some US data supporting US economic resilience views, and \$US strength featured among overnight base metals trade considerations.

China's December quarter **GDP** reported yesterday, represented annualised 5.2% annualised growth.

2023 fixed asset investment grew by 3.0%, 0.1% above consensus and also the January- November year-on-year growth rate.

December industrial production exceeded expectations, rising by 6.8% year-on-year, against 6.6% for November and also forecasts for new growth of 6.6%.

December retail sales rose 7.4% year-on-year, but November's had increased by 10.1% and consensus had been recorded for a new 8.0% rise.

Residential property prices fell 0.4% against December 2022, following a 0.2% annualised November decline.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6553	-0.0017	-0.26
EUR – USD	1.0880	0.0010	0.09

Australian Data Today

ABS	Employment (incl wages, jobs, unemplt, prtcpn)	Dec
RBA	Forex transctns; official reserve assets holdings	Dec

US Data Tonight

Initial jobless claims	13 Jan
Philadelphia Fed manufacturing	Jan
Housing starts	Dec
Building permits	Dec

Other Overseas Data Today & Tonight

Japan	Machinery orders	Nov
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Euro zone	ECB monetary policy meeting minutes	Dec
Euro zone	New domestic vehicle registrations	Dec
Euro zone	Construction output	Nov
Russia	International trade	Nov

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