

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7387	72	1.0
<b>NZX 50</b>	11714	27	0.2
<b>DJIA Futures</b>	37659	201	0.5
<b>S&amp;P 500 Futures</b>	4811	40	0.8
<b>NASDAQ Futures</b>	17110	240	1.4

## Local Markets Commentary

The Australian market commences Friday trade with the \$A at ~US65.70c and a December inflation reading due from Japan this morning.

US equities markets swung ~0.5% - ~1.3% higher overnight.

**Locally** today, no major economic reports are anticipated.

**Regionally, Japan** releases December CPI inflation at **10.30am** AEDT.

In overnight **commodities** trade, **oil** settled ~1.5% - 2.0% higher.

US **gold** (Comex) futures swung higher, closing above \$US2020/oz.

**Iron ore** (Nymex CFR China, 62% Fe) recorded a slight gain, to trade above \$US136.00/t.

US **copper** (Comex) futures rose by US2c/lb to \$US3.75/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** appreciated to ~US65.70c after trading at ~US65.55c - ~\$US65.65c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	37469	202	0.5
<b>S&amp;P 500</b>	4781	42	0.9
<b>NASDAQ</b>	15056	200	1.3
<b>FTSE 100</b>	7459	13	0.2
<b>DAX 30</b>	16567	136	0.8
<b>Shanghai Composite</b>	2846	12	0.4

## Overseas Markets Commentary

Improved risk sentiment was demonstrated from opening across most major European, UK and US equities markets overnight

A positive outlook statement from Taiwan Semiconductor Manufacturing Company, while reporting earnings, buoyed the chip and large tech sectors.

In addition, a research report lifted an Apple neutral rating to a buy recommendation.

Further, a US Federal Reserve district president offered interest rates could come down earlier than he had originally thought, pending 'convincing' evidence of sustainable target-level inflation.

European Central Bank (ECB) December policy meeting minutes

## Today's Stock Watch

### Namoi Cotton (NAM)

Scheme implementation agreed for Louis Dreyfus Company Asia to acquire the balance 83% of NAM shares it does not already hold.

The 51c cash-per-share proposed consideration includes a 1c NAM dividend.

NAM has trade at 47.5c – 48.5c over the past five sessions.

### Michael Hill International (MHJ)

Estimated 1H FY figures include 4.1% year-on-year total sales growth and \$30M - \$33M comparable EBIT.

### NRW Holdings (NWH)

Designated 'preferred proponent' to deliver a \$225M suburban Perth, Western Australia roadwork interchange project, funded equally by the Australian and WA governments.

## Resources

### Piedmont Lithium (PLL) / Atlantic Lithium (A11)

PLL is selling 24.3M A11 shares at 25p each, for ~\$US7.8M. PLL will retain 5.2% (32.7M shares) of A11.

### True North Copper (TNC)

The Queensland Cloncurry copper project Wallace North mine resource has been boosted by drilling and re-assaying of historic core.

The new resource tallies 1.59Mt @ 1.31% Cu & 0.78g/t Au, for 23,490t of copper and 44,800oz of gold.

### Mantle Minerals (MTL)

WA Pardoo nickel-copper project Highway Deposit resource has grown to 16.46Mt @ 0.407% Ni & 0.117% Cu, for 67,0005t of nickel and 19,208t of copper.

## Energy

### Whitehaven Coal (WHC)

Teleconference scheduled to commence **10.30am** AEDT.

December quarter ROM production fell 6% for the three months to 5.0Mt, but FY24-to-date production is up 17%.

Produced coal sales rose 21% to 3.7Mt. Average realised price came in at \$A216/t from \$A224/t and against \$527/t for the December quarter 2022. \$1.5B net cash.

### Yancoal Australia (YAL)

Achieved 10.1Mt of attributable coal sales during the December quarter.

The average realised coal price came in at \$A196/t, against \$A422/t for the December quarter 2022.

Produced 12.9Mt of saleable coal.

Breakdown statistics lodged post-trade yesterday.

\$477M cash at 31 December.



revealed agreement on 'no room for complacency' regarding containing inflation levels, but also broad concern at economic outlooks.

Meanwhile, US government funding past this weekend's deadline was seeming assured at the last minute again, following Senate legislative approval ahead of a House of Representatives vote.

In overnight economic **data** releases, **euro zone** December new domestic vehicle registrations were estimated 3.3% lower than for December 2023.

Forecasters anticipated a 4.0% increase following a 6.7% year-on-year November climb.

November construction output dropped 2.2% year-on-year, following a 0.7% year-on-year decline recorded for October.

**Russia's** November international trade figures, also reported overnight, included a reduced trade surplus, but essentially in line with expectations.

In the **US**, weekly new unemployment claims fell to 187,000 from 203,000 the previous week, against expectations for an increase to 207,000.

The new tally had not been recorded as low since September 2022.

The January Philadelphia Fed manufacturing index improved, albeit to -10.6 from -12.8. A greater improvement to -7.0 had been anticipated.

December housing starts dropped 4.3% for the month following a 10.8% November jump.

December building permits rose by 1.9% following a 2.1% November fall.

Earlier yesterday, Japan hosted a 20-year government bond auction which resulted in a 1.383% yield from 1.414%.

**Tonight** in the **US**, December existing home sales are due, together with January consumer sentiment as estimated in an initial reading by the University of Michigan.

Elsewhere, the UK reports December retail sales.

HDFC Bank, Reliance Industries, SLB (formerly Schlumberger) and Tokyo Steel Manufacturing are among companies scheduled to report earnings later today or tonight.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	2021.6	oz	15.1	0.8
<b>Silver</b> (COMEX 5000 Mar)	22.81	oz	0.14	0.6
<b>Platinum</b> (NYMEX Apr)	916	oz	26	3.0
<b>WTI Crude</b> (NYMEX Feb)	74.08	bbl	1.52	2.0
<b>Brent Crude</b> (ICE EUR Mar)	79.10	bbl	1.22	1.6
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	136.08	t	0.29	0.2
<b>Copper</b> (LME 3mth Evening) (17Jan)	8268	t	-86	-1.0
<b>Nickel</b>	16079	t	-71	-0.4
<b>Aluminium</b>	2178	t	-34	-1.5
<b>Lead</b>	2064	t	-39	-1.9
<b>Zinc</b>	2466	t	-81	-3.2
<b>Tin</b>	25233	t	63	0.2

## Pre-Open Announcements

### Synlait Milk (SM1)

SM1 had raised the forecast 2023-24 base milk price to \$NZ7.50/kgMS from \$NZ7.25/kgMS.

### IncentiaPay Ltd (INP)

December quarter gift card revenues grew by 72% for the three months.

\$960,000 net operating loss from a \$790,000 September quarter net loss.

\$1.89M cash and equivalents at 31 December.

## Resources

### Adavale Resources (ADD)

Tanzania Kabanga Jirani nickel project initial 2024 exploration plans lodged this morning.

### Sunshine Metals (SHN)

North Queensland Ravenswood project Lighthouse Farm-in first-pass drilling across three prospects has delivered 'encouraging' results.

Details lodged this morning.

Further mapping planned.

## Energy

### Lake Resources (LKE)

Conference presentation lodged post-trade yesterday.

### Trading Halts

Company	Code	Resuming
FBR Ltd	FBR	22 Jan
Mandrake Resources	MAN	19 Jan
Mayur Resources	MRL	22 Jan
Toro Energy	TOE	22 Jan

### Suspensions (selected)

Company	Code	Since
Australian Pacific Coal	AQC	17 Jan
Galena Mining	G1A	11 Jan
Gathid Ltd	GTH	4 Jan
Icon Energy	ICN	9 Jan
Infinity Mining	IMI	17 Jan
Laramide Resources	LAM	15 Jan
MetalsTech Ltd	MTC	18 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>KPG</b>	Today	<b>0.44</b>	100	0.94



## Commodities Commentary

**Oil** – prices were pushed higher early overnight.

Reports of disrupted crude production and supply continued in the US, due to prolonged severe winter conditions, North Dakota estimating ~40% of output had been adversely impacted.

The International Energy Agency's (IEA) monthly oil report, released overnight, included an 18,000bbl/d higher 2024 demand growth forecast than that contained in the December report, and the third consecutive monthly lift.

The IEA now predicts 2024 demand to grow by a daily 1.24MMbbl, in part due to growth in China's petrochemical sector and expectations of earlier than initially expected easing of central bank policy in key regions.

The agency now anticipates international supply to rise by 1.5MMbbl/d in 2024, to 103.5MMbbl/d.

In addition overnight, weekly US petroleum inventories, reported by government agency the EIA, included a 2.49MMbbl fall in crude stocks, in part due to strengthening refinery demand.

Petrol inventories grew by 3.08MMbbl.

Exports rose by 1.7MMbbl/d to 5.0MMbbl/d, pushing net imports down by 528,000bbl/d.

Meanwhile, the EIA also reported record 13.3MMbbl/d crude production for last week.

Also overnight, a district court in Norway ruled three offshore Norwegian oil and gas development permits as invalid due to environmental assessments deemed insufficient.

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

Tonight, a weekly US petroleum rig report is due from Baker Hughes.

**Gold** – an overnight shift higher for prices was mostly attributed to safe haven interest.

A US Federal Reserve district president had revealed interest rate cuts could commence sooner than he had initially expected, pending economic data.

**Base metals** – overnight trade proved mixed, amid varying reports regarding China's metals demand and output.

Copper and nickel were reported higher, but aluminium at mid-December lows due to increased stocks.

## Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6573	0.0016	0.24
EUR – USD	1.0877	-0.0018	-0.17

## US Data Tonight

Existing home sales	Dec
Uni of Michigan consumer sentiment (initial)	Jan

5GN	Wed	2	0	0.00
-----	-----	---	---	------

## Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>WHC</b>	Dec Q
<b>Mon</b>	DJW LYC	Interim (w/cast 3.30pm) Dec Q (w/cast 10am)
<b>Tue</b>	CRN SMR	Dec Q (tele 10am) Dec Q (tele 11am)
<b>Wed</b>	AFI PRU WDS	Interim (webinar 3.30pm) Dec Q (webinar 9am) Dec Q
<b>25 Jan</b>	RRL STO	Dec Q (w/cast tele 11am) Dec Q
<b>29 Jan</b>	STX	Dec Q
<b>30 Jan</b>	ALX BPT MP1 SFR WOA	Dec Q Dec Q Dec Q (w/cast 10.30am) Dec Q Dec Q
<b>31 Jan</b>	CIA IGO ORG PAC PBH SLR	Dec Q (w/cast tele <b>1am 1 Feb</b> ) Interim; Dec Q Dec Q FUM 31 Dec Dec Q (w/cast tele 10.30am) Dec Q (tele 11am)

**Other Overseas Data Today & Tonight**

<b>Japan</b>	CPI inflation	Dec
<b>Japan</b>	Tertiary industry index (3.30pm AEDT)	Nov
<b>UK</b>	Retail sales	Dec
<b>Germany</b>	Producer prices	Dec

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

**Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice**

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.