

Markets

SFE 200 Futures (9.30am AEDT)	7349	-66	-0.9
NZX 50	12717	-98	-0.8
DJIA Futures	35259	-574	-1.6
S&P 500 Futures	4571	-83	-1.8
NASDAQ Futures	15206	-353	-2.3

Local Markets Commentary

The Australian market opens mid-week trade with a key domestic economic report due this morning and further trading updates from high-profile domestic stocks, ahead of UK monetary policy-influencing data tonight.

Overnight international equities sentiment soured.

In addition, Middle East tensions flared.

Locally today, Westpac and the Melbourne Institute publish their January **consumer confidence** report, 10.30am AEDT.

The Australian Bureau of Statistics (ABS) reports **jobs and wages** for the week ending **18 December** at 11.30am AEDT.

The HIA is also expected to release December **new home sales** anytime from today.

In overnight commodities trade, **oil** rose to trade at prices not seen since October 2014.

US **gold** futures settled slightly lower.

Iron ore (Nymex CFR China, 62% Fe) headed higher, approaching \$US127.50/t.

LME (3mth evening) **copper** was reported ~0.7% lower. **Nickel** reportedly rose slightly. **Aluminium** was reported ~0.7% higher.

Last night's LME final price updates were unavailable from IRESS at time of publication.

The **\$A** declined further, to ~US71.80c, after falling to ~US71.90c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35368	-543	-1.5
S&P 500	4577	-86	-1.8
NASDAQ	14507	-387	-2.6
FTSE 100	7564	-48	-0.6
DAX 30	15773	-161	-1.0
Shanghai Comp	3570	28	0.8

Overseas Markets Commentary

Major European, UK and US equities markets fell on opening overnight, amid mixed economic indicators and monetary policy commentary, some disappointing corporate earnings and heightened geopolitical tensions.

US equities markets traded for the first time this week, due to a

*** Nickel & cobalt exploration listing – midday AEDT – NC1 ***

Today's Stock Watch
Brainchip Holdings (BRN)

Added a further 25.68% yesterday, settling at \$1.86 after closing out 2021 at 68c.

This morning, BRN has announced a US patent grant, namely 'Event-based Classification of Features in a Reconfigurable & Temporally Coded Convolutional Spiking Neural Network'.

HUB24 Ltd (HUB)

\$68.3B FUA as at 31 December.

Record \$3.6B December quarter platform net inflows, pushing interim net inflows to \$6.7B.

Genetic Technologies (GTG)

December quarter customer receipts tallied \$A1.8M. \$A13.5M cash balance as at 31 December.

Megaport Ltd (MP1)

\$26.6M December quarter revenue.

Additional statistics lodged this morning.

Resources
BHP Group (BHP)

Produced 66.1Mt of WA Pilbara iron ore during the December quarter, pushing July – December output to 129.4Mt, up 1% on July – December 2020.

Copper production rose 12% (year-on-year) during the six months, to 742,000t.

Metallurgical and energy coal production increased by 8% and 5% respectively to 17.7Mt and 7.2Mt.

Nickel output rose 15% to 39,300t.

Conditional guidance figures also lodged pre-trade.

Lynas Rare Earths (LYC)

Produced 4209t of REO during the December quarter, following 3166t for the September quarter.

Sales revenue tallied \$A202.7M from \$121.6M.

Ongoing supply chain and shipping issues.

Helix Resources (HLX)

Reporting 29m of copper-sulphide mineralisation within a Canbelego diamond drill hole, at the 'main zone' target position.

First Graphene (FGR)

£15,000 worth of funding secured from Innovate UK EDGE, in support of supercapacitor development. FGR is targeting a proof-of-concept cell within 12 – 18 months.

Strickland Metals (STK)

Yandal gold project mineralisation extension confirmed by Dusk til Dawn drilling. Resource remodelling underway.

Monday public holiday, and hence reacted to Monday's influential data out of China plus a **People's Bank of China** rate cut. The one-year loan prime rate was reduced from 3.85% to 3.80%.

In addition yesterday, in an online address to the World Economic Forum, China's president Xi Jinping implored major central banks to be careful with the magnitude and pace of interest rate increases, citing a risk to international financial stability.

Earlier yesterday, the **Bank of Japan** (BoJ) convened a policy meeting at which it retained the -0.1% key short-term interest rate.

Status quo was also maintained for other policy measures, but in a quarterly outlook report, the central bank raised the inflation rate forecast financial year beginning 1 April from 0.9% to 1.0%, and for the following year to 1.1% from 1.0%.

BoJ governor Haruhiko Kuroda reiterated the bank's 2.0% target rate was unlikely to be reached anytime soon, and that hence 'we are absolutely not thinking about raising rates or modifying our easy monetary policy'.

The governor maintained the nation's economy was 'picking up as a trend'.

Among overnight **data** releases, ZEW's January economic sentiment index for the **euro zone** jumped to 49.4 from 26.8, soundly exceeding the expected 29.5.

December domestic vehicle registrations came in 22.8% lower than for December 2020.

The ZEW January economic sentiment index for **Germany** came in at 51.7 from 29.9, following forecasts for 34.

The current conditions component index dropped to -10.2 from -7.4, however. Forecasters had expected a slight improvement, albeit to -7.1.

A five-year bond auction in Germany notably produced a -0.29% yield from -0.58%.

In the UK, unemployment claims declined by 43,300 during December after dropping by 95,000 in November.

Forecasters had anticipated 36,000 fewer claims for December.

November average earnings (excluding bonuses) rose by 3.8%, essentially in line with expectations, following a 4.3% October increase.

The November unemployment rate was estimated at 4.1% from 4.2% for October.

In the **US**, the New York Fed Empire State January manufacturing index plunged to -0.7 from 31.9, defying expectations for a slight decline to 28.0.

A home builders' sentiment index was reported one point lower, at 83, following forecasts for a status quo reading.

Meanwhile, US 10-year treasury yields reached two-year peaks of ~1.856%.

Tonight in the **US**, December building permits and housing starts are due, together with weekly mortgage applications. Further, the US will conduct a 20-year bond auction.

Elsewhere, the **UK** reports December **CPI**. In addition, **Bank of England** governor Andrew Bailey is scheduled to speak publicly.

In the meantime, Germany hosts a 15-year bond auction.

Companies scheduled to report earnings or provide trading updates later today or tonight include: Alcoa, ASML Holding, Bank

Pre-Open Announcements

Pointerra Ltd (3DP)

December quarter cash receipts reached a record \$A2.85M. Additional statistics lodged pre-trade.

BKI Investment (BKI)

Paying a 7.53c interim and 0.5c special dividend. Record half-yearly profit and supporting statistics also lodged this morning.

Bill Identity (BID)

Paying a final £733,062.50 earn out in relation to the Optima Energy Management Holdings acquisition. BID paid the first tranche of this payment last week and will pay the second tranche 1 July.

Vortiv Ltd (VOR)

The \$10.5M fully underwritten 3c-per-share entitlement offer raised an initial \$1.6M from shareholders. Lazarus Corporate Finance was lead manager and underwriter for the offer. VOR settled at 3.2c yesterday, adding 14.39% for the session. VOR had traded at 2.7c – 3.0c the previous five sessions.

Resources

NiCo Resources (* NC1) / Metals X (MLX) / Blackstone Minerals (BSX)

Exploration company and MLX spin off NC1 is scheduled to list on the ASX **midday** AEDT, following a \$12M IPO at 20c per share.

87.25M quoted shares.

NC1 holds the WA Wingellina nickel-cobalt project and Claude Hills nickel project, South Australia.

MLX holds 23.19%. BSX holds 15.11%.

Bulletin Resources (BNR)

BNR has appointed BNR chief geologist Mark Csar as CEO.

ChemX Materials (* CMX) / Archer Materials (AXE)

Kaolin/Halloysite and manganese explorer CMX (formerly NextGen Materials) and proposed high-purity alumina processor completed its ASX listing yesterday, following an \$A8M IPO at 20c per share.

Opened at 22.5c and traded at 19.5c – 23c before settling on par at 20c.

46.34M quoted shares.

AXE held ~12.75% on listing.

Energy

Woodside Petroleum (* WPL)

WPL has completed the sale of a 49% non-operating participating interest in the WA Pluto Train 2 JV to Global Infrastructure Partners. WPL retains 51%.

WPL holds 90% of the Pluto (including foundation assets) JV; Kansai Electric Power Australia 5%; Tokyo Gas Pluto 5%.



of America, Kinder Morgan, Morgan Stanley, Procter & Gamble, Prologis, United Airlines, UnitedHealth and US Bancorp.

In overnight corporate news, **Goldman Sachs** was pushed more than 5% lower, following the release of December quarter revenue and profit figures which undershot expectations.

Activision appreciated ~25% on **Microsoft's** planned \$US68.7M acquisition of the video game producer.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1812.4	oz	-4.10	-0.2
Silver (NY) (Mar)	23.49		0.57	2.5
Gold (LON)	1818	oz		
Platinum	981	oz	9	0.9
WTI Crude (NYMEX Feb)	85.43	bbl	1.61	1.9
Brent Crude (ICE EUR Mar)	87.51	bbl	1.03	1.2
Iron Ore (NYMEX CHN port;62%Fe)	127.48	t	1.24	1.0
Copper (LME 3mth Evening) (17 Jan)	9730	t		
Nickel	22055	t		
Aluminium	2996	t		
Lead	2357	t		
Zinc	3507	t		
Tin	41297	t		

Commodities Commentary

Oil – prices were pushed to new seven-year peaks overnight following Monday's deadly attack on an Abu Dhabi, UAE fuel storage site.

Responsibility for the attack was claimed by Yemeni Houthis, the UAE-coalition subsequently launching retaliatory air attacks attack on Yemen's capital Sanaa.

Meanwhile, the US Department of Energy revealed it had approved the release of 400,000bbl of strategic reserves crude to France's TotalEnergies' Atlantic Trading & Marketing.

OPEC's monthly oil market report, published overnight, included unchanged 2022 demand growth magnitude and timing forecasts.

In addition, OPEC December output was reported 700,000bbl/d higher for the month, at 27.88MMbbl/d.

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

A US weekly petroleum inventories report is expected overnight tomorrow.

Gold – overnight prices were impacted by a jump in US treasury yields and a stronger \$US, a drop in equities sentiment proving of little support.

Base metals – central bank commentary and activity, inventories, the return of US traders and a \$US index at its highest in six days pushed and pulled overnight trade

Bank of Japan post-monetary policy meeting comments yesterday included boosted inflation forecasts but also confirmation easy policy would remain for some time.

Tin was reportedly pushed to a record \$US42,335/t intra-session, supported by falling inventories.

Aluminium also benefited from inventories, together with supply speculation largely based on high energy costs for smelters.

WPL's December quarter operational report is anticipated tomorrow.

Trading Halts

Company	Code	Resuming
Astro Resources	ARO	19 Jan
HeraMed Ltd	HMD	20 Jun
PNX Metals	PNX	20 Jun
Suvo Strategic Metals	SUV	20 Jun
Vanadium Resources	VR8	20 Jun

Suspensions (selected)

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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AIQ	Today	0.36	0	0.00
KPG	Today	0.36	100	1.01
PL8	Today	0.5	100	4.30
SEC	Today	2.6	100	4.47
KAT	Fri	0.5	100	1.75
TGA	Mon (24 Jan)	7	100	3.17

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	BHP	Dec Q & 1HFY22
	LYC	Dec Q (w/cast 9am)
	NC1	IPO
Tomorrow	API	AGM
	AVA	Dec Q; FY22 update
	BHP	Unification meeting (6pm)
	GCY	AGM
	IHL	AGM
	LMG	AGM
	NST	Dec Q (w/cast tele 9am)
	RSG	Dec Q (teles & Q&As 10.30am, 5pm)
	STO	Dec Q
WPL	Dec Q	
Mon (24 Jan)	AFI	Interim (webinar 1.30pm)
Tue	CHL	Dec Q (tele 9.30am)



The **People's Bank of China** is scheduled to decide on the coming month's one- and five-year loan prime rates tomorrow, but on Monday, the one-year rate was brought down from 3.85% to 3.80%. Meanwhile, China's president yesterday called for caution by central banks considering, and already raising, interest rates.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7184	-0.0010	-0.14
EUR – USD	1.1326	-0.0076	-0.66

Australian Data Today

Westpac/Melb Inst	Consumer confidence	Jan
ABS	Payroll jobs and wages	18 Dec
HIA	Residential property sales	Dec

US Data Tonight

Housing starts	Dec
Building permits	Dec
MBA mortgage applications	14 Jan

Other Overseas Data Today & Tonight

UK	CPI	Dec
Germany	CPI (final)	Dec
Eurozone	Construction output	Nov

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	PAR	AGM (11am)
	VBS	AGM
31 Jan	LIT	AGM

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