

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7044	36	<b>0.5</b>
<b>NZX 50</b>	11793	-7	<b>-0.1</b>
<b>DJIA Futures</b>	29279	0	0.0
<b>S&amp;P 500 Futures</b>	3325	0	0.0
<b>NASDAQ Futures</b>	9175	0	0.0

## Local Markets Commentary

The Australian market commences this trade amid a US Monday public holiday weekend, with China's benchmark interest rate due just four days ahead of the commencement of a week of Lunar New Year holidays, following further civil protests in Beirut and Hong Kong, and a weekend international summit to try to prevent a military showdown in Libya's capital Tripoli.

The **People's Bank of China** is expected to release January one-year and five-year loan prime rates **12.30pm** AEDT.

**Locally** today, no major economic indicators are due.

In overnight Friday commodities trade, WTI **crude** settled virtually flat. Brent recorded a modest gain.

US **gold** futures (February) turned higher.

**Iron ore** (Nymex CFR China, 62% Fe) recorded a small gain, above \$US94.80/t.

LME (3mth evening) **copper** closed essentially flat. **Nickel** turned and rallied. **Aluminium** pulled back slightly.

The **\$A** fell below US68.85c after trading at ~US69.05c early Friday evening.

Meanwhile, political, business and economic heavyweights are gathering in Davos, Switzerland and for the four-day World Economic Forum commencing later tomorrow.

Ahead of the opening, the International Monetary Fund (IMF) is expected to release a new World Economic Outlook report.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	29348	50	<b>0.2</b>
<b>S&amp;P 500</b>	3330	13	<b>0.4</b>
<b>NASDAQ</b>	9389	32	<b>0.3</b>
<b>FTSE 100</b>	7675	65	<b>0.9</b>
<b>DAX 30</b>	13526	97	<b>0.7</b>
<b>Shanghai Comp</b>	3075	1	<b>0.1</b>

## Overseas Markets Commentary

Major European equities markets headed higher on opening overnight Friday, sentiment never looking seriously threatened.

Key US indices chopped through trade at the commencement of a Monday public holiday weekend.

**China – January loan prime rate – 12.30pm AEDT**

## Today's Stock Watch

### National Australia Bank (NAB)

NAB has appointed Simon McKeon AO as a non-executive director, effective 3 February.

Mr McKeon is Monash University's chancellor and a non-executive director of Rio Tinto (ASX: RIO).

### Super Retail Group (SUL)

Trading update teleconference scheduled for 10.30am AEDT.

Anticipating \$1.44B 1H FY 20 revenue and \$113M - \$115M EBIT. 1H FY 20 total sales rose 2.9%. Like-for-sales rose 1.7%.

### MGC Pharma (MXC) / THC Global Group (THC)

MXC will produce and supply white label pharmaceutical-grade Canndeo-branded phytocannabinoid products to THC's Australia and New Zealand operations for a minimum 18 months.

Initial order worth €25,000 in hand. Subsequent orders will be for a minimum €50,000 worth of products.

## Resources

### Lynas Corporation (LYC)

Three individuals have commenced a judicial review in the High Court in Malaya, Kuala Lumpur, in relation to the Government of Malaysia's decision in August 2019 to renew LYC's full operating licence.

LYC says several court challenges previously initiated by these individuals and associates have been dismissed.

In addition, LYC has reported that a further \$US1.5M worth of bonds have been converted into equity, for the issue of 2M shares.

LYC's convertible bond facility stands at \$US12.15M.

The company also holds a \$US145M Japan Australian Rare Earths (JARE) loan facility. In June 2019, LYC extended this facility by 10 years.

### Silver Lake Resources (SLR)

Raising FY 20 sales guidance to 240,000oz – 250,000oz, from 215,000oz – 230,000oz. Lowering anticipated AISC to \$A1300/oz - \$A1350/oz, from \$1375/oz - \$1450/oz.

Produced a record 68,519oz of gold and 691t of copper, representing 71,008oz of gold equivalent, at a \$A1192/oz AISC during the December quarter.

Sold 66,074oz of gold and 694t of copper at \$A2028/oz.

\$186M cash and bullion.

### Resolute Mining (RSG)

RSG has hedged an additional 37,200oz of gold at \$US1562/oz, to be delivered in monthly instalments over one year from July.



Earlier Friday, China had reported a swag of influential economic indicators that generally matched expectations, but that were variously interpreted in broad commentary.

In overnight Friday data releases, the **euro zone's** final December CPI reading was confirmed at 0.3% growth for the month and 1.3% on an annual basis.

November construction output rose 1.3% year-on-year following a 0.9% October increase.

In the **UK**, December retail sales disappointed, falling 0.6% for the month and following a 0.8% November drop.

Against December 2018, sales were 0.9% higher.

In the **US**, December building permits dropped 3.9% for the month following a 0.9% November rise.

Housing starts jumped 16.9%, after a 2.6% October gain.

Industrial production slipped 0.3%, against a 0.8% November improvement and was down 1% on December 2018.

A JOLTS November job openings report estimated 6.8M opportunities following 7.36M in October.

A University of Michigan initial January consumer sentiment reading came in at 99.1 following 99.3 at the end of December.

**Tonight**, Germany reports producer prices.

US markets will remain closed during the Martin Luther King Jr public holiday.

Companies scheduled to report earnings include: LG Display, Nomura and TDK.

*US markets will be closed tonight due to a public holiday.*

*China's markets will be closed for a week from Friday (24 January), due to Lunar New Year/Autumn Festival holidays.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1560.3</b>	oz	9.8	0.6
<b>Silver (NY) (Mar)</b>	<b>18.073</b>	oz	0.134	0.8
<b>Gold (LON) (16 Jan)</b>	<b>1555</b>	oz		
<b>Platinum</b>	<b>1022</b>	oz	18	1.8
<b>WTI Crude (Feb)</b>	<b>58.54</b>	bbl	0.02	0.0
<b>Brent Crude (Mar)</b>	<b>64.85</b>	bbl	0.23	0.4
<b>Iron Ore (NYMEX, CHN, 62%)</b>	<b>94.81</b>	t	0.26	0.3
<b>Copper (3mth, evening)</b>	<b>6266</b>	t	-2	-0.0
<b>Nickel</b>	<b>13940</b>	t	140	1.0
<b>Aluminium</b>	<b>1805</b>	t	-3	-0.2
<b>Lead</b>	<b>1977</b>	t	-5	-0.3
<b>Zinc</b>	<b>2435</b>	t	38	1.6
<b>Tin</b>	<b>17810</b>	t	140	0.8

### Commodities Commentary

**Oil** – trade pacts, international forecasts, new data out of China and some surprise US sector figures over the past week appeared to constrain most sentiment overnight Friday.

In addition, **Libya's** eastern oil ports were declared closed by the commander of a Libya National Army faction ahead of an international summit hosted by Germany yesterday, designed to foster greater stability.

## Pre-Open Announcements

### Gentrack Group (\*\* GTK)

Following last week's update, GTK confirms it is anticipating \$8M - \$12M FY 20 EBITDA.

Consequently, the group is implementing cost reduction plans designed to lower costs by up to \$8M on a fully-year basis.

Additional guidance promised at the 26 February AGM.

### PolyNovo Ltd (\* PNV)

Hong Kong and Singapore road show presentation lodged this morning. PNV traded higher each session last week, closing out the week at \$2.45.

### Advance Nanotek (\* ANO)

Unaudited \$4.831M pre-tax profit for the six months to 31 December, 2.75 times greater than that reported for second-half calendar 2018.

Sales totalled \$11.306M, against \$4.743M.

ANO has estimated that a delay in the TGA's audit of ANO's Brisbane manufacturing facility negatively impacted interim profits by ~\$500,000.

Once the facility is approved, ANO expects to save \$1Mpa in external testing costs.

### Resources

### Newcrest Mining (\* NCM)

NCM is presenting tonight at the Association for Mineral Exploration Roundup conference in Vancouver, Canada. Presentation lodged this morning.

### Liontown Resources (\* LTR)

Corporate strategy and exploration update lodged this morning. This includes plans to farm out, or totally divest, the Toolebuc vanadium project, Queensland.

In addition, LTR has recommenced (for 2020) drilling within the Western Australia Kathleen Valley lithium-tantalum project, with four RC rigs and two diamond core rigs operational.

### New Century Resources (\* NCZ)

Produced 7% higher (for the three months), 28,123t of zinc metal at a 3% lower, US96c/lb C1 cost during the December quarter. Expecting to produce 29,000t – 35,000t of zinc at a US85c/lb C1 cost during the March quarter.

### Pioneer Resources (\* PIO)

PIO has appointed PIO CFO and company secretary Tim Spencer as CEO, to take over from David Crook 24 January (Friday this week).

Mr Crook has been PIO's CEO for 16 years.

In addition, PIO has appointed Dacian Gold (ASX: DCN) founding MD Paul Payne as an independent non-executive director, also effective this coming Friday.

### Hot Chili (HCH)

Heralding additional Cortadera, Chile copper-gold drilling results.



The move was estimated to impact up to at least half the country's crude exports.

Since then, two key oil fields in south west Libya were yesterday reported to be commencing shutdowns.

A weekly US petroleum drill rig count, published overnight Friday, included 14 additional operating oil rigs, following three weeks of declines.

**Gold** – CME Group futures gained overnight Friday amid mixed data releases, and ahead of central bank meetings in Japan and the euro zone this week, and the US next week.

Middle East unrest focused on a Germany-hosted summit to broker stability in Libya. Egypt and the UAE are supporting a military commander's push to take Tripoli, while Turkey has recently sent support for the current administration.

In addition to broad geopolitical developments anticipated this week, gold sentiment is expected to be pushed and pulled by central bank post-policy meeting statements and reactions to major corporate earnings reports.

**Base metals** – caution demonstrated overnight Friday following the release of a batch of major economic indicators from China, with some positioning ahead of the Monday public holiday weekend in the US and extended Lunar New Year market holidays from later this week.

**China's** year-on-year December quarter GDP (+6.0%; 6.0% Sep Q), year-on-year December industrial production (+6.9%; 6.2% Nov) and retail sales (8%; 8%), and 2019 fixed asset investment (5.4%; 5.2% Jan – Nov) generally matched expectations.

GDP rose 1.5% for the quarter, and 6.1% through 2019, representing the slowest yearly rate of growth since 1990.

One-year and five-year January loan prime rates are expected today, ahead of the commencement of a week of Lunar New Year public holidays for holiday Friday this week.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6874	0.0000	0.00
<b>EUR – USD</b>	1.1090	-0.0004	-0.03

### Overseas Data Today & Tonight

<b>China</b>	Loan prime rate (1 & 5-yr)	Jan
<b>Japan</b>	Industrial production (final)	Nov
<b>Germany</b>	Producer prices	Dec

### Need More Information?

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Assays lodged this morning.

### Red 5 (RED)

Confirming Western Australia King of the Hills gold project final feasibility outcomes are anticipated by 30 September.

Progress update lodged pre-trade.

### Energy

#### FAR Ltd (FAR)

\$11.18M worth of applications received in the 4.25c-per-share SPP which closed 14 January.

FAR traded at 4.1c – 4.5c last week.

#### Strike Resources (STX)

December quarter activities report lodged this morning.

#### Warrego Energy (WGO)

WGO is opening an office in Perth, Western Australia.

In association, WGO CEO and MD Dennis Donald will move to Perth for a while.

Further, WGO CEO Australia & Asia Pacific David Casey is leaving WGO this month, in favour of new opportunities.

In addition, WGO has appointed Cathy McKeagney as GM commercial, from early-February.

Ms McKeagney has most recently been working with Mitsui, AWE and BHP.

### Trading Halts

Company	Code	Resuming
Agrimin Ltd	AMN	20 Jan
Amplia Therapeutics	ATX	20 Jan
AuStar Gold	AUL	20 Jan
Alta Zinc	AZI	21 Jan
Jatenergy Ltd	JAT	21 Jan
Skin Elements	SKN	21 Jan

### Suspensions *(select)*

Company	Code	Since
Altura Mining	AJM	15 Jan
Coziron Resources	CZR	14 Jan
Force Commodities	4CE	15 Jan
Hawkstone Mining	HWK	17 Jan
Kangaroo Island Plantation Timbers	KPT	7 Jan
MEC Resources	MMR	17 Jan
Reverse Corp	REF	16 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CVF</b>	Today	<b>0.46</b>	100	7.61
MIR	Wed	3.5	100	3.65
DJW	29 Jan	8.75	100	5.57

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**Reports & Events**

(selected)

When	Company	Report/Event
<b>Tomorrow</b>	BHP	DecQ; 1H FY20 op review
<b>Wed</b>	API	AGM
	BKI	Interim
	IPD	Dec Q (tele 9.15am AEDT)
<b>Thu</b>	GXY	Dec Q (tele 11am AEDT)
<b>Fri</b>	LYC	Dec Q (tele 11am AEDT)