

Markets

SFE 200 Futures (9.30am AEDT)	7235	10	0.1
NZX 50	12614	2	0.0
DJIA Futures	34910	-349	-1.0
S&P 500 Futures	4524	-47	-1.0
NASDAQ Futures	15034	-173	-1.1

Local Markets Commentary

The Australian market commences today's trade with an overnight \$A appreciation, material domestic and regional economic data releases due this morning, and one report already in hand, together with December quarter operational updates for several large-cap domestic stocks.

Overnight US equities trade again ultimately proved negative.

Most key commodities traded higher, however.

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

Also this morning, the Melbourne Institute releases its **January consumer inflation expectations** report.

The Reserve Bank of Australia (RBA) reports December foreign exchange transactions and official reserve assets.

Regionally today, **Japan** is scheduled to release **December trade** statistics 10.50am AEDT.

The **People's Bank of China** was expected to announce one-year and five-year loan prime **rates** 12.15pm AEDT today, but reduced the one-year rate on Monday.

Pre-trade, **South Korea** has reported December **producer prices**, these remaining steady for the month but 9.0% higher than for December 2020. Forecasters had anticipated a 0.8% December price appreciation following November's 0.5% increase.

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

US **gold** futures turned higher, settling beyond \$US1840/oz.

Iron ore (Nymex CFR China, 62% Fe) declined US7c/t, remaining above \$US127.40/t.

LME (3mth evening) **copper** was reported to have swung to an ~1.5% gain for the session. **Nickel** reportedly traded 5% higher intra-session. **Aluminium** was reported to have continued another ~0.7% higher.

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

The **\$A** appreciated to ~US72.25c after trading at US71.85c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35029	-340	-1.0
S&P 500	4533	-44	-1.0
NASDAQ	14340	-167	-1.2

*** Fintech listing – 11am AEDT – SQ2 ***

Today's Stock Watch
Incitec Pivot (IPL)

Teleconference scheduled to commence **10am** AEDT.
 Market update presentation lodged pre-trade.

Netwealth Ltd (NWL)

\$56.6B FUA as at 31 December.

December quarter net inflows tallied a record \$3.6B.

Whispir Ltd (WSP)

December quarter annualised recurring revenue (ARR) reached \$60.0M, up 26.6% year-on-year.

Cash receipts tallied \$25.4M.

Resources
Northern Star Resources (NST)

Sold 392,655oz of gold for \$A950M revenue during the December quarter.

\$A1631/oz AISC and \$A24299/oz average realised price.

\$A588M cash and bullion as at 31 December; \$A288M net cash.

Resolute Mining (RSG)

Produced 79,816oz of gold during the December quarter, pushing the 2021 tally to 319,271oz.

Sold 75,636oz at \$1749/oz.

\$1437/oz AISC; \$1370/oz for 2021.

\$88.6M cash and bullion; \$228.8M net debt.

Sandfire Resources (SFR)

Produced 18,675t of copper and 8739oz of gold in concentrate, at a \$US1.07/lb C1 cost during the December quarter.

1H FY22 output tallied 34,621t of copper and 16,254oz of gold at a \$US1.10/lb C1 cost.

\$A1.654B cash on hand.

Novonix Ltd (NVX)

Two-year technology development agreement secured with NYSE-listed Phillips 66.

Phillips 66 holds 16% of NVX.

Energy
Santos Ltd (STO)

Produced a record 92.1MMboe during 2021 and record, 39% higher sales revenue tallying \$US4.71B.

December quarter statistics also lodged this morning.



FTSE 100	7590	26	0.4
DAX 30	15810	37	0.2
Shanghai Comp	3558	-12	-0.3

Overseas Markets Commentary

Trade diverged across major European, UK and US equities markets overnight, inflation and associated central bank expectations, plus geopolitical relations remaining key influences.

Key US equities indices opened higher but notably settled at session lows, the NASDAQ entering technical correction territory.

Earlier, **Bank of England (BoE)** governor Andrew Bailey told a government Treasury committee that high inflation could continue into 2023, given high energy prices and associated increased higher wage demand.

Late-Tuesday China's vice premier had reiterated the People's Bank of China remained ready to support economic stability.

Among Covid-19 considerations, the World Health Organisation (WHO) warned the virus spread was 'nowhere near over'. A WHO executive assured participants in the online World Economic Forum however, that it could prove possible for the public health emergency spawned by the virus to come to an end this year.

The US joined other nations in warning of travel to Australia and promised a select rollout of no-charge N95 masks. Meanwhile New Zealand moved curbed international arrivals, in order to ease quarantine pressure.

In overnight **data** releases, **UK** December **CPI** growth was reported at 0.5% for the month, following 0.7% November inflation and expectations of 0.4% December growth.

Against December 2020, the UK CPI was up 5.4%, representing the fastest growth in almost three decades.

This bolstered expectations the BoE the raise its key interest rate to 0.5% at the 3 February monetary policy meeting.

Germany's December CPI growth was confirmed in a final reading at 0.5% for the month and 5.3% on an annualised basis.

In the **euro zone**, November construction output was reported 0.55 higher than for November 2020.

In the **US**, housing starts grew by 1.4% during December, defying forecasts of a 2.0% drop after November's 8.1% jump.

Building permits were reported 9.1% higher for the month, against expectations of a 0.4% rise following November's 3.9% climb.

Weekly mortgage applications rose 2.3% following a 1.4% increase the previous week.

The average 30-year mortgage rates increased from 3.52% to 3.64%.

Meanwhile, a 20-year US bond auction produced a 2.21% yield from 1.942% previously.

Earlier, a 15-year bond auction in Germany delivered a 0.15% yield from -0.06%.

Tonight in the **US**, weekly new unemployment claims are anticipated, together with the Philadelphia Fed manufacturing index and December existing home sales.

Key reports due for release elsewhere include the minutes of the European Central Bank's (ECB) December monetary policy meeting.

Pre-Open Announcements

Block Inc (* SQ2)

The former Square Inc and acquirer of Afterpay Holdings (ASX: APT *now suspended*) is scheduled to commence ASX trade **11am** AEDT as a foreign exempt listing.

~96.08M common shares/CDIs.

Trading will commence on a deferred settlement basis.

Normal (T+2) trade is expected to commence 2 February.

Abacus Property Group (ABP)

Outlaying \$100M to acquire two properties and effectively quit residential development and mortgage legacy loan positions.

Details lodged post-trade yesterday.

Althea Group (AGH)

December quarter receipts tallied a record \$5.5M, pushing 1H FY22 receipts to \$9.9M.

Smartpay Holdings (SMP)

December quarter consolidated revenue rose 43% year-on-year to \$NZ13.23M.

Additional statistics lodged post-trade yesterday.

Plato Income Maximiser (PL8)

December investment update lodged post-trade yesterday, including top-10 holdings and holdings which delivered the top-10 yields.

Sensera Ltd (SE1)

Pleading ignorance in response to an ASX price query.

SE1 traded as high as 2.3c yesterday before settling at 2.2c, 22.22% higher for the session.

This after adding 6.25% Monday and 5.88% Tuesday.

24M SE1 shares changed hands yesterday, across 224 transactions.

SE1 has ~414M quoted shares.

Orexplore Technologies (* OXT)

Mineral technology specialist scheduled to list on the ASX midday AEDT **tomorrow**, following a \$2.4375M IPO at 25c per share.

~103.66M quoted shares.

Resources

European Metals Holdings (** EMH)

Heralding the results of an updated pre-feasibility study for the 49% EMH-held Czech Republic Cinovec lithium project.

The new statistics are based on 29386tpa lithium hydroxide monohydrate production, representing a 16% increase on output for the initial PFS.

Post-tax NPV has grown by 74.9% to \$US1.938B.

36.3% post-tax IRR. 2.5-year payback from the commencement of production.

The planned mining method has also changed.

Details lodged post-trade yesterday.

EMH is resuming from a trading halt having also secured



Companies scheduled to report earnings or provide trading updates later today or tonight include: American Airlines, Baker Hughes, CSX, Netflix, PPG Industries, Sandvik and Travelers.

In overnight corporate news, **Morgan Stanley** reported a 37% increase in full year net profit to a record \$US15B, plus a 23% increase in revenue to a record \$US60B.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1843.2	oz	30.80	1.7
Silver (NY) (Mar)	24.231		0.74	3.2
Gold (LON) (18 Jan)	1817	oz		
Platinum	1026	oz	45	4.6
WTI Crude (NYMEX Feb)	86.96	bbl	1.53	1.8
Brent Crude (ICE EUR Mar)	88.44	bbl	0.93	1.1
Iron Ore (NYMEX CHN port;62%Fe)	127.41	t	-0.07	-0.1
Copper (LME 3mth Evening) (18 Jan)	9674	t		
Nickel	22061	t		
Aluminium	3024	t		
Lead	2323	t		
Zinc	3567	t		
Tin	42289	t		

Commodities Commentary

Oil – supply and demand considerations continued forefront overnight, a fire temporarily disrupting flow through a pipeline connecting Kirkuk, Iraq to Ceyhan port, Turkey.

Brent crude traded as high as \$US89.13/bbl intra-session, the most since October 2014. In addition, WTI settled at its highest since October 2014.

The **International Energy Association's** (IEA) monthly report included a forecast for a March quarter oil surplus, despite international inventories remaining below pre-Covid – 19 levels.

The IEA also boosted its 2022 demand prediction by 200,000bbl/d, but warned of potential market volatility.

A US weekly petroleum inventories report is expected tonight.

Overnight, post-US trade, the American Petroleum Institute (API) has published a report which includes an estimated an ~1.4MMbbl rise for US crude stocks last week.

Gold – continuing high inflation readings, a \$US fall (ICE \$US index -0.2%), ongoing conjecture regarding Russia's intentions for Ukraine and heightened Middle East tensions supported overnight gold interest.

Comex futures settled at two-month peaks after declining for the previous three sessions.

Further international inflation readings are due today through tomorrow.

Base metals – an assurance late Tuesday from China's administration of further central bank policy change should the republic's economy require this, a weaker \$US and inventories proved major influences on overnight LME trade.

Meanwhile, LME-registered warehouse nickel inventories were reported at their lowest since 2019, helping push prices 5% higher intra-session, to 11-year peaks.

The **People's Bank of China** is scheduled to decide on the coming

\$A14.4M in **private placement** commitments from two institutional investors. \$13M of this is coming from Ellerston Capital. The CDIs will be issued at \$A1.40 each.

EMH traded at \$1.35 - \$1.52 the five sessions immediately prior to calling yesterday's halt.

The initial PFS was completed in 2019.

Copper Mountain Mining Corporation (* C6C)

Targeting some price security by contracting the supply of 3.3Mlb of copper per month through 2022 (39.6Mlb total) with a \$US4.00/lb floor price and mean average \$US4.91/lb ceiling price.

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

Exploration company and MLX spin off completed an outstanding ASX listing yesterday, following a \$12M IPO at 20c per share.

Opened at 34.5c and traded at 30.5c – 37.5c before settling at 36c.

7.67M shares changed hands across 1157 transactions.

87.25M quoted shares.

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

MLX held 23.19% on listing and BSX 15.11%.

Energy

Carnarvon Energy (* CVN)

Resuming from a trading halt with offshore Timor-Leste Buffalo-10 logging-while-drilling indicating an ~12m gross oil column within the top Elang reservoir.

The reservoir was intersected outside the range expected prior to drilling.

Additional information lodged post-trade yesterday.

CVN 50%.

CVN traded at 33.5c – 35.5c the five sessions immediately prior to calling the halt.

Trading Halts

Company	Code	Resuming
HeraMed Ltd	HMD	20 Jun
PNX Metals	PNX	20 Jun
Suvo Strategic Metals	SUV	20 Jun
Bulletin Resources	BNR	21 Jun
Centaurus Metals	CTM	21 Jun
Hannans Ltd	HNR	21 Jun
Rox Resources	RXL	21 Jun
Venus Metals Corporation	VMC	21 Jun

Suspensions (selected)

Company	Code	Since
Cradle Resources	CXX	13 Jan



month's one- and five-year loan prime rates today, but on Monday, the one-year rate was brought down from 3.85% to 3.80%.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7209	0.0023	0.33
EUR – USD	1.1342	0.0012	0.11

Australian Data Today

ABS	Workforce (incl jobs, wages, unemployment)	Dec
MInst	Consumer inflation expectations	Jan
RBA	Forex transactions; official reserve assets	Dec

US Data Tonight

Philadelphia Fed manufacturing	Jan
Existing home sales	Dec
Initial jobless claims	15 Jan

Other Overseas Data Today & Tonight

Japan	Trade balance	Dec
South Korea	Producer prices	Dec
UK	Retail sales	Dec
Germany	Producer prices	Dec
Eurozone	ECB monetary policy meeting minutes	Dec
Eurozone	CPI (final)	Dec

Need More Information?

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Emerald Resources	EMR	12 Jan
IRIS Metals	IR1	10 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
KAT	Tomorrow	0.5	100	1.79
MIR	Mon	3.5	100	2.42
TGA	Mon	7	100	2.86

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	API	AGM
	AVA	Dec Q; FY22 update
	BHP	Unification meeting (6pm)
	GCY	AGM
	IHL	AGM
	LMG	AGM
	NWL	Dec Q
	NST	Dec Q (w/cast tele 9am)
	RSG	Dec Q (teles & Q&As 10.30am, 5pm)
	SFR	Dec Q (w/cast tele 1pm)
	STO	Dec Q
WPL	Dec Q	
Mon	AFI	Interim (webinar 1.30pm)
Tue	CHL	Dec Q (tele 9.30am)
	KP2	Webinar & Q&A (8pm)
	PAR	AGM (11am)
	VBS	AGM
31 Jan	LIT	AGM