

Markets

SFE 200 Futures (9.30am AEDT)	7006	-2	-0.0
NZX 50	11770	-35	-0.3
DJIA Futures	29174	-5	0.0
S&P 500 Futures	3320	1	0.0
NASDAQ Futures	9175	5	0.1

Local Markets Commentary

The Australian market commences mid-week trade following vacillating overnight international equities sentiment and with new data in hand from China.

Post-ASX trade yesterday, **China** revealed foreign direct investment (FDI) had grown by 5.8% during 2019.

At the end of November, January – November FDI was calculated 6.0% higher year-on-year.

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

In overnight commodities trade, **oil** turned lower.

US **gold** futures (CME February) declined slightly.

Iron ore (Nymex CFR China, 62% Fe) price reports varied, but volumes were reported low ahead of Lunar New Year holidays.

LME (3mth evening) **copper** and **nickel** fell. **Aluminium** maintained the pace of Monday's gain.

The **\$A** changed little after dropping below US\$68.50c early yesterday evening.

Meanwhile, the World Economic Forum continues through Friday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	29196	-152	-0.5
S&P 500	3321	-9	-0.3
NASDAQ	9371	-18	-0.2
FTSE 100	7611	-41	-0.5
DAX 30	13556	7	0.1
Shanghai Comp	3052	-44	-1.4

Overseas Markets Commentary

Traders across major European and US equities markets overnight were presented with some positive data, a global pandemic warning, multi-sector and international issues commentary from high-profile attendees at the World Economic Forum, and a non-cooperation announcement from North Korea, as US trade resumed from a Monday public holiday, and Chinese traders prepared for Lunar New Year festivities, commencing Friday (Lunar NYE).

Earlier, **China** had conceded the new coronavirus could spread via human-to-human contact and the World Health Organisation (WHO) issued an international warning.

Today's Stock Watch

Impedimed Ltd (IPD)

December quarter revenue grew 63% year-on-year to \$1.5M, and came in 7% higher than for the September quarter 2019.

The number of SOZO contracted devices grew by 37, including 16 from existing account expansions.

In addition, expiring contracts were renewed. \$13M cash.

BKI Investment Company (BKI)

45.9% lower, \$25.50M interim NPAT.

45.5% lower, \$28.38M income.

Flat 3.625c fully franked interim dividend, but no special dividend, against 1.5c a year ago.

\$1.561 NTA, against \$1.458.

NeuroScientific Biopharmaceuticals (NSB)

US patent issued for Emtin peptide fragment, compound and pharmaceutical compositions.

NSB is developing Emtin for use in potential treatments for Alzheimer's and glaucoma-related optic nerve damage.

Coventry Group (CYG)

Anticipating \$122.5M 1H FY 20 sales, against \$89.9M a year ago, and ~\$4M EBITDA, up ~\$4.8M.

Excluding acquisitions, sales are estimated 7.2% higher. \$5.9M net debt.

Resources

St Barbara (SBM)

Produced 94,159oz of gold at a \$A1364/oz AISC during the December quarter, against 87,579oz at \$A1421/oz for the September quarter 2019.

Audio webcast teleconference commencing 11am AEDT.

Northern Star Resources (NST)

Update anticipated at this morning's AGM.

First Graphene (FGR)

Two-year supply agreement secured with Footwear Industries, trading as Steel Blue, whereby Steel Blue will exclusively source graphene and any graphite and graphene products from FGR.

In addition, Steel Blue will launch new safety boots incorporating FGR's PureGRAPH sole.

Further, Steel Blue is investigating using PureGRAPH in the boot Met-Guard and other areas.

Energy

Senex Energy (SXY)

Surat Basin daily production has reached 20TJ, with 33 wells online and another 16 expected to be producing within weeks.



The four-day **World Economic Forum**, officially commenced in Davos, Switzerland featured the **US** president promoting the US economy and US trade policy.

North Korea in the meantime announced it would no longer commit to halting nuclear and missile testing.

In the **UK**, the House of Lords voted for a child refugee protection amendment to proposed legislation associated with the UK-European Union (EU) separation. The legislation was approved this month by the Conservative majority-led House of Commons, but the non-government majority House of Lords has now voted for four amendments.

The UK is scheduled to leave the EU 31 January (Friday week), and to commence an 11-month transition period.

Meanwhile in the US, the president's impeachment trial formally began in the Senate.

In overnight data releases, an overall **euro zone** economic sentiment index jumped to 25.6 from 11.2, **Germany's** propelled by an even greater magnitude, from 10.7 to 26.7.

Germany's economic sentiment index also rose sharply, by 16 points to 26.7.

UK average earnings (excluding bonuses) rose 3.4% in November, following a 3.5% October gain.

December unemployment claims grew by 14,900 following the same increase in November, revised from 28,800.

208,000 more jobs were reported for October against just 24,000 new jobs estimated for September.

Tonight in the US, December existing home sales, the Chicago Fed national activity index a home price index and weekly mortgage applications are due.

Companies scheduled to report earnings include: Abbott Laboratories, ASML, Johnson & Johnson, Samsung C&T and Texas Instruments.

In overnight corporate news, **Netflix** has reported for the December quarter post-US trade, exceeding revenue and profit expectations, but also delivering what has initially been interpreted as disappointing March quarter guidance.

China's markets will be closed for a week from Friday, due to Lunar New Year/Autumn Festival holidays. Friday is Lunar New Year's Eve.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1557.9	oz	-2.4	-0.2
Silver (NY) (Mar)	17.808	oz	-0.265	-1.5
Gold (LON) (17 Jan)	1558	oz		
Platinum	1002	oz	-15	-1.5
WTI Crude (Feb)	58.34	bbl	-0.20	-0.3
Brent Crude (Mar)	64.59	bbl	-0.61	-0.9
Iron Ore (NYMEX,CHN,62%)	94.80	t		
Copper (3mth,evening)	6151	t	-115	-1.8
Nickel	13675	t	-335	-2.4
Aluminium	1826	t	10	0.6
Lead	1962	t	-3	-0.2
Zinc	2454	t	12	0.5
Tin	17580	t	-270	-1.5

Pre-Open Announcements

MyFiziq Ltd (* MYQ)

Binding term sheet secured with Bearn Llc, targeting the integration of the MYQ body-tracking app within Bearn's app. MYQ is anticipating \$US2.00 payment per scan.

CIMIC Group (CIM)

\$180M worth of contracts secured in the Western Australia and Queensland mining sectors by CIM's UGL. Details lodged this morning.

Bapcor Ltd (BAP)

Company secretary and CFO Greg Fox will retire from BAP 30 June, but will consult to BAP part-time. Mr Fox has been BAP's CFO since February 2012.

RPMGlobal Holdings (RUL)

Software subscriptions revenue total contracted value (TCV) has grown to \$17.7M for the year-to-date, up \$7.3M since 19 November 2019. Annual recurring revenue rose by \$2M during this time, to \$10Mpa. In addition, non-executive director Stewart Butel is resigning from the RUL board, effective 31 January.

Z Energy (ZEL)

1.3% year-on-year fall in December quarter fuel volumes to 1092ml. Additional statistics lodged pre-trade.

Contact Energy (CEN)

December operating report lodged this morning.

Resources

Metals X (* MLX)

Copper assets strategic review underway by two financial advisory firms and the MLX board. MLX will announce outcomes, but does not intend to issue updates.

Castillo Copper (* CCZ)

Heralding Zambia Mkushi project soil sampling indicating potential strike length extensions. Details lodged pre-trade.

Energy

Carnarvon Petroleum (CVN)

\$A119M cash as at 31 December.

Comet Ridge (COI)

Planning to commence Galilee Basin Albany 1 ST stimulation by month's end. Laboratory analysis of an Albany 2 gas sample indicates the gas is comparable to that from Albany 1, albeit it with greater nitrogen content, due to nitrogen lifting.

**Commodities Commentary**

Oil – prices turned lower overnight, this attributed variously to economic growth concerns following the IMF's new 3.3% 2020 global growth forecast (from 3.4%; and following 2.9% for 2019), commentary surrounding the potential greater spread of the coronavirus through China and beyond, and claims Iraq's production remains unaffected by the latest civil protests.

Among the forecasters, the International Energy Agency's (IEA) executive director Fatih Birol maintained a 1MMbbl/d surplus through 2020 would necessarily constrain oil prices.

The IEA expects Brazil, Guyana, Norway and the US will collectively supply an additional 2MMbbl/d.

Barclays in the meantime declared international crude demand would rise by a daily 1.4MMbbl this year, 50,000bbl/d more than the bank's previous forecast.

The weekly US petroleum inventories report from government agency the EIA is due tomorrow night.

Overnight, the WTI February contract expired at settlement, the March contract closing 0.3% lower for the session, at \$US58.38/bbl.

Gold – prices declined overnight, some citing fears of decreased demand from China, due to the coronavirus spread.

Geopolitical developments and data are expected to exert more influence over tonight's trade.

Base metals – overnight LME trade was influenced by positioning ahead of Lunar New Year (NYE Friday), industry data and concern on China's admission that the latest coronavirus has been shown to be contagious, coupled with a World Health Organisation (WHO) warning.

LME copper inventories were reported ~30% higher than for Monday.

In addition, the 89,000t September global copper deficit was reported to have eased to 33,000t in October.

Yesterday, the **Bank of Japan** maintained policy status quo, revised the 2021 FY (from 1 April) forecasts for GDP and CPI growth to 0.9% (+0.2%) and 1.4% respectively, and warned of ongoing broad international risk.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6845	0.0000	0.01
EUR – USD	1.1082	-0.0001	-0.01

Australian Data Today

Westpac/MelbInstitute	Consumer confidence	Jan
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US Data Tonight

Chicago Fed national activity index	Dec
FHFA residential property price index	Nov
Existing home sales	Dec

Trading Halts

Company	Code	Resuming
Lake Resources	LKE	22 Jan
Comet Resources	CRL	23 Jan
Emerald Resources	EMR	23 Jan
Renergen Ltd	RLT	23 Jan
Resolute Mining	RSG	23 Jan
Rumble Resources	RTR	23 Jan
Zenith Minerals	ZNC	23 Jan

Suspensions (select)

Company	Code	Since
Altura Mining	AJM	15 Jan
AuStar Gold	AUL	20 Jan
Coziron Resources	CZR	14 Jan
Force Commodities	4CE	15 Jan
Hawkstone Mining	HWK	17 Jan
Integrated Green Energy Solutions	IGE	20 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 (%)
MIR	Today	3.5	100	3.69
KAT	Fri	0.75	100	2.08
DJW	29 Jan	8.75	100	5.56

Reports & Events

(selected)

When	Company	Report/Event
Today	API	AGM (2pm AEDT)
	BKI	Interim
	IPD	Dec Q (tele 9.15am AEDT)
	NST	AGM (10am AEDT)
Tomorrow	GXY	Dec Q (tele 11am AEDT)
Fri	LYC	Dec Q (tele 11am AEDT)



MBA mortgage applications

17 Jan

Other Overseas Data Today & Tonight

UK	CBI industrial trends orders	Jan
UK	Public sector borrowing	Dec

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