

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	6748	15	0.2
<b>NZX 50</b>	13322	-11	-0.1
<b>DJIA Futures</b>	30909	0	0.0
<b>S&amp;P 500 Futures</b>	3834	0	0.0
<b>NASDAQ Futures</b>	13362	0	0.0

**Local Markets Commentary**

The Australian market opens an interrupted week's trade, ahead of a national public holiday tomorrow, amid increased international South China Sea tensions, a watch on China-Australia trade relations, and ongoing focus on US political moves and global Covid-19 containment.

Over the weekend, China twice flew a variety of military aircraft into Taiwan's air defence ID zone, after revealing a draft of militant China Sea patrol measures Friday.

Yesterday, the US announced it had sent an aircraft carrier group into the South China Sea, citing 'freedom of the seas'.

In addition, Hong Kong imposed a lockdown, and the Netherlands announced tighter restrictions, following an increase in Covid-19 diagnoses.

Overnight Friday international equities and commodities trade sentiment largely proved negative.

**Locally** today, the Australian Bureau of Statistics (ABS) releases *preliminary* December **merchandise trade**, **11.30am** AEDT.

**Regionally**, no major data releases are due.

In overnight Friday commodities trade, both Brent and WTI **crude** fell.

US **gold** futures picked up the pace of Thursday's decline.

**Iron ore** (Nymex CFR China, 62% Fe) settled slightly lower, beneath \$US169.85/t.

Qingdao **iron ore** (CFR 62% fines) was reported down \$US1.54/t for the day, at \$US169.97/t.

LME **copper** declined for a second consecutive session. **Nickel** swung decisively lower. **Aluminium** also turned, settling a little lower.

The **\$A** fell below US77.15c after trading at ~US77.30c early Friday evening.

**NB:** The **ASX** will be **closed tomorrow**, due to the Australia Day national holiday.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	30997	-179	-0.6
<b>S&amp;P 500</b>	3841	-12	-0.3
<b>NASDAQ</b>	13543	12	0.1
<b>FTSE 100</b>	6695	-20	-0.3
<b>DAX 30</b>	13857	-72	-0.5

The **ASX** will be **closed tomorrow**,  
 due to the Australia Day public holiday

**Today's trades will settle Thursday**  
 Trades executed Friday (22 January) settle **Wednesday**

**Today's Stock Watch**
**PointsBet Holdings (PBH)**

PBH has appointed US former professional and champion basketball player Shaquille O'Neal as the company's Australian brand ambassador.

**Tyro Payments (TYR)**

10% higher (year-on-year) \$1.048B 1 – 22 January total transaction value (TTV).

**CellMid Ltd (CDY)**

Initial Jo-Ju and Lexilis products order received from Ourui Health Management under a distribution agreement covering China.

Anticipating \$530,000 revenue.

**Telix Pharmaceuticals (TLX)**

Dosing underway for the US phase III Zircon clinical trial using TLX's renal cancer diagnostic imaging product TLX250-CDx.

**Resources**
**Silver Lake Resources (SLR)**

Produced 119,828oz of gold and 834t of copper during July – December, at an \$A1502/oz AISC.

Sold 127,422oz of gold and 931t of copper at \$A2400/oz.

\$315M cash and bullion at 31 December. No debt.

Anticipating selling 1600t of copper for FY 21, against previous guidance of 1100t.

**EcoGraf Ltd (EGR)**

Finalising engineering design and procurement programs ahead of the proposed construction of a 20,000tpa EGR battery graphite facility in Western Australia.

**Energy**
**Ampol Ltd (ALD)**

\$300.4M off-market share buy-back completed at \$26.34 per share. The shares represent 4.6% of ALD issued capital and will be cancelled. Strong demand forced an 89.4% scale back. ALD traded at \$29.21 - \$31.45 last week.

**Central Petroleum (CTP) / Incitec Pivot (IPL)**

Drilling contract in place for three Range gas JV project appraisal wells, Surat Basin, Queensland.

Drilling of the first well is expected to commence early April.

CTP 50%; IPL 50%.



Shanghai Comp 3607 -15 -0.4

### Overseas Markets Commentary

Major European, UK and US equities markets fell on opening overnight Friday, and while variously trending higher, sentiment mostly failed to produce any definitive recovery.

Broader and additional **Covid-19** containment measures within China concerned, as did some international PMI updates.

The \$US subsequently rose some, this partly attributed to safe-haven interest.

The **US** president signed executive orders targeting the fast-tracking of monetary and food aid and promoting a minimum \$US15 per hour wage for federal workers.

In addition, Lloyd Austin commenced work as defense secretary, following a positive (93 - 2) US Senate vote in favour of the president's nomination.

Meanwhile, the Senate finance committee unanimously confirmed the president's treasury secretary nomination, immediate past US Federal Reserve chair Janet Yellen, ahead of a final Senate vote, anticipated tonight.

Also overnight Friday, **China** was reported to be authorising its coastguard to take a more forceful role in the South and East China Sea, including firing on foreign vessels.

In overnight Friday data releases, **euro zone** initial January PMI estimates came in at 54.7 (from 55.2) for the manufacturing sector and 45 (from 46.4).

**Germany's** manufacturing PMI fell to a nonetheless comparatively robust 57 from 58.3.

The services sector slipped further into contractionary mode, indicated by a 46.8 reading, from 47.0 for December. Forecasters had anticipated 45.1, however.

In the **UK**, December retail sales rose 0.3% for the month and were 2.9% higher than for December 2019.

Sales had dropped 4.1% for the month in November and were expected to improve by 1.1% during December.

For 2020 however, sales were reported 1.9% lower.

Clothing sales were estimated to have dropped a record 25%.

Online sales were calculated ~46% higher than for 2019.

December public sector net borrowing came in at £34.1B, the highest recorded for any December since records began in 1983.

January PMIs were initially estimated at 52.9, from 57.5, for the manufacturing sector, and 38.8, from 49.4 for the services industry.

In the **US**, Markit's initial January PMIs surprised on the upside, the manufacturing index rising to 59.1 from 57.1, and the services reading climbing to 57.5 from 54.8.

Further, December existing home sales rose 0.7% after a 2.2% November drop and expectations of a new 1% fall.

**Tonight** in the **US**, in addition to the Senate's expected vote on the Senate committee's recommendation/confirmation of the president's nominee for treasury secretary, Janet Yellen, the Chicago Fed December national activity and Dallas Fed January manufacturing indices are due.

Elsewhere, European Central Bank president Christine Lagarde is

## Pre-Open Announcements

### National Tyre & Wheel (\* NTD)

Anticipating \$15.0M - \$15.5M 1H FY21 operating EBITDA.

\$22.4M cash on hand at 31 December.

\$18.0M net debt.

All business units have performed better than anticipated.

### MyFiziq Ltd (\* MYQ)

Non-executive chair Peter Wall has stepped down, effective Friday, in favour of MYQ founder and CEO Vlado Bosanac who will be executive chair through the company's transition to the US.

Mr Wall will work with MYQ, as Australia legal counsel, through his law firm Steinepreis Paganin.

He has been MYQ's chairman for the past five years.

MYQ is also looking to appoint US-based directors.

MYQ recouped 4.6% Friday, settling at \$1.25, after announcing a joint marketing and expansion funding deal with Bearn Llc.

### EMVision Medical Devices (\* EMV)

The US FDA has provided regulatory requirements guidance to EMV regarding the company's portable brain scanner, essentially recommending the De Novo process.

### CleanTeq Holdings (CLQ)

December quarter report lodged this morning, highlighting (previously disclosed) record EV and battery sales during November.

### Quickstep Holdings (QHL)

Traded as high as 9.3c Friday following last week's revelation of an MoU with Volansi, targeting the manufacture of Volansi drones using QHL's 'AeroQure' process.

### Select Harvests (SHV)

SHV non-executive director Michael Carroll is planning to step down from the SHV board at the company's 26 February AGM.

Mr Carroll has been an SHV director since 31 March 2009.

### New Zealand Coastal Seafoods (NZS)

NZS has appointed Factors Group Asia Pacific MD Evan Hayes as a non-executive director.

### The Agency Group Australia (AU1)

Unaudited 15% year-on-year 1H FY21 revenue growth, to \$29.1M.

\$1.6M EBITDA, incorporating \$883,000 for the December quarter.

\$5.5M cash and equivalents at 31 December.

Trade remains suspended.

### 8VI Holdings (8VI)

Presentation lodged post-trade Friday. 8VI recouped 8.43% Friday, closing at the session high of \$1.80.



again scheduled to speak publicly.

Companies scheduled to report earnings later today and tonight include: Archer Daniels Midland, Kimberly-Clark, Koninklijke Philips, Nidec Corporation, Otis Worldwide and Philips.

In overnight Friday corporate news, **Nissan** temporarily suspended two production lines at its Sunderland, UK manufacturing facility, due to port disruptions having affected supplies.

Nissan confirmed it planned to stay in the UK, however.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1856.2</b>	oz	-9.7	<b>-0.5</b>
<b>Silver (NY) (Mar)</b>	<b>25.55</b>	oz	-0.3	<b>-1.2</b>
<b>Gold (LON)</b>	<b>1853</b>	oz	-9	-0.5
<b>Platinum</b>	<b>1095</b>	oz	-24	<b>-2.2</b>
<b>WTI Crude (NYMEX Mar)</b>	<b>52.27</b>	bbl	-0.86	<b>-1.6</b>
<b>Brent Crude (ICE EUR Mar)</b>	<b>55.41</b>	bbl	-0.69	<b>-1.2</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>169.82</b>	t	-0.16	-0.1
<b>Copper (LME Ind)</b>	<b>8000</b>	t	-21	<b>-0.3</b>
<b>Nickel</b>	<b>18270</b>	t	-125	<b>-0.7</b>
<b>Aluminium</b>	<b>1995</b>	t	-2	<b>-0.1</b>
<b>Lead</b>	<b>2048</b>	t	7	<b>0.3</b>
<b>Zinc</b>	<b>2716</b>	t	7	<b>0.1</b>
<b>Tin</b>	<b>21985</b>	t	-16	<b>-0.1</b>

### Commodities Commentary

**Oil** – overnight Friday trade was impacted by China's reports of increased Covid-19 spread and subsequent tighter, broader restrictions, these dampening optimism for an ongoing recovery in China's oil demand.

In addition overnight Friday, the US Transportation Department reported an 11% fall in November road use, against October's figures.

A weekly US petroleum inventories report by US government agency the IEA, published overnight Friday, included a 4.35MMbbl increase in stored crude, but also a 4.73MMbbl draw on stocks at the key Cushing storage centre.

Petrol supplies fell by 260,000bbl. Distillate inventories grew by 458,000bbl.

Net crude imports tallied 566,000bbl/d.

Post-US settlement Wednesday, an American Petroleum Institute (API) report had estimated a 2.56MMbbl increase in stored US crude during last week, and respective 1.1MMbbl and 816,000bbl climbs for petrol and distillate inventories.

A weekly US petroleum drill rig count, also published overnight Friday, included two additional operational oil rigs.

The overall oil and gas drill rig tally nonetheless represented a 52% drop from a year earlier.

**Gold** – the \$US appeared in favour for safe – haven buyers overnight Friday, and some US data came in better-than-anticipated, the combination detracting from gold interest, and pushing Comex futures as low as \$US1836.30/oz intra-session.

A US Federal Reserve policy meeting, high-profile corporate earnings and material data releases (including Germany's

### Resources

#### Grange Resources (\* GRR)

Produced 479,000t of iron pellets during the December quarter, against 639,000t for the September quarter.

Output was impacted by the installation of a steel pan conveyor and hence an essential shutdown.

Sold 754,000t of pellets however, against 422,000t during the September quarter.

The average received price rose to \$US174.69/t FOB, against \$US130.22/t for the September quarter.

\$A202.93M cash and liquid investments at 31 December.

#### E2 Metals (\* E2M)

Argentina, Santa Cruz province Conserrat gold and silver project, operations have been suspended for an initial seven days, following positive Covid-19 test results for several on-site employees and contractors.

Diamond and RC drill rigs remain on site.

#### Kin Mining (\* KIN)

Heralding several significant-width, high-grade intersections from infill drilling within the WA Cardinia gold project Bruno-Lewis deposit.

Assays lodged pre-trade.

A resource update is anticipated by 31 March.

#### Pensana Rare Earths (PM8)

Planning application submitted for the proposed Yorkshire, UK \$US125M rare earth oxide separation plant.

The application review process is expected to take up to three months.

#### Hammer Metals (\* HMX)

The HMX-JOGMEC Mt Isa East copper-gold JV is extending the Trafalgar prospect drilling program following receipt of the significant assays reported last week.

#### Andromeda Metals (ADN) / Minotaur Exploration (MEP)

South Australia Great White kaolin JV project progress lodged this morning.

AND 75%; MEP 25%.

#### Metal Hawk (MHK)

WA goldfields Emu Lake gold project update lodged pre-trade, highlighting air core drilling confirmation of geochemical gold anomalies and the commencement of infill and extensional auger surveying.

#### Firefly Resources (FFR)

December quarter activities report lodged post-trade Friday.

\$6.3M cash reserves at 31 December.

#### Metalicity Ltd (MCT)

December quarter activities report lodged post-trade Friday.

\$3.126M cash on hand at 31 December.

#### Magnetite Mines (MGT)

In response to an ASX price and volume query, MGT suggests



December quarter GDP) could swing sentiment this week, in addition to Covid-19 containment perceptions and central bank commentary.

**Base metals** – China’s increasing and broadening Covid-19 containment measures, and some weaker-than-desired international economic indicators dampened overnight Friday LME trade sentiment.

A batch of international PMI updates, published Friday, included contractionary initial readings for Japan’s manufacturing (49.7) and services (45.7) sectors, each estimate indicating deterioration from December. Euro zone PMIs, reported later Friday, also declined.

Japan’s December CPI, also reported Friday, represented 0.3% deflation for the month. Year-on-year, the CPI was 1.0% lower.

NB: *China’s lunar new year holiday season is scheduled for 11 (NYE) – 17 February. Metals demand can decrease ahead of this time.*

#### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7710	-0.0007	-0.10
EUR – USD	1.2170	0.0000	0.00

#### Australian Data Today

ABS	Preliminary merchandise trade	Dec
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#### US Data Tonight

Chicago Fed national activity index	Dec
Dallas Fed manufacturing	Jan

#### Other Overseas Data Today & Tonight

Germany	IFO business climate	Jan
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appreciating iron ore prices and progress with Razorback iron ore project feasibility work could be responsible for last week’s price jump.

Thursday and Friday last week, MGT added 13.33% and 29.41% respectively, trading as high as 2.3c before settling at 2.2c Friday.

MGT had closed out the previous week, and 2020, at 1.4c. 231.37M shares changed hands Friday.

#### Energy

##### Strike Energy (\* STX) / Warrego Energy (\* WGO)

WA onshore Perth Basin West Erregulla EP 469 JV update lodged this morning, highlighting the commencement of drilling for WE4.

In addition, the JV successfully suspended WE3 which hosted an over-pressured gas column.

STX operator and 50%; WGO 50%.

Further, WGO has lodged a December quarter report pre-trade, highlighting \$33.66M consolidated cash.

#### Trading Halts

Company	Code	Resuming
Cyclopharm Ltd	CYC	25 Jan
88 Energy	88E	27 Jan
Archtis Ltd	AR9	27 Jan
Crowd Media Holdings	CM8	27 Jan
Dragontail Systems	DTS	27 Jan
Galan Lithium	GLN	27 Jan
Lindian Resources	LIN	27 Jan
New Talisman Gold Mines	NTL	27 Jan
Sagasco Ltd	SGC	27 Jan
Trek Metals	TKM	27 Jan
Xstate Resources	XST	27 Jan
RBR Group	RBR	28 Jan

#### Suspensions *(select)*

Company	Code	Since
(The) Agency Group Australia	AU1	19 Jan
Contrarian Value Fund	CVF	14 Jan
Red Emperor Resources	RMP	22 Jan
Volt Resources	VRC	22 Jan
Whitebark Energy	WBE	15 Jan

#### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GCI	Thu	0.75	0	4.24
DJW	Fri	5.25	100	4.52
OZG	1 Feb	0.3	100	2.55
WIC	1 Feb	3	100	4.65

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SAR	2 Feb	3.8	100	0.00
BKI	5 Feb	2	100	3.85
AFI	8 Feb	10	100	3.19
MLT	10 Feb	5.75	100	3.56

**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>CLQ</b>	Dec Q
	<b>GRR</b>	Dec Q
	<b>HZR</b>	Dec Q
	<b>NOX</b>	Dec Q
	<b>SLR</b>	Dec Q
<b>Wed</b>	DOC	Dec Q (w/cast 11am)
	RRL	Dec Q (w/cast tele 11am)
<b>Thu</b>	EVN	Dec Q (w/cast tele 11am)
	FMG	Dec Q
	IPD	Dec Q (tele 9.15am)
	LBY	Dec Q
	MMM	Dec Q (NB: tele <b>29 Feb</b> 9am)
	NCM	Dec Q
	PFT	Update (webinar midday)
	RMD	Dec Q (w/cast 8.30am 29 Jan)
	(NB: o’night AEDT)	
TEAM	Dec Q	
<b>Fri</b>	BFC	AGM
	BUD	AGM
	FLC	Dec Q (w/cast tele 9.30am)
	FNP	AGM
	LCY	Dec Q (w/cast tele 11am)
	MIN	Dec Q
	ORG	Dec Q
	OZL	Dec Q
	PBH	Dec Q (w/cast tele 10am)
	SZL	Dec Q