

## Markets

SFE 200 Futures (9.30am AEDT)	6894	-26	-0.4
NZX 50	12178	-7	-0.1
DJIA Futures	34055	-130	-0.4
S&P 500 Futures	4342	-7	-0.2
NASDAQ Futures	14159	18	0.1

## Local Markets Commentary

The Australian market commences the third last trading day for January with an overnight \$A depreciation and key domestic economic reports due late morning, ahead of influential US data tonight and a swag of high-profile earnings reports out of Asia, Europe and the US today and tonight.

**Locally** today, the Australian Bureau of Statistics releases December quarter **import and export prices** at **11.30am AEDT**, together with additional information regarding last week's December employment report.

Also this morning (10.30am), Westpac and the Melbourne Institute publish their December **leading index** report.

In addition, a wave of December quarter reports is anticipated through to the end of the month.

**Regionally** today, **China's** December and 2021 **industrial profits** update is anticipated **12.30pm AEDT**.

Pre-trade, **New Zealand** has announced 1.4% December quarter **CPI** growth for the three months, following 2.2% for the September quarter. The annualised inflation rate came in at 5.9%.

In overnight commodities trade, **oil** extended Tuesday's gains.

US **gold** futures swung lower.

**Iron ore** (Nymex CFR China, 62% Fe) continued lower after turning so Tuesday, but remained above \$US129.0/t.

LME (3mth evening) **copper** reportedly appreciated ~1.5% after rising 0.8% Tuesday. **Nickel** was reported to have been pushed ~2% higher. **Aluminium** reportedly rose ~0.2% following an ~2% increase for Tuesday.

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

The **\$A** fell to ~US71.10c after trading at ~US71.65c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	34168	-130	-0.4
S&P 500	4350	-7	-0.2
NASDAQ	13542	3	0.0
FTSE 100	7470	98	1.3
DAX 30	15459	336	2.2
Shanghai Comp	3456	23	0.7

Trades executed Monday (24 January) settle today  
Trades executed Tuesday settle tomorrow

\* Mineral exploration listing – midday AEDT – HAR \*

## Today's Stock Watch

### Premier Investments (PMV)

Anticipating \$769M interim sales. Online sales rose ~25% to ~\$195M. Closing four Sydney CBD operations by July 2023, namely the Just Jeans, Peter Alexander, Portmans and Smiggle stores. Expecting to close the Peter Alexander, Portmans and Smiggle stores in March this year.

### Insignia Financial (IFL)

\$325.8B FUMA at 31 December, up \$4.7B for the December quarter.

Breakdown statistics and commentary lodged this morning.

### Air New Zealand (AIZ)

AIZ has appointed ABM Aviation president Alexandria Marren as COO, effective late March.

In addition, AIZ has appointed AIZ GM commercial, alliances and strategy Mike Williams to the newly created role of chief transformation and alliances officer. This role commences 1 February (Tuesday next week).

Current AIZ COO Carrie Hurihanganui has been appointed Auckland International Airport (ASX: AIA) CEO, commencing February.

### OFX Group (OFX)

December quarter net operating income rose 20.5% year-on-year, and 9.9% for the three months, to \$39.0M.

Segment revenue figures also lodged this morning.

### Resources

#### Evolution Mining (EVN)

Produced 148,084oz of gold during the September quarter, with a \$A1347/oz AISC. July – December production tallied 318,766oz at a \$A1381/oz AISC.

Sold 155,287oz at \$A2378/oz during the December quarter, and 318,333oz at \$A2371/oz for the half year.

Copper output and sale statistics also lodged this morning.

\$A449.2M net debt.

#### OZ Minerals (OZL)

2021 revenue estimated at a record \$2.1B.

\$215M cash balance at 31 December.

Produced 32,169t of copper and 58,306oz of gold during the December quarter at a \$US1.596/lb AISC.

2021 production tallied 125,486t of copper and 237,263oz of gold at a \$US1.343 AISC.



## Overseas Markets Commentary

Major European, UK and US equities markets opened higher overnight, sentiment never looking at risk through the UK and European settlements.

Key US indices initially extended sessional gains on the release of the **US Federal Reserve's** post-policy meeting statement, but retreated during the Fed chair's subsequent press conference.

The post-policy meeting statement declared a rate rise would 'soon be appropriate', citing 'inflation well above 2 percent and a strong labour market'.

The statement also confirmed the central bank still intended to end its bond purchase program by the end of March, and that overall asset holdings would be reduced from when rates started to rise, largely by curbing the amount of maturing bond interest to be used for reinvestment.

Further, the bank intended to reweight the nature of holdings, from mortgage-backed securities towards US treasury notes.

In the post-meeting press conference Fed chair Jerome Powell declined to rule out consecutive rate increases.

The \$US maintained earlier gains and US 10-year treasury bond yields rose a little.

Earlier, the **Bank of Canada**, at the conclusion of its policy meeting, announced the key rate of 0.25% had been retained, but that rates would soon be increased as the national economy no longer required Covid-19 – related support.

Also overnight, the US administration delivered a written reply to **Russia**, saying this addressed Russia's security demands and also outlined US and US ally concerns regarding Russia's **Ukraine** intentions.

The US remained willing to continue discussions and that the document contained 'a serious diplomatic path forward'.

In France, diplomats from France, Germany, Russia and Ukraine had met for several hours to focus on ending a Russia-backed eastern Ukraine separatist conflict, as a part-measure to de-risking the potential for broader military activity.

For its part the European Central Bank (ECB) warned lenders of risks posed by potential sanctions against Russia.

Among overnight **data** releases, **US** December new home sales climbed 11.9%, defying expectations for a 3.2% fall following November's 11.7% jump.

December wholesale inventories rose 2.1%, against forecasts for a 1.1% increase following a 1.7% rise in November.

Weekly mortgage applications dropped 7.1%.

The mean average 30-year mortgage rate came in at 3.72% from 3.64%.

In **Russia**, December producer prices were reported 28.5% higher than they were a year earlier and 0.8% higher for the month.

Prices had been calculated 0.4% higher during November and forecasters had anticipated a 1.8% December increase.

Meanwhile in **Germany**, a 10-year bond auction delivered a -0.08% yield from -0.09%.

**Tonight** in the **US**, an initial December quarter GDP estimate is

## Pre-Open Announcements

### BrainChip Holdings (\* BRN)

\$19.4M cash at 31 December.

December quarter report lodged pre-trade.

### National Tyre & Wheel (NTD)

NTD received ~\$17M worth of applications for the \$3M, \$1.35-per share SPP, in support of the Carter's Tyre Service acquisition and subsequently raised the SPP offer size to \$10.9M.

NTD has traded at \$1.43 - \$163 for the month to date, settling at \$1.50 Tuesday after declining for four consecutive sessions.

~11.32M NTD shares will be released from voluntary escrow 4 February (Friday next week).

### Wellard Ltd (WLD)

December quarter operational and financial statistics lodged post-trade Tuesday, highlighting another challenging three months.

\$US4.4M cash and equivalents.

### iCar Asia (ICQ)

December quarter (unaudited) revenue rose 37% year on year to \$A5.79M.

Additional statistics lodged post-trade Tuesday.

### Firebrick Pharma (\* FRE)

Pharmaceuticals manufacturer scheduled to list on the ASX 12.30pm AEDT **tomorrow**, following a \$7M IPO at 20c per share.

106.11M quoted shares.

## Resources

### Haranga Resources (\* HAR)

Mineral explorer scheduled to list on the ASX **midday** AEDT, following a \$6.5M IPO at 20c per share.

~41.81M quoted shares. 17.5M quoted options.

### American Pacific Borates (ABR)

Conference presentation lodged post-trade Tuesday.

ABR has closed lower the past five sessions, settling at \$2.20 Tuesday, 8.7% lower for the day after an intra-session low of \$2.16.

### BelaraRox Ltd (\* BRX)

Mineral explorer scheduled to list on the ASX 1.30pm AEDT **tomorrow**, following a \$5.066M IPO at 20c per share.

28.33M quoted shares.

## Energy

### Paladin Energy (PDN)

\$US38M cash and equivalents at 31 December.

Nil corporate debt.

December quarter reports lodged pre-trade.



keenly anticipated, together with weekly new unemployment claims, December durable goods orders, pending home sales and a regional manufacturing index.

Companies listed to report earnings or provide trading updates later today or tonight include: Apple, Atlassian, Canon, Comcast, Daewoo Engineering, Dow Inc, Fuji Electric, Fujitsu, LG Electronics, Louis Vuitton, Mastercard, McDonald's, Mondelez International, Nomura Research, Northrop Grumman, ResMed Inc, Samsung Electronics, SAP, SEB Group and Visa.

In overnight corporate news, **Tesla** reported post-US trade, declaring higher-than-expected December quarter earnings and revenue, but warning of supply chain impediments.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Feb)	<b>1829.7</b>	oz	-22.80	<b>-1.2</b>
<b>Silver (NY)</b> (Mar)	<b>23.81</b>		-0.09	<b>-0.4</b>
<b>Gold (LON)</b> (25 Jan)	<b>1847</b>	oz		
<b>Platinum</b>	<b>1028</b>	oz	1	<b>0.1</b>
<b>WTI Crude</b> (NYMEX Mar)	<b>87.35</b>	bbbl	1.75	<b>2.0</b>
<b>Brent Crude</b> (ICE EUR Mar)	<b>89.96</b>	bbbl	1.76	<b>2.0</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	<b>129.4</b>	t	-0.54	<b>-0.4</b>
<b>Copper</b> (LME 3mth Evening) (25 Jan)	<b>9807</b>	t		
<b>Nickel</b>	<b>22367</b>	t		
<b>Aluminium</b>	<b>3094</b>	t		
<b>Lead</b>	<b>2339</b>	t		
<b>Zinc</b>	<b>3576</b>	t		
<b>Tin</b>	<b>41436</b>	t		

### Commodities Commentary

**Oil** – further overnight gains were mostly attributed to supply concerns should oil and gas exports from Russia be curbed.

Brent notably traded above \$US90.00/bbl intra-session for the first time since October 2014.

Post-settlement however, prices have been pushed a little lower following the US Federal Reserve chair's post-policy meeting press conference.

A weekly US petroleum inventories report, published overnight by government agency the EAI, included a 2.377MMbbl rise for crude stocks and 1.297MMbbl increase for stored petrol.

Net daily crude imports fell by 695,000bbl.

Petrol production rose by 229,000bbl/d.

Post US trade Tuesday, the American Petroleum Institute (API) had published a report which included an estimated 872,000bbl draw on crude stocks last week.

**Gold** – prices were pushed lower overnight, in part initially due to a further \$US strengthening (on US monetary policy speculation), but post-settlement in response to formal statements outlining the latest on US monetary policy.

The US Federal Reserve's official post-policy meeting statement and subsequent comments at the chair's press conference dented gold sentiment, particularly when the chair described national inflation as 'slightly worse' than in December. This reportedly temporarily propelled prices ~\$US35/oz lower.

**Base metals** – early positive trading sentiment in general

### Carnarvon Petroleum (\* CVN) / New Zealand Oil & Gas (NZO) / Cue Energy (CUE)

Ensign Rig 963, contracted for the Amadeus Basin Palm Valley 12/12A and Dingo-5 exploration wells, is expected to arrive up to one month later than anticipated, due to drilling issues on another project while under contract to Buru Energy (ASX: BRU).

The rig is now anticipated late-February and Palm Valley 12/12A drilling to commence in March.

In addition, drilling of the Range 9 and 10 step-out wells has been pushed back to early February due to rainfall delays to civil works.

### Trading Halts

Company	Code	Resuming
Artemis Resources	ARV	27 Jan
Austin Metals	AYT	27 Jan
Cassius Mining	CMD	27 Jan
Greenstone Resources	GSR	27 Jan
GWR Group	GWR	27 Jan
I Synergy Group	IS3	27 Jan
Red Mountain Mining	RMX	27 Jan
Structural Monitoring Systems	SMN	27 Jan
Agrimin Ltd	AMN	28 Jan
Alloggio Group	ALO	28 Jan

### Suspensions (selected)

Company	Code	Since
Askari Metals	AS2	24 Jan
Cradle Resources	CXX	13 Jan
Emerald Resources	EMR	12 Jan
Hannans Ltd	HNR	21 Jun
IRIS Metals	IR1	10 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>PRT (suspended)</b>	Today	<b>26</b>	100	4.30
GCI	Tomorrow	0.77	0	4.54
PCI	Tomorrow	0.35	0	3.51
QRI	Tomorrow	0.63	0	5.83
TCF	Tomorrow	3	0	4.65
CVC	Mon	4	100	2.44
MOT	Mon	0.98	0	6.44
MXT	Mon	0.74	0	4.15
PGG	Mon	0.68	0	4.69
NBI	Tue (1 Feb)	0.8	0	5.72
DJW	Wed	6.75	100	3.46
ASW	Thu (3 Feb)	0.5	100	3.08



supported overnight LME trade, together with positive demand commentary.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7118	-0.0040	<b>-0.55</b>
<b>EUR – USD</b>	1.1241	-0.0061	<b>-0.54</b>

### Australian Data Today

Westpac/Melb Institute	Leading index	Dec
ABS	Import & export prices	Dec Q

### US Data Tonight

GDP	Dec Q
Initial jobless claims	22 Jan
Durable goods orders	Dec
Pending home sales	Dec
Kansas City Fed manufacturing	Jan

### Other Overseas Data Today & Tonight

<b>China</b>	Industrial profits	Dec
<b>New Zealand</b>	CPI	Dec Q
<b>UK</b>	CBI distributive trades	Jan
<b>UK</b>	Domestic vehicle production (~11am AEDT)	Dec
<b>Germany</b>	GfK consumer confidence	Feb

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

## Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>AAR</b>	Webinar (1pm)
	<b>ALC</b>	Dec Q (w/cast & Q&A 11am)
	<b>BRN</b>	Dec Q
	<b>EVN</b>	Dec Q (tele 11am)
	<b>IFL</b>	Dec Q
	<b>LOM</b>	Dec Q
	<b>NCZ</b>	Dec Q (webinar 11am)
	<b>OZL</b>	Dec Q
	<b>PDN</b>	Dec Q
	<b>PAR</b>	AGM
	<b>Tomorrow</b>	<b>CBR</b>
<b>RMD</b>		Dec Q ( <b>NB</b> Thurs in the US)
<b>Mon</b>	<b>GOR</b>	Dec Q (w/cast tele 11.30am)
	<b>LIT</b>	AGM
	<b>MMM</b>	Dec Q (tele 6pm)
	<b>PLS</b>	Dec Q (w/cast tele midday)
<b>Thu (3 Feb)</b>	<b>JHG</b>	Dec Q; '21 (w/cast tele midnight)

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