

Markets

SFE 200 Futures (9.30am AEDT)	6954	-10	-0.1
NZX 50	11679	2	0.0
DJIA Futures	28698	-12	0.0
S&P 500 Futures	3271	-2	-0.1
NASDAQ Futures	9105	6	0.1

Local Markets Commentary

The Australian market commences today's trade with final approval for tomorrow night's UK withdrawal from the European Union, and confirmation of further outside military attacks on Saudi Arabia sites, ahead of a US GDP update, Bank of England post-policy meeting press conference and additional World Health Organisation coronavirus statement tonight, plus earnings reports from large-cap companies in Europe, Japan, South Korea and the US.

Locally today, the Australian Bureau of Statistics reports December quarter **import** and **export prices 11.30am** AEDT.

In addition, today being the second last trading day of January means another swag of December quarter reports is anticipated. In overnight commodities trade, WTI **crude** seesawed lower, but Brent extended Tuesday's gain.

US **gold** futures (CME February) settled essentially flat.

Iron ore (Nymex CFR China, 62% Fe) extended this week's run of modest declines.

LME (3mth evening) **copper** fell further, but **nickel** recorded a modest gain.

The **\$A** fell to ~US67.50c, after trading at ~US67.55c early yesterday evening.

This morning, **New Zealand** has reported a \$4.31B **trade** deficit for the end of 2019.

For December, a \$NZ547M surplus was estimated against a \$NZ753M deficit for November.

China's markets remain closed through this week. Trade is scheduled to resume Monday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28734	12	0.0
S&P 500	3273	-3	-0.1
NASDAQ	9275	5	0.1
FTSE 100	7484	3	0.0
DAX 30	13345	21	0.2
Shanghai Comp	2977	Public	Holiday

Overseas Markets Commentary

Overnight trade across major European and US equities markets included some marked vacillations, as traders considered a broad

Australia – import & export prices – 11.30am AEDT

Second last trading day for January

Today's Stock Watch

Suncorp Group (SUN)

\$519M natural hazard costs estimated for 1H FY20.

Details lodged this morning.

SUN plans to report interim results 11 February.

Resources

Newcrest Mining (NCM)

Produced 551,000oz of gold and 38,000t of copper, at a \$A859/oz AISC, during the December quarter.

In addition, NCM is this morning reporting the appointment of MMG GM operations Americas, Africa and Australia Suresh Vadnagra as chief technical and projects officer, effective June.

NCM has also promoted business development GM Seil Song to chief development officer, effective 15 March.

NCM has also appointed Petroleum Company of Trinidad & Tobago head of transformation Lisa Ali as NCM Chief people and sustainability officer, effective 29 February.

Mr Song's and Ms Ali's appointments are due to retirements.

Champion Iron (CIA)

Produced 1.83Mt of iron ore concentrate grading 66.4% Fe, at a \$C62.2/t ASIC, during the December quarter, against 1.79Mt at \$C55.5/t a year earlier.

Sold 1.92Mt to realise \$C171.1M revenue, against \$C86.2M.

Additional statistics lodged post-trade yesterday.

Webcast teleconference was hosted in Montreal yesterday evening AEDT. A telephone replay is also available. Presentation and access details lodged post-trade yesterday.

Independence Group (IGO)

\$100.08M interim NPAT. 135% higher, \$474.35M revenue.

6c interim dividend. \$3.22 NTA, against \$3.02.

Resources and reserves update also lodged pre-trade.

Fortescue Metals Group (FMG)

Shipped 46.4Mt of WA Pilbara iron ore during the December quarter, 9% more than a year earlier. Cash costs fell 4% to \$US12.54/t (wet). \$US0.7B net debt.

In addition, FMG is investing \$US450M in a WA Pilbara energy generation project, including 275km worth of new transmission lines plus gas-fired and solar photovoltaic power generation.

Talga Resources (TLG)

TLG has completed the pilot processing of 60t of Vittangi project graphite ore into concentrate for use in the company's planned battery anode refinery.



range of developments in addition to another swag of high-profile corporate earnings reports.

The World Health Organisation (WHO) issued an alert warning in association with the **coronavirus** outbreak and said a meeting tonight would again consider whether to declare the spread an international health emergency.

Earlier, the European parliament overwhelmingly approved a withdrawal agreement covering the **UK's** departure from the **European Union**, and an 11-month ensuing transition period, from the end of tomorrow.

A revamped trade deal between the **US, Canada** and **Mexico** became official with the US president signing the (USMCA) agreement.

Houthi claims of attacks on sites within **Saudi Arabia** last week were reported, together with Saudi confirmation of successfully defending missile intrusions aimed for key oil facilities.

In the meantime, the US **Federal Reserve** concluded a policy meeting retaining status quo, and citing domestic economic conditions, while again assuring the central bank would continue to monitor international 'developments'.

Among overnight data releases, **Germany's** February GfK consumer confidence rose by 0.2 to 9.9.

December import prices grew 0.2% for the month, following a 0.5% November increase. Against December 2018, prices were 0.7% lower.

December business and household lending in the **euro zone** grew 3.2% and 3.7% year-on-year respectively, after increasing 3.4% and 3.5% in November.

In the **US**, December wholesale inventories slipped by 0.1% following a 0.1% November rise.

The December goods trade deficit was estimated at \$US68.33B, against \$US62.99B at the end of November. This pushed the annual deficit to ~\$US860B.

Pending home sales dropped 4.9% for the month, but were 4.6% higher than for December 2018.

Weekly mortgage applications rose 7.2% as mean 30-year mortgage rates fell to 3.81% from 3.87%.

Tonight in the US, an initial December quarter GDP estimate (1st of three) and weekly new unemployment claims are due.

Elsewhere, the **Bank of England (BoE)** announces outcomes from its policy meeting and publishes its latest inflation outlook.

Governor Mark Carney will host his final BoE post-policy meeting press conference, his comments on the UK's departure from the European Union at week's end, plus the 11-month ensuing transition period, keenly anticipated.

In addition, **Germany** publishes a CPI update.

Companies scheduled to report earnings include: Amazon.com (post-US trade), Casio Computer, Coca-Cola, Deutsche Bank, DuPont, Eli Lilly, Fuji Electric, Fujitsu, Hyundai Mobis, JCR Pharmaceuticals, LG Electronics, Nintendo, Nokia, Nomura, Northrop Grumman, Raytheon, ResMed (post-US trade), Roche, Royal Dutch Shell, Samsung Electronics, Sumitomo Mitsui, Unilever, Verizon and Visa (post-US trade).

Pre-Open Announcements

Centuria Capital Group (** CNI)

Resuming trade having completed an \$80M, \$2.34-per-share placement in support of the intended launch of a \$NZ180M takeover bid for New Zealand-headquartered real estate funds management specialist Augusta Capital. CNI had targeted \$60M in the placement. CNI anticipates boosting its AUM 26% to \$A9.2B. CNI last traded at \$2.41.

Primewest (* PWG)

Planning an IPO and ASX listing for a new commercial real estate investment trust.

The trust will potentially initially hold four commercial properties worth a combined \$285M.

PWG intends to pay establishment costs and to hold 15.0% of the new trust.

Ecofibre Ltd (EOF)

EOF has appointed former subsidiary US nutraceuticals business Ananda Health executive chairman David Neu as CEO of Ananda.

Eden Innovations (EDE)

December quarter sales revenue fell 49% year-on-year to \$A519,000.

Additional statistics and comprehensive company activities report lodged post-trade yesterday.

Resources

Ramelius Resources (* RMS)

Produced 47,902oz of gold at a \$A1245/oz AISC during the December quarter, pushing the July – December output tally to 92,084oz, at \$A1240/oz.

\$A87.7M cash and gold.

Gold Road Resources (* GOR)

Produced 70,023oz of gold at a \$A1102/oz AISC during the December quarter, pushing 2019 output to 99,130oz.

Sold 37,104oz during the quarter, at \$A2033/oz.

\$20.9M net cash.

Perenti Global (* PRN) / Panoramic Resources (PAN)

PAN has appointed PRN's Barminco as preferred underground contractor for the WA Savannah nickel mine.

Cobre Ltd (* CBE)

WA-focused mineral explorer scheduled to list on the ASX 11am AEDT tomorrow following a \$10M IPO at 20c per share.

56.75M quoted shares.

Martin Holland managing director.

LSE-listed Metal tiger Plc holds 19.99%.



In overnight corporate news, **Boeing** estimated the cost of 737 Max woes at \$US18.6B, while reporting a significant December quarter loss and the company's first annual loss in 23 years.

AT&T, **General Electric**, **McDonald's** and **Mastercard** reports each exceeded expectations.

Microsoft's \$US36.9B December quarter revenue, reported post-US trade also came in better-than-anticipated.

Facebook has also reported post-US settlement, but fell in after-hours trade, reportedly on regulatory concerns, despite surpassing earnings expectations.

Apple reported record high figures post-US trade Tuesday, and continued to boost sentiment overnight.

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Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1570.4	oz	0.6	0.0
Silver (NY) (Mar)	17.487	oz	0.029	0.2
Gold (LON) (28 Jan)	1574	oz		
Platinum	975	oz	-11	-1.1
WTI Crude (Mar)	53.33	bbl	-0.15	-0.3
Brent Crude (Mar)	59.81	bbl	0.30	0.5
Iron Ore (NYMEX,CHN,62%)	93.34	t	-0.26	-0.3
Copper (3mth,evening)	5646	t	-57	-1.0
Nickel	12635	t	45	0.4
Aluminium	1742	t	-11	-0.6
Lead	1833	t	-57	-3.0
Zinc	2214	t	-31	-1.4
Tin	16080	t	-180	-1.1

Commodities Commentary

Oil – reports emerged overnight of Houthi militia in Yemen having attacked oil facilities in Saudi Arabia with rockets and using drones last week. Saudi Arabia appeared to confirm multiple attempted attacks, in claiming to have shot down missiles headed for Aramco facilities.

A separate report claimed a ship in the Persian Gulf was on fire.

Meanwhile, weekly US petroleum inventories, reported by government agency the EIA overnight, included a larger-than-anticipated, 3.55MMbbl rise in stored crude.

Petrol stocks rose by 1.20MMbbl.

Gold – the \$US continued to climb overnight, further constraining gold sentiment.

The US Federal Reserve's post-policy meeting statement, released after settlement, pushed futures as high as \$US1570.4/oz.

A US GDP estimate and Bank of England post-policy meeting statements tonight could influence trade heading towards the week's close.

Base metals – a media outlet reported overnight that a survey indicated China's manufacturing sector activity may have flattened during January.

China had initially been scheduled to report official January PMIs tomorrow, but some onlookers expect the release could be

Energy

Universal Coal (UNV)

Produced 2.37Mt of run-of-mine (ROM) coal during the December quarter, 10% more than a year earlier.

Additional statistics lodged post-trade yesterday.

Reducing expected FY 2020 attributable production and coal sales by 8% and 15% respectively.

Trading Halts

Company	Code	Resuming
HGL Ltd	HNG	30 Jan
Krakatoa Resources	KTA	30 Jan
Syndicated Metals	SMD	30 Jan
Centuria Capital Group	CNI	31 Jan
Emeco Holdings	EHL	31 Jan
Korab Resources	KOR	31 Jan
Norwood Systems	NOR	31 Jan
Oceania Healthcare	OCA	31 Jan
PTB Group	PTB	31 Jan
Technology Metals Australia	TMT	31 Jan
Tinybeans Group	TNY	31 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
Lake Resources	LKE	22 Jan
MEC Resources	MMR	17 Jan
Reverse Corp	REF	16 Jan
Sensera Ltd	SE1	28 Jan
Ziptel Ltd	ZIP	28 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GCI	Today	0.73	0	4.71
PCI	Today	0.37	0	2.08
QRI	Today	0.82	0	4.92
MOT	Tomorrow	1.03	0	4.32
MXT	Tomorrow	1.05	0	5.30
PGG	Tomorrow	0.79	0	0.38
NBI	Mon	0.9	0	5.86
OZG	Mon	0.3	100	2.86
WIC	Mon	3	100	5.36



delayed, due to the extension of the Lunar New Year holiday break designed to optimally manage the coronavirus outbreak.

In the meantime, Toyota announced it planned to keep its manufacturing facilities in China closed until at least 9 February.

China's markets remain closed through this week. This will continue to impact trading volumes. Trade is scheduled to resume Monday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6748	-0.0006	-0.08
EUR – USD	1.1010	0.0000	0.00

Australian Data Today

ABS	Import & export price indices	Dec Q
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US Data Tonight

GDP (1 st estimate of three)	Dec Q
Initial jobless claims	25 Jan

Other Overseas Data Today & Tonight

UK	BoE policy statement	Jan
UK	BoE inflation report	Jan
Germany	CPI (prelim)	Jan
Germany	Unemployment	Jan
Euro zone	Business & consumer confidence	Jan
Euro zone	Unemployment	Dec

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AFI	Fri (7 Feb)	10	100	3.36
BKI	Fri (7 Feb)	3.63	100	4.31
OCA	Fri (7 Feb)	1.88	0	3.03

Reports & Events

(selected)

When	Company	Report/Event
Today	FMG	Dec Q
	GOR	Dec Q
	IGO	Interim
	NCM	Dec Q
	RMS	Dec Q
Tomorrow	GUD	Interim (w/c analyst brief 11am AEDT)
	NCZ	Dec Q (teleconf 11am)
Tue	AQG	Dec Q (post-ASX; tele 8am AEDT Wed)
	CIM	Full year
	JHC	Full year (post-ASX; tele midnight)
	TPW	Interim (teleconf 10am)
Wed	CIP	Interim (w/cast brief 10.30am AEDT)
	CMA	Interim (w/cast brief 9.30am)
	GMA	Full year (teleconf 10am)
Thu	VG8	Interim (w/cast brief 10.30am AEDT)
Fri	REA	Interim (teleconf 8.30am)