

Markets

SFE 200 Futures (9.30am AEDT)	6745	57	0.9
NZX 50	13132	87	0.7
DJIA Futures	30586	476	1.6
S&P 500 Futures	3818	52	1.4
NASDAQ Futures	13449	212	1.6

Local Markets Commentary

The Australian market commences midweek trade with further \$A and iron ore price depreciation, ahead of an early afternoon public address by the Reserve Bank (RBA) governor and key data out of the US tonight.

Post overnight trade, **Italy's** president has been reported to have requested immediate past European Central Bank president Mario Draghi to meet to discuss forming a new government and becoming Italy's PM.

In the US, Amazon announced founder and CEO Jeff Bezos would relinquish the CEO role by year's end and become executive chairman.

In addition, Amazon and Alphabet results, reported post-US trade, are set to influence at least some of tonight's trade sentiment.

Locally today, RBA governor Philip Lowe will also address the National Press Club on *The Year Ahead*, 12.30pm AEDT.

Pre-trade, the AiG has reported a 57.6 January **construction sector activity** index (PCI), from 55.3 for December, and following forecasts of a slip to 55.0.

The Australian Bureau of Statistics (ABS) publishes **December building approvals 11.30am AEDT.**

Regionally today, Caixin is due to release its China January services PMI 12.45pm AEDT.

In overnight commodities trade, **oil** continued to rally.

US **gold** futures swung lower.

Qingdao **iron ore** (CFR 62% fines) prices continued to pull back, yesterday reportedly dropping \$US7.27/t to \$US149.80/t.

LME **copper** and **aluminium** continued lower, and **nickel** turned so.

The **\$A** dropped to US75.90c, after rising from ~US76.15c to ~US76.30c within an hour early yesterday evening.

This morning, the \$A has traded at ~US76.10c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30754	542	1.8
S&P 500	3832	58	1.5
NASDAQ	13639	236	1.8
FTSE 100	6517	50	0.8
DAX 30	13835	213	1.6
Shanghai Comp	3534	28	0.8

Reserve Bank of Australia governor speaking on *The Year Ahead*
12.30pm AEDT

Australia - January construction sector activity index – 57.6
 from 55.3 for December

Today's Stock Watch
Amcort Ltd (AMC)

\$US252M (GAAP) interim NPAT, against \$US417M a year ago. \$US6.18B net sales, following \$US6.20B.

A15.21c quarterly dividend.

Anticipating 10% - 14% adjusted fiscal 2021 EPS growth (constant currency), against previous 7% - 12% guidance.

Virgin Money UK (VUK)

December quarter customer deposits grew 0.9% to £68.1B during the December quarter.

Mortgages declined 0.2% to £58.2B and personal lending by 2.0% to £5.1B.

Business lending rose 0.1% to £8.9B.

Retaining a cautious outlook.

BWP Trust (BWP)

6% higher, \$143.976M interim NPAT.

Essentially flat, \$76.105M revenue. \$3.20 NTA, against \$3.01.

Botanix Pharmaceuticals (BOT)

A phase IIA study has shown BOT's ointment and gel BTX 1801 formulations can eradicate staphylococcus aureus, and that they are well-tolerated and safe.

Paradigm Biopharma (PAR)

PAR's Zilosul has demonstrated relief for patients suffering osteoarthritis knee pain. Details lodged this morning.

GenusPlus Group (GNP)

\$20M worth of contracts secured in the resources and power sectors, including for the Kwinana waste-to-energy project and BHP South Flank iron ore project. Details lodged this morning.

Resources
Lithium Australia (LIT)

US patent in hand for LIT's SiLeach lithium extracting technology.

Westgold Resources (WGX)

WGX has suspended FIFO operations from south west WA, including Perth, while the region remains in a Covid-19 containment lockdown. WGX's gold projects are located well north of the lockdown region but employees currently on site at these projects, and who reside within the lockdown area, will remain on site, pending special circumstances.

The lockdown is scheduled to end 9pm AEDT Friday.



Overseas Markets Commentary

Major European, UK and US equities markets rallied further overnight.

Trader considerations included central bank policy moves, US fiscal support optimism, some sobering corporate reports and increased international territorial tensions.

Later, pre-European trade, the Reserve Bank of Australia announced it was renew a \$A100B bond purchase program beyond the initial mid-April expiry date.

The governor also reiterated that the 0.1% overnight rate was unlikely to be raised until at least 2024.

In addition, he said the central bank anticipated 3.5% GDP growth for Australia this year and next, this against 5% and 4.0% forecasts delivered November 2020. A new batch of forecasts is due this week.

At about the same time, Japan hosted a 10-year government bond auction which delivered a 0.053% yield from 0.19%.

Meanwhile, reports emerged from an independent, as yet officially unpublished, study that the Oxford/AstraZeneca Covid-19 vaccine had demonstrated 76% efficacy during the three months after the initial dose, raising hopes for transmission reduction.

In the meantime, France joined Germany in recommending that this vaccine be given only to people less than 65 years old.

Earlier yesterday, China had been reported to have carried out a South China Sea simulation of an attack on a US carrier.

In addition, the Philippines claimed a Chinese research mission had breached its waters.

In overnight data releases, the **euro zone's** initial December quarter GDP reading fell 0.7% from the September quarter, during which it had rebounded 12.4%.

Forecasters had anticipated a 2.2% drop.

Against the December quarter 2019, GDP was down 5.1%.

France reported 0.2% CPI growth for January, following forecasts of 0.3% deflation for the month.

Against January 2020, the new CPI reading represented 0.6% growth.

In the **UK**, a residential property price index calculated by Nationwide indicated prices had fallen 0.3% during January, following a 0.9% December rise and forecasts of a new 0.3% increase.

Against January 2020, prices were 6.4% higher.

A five-year treasury bond offer later delivered a 0.039% yield, from 0.072%.

In the **US**, the IBD/TIPP February economic optimism index was estimated at 51.9 from 50.1, following expectations of 55.1.

Tonight in the **US**, the ISM's services sector activity index is keenly anticipated.

A January private sector employment report could also prove influential, ahead of national January employment statistics overnight Friday.

Weekly mortgage applications are also due tonight.

Elsewhere, the euro zone reports January CPI.

Pre-Open Announcements

Sky Network Television (SKT)

Boosted guidance lodged this morning.

Anticipating \$NZ37.5M - \$NZ45.0M FY21 NPAT, \$NZ695M - \$NZ715M revenue and \$NZ170M - \$NZ182.5M EBITDA.

Quickstep Holdings (QHL)

QHL and Brisbane-headquartered battery casing technology company Vaulta have signed an MoU under which the companies will investigate the design and competitive-cost manufacturing of light-weight, yet strong, casings for both land vehicles and the aerospace industry.

Zicom Group (ZGL)

ZGL has secured design and supply LNG propulsion systems orders for delivery 2022-23 worth a total \$S60M.

Resources

Grange Resources (GRR)

Non-executive director David Woodall is planning to retire from the GRR board, due to other work commitments, effective 30 April.

Mr Woodall has been a GRR director since March 2019.

BBX Minerals (BBX)

BBX explained post-trade yesterday the two ways the company could use a funding facility secured with US-headquartered LDA Capital Llc.

Energy

Emperor Energy (EMP)

In response to an ASX price query, EMP has pointed out that yesterday's trade may have been influenced by rising LNG prices, highlighted by a monthly commodities report published post-ASX trade Monday.

This, coupled with a late-2020 notice of a 30-month extension for EMP's Judith gas field Vic/P47 permit, underscored improved EMP prospects, the company noted.

EMP traded as high as 5.8c yesterday, before settling 82.76% higher for the session, at 5.3c.

105.91M EMP shares were traded across 1674 transactions.

EMP had closed out Monday and last week at 2.9c, after settling for 2020 at 2.4c.

Trading Halts

Company	Code	Resuming
AuStar Gold	AUL	3 Feb
BPH Energy	BPH	3 Feb
Core Lithium	CXO	3 Feb
Myanmar Metals	MYL	3 Feb
Odyssey Gold	ODY	3 Feb
Pacific Nickel Mines	PNM	3 Feb



The UK conducts a 10-year bond offer.

Companies scheduled to report earnings later today and tonight include: AbbVie, Banco Santander, Daewoo Engineering, eBay, GlaxoSmithKline, Hitachi, Marubeni Corp, Mitsubishi Corp, Mitsui, Nomura, Novo Nordisk, PayPal, Qualcomm, Siemens, Sony, Spotify and Volvo.

In overnight corporate news, **BP** reported a \$US7.5B full year loss, headline figures impacted by lower demand, prices and margins, and write-downs.

ExxonMobil followed with a \$US22.4B loss, against a \$US14B profit for 2019.

Alphabet and Amazon have reported post-US trade.

Alphabet posted better-than-anticipated sales, but also that the Google cloud division was bleeding at an annual rate of \$US5.6B.

Amazon revealed a third consecutive record quarterly profit and \$US125.56B sales revenue.

Further, Amazon announced CEO founder Jeff Bezos will relinquish the CEO role later this year and become executive chairman. Amazon's cloud computing division (AWS) head Andy Jassy has been appointed as Amazon CEO-elect.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1833.4	oz	-30.5	-1.6
Silver (NY) (Mar)	26.402	oz	-3.02	-10.3
Gold (LON) (29 Jan)	1864	oz		
Platinum	1090	oz	-33	-3.0
WTI Crude (NYMEX Mar)	54.76	bbl	1.21	2.3
Brent Crude (ICE EUR Apr)	57.46	bbl	1.11	2.0
Iron Ore (NYMEX,CHN,62%) (1 Feb)	154.74	t		
Copper (LME Ind)	7760	t	-38	-0.5
Nickel	17705	t	-164	-0.9
Aluminium	1971	t	-2	-0.1
Lead	2017	t	-23	-1.1
Zinc	2574	t	-1	-0.0
Tin	22980	t	-123	-0.5

Commodities Commentary

Oil – a media report claimed OPEC+ is lowering forecasts for 2021 demand and, that the group's joint technical committee anticipated the international oil market deficit to peak at 2MMbbl/d in May.

The technical committee met overnight ahead of a scheduled OPEC+ energy ministers' meeting tonight.

In addition to anticipated commentary out of the OPEC+ meeting, weekly US petroleum inventories are due tonight from government agency the EIA.

Overnight, post-settlement, an API report has estimated a 4.26MMbbl draw on crude stocks last week, and also falls for petrol and distillates inventories.

Gold – ongoing relative \$US strength (ICE index up ~0.2%), 50- and 200-day moving average breaches, and caution amid select equities and *silver* volatility, impacted overnight gold sentiment.

CME boosted margin deposit requirements from 2 February

Revasum Inc	RVS	3 Feb
Talon Petroleum	TPD	3 Feb
Torian Resources	TNR	3 Feb
Anteotech Ltd	ADO	4 Feb
BlackEarth Minerals	BEM	4 Feb
HeraMED Ltd	HMD	4 Feb
Marmota Ltd	MEU	4 Feb
MGC Pharmaceuticals	MXC	4 Feb
Pathfinder Resources	PF1	4 Feb
Vulcan Energy Resources	VUL	4 Feb

Suspensions *(select)*

Company	Code	Since
(The) Agency Group Australia	AU1	19 Jan
Archtis Ltd	AR9	27 Jan
Contrarian Value Fund	CVF	14 Jan
Impelus Ltd	IMS	27 Jan
Red Emperor Resources	RMP	22 Jan
Skin Elements	SKN	28 Jan
Volt Resources	VRC	22 Jan
Whitebark Energy	WBE	15 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ASW	Today	2.5	100	4.14
EZL	Today	2.5	100	4.70
NIC	Today	2	0	0.75
CD1	Tomorrow	14	0	0.00
CD2	Tomorrow	8	0	0.00
CD3	Tomorrow	24	0	0.00
NEW	Tomorrow	3	0	3.30
BKI	Fri	2	100	3.81
AFI	Mon	10	100	3.18
AVA	Tue	2	0	0.00
OCA	Tue	1.02	0	1.88
MLT	10 Feb	5.75	100	3.64
RMD	10 Feb	3.58	0	0.60
PL8	11 Feb	0.4	100	4.24
QVE	15 Feb	1.1	100	5.98
KOV	18 Feb	15	100	5.66

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	AMC	Interim
	BWP	Interim (tele 10.30am)
Tomorrow	COF	Interim



(yesterday), by \$US2500/per contract to \$US16500/contract, in an effort to stem the volatility attributed to reported Reddit-fuelled *silver* trade.

Base metals – overnight LME trade moves were in part attributed to positioning ahead of China’s week-long Lunar New Year/Spring festival holiday season scheduled for 11 (NYE, Thursday next week) – 17 February.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7609	0.0001	0.01
EUR – USD	1.2044	0.0000	0.00

Australian Data Today

AiG	PCI	Jan
ABS	Building approvals	Dec

US Data Tonight

ISM non-manufacturing	Jan
ADP private sector employment	Jan
MBA mortgage approvals	29 Jan
Markit services PMI (final)	Jan

Other Overseas Data Today & Tonight

China	Caixin services PMI	Jan
Japan	Services PMI (final)	Jan
UK	Services PMI (final)	Jan
Germany	Services PMI (final)	Jan
Euro zone	CPI	Jan
Euro zone	Producer prices	Dec
Euro zone	Services PMI (final)	Jan

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	JHG	Full year (post-ASX; w/cast tele midnight)
	NWS	Interim (US o/night; audio w/cast 8.30am Fri)
	PNI	Interim (tele 9am)
Fri	NWS	Dec Q; half-year
	REA	Interim (tele 9.30am)
9 Feb	BLD	Interim
	CGF	Interim
	JHX	Dec Q (w/cast tele 9am)
10 Feb	CBA	Interim
	IAG	Interim
	MIN	Interim
	MP1	Interim (w/cast webinar 11am)
	PPS	Interim (w/cast 9.30am)

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