

Markets

SFE 200 Futures (9.30am AEDT)	6766	69	1.0
NZX 50	13040	48	0.4
DJIA Futures	30950	323	1.1
S&P 500 Futures	3865	41	1.1
NASDAQ Futures	13548	153	1.1

Local Markets Commentary

The Australian market commences Friday trade with stronger iron ore prices and new key domestic data in hand, plus parliamentary testimony from the Reserve Bank of Australia (RBA) governor and further material domestic reports by late morning.

This, ahead of influential US data tonight.

Overnight, US equities sentiment produced decisive gains.

Key commodities trade proved mixed.

Locally today, the RBA publishes its quarterly *Statement on Monetary Policy*, 11.30am AEDT.

This week, RBA governor Philip Lowe has foreshadowed the usual **forecast updates**.

The governor will be quizzed on these and the bank's views when he meets with the House of Representatives standing committee on economics **from 9.30am**.

At the same time, the Australian Bureau of Statistics (ABS) reports finalised **retail** figures for December. Preliminary sales were released last month.

Pre-trade, AiG has revealed a **54.3** January/December services sector activity index, following 52.9 for November.

Regionally, Japan reports December household spending and January foreign exchange reserves 10.50am.

China's January foreign exchange reserves are anticipated anytime from the weekend.

In overnight commodities trade, **oil** extended its latest run higher.

US **gold** futures fell below \$US1795/oz.

Qingdao **iron ore** (CFR 62% fines) jumped \$US5.38/t for the day, to \$US183.03/t.

LME **copper** and **nickel** settled slightly lower. **Aluminium** gained.

The **\$A** fell to ~US76.00c after trading at US76.35c early yesterday evening.

New Zealand's markets will be **closed Monday** due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31056	333	1.1
S&P 500	3872	42	1.1
NASDAQ	13778	167	1.2
FTSE 100	6504	-4	-0.1
DAX 30	14052	125	0.9

Australia – RBA governor parliamentary standing committee on economics testimony **from 9.30am AEDT**

RBA *Statement of Monetary Policy* – **11.30am AEDT**

December **retail sales** – **11.30am AEDT**

54.3 January/December **PSI** in hand, from 52.9 for November

* Minerals exploration listing **1pm AEDT – M24 ***

Today's Stock Watch
Janus Henderson Group (JHG)

AUM grew 12% during the December quarter, to \$US401.6B.

Paying a US36c quarterly dividend.

\$US227M operating income, against \$US154.3M for the December quarter 2019. December quarter net income rose to \$US186.8M, against \$US112M.

\$US161.6M unaudited 2020 net income, against \$US427.6M for 2019. \$US3.78 NTA, against \$US1.68.

In addition, JHG has announced Dai-ichi Life Holdings is selling ~30.67M JHG shares.

News Corporation (NWS)

\$US261M December quarter net income, against \$US103M for the December quarter 2019. 3% lower, \$US2.41B revenue.

Revenue fell 6% year-on-year for the six months to 31 December, to \$4.53B. Subscription video services revenue grew by 2% year-on-year to \$511M, and EBITDA by 77%.

REA Group (REA)

59c fully franked interim dividend, against 55c a year ago. 17% higher, \$A173.37M interim NPAT. 2% lower, \$430.35M revenue. \$1.67 NTA, against \$1.626.

Magellan Financial Group (MFG)

\$A100.405B FUM at 31 January, against \$A101.37B at 31 December.

Resources
IGO Ltd (IGO)

IGO has been added to the S&P/ASX 100 index, 3 February.

Volt Resources (VRC)

Proposing to outlay \$US7.5M to acquire 70% of the Zavalievsky graphite business, Ukraine.

AVZ Minerals (AVZ)

Heralding resource drilling results for the Manono lithium and tin project, Democratic Republic of Congo.

OM Holdings (OMH)

Commercial operations have recommenced for an upgraded furnace and the manganese ore sinter plant at OMH's Qinzhou, China facilities. Details lodged this morning.



Shanghai Comp 3502 -15 -0.4

Overseas Markets Commentary

European, UK and US equities markets trade diverged overnight, European sentiment vacillating some, but key US indices ultimately heading decisively higher.

Considerations included central bank forecasts and commentary, key data releases and corporate earnings from high-profile, large-cap stocks on both sides of the Atlantic.

The ICE \$US index rose to two-month peaks and US 10-year treasury bonds reached 1.14%.

In late trade, the US administration announced the US would end support for a Saudi-led coalition campaign against the Houthis in Yemen, citing humanitarian reasons, opting to boost diplomatic activity.

The changes would include halting arms sales to Saudi Arabia, but the US president highlighted that US regional support for Saudi Arabia would continue.

The **Bank of England's** (BoE) policy meeting produced no material change but governor Andrew Bailey promoted the benefits of spending to help lift the economy and hence negative interest rates were again not ruled out.

The central bank predicted the UK economy could recover at a sharp rate, in part due to the magnitude of this year's drop, and pending the success of Covid-19 vaccination programs.

Coupling this with an 'unusually uncertain' outlook warning however, the bank's report forecast unemployment to reach 7.8% during 2021.

BoE economists expect March quarter 2021 GDP to shrink by 4.2%, due to current lockdowns.

An economic bulletin published by the **European Central Bank** (ECB) maintained similar themes, containing a forecast of likely regional contraction due to current Covid-19 management measures but also a likely recovery, pending containment success, and on indications before the winter Covid-19 surge.

In overnight data releases, the **euro zone's** December retail sales pleased on the upside, rising 2% for the month following a 5.7% November drop and forecasts of a 1.1% improvement.

Against December 2019, sales were up 0.6%.

The January construction PMI fell to 44.1 from 45.5.

In **Germany**, the January construction PMI also represented ongoing sector contraction, calculated at 46.6 from 47.1.

A 10-year government bond auction in France delivered a -0.25% yield, from -0.33%.

Yesterday evening (AEDT), a 30-year bond auction in Japan had produced a 0.662% yield, from 0.648%.

In the **UK**, the January construction PMI indicated a return to contraction, dropping to 49.2 from 54.6 for December.

January new domestic vehicle sales were reported 39.5% lower than for January 2020. Forecasters had anticipated a 34% plunge.

In the **US**, 779,000 new unemployment claims were recorded for the week ending 30 January, against 812,000 the previous week and following expectations of 850,000 new claims.

A January job cuts report estimated 79,552 fewer positions,

Pre-Open Announcements

Vection Technologies (* VR1)

VR1 provided additional details post-trade yesterday of the original equipment manufacturer agreement with HP Inc, initially announced Monday.

Douough Ltd (DOU)

Resuming trade following an extended extension. Remedial action update lodged post-trade yesterday. DOU last traded 18 December 2020, at 17c.

amaysim Australia (AYS)

Formal approval in hand to delist from the ASX.

Resources

Mamba Exploration (** M24)

WA-focused copper, gold and nickel explorer scheduled to list on the ASX 1pm AEDT, following a \$7M IPO at 20c per share. 37M quoted shares.

Anax Metals (* ANX) / Venturex Resources (VXR)

Continuous XRF-scanning results lodged this morning, heralding high-grade, near-surface mineralisation within the WA Pilbara Whim Creek copper-zinc project. ANX 80%.

Carpentaria Resources (CAP)

The principal shareholder of (CAP Hawsons iron project JV partner) Pure Metals, Ample Source International (ASI), has been placed into liquidation.

ASI owns Silvergate Capital which holds 20.94M CAP shares (~6.78%). ASI director Linda Lau is an ASI director.

In addition, Pure Metals was planning to sell to CAP 24% of the Hawsons iron project JV for 90.8M CAP shares.

Force Commodities (4CE)

4CE has appointed Suvo Strategic Minerals (ASX: SUV) executive chair Robert Martin as 4CE non-executive chairman. Experienced geologist Michael Leu has also joined the 4CE board.

American Pacific Borates (ABR)

ABR has appointed Virtova Capital Management founder and CEO Jimmy Lim as a non-executive director.

In association, John McKinney has retired from the ABR board.

OzAurum Ltd (* OZM)

WA-based gold explorer scheduled to list on the ASX 10.30am AEDT **Monday**, following a \$12M IPO at 25c per share. ~52M quoted shares.

Trading Halts

Company	Code	Resuming
Marquee Resources	MQR	5 Feb



against 77,030 for December and following forecasts of 65,000 cuts.

December quarter productivity dropped 4.8% in an initial estimate, following a 5.1% September quarter improvement and forecasts of a 2.5% decline.

December factory orders rose 1.1%, following a 1.3% November increase and expectations of a new 0.7% gain.

Tonight in the **US**, national January employment statistics are keenly anticipated. December trade figures are also due, together with consumer credit update.

Companies scheduled to report earnings later today and tonight include: BNP Paribas, Carlsberg, Estee Lauder, Honda Motor Co, Illinois Tool Works, Korea Shipbuilding, Korea Zinc, Linde, Nippon Steel, Regeneron Pharmaceuticals, Sanofi, Subaru Corp and Suzuki Motor Corp.

In overnight corporate news, **Deutsche Bank** exceeded expectations, swinging to full year profit with help from investment banking activity.

Royal Dutch Shell reported a record \$US21.7B net loss for 2020, announcing the group may need to cut output.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1791.2	oz	-43.9	-2.4
Silver (NY) (Mar)	26.234	oz	-0.65	-2.4
Gold (LON) (3 Feb)	1835	oz	2	0.1
Platinum	1094	oz	-4	-0.4
WTI Crude (NYMEX Mar)	55.23	bbl	0.54	1.0
Brent Crude (ICE EUR Apr)	58.84	bbl	0.38	0.7
Iron Ore (NYMEX,CHN,62%) (3 Feb)	150.81	t	2.39	1.6
Copper (LME Ind)	7820	t	-21	-0.3
Nickel	17635	t	-17	-0.1
Aluminium	1995	t	18	0.9
Lead	2033	t	-5	-0.3
Zinc	2634	t	15	0.6
Tin	22850	t	-70	-0.3

Commodities Commentary

Oil – overnight trade appeared supported by OPEC commentary from the previous session, plus ultimate demand hopes supported Covid-19 vaccination optimism and central bank longer-term predictions.

Better-than-expected economic indicators out of the US also buoyed sentiment.

A weekly US petroleum drill rig count is due tonight.

Gold – a stronger \$US and US bond yields, plus some better-than-anticipated economic indicators combined to detract from overnight gold interest.

Bank of England post-policy meeting commentary and a European Central Bank economic bulletin highlighted the potential for sharp rates of economic recovery, from low bases, pending Covid-19 containment, but increased unemployment and GDP pullbacks in the meantime.

Tonight's US January employment figures are expected to

Amani Gold	ANL	8 Feb
Argosy Minerals	AGY	8 Feb
First Au	FAU	8 Feb
Macarthur Minerals	MIO	8 Feb
Magnis Energy Technologies	MNS	8 Feb
PolarX Ltd	PXX	8 Feb
SportsHero Ltd	SHO	8 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
Myanmar Metals	MYL	3 Feb
Pacific Nickel Mines	PNM	3 Feb
Pathfinder Resources	PF1	4 Feb
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 (%)
BKI	Today	2	100	3.84
AFI	Mon	10	100	3.13
CAF	Mon	4	100	0.00
AVA	Tue	2	0	0.00
OCA	Tue	1.02	0	1.88
MLT	Wed	5.75	100	3.61
RMD	Wed	3.58	0	0.60
PL8	Thu	0.4	100	4.26
VG1	Thu	1.5	100	1.18
QVE	15 Feb	1.1	100	5.91
KOV	18 Feb	15	100	5.62
AMC	23 Feb	15.21	0	4.66

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	NWS REA	Dec Q; half-year (US tonight; w/cast 8.30am) Interim (tele 9.30am)
Mon	ARG	Interim
Tue	BLD CGF DXS JHX SCP	Interim Interim Interim (tele 9.30am) Dec Q (w/cast tele 9am) Interim



influence some gold sentiment.

Base metals – overnight LME trade was pressured early by \$US strength, but industry news and warehouse inventories kept trade fluid.

Indonesian authorities in the meantime confirmed Freeport McMoRan and Tsingshan Holding Group were close to agreeing on a planned \$US2.8B copper smelter to be built in Weda Bay, Indonesia, and to manufacture, in addition to copper wire and pipes, products that can be used as components in lithium batteries.

China's markets will be closed 11 (Thursday next week) – 17 February inclusive, due to the Lunar New Year/Spring festival holiday season.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7599	-0.0001	-0.01
EUR – USD	1.1962	-0.0002	-0.01

Australian Data Today

ABS	Retail sales (final)	Dec
AiG	PSI	Jan
RBA	Official reserve assets; liabilities (4.30pm AEDT)	Jan

US Data Tonight

Employment (incl wages, jobs created, unemployment rate)	Jan
Trade balance	Dec
Consumer credit change	Dec

Other Overseas Data Today & Tonight

Japan	Household spending	Dec
Japan	Forex reserves	Jan
Japan	Leading economic index (prelim, 4pm AEDT)	Dec
UK	Halifax residential property price index	Jan
Germany	Factory orders	Dec

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

	SUN	Interim
Wed	AQZ	Interim
	CBA	Interim
	IAG	Interim
	MIN	Interim
	MP1	Interim (w/cast webinar 11am)
	PPS	Interim (w/cast 9.30am)
	URW	Full year (post-ASX)
Thu	AGL	Interim (w/cast tele 10.45am)
	AMP	Full year
	ASX	Interim (w/cast 10.30am)
	BPT	Interim
	DOW	Interim
	GNC	AGM (10am)
	GUD	Interim
	KPG	Interim (tele 10am)
	MGF	Interim
	MFG	Interim (webinar & tele 11.30am)
	NCM	Interim
	TLS	Interim
	TCL	Interim
	Fri	BBN
CMW		AGM (3pm)
GMA		Full year
MGR		Interim (tele 10.30am)

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.