

## Markets

SFE 200 Futures (9.30am AEDT)	7462	-3	-0.0
NZX 50	11750	1	0.0
DJIA Futures	37719	0	0.0
S&P 500 Futures	4735	0	0.0
NASDAQ Futures	16460	0	0.0

## Local Markets Commentary

The Australian market commences the first full week's trade for 2024, a US presidential election year, with new data in hand for China, heightened angst regarding security in the Middle East region, and the \$A at ~US67.15c.

US equities markets settled with slight gains overnight Friday, the first positive settlements for the S&P 500 and NASDAQ for 2024.

Since overnight Friday trade, major international leaders have embarked on a diplomatic blitz in a concerted effort to avoid broader acute Middle East conflict.

Elsewhere, North Korea continued to shell the maritime border region with South Korea, warning against provocation.

In addition, yesterday a US Federal Reserve district president outlined the case for a potential further interest rate increase.

**Locally** today, the Reserve Bank of Australia (RBA) publishes December deposit rates at 11.30am AEDT.

Post-ASX trade, the RBA reports December official reserve assets.

**Regionally**, yesterday, **China** reported \$US3.238 trillion worth of November **foreign exchange reserves**, against expectations for \$US3.2 trillion, following the \$US3.172 trillion recorded for October.

Japan's markets are closed today, due to a public holiday.

In overnight Friday **commodities** trade, **oil** turned at least 1.5% higher.

US **gold** (Comex) futures closed just US20c/oz lower for the session, just below \$US2050/oz.

**Iron ore** (Nymex CFR China, 62% Fe) declined by greater than 1.1%, but maintained \$US141/t.

LME (3mth evening) **copper** settled little changed. **Nickel** swung higher by greater than 1.5%. **Aluminium** continued to fall, but modestly.

The **\$A** appreciated to ~US67.05c after trading at ~US66.85c Friday evening, and has since traded as high as US67.25c.

## Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	37466	26	0.1
S&P 500	4697	9	0.2
NASDAQ	14524	14	0.1
FTSE 100	7690	-33	-0.4
DAX 30	16594	-23	-0.1

*State One wishes all Market Opener readers  
a most rewarding 2024*

*\* Lithium exploration listing – midday AEDT – KM1 \**

## Today's Stock Watch

### Metcash Ltd (MTS)

MTS has appointed former JB Hi-Fi (ASX: JBH) and recent Premier Investments (ASX: PMV) CEO retail CEO Richard Murray as Total Tools Holdings CEO. Mr Murray commences with MTS at the end of the month.

In addition, MTS has appointed Diageo UK MD Kylie Wallbridge as liquor CEO, effective March.

### Biome Australia (BIO)

Revising FY24 revenue guidance from \$11.5M to \$12.5M, based on anticipated 74% sales growth.

### GQG Partners (GQG)

Estimated (unaudited) \$US120.6B FUM at 31 December 2023 from \$US112.6B at 30 November.

## Resources

### Trinex Minerals (TX3)

Canada Northwest Territories Ross Lake and MAC lithium projects surface geochemical sampling has indicated high-grade lithium within Ross Lake and confirmed a large MAC LCT pegmatite. Assays lodged this morning.

### Emerald Resources (EMR)

Produced 29,184oz of gold during the December quarter.

Sold 30,447oz at \$US1983/oz.

\$A137.8M cash and bullion at 31 December.

### Tietto Minerals (TIE)

Produced a record 13,781oz of Abujar project gold during 6 – 31 December, following a scheduled five-day shut down.

Monthly record 1.16g/t head grade. 95.2% recovery.

### Red 5 (RED)

Produced 53,017oz of gold during the December quarter, pushing 1H FY24 output to 108,026oz.

\$53.2M cash, receivables and bullion at 31 December 2023.

\$50M net debt.

### Silver Lake Resources (SLR)

Sold 57,360oz of gold and 239t of copper during the December quarter, lifting 1H FY24 sales to 122,781oz of gold and 534t of copper.

\$285M cash and bullion at 31 December. \$136M listed investments. Nil debt.



Shanghai Composite 2929 -25 -0.8

## Overseas Markets Commentary

Major European, UK and US equities markets appeared to mostly react to material international economic data releases and geopolitical uncertainty overnight Friday.

European and UK markets dropped on opening but closed near session highs. Key US indices closed near their opening levels despite some intra-session vacillations.

US December employment figures, released overnight Friday, surprised, 216,000 jobs created against expectations of 170,000 following November's 173,000.

The strength of the labour market initially created fear of tighter-than-anticipated monetary policy for 2024. The \$US index was propelled higher but ultimately proved little changed by the end of US trade.

The influential US ISM services PMI continued to fall, this time to 50.6 from 52.7, against expectations for a much slighter decline to 52.6.

This helped offset angst at tight monetary policy possibly remaining longer than recently anticipated.

Notably the employment and new orders component indices each fell while the business activity component index rose.

In addition, a December CPI reading for the euro zone represented 0.2% inflation for the month, following the 0.6% deflation recorded for November.

The annualised December inflation growth proved essentially in line with expectations albeit at 2.9%, following 2.4% November year-on-year inflation growth.

Among other overnight Friday **data** releases, **euro zone** November producer prices declined 0.3% for the month following a 0.3% October increase.

Against November 2022, prices were down 8.8%.

A December construction PMI remained firmly in contraction territory, but represented a 0.1-point improvement for the month to 43.6.

**Germany's** November retail sales were reported 2.5% lower for the month, following a 1.1% October gain, and down 2.4% against November 2022.

Forecasters had anticipated a decline but by just 0.1% for the month.

December new domestic vehicle registrations were calculated 23% lower than for December 2022, following a 5.7% reported year-on-year fall for November.

A December construction PMI rose to 37.0 from 36.2.

In the **UK**, December new domestic vehicle sales came in 9.8% higher than for December 2022, following a 9.5% annualised November climb.

The December Halifax house price index indicated 1.1% price appreciation for the month and 1.7% growth over the year.

A December construction PMI improved 1.3 points to a nonetheless remaining contraction territory 46.8.

In the **US**, other headline employment statistics included a 0.4% increase in average hourly earnings for the month, as for

## Pre-Open Announcements

### Immutep Ltd (IMM)

Corporate presentation lodged this morning.

### Acusensis Ltd (ACE)

\$5M, five-year mobile phone detection contract secured with the South Australian government.

### Silk Logistics Holdings (SLH)

SLH has appointed former Bingo Industries acting CFO and previous Scott's Refrigerated CFO James Nicholias as CFO.

### Cann Group (CAN)

CAN has appointed Genetic Technologies (ASX: GTG) CFO Tony Di Pietro as CFO, effective 8 April.

Mr Di Pietro will also act as joint company secretary.

### Wide Open Agriculture (WOA)

Comprehensive business update lodged pre-trade.

### BrainChip Holdings (BRN)

BRN founder Peter Van der Made has formally retired from his CTO role but remains with BRN as a BRN non-executive director.

### ChemX Materials (CMX)

~40.1M CMX shares will be released from escrow 18 January (Thursday next week).

## Resources

### Kali Metals (\* KM1)

**Lithium explorer**, and Kalamazoo Resources (ASX: KZR) spin-off scheduled to list on the ASX **midday** AEDT, following a \$15M IPO at 25c per share.

~76.34M quoted shares.

Six projects across three States.

TSX-listed Karora Resources, which has vended certain WA goldfields lithium rights into KM1, holds 22.105%.

KZR holds 20.22%.

### Sheffield Resources (\* SFX)

First shipment from the WA Kimberley region Thunderbird mineral sands project achieved, comprising 300t of bagged zircon concentrate.

Revenue is anticipated this month.

Bulk shipments are expected to commence by the end of March.

### First Lithium (\* FL1)

Mali Gouna permit Blakala lithium prospect diamond drilling update lodged this morning, confirming pegmatite at 1200m and open to the north, south and at depth.

### Pantoro Resources (PNR)

Produced 18,185oz of gold during the December quarter, buoyed by 6113oz for December.

Sold 18,074oz at \$3054/oz.



November, but 0.1% above consensus.

This pushed the annualised average earnings growth rate to 4.1% from 4.0%.

The unemployment rate remained steady at 3.7%, but the participation rate dropped to 62.5% from 62.8%.

Further, the US workforce reportedly grew by 2.7M positions during 2023 against 4.8M for 2022. November calculations revealed just 1.4 jobs were on offer for each person looking for work.

November factory orders were calculated 2.6% higher for the month, against expectations for a 2.1% increase following a 3.4% October drop.

In overnight Friday and weekend corporate news, **Peloton** gained almost 10% after revealing an exclusive workout video deal with **TikTok**.

**Tonight** in the US, December consumer inflation expectations and November credit change reports are due.

Elsewhere, the European Union is scheduled to host a 10-year bond auction.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	2049.8	oz	-0.20	-0.0
<b>Silver</b> (COMEX 5000 Mar)	23.32	oz	0.13	0.1
<b>Platinum</b> (NYMEX Apr)	973	oz	7.10	0.7
<b>WTI Crude</b> (NYMEX Feb)	73.81	bbbl	1.62	2.2
<b>Brent Crude</b> (ICE EUR Mar)	78.76	bbbl	1.17	1.5
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	141.45	t	-1.50	-1.1
<b>Copper</b> (LME 3mth Evening)	8473	t	-4	-0.0
<b>Nickel</b>	16413	t	300	1.9
<b>Aluminium</b>	2280	t	-8	-0.35
<b>Lead</b>	2078	t	36	1.7
<b>Zinc</b>	2567	t	24	1.0
<b>Tin</b>	24642	t	-207	-0.8

### Commodities Commentary

**Oil** – security of supply was cited as a major influence on overnight Friday crude trade.

Also overnight Friday, China's December and January crude imports from Iran were reported lower than expected, due to Iran holding shipments while demanding prices up to \$US4/bbl - \$US5/bbl higher than initially contracted.

A weekly US petroleum drill rig report, published overnight by Baker Hughes, included one additional operational oil rig, lifting the tally for oil rigs in operation to 501.

Meanwhile, the US Commodity Futures Trading Commission reported long crude futures and options positions contracts across UK and US markets had been cut by 33,051 during the week to 2 January 2024, to 51,215.

**Gold** – prices dropped to three-week lows in early overnight Friday trade, sentiment impacted by a stronger-than-anticipated monthly national US jobs reports.

By session's end however, prices had gyrated across a 1.0% range. The \$US index was initially propelled higher but fell significantly to

### Larvotto Resources (LRV)

Mt Isa copper, gold and cobalt project geochemical soil sampling has identified several drill targets.

Details lodged this morning.

Geophysical IP underway.

### Belararox Ltd (BRX)

BRX has appointed SolGold and Hot Chili (ASX: HCH) chief technical advisor Steve Garwin as chief technical advisor for the TMT project, Argentina.

### Pioneer Lithium (PLN)

PLN MD Clinton Booth has resigned from his PNI role.

In addition, PLN has appointed former Pilbara Minerals (ASX: PLS) corporate planning and investment analysis principal Paul Hughes as CFO.

Robert Martin remains PLN executive chair.

### Energy

#### TMK Energy (TMK)

Mongolia South Gobi Basin Gurvantes XXXV CSG project pilot wells production and operational update lodged pre-trade.

#### Trading Halts

Company	Code	Resuming
Kingsrose Mining	KRM	9 Jan

#### Suspensions *(selected)*

Company	Code	Since
CZR Resources	CZR	2 Jan
Epsilon Healthcare <i>(in administration)</i>	EPN	18 Dec
Gathid Ltd	GTH	4 Jan
Kiland Ltd	KIL	27 Dec
New Zealand Coastal Seafoods	NZS	18 Dec

#### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>TRA</b>	Today	<b>5.52</b>	85	5.48
KAT	Tomorrow	0.5	100	1.76
PMV	Tomorrow	60	100	4.04
A2B	Fri	60	100	2.35

### Reports & Events

*(selected; all times AEDT)*

When	Company	Report/Event
<b>17 Jan</b>	RIO	Dec Q
<b>22 Jan</b>	DJW	Interim



an ~0.04% gain during gold trade. US 10-year bond yields reportedly rose by 0.06% to 4.051%.

Key international inflation and economic growth updates are expected to influence this week's currency moves and gold sentiment.

**Base metals** – base metals sentiment was pushed and pulled overnight Friday by key economic data releases on both sides of the Atlantic and associated currency swings.

In addition, inflation concerns were fuelled by Maersk confirming it would not send cargo vessels via the Red Sea for an indefinite period, meaning longer delivery routes for many products.

Yesterday, China's COSCO was reported to have also temporarily halted shipping to Israel.

### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6714	0.0010	0.15
EUR – USD	1.0944	0.0005	0.04

### Australian Data Today

RBA	Deposit rates	Dec
RBA	Official reserve assets	Dec

### US Data Tonight

Consumer inflation expectations	Dec
Consumer credit change	Nov

### Other Overseas Data Today & Tonight

UK	BBA mortgage rate	Dec
Germany	Factory orders	Nov
Germany	International trade	Nov
Euro zone	Retail sales	Nov
Euro zone	Economic confidence	Dec
Euro zone	Sentix investor confidence	Jan

### 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)

24 Jan	AFI	Interim (webinar 3.30pm)
30 Jan	ALX	Dec Q
	MP1	Dec Q
31 Jan	PAC	FUM 31 Dec

### 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.