

Markets

| | | | |
|--------------------------------------|-------|-----|-----|
| SFE 200 Futures (9.30am AEDT) | 6672 | 21 | 0.3 |
| NZX 50 | 13629 | 143 | 1.1 |
| DJIA Futures | 30942 | 222 | 0.7 |
| S&P 500 Futures | 3796 | 55 | 1.5 |
| NASDAQ Futures | 12928 | 311 | 2.5 |

Local Markets Commentary

The Australian market opens Friday trade following positive overnight US equities trade and an \$A pull back, with Australia's national cabinet meeting to discuss additional **Covid-19** security measures, amid concerns for the economic impact of border closures which have isolated NSW.

Since ASX trade yesterday, **China** has reported December foreign exchange reserves at \$US3.217 trillion, from \$US3.178 trillion at the end of November.

Regionally today, **Japan** is due to report December household spending **10.30am** AEDT.

A 30-year government bond auction is also scheduled for Japan today, 2.45pm.

Locally, the Reserve Bank of Australia (RBA) publishes a monthly official reserves assets report post-ASX trade.

In overnight commodities trade, **oil** rose further, but modestly so. US **gold** futures turned to settle modestly higher.

Iron ore (Qingdao CFR China, 62% fines) were reported yet higher, at \$US171.69/t, representing a \$US2.97/t rise for the day.

LME **copper** and **nickel** rallied further. **Aluminium** declined for a second consecutive session.

The **\$A** continued lower, to ~US77.60c, after falling below US77.80c early yesterday evening.

Japan's markets will be closed Monday, due to a public holiday.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|-----|-----|
| Dow Jones | 31041 | 212 | 0.7 |
| S&P 500 | 3804 | 56 | 1.5 |
| NASDAQ | 13067 | 327 | 2.6 |
| FTSE 100 | 6857 | 15 | 0.2 |
| DAX 30 | 13968 | 76 | 0.6 |
| Shanghai Comp | 3576 | 25 | 0.7 |

Overseas Markets Commentary

Marked choppy trade featured across major European and UK equities markets overnight, but key US indices mostly demonstrated more decisive sentiment, the DJIA, S&P 500 and NASDAQ each reaching new record high settlements.

Early hours Thursday (US ET), the US Congress had confirmed Joe

Today's Stock Watch
Accent Group (AX1)

Anticipating \$95M - \$98M 1H FY21 EBITDA, representing 40% - 45% year-on-year growth.

Like-for-like sales rose 2.7%, supported by a 7.4% November - December jump.

Refraining from second-half and full year guidance, citing Covid-19 uncertainty.

PharmAust Ltd (PAA)

Leiden University Medical Centre is investigating how to make PAA's Monepantel more soluble in water.

PAA is targeting the use of Monepantel, which has demonstrated anti-cancer activity, also as an anti-viral, to potentially be used in combatting Covid-19.

Unibail Rodamco Westfield (URW)

URW has appointed two additional members to the group's management board. Details lodged this morning.

AusCann Group Holdings (AC8) / CannPal Animal Therapeutics (CP1)

CannPal founder and MD Layton Mills will be CEO of the new combined group following AC8's acquisition of CP1 under the proposed scheme of arrangement.

Current AC8 CEO Nick Woolf will remain with AC8 through a transition period following the acquisition.

Cann Group (CAN)

In receipt of a \$3.2M R&D tax incentive refund.

Resources
Copper Mountain (C6C)

Produced a guidance-exceeding 77.6Mlb of copper during 2020, boosted by a record 23.1Mlb during the December quarter.

2020 gold production reached 29,227oz, including a record 8959oz for the December quarter.

Silver production tallied 392,494oz, with December quarter output coming in at a record 144,934oz.

Anticipating 85Mlb - 95Mlb 2021 copper production, with a \$US1.80/lb - \$US2.00/lb AIC.

C6C has traded higher the past three sessions, settling at \$2.19 yesterday.

Venture Minerals (VMS)

Heralding WA wheatbelt region Kulin project trenching results. Initial drilling underway. Details lodged this morning.

Biden as the next US president.

In addition, counting was finalised following US Senate runoff voting for two seats in Georgia, each result, while yet to be certified, accepted as going to the Democrats.

The US gains were hence attributed in part to expectations of additional US stimulus and a potential boost from a pledge to prioritise infrastructure improvements.

The **US Federal Reserve** Philadelphia regional president forecast a near-term pull back in US economic recovery however, and the **European Central Bank** (ECB) published an economic bulletin, this including expectations of a turn lower for euro zone December quarter GDP.

Other overnight investor considerations included Covid-19 figures, which continued concerning across several regions internationally.

Further, economic indicators proved mixed on both sides of the Atlantic.

Among a plethora of overnight **data** releases, the **euro zone's** initial December CPI estimate represented 0.3% growth for the month, but 0.3% deflation year-on-year.

The region's November retail sales tumbled 6.9% following a 1.4% October rise and against expectations of a 3.8% drop.

Against November 2019, sales were down 2.9%.

A December economic sentiment index was estimated at 90.4 however, from 87.7 and following expectations of a smaller improvement to 89.5.

In **Germany**, November factory orders encouraged, rising 2.3% following forecasts of a 1.3% decline after jumping 3.3% during October.

France's November retail sales plunged 18% for the month and 15.7% year-on-year.

Among a batch of key **US** economic indicators, the closely-watched ISM December non-manufacturing activity index rose to 57.2 from 55.9, defying forecasts of a fall to 54.5.

The component employment index fell 3.3 points to a contractionary 48.2, but the new orders reading rose to 58.5 from an already strong 57.2.

Weekly new unemployment claims came in at 787,000, following 790,000 the previous week, and against expectations of 755,000.

A December job cuts report estimated ~770,000 job losses against 648,000 for November and following forecasts of 690,000 new cuts.

November trade figures included a \$US68.1B trade deficit, following a \$US63.1B deficit at the end of October.

Tonight in the **US**, December employment figures are expected to prove influential.

November wholesale inventories and consumer credit change are also due.

Elsewhere, Germany is scheduled to release trade balance and industrial production updates.

In overnight corporate news, a settlement reached between **Boeing** and US justice officials following a MAX 737 aircraft investigation, was reported to be costing Boeing \$US2.5B.

Pre-Open Announcements

SeaLink Travel Group (* SLK)

~36.4M SLK shares will be released from voluntary escrow 16 January.

Details lodged this morning.

Resources

Auteco Minerals (AUT)

AUT has appointed former Northern Star Resources (ASX: NST) principal geologist Darren Cooke as COO, effective 1 February.

Cohiba Minerals (* CHK)

In response to an ASX price query, CHK suggests copper price appreciation, drilling programs, management CHK share purchases and a heavily oversubscribed recent SPP have contributed to recent price increases.

CHK closed out last week at 2.1c, but settled at 4.2c yesterday, following double digit percentage price gains for each session for the week to date.

Torrens Mining (TRN) / Coda Minerals (COD)

Perth, WA-headquartered minerals exploration company TRN completed a successful listing yesterday, following a \$10M IPO at 20c per share.

Opened at 32c and traded at 28c – 34.5c before settling at 29.5c.

~5.7M shares change hands across 485 transactions.

One of TRN's assets is held in JV with COD.

66.46M quoted shares.

Energy

88 Energy (* 88E)

Additional operations update lodged this morning, highlighting the declaration of 88E as 'high bidder' for the Tract 29 acreage (23,446 acres) located adjacent to 88E Yukon leases, North Slope of Alaska.

88E gained 25% yesterday, following an activity update, settling at 1c.

Trading Halts

| Company | Code | Resuming |
|----------------|------|----------|
| Eclipse Metals | EPM | 8 Jan |
| Sayona Mining | SYA | 8 Jan |

Suspensions *(select)*

| Company | Code | Since |
|----------------|------|--------|
| BuildingIQ Inc | BIQ | 23 Dec |
| Douugh Ltd | DOU | 23 Dec |

**Commodities**

| COMMODITY | CLOSE | \$US/ | +/- | % |
|---|---------------|-------|------|------|
| Gold (NY) (Feb) | 1913.6 | oz | 5 | 0.3 |
| Silver (NY) (Mar) | 27.26 | oz | 0.22 | 0.8 |
| Gold (LON) (6 Jan) | 1932 | oz | -8 | -0.4 |
| Platinum | 1111 | oz | 18 | 1.7 |
| WTI Crude (NYMEX Feb) | 50.83 | bbl | 0.2 | 0.4 |
| Brent Crude (ICE EUR Mar) | 54.38 | bbl | 0.08 | 0.2 |
| Iron Ore (NYMEX,CHN,62%) (6 Jan) | 166.76 | t | 0.68 | 0.4 |
| Copper (LME Ind) | 8180 | t | 142 | 1.8 |
| Nickel | 18060 | t | 279 | 1.6 |
| Aluminium | 2035 | t | -6 | -0.3 |
| Lead | 2035 | t | -30 | -1.5 |
| Zinc | 2890 | t | 28 | 1.0 |
| Tin | 21105 | t | 5 | 0.0 |

Commodities Commentary

Oil – Platts reported a record number of North Sea crude cargo sales (seven) overnight, this attributed to expectations of reduced supply following this week's voluntary production cut announcement from Saudi Arabia.

A weekly US petroleum drill rig count is due tonight.

Gold – overnight prices were pushed and pulled by new expectations for the US, mixed key data releases, and a prediction of a near-term 'significant economic slowdown' from a Federal Reserve regional president.

In addition, the \$US gained, as did US equities indices and bitcoin (to \$US41,000).

Tonight's trade is expected to be influenced by political and central bank commentary, together with US December employment statistics and Covid-19 developments.

Base metals – LME copper traded as high as \$US8182/t, and nickel at \$US18060/t, overnight, the most since February 2013 and September 2019 respectively.

Support came from falling inventories and expectations of further China demand, additional US stimulus and improved optimism that the US president-elect's infrastructure boosting plans will be enacted.

China reported December foreign exchange reserves yesterday evening (AEDT, these rising to \$US3.217 trillion from \$US3.178 trillion).

Producer prices and CPI are expected from China early Monday afternoon (AEDT).

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|-------|
| AUD – USD | 0.7761 | -0.0008 | -0.11 |
| EUR – USD | 1.2266 | -0.0006 | -0.05 |

Australian Data Today

| | | |
|-----|-------------------------|-----|
| RBA | Official reserve assets | Dec |
|-----|-------------------------|-----|

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------|--------|---------|--------------|-----------|
| TRA | 13 Jan | 3.8 | 85 | 4.49 |



US Data Tonight

| | |
|--|-----|
| Employment (incl jobs created, wages, unemployment rate) | Dec |
| Wholesale inventories | Nov |
| Consumer credit | Nov |

Other Overseas Data Today & Tonight

| | | |
|------------------|---|-----|
| Japan | Household spending | Nov |
| Japan | Leading economic index (prelim; 4pm AEDT) | Nov |
| Germany | Trade balance | Nov |
| Germany | Industrial production | Nov |
| Euro zone | Unemployment | Nov |

Need More Information?

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

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