

Markets

SFE 200 Futures (9.30am AEDT)	6798	46	0.7
NZX 50	11563	6	0.1
DJIA Futures	28763	-7	0.0
S&P 500 Futures	3260	0	0.0
NASDAQ Futures	8948	3	0.0

Local Markets Commentary

The Australian market opens today's trade with material domestic and regional data due, following an overnight relief rally for US equities, but amid continuing disquiet regarding international relations.

Regionally today, **China** is expected to publish **December CPI** growth **12.30pm** AEDT.

Locally today, the Australian Bureau of Statistics (ABS) reports **November trade** figures **11.30am** AEDT.

In overnight commodities trade, **oil** slid.

US **gold** futures (February) fell.

Iron ore (Nymex CFR China, 62% Fe) turned and rallied.

LME (3mth evening) **copper** and **nickel** extended Tuesday's gains.

Aluminium continued to fall.

The **\$A** appreciated beyond US68.70c after trading at ~US68.65c early yesterday evening.

Meanwhile, **Japan's** markets are heading towards a Monday public holiday weekend.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28745	161	0.6
S&P 500	3253	16	0.5
NASDAQ	9129	61	0.7
FTSE 100	7575	1	0.0
DAX 30	13320	93	0.7
Shanghai Comp	3067	-38	-1.2

Overseas Markets Commentary

Major European and US equities markets gained overnight when it became apparent there would be no immediate further military retaliation in the US-Iran clash, the S&P 500 trading intra-session at new peaks and the NASDAQ achieving a new record settlement.

Key US indices pulled back a little in late trade however, when social media reports emerged of blasts in the vicinity of the US embassy in Iraq's capital Baghdad.

Iraqi police reportedly confirmed three rockets had landed within the Green Zone, one ~100m from the US embassy.

Australia – November trade balance – 11.30am AEDT

China – December CPI – 12.30pm AEDT

Today's Stock Watch

Freedom Foods Group (FNP)

All FNP dairy farms and sites remain fully operational, as they have not been impacted by fires in Victoria or New South Wales. In addition, 10% FNP investee company Australian Fresh Milk Holdings has been unaffected by the fires.

Further, FNP is boosting UHT dairy beverage supplies as needed by retailers, to help minimise the impact of fresh milk shortage. FNP has traded lower the past five sessions, settling at \$4.45 yesterday.

Australian Vintage (AVG)

AVG's 30ha Charleston vineyard in the Adelaide Hills has suffered infrastructure damage, including to irrigation and trellising.

In addition, the vines have suffered heat damage, such that AVG expects to lose ~50% of this year's crop representing ~200t.

AVG is continuing to assess the extent of damage suffered by the company's Adelaide Hills third party growers, and is planning to provide an update with the release of interim results 26 February.

Immutep Ltd (IMM)

IMM is commencing recruitment of an additional 19 patients for stage two of the Part C of the TACTI-002 trial as a treatment for second line head and neck squamous cell carcinoma.

In addition, IMM is expecting initial progression-free survival statistics and overall response indications by 31 March for its AIPAC Phase IIb study involving metastatic breast cancer patients.

Cronos Australia (CAU)

CAU has received an initial Peace Naturals medicinal cannabis oils shipment from Canada ahead of distribution via Sigma pharmacies.

Resources

Rio Tinto (RIO) / Antipa Minerals (AZY)

RIO has earned a 51% interest in the WA Paterson province Citadel gold-copper⁺ project plus operatorship of the subsequent newly-formed JV.

RIO can commence earning a 65% holding in the project, in deciding by 30 January to spend a further \$14M on exploration within three years.

To date, RIO has outlaid \$11M on Citadel exploration.



An Iranian missile attack (yesterday morning AEDT) on two bases in Iraq hosting US and allied troops had appeared to target equipment rather than personnel.

In response the US president indicated sanctions were his preferred next move, rather than a military response.

Gold and oil prices swung lower and the \$US rose against the yen and Swiss franc.

Overnight data releases included a **euro zone** economic sentiment index, which rose to 101.5 from 101.2. A final consumer confidence estimate dropped to -8.1 from -7.2.

Germany's November factory orders tumbled 1.3% for the month following a 0.2% October rise.

A 10-year government bond auction delivered -0.25% yields, against -0.33% previously.

In the **UK**, a house price index rose 1.7% during December. Prices were estimated 4% higher than a year earlier.

In the **US**, a private sector December employment report included 202,000 new jobs following 124,000 created in November and against December forecasts of up to 160,000.

November consumer credit declined to \$US12.51B from \$US18.98B.

Weekly mortgage applications jumped 13.5% with mean 30-year rates falling a further 0.04% to 3.91%.

Tonight in the **US**, weekly new unemployment claims and a job cuts report are due.

Companies expected to report earnings include Marks & Spencer, Premier Oil and Tesco.

Aveva trades ex-dividend on the FTSE 100.

In overnight corporate news, **Tesla's** market cap was pushed beyond the combined General Motors and Ford Motor caps.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1560.2	oz	-14.10	-0.9
Silver (NY) (Mar)	18.167	oz	-0.226	-1.2
Gold (LON)	1573	oz		
Platinum	951	oz	-18	-1.9
WTI Crude (Feb)	59.61	bbf	-3.09	-4.9
Brent Crude (Mar)	65.44	bbf	-2.83	-4.2
Iron Ore (NYMEX,CHN,62%)	94.61	t	0.88	0.9
Copper (3mth,evening)	6192	t	29	0.5
Nickel	14050	t	135	1.0
Aluminium	1799	t	-18	-1.0
Lead	1909	t	1	0.1
Zinc	2393	t	39	1.7
Tin	17130	t	160	0.9

Commodities Commentary

Oil – a weekly US petroleum stockpiles report, published overnight by US government agency the EIA, estimated a 1.166MMbbl rise in stored crude, against expectations of a fourth consecutive draw.

Petrol stocks grew by 9.137MMbbl.

Pre-Open Announcements

The PAS Group (* PGR)

PGR has appointed Launa Inman as a non-executive director, and as chairperson, effective 1 February.

Ms Inman is a former MD of Officeworks and also Target Australia, and a former MD and CEO of Billabong International.

In addition, PGR has appointed former Freedom Group CFO and director Michael Gordon as a non-executive director, effective 15 January (Wednesday next week).

Current PGR chair Adam Gray is stepping down from the PGR board effective 1 February.

Non-executive director Chris Murphy is stepping down from the PGR board 15 January.

Mr Gray and Mr Murphy are based in the US.

NetLinkz Ltd (* NET)

NET has completed the \$A10.2M acquisition of Security Software International (SSI).

NET anticipates the SSI purchase will deliver an additional \$A1.5M post-expenses annualised profit.

The purchase has been funded through existing debt and financing facilities.

Platinum Asset Management (PTM)

\$25.118B FUM as at 31 December, against \$24.940B at the end of November.

National Tyre & Wheel (NTD)

NTD and Mickey Thompson Tires & Wheels (MT) have agreed to negotiate yearly targets on an annual basis with regards to the agreement under which NTD holds exclusive rights to import and sell certain MT products within Australia, New Zealand and Papua New Guinea.

Resources

Argosy Minerals (* AGY)

Local government environmental approval in hand for AGY's panned Argentina Rincon lithium project 2000tpa processing facility.

AGY expects to ship an initial 5t of lithium carbonate from an industrial-scale pilot plant by 31 March.

AGY is resuming from a trading halt, having last traded at 8c.

Bardoc Gold (* BDC)

RC drilling has identified a high-grade mineralised zone at depth below the current WA goldfields El Dorado gold project mineral resource.

Assays lodged this morning.

Follow-up RC drilling planned.

Diamond drilling assays pending.

Lucapa Diamond Company (* LOM)

The Angola Lulo diamond JV has delivered another 100+ carat diamond, this one registering at 117 carat.



Crude imports totalled 1.766MMbbl, while refining demand was calculated at daily 669,000bbl below that for the same week last year.

In addition, the US president doused any expectations of an immediate military response against Iran, after Iran's attack appeared to target equipment rather than personnel.

Earlier yesterday, WTI crude had traded at \$US65.65/bbl and Brent as high as \$US71.5/bbl.

Gold – prices were pushed lower when the US indicated it would prefer to respond to Iran's military base attack with sanctions.

Comex futures had earlier traded at \$US1613.3/oz.

The US reports December employment statistics tomorrow night. Any significant change from November is expected to influence gold trade.

Base metals – geopolitical angst, currency moves and key data to come this week largely appeared to influence overnight LME trade.

China reveals December CPI growth today and December trade figures tomorrow, these statistics likely to impact at least some sentiment across late-week trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6870	0.0004	0.05
EUR – USD	1.1111	0.0008	0.07

Australian Data Today

ABS	Trade balance	Nov
-----	---------------	-----

US Data Tonight

Initial jobless claims	4 Jan
Challenger job cuts	Nov
Consumer credit	Nov

Other Overseas Data Today & Tonight

China	CPI	Dec
China	PPI	Dec
UK	BRC retail sales	Dec
Germany	Trade balance	Nov
Germany	Industrial production	Nov
Euro zone	Unemployment	Nov

Energy

Energy Resources of Australia (ERA) / Rio Tinto (RIO)

ERA December quarter activities report lodged this morning, highlighting the production of 426t of Northern Territory Ranger project uranium oxide which pushed the 2019 output total to 1751t.

The annual tally represented a 12% drop on 2018 production.

Central Petroleum (* CTP)

CTP is proceeding with a planned farm out of its estimated \$51M CY 2020 exploration program, together with associated operating assets, in order to fund the exploration program.

Accordingly, CTP has conducted a competitive process before appointing Flagstaff Partners to advise on the optimal farm-out.

Tap Oil (* TAP)

Manora hedging contracts with BP Singapore lodged this morning.

Trading Halts

Company	Code	Resuming
Anson Resources	ASN	9 Jan
Elsight Ltd	ELS	10 Jan
Anglo Australian Resources	AAR	13 Jan
Consolidated Zinc	CZL	13 Jan
Quantify Technology Holdings	QFY	13 Jan

Suspensions (select)

Company	Code	Since
Bounty Mining	B2Y	19 Dec
Kangaroo Island Plantation Timbers	KPT	7 Jan
Kula Gold	KGD	2 Jan
Paringa Resources	PNL	27 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
TRA	17 Jan	3.78	85	7.11



Need More Information?

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

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.