

Markets

SFE 200 Futures (9.30am AEDT)	5725	9	0.2
NZX 50	8966	-3	-0.0
DJIA Futures	23870	3	0.0
S&P 500 Futures	2581	-14	-0.6
NASDAQ Futures	6545	-68	-1.0

Local Markets Commentary

The Australian market opens today's trade following broad risk-off overnight international equities sentiment, and price falls for several key commodities, and with new overnight data out of China.

Today's trade also comes ahead of a scheduled UK parliament vote tonight on arrangements governing the UK's planned split from the European Union (EU), the poll coinciding with the 20th anniversary of the launch of the euro.

The UK vote is anticipated as late as 6am AEDT tomorrow.

Post-ASX trade yesterday, **China** reported a 13% drop in December vehicle sales, following a 13.9% tumble in November.

In overnight commodities trade, **oil** continued to pull back.

Iron ore (China port 62% Fe fines) picked up the pace of Friday's turn higher.

US (February) **gold** futures settled with another slight gain.

LME **copper, nickel** and **aluminium** traded lower.

The **\$A** approached US72.0c again after having dropped to ~US71.80c early yesterday evening.

Locally today, a weekly consumer sentiment reading is due pre-trade.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23910	-86	-0.4
S&P 500	2583	-14	-0.5
NASDAQ	6906	-66	-0.9
FTSE 100	6855	-63	-0.9
DAX 30	10856	-32	-0.3
Shanghai Comp	2536	-18	-0.7

Overseas Markets Commentary

Major European and US equities markets fell on opening overnight and never looked like achieving session gains, in particular the FTSE 100 where a parliamentary UK-European (EU) split plans vote is due tonight.

Earlier yesterday, **China** had reported mixed December trade and foreign direct investment figures (FDI), and during European trade, a euro zone industrial production update disappointed.

China's December trade surplus exceeded expectations but imports and exports dropped, following forecasts of a rise for each.

Today's Stock Watch

Navitas Ltd (NVT)

NVT is intending to conditionally recommend a revised indicative, \$5.825 cash-per-share proposal from the BGH consortium. NVT has traded at \$4.87 - \$5.08 the past five trading sessions.

HUB24 Ltd (HUB)

December quarter FUM reached \$10.0B, 45.6% more than for the December quarter 2017.

Net inflows totalled a record \$1.5B, up 167.4%.

HUB added 416 advisers for the year to 31 December 2018.

LiveTiles Ltd (LVT)

Achieved \$22.9M annualised recurring revenue (ARR) as at 31 December, up 232%.

During the December quarter, LVT ARR grew by \$4.3M.

Promising additional operational and growth details late-January.

Bega Cheese (BGA)

Director Peter Margin has resigned, effective 31 January, due to increased work responsibilities. Mr Margin joined the BGA board in June 2011 and hence assisted with the August 2011 ASX listing.

WAM Capital (WAM) / WAM Leaders (WLE)

The value of WAM's investment portfolio (small - mid-cap Australian company focus) fell 3.7% for the month, and 5.5% for the financial year-to-date, during December.

The S&P/ASX Small Ordinaries Accumulation Index fell 4.2% during December.

WAM's top-20 holdings were lodged past-trade yesterday, in alphabetical order.

WLE's investment portfolio (large-cap Australian companies focus) rose 0.5% for the month during December, against a 0.1% decrease in the S&P/ASX 200 Accumulation Index. For the financial year-to-date, the portfolio value dropped 7.1% against a 6.8% for the S&P/ASX 200 Accumulation Index.

WLE's top-20 holdings were lodged past-trade yesterday, in alphabetical order.

Details of additional WAM portfolios were also lodged post-trade yesterday, all in the one presentation format.

Resources

Metals X (MLX)

December quarter WA Nifty project copper concentrate production rose 11% for the quarter, to 5177t.

Tasmania Renison (MLX 50%) tin in concentrate output also rose 11%, to 1798t.

Pursuit Minerals (PUR)

Additional significant-width, high-grade drilling assays in hand for the Airijoki vanadium project, northern Sweden.

PUR settled at 5.2c yesterday, after closing out 2018 at 3.0c.

Talga Resources (TLG)

LoI secured with Schunk Carbon Technology for co-operative exploration and incorporation of TLG's graphene into a Schunk product that can be used in the automotive sector.

Details remain commercial-in-confidence.

FDI had been expected to decline, however, and was reported to have grown by 3%.

China's 2018 trade balance with the US notably came in 17% higher for the year, at \$US323.32B. Exports to the US rose 11% and imports just 0.7%.

China's 2018 total international exports rose 9.9%, following a 7.9% rise in 2017. Imports grew 15.8%, against 15.9%.

Overnight, the **European Union (EU)** formalised in a letter an assurance that temporary border arrangements to be in place (for Ireland, an EU member) when the **UK** splits from the EU were not permanent as detractors had claimed.

This came ahead of tonight's crucial vote in the UK House of Commons, to approve, or otherwise, the proposed separation arrangements.

The vote is expected to trigger further dissent, and potentially an ultimate change of UK PM, and a new citizen vote on whether to separate the UK and EU.

Among overnight data releases, none of the scheduled **US** reports appeared, in part due to the US government services partial shutdown and additional government offices closed due to extreme winter weather across the mid-west and mid-Atlantic regions from late last week.

The **euro zone's** November industrial production fell 1.7% for the month, following a 0.1% October rise. Year-on-year, output dropped 3.3% against October's 1.2% gain.

The figures pushed the euro lower against the \$US.

Tonight in the **US**, December producer prices and a New York region business activity index are due, together with several reports previously scheduled for release could also be published.

December quarter large-cap reporting season warms after several disappointing revised outlooks over the past two weeks.

Three US Fed regional presidents are scheduled to speak publicly.

Elsewhere, investors will also focus early on the **UK** parliament vote, scheduled for tonight, on arrangements for the planned late-March UK withdrawal from the EU.

European Central Bank (ECB) president Mario Draghi is also scheduled to speak publicly, as the euro zone commemorates the 20th anniversary of the launch of the **euro**.

Euro zone **trade** and Germany **GDP** updates could also prove more influential than the norm, due to international growth jitters.

Earnings will also feature.

Companies scheduled to report earnings include Delta Air, JPMorgan Chase, Spire Healthcare, United Continental, UnitedHealth and Wells Fargo.

In overnight corporate news, **Newmont** and **Goldcorp** confirmed they had agreed a \$US10B merger.

Later, **Citigroup** reported December quarter revenue had fallen below expectations, to \$US17.124B, on lower fixed-income and trading income.

The figure was little different than for the December quarter 2017, however.

Ford Motor claimed at the Detroit Motor Show that it could launch its first electric vehicles next year.

Pre-Open Announcements

Praemium Ltd (* PPS)

Record \$768M December quarter gross inflows. FUA grew 14% over the year, to \$8.4B. Additional statistics lodged this morning.

1414 Degrees (* 14D)

Bureau Veritas Asset Integrity & Reliability Services has verified the commissioning of 14D's first TESS-IND.

Cadence Capital (CDM)

Top-20 holdings as at 31 December lodged post-trade yesterday, together with NTAs. ARQ was the top holding at 12.1% and MQG second, at 4.7%.

The Reject Shop (TRS)

Allensford has extended the period of its on-market offer for TRS until close-of-trade 6 February.

Resources

Neometals Ltd (* NML)

Battery and Storage Forum presentation lodged this morning, ahead of tonight's delivery in New York (city).

Image Resources (* IMA)

IMA has loaded its first bulk shipment of WA Perth Basin Boonanarring project heavy mineral concentrate. IMA expects a letter of credit to be available to be cashed for the 10,000t (wet) load within a few days. Anticipating project positive cash flow by 31 March.

GWR Group (* GWR) / Blackham Resources (* BLK)

Heralding RC drilling results across three prospects within the WA Wiluna West gold project as a 'game-changer'. Details, including several significant-width, high-grade assays, lodged this morning.

Musgrave Minerals (MGV)

WA Murchison region Lake Austin North A-zone gold target diamond drilling has returned significant-width assays, and extended known basement strike length beyond 350m. MGV says mineralisation remains open to the south and north. Additional assays, from a new program already underway, are anticipated late-February. Regional air core drilling is scheduled to commence this week.

Trading Halts

Company	Code	Resuming
The Agency Group Australia	AU1	15 Jan
Blina Minerals	BDI	16 Jan
Venus Metals Corporation	VMC	16 Jan

Suspensions (select)

Company	Code	Since
Alice Queen	AQX	21 Dec
Alliance Mineral Assets	A40	27 Dec
Cape Lambert Resources	CFE	8 Jan

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1291.3	oz	1.8	0.1
Silver (NY) (Mar)	15.69	oz	0.03	0.2
Gold (LON)	1289	oz	-3	-0.2
Platinum	799	oz	-9	-1.1
WTI Crude (Feb)	50.51	bbl	-1.08	-2.1
Brent Crude (Mar)	58.99	bbl	-1.49	-2.5
Iron Ore (CHN port 62%)	73.8	t	0.35	0.5
Copper (LME,3mth,PM)	5897	t	-45	-0.8
Nickel	11390	t	-70	-0.6
Aluminium	1828	t	-8	-0.4
Lead	1983	t	-19	-1.0
Zinc	2484	t	-8	-0.3
Tin	20475	t	175	0.9
CBT Wheat (Mar)	5.14	bshl	-0.06	-1.1

Commodities Commentary

Oil – yesterday’s trade data out of China, further disappointing data out of the euro zone, and geopolitical uncertainty kept sentiment down overnight.

Shipping data, however, indicated China imported ~30% more crude during December than a year earlier.

Gold – prices swung overnight, amid international growth and geopolitical considerations which produced choppy equities trade and some vacillating currency trade.

Tonight’s gold prices could be pushed and pulled by a plethora of considerations, including the UK parliament European Union separation plan vote, public speeches by the European Central Bank president and three US Fed regional presidents, plus key data reports on both sides of the Atlantic.

Base metals – **China’s** December **trade** figures, reported yesterday, included a \$US57.06B trade surplus, following \$US44.71B at the end of November.

Exports dropped 4.4% year-on-year, however, after a 5.4% November rise.

Imports tumbled 7.6% after increasing by 3% in November.

China’s 2018 *aluminium* exports were reported to 20.9% higher, at a record 5.8Mt.

In addition yesterday, China’s foreign direct investment (**FDI**) was reported 3% higher for the month, following a 1.3% November decline.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7195	-0.0002	-0.03
EUR – USD	1.1468	-0.0001	-0.01

Australian Data Today

ANZ/RyMgn	Consumer sentiment	13 Jan
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US Data Tonight

PPI	Dec
NY Fed (Empire State) manufacturing	Jan
IBD/TIPP economic optimism	Jan

Castillo Copper	CCZ	27 Dec
Frontier Diamonds	FDX	27 Dec
Vector Resources	VEC	4 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
EZL	Tomorrow	1.75	100	9.91
PL8	Tomorrow	0.5	100	5.87
CYB	Thu	5.479	0	1.68
TRA	21 Jan	~3.75	0	5.14
OZG	1 Feb	0.25	100	3.13
WIC	1 Feb	3	100	5.63

**Other Overseas Data Today & Tonight**

Japan	Machine tool orders (5pm AEDT)	Dec
Germany	GDP	2018
Euro zone	Trade balance	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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