

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7179	-66	-0.9
<b>NZX 50</b>	12462	-35	-0.3
<b>DJIA Futures</b>	34616	-294	-0.8
<b>S&amp;P 500 Futures</b>	4475	-50	-1.1
<b>NASDAQ Futures</b>	14841	-193	-1.3

**Local Markets Commentary**

The Australian market opens Friday trade with negative overnight US equities leads for a third consecutive session as domestic Covid-19 management debate continues.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes a November **business turnover** report at **11.30am** AEDT.

**Regionally** today, Japan's **December CPI** is anticipated **10.30am** AEDT.

At 10.50am, the **Bank of Japan** is scheduled to publish Tuesday's (18 January) **monetary policy meeting minutes**.

In overnight commodities trade, **oil** turned to settle slightly lower.

US **gold** futures declined by US60c/oz, essentially closing flat.

**Iron ore** (Nymex CFR China, 62% Fe) swung higher to settle above \$US129.00/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** each reportedly added to Wednesday's gains by ~2%.

Last night's LME final price updates were unavailable from IRESS at time of publication.

The **\$A** declined to ~US72.25c after trading at US72.35c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34715	-313	-0.9
<b>S&amp;P 500</b>	4483	-50	-1.1
<b>NASDAQ</b>	14154	-186	-1.3
<b>FTSE 100</b>	7585	-5	-0.1
<b>DAX 30</b>	15912	103	0.7
<b>Shanghai Comp</b>	3555	-3	-0.1

**Overseas Markets Commentary**

Vacillating sentiment featured across most major European, UK and US equities markets overnight, key US indices trending lower in the last two hours of trade.

The **European Central Bank's** (ECB) December monetary policy meeting minutes revealed an ongoing focus on monitoring inflationary pressures and the optimal mix and extent of asset purchases.

ECB president Christine Lagarde repeated the bank's view that supply and logistics issues and energy prices would ease in time,

**\* Mineral technology services listing – midday AEDT – OXT \***
**Today's Stock Watch**
**Inghams Group (ING)**

ING has appointed former Stockland (ASX: SGP) retail leasing GM Robyn Stubbs and former investment banker and Australian government ministerial senior advisor Tim Longstaff as non-executive directors, effective immediately.

**PointsBet Holdings (PBH)**

PointsBet Pennsylvania has secured licences enabling PBH to offer online sports betting and online casino products within Pennsylvania, US, in partnership with Penn National Gaming.

**Nuix Ltd (NXL)**

Anticipating a \$2M - \$3.5M 1H FY22 net loss, following a \$16.6M net loss for 1H FY21.

Expecting \$82M - \$85M revenue, against \$85.3M.

**Djerriwarrh Investments (DJW)**

57.2% higher, \$15.1M interim operating revenue.

Additional interim statistics lodged pre-trade.

**Resources**
**BHP Group (BHP)**

BHP Group Ltd and BHP Group Plc shareholders overwhelmingly voted yesterday evening and overnight for BHP's plan to restructure under the one corporate headquarters in Australia.

The chairman's speech, presentation general meeting webcast link were lodged post-trade yesterday.

**Tulla Resources (TUL)**

HoA secured with Koch Metals for the supply of up to 400Mt of Norseman project iron ore.

Further, Koch plans to provide \$A42M worth of Norseman project exploration, development and mining funding over an initial three years.

In addition, Koch is proposing to fund 65% of costs thereafter. Conditions include Koch's planned LSE listing plus due diligence and regulatory approvals.

**Energy**
**Whitehaven Coal (WHC)**

Covid-19 and wet weather issues have impacted December quarter production and FY22 guidance. Breakdown impacts and new product and cost guidance figures lodged pre-trade.

Produced 3.0Mt of (managed) saleable coal during the December quarter, down 37% year-on-year.

Anticipating a net cash position in March pending the repayment of a senior debt facility next month.



and would help bring down inflation growth rates by the end of the year.

Earlier yesterday, the **People's Bank of China** cut the one-year loan prime rate for the second time this week, this time by 0.1% to 3.70%. At the start of the week, the rate was 3.85%. The central bank also reduced the five-year loan prime rate yesterday, by 0.05% to 4.60%.

Overnight, Norway's Central Bank convened a policy meeting at which it retained a 0.5% benchmark interest rate, citing Covid-19 uncertainty and the drop in activity from the recent increase in spread.

The bank indicated however, that a rate increase could be appropriate come the March policy meeting.

Among overnight **data** releases, **Germany's** December producer prices surprised, jumping 5% for the month against forecasts for a 0.7% rise following November's 0.8% appreciation.

Against December 2020, prices were up 24.2%.

The **euro zone's** December CPI growth was confirmed, in a final reading, at 0.4% for the month. Against December 2020, the CPI was up 5.0%, as initially estimated.

In the **US**, weekly new unemployment claims tallied 286,000, following the previous week's 231,000 and forecasts for 232,000 further new claims.

The Philadelphia Fed manufacturing index was calculated sharply higher, at 23.2 from December's 15.4, and against expectations of a smaller improvement, to 18.0.

The business conditions and new orders component indices each rose by more than anticipated.

The employment component index fell from 33.9 to 26.1, defying forecasts for 34.0.

December existing home sales dropped 4.6%, against a 2.2% November rise. Forecasters had anticipated a fall, but only by as much as 2.0%.

Meanwhile an auction of 10-year US Treasury Inflation-Protected Securities (TIPS) resulted in a -0.54% yield from -1.145% previously.

Tonight in the **US**, the Conference Board December leading index is anticipated.

Elsewhere, the UK reports December retail sales.

Also tonight, ECB president Christine Lagarde is again scheduled to speak publicly.

Companies listed to report earnings or provide trading updates later today or tonight include Reliance Industries, Tokyo Steel Manufacturing and Schlumberger.

In overnight corporate news, **Netflix** December quarter subscriber numbers and the company's updated forecast each disappointed.

This, after last week announcing higher subscription fees for customers in North America.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Feb)	<b>1842.6</b>	oz	-0.60	-0.0
<b>Silver (NY)</b> (Mar)	<b>24.716</b>		0.49	2.0
<b>Gold (LON)</b> (19 Jan)	<b>1827</b>	oz		

## Pre-Open Announcements

### Orexplore Technologies (\* OXT)

Mineral technology services specialist scheduled to list on the ASX **midday** AEDT, following a \$2.4375M IPO at 25c per share. ~103.66M quoted shares.

### Nufarm Ltd (NUF)

\$US350M senior unsecured notes offering, in support of redemptions. The new notes will mature 2030.

### Little Green Pharma (LGP)

Four-year distribution agreement secured with PharmaServe Hellas covering the supply of LGP-branded oil medicines and cannabis flower in Greece.

Exclusivity applies for a minimum two years.

### AVA Risk Group (AVA)

December quarter technology division sales orders tallied \$4.9M, pushing year-to-date orders to \$10.2M, this representing 42% year-on-year growth.

\$55.4M net cash as at 31 December. Nil debt.

### Block Inc (\* SQ2)

The former Square Inc and acquirer of Afterpay Holdings (ASX: APT *now suspended*) completed its ASX listing yesterday as a foreign exempt listing.

Opened at \$176.08 and traded at \$175.875 - \$178.88 before settling at \$176.63.

192,098 shares were traded across 5059 transactions.

~96.08M common shares/CDIs.

Trading commenced on a deferred settlement basis.

Normal (T+2) trade is expected to commence 2 February.

### Happy Valley Nutrition (HVM)

HVM non-executive director and former Danone China and Hong Kong business units head Kevin Bush has assumed the chairman's role following Ivan Hammerschlag's decision to step down from this position.

Mr Hammerschlag will remain with HVM as a non-executive director until 28 February.

### Hazer Group (HZR)

A review of the (December-notified) defect identified in a reactor vessel under manufacture in China for HZR's southern Perth, WA suburban commercial demonstration project (CDP) has prompted manufacturing changes ahead of the remaking of the reactor vessel.

The vessel is now expected to be shipped to Australia ~July, six months later than initially anticipated.

HZR anticipates hydrogen and graphite production will commence by year's end.

Overall changes, including the additional manufacturing, are expected to add ~\$1M to cost estimates.

Together with other cost pressures associated with materials and resources demand in WA, the completed cost of the CDP is expected to come in at the top end of the previously estimated



<b>Platinum</b>	<b>1042</b>	oz	16	1.6
<b>WTI Crude</b> (NYMEX Feb)	<b>86.90</b>	bbl	-0.06	-0.1
<b>Brent Crude</b> (ICE EUR Mar)	<b>88.38</b>	bbl	-0.06	-0.1
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	<b>129.09</b>	t	1.68	2.0
<b>Copper</b> (LME 3mth Evening) (19 Jan)	<b>9840</b>	t		
<b>Nickel</b>	<b>23148</b>	t		
<b>Aluminium</b>	<b>3049</b>	t		
<b>Lead</b>	<b>2363</b>	t		
<b>Zinc</b>	<b>3581</b>	t		
<b>Tin</b>	<b>42891</b>	t		

### Commodities Commentary

**Oil** – a weekly US petroleum inventories report, published by government agency the EIA overnight, included a 515,000bbl increase for crude stocks and 5.873MMbbl increase for stored petrol.

Petrol production rose by 114,000bbl/d.

Net crude imports rose by 21,000bbl/d.

Overnight Wednesday post-US trade, the American Petroleum Institute (API) published a report which included an estimated an ~1.4MMbbl rise for US crude stocks last week.

A weekly US petroleum drill rig report is expected tonight.

The February WTI contract expired on settlement overnight, the March contract closing at \$US85.55/bbl, 25c lower for the session.

**Gold** – early improved US equities sentiment and a \$US rise ultimately produced a slightly lower overnight settlement for Comex futures.

International inflation indicators and central bank activity and commentary also continued in focus and geopolitical relations remained fluid.

**Base metals** – overnight LME trade appeared mostly buoyed by further supportive rates moves in China, but also influenced by supply and demand commentary and inventories.

**Nickel** traded as high as \$US24,435/t, not seen in almost 10.5 years, and **tin** at a record \$US44,180/t.

Amid increasing electric vehicle industry demand, nickel supply was seen nonetheless at risk, due to geopolitical tensions surrounding Russia's Ukraine intentions and associated European Union and US sanctions threats.

Russia is a major international supplier of key commodities including *aluminium*, *nickel* and *palladium*.

For its part, Goldman Sachs boosted its 2022 nickel deficit forecast to 30,000t from 13,000t.

In the meantime, the International Aluminium Institute estimated international primary aluminium production had fallen 1.25% year-on-year in December, to 5.622Mt.

The **People's Bank of China** yesterday reduced one- and five-year loan prime rates yesterday, after Monday this week bringing down the one-year rate from 3.85% to 3.80%.

Yesterday, the central bank cut the one-year rate by a further 0.1% to 3.70%. The bank reduced the five-year rate to 4.60% from 4.65%.

\$23M - \$25M.

### Resources

#### Mt Gibson Iron (MGX)

Sold 300,000t of iron ore during the December quarter, pushing the July – December total to 700,000t. \$142M cash and investments.

Anticipating selling 2Mt of iron ore during FY22.

Planning to lodge 1H FY22 results 23 February.

#### Silver Lake Resources (SLR)

Declared the successful bidder in the Harte Gold Corp sale process.

#### American Rare Earths (ARR)

Traded as high as 54.5c yesterday before settling at 43c after closing out last week at 19.5c.

ARR added 35.9% Monday and then 13.21%, 18.33% and 21.13% respectively Tuesday through yesterday, on no new news.

December quarter activities report lodged this morning.

#### Copper Mountain Mining (C6C)

British Columbia New Ingerbelle copper-gold open pit diamond drilling has delivered additional significant width, high-grade intersections from within a further 10 holes.

Details lodged post-trade yesterday.

New Ingerbelle is located 1km from the Copper Mountain Mine man pit.

#### Morella Corporation (1MC)

The former Altura Mining is pleading ignorance in response to an ASX price query.

1MC added 65.22% yesterday, settling at 3.8c after adding 10.53% and 19.05% Monday and Tuesday respectively.

334.37M 1MC shares change hands yesterday.

#### NiCo Resources (\* NC1) / Metals X (MLX) / Blackstone Minerals (BSX)

Exploration company and MLX spin off NC1 completed an outstanding ASX listing Wednesday, following a \$12M IPO at 20c per share.

NC1 opened at 34.5c and traded at 30.5c – 37.5c before settling for day one at 36c, 80% higher than the company's IPO price.

Yesterday, NC1 traded at 39c – 69.5c, closing at 57c, hence adding 58.3% for day two.

Over the two sessions, ~21.2M shares (of 87.25M quoted shares) changed hands across ~4500 transactions.

NC1 holds the WA Wingellina nickel-cobalt project and Claude Hills nickel project, South Australia.

MLX held 23.19% on listing and BSX 15.11%.

#### Lithium Australia (LIT)

Webinar presentation lodged post-trade yesterday, together with the event link.

LIT is scheduled to present at 12.30pm AEDT.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7227	-0.0009	<b>-0.12</b>
<b>EUR – USD</b>	1.1312	-0.0040	<b>-0.35</b>

**Australian Data Today**

ABS	Business turnover	Nov
-----	-------------------	-----

**US Data Tonight**

Conference Board leading index	Dec
--------------------------------	-----

**Other Overseas Data Today & Tonight**

<b>Japan</b>	CPI	Dec
Japan	BoJ monetary policy meeting minutes	Jan
<b>UK</b>	Retail sales	Dec
UK	GfK consumer sentiment (~11am AEDT)	Jan
<b>Eurozone</b>	Consumer 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)

**Kingfisher Mining (KFM)**

Pleading ignorance in response to an ASX price query. KFM traded 41.67% higher for the session yesterday, settling at 34c.

**Qx Resources (QXR)**

40M shares are due for release from voluntary escrow 1 February.

**Viridis Mining & Minerals (\* VMM)**

Explorer and project developer scheduled to list on the ASX midday AEDT **Monday**, following a \$5M IPO at 20c per share. ~31.2M quoted shares.

**Energy****Yancoal Australia (\* YAL)**

Produced 9.3Mt attributable saleable coal during the December quarter, 6% less than for the September quarter. Attributable mine sales fell 5% to 9.9Mt.

The average realised price rose 32% for the three months to \$A209/t.

YAL also lodged a market index and YAL comparative pricing timeline post-trade yesterday.

**Trading Halts**

Company	Code	Resuming
Bulletin Resources	BNR	21 Jun
Centaurus Metals	CTM	21 Jun
Hannans Ltd	HNR	21 Jun
Alice Queen	AQX	24 Jan
Argonaut Resources	ARE	24 Jan
Askari Metals	AS2	24 Jan
BlackEarth Minerals	BEM	24 Jan
DXN Ltd	DXN	24 Jan
Telix Pharmaceuticals	TLX	24 Jan
Triangle Energy (Global)	TEG	24 Jan

**Suspensions (selected)**

Company	Code	Since
Cradle Resources	CXX	13 Jan
Emerald Resources	EMR	12 Jan
HeraMed Ltd	HMD	20 Jun
IRIS Metals	IR1	10 Jan

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>KAT</b>	<b>Today</b>	<b>0.5</b>	100	1.32
MIR	Mon	3.5	100	2.45
TGA	Mon	7	100	2.90

**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.

**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>OXT</b>	IPO
	<b>MGX</b>	Dec Q
	<b>SXY</b>	Dec Q
	<b>WHC</b>	Dec Q
<b>Mon</b>	AFI	Interim (webinar 1.30pm)
<b>Tue</b>	CHL	Dec Q (tele 9.30am)
	KP2	Webinar & Q&A (8pm)
	PAR	AGM (11am)
	VBS	AGM
<b>31 Jan</b>	LIT	AGM