

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7464	23	0.3
<b>NZX 50</b>	12093	2	0.0
<b>DJIA Futures</b>	34148	-8	0.0
<b>S&amp;P 500 Futures</b>	4132	42	1.0
<b>NASDAQ Futures</b>	12414	262	2.2

**Local Markets Commentary**

The Australian market commences today's trade with key domestic and regional economic data due late morning, ahead of earnings reports from mega-cap communications/tech stocks and major firms across other closely-watched sectors tonight, plus post-policy meeting announcements from the Bank of England and European Central Bank.

US equities markets settled variously higher for a second consecutive session overnight, following a US Federal Reserve post-policy meeting rate increase.

**Locally** today, the Australian Bureau of Statistics (ABS) is scheduled to release December **building approvals** at 11.30am.

**Regionally** today, **South Korea** reports January **inflation** as the ASX opens.

This afternoon, Japan is due to host a 10-year government bond auction.

Meanwhile, New Zealand's markets are heading towards a Monday public holiday weekend.

Overnight **commodities** trade proved mostly negative.

**Oil** swung decisively lower.

US **gold** (Apr) futures also turned to record a slight decline.

**Iron ore** (Nymex CFR China, 62% Fe) fell below \$US126.5/t.

LME **copper** was reported 1.4% lower at 1515 GMT. At the same time, **nickel** was reported to have been pushed 3.5% lower for the session to date. **Aluminium** was reportedly down 1.7%.

The **\$A** appreciated to ~US71.25c after trading at ~US70.70c - ~US70.75c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34093	7	0.0
<b>S&amp;P 500</b>	4119	43	1.1
<b>NASDAQ</b>	11816	232	2.0
<b>FTSE 100</b>	7761	-11	-0.1
<b>DAX 30</b>	15181	52	0.4
<b>Shanghai Comp</b>	3285	29	0.9

**Overseas Markets Commentary**

Choppy trade and/or marked vacillations featured at various stages across major European, UK and US equities markets

**Today's Stock Watch**
**Virgin Money UK (VUK)**

Mortgages grew by 0.4% during the December quarter, and 1.7% year-on-year, to £58.4B

Business lending rose 2.4% and 9.7% respectively, to £8.45B.

Overall deposits increased by 1.2% and 4.6% respectively, to £35.05B.

15.0% CET1.

1.89% NIM from 1.86% for the September quarter.

1.85% - 1.90% NIM anticipated for FY23.

**Pinnacle Investment Management Group (PNI)**

15.6c fully franked interim dividend against 17.5c a year ago.

23.9% lower, \$30.488M interim NPAT.

5.5% higher, \$22.778M continuing activities revenue.

\$2.00 NTA from \$1.98.

**Booktopia Group (BKG)**

\$12M finance package finalised, underpinning the development of BKG's customer fulfilment centre in South Strathfield, Sydney.

Details lodged post-trade yesterday.

**SRG Global (SRG)**

Two contracts worth a combined ~220M secured with Northern Star Resources (ASX: NST) WA gold projects.

One new contract is for five years. The other is an extension for two years.

**DUG Technology (DUG)**

\$2.5M order in hand from Searcher Seismic.

DUG has traded higher the past three sessions, settling at 80c yesterday.

**Resources**
**Legend Mining (LEG)**

WA Rockford project Mawson Deposit resource initially estimated at 1.45Mt @ 1.14% Ni, 0.74% Cu & 0.07% Co, for 28,200t of contained metal.

**Alchemy Resources (ALY)**

Heralding Karonie project Hickory prospect gravity surveying results.

Details lodged this morning. Broader surveying planned.

**ABx Group (ABX)**

Reporting high extractions during desorption testing using Tasmania Deep Leads and Rubble Mound REE samples.



overnight.

In the US, key indices notably opened lower or almost on par, and meandered through the session until the US Federal Reserve completed a two-day policy meeting, announcing, as anticipated, a 0.25% increase in rates.

This takes the central bank's rates range to 4.50% - 4.75%.

The bank foreshadowed additional increases, citing elevated inflation against low unemployment and relatively strong hiring.

The \$US subsequently fell ~0.9% to eight-month lows.

International growth scenarios remained in focus amid a string of underwhelming PMI updates, together with commentary regarding broader central bank activity, the latter centred on the potential size of rate increases expected out of the Bank of England and European Central Bank tonight.

Earlier yesterday, a 49.2 Caixin January manufacturing PMI for **China** indicated the sector remained in contraction mode and represented a weaker-than-anticipated improvement on December's 49.0.

Among overnight data releases, the **euro zone's** initial January CPI reading represented 0.4% deflation for the month against forecasts for a 0.2% turn lower.

On an annualised basis, inflation was running at 8.5% against 9.2% for December.

Forecasters had predicted ~9.0% for the first month of the new year.

The slowing was attributed mostly to a pullback in energy costs.

Finalised January manufacturing PMIs for the euro zone, Germany and UK represented, as with the initial readings, small improvements for the month but remaining contraction.

In the **UK**, January residential property prices were reported 0.6% lower for the month, following forecasts for a 0.3% decline.

The fall was the fifth consecutive monthly decline.

Against January 2021, prices were up 1.1%.

In the **US**, the ISM manufacturing index for January fell to 47.4 from December's 48.4, following forecasts for 48.0.

The employment component index slipped to 50.6 from 50.8.

The new orders component dropped to 42.5 from 45.1.

A January private sector employment report contained a new jobs tally that undershot expectations, calculated at 106,000 against forecasts for 131,000 and following December's 253,000.

A December job openings report estimated 11.012M opportunities, against forecasts for 9.5M and following 10.44M recorded for November.

December construction spending fell 0.4% for the month after November's 0.5% increase and against predictions for a new 0.1% rise.

Weekly mortgage applications dropped 9% after jumping 7% the previous week.

30-year mortgage rates averaged 6.19% from 6.20%.

Among overnight bond auctions, a 10-year offer in Germany produced a 2.27% yield from 2.25%.

**Tonight** in the US, weekly new unemployment claims, a January job cuts report and December factory orders are due, ahead of January workforce statistics overnight tomorrow.

## Pre-Open Announcements

### Flight Centre (FLT)

Traded as high as \$18.18 yesterday before settling at \$17.11, up 8.09% for the session.

143.958M shares changed hands, after FLT raised \$A180M in a \$14.60-per-share fully underwritten institutional placement, in support of the planned £121M acquisition of UK-headquartered luxury travel business Scott Dunn.

An SPP, capped at \$40M, is scheduled for 9 February – 6 March. The SPP price-per-share is yet to be determined.

FLT also lodged preliminary interim statistics and FY23 guidance when entering the halt Tuesday pre-trade.

FLT traded at \$15.44 - \$16.06 over the five sessions before the halt.

### Auckland International Airport (AIA)

AIA GM technology and marketing Jonathan Good is leaving AIA at the end of April, in favour of a position with a start-up enterprise.

### Symbio Holdings (SYM)

SYM has completed its \$5M acquisition of West Technology Group (formerly Intrado Corporation) subsidiary Intrado Australia.

### Firebrick Pharma (FRE)

Forum presentation lodged post-trade yesterday.

### Sprintex Ltd (SIX)

\$A3.121M worth of convertible notes funding secured.

Details lodged post-trade yesterday.

## Resources

### Argonaut Resources (ARE)

The Zambian High Court will rule on a judicial review on behalf of ARE's 90%-held Mwombezhi Resources regarding a licence grant over the Lumwana West area.

Details lodged yesterday.

## Energy

### Deep Yellow (DYL)

Namibia Tumas uranium project DFS results, including a post-tax \$US341M NPV, lodged pre-trade.

## Trading Halts

Company	Code	Resuming
Acumentis Group	ACU	2 Feb
AuTECO Minerals	AUT	2 Feb
Bounty Oil & Gas	BUY	2 Feb
Great Southern Mining	GSN	2 Feb
Cyprium Metals	CYM	3 Feb
Horseshoe Metals	HOR	3 Feb
Openpay Group	OPY	3 Feb



Elsewhere, both the Bank of England and European Central Bank convene their first policy meetings of the year and announce outcomes.

Companies scheduled to report earnings later today or tonight include: Alphabet, Amazon, Apple, Atlassian Corp, Bristol-Myers Squibb, ConocoPhillips, Eli Lilly, Estee Lauder, Ford Motor, Gilead Sciences, Honeywell, Merck & Co, Panasonic, Qualcomm, Roche, Royal Dutch Shell, Starbucks and Takeda Pharmaceutical.

In overnight corporate news, **Meta Platforms** has reported post-US trade, announcing cost containment initiatives and delivering a positive March quarter sales outlook. December quarter earnings fell short of expectations, however.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Apr)	1942.8	oz	-2.50	<b>-0.1</b>
<b>Silver</b> (COMEX 5000 Mar)	23.61	oz	-0.23	<b>-1.0</b>
<b>Platinum</b>	1005	oz	-6	<b>-0.6</b>
<b>WTI Crude</b> (NYMEX Mar)	76.41	bbbl	-2.46	<b>-3.1</b>
<b>Brent Crude</b> (ICE EUR Mar)	82.84	bbbl	-2.62	<b>-3.1</b>
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	126.33	t	-2.45	<b>-1.9</b>
<b>Copper</b> (LME 3mth Evening) (31Jan)	9224	t	15	0.2
<b>Nickel</b>	30398	t	1199	4.1
<b>Aluminium</b>	2653	t	67	2.6
<b>Lead</b>	2139	t	-20	-0.9
<b>Zinc</b>	3387	t	-63	-1.8
<b>Tin</b>	29481	t	-350	-1.2
<b>Coal</b> (ICE-GC Newcastle; IRESS)	262	t	-3.35	-1.3
<b>Wheat</b> (CBT Mar; IRESS)	758	t	-3.25	<b>-0.4</b>

### Commodities Commentary

**Oil** – prices fell overnight on lower demand perceptions on industry decisions and reports out of OPEC and the US, and also in part due to another US rate increase, albeit much smaller than a string of increases last year.

An OPEC+ meeting concluded with a status quo output decision.

In addition, OPEC reported January production that came in 920,000bbbl/d short of the group's output target. This followed a 780,000bbbl/d shortfall for December.

A weekly US petroleum inventories report, published overnight by US government agency the EIA, included a 4.14MMbbl increase in stored crude and 2.576MMbbl rise for petrol stocks.

Meanwhile, the European Union failed to agree on price caps on refined petroleum products out of Russia, despite the caps being scheduled to come into effect Sunday.

Overnight Tuesday post-US trade, the American Petroleum Institute had released a weekly report which included an estimated 6.33MMbbl build in US crude stocks last week.

**Gold** – Comex futures settled slightly lower overnight despite an ~0.9% fall in the ICE \$US index. Post-settlement prices were reported higher, however.

Caution appeared to reign during official trade, ahead of the US Federal Reserve rates decision.

European Central Bank and Bank of England policy decisions are due tonight.

Siren Gold	SNG	3 Feb
Strickland Metals	STK	3 Feb
Winsome Resources	WR1	3 Feb
Xstate Resources	XST	3 Feb

### Suspensions (selected)

Company	Code	Since
KneoMedia Ltd	KNM	1 Feb
k-TIG Ltd	KTG	27 Jan
My Foodie Box	MBX	31 Jan
Omnia Metals Group	OM1	1 Feb
Weebit Nano	WBT	31 Jan

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AFI</b>	Today	<b>11</b>	100	3.15
ASW	Tomorrow	0.5	100	5.26
QRI	Tomorrow	1.06	0	5.98
RMD	Wed	US4.4	0	0.54
VUK	9 Feb	13.36	0	1.89
BKI	10 Feb	4.2	100	3.88

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>COF</b>	Interim
	<b>NWS</b>	Dec Q (o/night US)
	<b>PNI</b>	Interim (tele 9am)
	<b>REA</b>	Dec Q (o/night US)



**Base metals** – overnight trade appeared influenced by China demand caution and hesitancy ahead (during LME trade) of the US Federal Reserve rates decisions, and announcements due out of the Bank of England and European Central Bank tonight.

Yesterday, Caixin published a January manufacturing PMI for China, this indicating continuing contraction.

A Caixin January services PMI for China is expected tomorrow.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7134	0.0063	<b>0.89</b>
<b>EUR – USD</b>	1.0991	0.0125	<b>1.15</b>

#### Australian Data Today

ABS	Building approvals	Dec
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#### US Data Tonight

Initial jobless claims	28 Jan
Challenger job cuts	Jan
Factory orders	Dec

#### Other Overseas Data Today & Tonight

<b>South Korea</b>	Inflation	Jan
<b>UK</b>	BoE policy meeting outcomes	2 Feb
<b>Germany</b>	Trade balance	Dec
<b>Euro zone</b>	ECB policy meeting outcomes	2 Feb

#### 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)

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