

Markets

SFE 200 Futures (9.30am AEDT)	7554	-33	-0.4
NZX 50	11929	Public	Holiday
DJIA Futures	38466	-299	-0.8
S&P 500 Futures	4962	-18	-0.4
NASDAQ Futures	17700	-33	-0.2

Local Markets Commentary

The Australian market opens today's trade with the \$A at ~US64.80c, the Reserve Bank of Australia (RBA) due to announce monetary policy meeting outcomes this afternoon, and also publish a key quarterly report, ahead of another wave of earnings from high-profile international stocks later today and tonight.

US equities markets swung 0.2% - 0.7% lower overnight.

Locally today, the **RBA** concludes a two-day **monetary policy meeting** and announces **outcomes 2.30pm AEDT**.

The RBA will also release a quarterly **monetary policy statement**.

RBA governor Michele Bullock is scheduled to host a media conference at **3.30pm AEDT**.

Also today, the Australian Bureau of Statistics (ABS) publishes an updated version of the December retail sales report released a week ago, at 11.30am AEDT.

Regionally, **Japan** reports December average cash earnings and household spending at 10.30am AEDT.

New Zealand's markets are **closed today** due to a public holiday.

In overnight **commodities** trade, **oil** turned greater than 0.5% higher.

US **gold** (Comex) futures continued lower, settling below \$US2045/oz.

Iron ore (Nymex CFR China, 62% Fe) turned to record a slight gain.

US **copper** futures dropped US5c/lb, closing at \$US3.77/lb.

Last night's LME final 3-mth evening price updates were unavailable from IRESS at time of publication. These are expected to become available via IRESS at 11.30am AEDT.

The **\$A** fell to ~US64.80c after trading at ~US65.05c - ~US65.15c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	38380	-274	-0.7
S&P 500	4943	-16	-0.3
NASDAQ	15598	-31	-0.2
FTSE 100	7613	-3	-0.0
DAX 30	16904	-14	-0.1
Shanghai Composite	2702	-28	-1.0

Today's Stock Watch
Metcash Ltd (MTS)

Resuming from suspended trade, having raised \$300M in a \$3.35-per-share fully-underwritten institutional placement. Funds will be used to support one food distribution and two hardware business purchases.

MTS is acquiring Superior Food, Bianco Construction Supplies and Alpine Truss for respective upfront \$390M, \$82.2M and \$64.0M enterprise values.

The Superior Food acquisition consideration also includes an up to \$22.3M earn-out.

MTS will also use \$278M from existing cash reserves and existing debt facilities to fund the purchases. In addition, MTS has scheduled a SPP, at a yet-to be-determined price, for 12 February - 1 March.

Further, MTS is reporting an estimated 0.9% increase in sales for the nine months to 28 January, but 0.4% lower Q3 sales.

MTS last traded at \$3.64, having traded at \$3.55 - \$3.64 over the five sessions immediately prior to calling a trading halt.

Nick Scali (NCK)

35c fully-franked interim dividend, from 40c a year ago. 29% lower, \$43.01M interim NPAT. 20.2% lower, \$226.63M revenue. 76.7c NTA from 47.2c.

Region Group (RGN)

6.70c interim distribution from 7.50c for 1H FY23. \$35M interim net loss from a \$95.1M loss. 0.7% higher, \$190.1M revenue. \$2.45 NTA from \$2.65.

Pact Group Holdings (PGH)

Anticipating a 4.7% year-on-year fall in interim revenue to \$A951.2M. Net debt was reduced by 32.5% to \$633M.

Planning to lodge results 15 February (Thursday next week).

Cyclopharm Ltd (CYC)

Revenue grew 14% during 2023, to \$28.9M. The (US) Georgia Drugs and Narcotics Agency has granted CYC subsidiary Cyclomedica USA a pharmaceutical wholesale licence.

ASX Ltd (ASX)

January activity report, highlighting a 58% year-on-year drop in new capital quoted, lodged pre-trade.

New capital quoted came in at \$1.228B. For FY24-to-date, however, this reached \$56.929B, up 62% year-on-year.

Janison Education Group (JAN)

\$45M revenue anticipated from a NSW Department of Education agreement under which JAN will provide computer-based testing services.

Magellan Financial Group (MFG)

\$A36.3B FUM at 31 January from \$A35.8B at 29 December 2023.



Overseas Markets Commentary

Swinging trade featured at various stages across major European, UK and US equities markets overnight, amid a cocktail of mixed economic data releases and corporate earnings reports and outlooks, stirred with central bank comments and international economic growth and inflation predictions.

Improved second-half sentiment was noted across most key US indices, however.

In a media interview aired late-weekend, US Federal Reserve chair Jerome Powell reiterated a sustainable fall in inflation levels was required for the Fed to lower rates.

Overnight, comments from a Fed district president offered a buoyant US economy would keep interest rates reductions at bay.

In the meantime, the OECD (Organisation for Economic Co-operation and Development) ventured that it was 'too soon to be sure that underlying price pressures are fully contained', adding, 'monetary policy needs to remain restrictive'.

New OECD forecasts included 2.8% 2024 inflation growth for the UK, but a revised 2.2% rate for the US, against the previously predicted 2.8%.

Earlier yesterday, Caixin released a 52.7 estimate for China's January services PMI, from 52.9 for December.

In a swag of overnight economic data releases, **euro zone** December producer prices were calculated 0.8% lower for the month and 10.6% lower than for December 2022.

The figures proved in line with expectations and followed respective 0.3% and 8.8% November declines.

Germany's December international trade statistics included a €22.2B surplus, against expectations of €18.8B, but other figures underscored weak domestic and global demand.

Exports dropped by 4.6% and imports by 6.7% against consensus for much slighter falls of 2% and 1.5% respectively.

Final January services PMI readings for the euro zone as a whole and for Germany confirmed the sector deteriorated further into contraction mode.

New domestic vehicle sales in the **UK** rose 8.8% year-on-year in January, following a 9.8% annualised for December.

In the **US**, the ISM January non-manufacturing index improved to 53.4 from 50.5 for December.

This followed consensus for 52.0 and represented the fastest growth rate in four months.

The new orders component index rose from 52.8 to 55.0.

The prices component index notably grew by 6.6 points to 64.0.

A December quarter senior lending officer survey revealed generally weaker demand amid stricter requirements.

Meanwhile, a 20-year euro bond auction delivered a 3.330% yield from 3.128%.

Tonight in the **US**, a February economic optimism index and December quarter household debt report are due.

In addition, three Federal Reserve district presidents are scheduled to speak publicly.

Elsewhere, the UK hosts a 30-year green gilt auction.

Companies scheduled to report earnings later today or tonight

Pre-Open Announcements

Australian Foundation Investment Company (* AFI)

\$6.49 post-tax NTA at 31 January from \$6.40 at 31 December. Top 25 investments at 31 January also lodged.

PharmAust Ltd (PAA)

Road-show presentation lodged post-trade yesterday. PAA is conducting the road-show 'across Australia' this week. PAA settled at 17.5c yesterday after trading as high as 21c last week.

The Calmer Co. International (CCO)

Road-show presentation, highlighting interim results, lodged post-trade yesterday.

Metarock Group (MYE)

MYE has appointed MYE CFO and interim CEO Jeffrey Whiteman as CEO and MD.

Aumake Ltd (AUK)

AUK has appointed law firm Sundaraj & Ker principal Anand Sundaraj as company secretary. Mr Sundaraj takes over from Michael Higginson.

Resources

Enova Mining (* ENV)

Heralding REE indications from early exploration of the Poços REE project, Brazil.

Infini Resources (* I88)

A combination of magnetic surveying, soil sampling, desktop studies and historical data reviews has outlined several exploration targets within the Ontario, Canada Paterson Lake lithium project.

Tietto Minerals (TIE)

Indaba conference presentation lodged post-trade yesterday.

West Africa Resources (WAF)

Indaba conference presentation lodged post-trade yesterday. WAF settled at 94c yesterday after trading as high as \$1.015 Friday.

Desert Metals (DM1)

DM1 has appointed Paul Jurman as company secretary. Mr Jurman takes over from Paul Heatley. Consequent changes to DM1's registered office, principal place of business and postal address also lodged post-trade yesterday.

Warriedar Resources (WA8)

~22.5M WA8 shares will be released from escrow 14 February (Wednesday next week).

Energy

Haranga Resources (HAR)



include: Amgen, BP, Chipotle Mexican Grill, Daikin Industries, Eli Lilly, Ford Motor, Fuji Media, GE HealthCare, Gilead Sciences, Hertz, Hyundai Heavy Industries, KKR & Co, Linde, Mitsubishi Corp, Nintendo, Ricoh, Semiconductor Manufacturing International Co, Snap, Spotify, Toyota Motor, UBS and Yamaha Corp.

In overnight corporate news, further planned job cuts were revealed, this time by **Estée Lauder**.

McDonald's December quarter sales undershot expectations.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Apr)	2042.9	oz	-10.8	-0.5
Silver (COMEX 5000 Mar)	22.42	oz	-0.38	-1.6
Platinum (NYMEX Apr)	905	oz	3	0.4
WTI Crude (NYMEX Mar)	72.78	bbl	0.50	0.7
Brent Crude (ICE EUR Apr)	77.99	bbl	0.66	0.9
Iron Ore (NYMEX CHN port;62%Fe)	128.94	t	0.31	0.2
Copper (LME 3mth Evening) (2Feb)	8495	t	-54	-0.6
Nickel	16280	t	1	0.0
Aluminium	2241	t	-14	-0.6
Lead	2152	t	-7	-0.3
Zinc	2454	t	-27	-1.1
Tin	25585	t	-263	-1.0

Commodities Commentary

Oil – prices turned higher overnight following weekend news of an attack on a large refinery in Russia and intensified US retaliatory action in the Middle East.

Further comments from US Federal Reserve officials warning against expectations of near-term interest rate cuts, underscored US economic buoyancy, helping allay rates-related demand concerns. In association, the \$US continued strong, the upbeat economic implications apparently outweighing buying power for other currencies.

Gold – the \$US index at ~11-week highs impacted overnight gold sentiment, as did higher US treasury yields.

In addition, ongoing US data indicating a resilient economy, again pointed to inflation rates likely remaining too elevated for the Federal Reserve to lower interest rates.

Base metals – overnight trade considerations included new data for China, a continuing strong \$US and early week inventory updates.

The Caixin January services PMI for China released yesterday, represented a 0.2-point decline for the month, coming in at a remaining expansion mode 52.7.

Friday's Lunar New Year's Eve celebrations will lead into a hiatus for China's markets, but not before January producer prices and CPI are revealed this week.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6483	-0.0024	-0.37
EUR – USD	1.0743	-0.0036	-0.34

Heralding Senegal Saraya uranium project Mandankoly and Sanela prospects auger drilling results.
Details lodged this morning.

Trading Halts

Company	Code	Resuming
Anagenics Ltd	AN1	7 Feb
Aurum Resources	AUE	6 Feb
European Lithium	EUR	6 Feb
Flexiroam Ltd	FRX	7 Feb
Indiana Resources	IDA	7 Feb
Kalamazoo Resources	KZR	7 Feb
Locality Planning Energy Holdings	LPE	7 Feb
M3 Mining	M3M	6 Feb
Reward Minerals	RWD	7 Feb
Spirit Technology Solutions	ST1	7 Feb
Sultan Resources	SLZ	6 Feb

Suspensions (selected)

Company	Code	Since
Advanced Health Intelligence	AHI	5 Feb
DMC Mining	DMM	23 Jan
Galena Mining	G1A	11 Jan
Laramide Resources	LAM	15 Jan
Moab Minerals	MOM	5 Feb
Pan Asia Metals	PAM	1 Feb
Revasum Inc	RVS	5 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FSI	Tomorrow	4.9	100	5.33
RMD	Tomorrow	5.11	0	0.66
QVE	13 Feb	1.3	100	5.50
KOV	15 Feb	25	100	6.67

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	ASX	Jan
	NCK	Interim (tele 10am)
	RGN	Interim
Tomorrow	AMC	Interim (o/night Tues in US)
	AQZ	Interim (post-ASX trade)
	BWP	Interim
	CIP	Interim (w/cast 10.30am)
	CTT	Interim (webinar 10.30am)

**Australian Data Today**

RBA	Monetary policy meeting outcomes	6 Feb
RBA	Statement of monetary policy	Feb
ABS	Retail sales (addtl info)	Dec

US Data Tonight

RCM/TIPP economic optimism	Feb
Household debt	Dec Q

Other Overseas Data Today & Tonight

Japan	Average cash earnings	Dec
Japan	Household spending	Dec
UK	BRC retail sales monitor (~11am AEDT)	Jan
UK	Construction PMI	Jan
Germany	Factory orders	Dec
Germany	Construction PMI	Jan
Euro zone	Retail sales	Dec
Euro zone	Construction PMI	Jan

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	NPR	Interim (w/cast tele 10am)
	NWS	Interim (o/night in US)
Thu	AGL	Interim (w/cast tele 11am)
	CLW	Interim
	GDF	Interim
	MGR	Interim
	REA	Interim
	RG8	Interim
	TCL	Interim
	URW	Full year
Fri	BLD	Interim (w/cast 9.30am)

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