

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7120	70	1.0
<b>NZX 50</b>	11646	20	0.2
<b>DJIA Futures</b>	33772	0	0.0
<b>S&amp;P 500 Futures</b>	3916	0	0.0
<b>NASDAQ Futures</b>	11114	0	0.0

## Local Markets Commentary

The Australian market commences the first full trading week for 2023 following a greater than 2.0% US equities markets recovery overnight Friday.

Since overnight Friday trade, China has reopened its borders, sparking further commentary regarding China's growth prospects and likely figures for a slew of late-2022 data due out of China in this coming week.

In Brazil, supporters of former president Bolsonaro (defeated in an October 2022 election) have invaded the presidential palace, the country's Congress and also the Supreme Court.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes **building approvals** for November 2022 at 11.30am AEDT.

Post-ASX trade, the Reserve Bank of Australia (RBA) is due to release official **reserve assets** for December.

Also today, **PPT** trades ex-dividend. *Please see p4 for a detailed ex-dividends list.*

**Regionally** today, no influential economic reports are scheduled for release.

**China's** December **foreign exchange reserves**, reported post-trade Friday, tallied \$US3.128 trillion, following forecasts for \$US3.0 trillion from November's \$US3.117 trillion.

Meanwhile, **Japan's** markets are **closed today**, due to a public holiday.

In overnight Friday commodities trade, **crude** settled mixed and only slightly changed, Brent crude remaining above \$US78.50/bbl and WTI settling beyond \$US73.75/bbl.

US **gold** futures rallied beyond \$US1865/oz.

**Iron ore** (Nymex CFR China, 62% Fe) gained, trading above \$US116.5/t.

**Coal** (ICE-GC Newcastle) rose to settle at \$US400/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** traded greater than 1.0% higher, copper by greater than 2.5%.

The **\$A** was propelled back to ~US68.80c after trading at ~US67.45c early Friday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	33631	701	2.1
<b>S&amp;P 500</b>	3895	87	2.3
<b>NASDAQ</b>	10569	264	2.6

*Best wishes from all at State One for a successful 2023*

*\* Rare earth & mineral sands listing – 12.30pm AEDT – VHM \**

## Today's Stock Watch

### Insurance Australia Group (IAG)

2023 calendar year reinsurance program details lodged pre-trade, including catastrophe cover for two events up to \$10B, with a \$338M retention.

Additional remainder FY23 reinsurance protection details also lodged.

### Telix Pharmaceuticals (TLX)

Estimating \$A76.8M December quarter revenue, representing 39% greater revenue than for the September quarter.

The revenue is from Illuccix (prostate cancer imaging kit) sales, which have reached \$A149.7M since the kit launch.

TLX is presenting this, and other, information 6am AEDT Thursday (12 January), during the four-day JP Morgan Healthcare Conference commencing in San Francisco tonight.

TLX has lodged the presentation this morning.

TLX plans to lodge the company's December quarter report 18 January (Wednesday next week) and full year results 27 February.

### Volpara Health Technologies (VHT)

\$NZ12.3M worth of new contracts secured.

The contracts are each for five years, with five separate North American healthcare providers.

In addition, VHT has secured an \$US887,000 (estimated TCV) five-year renewal of a contract with Centura Health.

### Credit Intelligence (CR1)

Anticipating a greater than 50% year-on-year drop in 1H FY23 profit.

### Pexa Group (PXA) / Pental Group (PDL) / Perpetual Ltd (PPT)

PXA will replace PDL on the S&P/ASX 200 effective prior to the opening of Friday's (13 January) trade.

PDL is being acquired by PPT, pending final court approval of the proposed scheme of arrangement.

## Resources

### Essential Metals (ESS) / IGO Ltd (IGO)

The ESS board is unanimously in favour of a proposal by Tianqi Energy Australia, the 51:49 JV between Tianqi Lithium Corporation and IGO, to acquire ESS for 50c cash-per-share.

ESS traded at 31.5c – 35.5c last week.



FTSE 100	7699	66	0.9
DAX 30	14610	174	1.2
Shanghai Comp	3157	2	0.1

### Overseas Markets Commentary

Major European, UK and US equities markets appeared supported to ultimate decisive gains overnight Friday by select material data releases out of the euro zone and US.

**US December employment** figures were interpreted as essentially in line with the US Federal Reserve's aim for a 'soft landing' from large interest rate increases designed to tame rampant inflation.

The number of jobs created during the month tallied 223,000, essentially in line with forecasts for 220,000, from 256,000 for November.

Average hourly earnings were reported to have grown 0.3% for the month, following a 0.4% November increase and forecasts for a 0.5% December jump.

On an annualised basis, earnings had been expected to be up 5.0%, but instead were 4.6% higher than for December 2021, against November's 4.8% annual appreciation.

Earlier, among other overnight Friday data releases, **euro zone** December inflation growth was estimated lower than anticipated, in an initial reading, at 9.2% from November's 10.1% and against expectations for a smaller decline to 9.8%.

Further, a December economic sentiment reading improved from 94 to 95.8.

Euro zone November retail sales rose by 0.8%, following forecasts for a 0.5% improvement after falling 1.5% during October.

Against November 2021 however, the new sales tally represented a 2.8% decline.

**Germany's** November retail sales improved by 1.1%, after falling 2.8% in October.

Sales were 5.9% lower than those for November 2021, however.

November factory orders dropped 5.3% for the month following a 0.6% October rise and forecasts for a 0.7% decline for the new month.

In the **UK**, the Halifax house price index indicated a 1.5% fall in house prices for December, against expectations for a 0.4% increase, and following a 2.4% November drop.

Against December 2021, prices were up 2.0%.

Meanwhile, a UK December construction price index fell to a contraction-mode 48.8 from November's expansion-mode 50.4. Forecasters had anticipated a slight improvement to 50.5.

In the **US**, in addition to the number of jobs created and average earnings for December, the employment rate was calculated as having decreased to 3.5% from 3.6%.

The participation rate rose to 62.3% from 62.2% and against expectations of a 0.1% decline.

The ISM's non-manufacturing index for December surprised on the downside, dropping to a contraction mode 49.6 from a decidedly expansion-mode 56.5.

This represented the first contraction-mode reading in 2.5 years.

A decrease had been anticipated, but to a remaining expansion-mode 53.0.

## Pre-Open Announcements

### Dexus Ltd (DXS) / AMP Ltd (AMP)

Update for the proposed DXS acquisition of the Collimate Capital real estate and domestic infrastructure equity business from AMP lodged pre-trade.

### K-TIG Ltd (KTG)

€385,000 order in hand for the supply and commissioning of a linear precision grow line circumferential welding system for Brewery Chemical & Dairy Engineering Ltd.

### DroneShield Ltd (DRO)

~\$A11M equipment purchase order in hand from a Government agency, representing the second \$11M order received in two months, from different governments.

### Pinnacle Investment Management Group (PNI)

Anticipating \$950,000 worth of net performance fees for 1H FY23, against \$6.4M for 1H FY22.

Planning to provide a further update with the release of interim results, scheduled for post-ASX trade 1 February.

### GQG Partners (GQG)

\$US88B FUM at 31 December 2022 from \$US90.7B for 30 November.

### Spenda Ltd (SPX)

Pleading ignorance in response to an ASX price query for last week's trade, other than to point to two announcements lodged in December.

SPX closed out 2022 at 1.1c, but traded from 1.1c – 1.85c last week, settling at 1.65c Friday.

~23.26M SPX shares changed hands Friday and ~26.9M shares Thursday.

7 December, SPX revealed Carpet Court had opted to use SPX payments services.

28 December, SPX also announced the company had secured a two-year payment facilitator agreement with First Data Merchant Services.

### CardieX Ltd (CDX)

CDX has appointed a full-time US-based CFO, namely Reid Yeoman.

Mr Reid is a former Digital Brands and Hurley CFO and previous Nike finance manager and finance director for strategic investments.

In addition, CDX subsidiary Atcor Medical has secured a working capital loan facility for up to \$880,000, maturing 30 October.

### Good Drinks Australia (GDA)

GDA has secured professional surfer Jack Robinson as a brand ambassador.

### Resources

#### VHM Ltd (\* VHM)

Rare earth and mineral sands project development company



The employment, business activity, new orders and prices component indices had each declined.

November factory orders fell by 1.8% for the month, rather than by the predicted 0.6%, following a 0.4% October increase.

**Tonight** in the **US**, consumer inflation expectations and a consumer credit activity report are due.

Elsewhere, the euro zone is due to host a 20-year bond auction.

In overnight Friday and weekend corporate news, **Alibaba** affiliate **Ant** Group revealed a restructure under which no person or group would hold control of Ant, including Alibaba and Ant Group founder Jack Ma. Mr Ma was reportedly retaining 6.2% of Ant.

Meanwhile, a new northern hemisphere reporting season is keenly anticipated from further into this week.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	1869.7	oz	29.1	1.6
<b>Silver</b> (COMEX 5000 Mar)	23.98	oz	0.56	2.4
<b>Platinum</b>	1090	oz	32	3.0
<b>WTI Crude</b> (NYMEX Feb)	73.77	bbl	0.10	0.1
<b>Brent Crude</b> (ICE EUR Mar)	78.57	bbl	-0.12	-0.2
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	116.57	t	1.60	1.4
<b>Copper</b> (LME 3mth Evening)	8589	t	215	2.6
<b>Nickel</b>	28116	t	327	1.2
<b>Aluminium</b>	2301	t	39	1.7
<b>Lead</b>	2204	t	-16	-0.7
<b>Zinc</b>	3023	t	20	0.7
<b>Tin</b>	25270	t	409	1.7
<b>Coal</b> (ICE-GC Newcastle; IRESS)	400	t	2.5	0.6
<b>Wheat</b> (CBT Mar; IRESS)	743.5	t	-3.25	-0.4

### Commodities Commentary

**Oil** – overnight Friday trade was pushed and pulled by an ultimately weaker \$US and mixed influential data releases that gave rise to varied commentary.

In addition, Saudi Arabia was reported to have reduced Asia-delivery light crude prices to their lowest in ~14 months.

Both Brent and WTI crude settled ~8% lower for the week.

Also overnight Friday, a US weekly petroleum drill rig report calculated the operational oil rig tally at 618, three fewer than for the previous week.

**Gold** – Comex futures had dropped overnight Thursday, but traded at six-month peaks overnight Friday, this attributed in part to a US monthly employment report that was deemed not-too-strong and not-too-weak.

An influential services activity index spawned some commentary regarding the potential pace of an overall US economic slowdown, but this also benefited gold prices by also pushing the \$US lower.

A US CPI update overnight Thursday this week could influence expectations of the Federal Reserve's next moves and hence late-week gold trade.

**Base metals** – a \$US decline supported overnight Friday base metals trade in general.

Commentary regarding expectations of further economic support

scheduled to list on the ASX **12.30pm** AEDT, following an ~\$30M IPO at \$1.35 per share.

~140.9M quoted shares. VHM owns the rare earth and mineral sands Goschen project in north western Victoria.

DFS completed March 2022.

### Panoramic Resources (PAN)

Savannah nickel project mining and processing has continued despite severe flooding in the WA Kimberley region.

Alternative supply routes have been secured.

Concentrate transport to Wyndham Port has been unaffected, ahead of an anticipated mid-January shipment.

Preliminary December quarter operational statistics lodged this morning.

### Austral Resources (AR1)

Anthill project commercial production achieved in December, plated copper output averaging 33.3t/day for 976t in total.

Costs for December tallied \$A8.9M, but reduced operational costs are expected on achievement of steady-state production.

### Widgie Nickel (WIN)

Final Faraday prospect initial drilling program assays in hand, supporting earlier evidence of a shallow, high-grade lithium discovery.

Infill and extensional test drilling planned.

Assays lodged this morning.

### Copper Mountain Mining Corporation (C6C)

British Columbia, Canada Copper Mountain mine production is underway again following a stoppage prompted by a 27 December ransomware attack.

C6C says the company had continued shipping copper concentrate, maintaining a planned schedule, using mine inventory.

Full business system restoration is anticipated.

C6C holds 75% of the mine.

### De Grey Mining (DEG)

DEG has appointed corporate lawyer, business advisor and Imdex (ASX: IMD) in-house legal counsel Emma Scotney as an independent non-executive director.

### Canyon Resources (CAY)

MoU secured with the Port Authority of Douala covering Port of Douala-Bonabéri infrastructure development plans.

Details lodged this morning.

### Dundas Minerals (DUN)

\$4M at-the-market funding facility secured with Alpha Investment Partners.

DUN closed out 2022 at 15.5c but settled at 17.5c Friday.

### Nordic Nickel (NNL)

The first of two diamond rigs has arrived on site at NNL's northern Finland Pulju nickel project.

A second rig is anticipated by month's end.

NNL plans to drill on a continuous basis for 14 months.



from China's administrators also was deemed responsible for sustaining some prices.

After trading at two-month lows mid-last week, *copper* prices were pushed to their highest since mid-December.

Further, Chile's November copper output was reported to have tumbled by 4.9% in November, to 449,000t.

Tsingshan Group, the world's top *nickel* producer, was confirmed to have commenced production from a new electro-nickel project, but overnight Friday nickel prices recovered some from Thursday's plunge.

An array of December economic data releases for China is expected to swing some trade from mid-week.

### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6881	0.0106	1.57
EUR – USD	1.0641	-0.0003	-0.03

### Australian Data Today

ABS	Building approvals	Nov
RBA	Official reserve assets	Dec

### US Data Tonight

Consumer inflation expectations	Nov
Consumer credit change	Nov

### Other Overseas Data Today & Tonight

UK	BBA mortgage rate	Dec
Germany	Industrial production	Nov
Euro zone	Sentix investor 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)

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### Kalium Lakes (KLL)

Pleading ignorance in response to an ASX price query. KLL closed out 2022 at 3.2c, but traded from 3.3c to 5.2c last week, settling on Friday at 5.0c. ~23.5M shares changed hands Friday and ~11.1M on Thursday.

### Rox Resources (RXL)

RXL traded as high as 20.5c Friday, settling 14.29% higher for the session, at 20c.

### Turaco Gold (TCG)

Susmit Shah has stepped down from his role as TCG joint company secretary.

He had been with TCG for many years, including as company secretary and as a non-executive director.

### Trading Halts

Company	Code	Resuming
Tempus Resources	TMR	10 Jan

### Suspensions (selected)

Company	Code	Since
BPH Energy	BPH	21 Dec
Burgundy Diamond Mines	BDM	19 Dec
Ikwezi Mining	IKW	28 Dec
Range International	RAN	28 Dec
Tombola Gold	TBA	22 Dec

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PPT	Today	35	100	7.93
PMV	Tomorrow	79	100	1.78
TRA	Wed	4.55	85	6.25



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