

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7356	79	1.1
<b>NZX 50</b>	11499	23	0.2
<b>DJIA Futures</b>	37111	513	1.4
<b>S&amp;P 500 Futures</b>	4708	63	1.4
<b>NASDAQ Futures</b>	16564	201	1.2

## Local Markets Commentary

The Australian market commences today's trade with the \$A at ~US66.60c, a Reserve Bank of Australia (RBA) official scheduled to speak publicly this afternoon, material domestic economic reports due late morning, and new data in hand from China post-yesterday's ASX close, ahead of decisions out of European Central Bank and Bank of England monetary policy meetings tonight.

US equities markets ultimately rallied in concert overnight, following the US Federal Reserve monetary policy meeting.

**Locally** today, the Melbourne Institute publishes its December **consumer inflation expectations** report at 11am AEDT.

The Australian Bureau of Statistics (ABS) releases **November workforce statistics** at 11.30am AEDT.

At the same time, the RBA reports October **lending to business**.

**RBA assistant governor** (financial systems) Brad Jones is listed to speak at a finance and banking conference in Sydney at **2pm** AEDT.

Stocks trading **ex-dividend** today included **MTS**. Please see p3 for a detailed ex-dividends list.

**Regionally** today, **New Zealand** has reported **September quarter GDP** pre-trade, this surprising on the downside, falling by 0.3% for the three months and **down 1.6% year-on-year**.

June quarter New Zealand GDP rose by 0.5% and 1.5% respectively.

**Japan** reports October machinery orders, plus (final) October industrial production and hosts a 20-year government bond auction.

Yesterday evening, **China** reported 1090B yuan worth of November **new lending** against expectations for 1300B yuan. 738.4B yuan worth of new loans had been recorded for October.

In overnight **commodities** trade, **oil** turned ~1.0% higher.

US **gold** (Comex Feb) futures also swung to record a gain, albeit relatively slight.

**Iron ore** (Nymex CFR China, 62% Fe) turned lower, but remained above \$US135.00/t.

US (Mar) **copper** futures settled flat at \$US3.79/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 was propelled to ~US66.65c after trading at ~US65.55c early yesterday evening.

## Today's Stock Watch

### Westpac Banking Corporation (WBC)

AGM today.

### Viva Energy Group (VEA)

The Australian Competition & Consumer Commission (ACCC) will not oppose VEA's proposed acquisition of OTR Group, given VEA will offload 25 Coles Express outlets in South Australia.

### National Australia Bank (NAB)

Proposing to launch a New Zealand wealth management business, combining NAB's with that of Asset Management Holdings' Jarden Wealth.

NAB, Jarden Wealth and Pacific Equity Partners will be the shareholders. NAB and Jarden Wealth would hold 45% and 20% respectively, with PEP acquiring 35% and paying cash to NAB and Jarden Wealth.

Additional details lodged this morning. NAB AGM tomorrow.

### Elders Ltd (ELD)

Today's AGM materials lodged.

### PlaySide Studios (PLY)

Multi-game licensing agreement secured with Warner Bros'. Interactive Entertainment. Development of the first title is commencing immediately. Payment details lodged.

### Orora Ltd (ORA)

Outlook commentary lodged pre-trade.

Essentially retaining previous expectations, but expecting Saverglass 2H EBITDA to remain similar to that for 1H.

## Resources

### IGO Ltd (IGO) / Buxton Resources (BUX)

US Copper Wolf project diamond drilling and an independent core review herald a large mineralised porphyry Cu-Mo system.

IGO is funding 100% of drilling under an earn-in agreement.

### Regis Resources (RRL)

Comprehensive exploration update lodged this morning.

### Alkane Resources (ALK)

The NSW Northern Molong porphyry project Boda prospect resource has been updated to 583Mt @ 0.58g/t Au, for 10.9Moz.

### Talisman Mining (TLM)

Resuming from suspended trade with NSW Lachlan project Durnings prospect RC drilling results. Assays plus commentary lodged this morning. Diamond drilling planned. TLM added 9.52% in relatively high-volume trade within approximately the first 2.5 hours' trade Monday, prior to calling a halt.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	37090	512	1.4
<b>S&amp;P 500</b>	4707	63	1.4
<b>NASDAQ</b>	14734	201	1.4
<b>FTSE 100</b>	7548	6	0.1
<b>DAX 30</b>	16766	-26	-0.2
<b>Shanghai Composite</b>	2969	-35	-1.2

**Overseas Markets Commentary**

Cautious trade prevailed across European, UK and US markets overnight, but post-European trade, US indices were pushed substantially higher following the conclusion of the US Federal Reserve monetary policy meeting.

The Federal Reserve's post-policy meeting statement and new projections indicated a majority of policy makers were considering the possibility that interest rates could be pulled back by a median average 0.75% during 2024.

Further, in the post-meeting conference, Fed chair Jerome Powell outlined reasons for holding rates steady at this week's meeting, described further rate increases as 'unlikely', and stated that the bank's policy makers were 'very focused on not making the mistake of keeping rates too high for too long'.

The \$US index fell by 0.6% - 0.8%. In addition, US treasury yields retreated.

Earlier, a GDP update for the UK represented contraction rather than the anticipated flat result, spawning speculation of up to 1.00% in UK interest rate reductions next year.

Also in early European trade, China released a November new loans tally which exceeded expectations.

In some sobering overnight **data** releases, **UK** October GDP pulled back by 0.3% for the month following 0.2% growth for September.

Against October 2022, GDP was up 0.3% against consensus for a 0.6% rise following September's 1.3% annualised increase.

For the three months to 31 October, GDP came in flat as it had for the September quarter.

The NIESR tracker indicated GDP declined by 0.1% in November.

October industrial production fell by 0.8% against forecasts for a 0.1% decline following a flat result for September.

Against October 2022, output was up 0.4% against expectations for a 1.1% increase following September's 1.5% annualised growth.

The UK's October international trade figures included a £4.48B deficit. Forecasters had anticipated a £1.7B shortfall following a £1.57B deficit.

**Euro zone** October industrial production fell 0.7% for the month, against expectations for a 0.3% decline after dropping by 1.0% in September.

Against October 2022, output was down 6.6% against September's 6.8% annualised tumble.

**Russia's** September quarter GDP growth was finalised at 5.5%, the same as initially estimated. June quarter GDP growth had been

**Pre-Open Announcements****Lifestyle Communities (LIC)**

LIC has added two new lenders and negotiated a \$175M increase, to \$700M, for the group's debt facility.

**National Tyre & Wheel (NTD)**

NTD has appointed former Australian Pharmaceutical Industries acting chair Kenneth Gunderson-Briggs as an independent director.

In addition, NTD has appointed NTD subsidiary Dynamic Wheel Co MD Christopher Hummer as an NTD executive director.

**APA Group (APA)**

Proposing to pay a 26.5c interim distribution, against 26.0c a year ago.

Anticipating FY24 total distributions to tally 56.0c.

Planning to release interim results 22 February.

**Resources****Australian Critical Minerals (ACM)**

Presentation lodged post-trade yesterday, ahead of a webinar scheduled to commence **midday** AEDT.

**TG Metals (TG6)**

WA Lake Johnston project Burmeister lithium find-focused webinar scheduled to commence **2.30pm** AEDT.

Access link lodged post-trade yesterday.

TG6 has traded lower the past three sessions, settling at 38c yesterday after closing out last week at 77c.

**Diablo Resources (DBO)**

Further Nevada, US Devil Canyon gold-copper project maiden RC drilling results lodged post-trade yesterday.

DBO says mineralisation remains open along strike and at depth.

**Trading Halts**

Company	Code	Resuming
Dome Gold Mines	DME	14 Dec
Propell Holdings	PHL	14 Dec
Arafura Rare Earths	ARU	15 Dec
Future Metals	FME	15 Dec
HeraMED Ltd	HMD	15 Dec
Invictus Energy	IVZ	15 Dec
Linus Technologies	LNU	15 Dec
South Harz Potash	SHP	15 Dec
Venture Minerals	VMS	15 Dec



recorded at 4.9%.

In the **US**, November producer prices were estimated flat for the month, against consensus for a 0.1% appreciation following a 0.4% October fall.

Against November 2022, prices were up 0.9% following the annualised 1.2% increase recorded for October.

Weekly mortgage applications jumped by 7.4%.

Mean average 30-year mortgage rates fell to 7.07% from 7.17%.

Among overnight debt offers, a 30-year UK treasury gilt auction produced a 4.430% yield from 4.664%.

**Tonight** in the US, weekly new unemployment claims are due, together with November import and export prices, November retail sales and October business inventories.

Elsewhere, the **European Central Bank** (ECB) and **Bank of England** (BoE) convene monetary policy meetings and announce outcomes. The BoE also publishes a new set of forecasts.

Central banks in Norway and Sweden will also hold policy meetings.

In addition tonight, Costco Wholesale and Lennar Corp are expected to report earnings.

In overnight corporate news, Tesla's stock price dropped on confirmation of a regulatory-perceived need for a substantial recall in relation to an ongoing investigation to autopilot systems, and Tesla's subsequent response in recalling ~2M vehicles in the US.

Pfizer's price also tumbled, on a lower-than-anticipated revenue forecast, in part due to reduced Covid vaccine demand.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	1997.3	oz	4.1	0.2
<b>Silver</b> (COMEX 5000 Mar)	22.92	oz	-0.1	-0.4
<b>Platinum</b>	938	oz	8	0.9
<b>WTI Crude</b> (NYMEX Jan)	69.47	bbbl	0.86	1.3
<b>Brent Crude</b> (ICE EUR Feb)	74.26	bbbl	1.02	1.4
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	135.03	t	-0.63	-0.5
<b>Copper</b> (LME 3mth Evening) <sub>(12 Dec)</sub>	8356	t	12	0.2
<b>Nickel</b>	16545	t	-90	-0.5
<b>Aluminium</b>	2125	t	4	0.2
<b>Lead</b>	2038	t	-19	-1.0
<b>Zinc</b>	2432	t	25	1.0
<b>Tin</b>	24617	t	224	0.9

### Commodities Commentary

**Oil** – prices were pushed higher overnight on indications of improved US demand, Red Sea region security of supply concerns.

Further, subsequent confirmation the US Federal Reserve would likely not hold interest rates at current levels, but rather lower these, during 2024, lifted crude demand expectations.

OPEC's monthly report, published overnight, included a claim that recent price drops were in a large part the result of 'exaggerated concerns' regarding oil demand growth outlooks.

A weekly US petroleum inventories update, also published overnight, from US government agency the EIA, included an

### Suspensions *(selected)*

Company	Code	Since
Magnis Energy Technologies	MNS	8 Dec
Rectifier Technologies	RFT	29 Nov
Respiri Ltd	RSH	1 Dec
Rimfire Pacific Mining	RIM	13 Dec

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>MTS</b>	Today	<b>11</b>	100	6.25
<b>PL8</b>	Today	<b>0.55</b>	100	5.57
<b>WQG</b>	Today	<b>1.68</b>	100	5.10
KPG	Tue	0.44	100	1.02
APA	28 Dec	26.5	0	6.33
ASK	28 Dec	3	0	0.00
CHC	28 Dec	22.09	44.99	3.85
CIP	28 Dec	4	0	5.00
CLW	28 Dec	6.5	0	7.64
COF	28 Dec	3	0	10.21
CQE	28 Dec	4	0	5.95
CQR	28 Dec	12.3	0	7.31
GDF	28 Dec	1.575	0	6.01
NPR	28 Dec	1.9	0	8.84
RCT	28 Dec	12.25	0	9.92
RFF	28 Dec	2.93	0	5.95
RGN	28 Dec	6.7	0	6.73
DNK	29 Dec	14.72	0	0.00

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>AIA</b>	Oct
	<b>CEN</b>	Nov
	<b>ELD</b>	AGM
	<b>WBC</b>	AGM
<b>Tomorrow</b>	NAB	AGM
<b>Wed</b>	IPL	AGM
<b>21 Dec</b>	ANZ	AGM
<b>22 Dec</b>	EMH	AGM



~4.3MMbbl fall in crude stocks and 408,000bbl increase for petrol in storage.

Meanwhile, participants in the UN's COP28 climate change conference in Dubai agreed a final statement which included commencing to reduce fossil fuel consumption.

Overnight Tuesday, post-US trade, the American Petroleum Institute (API) had released a weekly report which included an estimated 2.35MMbbl draw on US crude stocks last week.

The International Energy Agency's (IEA) December oil report is scheduled for release tonight.

**Gold** – prices swung higher overnight, as the US Federal Reserve's monetary policy meeting outcomes statement and also projections indicated not only an end to interest rate increases for the foreseeable future, but possible cuts next year.

**Base metals** – China's November lending figures were in focus overnight, together with expectations of a batch of material data tomorrow, and concerning new data out of the UK and euro zone.

Aluminium reportedly traded at 15-month lows on oversupply concerns.

China's expected release of November fixed asset investment, industrial production, retail sales and property price figures tomorrow could add some caution to tonight's trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6662	0.0107	<b>1.64</b>
<b>EUR – USD</b>	1.0875	0.0089	<b>0.82</b>

### Australian Data Today

ABS	Workforce (incl jobs, wages, unemployt, prtctptn)	Nov
MelbInstitute	Consumer inflation expectations	Nov
RBA	Lending to business	Oct

### US Data Tonight

Initial jobless claims	9 Dec
Retail sales	Nov
Import & export prices	Nov
Business inventories	Oct

### Other Overseas Data Today & Tonight

<b>New Zealand</b>	GDP	Sep Q
<b>Japan</b>	Machinery orders	Oct
Japan	Industrial production (final; 3.30pm AEDT)	Oct
<b>UK</b>	BoE policy meeting outcomes	14Dec
UK	BoE projections	Dec
<b>Euro zone</b>	ECB policy meeting outcomes	14Dec

### 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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