

Markets

SFE 200 Futures (9.30am AEDT)	7350	37	0.5
NZX 50	12906	37	0.3
DJIA Futures	35926	374	1.1
S&P 500 Futures	4710	73	1.6
NASDAQ Futures	16288	363	2.3

Local Markets Commentary

The Australian market opens today's trade with an \$A appreciation, another major domestic bank hosting an AGM, material domestic economic data due late morning, and speeches from the Reserve Bank of Australia (RAB) governor and RBA financial stability head this morning, ahead of the Australian government's mid-year budget update (MYEFO) and a separate State government economic update.

This, ahead of policy meeting outcomes from the Bank of England and European Central Bank tonight, together with a plethora of key international economic data reports.

Overnight, US Federal Reserve post-policy meeting statements, numerous key data releases and Covid-19 spread warnings provided a cocktail of considerations for traders.

Locally today, the Australian government presents a pre-election 2021- 2022 mid-year economic and fiscal outlook (budget update).

The Australian Bureau of Statistics (ABS) releases November **workforce** statistics, including jobs and wages, at **11.30am** AEDT.

At the same time, the RBA publishes monthly foreign exchange transactions and holdings of official reserve assets.

A monthly Melbourne Institute **inflation expectations** report is also due this morning, at 11am.

In addition today, **RBA governor** Philip Lowe is scheduled to speak on *The RBA and the Australian Economy* at a business conference, **10.30am** AEDT.

As ASX trade commences, **RBA head of financial stability** Jonathan Kearns is due to deliver the keynote address at a finance and banking conference.

Both events feature Q&A sessions.

Further today, the Western Australian government is due to reveal a mid-year economic review.

Regionally this morning, **New Zealand** has released an estimated 3.7% decline for September quarter **GDP**, against 2.8% June quarter growth, but also following forecasts for a 3.9% drop. The annualised fall came in at 0.3%.

Japan is due to report November **trade** figures 10.50am AEDT.

Preliminary December **PMI** estimates for Japan are expected at 11.30am.

These economic updates will attract more attention than usual, due to a **Bank of Japan** policy meeting scheduled for tomorrow.

In overnight commodities trade, **oil** turned to settle slightly higher. US **gold** futures recorded another, but moderate, fall.

* **Fund investment management services** listing – **11am** AEDT – **QAL** *

* **Cloud-based marketing services** listing – **noon** AEDT – **XPN** *

* **Coal, gold and copper exploration** listing – **1.30pm** AEDT – **RON** *

Group opening times will be **extended today**, as follows, due to quarterly **futures contracts expiring**:

Group 1 (A – B) 10.00 am +/- 15 secs

Group 2 (C – F) 10.04 am +/- 15s

Group 3 (G – M) 10.08 am +/- 15s

Group 4 (N – R) 10.12 am +/- 15s

Group 5 (S – Z) 10.16 am +/- 15s

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ)

AGM today.

Qantas Airways (QAN)

Anticipating a 1H 22 \$250M - \$300M EBITDA loss and \$5.65B net debt.

Commentary and additional statistics, including capacity forecasts, lodged pre-trade.

CSL Ltd (CSL)

Resuming trade having completed a \$A6.3B, \$A273-per-share institutional placement in support of a planned \$US179.95 cash-per share acquisition of Vifor Pharma.

CSL is also planning a non-underwritten \$A750M SPP.

CSL traded at \$297.00 - \$307.82 the five sessions immediately prior to calling a trading halt pre-trade Tuesday.

Vicinity Centres (VCX)

Total asset values have been estimated \$309M (2.2%) higher, against book values, for the six months to 31 December.

Abacus Property Group (ABP)

Outlaying \$250M for a leasehold interest in 77 Castlereagh St, Sydney. 296 years remaining on the lease.

In addition, 49 ABP investment properties (36% of ABP's portfolio by number) have been externally determined to have grown in value by \$175M (~5%) during the six months to 31 December.

Breakdown statistics lodged post-trade yesterday.

Hotel Property Investments (HPI)

Outlaying a combined \$66.1M for seven hotels in South Australia. Additional transactions lodged this morning.

PointsBet Holdings (PBH)

Online and mobile sports betting operations underway in Virginia, US, with industry partner Colonial Downs.



Iron ore (China port CFR, 62% fines) declined further, to \$US111/t. LME (3mth evening) **copper** reportedly extended this week's decline by more than 1.5%. **Nickel** and **aluminium** were reported ~2% and ~1% lower respectively. *Last night's LME final price updates were unavailable from IRESS at time of publication.*

The **\$A** approached US71.75c after trading at US71.30c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35927	383	1.1
S&P 500	4710	76	1.6
NASDAQ	15566	328	2.2
FTSE 100	7171	-48	-0.7
DAX 30	15476	23	0.2
Shanghai Comp	3647	-14	-0.4

Overseas Markets Commentary

Major European, UK and US equities markets variously chopped, swung and meandered overnight, amid multiple material data releases, but the US Federal Reserve policy meeting outcomes statement and subsequent press conference propelled key US indices higher in the last two hours of the US trading session, to close at or near session highs.

The **US Federal Reserve** had concluded a two-day meeting at which policy committee members decided to bring forward an end to the assets purchase program to March 2022.

New Fed forecasts included a 2.6% 2022 inflation rate, against the previous 2.2% prediction, and a 3.5% unemployment rate.

Anticipated 2022 GDP growth was raised by 0.2% to 4.0%.

Any rate increases remained contingent on the jobs market, but Fed chair Jerome Powell noted 'rapid progress toward maximum employment', and the projections report included rates at 0.90% by the end of 2022.

The FOMC and the subsequent chairman's press conference acknowledged the risk posed for all predictions by ongoing Covid-19 spread and the latest omicron variant outbreak, however.

This week, and again overnight, industry representatives had warned of likely further supply constraints and worker shortages from the new upsurge in infections.

Earlier, commentary continued regarding the likely outcomes of Bank of England (BoE) and European Central Bank (ECB) policy meetings which will be convened later today, and from which outcomes would be known tonight.

In the meantime, late Tuesday, the US House of Representatives (221 v 209) had approved legislation that will raise the government debt limit by \$US2.5 trillion and hence prevent a default.

Earlier yesterday, China had released a batch of key economic indicators which drew varying analysis.

Among overnight **data** releases, the **UK** November CPI reading represented 0.7% growth for the month, following a 1.1% October jump and forecasts for a new 0.6% increase.

Against November 2020, the CPI had risen 5.1%.

Pre-Open Announcements

Qualitas Ltd (* QAL)

Real estate investor fund investment management services specialist scheduled to list on the ASX 11am AEDT, following a \$335M IPO at \$2.50 per share.

294M quoted shares.

Trading will commence on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence 22 December (Wednesday next week).

Xpon Technologies (* XPN)

Cloud-based marketing services specialist scheduled to list on the ASX **midday** AEDT, following a \$12.5M IPO at 20c per share.

149.547M quoted shares.

Immutep Ltd (* IMM)

Manufacturing service agreement secured with Norway Biotech for the production of IMM's proposed autoimmune disease therapy IMP761 ahead of clinical testing.

Proteomics International (* PIQ)

\$409,000 pharmacokinetic testing contract secured with Linear Clinical Research.

Irongate Group (IAP)

IAP has completed its acquisition of 50% of 510 Church Street, Cremorne, Victoria.

WestStar Industrial (WSI)

Webinar presentation lodged post-trade yesterday.

WSI is presenting at 3pm AEDT today.

Event, including Q&A access, details also lodged.

IPD Group (* IPG)

Electrical equipment distributor and service provider scheduled to list on the ASX **midday tomorrow**, following an ~\$39.96M IPO at \$1.20 per share.

~86.29M quoted shares.

Mirrabooka Investments (ASX: MIR) holds 3.14% and Washington H Soul Pattinson & Co (ASX: SOL) 2.90%.

Resources

Western Gold Resources (* WGR)

Eagle gold deposit RC drilling has returned high-grade intersections indicating several near-surface higher-grade lodes.

Assays lodged this morning.

Vulcan Energy Resources (VUL)

Out of court settlement achieved with Timothy Murray and J Capital Research USA Llc regarding VUL information published and otherwise disseminated (via reports, videos, posts and interview statements) by J Capital.

VUL has also received an open apology, which the company



Core inflation (excluding food and energy costs) rose 0.4% for the month and 4.0% year-on-year.

In the **US**, a swag of economic data releases included November import and export prices which rose 0.75 and 1.0% respectively for the month and were up 11.7% and 18.2% year-on-year.

November retail sales undershot expectations, rising 0.3% for the month against forecasts for a 1% increase and following a 1.8% October climb.

Against November 2020 however, sales were up 18.2%.

The New York Fed Empire State manufacturing index rose by one point to 31.9 defying expectations of a 1.4-point decline to 29.5.

October business inventories grew by 1.2% following a 0.8% September increase and forecasts for a similar October rise.

The NAHB housing market index was expected to slip to 82 from 83 but rose to 84.

Meanwhile, mortgage applications were calculated 4% lower, following a 2% increase in the previous week.

The mean average 30-year mortgage rate remained at 3.3%.

Tonight in the **US**, weekly new unemployment claims are keenly anticipated.

In addition, two regional December manufacturing indices and initial Markit December PMI estimates, plus November industrial production, building permits and housing starts are due.

Elsewhere, post-policy meeting statements out of the **Bank of England** and **European Central Bank** are expected to swing some currency and equities sentiment.

Companies scheduled to release quarterly earnings or provide trading updates later today and tonight include Accenture, Adobe, FedEx and Serco.

Associated British Foods, Burberry and United Utilities trade ex-dividend on the FTSE 100.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1764.5	oz	-7.8	-0.4
Silver (NY) (Mar)	21.545	oz	-0.37	-1.7
Gold (LON)	1777	oz		
Platinum	916	oz	-2	-0.2
WTI Crude (NYMEX Jan)	70.87	bbbl	0.14	0.2
Brent Crude (ICE EUR Feb)	73.88	bbbl	0.18	0.2
Iron Ore (Qingdao) (CHN;62%Fe)	111.0	t	-0.9	-0.8
Copper (LME 3mth Evening) (14Dec)	9408	t		
Nickel	19473	t		
Aluminium	2629	t		
Lead	2284	t		
Zinc	3304	t		
Tin	38601	t		

Commodities Commentary

Oil – prices swung overnight amid a raft of key data releases and in the lead-up to the US Federal Reserve policy meeting outcomes. A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 4.584MMbbl fall in crude stocks and 719,000 fewer barrels of petrol.

lodged post-trade yesterday, together with Federal Court of Australia consent orders.

Middle Island Resources (MDI)

Exploration licence applications have secured MDI two granted blocks located adjacent to the Barkly copper-gold project Crosswinds prospect.

MDI trade remains suspended.

Armada Metals (* AMM) / Cobre Ltd (CBE)

Africa nickel and copper-focused mineral exploration company AMM completed its ASX listing yesterday, following a \$10M IPO at 20c per share.

Opened at 15c and traded at 14.5c – 17c before settling at 15.5c.

~5.88M shares were traded across 482 transactions.

50M quoted shares.

CBE held 14.423% of AMM on listing, after providing AMM with \$US750,000 in pre-IPO funding and subscribing for \$1M worth of shares in the AMM IPO.

Metal Tiger (ASX: MTR) held 4.808% on listing.

Energy

Ronin Resources (* RON)

Exploration company scheduled to list on the ASX **1.30pm** AEDT, following a \$5M IPO at 20c per share.

~28,998M quoted shares.

Holds a thermal coal project and copper and gold project, each in Colombia.

RON says the thermal coal project is the company's initial focus.

Trading Halts

Company	Code	Resuming
333D Ltd	T3D	16 Dec
Credit Clear	CCR	16 Dec
IDT Australia	IDT	16 Dec
MA Financial Goup	MAF	16 Dec
PepinNini Minerals	PNN	16 Dec
Shekel Brainweigh	SBW	16 Dec
Audio Pixels Holdings	AKP	17 Dec
Battery Minerals	BAT	17 Dec
Corporate Travel Management	CTD	17 Dec
Frontier Digital Ventures	FDV	17 Dec
Kalamazoo Resources	KZR	17 Dec
Laserbond Ltd	LBL	17 Dec
National Tyre & Wheel	NTD	17 Dec
Pearl Global	PG1	17 Dec
RTG Mining	RTG	17 Dec
The Sustainable Nutrition Group	TSN	17 Dec



Net crude imports fell ~1.4MMbbl/d.

Petrol production rose by 479,000bbl/d.

Post-US trade Tuesday, the API had released a weekly report, which included an estimated 815,000bbl fall for crude stocks last week.

Gold – an overnight swag of US data toyed with gold prices ahead of US Federal Reserve post-policy meeting confirmation of a fast-forward for reducing asset purchases and potential multiple rate rises next year.

Prices traded briefly at two-month lows following the release of the Fed statement, as the \$US continued higher. Post-settlement, Comex futures were reported to have fallen a further ~US3/oz.

More monetary policy statements are due tonight after the conclusion of Bank of England and European Central Bank policy meetings.

Base metals – overnight sentiment was influenced by data out of China, the UK and the US, another \$US rise and caution ahead of key central bank policy statements. The US Federal Reserve policy meeting outcomes were released at 7pm GMT and European Central Bank and Bank of England post-policy meeting statements are due tonight.

Meanwhile, **copper** reportedly traded as low as \$US9135/t intra-session, this attributed largely to China's fixed asset investment and property price updates.

China's industrial production, retail sales and fixed asset investment updates, published yesterday, came in mixed against expectations.

November industrial production rose 3.8% year-on-year, following October's 3.5% annualised rise and forecasts for a new 3.4% increase.

November retail sales rose 3.9%, against expectations of a 4.8% increase and following October's 4.9% rise.

January – November fixed asset investment was reported 5.2% higher than for January – November 2020. January – October 2021 fixed asset investment had been calculated as up 6.1% year-on-year.

In addition, China's November house prices appreciated 3.0% on an annualised basis, following October's 3.4% increase and forecasts for the same for November.

A raft of PMI updates also influence tonight's trade, in addition to central bank policy pronouncements.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7169	0.0055	0.78
EUR – USD	1.1294	0.0030	0.27

Australian Data Today

AusGov	Mid-year budget update	'21-'22
ABS	Workforce (incl jobs, unemployment, wages)	Nov
MInst	Inflation expectations	Dec
RBA	Forex transactions; reserve assets holdings	Nov

Suspensions (selected)

Company	Code	Since
Aurumin Ltd	AUN	10 Dec
BPH Energy	BPH	9 Dec
Emerge Gaming	EM1	3 Dec
Geopacific Resources	GPR	15 Dec
Middle Island Resources	MDI	10 Dec
Palla Pharma	PAL	15 Dec
PolarX Ltd	PXX	15 Dec
Tamaska Oil & Gas	TMK	15 Dec
VIP Gloves	VIP	24 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Today	0.5	100	4.38
MTS	Tue	10.5	100	3.91
KPG	Wed	0.36	100	1.56
CHC	30 Dec	19.66	42.37	1.74
CIP	30 Dec	4.33	0	4.29
CLW	30 Dec	7.62	0	5.71
CNI	30 Dec	5.5	21.81	3.07
COF	30 Dec	4.15	0	6.98
CQE	30 Dec	4.22	0	4.20
CQR	30 Dec	11.7	0	5.47
GDI	30 Dec	3.88	0	7.18
GMG	30 Dec	15	0	1.17
MGR	30 Dec	5.1	0	3.41
NSR	30 Dec	4.6	0	3.27
RCT	30 Dec	16.58	0	7.60
RFF	30 Dec	2.93	0	3.71
SCP	30 Dec	7.2	0	4.23
TCL	30 Dec	15	0	2.63

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	ANZ	AGM
	ELD	AGM
	EL8	AGM (1.30pm)
	ORI	AGM
Tomorrow	GNC	AGM
	NAB	AGM
	NUF	AGM
	IPL	AGM
Mon	FBR	AGM (1pm)
	SYD	Nov

**US Data Tonight**

Initial jobless claims	11 Dec
Philadelphia Fed manufacturing index	Dec
Kansas City Fed manufacturing index	Dec
Housing starts	Nov
Building permits	Nov
Industrial production	Nov
Markit PMIs (initial)	Dec

Other Overseas Data Today & Tonight

Japan	Trade balance	Nov
Japan	PMIs (initial)	Dec
UK	BoE monetary policy meeting outcomes	16Dec
UK	PMIs (initial)	Dec
Germany	PMIs (initial)	Dec
Euro zone	ECB monetary policy meeting outcomes	16Dec
Euro zone	PMIs (initial)	Dec
Euro zone	Trade balance	Oct

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December quarter S&P/ASX indices re-balance

The following changes come into effect prior to ASX open **Monday** (20 December):

S&P/ASX 100

Out: LNK

In: ORE

S&P/ASX 200

Out: KGN, MND, NEA, OBL, RBL

In: EVT, IMU, LTR, NVX, PDN

S&P/ASX All Technology

Out: BID, HTG, LBY, LVT, NET, OTW

In: AXE, CGS, JAN

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