

Markets

SFE 200 Futures (9.30am AEDT)	7390	-27	-0.4
NZX 50	12834	-35	-0.3
DJIA Futures	35746	33	0.1
S&P 500 Futures	4699	14	0.3
NASDAQ Futures	16392	74	0.5

Local Markets Commentary

The Australian market commences today's trade with the Reserve Bank of Australia's (RBA) last quarterly bulletin for the year due late morning and material data due out of China early afternoon.

Overnight international equities trade sentiment varied amid an increasing international focus on Covid-19 containment and increased geopolitical tensions.

Locally today, the Australian Bureau of Statistics (ABS) reports **jobs and wages** for the week ending 13 November, at 11.30am AEDT.

At the same time, the Reserve Bank of Australia (RBA) publishes its December quarter **bulletin** and also releases October **business lending**.

In addition, the RBA reveals holdings of government securities and semis.

Pre-trade RBA governor Philip Lowe has spoken publicly on the future for payments systems at an online summit, promoting regulation amid increasing complexity.

Regionally today, **China** is due to reveal November **CPI** and **producer prices** at 12.30pm AEDT.

In overnight commodities trade, **oil** continued higher, but moderately so.

US **gold** futures settled barely changed.

Iron ore (China port CFR, 62% fines) rose just US3c/t, hovering around \$US111.35/t.

LME (3mth evening) **copper** reportedly closed lower.

Nickel and **aluminium** were reported to have gained variously. *Last night's LME final price updates were unavailable from IRESS at time of publication.*

The **\$A** appreciated to ~US71.70c after trading at ~US71.35c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35755	35	0.1
S&P 500	4701	14	0.3
NASDAQ	15787	100	0.6
FTSE 100	7337	-3	-0.0
DAX 30	15687	-127	-0.8
Shanghai Comp	3638	42	1.2

Today's Stock Watch
Sydney Airport (SYD)

The Australian Competition & Consumer Commission (ACCC) will not oppose Sydney Aviation Alliance's proposed SYD acquisition.

Seven West Media (SWM) / Prime Media Group (PRT)

The Australian Competition & Consumer Commission (ACCC) will not oppose SWM's proposed PRT acquisition.

Kelsian Group (KLS)

KLS has secured the Kangaroo Island roll-on roll-off ferry services contract for an additional 15 years, and up to 25 years, from 1 July 2024. KLS expects to outlay \$50M for two new ferries, infrastructure upgrades and terminal refurbishments. In addition, KLS will offer reduced fares to Kangaroo Island residents from March 2022, and plans no material fare changes prior to July 2024. Timetabled services are planned to increase by 30% with the introduction of the new ferries from July 2024. KLS has settled higher the past two sessions, closing at \$6.59 yesterday.

Resources
Vulcan Energy Resources (VUL)

Resuming from a trading halt with an initial five-year binding lithium hydroxide off-take agreement with Volkswagen Group. Volkswagen Group has agreed to purchase 34,000t – 42,000t of VUL's Upper Rhine Valley zero carbon lithium project lithium hydroxide over the five years.

The group and VUL have also agreed a first right of refusal to invest in additional project capacity. VUL traded at \$8.90 - \$11.20 over the five sessions immediately prior to calling the halt, recouping 6.2% Tuesday to last trade at \$9.72.

Energy
Santos Ltd (STO)

STO is selling 12.5% of the Barossa project to 6.1% Darwin LNG partner JERA Co.

Completion is anticipated by 30 June 2022. On completion, STO will hold 50% of the project and remain operator, with JERA holding 12.5% and SK E&S retaining 37.5%. JERA will reimburse STO for its Barossa project capex from 31 March 2020 (the effective date of the sale) to completion. STO anticipates this will tally ~\$US300M. The Darwin LNG and Barossa project JV partners propose to process Barossa gas through the Darwin LNG facilities. Initial Barossa LNG is anticipated during the first half of 2025. The Darwin LNG JV comprises STO (43.4% and operator), SK E&S (25%), INPEX (11.4%), Eni (11%), JERA 6.1% and Tokyo Gas (3.1%).



Overseas Markets Commentary

Choppy, swinging trade featured across several European, UK and US equities markets overnight, but key US indices settled at or near session highs.

Overnight trader considerations included tentative international economic outlooks and ongoing monetary policy commentary, mostly centring on inflation views and timelines for policy moves.

Geopolitical tensions also remained in focus, amid broadening diplomatic boycotts ahead of the winter Olympics in Beijing, China early 2022, and with Russian troops remaining in force near the Ukraine border.

In **Covid-19** developments, GSK declared its Covid-19 antibody treatment was effective against the omicron variant.

For their part, Pfizer and BioNTech announced laboratory testing had indicated three doses of their Covid-19 vaccine could 'neutralise' the new variant.

Meanwhile, several nations reported increasing numbers of daily Covid-19 cases and/or hospitalisations.

A work from home order, issued overnight for England, together with confirmation of renewed mask requirements, pushed the British pound sharply lower and raised fears for holiday season retail sales.

Earlier yesterday, Japan released a final September quarter GDP reading representing a 0.9% fall for the three months, against the 0.8% decline initially estimated and favoured by forecasters.

Year-on-year, the final September quarter GDP calculation represented a 3.6% drop.

Japan's June quarter GDP had represented 0.5% growth for the three months and 2.0% on an annualised basis.

Also yesterday, a second property developer in China was reported to have missed a debt repayment this week.

Comments out of the **European Central Bank** (ECB) indicated the bank saw inflationary pressures lasting for longer than initially anticipated, and that policy committee members did not consider new stimulus likely in the near term, despite the increased uncertainty surrounding likely Covid-19 containment impacts during the northern winter.

The **Reserve Bank of India** followed its policy meeting with a statement that confirmed retaining the benchmark repo rate at 4.0% and the reverse repo rate at 3.35%, and maintaining accommodative monetary policy.

For its part, the **Bank of Canada** also maintained status quo rates and policy, but warned of renewed Covid-19 uncertainty and broadening inflation.

In scant overnight **data** releases, a **US** October job openings report included 11M job opportunities from 10.602M in September, and following forecasts for 10.4M.

US weekly mortgage applications rose 2% after tumbling 7.2% the previous (Thanksgiving) week.

Mean average 30-year mortgage rates were estimated at 3.30% from 3.31%.

A \$US36B US 10-year notes auction delivered a 1.518% yield from 1.444% previously.

Pre-Open Announcements

Perpetual Ltd (PPT)

Today's investor day underway. Materials lodged pre-trade.

Genex Power (* GNX)

Offtake agreement executed with Tesla for the Bouldercombe battery project.

Details lodged this morning.

EBOS Group (* EBO)

Proposing to acquire LifeHealthcare for \$A1.167B.

In association, conducting an equity raising and negotiating new debt. Trading halt called.

Booktopia Group (* BKG)

The Australian Competition & Consumer Commission (ACCC) is planning Federal Court of Australia action against BKG in relation to BKG 'Terms of Business' statements regarding returns and refunds.

Alcidion Group (* ALC)

Resuming from a trading halt having raised \$A30M in an institutional placement, and \$13.4M from an institutional entitlement offer, each at 25c per share, in support of the proposed acquisition of UK-headquartered patient administration system specialist Silverlink PCS Software. Consideration comprises £30M cash and up to £3M in earn-outs.

A retail entitlement offer is scheduled for 14 – 23 December. ALC traded at 30.5c – 35c the five sessions immediately prior to calling the halt, last trading at 32c.

Johns Lyng Group (* JLG)

Proposing to outlay \$US144M to acquire Reconstruction Exports.

In association, conducting a \$A230M equity raising.

Details, including in a presentation, lodged pre-trade.

Trading halt remains.

hipages Group Holdings (HPG)

Paying \$A11.8M in cash and equity for Builderscrack.

Details lodged this morning.

Austal Ltd (* ASB)

ASB has completed the ~\$A4.2M sale of its 40% holding in the Zhuhai, China JV known as Aulong Shipbuilding Co, to JV partner Jianglong Shipbuilding Company.

ASB plans to provide Jianglong with design support, when deemed appropriate and on an ad hoc basis.

Delorean Corporation (DEL)

Bioeconomy summit presentation lodged post-trade yesterday.

Corum Group (COO)

September quarter revenue grew 7% year-on-year to \$3.3M.

Health services revenue contributed \$3.0M, mostly



In Germany, a 10-year bond offer produced -0.38% from -0.29%.

Tonight in the **US**, weekly new unemployment claims are due, together with October wholesale inventories.

In addition, the US treasury is scheduled to host a \$US22B 30-year bond auction.

Elsewhere, Germany reports October trade statistics.

Companies listed to report earnings or provide updates later today or tonight include Balfour Beatty, Broadcom, Chewy, Costco Wholesale, Hormel Foods, Lululemon Athletica, Oracle and Rolls Royce.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1785.5	oz	0.80	0.0
Silver (NY) (Mar)	22.433	oz	-0.09	-0.4
Gold (LON)	1781	oz		
Platinum	956	oz	4	0.4
WTI Crude (NYMEX Jan)	72.36	bbl	0.31	0.4
Brent Crude (ICE EUR Feb)	75.82	bbl	0.38	0.5
Iron Ore (Qingdao) (CHN;62%Fe)	111.37	t	0.03	0.0
Copper (LME 3mth Evening) (7 Dec)	9588	t		
Nickel	20179	t		
Aluminium	2630	t		
Lead	2184	t		
Zinc	3226	t		
Tin	38935	t		

Commodities Commentary

Oil – prices swung intra-session overnight, amid a broad range of Covid-19 news, including renewed containment measures in the UK, and as nuclear agreement talks, aimed at lifting sanctions, were reported to have resumed with Iran.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included 240,000 fewer barrels of crude and a 3.882MMbbl rise for petrol stocks.

Petrol production fell by 86,000bbl/d and net crude imports rose by 329,000bbl/d.

Overnight Tuesday post-US trade, the API had published a weekly report which included an estimated 3.089MMbbl draw on US crude stocks last week.

Gold – higher US 10-year bond yields constrained any overnight gains, as traders appeared hesitant amid geopolitical tensions, and ahead of a US Federal Reserve policy meeting next week.

Base metals – sentiment appeared pushed and pulled overnight by currency moves, inventory updates, and reports a second Chinese property developer in as many days had defaulted on debt repayment.

China's November producer prices and CPI are scheduled for release **today** and could influence some trade tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7173	0.0040	0.56

attributable to PharmX, and 11% greater than for the October quarter 2020.

Real estate ecommerce revenue declined 20% year-on-year, to \$300,000.

\$7.5M cash at 26 October.

Emerge Gaming (EM1)

Response to an ASX query regarding EM1 activity and previous responses this year lodged post-trade yesterday.

EM1 trade remains suspended.

Resources

Talga Resources (* TLG)

Sweden Vittangi graphite project extension and resource infill drilling has produced further high-grade intersections.

Assays lodged this morning.

Orange Minerals (* OMX)

Gold and copper-focused explorer completed a successful ASX listing yesterday, following a \$7M IPO at 20c per share.

Opened at its day one high of 22c and traded as low as 20c before settling at 20.5c.

2.56M shares were traded across 144 transactions.

41.22M quoted shares.

Panther Metals (* PNT)

Mineral exploration company and Panther Metals plc subsidiary scheduled to list on the ASX 12.30pm AEDT **tomorrow**, following a \$5M IPO at 20c per share.

28M quoted shares.

Panther Metals plc holds 36.61%.

Energy

Origin Energy (* ORG)

ConocoPhillips has exercised a pre-emptive right in relation to ORG's proposed \$2.12B sale of 10% of Australia Pacific PNG to EIG.

Invictus Energy (* IVZ)

Zimbabwe Cabora Bassa project farm-in option agreement secured.

Details lodged this morning.

Trading Halts

Company	Code	Resuming
Biogene Technology	BGT	9 Dec
BPH Energy	BPH	9 Dec
Epsilon Healthcare	EPN	9 Dec
Ironbark Zinc	IBG	9 Dec
Kopore Metals	KMT	9 Dec
OreCorp Ltd	ORR	9 Dec
Aurumin Ltd	AUN	10 Dec
AVZ Minerals	AVZ	10 Dec
Middle Island Resources	MDI	10 Dec



EUR – USD 1.1344 0.0053 0.47

Australian Data Today

ABS	Payroll jobs & wages	13 Nov
RBA	Bulletin	Dec Q
RBA	Business lending	Oct
RBA	Government securities & semis holdings	8 Dec

US Data Tonight

Wholesale inventories	Oct
Initial jobless claims	4 Dec

Other Overseas Data Today & Tonight

China	PPI	Nov
China	CPI	Nov
Japan	BSI large manufacturing	Q4
Japan	Machine tool orders (5pm AEDT)	Nov
Germany	Trade balance	Oct

Need More Information?

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Revolver Resources Holdings	RRR	10 Dec
Traffic Technologies	TTI	10 Dec
Venture Minerals	VMS	10 Dec
Johns Lyng Group	JLG	13 Dec

Suspensions (selected)

Company	Code	Since
Asian American Medical Group	AJJ	23 Nov
Emerge Gaming	EM1	3 Dec
Hot Chili	HCH	7 Dec
Leaf Resources	LER	17 Nov
SRJ Technologies Group	SRJ	23 Nov
VIP Gloves	VIP	24 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SHV	Today	8	100	0.66
PL8	16 Dec	0.5	100	4.44
MTS	21 Dec	10.5	100	3.91
RFF	30 Dec	2.93	0	3.80
TCL	30 Dec	15	0	2.59

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	FSF	AGM (8.30am)
	PPT	Investor day (9am)
Tomorrow	PDL	AGM
	SOL	AGM
Tue	HUB	AGM
	HCH	AGM (2pm)
	MNB	AGM (7pm)
Wed	AGH	AGM (5pm)
	WBC	AGM
Thu (16 Dec)	ANZ	AGM
	ELD	AGM
	EL8	AGM (1.30pm)
	ORI	AGM
Fri (17 Dec)	GNC	AGM
	NAB	AGM
	NUF	AGM
	IPL	AGM