

Markets

SFE 200 Futures (9.30am AEDT)	6715	-14	-0.2
NZX 50	11236	6	0.1
DJIA Futures	27896	-6	0.0
S&P 500 Futures	3133	-2	-0.1
NASDAQ Futures	8351	-5	-0.1

Local Markets Commentary

The Australian market commences today's trade with the Reserve Bank of Australia (RBA) governor and an assistant governor each speaking publicly at a digital payments summit, and additional material data due out of China middle of the day.

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

Locally today, NAB's monthly **business survey conditions and confidence** report is due **11.30am** AEDT.

The Australian Bureau of Statistics (ABS) is scheduled to publish a September quarter **residential property** price report at the same time.

A weekly **consumer sentiment** reading is due pre-trade.

Also pre-trade, **RBA** governor Philip Lowe has spoken publicly on *A Payments System for the Digital Economy*.

RBA assistant governor (financial market) Michele Bullock will also speak publicly regarding **digital payments** systems, her address entitled *The Big Debate*, scheduled for **1.45pm** AEDT.

In overnight commodities trade, **oil** turned lower.

US **gold** futures (February) settled almost flat.

Iron ore (Nymex CFR China, 62% Fe) traded sharply higher, beyond \$US92.00/t.

LME **copper** extended Friday's rally. **Nickel** and **aluminium** swung lower.

The **\$A** traded in a relatively narrow range after falling beneath US68.25c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27910	-105	-0.4
S&P 500	3136	-10	-0.3
NASDAQ	8622	-35	-0.4
FTSE 100	7234	-6	-0.1
DAX 30	13106	-61	-0.5
Shanghai Comp	2914	2	0.1

Overseas Markets Commentary

Major European and US equities markets mostly trended lower overnight from varying openings, key US indices settling at session lows.

Australia – RBA governor Philip Lowe has spoken (9.05am AEDT) on *A Payments System for the Digital Economy* at a Sydney digital payments summit.

Australia #2 – assistant RBA governor (financial system) Michele Bullock speaks on *The Big Debate* at the same summit **1.45pm** AEDT.

China – CPI and PPI 12.30pm AEDT

* Aerial imaging listing **11am** AEDT – **AMX** *

Please see p2

Today's Stock Watch

Westpac Banking Corporation (WBC)

A Federal Court case management hearing regarding the AUSTRAC allegations concluded yesterday with the matter adjourned to a further such hearing late February – early March 2020.

WBC's AGM is scheduled for Thursday.

Bank of Queensland (BOQ)

Today's AGM materials lodged pre-trade. Industry practice queries anticipated.

Wisetech Global (WTC)

Acquiring customs, bonded warehouse and trade compliance specialist Ready Korea for \$13.2M upfront, with a potential \$7.0M in earn-outs to follow.

CSL Ltd (CSL)

CSL has appointed former finance sector executive Carolyn Hewson AO as an independent non-executive director, effective immediately. Ms Hewson is a former director of several high-profile ASX-listed companies, including most recently of BHP.

MyState Ltd (MYS)

MYS has attracted the Cooperative Research Centres Association (CRCA) as a new customer.

MYS will be the referral partner for new Cooperative Research Centres funded under an Australian Government support program.

Zoono Group (ZNO)

A Chinese group will exclusively distribute ZNO's swine fever treatment for 10 years. \$NZ300,000 worth of orders in hand.

Energy

Senex Energy (SXY)

First Project Atlas gas sales achieved ahead of schedule, with gas being sold on a fixed price basis to Queensland Government-owned power generator CleanCo.

Project Atlas production is continuing to ramp.

SXY recouped 6.15% yesterday, settling at 34.5c.



Caution appeared the main general influence ahead of key data releases, reports and events across **China**, the **euro zone**, **UK** and **US** this week.

Three days out from Thursday's national election, the UK's FTSE 100 chopped notably throughout the session.

Polls again indicated a clear majority result for the ruling Conservative party.

The opposition party has promised a new referendum on UK membership of the European Union (EU).

The conservatives are promoting a UK-EU separation by the end of January.

Early yesterday, reports emerged that China had ordered the state agencies and companies to replace foreign-branded computers and software. This, ahead of the scheduled US 15 December implementation of import taxes on further goods from China.

A spokesperson for China's Commerce Ministry spoke yesterday of 'hopes' for some type of trade agreement with the US 'as soon as possible'.

Post-European trade, the UN Security Council confirmed it would meet Wednesday, to consider **North Korea's** nuclear weapons activity.

In overnight data releases, **Germany's** October trade figures included a €21.5B trade surplus against €21.2B at the end of September.

Exports rose 1.2% after a 1.5% September rise.

Imports came in flat, following a 1.2% increase in September.

A Sentix December investor confidence index for the whole of the **euro zone** surprised on the upside, jumping to 0.7 from November's -4.5, and following predictions of -4.9.

Tonight in the **US**, the Federal Reserve commences a two-day monetary policy meeting, from which outcomes will be released early Thursday (AEDT).

Among data releases, September quarter productivity and labour costs are due, together with a business optimism index.

Elsewhere, a swag of material economic indicators is expected in the UK, ahead of Thursday's national election.

In overnight corporate news, **Merck** announced an agreement to acquire cancer drug specialist **ArQule** for \$US2.7B cash.

For its part, **Sanofi** revealed a proposed \$US2.5B cash acquisition of US-headquartered cancer and auto immune disease-focused biotech company **Synthorx**.

Positive clinical trial indications from a cancer treatment developed by Celgene, recently acquired by **Bristol-Myers Squibb**, pushed Bristol Myers ~2% higher. The news was published over the weekend.

In the meantime, **Morgan Stanley** was reported to have begun a pre-holiday season jobs cull, mostly said to involve operational positions.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1464.9	oz	-0.2	-0.0
Silver (NY) (Mar)	16.642	oz	0.046	0.3
Gold (LON)	1460	oz		

Pre-Open Announcements

APN Property Group (* APD)

APN funds management shares, stapled with trust units on a 1:1 basis, will commence ASX trade **on open** on a deferred settlement basis, and hence under the code **APDDA**.

Normal (T+2) trade is expected to commence Monday next week.

~318M quoted stapled securities.

Aerometrex Ltd (* AMX)

Aerial imaging subscription-based business scheduled to list on the ASX **11am** AEDT following a \$25M IPO at \$1.00 per share.

94.4M quoted shares.

Nuchev Ltd (* NUC)

Goat-based nutritional products manufacturer and retailer completed a successful ASX listing yesterday following a \$48.6M IPO at \$2.60 per share.

Opened at \$3.40 and was pushed back to \$3.16 before settling at \$3.20. 3.9M shares changed hands across 430 transactions.

Trading commenced on a deferred settlement basis.

32.18M quoted shares.

Centuria Metropolitan REIT (* CMA)

Outlaying \$256M for the NewActon Nishi commercial office building, Canberra.

In association, conducting a fully underwritten \$185M, \$3.00-per-unit institutional placement.

A \$10M, \$2.9555-per-unit capped UPP is also planned.

CMA has traded at \$3.115 - \$3.19 over the past five sessions.

Trading halt called this morning.

Primewest Group (PWG)

A PWG-managed fund has sold the Brisbane CBD Chambers heritage building and The Tower, for a combined \$47.4M, to the University of Queensland.

NRW Holdings (NWH)

NWH has completed its acquisition of BGC Contracting, which has been renamed NRW Contracting.

NWH's \$10M \$2.85-per-share SPP continues until 2 January.

NWH traded at \$3.09 - \$3.15 yesterday.

Select Harvests (SHV) / Wisr Ltd (WZR) / Redcape Hotel Group (RDC)

Presentations lodged this morning for today's ASX CEO Connect event.

Tower Ltd (TWR)

CEO Richard Harding will finish with TWR at the end of 2020, on the expiry of his contract and in favour of returning to family in Australia.

In addition, TWR chief information officer Peter Muggleston has been appointed to the new TWR role of COO.

Midway Ltd (MWY)

MWY will sell bone dry wood fibre to a major Chinese customer



Platinum	893	oz	-1	-0.1
WTI Crude (Jan)	59.02	bbl	-0.18	-0.3
Brent Crude (Feb)	64.25	bbl	-0.14	-0.2
Iron Ore (NYMEX,CHN,62%)	92.04	t	3.48	3.8
Copper (LME,3mth,PM)	6079	t	58	1.0
Nickel	13325	t	-160	-1.2
Aluminium	1757	t	-5	-0.3
Lead	1893	t	8	0.4
Zinc	2236	t	-1	-0.0
Tin	17125	t	85	0.5

Commodities Commentary

Oil – China’s November trade figures, reported over the weekend, included record daily crude imports, but ongoing falls for overall exports appeared to impact overnight oil trade sentiment. WTI crude traded as low as \$US58.23 intra-session.

Morgan Stanley in the meantime maintained Brent crude would attract \$US62.50/bbl during the March quarter 2020 and trade at ~\$US60/bbl come mid-year. WTI March quarter trade was expected at ~\$US57.50/bbl and \$US55/bbl for the remainder of 2020.

Goldman Sachs predicted Brent 2020 spot prices at \$US63/bbl, \$US3/bbl higher than its previous forecast, and WTI at \$US58.50/bbl, against \$US55.50/bbl.

Bank of America Merrill Lynch tentatively pencilled in \$US70/bbl for Brent by the June quarter 2020, this based on US-China trade and OPEC new curb agreement compliance optimism.

Among production forecasts, Alaska’s North Slope output was reported to have fallen below 500,000bbl/d over the past five months and was anticipated to keep falling to below 435,000bbl/d through financial year 2024.

Meanwhile, Libya’s National Oil Corporation (NOC) declared force majeure on a certain crude blend following an equipment failure-related shut down of an NOC-Eni oil field almost a week ago.

Gold – swinging overnight prices further demonstrated sensitivity to select data and geopolitical news, this time related to China’s trade figures and a potential US parliamentary agreement regarding a north Americas trade pact revision.

Among the gold price forecasters, Goldman Sachs maintained expectations of a mean \$US1600/oz through 2020.

Base metals – data and geopolitical speculation appeared the main factors on overnight LME trade.

China’s November trade figures, reported over the weekend, included a 0.3% year-on-year rise in overall imports, the first increase since April, and robust *copper* imports.

Yesterday, Japan’s final September quarter GDP reading came in at 0.4% growth for the three months, following predictions of 0.2%. Against September quarter 2018, GDP was 1.8% higher.

In production news, Chile’s Codelco copper output was reported to have risen 2.5% year-on-year during October, BHP’s Escondida production was estimated 12.7% higher, and output from the Anglo American-Glencore Collahuasi operation rose ~3.7%.

China’s November CPI growth and producer prices, due **today**, are expected to influence at least some of tonight’s trade.

at \$US175/t (FOB) January – June 2020.

The price is \$US7/t lower than for 2019.

MWY plans to lodge interim results 27 February.

Donaco International (DNA)

Resuming from suspended trade with the appointment of two independent non-executive directors, namely Mel Ashton as chair and Simon Vertullo.

DNA last traded 29 November, at 8.7c.

M8 Sustainable (* M8S)

Waste management and recycling specialist scheduled to list on the ASX 1pm AEDT **tomorrow** following a \$19.5M IPO at 20c per share.

175.5 quoted shares.

Terragen Holdings (* TGH)

Agriculture biotech group scheduled to list on the ASX 11am AEDT **tomorrow** following a \$20M IPO at 25c per share.

~177.1M quoted shares.

Resources

Resolute Mining (RSG)

Mali Syama gold project sulphide roaster reheating commencing following the completion of repairs, on schedule and under budget.

Talga Resources (TLG)

SPP applications received for greater than \$A6M worth of stock in TLG’s target \$3M 44c-per-share offer.

TLG intends to accept the oversubscriptions.

TLG has traded at 44.5c – 47.5c over the past five sessions.

Kin Mining (KIN) / Genesis Minerals (GMD)

KIN has secured GMD for a farm-in and JV over KIN’s WA eastern goldfields Desdemona South gold project.

The project hosts tenements located immediately north of, and contiguous with, GMD’s Ulysses gold project.

Farm-in details and exploration plans lodged this morning.

Adriatic Metals (* ADT)

Anticipating commencing main market London Stock Exchange trade Thursday this week, under the code ADT1.

Great Northern Minerals (* GNM)

Northern Queensland Golden Cup gold project resource estimated at 256,000oz @ 3.6g/t Au, for 30,000oz of gold.

The resource remains open at depth and along strike.

Additional drilling results anticipated within weeks.

Highfield Resources (HFR)

MD and CEO Peter Albert plans to step down, effective 31 January 2020, in favour of returning to Australia from Spain.

Mr Albert will consult to HFR during a transitional period.

Energy

Ansila Energy (* ANA)

Onshore Poland Gora concession Siciny-2 well initial facing completed, ahead of two-stage hydraulic fracturing and well

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.6826	0.0005	0.08
EUR – USD	1.1064	0.0000	0.00

Australian Data Today

ANZ/Roy Morgan	Consumer sentiment	8 Dec
NAB	Business survey	Nov
ABS	Residential property prices	Sep Q

US Data Tonight

NFIB small business optimism	Nov
Productivity; labour costs	Sep Q

Other Overseas Data Today & Tonight

China	CPI	Nov
China	PPI	Nov
Japan	Machine tool orders (5pm AEDT)	Nov
UK	Trade balance	Oct
UK	Industrial production	Oct
UK	BoE financial stability report	Dec
UK	GDP	Oct Q
UK	NIESR GDP tracker	Nov
UK	Construction orders	Sep Q
Germany	ZEW economic sentiment	Dec
Euro zone	ZEW conditions, sentiment	Dec

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testing scheduled to commence later today.

Trading Halts

Company	Code	Resuming
AppsVillage Australia	APV	10 Dec
HeraMed Ltd	HMD	10 Dec
MinRex Resources	MRR	10 Dec
RooLife Group	RLG	10 Dec
CCP Technologies	CT1	11 Dec
Hastings Technology Metals	HAS	11 Dec
Jaxsta Ltd	JXT	11 Dec
Peninsula Mines	PSM	11 Dec

Suspensions (select)

Company	Code	Since
Authorised Investment Fund	AIY	22 Nov
BPH Energy	BPH	9 Dec
CoAssets Ltd	CA8	6 Dec
CropLogic Ltd	CLI	19 Nov
Ellex Medical Lasers	ELX	28 Nov
Esports Mogul	ESH	9 Dec
Murray River Organics Group	MRG	3 Dec
Titan Minerals	TTM	21 Nov
Triton Minerals	TON	3 Dec
TV2U International	TV2	26 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
KKT	Today	5	100	1.42
SHV	Thu	20	100	1.42
TAP	Thu	2.5	100	0.00
PL8	16 Dec	0.5	100	5.10
CVF	17 Dec	0.46	100	7.31
MTS	17 Dec	6	100	4.93
RCT	30 Dec	10.6	0	5.47
RFF	30 Dec	2.71	0	5.84
TCL	30 Dec	31	6.45	3.88
VCX	30 Dec	7.7	0	6.02

Reports & Events

(select)

When	Company	Report/Event
Today	BOQ	AGM
Thu	ELD	AGM
	WBC	AGM
Fri	PDL	AGM



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16 Dec	WOW	AGM
20 Dec	IPL	AGM
30 Dec	BEN	Interim