

Markets

SFE 200 Futures (9.30am AEDT)	6650	-36	-0.5
NZX 50	12886	26	0.2
DJIA Futures	30010	-53	-0.2
S&P 500 Futures	3669	-4	-0.1
NASDAQ Futures	12402	35	0.3

Local Markets Commentary

The Australian market opens Friday trade with an \$A appreciation and continuing higher iron ore prices, a major domestic bank hosting its AGM, and a national cabinet meeting from which a PM press conference is anticipated.

In addition, China-US trade relations appear to be deteriorating further, and additional dour international Covid-19 figures have prompted new or extended restrictions, amid the overnight wait for a potential final vote on stop-gap US government funding.

Further, S&P/ASX indices quarterly rebalance lists are anticipated.

Overnight international equities trade largely chopped and swung, but most key commodities trade proved decisive and positive.

No major data releases are scheduled for release domestically or regionally today.

In overnight commodities trade, **oil** was pushed decisively higher, Brent crude notably settling beyond \$US50/bbl.

US **gold** futures settled lower for a second consecutive session, but only slightly so.

Iron ore (62% Fe) northern China port prices were reported at \$US156.58/t.

Overnight LME **copper** and other key base metals rallied, **nickel** returning to surge mode.

The **\$A** was pushed back to ~US74.45c after appreciating beyond US74.90c early yesterday evening.

Earlier this morning, the \$A jumped to ~US75.40c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	29999	-70	-0.2
S&P 500	3668	-5	-0.1
NASDAQ	12406	67	0.5
FTSE 100	6600	35	0.5
DAX 30	13296	-45	-0.3
Shanghai Comp	3373	1	0.0

Overseas Markets Commentary

Marked vacillating sentiment featured across most major European and US equities markets overnight, the NASDAQ again proving an exception.

Late Wednesday, the US House of Representatives approved

* Mineral exploration listing – 10.30am AEDT – KFM *

Today's Stock Watch
CSL Ltd (CSL)

Plans for further trials of a potential Covid-19 vaccine under development by CSL and the University of Queensland have been halted due to false positive HIV readings in various blood samples taken during the ongoing phase one trial.

Westpac Banking Corporation (WBC)

Today's AGM materials lodged.

Asaleo Care (AHY)

Unsolicited, indicative \$1.26 cash-per-share takeover proposal in hand from Essity Aktiebolag, the ultimate parent of AHY's major (36.16%) shareholder.

AHY is resuming from a trading halt having added 21.78% to trade at \$1.23 yesterday, immediately before calling the halt.

Monday through Wednesday, AHY had traded at 98.5c - \$1.03.

Bod Australia (BDA)

Resuming from a trading halt with commitments in hand to secure \$8M in a private 55c-per-share placement.

BDA traded at 59.5c – 74c the five sessions immediately prior to calling the halt.

Resources
Independence Group (IGO)

Resuming from a trading halt having raised \$A446M in an institutional placement, and \$A261M in the institutional component of an entitlement offer, each at \$A4.60 per share.

A retail entitlement offer is scheduled for 15 December – 15 January.

Funds will support the proposed \$US1.4B acquisition of a 49% interest in Tianqi Lithium Energy Australia, and hence a 24.99% indirect holding in the WA Greenbushes lithium mining and processing operation and 49% indirect interest in the WA Kwinana lithium hydroxide facility.

IGO traded at ~\$4.63 - ~\$5.30 during the five sessions immediately before calling the halt.

Kingfisher Mining (* KFM)

Mineral exploration company scheduled to list on the ASX **10.30am** AEDT, following a \$6M IPO at 20c per share. 32.945M quoted shares.

Energy
Bowen Coking Coal (BCB)

Sumitomo has elected to continue with the Hillalong JV, and will hence fund up to a further \$A5M worth of exploration.



government funding for just one week from this weekend, to enable a broader funding package, including support for Covid-19 – impacted individual entities, to continue to be considered.

However, by close of overnight equities trade, the Senate had yet to vote.

The **European Central Bank's** (ECB) policy meeting produced a nine-month extension and €500B boost to a bond purchase program, pushing the euro higher.

In addition, **EU** leaders commenced a regular two-day council meeting and summit, following warnings from both the UK PM and European Commission president of the possibility of the UK separating from the European Union (EU) at the end of the year, following an 11-month transition, without a trade deal in place.

The EU subsequently published some contingency plans in the event of a 'no-deal'.

Both sides pledged top-level negotiations would continue, however.

In Covid-19 vaccine news, commentary but no definitive news, was reported from an ongoing US FDA review meeting for the potential near-term US emergency use of reportedly two candidates.

In overnight data releases, the **UK's** October trade deficit was reported at £1.7B, from a £0.6B surplus at the end of September, and forecasts of a £0.5B October surplus.

October industrial production improved 1.3% for the month, but output was down 5.5% on that for October 2019.

GDP growth for the three months to 31 October came in at 10.2%.

October's GDP growth was estimated at 0.4% for the month, following a 1.1% September rise.

GDP at 31 October was 8.2% lower than for 31 October 2019.

In the **US**, weekly new unemployment claims disappointed, rising by 853,000 to an ~three-month peak, after a 716,000 increase the previous week and following expectations of 710,000 new applications.

The November CPI was reported 0.2% higher for the month, after being estimated flat for October and following forecasts of a 0.1% increase.

The year-on-year November reading came in at a 1.2% rise, in line with expectations.

A November national budget statement included a \$US145B deficit, against forecasts for a \$US210B shortfall, and following a \$US284B October deficit.

A 30-year bond auction produced a 1.665% yield from 1.680%.

Tonight in the **US**, November producer prices and an initial reading of the University of Michigan December consumer sentiment index are due.

Also tonight, Germany releases a finalised November CPI. The nation's central bank the Bundesbank in the meantime publishes a six-monthly update of key forecasts.

In overnight corporate news, **Airbnb** debuted on the NASDAQ, opening at twice its IPO price.

In addition, quarterly revenues reported by **Costco**, **Lululemon** and **Oracle** overnight, appeared to please.

Pre-Open Announcements

Regional Express Holdings (* REX)

REX has appointed former Virgin Australia GM ANZ sales Ann Elliott as GM sales, effective this past Monday (7 December).

Plenti Group (* PLT)

Setting up a \$100M renewable energy and personal loan warehouse funding facility.

Details lodged this morning.

MMJ Group Holdings (* MMJ)

Investment portfolio valued at \$39M at 30 November.

Comprehensive portfolio report lodged post-trade yesterday.

MMJ has scheduled an investor update teleconference for 8.45am AEDT 16 December (Wednesday next week).

ECS Botanics Holdings (* ECS)

Resuming from a trading halt having completed a select \$4M placement at 4.5c per share.

ECS traded at 2.9c – 6.3c the five sessions prior to calling the halt.

Top Shelf International Holdings (TSI)

Australian spirits-based beverage manufacturer completed its ASX listing yesterday, following a \$47.2M IPO at \$2.21 per share.

Opened at \$2.21 and slipped to \$2.05 before settling at \$2.14.

1.2M shares were traded across 226 transactions.

42.62M quoted shares.

Resources

Kingston Resources (* KSN)

Resuming from a trading halt with commitments for a \$12.5M, 26c-per-share institutional placement in support of the PNG Misima gold project.

Troy Resources (TRY)

CFO and company secretary Ray Parry has resigned, effective 31 December.

In addition, TRY has appointed Decmil Group (ASX: DCG) chair and Andrew Barclay & Associates head Andrew Barclay as a non-executive director.

Strategic Energy Resources (SER)

SER is planning to define and test regional copper-gold targets after drilling determined the north west Queensland Saxby gold prospect did not host mineralisation of sufficient scale to prove economic.

SER forfeited 7.5% yesterday, settling at 3.7c after gaining 8.1% Wednesday.

Sunshine Gold (* SHN)

The former Pelican Resources is expected to be reinstated to official ASX quotation on ASX opening today, after raising ~\$2M at 2c per share. 356.71M quoted shares.



Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1837.7	oz	-1.1	-0.1
Silver (NY) (Mar)	24.094	oz	0.1	0.4
Gold (LON) (9 Dec)	1842	oz		
Platinum	1023	oz	27	2.7
WTI Crude (NYMEX Jan)	46.78	bbbl	1.26	2.8
Brent Crude (ICE EUR Feb)	50.25	bbbl	1.39	2.8
Iron Ore (NYMEX,CHN,62%) (9 Dec)	146.28	t	1.24	0.9
Copper (LME,3mth Ind,PM)	7876	t	153	2.0
Nickel	17435	t	728	4.4
Aluminium	2051	t	14	0.7
Lead	2087	t	-24	-1.2
Zinc	2869	t	13	0.5
Tin	19465	t	30	0.2

Commodities Commentary

Oil – overnight price increases were attributed to hopes a growing list of nearer-term planned international Covid-19 vaccine rollouts could stem the economic impacts and hence support crude demand.

Tonight, a US petroleum drill rig report is due.

Gold – Covid-19 vaccine optimism and contradictory statements regarding progress on a new US economic support package damaged overnight gold sentiment.

The European Central Bank's policy meeting produced greater stimulus as anticipated.

Base metals – currency moves, industry news, stimulus commentary and inventories data appeared to mostly influence overnight LME trade.

Nickel benefited from further reports of growing stainless steel demand, and Shanghai Futures Exchange-monitored warehouse inventories estimated at their least in ~18 months.

By contrast, LME-monitored warehouse nickel stocks were calculated at their highest in ~2.5 years.

In industry news, Codelco revealed an early contract win with one union representing workers at the Radomiro Tomic *copper* operation, Chile.

Yesterday, Japan reported November producer prices were flat for the month and down 2.2% year-on-year.

The December quarter BSI large manufacturing index soundly surpassed expectations, jumping to 21.4 from 0.1.

China's November residential property prices are expected **Monday**.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7534	-0.0001	-0.02
EUR – USD	1.2140	0.0003	0.02

Trading Halts

Company	Code	Resuming
Agrimin Ltd	AMN	11 Dec
APN Industria REIT	ADI	11 Dec
Cynata Therapeutics	CYP	11 Dec
Moho Resources	MOH	11 Dec
Nanoveu Ltd	NVU	11 Dec
Tempus Resources	TMR	11 Dec
Flinders Mines	FMS	14 Dec
Geopacific Resources	GPR	14 Dec
Medical Developments International	MVP	14 Dec
Musgrave Minerals	MGV	14 Dec
Poseidon Nickel	POS	14 Dec
Stemcell United	SCU	14 Dec

Suspensions *(select)*

Company	Code	Since
Adavale Resources	ADD	9 Dec
Dotz Nano	DTZ	20 Nov
Holista CollTech	HCT	10 Dec
Ovato Ltd	OVT	4 Dec
Salt Lake Potash	SO4	3 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
UMG	Today	3.9	0	0.00
PL8	16 Dec	0.4	100	4.62
CLF	17 Dec	1.5	100	4.76
MTS	22 Dec	8	100	3.63
CHC	30 Dec	18.55	40.16	2.51
CLW	30 Dec	7.3	0	6.10
GDF	30 Dec	1.8	0	5.41
GMG	30 Dec	15	0	tbc
RCT	30 Dec	8.54	0	4.08
RFF	30 Dec	2.82	0	4.45

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	MYQ	AGM (2pm)
	PDL	AGM
	TNY	AGM; Innovation session
	WBC	AGM
Mon	EM1	AGM

**US Data Tonight**

PPI	Nov
Uni of Michigan consumer sentiment (initial)	Dec

Other Overseas Data Today & Tonight

Germany	CPI (final)	Nov
Germany	Bundesbank forecasts	Dec

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Wed	AOU	AGM
	AIA	October operating statistics
	ANZ	AGM
	MXR	AGM
	MMJ	Investor update (tele 8.45am)
	RSH	AGM
Thu	CDD	AGM
	ELD	AGM
	MRM	AGM
Fri	ANP	AGM
	GCY	AGM
	IPL	AGM
	LIT	AGM
	NAB	AGM
	NUF	AGM
21 Dec	ADD	AGM
22 Dec	ALG	AGM
	OAR	AGM
	ORI	AGM
23 Dec	AR9	AGM
	SCT	AGM