

Markets

SFE 200 Futures (9.30am AEDT)	6719	2	0.0
NZX 50	11255	-30	-0.3
DJIA Futures	27926	5	0.0
S&P 500 Futures	3137	1	0.0
NASDAQ Futures	8368	4	0.1

Local Markets Commentary

The Australian market opens mid-week trade with new data in hand from China overnight, ahead of US Federal Reserve post-policy meeting outcomes and a November CPI reading tonight, plus UK elections and a European Central Bank meeting tomorrow, and amid the wait to see if new US import tariffs will be implemented 15 December on additional goods from China.

Early yesterday evening, **China** revealed new lending had grown to 1390B yuan in November, from 661.3B yuan for October.

Year-on-year November vehicle sales were also reported higher, by 3.6%.

Locally, Westpac and the Melbourne Institute publish a monthly consumer sentiment report, 10.30am AEDT.

Three new listings are also scheduled today. *Please see p2.*

In overnight commodities trade, **oil** and US **gold** futures (February) turned higher.

Iron ore (Nymex CFR China, 62% Fe) seesawed lower.

LME **copper** extended this week's gains slightly. **Nickel** swung higher, but not so **aluminium**.

The **\$A** again traded within a relatively narrow range after trading below US68.20c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27882	-28	-0.1
S&P 500	3133	-3	-0.1
NASDAQ	8616	-6	-0.1
FTSE 100	7214	-20	-0.3
DAX 30	13071	-35	-0.3
Shanghai Comp	2917	3	0.1

Overseas Markets Commentary

Caution appeared to hold sway across major European and US equities markets again overnight, ahead of a series of key reports and events through to the weekend.

Speculation grew regarding whether US-China trade negotiations would progress sufficiently to avoid the US imposing tariffs on additional goods imported from China after this coming Sunday's (US ET time) deadline.

A US administrative official appeared to caution against expectations the tariffs would not be implemented, just one day

* Agriculture biotech listing **11am AEDT – TGH** *

* Software services listing **midday AEDT – NTO** *

* Waste management listing **1pm AEDT – M8S** *

Today's Stock Watch
Westpac Banking Corporation (WBC)

Reporting 7% participation in the \$24.20-per-share SPP, which has raised ~\$770M. WBC received \$68M worth of withdrawal requests when it offered an opt-out option to retail shareholders. WBC's AGM is scheduled for tomorrow. WBC has traded at \$23.86 - \$24.44 over the past five sessions.

AMP Ltd (AMP)

AMP has appointed Minter Ellison Consulting partner and head of Australia financial services, risk and regulatory practice Rahoul Chowdry as a non-executive director, effective 1 January. Mr Chowdry is also a Reserve Bank of Australia audit committee member.

AMP non-executive director Peter Varghese AO intends to retire his position at the end of the AMP 8 May 2020 AGM.

Flight Centre (FLT)

FLT has appointed FLT EMEA MD Chris Galanty as CEO of corporate business and FLT COO Melanie Waters-Ryan as CEO of leisure business. Each position is a new role within FLT.

FLT has, in association, appointed MDs for the company's EMEA, Australia and Americas divisions. The Australia MD position is another new role created within FLT. FLT Americas MD Dean Smith is retiring at the end of FY 2020.

GrainCorp Ltd (GNC)

GNC has appointed Fonterra Co-operative Group global operations COO Robert Spurway as MD and CEO, effective following the proposed early-2020 malt business demerger.

GNC's current CEO Mark Palmquist has previously been announced as the malt business MD and CEO once the proposed merger is effected.

In addition, GNC has appointed former BHP and AGL senior executive Jane McAloon and former Australian Wool Research and Promotion Corporation finance director Kathy Grigg as non-executive directors, effective today.

GNC non-executive directors Peter Housden and Rebecca Deeb-Bradbury are intending to step down at the end of the GNC 19 February 2020 AGM.

Webjet Ltd (WEB)

In response to media speculation, WEB says it has received no 'compelling and certain' acquisition proposal.

Tabcorp Holdings (TAH)

TAH has appointed former CSR CFO Anne Brennan as a director.



after another key department head noted reasons for a possible delay.

In addition, a Mexico official confirmed a revised north American trade pact could be agreed and signed this week. The signing subsequently took place overnight, but reported too late to further influence select trade.

In the UK, campaigning ahead of tomorrow's national election appeared to spawn further uncertainty regarding the proposed UK-EU separation.

Among a plethora of overnight data releases, the **UK's** October trade deficit was reported at £5.19B, from £1.92B at the end of October.

November industrial production improved 0.1% following a 0.3% October fall. Against November 2018 however, industrial output was 1.3% lower.

October GDP growth was estimated flat as was the mean GDP for the three months to the end of October. This represented the least quarterly growth since early 2009.

Year-on-year, October GDP represented 0.7% growth.

A ZEW economic sentiment index for **Germany** rebounded to 10.7 from -2.1, the current conditions component improving to -19.9 from -24.7.

The whole of the **euro zone** economic sentiment reading came in at 11.2, from -1.

In the US, a small business optimism index gained 2.3 points to a robust 104.7.

September quarter productivity and labour costs were finalised at a 0.2% pull back and 2.5% gain, respectively, each better than anticipated.

The international **Financial Stability Board**, which includes members from the US Federal Reserve, Bank of England and European Central Bank, in the meantime released a report outlining risks from large tech companies entering the banking sector and warned that increased vigilance was required.

Tonight in the **US**, the **Federal Reserve** concludes a two-day monetary policy meeting, from which outcomes will be released early tomorrow (AEDT). Chair Jerome Powell will also host a press conference.

Among US data releases, November CPI and Treasury's November budget statement are due, together with weekly mortgage applications.

Elsewhere, the UN Security Council is scheduled to consider **North Korea's** nuclear weapons activity.

Commodities				
COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Feb)	1468.1	oz	3.2	0.2
Silver (NY) (Mar)	16.702	oz	0.06	0.4
Gold (LON)	1462	oz		
Platinum	920	oz	27	3.0
WTI Crude (Jan)	59.24	bbl	0.22	0.4
Brent Crude (Feb)	64.34	bbl	0.09	0.1
Iron Ore (NYMEX,CHN,62%)	91.36	t	-0.68	-0.7
Copper (LME,3mth,PM)	6093	t	14	0.2
Nickel	13425	t	100	0.8

Pre-Open Announcements

Terragen Holdings (* TGH)

Agriculture biotech group scheduled to list on the ASX **11am** AEDT following a \$20M IPO at 25c per share. ~177.1M quoted shares.

Nitro Software (* NTO)

Document productivity software specialist scheduled to list on the ASX **midday** AEDT following a \$110.2M IPO at \$1.72 per share. 188.93M quoted shares.

M8 Sustainable (* M8S)

Waste management and recycling specialist scheduled to list on the ASX **1pm** AEDT following a \$19.5M IPO at 20c per share. 175.5 quoted shares.

SRG Global (* SRG) / Alumina Ltd (AWC)

SRG has been deemed preferred tenderer for a \$90M, five-year asset services contract with Alcoa of Australia's alumina refinery, Kwinana, Western Australia.

Centuria Industrial REIT (CIP)

Proposing to acquire two industrial assets, via an Arnott's sale and leaseback, for a combined \$236M.

In association, conducting a fully underwritten \$154M institutional placement at \$3.41 per unit.

Trading halt consequently called this morning.

Positive evaluation update also lodged this morning.

CIP has traded at \$3.55 - \$3.68 over the past five trading sessions.

Mirvac Group (MGR)

MGR has appointed deputy company secretary Michelle Favell as interim company secretary following the resignation of Sean Ward, effective Friday this week.

Mr Ward has been MGR's company secretary for seven years.

Fletcher Building (FBU)

FBU has appointed former Woolworths Ltd and Morrisons (UK supermarket chain) CIO and previous University of New South Wales chief digital officer Dan Beecham as chief information officer.

Probiotec Ltd (PBP)

Proposing to acquire Contract Pharmaceutical Services of Australia (CPSA) business assets, including major customer contracts and plant and equipment needed to service the contracts, for \$4M cash plus an anticipated \$500,000 worth of inventory.

CPSA will operate the assets on behalf of PBP for six months.

PBP intends to fund the acquisition from cash reserves.

NetLinkz Ltd (* NET)

Demand has prompted NET to increase the size of the recent 13c-per-share placement to \$4M.

Lead manager EverBlu Capital will receive a 6% cash fee, plus



Aluminium	1753	t	-4	-0.3
Lead	1913	t	20	1.1
Zinc	2224	t	-10	-0.5
Tin	17390	t	265	1.6

Commodities Commentary

Oil – a monthly report, published overnight by US government agency the EIA, estimated growth in daily domestic crude output during 2020 at 70,000bbl lower than in previous forecasts, this time predicting a 930,000bbl rise to 13.18MMbbl/d.

Media reports speculating on US-China trade talks ahead of a 15 December new US import tariffs deadline, appeared the most influential in swinging overnight prices.

Weekly US petroleum inventories, as calculated by the EIA, are due tonight.

Gold – as with equities trade, overnight gold sentiment appeared to be capped by caution ahead of the US Federal Reserve's post-policy meeting statement and press conference tonight, tomorrow's national election in the UK, a European Central Bank policy meeting also tomorrow, and the looming weekend deadline for US import taxes to be imposed on more goods from China.

Meanwhile, flooding and associated power outages in south Africa are forcing mining site and processor shutdowns, impacting production including for key regional commodities such as gold.

Base metals – New key data releases, industry developments and warehousing movements appeared to mostly influence overnight base metals trade.

China's November **CPI**, reported yesterday, rose 0.4% for the month, following a 0.9% October rise. Year-on-year, the CPI was 4.5% higher.

Producer prices were 1.4% lower than for November 2018, against October's 1.6% year-on-year decline.

China's November **vehicle sales**, reported post-ASX trade yesterday, improved 3.6% year-on-year following a 4% October drop.

Further, **new lending** rose, indicating success in lowering key rates in order to support domestic business.

Additional information also became available for China minerals sector output, Antaie estimating major smelters in China produced 4% less refined copper cathode in October than in September, this partly attributed to maintenance. The combined 738,000t output represented an 8.9% increase on October 2018 production, ahead of an expected 760,000t for December.

Japan reported a 37.9% year-on-year slide in November machine tool orders, following a 37.4% October tumble.

Meanwhile overnight, reports emerged that **Indonesia** was planning to double *nickel* ore sales royalties to 10% from 25 December, and to place a 5% royalty on nickel pig iron sales, to support plans to manufacture battery-grade products.

Other new sales royalties included 2% tax on nickel products including hydroxide precipitate and nickel sulphide.

Ferronickel sales and nickel matte royalties are to be reduced by 50% to 2%.

one NET share per \$2 raised and one NET option per \$4 raised. NET has traded at 12c – 16.5c in the four sessions since the placement was revealed and the company resumed trade.

Southern Cross Media Group (SXL)

SXL has negotiated the refinancing of a syndicated debt facility for a further three years. The funds will be provided by six banks. Details lodged this morning.

MoneyMe Ltd (* MME)

Online lending company scheduled to list on the ASX 11am AEDT **tomorrow** following a \$45M IPO at \$1.25 per share. 169.44M quoted shares.

OpenLearning Ltd (* OLL)

Online learning service scheduled to list on the ASX 12.30pm AEDT **tomorrow** following an \$8M IPO at 20c per share. 86.53M quoted shares.

Aerometrex Ltd (* AMX)

Aerial imaging subscription-based business completed a stellar ASX listing yesterday following a \$25M IPO at \$1.00 per share. Opened at \$2.00 and traded at \$1.77 - \$2.07 before settling at \$1.835. 6.65M shares changed hands across 2066 transactions. 94.4M quoted shares.

Resources

Azumah Resources (AZM)

Ibaera Capital managing partner James Wallbank has been appointed non-executive AZM chairman, in association with Ibaera Capital affiliate IGIC obtaining an 83% AZM holding. Former AZM chairman Michael Atkins and non-executive director Debra Bakker resigned yesterday.

Energy

Paladin Energy (* PDN)

PDN has appointed former Sedgman MD and CEO Peter Watson and Conan Minerals Group MD Peter Main as non-executive directors, effective immediately.

Non-executive directors Daniel Harris, David Riekie and John Hodder are stepping down in response to shareholder feedback.

Trading Halts

Company	Code	Resuming
CCP Technologies	CT1	11 Dec
Hastings Technology Metals	HAS	11 Dec
Jaxsta Ltd	JXT	11 Dec
Peninsula Mines	PSM	11 Dec
Adveritas Ltd	AV1	12 Dec
Centuria Metropolitan REIT	CMA	12 Dec
FAR Ltd	FAR	12 Dec
Great Northern Minerals	GNM	12 Dec
Mako Gold	MKG	12 Dec



In addition, Indonesia will raise copper ore royalties to 5% and charge a 4% royalty for copper concentrate.

As with unprocessed nickel ore, bauxite ore royalties will increase 100% to 7%, against 2% aluminium royalties.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6808	-0.0002	-0.04
EUR – USD	1.1090	-0.0004	-0.04

Australian Data Today

Wstpc/MelbInstitute	Consumer sentiment	Dec
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US Data Tonight

Federal Reserve policy meeting outcomes	Dec
CPI	Nov
Budget statement	Nov
MBA mortgage applications	6 Dec

Other Overseas Data Today & Tonight

Japan	Producer prices	Nov
Japan	BSI large manufacturing	Q4

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State Gas	GAS	12 Dec
Suspensions <i>(select)</i>		
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
TV2U International	TV2	26 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SHV	Tomorrow	20	100	1.40
TAP	Tomorrow	2.5	100	0.00
PL8	Mon (16 Dec)	0.5	100	5.21
CVF	17 Dec	0.46	100	7.28
MTS	17 Dec	6	100	5.13
BWP	30 Dec	9.02	0	4.31
MGR	30 Dec	6.1	0	tbc
RCT	30 Dec	10.6	0	5.47
RFF	30 Dec	2.71	0	5.89
TCL	30 Dec	31	6.45	3.92
VCX	30 Dec	7.7	0	6.07

Reports & Events

(select)

When	Company	Report/Event
Tomorrow	ELD	AGM
	WBC	AGM
Fri	PDL	AGM
Mon (16 Dec)	WOW	AGM
17 Dec	ANZ	AGM
	ORI	AGM
18 Dec	NAB	AGM
	SLK	AGM
20 Dec	IPL	AGM
30 Dec	BEN	Interim