

Markets

SFE 200 Futures (9.30am AEDT)	6682	45	0.7
NZX 50	12846	79	0.6
DJIA Futures	30203	338	1.1
S&P 500 Futures	3695	48	1.3
NASDAQ Futures	12592	135	1.1

Local Markets Commentary

The Australian market commences mid-week trade with a major domestic bank hosting its AGM, a batch of key domestic and regional economic indicators due by late morning, new data in hand from China, Australia-China trade concerns, and largely improved overnight international equities sentiment.

Post-ASX trade yesterday, China reported a 6.3% year-on-year increase in foreign direct investment (FDI), against expectations of a 7.6% rise and following 6.4% October growth.

Locally today, Westpac and the Melbourne Institute publish their monthly **leading index** report **11.30am** AEDT.

The Australian Bureau of Statistics (ABS) reveals the results of its monthly survey of the **business impacts of Covid-19** at the same time.

An Australian government department **skilled job vacancies** report is also anticipated.

November **new home sales** are due from the HIA 11am.

Regionally today, **Japan** reports November **trade balance** 10.50am AEDT.

Initial December PMIs are expected for Japan 11.30am.

In overnight commodities trade, **oil** extended Monday's gains.

US **gold** futures seesawed higher.

Overnight LME **copper** settled little changed. **Nickel** continued higher. **Aluminium** turned lower.

The **\$A** was pushed to US75.60c after trading at ~US75.20c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30199	338	1.1
S&P 500	3695	47	1.3
NASDAQ	12595	155	1.3
FTSE 100	6513	-19	-0.3
DAX 30	13363	140	1.1
Shanghai Comp	3367	-2	-0.1

Overseas Markets Commentary

Major European and US equities markets mostly trended higher towards settlements at or near session highs overnight, the FTSE 100 a marked exception.

Today's Stock Watch
Australia & New Zealand Banking Group (ANZ)

AGM today.

MACA Ltd (MLD) / Downer EDI (DOW)

MLD is resuming from a trading halt having raised \$A59.6M in a \$A1.02-per-share institutional placement and entitlement offer.

MLD will purchase DOW's surface contract mining business Mining West for \$109M cash up-front and \$66M in deferred payments.

In addition to the institutional placement and entitlement offer, MLD will conduct a \$1.65M retail entitlement offer 21 December – 8 January. MLD has also negotiated a \$130M debt facility. MLD traded at ~\$1.04 - \$1.15 over the five sessions immediately prior to calling the halt.

Immutep Ltd (IMM)

Updates for the six clinical trials evaluating the potential of proposed cancer treatment eftilagimod alpha lodged post-trade yesterday. Further, IMM is heralding the net \$US7.7M in hand from a recent American depository shares warrants exercise, in addition to the \$A29.6M secured in November in an institutional placement.

Infratil Ltd (IFT)

Foreign Investment Review Board (FIRB) approval in hand for IFT's planned acquisition of up to 60% of Qscan Group Holdings. Anticipating achieving 56% by 22 December (Tuesday next week), the anticipated completion date.

Zoono Group (ZNO)

Sales and distribution agreements update lodged this morning.

ECS Botanics (ECS)

The Therapeutic Goods Administration (TGA) has confirmed some cannabidiol preparations will be removed from the Schedule 4 list to Schedule 3, meaning they will be available over-the-counter, rather than requiring a medical prescription.

Resources
Resolute Mining (RSG)

Selling the Bibiani gold mine, Ghana to Chifeng Jilong Gold Mining Co for a \$US5M deposit plus \$US100M on completion. Completion is anticipated by March 2021, pending regulatory and government approvals and other conditions.

Dacian Gold (DCN)

WA Mt Morgans gold project McKenzie Well RC drilling has delivered several significant-width and grade intersections. Mineralisation remains open down plunge to the south. Assays lodged this morning.



UK and European Union (EU) potential trade deal negotiators resumed talks in Brussels, with the UK PM telling his cabinet he wanted agreement, but not an 'at any cost' deal, his spokesperson adding that he remained unsure a final agreement could be achieved by year's end.

London contemplated the more onerous Covid-19 containment rules announced over the weekend, amid reports three regions in Scotland would be placed under a tighter level of restrictions.

Senior politicians for England, Northern Ireland, Scotland and Wales in the meantime reportedly discussed Christmas travel rules, agreeing to meet again tonight, to consider medical advice.

Several international reports and developments, in addition to select corporate news, supported otherwise improved overnight equities sentiment.

The Pfizer/BioNTech Covid-19 vaccine rollout was confirmed underway in the US, with health workers prioritised.

Meanwhile, expert advisers to the US FDA, also endorsed Moderna's vaccine candidate for emergency use.

US parliamentarians from both the Senate and House of Representatives were reported to be continuing to work on a compromise **funding** package, containing some Covid-19 economic relief initiatives in addition to basic funds to avoid a partial shutdown of government operations from midnight Friday.

Post-US trade Monday, **US** electoral college vote allocations confirmed Joe Biden as having secured the US presidency for the next term, helping deliver some clarity.

A run-off Senate vote in Georgia (official polling day 5 January) is yet to determine the US Senate composition.

Yesterday, **China** had published November industrial production, retail sales, fixed asset investment and unemployment updates that largely matched or exceeded expectations.

Industrial output, in particular pleased, improving by the best annualised rate in more than 1.5 years.

Among overnight **data** releases, **UK** November unemployment claims rose by 64,300 following a 29,800 October fall and forecasts of 30,000 additional claims.

October average earnings (excluding bonuses) rose 2.8%, following a 1.9% September increase and expectations of a new 2.3% gain.

The October unemployment rate was estimated at 4.9%, from 4.8% for September and following forecasts of 5.0%.

In the **US**, the New York Fed manufacturing index fell to 4.9 from 6.3.

November national industrial product was reported 0.4% higher for the month, following a 0.9% October increase.

Against November 2019, output was 5.5% lower.

November import and export prices respectively rose 0.1% and 0.6% for the month, following a respective 0.1% fall and 0.2% rise in October.

November prices were 1% and 1.1% respectively lower than for a year earlier.

Meanwhile, an IBD/TIPP economic optimism index slipped to 49 from 50.

Tonight in the **US**, the Federal Reserve announces outcomes at the conclusion of a two-day policy meeting.

Pre-Open Announcements

Pushpay Holdings (PPH)

Had expected to resume from a trading halt tomorrow, but has achieved a fully underwritten book-build \$NZ1.79-per-share clearing price for a sell down of 54.68M PPH shares (4.96%), 41.67M held by interests associated with PPH co-founder and former director and CEO Chris Heaslip, and 13.01M held by PPH executive director Chris Fowler.

Telix Pharmaceuticals (TLX)

TLX591-CDx prostate cancer imaging product new drug submission filed in Canada.

Tilt Renewables (TLT) / Newcrest Mining (NCM)

Agreement finalised to supply NCM's NSW Cadia operations with electricity and green products from the planned 400MW Rye Park wind farm for 15 years.

Under the agreement TLT will provide ~55% of anticipated output to NCM.

Auckland International Airport (AIA)

October passenger numbers dropped 68.6% year-on-year, the international passenger tally down 97.2% and domestic passenger total declining 34.9%.

Breakdown statistics lodged this morning.

DWS Ltd (DWS)

Foreign Investment Review Board (FIRB) approval in hand for HCL Australia Services' proposed acquisition of DWS.

The New Zealand Overseas Investment Office has also approved the proposed scheme and ordered it to be effected.

Aspen Group (APZ)

Aspen Karratha Village has been independently re-valued at \$16M, representing ~\$89,000 per room and a stabilised 18% yield.

APZ estimated the village carrying value at ~\$11M in the group's 30 June accounts.

APZ will review (internally) carrying values for all properties, as usual, ready for 31 December reporting.

icetana Ltd (ICE)

33.37M shares are due for release from voluntary escrow 11am AEDT 23 December (Wednesday next week).

SILK Laser Australia (SLA)

Non-surgical cosmetic procedures and products specialist completed a successful ASX listing yesterday, following an \$83.5M IPO at \$3.45 per share.

Opened at \$3.65 and traded at \$3.49 - \$3.58, settling at \$3.58.

1.08M shares changed hands across 435 transactions.

47.115M quoted shares.

Liberty Financial Group (LFG)

Stapled securities comprising one Liberty Financial Group share and one Liberty Financial Group Trust unit completed a successful ASX listing yesterday, following a \$320.7M IPO at



Data releases are expected to include November retail sales, October business inventories, Markit's preliminary December PMI readings, a home builders' housing market index and weekly mortgage applications.

Elsewhere, December PMIs are anticipated internationally from this morning through tonight.

A CPI update for the UK and October euro zone industrial production are also anticipated.

In overnight corporate news, **Apple** announced plans to lift iPhone production by 30% during first-half calendar 2021.

Eli Lilly revealed an ~\$US1B proposal to purchase gene therapy specialist **Prevail Therapeutics**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1855.3	oz	23.20	1.3
Silver (NY) (Mar)	24.644	oz	0.6	2.5
Gold (LON) (14 Dec)	1831	oz		
Platinum	1031	oz	29	2.9
WTI Crude (NYMEX Jan)	47.62	bbl	0.63	1.3
Brent Crude (ICE EUR Feb)	50.76	bbl	0.47	0.9
Iron Ore (NYMEX,CHN,62%) (14Dec)	149.60	t	-2.4	-1.6
Copper (LME,3mth Ind,PM)	7744	t	-6	-0.1
Nickel	17740	t	150	0.9
Aluminium	2028	t	-19	-0.9
Lead	2055	t	25	1.2
Zinc	2824	t	-12	-0.4
Tin	19685	t	-61	-0.3

Commodities Commentary

Oil – the **International Energy Association's** (IEA) monthly oil report, published overnight, included a warning that Covid-19 vaccines would likely not deliver any significant fuel demand recovery for several months.

Further, the IEA predicted possible new surges in Covid-19 cases and hence renewed restrictions following the end-of-year season.

In addition, the IEA cut its 2020 daily oil demand growth prediction by 50,000bbl and the 2021 forecast by 170,000bbl (to 5.7MMbbl/d).

Price gains (Brent traded as high as \$US51.06 intra-session) were supported by a weaker \$US and Covid-19 vaccination rollout optimism, plus China's November crude oil use which was reported 3.2% higher year-on-year.

For its part, US government agency the EIA predicted US shale output would fall a daily 136,000bbl during January, to 7.44MMbbl/d.

A weekly US petroleum inventories report is due tonight from the EIA.

Overnight, post-US trade an industry association's weekly report estimated a 1.97MMbbl rise in US stored crude last week.

Gold – some reported progress on a compromise US fiscal support package was cited as a significant positive influence on overnight gold trade. Some US economic indicators also benefited gold prices by boosting safe-haven interest, and the \$US traded lower.

US Federal Reserve official commentary following the overnight

\$6.00 per security.

Opened at \$6.70 and traded at \$6.60 - \$7.00, settling at \$7.00. 1.4M units changed hands across 988 trades.

Trading commenced on a conditional and deferred settlement basis.

Normal (T+2) shares is scheduled to commence tomorrow.

303.6M quoted stapled securities.

Resources

Westgold Resources (* WGX)

Mourning the subsequent passing of a worker injured at the WA Big Bell gold operation earlier yesterday.

Big Bell operations have been suspended while investigations are completed.

WGX remains in a trading halt after dropping 5.58% to \$2.625 before the halt was called yesterday.

Metals X (* MLX)

MLX has negotiated an extension of a \$A26M loan facility, from 31 January 2021 until 31 July 2021, and to increase the facility by \$A5M.

MLX has requested an immediate drawdown of the additional funds, for working capital and general corporate purposes.

MLX is paying fees equivalent to 3.5% of the initial \$26M and also the additional \$5M. These are due by COB tomorrow.

Chalice Mining (* CHN)

Confirming settlement for the purchase of three private properties (including livestock and farming assets) within the Julimar Ni-Cu-PGE project.

Consideration comprised \$7M cash plus ~2.3M CHN shares.

Six rigs are conducting step-out and resource definition drilling.

Tesoro Resources (* TSO)

Heralding additional El Zorro diamond drilling results.

Mineralisation remains open in all directions.

Assays pending for 15 holes.

Sheffield Resources (SFX)

~40% vote against adoption of the company's remuneration report recorded at yesterday's AGM.

SFX settled 21.88% higher for the session yesterday, at 39c after trading as high as 48c.

This followed the Foreign Investment Review Board's (FIRB) decision not to object to the proposed \$130M 50% acquisition of the WA Thunderbird mineral sands project by would-be JV partner YGH Australia Investment (Yansteel).

Peak Resources (PEK)

PEK has appointed Philip Rundell as company secretary and CFO, effective today.

Mr Rundell, a former 'big four' accounting firm partner, takes over from Graeme Scott.

Vango Mining (VAN)

Non-executive director Matthew Keegan has resigned from



conclusion of the last policy meeting for 2020 is keenly anticipated tonight, but will come post-US gold settlement.

The Bank of England holds a policy meeting tomorrow evening AEDT.

Base metals – Covid-19 vaccine rollouts and select data releases supported overnight LME gains, but inventories, supply disruptions, and demand scenarios in part due to the past few days' announcements of broadening Covid-19 containment restrictions, also pulled on sentiment.

Copper facility satellite surveillance data was reported overnight to have confirmed a November increase in international copper smelting, in particular in China, Europe and South America

Civil protests continued at Eramet's New Caledonia *nickel* operations, but the company reported 19,000t of ore reached one smelter and a reduced processing rate was hence able to be continued.

Yesterday, **China** reported a 7% year-on-year rise in November industrial production, in line with forecasts and following 6.9% for October.

Retail sales rose 5% after a 4.3% October increase and expectations of a 4.4% new gain.

January - November fixed asset investment grew 2.6% against forecasts of 2.7% and following 1.8% for January through October.

November unemployment slipped by 0.1% to 5.2%, defying forecasts of a 0.2% increase.

January – November *crude steel* production, as also calculated by the NBS rose 5.5% year-on-year to 961Mt.

November crude steel output fell 4.9% for the month, to 87.66Mt, but was 8% higher than for November 2019.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7558	-0.0002	-0.02
EUR – USD	1.2153	0.0001	0.00

Australian Data Today

Wstpc/Melb Inst	Leading index	Nov
Dept of Edn, Skills, Empl	Skilled vacancies	Nov
HIA	New home sales	Nov
ABS	Covid-19 business impacts	Dec
Markit	PMIs (initial)	Dec

US Data Tonight

Federal Reserve policy statement & forecasts	16 Dec
Retail sales	Nov
Markit PMIs	Dec
Business inventories	Oct
NAHB housing market index	Dec
MBA mortgage applications	11 Dec

the VAN board.

VAN has traded lower the past four sessions, settling at 6.9c yesterday.

Kogi Iron (KFE)

Pleading ignorance in response to an ASX price query regarding yesterday's 50% higher, 3.3c settlement.

KFE traded as high as 3.7c intra-session, and pointed out the information presented at yesterday's AGM was lodged in an 8 December company update.

52.11M KFE shares were traded yesterday, across 486 transactions.

AKORA Resources (* AKO)

Explorer and iron ore project developer completed an enviable ASX listing yesterday, following a \$5M IPO at 25c per share.

Opened at 32c and traded at 30c – 50c before closing at 39c. 7.9M shares changed hands across 1156 transactions.

Focused on iron ore holdings in Madagascar.

49.545M quoted shares.

Trading Halts

Company	Code	Resuming
DGO Gold	DGO	16 Dec
Emyria Ltd	EMD	16 Dec
King Island Scheelite	KIS	16 Dec
Netlinkz Ltd	NET	16 Dec
New Age Exploration	NAE	16 Dec
Peel Mining	PEX	16 Dec
Pilbara Minerals	PLS	16 Dec
Security Matters	SMX	16 Dec
Suda Pharmaceuticals	SUD	16 Dec
Aumake Ltd	AUK	17 Dec
Comms Group	CCG	17 Dec
Cycliq Group	CYQ	17 Dec
Evolve Education Group	EVODA	17 Dec
GWR Group	GWR	17 Dec
Hillgrove Resources	HGO	17 Dec
Knosys Ltd	KNO	17 Dec
Kogi Iron	KFE	17 Dec
Lithium Power International	LPI	17 Dec
Okapi Resources	OKR	17 Dec
Pacific Nickel Mines	PNM	17 Dec
Pushpay Holdings	PPH	17 Dec
Real Energy Corporation	RLE	17 Dec
Strata-X Energy	SXA	17 Dec
Superior Resources	SPQ	17 Dec
Talga Group	TLG	17 Dec
Westgold Resources	WGX	17 Dec

**Other Overseas Data Today & Tonight**

Japan	Trade balance	Nov
Japan	PMIs (initial)	Dec
UK	PMIs (initial)	Dec
UK	CPI	Nov
Germany	PMIs (initial)	Dec
Euro zone	PMIs (initial)	Dec
Euro zone	Trade balance	Oct

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Suspensions *(select)*

Company	Code	Since
Ovato Ltd	OVT	4 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Today	0.4	100	4.56
PPK	Today	2.5	100	0.35
CLF	Tomorrow	1.5	100	4.76
CVF	Fri	9	95.53	5.20
MTS	22 Dec	8	100	3.54
BGP	23 Dec	7.06	0	2.26
BWP	30 Dec	9.02	0	4.17
CHC	30 Dec	18.55	40.16	2.42
CLW	30 Dec	7.3	0	6.00
CQR	30 Dec	10.7	0	6.37
DXS	30 Dec	28.8	0	5.08
GDF	30 Dec	1.8	0	5.41
GDI	30 Dec	3.875	0	6.43
GMG	30 Dec	15	0	1.65
LEP	30 Dec	10.75	0	4.37
MGR	30 Dec	4.8	0	3.31
RCT	30 Dec	8.54	0	4.08
RFF	30 Dec	2.82	0	4.44
SCP	30 Dec	5.7	0	4.66

Reports & Events*(selected; all times AEDT)*

When	Company	Report/Event
Today	AOU	AGM
	AIA	October operating statistics
	ANZ	AGM
	MXR	AGM
	MMJ	Investor update (tele 8.45am)
	RSH	AGM
Tomorrow	CDD	AGM
	CNN	Regulatory update (tele 8am)
	ELD	AGM
	MRM	AGM
Fri	ANP	AGM
	GCY	AGM
	IPL	AGM
	LIT	AGM
	NAB	AGM
	NUF	AGM



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21 Dec	ADD	AGM
22 Dec	ALG	AGM
	OAR	AGM
	ORI	AGM
23 Dec	AR9	AGM
	SCT	AGM