

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6706	27	<b>0.4</b>
<b>NZX 50</b>	12848	19	<b>0.2</b>
<b>DJIA Futures</b>	30161	-42	-0.1
<b>S&amp;P 500 Futures</b>	3701	6	0.2
<b>NASDAQ Futures</b>	12665	74	0.6

## Local Markets Commentary

The Australian market opens today's trade with material domestic data due late morning, and details already in hand from today's national mid-year budget update, following overnight optimism regarding a potential UK-EU trade deal and possible new US economic support, amid reports of international Covid-19 case and death tallies reaching new peaks.

Today's opening will take longer than usual, each group allocated four minutes.

Also **locally** today, the Australian Bureau of Statistics (ABS) publishes November **employment** statistics **11.30am** AEDT.

**Regionally** this morning, **New Zealand** has reported **14% September quarter GDP** growth.

In overnight commodities trade, **oil** continued to climb, Brent crude settling beyond \$US51.05/bbl.

US **gold** futures also rose further, but slightly so, before swaying post-settlement on US Federal Reserve post-policy meeting commentary.

Overnight LME **copper** and **aluminium** turned variously higher. **Nickel** swung lower.

The **\$A** rose to US75.70c after trading at ~US75.75c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	30154	-45	<b>-0.2</b>
<b>S&amp;P 500</b>	3701	7	<b>0.2</b>
<b>NASDAQ</b>	12658	63	<b>0.5</b>
<b>FTSE 100</b>	6571	58	<b>0.9</b>
<b>DAX 30</b>	13566	203	<b>1.5</b>
<b>Shanghai Comp</b>	3367	-0.2	<b>-0.0</b>

## Overseas Markets Commentary

Trade across major European equities markets was buoyed early overnight by better-than-anticipated data and seemingly improved hopes of a UK-EU trade agreement.

US equities trade sentiment appeared less certain following a batch of underwhelming economic indicators, NASDAQ trade again proving the most buoyant.

The US Federal Reserve concluded a policy meeting, announcing it would extend a \$US120B-per-month government debt (\$US80B

Today's ASX24 Dec 2020 SPI 200TM futures contracts expiry means equities group opening periods will be extended to four minutes.

**Group 1 (A-B)** will open at 10:00:00 +/-15 secs and  
**Group 2 (C-F)** at 10:04:00 +/-15 secs, through to  
**Group 5 (S-Z)** opening at 10:16:00 +/-15 secs

**Australia - national mid-year budget (MYEFO)**

**Australia #2 – November employment statistics – 11.30am AEDT**

\* Mineral exploration listing – **10.30am** AEDT – **CF1** \*

\* Mobile games listing – **11am** AEDT – **PLY** \*

## Today's Stock Watch

### WPP AUNZ (WPP)

Teleconference scheduled to commence **11am** AEDT.

WPP Plc has raised its offer price for WPP from \$A55c cash-per-share to \$A70c.

In addition, WPP is forecasting 14% - 15% lower, \$607M - \$610M FY20 net sales, and \$630M - \$60M FY21 sales.

Anticipating \$59M - \$62M FY20 headline EBIT, and \$85M - \$95M for FY21.

### Unity Group (UWL)

\$50M, \$1.50-per-share oversubscribed institutional placement completed in support of the proposed Telstra Velocity assets acquisition. An SPP is scheduled for 23 December – 20 January. UWL traded at \$1.425 - \$1.54 the five sessions immediately prior to calling a trading halt.

### ELMO Software (ELO)

ELO was scheduled to host a webcast **9.30am** AEDT.

Anticipating \$A65M - \$A71M FY21 revenue, against previous guidance of \$A61M - \$A66M. This in part due to the planned acquisition of UK-headquartered expense management specialist Webexpenses. Consideration comprises an initial £20.0M in cash (51%) and scrip (49%), plus a possible ~£13M earn-out, again 51% in cash and 49% in scrip. Presentation lodged post-trade yesterday. ELO recouped 3.16% yesterday, settling at \$5.87, after dropping 8.2% the previous session.

### Crown Resorts (CWN)

Crown Sydney interim liquor licence in hand for certain non-gaming operations. The licence is valid 16 December (yesterday) through 30 April 2021. Meanwhile, the Crown Melbourne casino licence review is being brought forward.

### Energy

### Origin Energy (ORG)

ORG has appointed former APA Group (ASX: APA) MD and CEO and current Central Petroleum (ASX: CTP) chair Mick McCormack as an independent non-executive director.



Treasury bonds and \$US40B government-backed securities) program, and retaining a forecast of close-to-zero interest rates through at least 2023.

Further, the Fed offered that the debt purchases would continue until data indicated ‘substantial’ US economic recovery.

New Fed forecasts included 4.2% 2021 GDP growth, against the 4.0% predicted in September.

The 2021 unemployment forecast was revised from 5.5% to 5.0%. US parliamentarians were reported to be closer to agreement on a \$US900B economic support package, some predicting legislative voting could commence as early as tonight.

Across the Atlantic, **UK** and **European Union** (EU) representatives appeared more positive regarding a potential trade agreement.

Comments, including that negotiators had ‘found a way forward on most issues’, helped propel the British pound to an ~2.5-year peak.

Among overnight **data** releases, the **euro zone** October trade surplus was reported at €30B from €24.4B, following forecasts of €28B.

Initial December PMIs also surprised on the upside, the manufacturing index coming in at 55.5 from 53.8 and the services sector activity index jumping 5.6 points to 47.3.

Each reading had been expected to fall.

**Germany’s** preliminary December PMI estimates supported the overall euro zone result, also defying forecast declines.

The manufacturing sector index rose to an even more robust 58.6 from 57.8, and the services sector reading improved by 1.7 points to 47.7, against expectations of declines.

The **UK’s** November CPI was estimated to have fallen 0.1% for the month following a flat October reading, and against expectations of a 0.2% rise.

Compared with November 2019, inflation was calculated 0.3% higher.

The new monthly reading was attributed in part to lower clothing and food costs during renewed partial lockdowns.

In the **US**, November retail sales disappointed, falling 1.1% for the month, following a 0.1% October slip and forecasts of a new 0.3% decline.

Against November 2019 however, sales were 4.1% higher.

Markit’s preliminary December PMI readings represented various business deterioration over the past month, the services sector activity index falling to 55.3 from 58.4 and the manufacturing estimate slipping by 0.2 to 56.5.

October business inventories grew by 0.7% following a 0.8% September rise and expectations of a new 0.6% increase.

Meanwhile, a home builders’ housing market index dropped four points to 90.

**Tonight** in the **US**, weekly new unemployment claims, two regional manufacturing indices are anticipated, together with November housing starts and building permits.

Fed Ex is scheduled to report earnings.

Elsewhere, the Bank of England holds a policy meeting. Governor Andrew Bailey hosts a post-meeting press conference.

Morrisons, United Utilities and Vodafone trade ex-dividend on the FTSE 100.

## Pre-Open Announcements

### Playside Studios (\* PLY)

Mobile games developer scheduled to list on the ASX **11am** AEDT, following a \$15M IPO at 20c per share.

The games will be available at Apple App at Google Play stores. 104.79M quoted shares.

### Nine Entertainment Co (\*\* NEC)

Upgrading anticipated 1H FY21 (pre-specific items) EBITDA to 40% growth, from the previously predicted 30%.

### Credit Intelligence (\*\* CI1)

Acquiring 60% of Australian-headquartered fintech group YOZO Finance for \$1.38M, split 50:50 in cash and shares (2.25c per share). CI1 has traded at 2.3c – 2.5c for the week to date. Details lodged this morning.

### Immutep Ltd (\*\* IMM)

Planning to boost efit manufacturing. Details lodged post-trade yesterday.

### MMA Offshore (\* MRM)

Two new contracts secured, worth an estimated total \$8M. Details lodged this morning.

### Altech Chemicals (ATC)

\$12.5M better off following the company’s 4c-per-share entitlement offer.

ATC has traded at 3.9c – 4c for the week to date.

### Anteris Technologies (AVR)

Non-executive director Yanheng Wu has resigned from the AVR board, effective 15 December (Tuesday this week).

## Resources

### Westar Resources (\* WSR)

Minerals explorer scheduled to list on the ASX **10.30am** AEDT, following a \$5M IPO at 20c per share.

~30.04M quoted shares.

### Black Rock Mining (\*\* BKT)

POSCO plans to acquire 15% of BKT with a \$US7.5M investment (A8.2c-per-share) in support of Mahenge graphite project development.

In association, POSCO secures the right to take 100% of Mahenge Module 1 fines, plus a BKT board position.

BKT has traded at 8.6c – 9.8c for the week to date.

### Desert Metals (\* DM1)

Minerals explorer scheduled to list on the ASX **10.30am** AEDT **tomorrow**, following a \$5M IPO at 20c per share.

35M quoted shares.



In overnight corporate news, Texas, backed by nine other US States, launched legal action against Google (owned by **Alphabet**), alleging competition law breaches. Google is already facing two similar suits and others are foreshadowed.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1859.1</b>	oz	3.8	<b>0.2</b>
<b>Silver (NY) (Mar)</b>	<b>25.052</b>	oz	0.41	<b>1.7</b>
<b>Gold (LON) (15 Dec)</b>	<b>1851</b>	oz		
<b>Platinum</b>	<b>1028</b>	oz	-3	<b>-0.3</b>
<b>WTI Crude (NYMEX Jan)</b>	<b>47.62</b>	bbl	0.20	<b>0.4</b>
<b>Brent Crude (ICE EUR Feb)</b>	<b>51.08</b>	bbl	0.32	<b>0.6</b>
<b>Iron Ore (NYMEX,CHN,62%) (15Dec)</b>	<b>105.31</b>	t	0.71	0.5
<b>Copper (LME,3mth Ind,PM)</b>	<b>7830</b>	t	48	<b>0.6</b>
<b>Nickel</b>	<b>17390</b>	t	-187	<b>-1.1</b>
<b>Aluminium</b>	<b>2033</b>	t	3	<b>0.2</b>
<b>Lead</b>	<b>2049</b>	t	-4	<b>-0.2</b>
<b>Zinc</b>	<b>2826</b>	t	12	<b>0.4</b>
<b>Tin</b>	<b>19960</b>	t	269	<b>1.4</b>

### Commodities Commentary

**Oil** – the \$US swung and Covid-19 vaccine optimism persisted, as did reports of rising case tallies, pushing and pulling overnight prices.

A weekly US petroleum inventories report, published by government agency the EIA overnight, offered relief, including a 3.135MMbbl fall in stored crude after an industry report, published post-Tuesday trade, had estimated a new build.

Petrol stocks rose by 1.02MMbbl.

Net crude imports fell 1.848MMbbl/d.

In the meantime, the US announced sanctions against select companies based in China and the United Arab Emirates (UAE) for allegedly supporting petrochemicals sales from Iran.

**Gold** – a 0.1% lower ICE \$US index helped support US futures to another higher settlement overnight.

US Federal Reserve official commentary following the overnight conclusion of the last policy meeting for 2020 impacted post-settlement trade, futures trading at ~\$US1851.2/oz - ~\$US1859.1/oz.

The Bank of England holds a policy meeting later today and tonight.

**Base metals** – early encouraging data, inventories and Covid-19 containment hopes appeared to buoy overnight LME trade.

**Copper** approached eight-year peaks, with LME-registered warehouse stocks reported 30% lower than ~two months earlier.

In addition, post-LME trade Tuesday, US manufacturing production had been reported higher-than-forecast, this attributed to improving motor vehicle manufacturing activity.

**Japan's** November trade figures, reported yesterday, included a drop in the national trade surplus from ¥871.7B to ¥366.8B. Exports tumbled 4.2% year-on-year. Imports dived 11.1%.

The initial December manufacturing PMI estimate rose by 0.7 to 49.7, but the services PMI slipped 0.6 to 47.2.

### Trading Halts

Company	Code	Resuming
Aumake Ltd	AUK	17 Dec
Comms Group	CCG	17 Dec
Cycliq Group	CYQ	17 Dec
Evolve Education Group	EVODA	17 Dec
Hillgrove Resources	HGO	17 Dec
Knosys Ltd	KNO	17 Dec
Okapi Resources	OKR	17 Dec
Pacific Nickel Mines	PNM	17 Dec
Real Energy Corporation	RLE	17 Dec
Strata-X Energy	SXA	17 Dec
Superior Resources	SPQ	17 Dec
Westgold Resources	WGX	17 Dec
Atrum Coal	ATU	18 Dec
Catalyst Metals	CYL	18 Dec
Energy Technologies	EGY	18 Dec
Ikwezi Mining	IKW	18 Dec
Regional Express Holdings	REX	18 Dec
THC Global Group	THC	18 Dec
Tigers Realm Coal	TIG	18 Dec

### Suspensions (select)

Company	Code	Since
Netlinkz Ltd	NET	16 Dec
Ovato Ltd	OVT	4 Dec
Security Matters	SMX	16 Dec

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CLF</b>	Today	<b>1.5</b>	100	4.69
CVF	Tomorrow	9	95.53	5.10
KPG	Mon	1.33	100	3.01
EAS	Tue	5	100	3.15
MTS	Tue	8	100	3.54
BGP	Wed	7.06	0	2.26
ADI	30 Dec	4.3	0	5.71
APD	30 Dec	1.7	54.70	5.34
AQR	30 Dec	5.47	0	6.00
BWP	30 Dec	9.02	0	4.18
CHC	30 Dec	18.55	40.16	2.41
CLW	30 Dec	7.3	0	6.06
CQR	30 Dec	10.7	0	6.39
DXS	30 Dec	28.8	0	5.16
GDF	30 Dec	1.8	0	5.35
GDI	30 Dec	3.875	0	6.33
GMG	30 Dec	15	0	1.65
LEP	30 Dec	10.75	0	4.35

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7577	0.0000	0.00
<b>EUR – USD</b>	1.2199	-0.0001	-0.01

**Australian Data Today**

ABS	Workforce (incl jobs, unemployment)	Nov
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**US Data Tonight**

Housing starts	Nov
Building permits	Nov
Philadelphia Fed manufacturing index	Dec
Kansas City Fed manufacturing index	Oct
Initial jobless claims	12 Dec

**Other Overseas Data Today & Tonight**

<b>UK</b>	BoE policy statement; forecasts	17 Dec
<b>Euro zone</b>	CPI (final)	Nov
Euro zone	Domestic vehicle registrations	Nov

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MGR	30 Dec	4.8	0	3.30
RCT	30 Dec	8.54	0	4.09
RFF	30 Dec	2.82	0	4.47
SCP	30 Dec	5.7	0	4.79
VCX	30 Dec	3.4	0	4.58

**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>CDD</b>	AGM
	<b>CNN</b>	Regulatory update (tele 8am)
	<b>ELD</b>	AGM
	<b>MRM</b>	AGM
	<b>WPP</b>	Outlook (tele 11am)
<b>Tomorrow</b>	ANP	AGM
	GCY	AGM
	IPL	AGM
	LIT	AGM
	NAB	AGM
	NUF	AGM
<b>21 Dec</b>	ADD	AGM
<b>22 Dec</b>	ALG	AGM
	OAR	AGM
	ORI	AGM
<b>23 Dec</b>	AR9	AGM
	SCT	AGM

**December quarter S&P/ASX indices re-balance**

The following changes come into effect on ASX open **21 December** (Monday):

**S&P/ASX 20**

*Out:* IAG

*In:* APT

**S&P/ASX 50**

*Out:* OSH, VCX

*In:* APT, XRO

**S&P/ASX 100**

*Out:* ILU, FLT, NHF

*In:* IEL, MIN, REH

**S&P/ASX All 200**

*Out:* AVH, COE, WSA

*In:* KGN, REH

**S&P/ASX All Technology**



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*Out:* RAP  
*In:* 3DP, 4DX, BID, DTC, FDV, FZO, HTG, LBY, MMM, OTW, TNT, WBT, YOJ