

Markets

SFE 200 Futures (9.30am AEDT)	7206	10	0.1
NZX 50	12776	-1	-0.0
DJIA Futures	35902	-24	-0.1
S&P 500 Futures	4669	-41	-0.9
NASDAQ Futures	15871	-418	-2.6

Local Markets Commentary

The Australian market commences Friday trade with a further \$A appreciation, another major domestic bank hosting an AGM, together with three other large-caps, four companies scheduled to complete their ASX listings, and new data in hand from China.

Overnight US equities sentiment declined.

Locally today, no major economic reports are due for release.

New listings will be in focus however, between 10.30am and 1.30pm AEDT.

Regionally today, the **Bank of Japan** convenes a policy meeting from which a statement is anticipated **2pm** AEDT.

Post-ASX trade yesterday, **China** released November **foreign direct investment** (FDI), this rising 15.9% since November 2020, essentially in line with forecasts. October FDI had been reported 17.8% higher year-on-year.

In overnight commodities trade, **oil** picked up the pace of Wednesday's gains.

US **gold** futures swung higher to approach \$US1800/oz.

Iron ore (China port CFR, 62% fines) was pushed beyond \$US116.00/t.

LME (3mth evening) **copper** reportedly rallied as much as ~3%. **Nickel** and **aluminium** were each reported to have traded more than 1.5% higher. *Last night's LME final price updates were unavailable from IRESS at time of publication.*

The **\$A** pulled back to ~US71.85c after being pushed beyond ~US72.00c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35898	-30	-0.1
S&P 500	4669	-41	-0.9
NASDAQ	15180	-385	-2.5
FTSE 100	7261	90	1.3
DAX 30	15636	160	1.0
Shanghai Comp	3675	27	0.8

Overseas Markets Commentary

Major European and UK equities markets headed decidedly higher early overnight, but US equities sentiment turned mostly sharply lower.

* **Building & construction** listing – **10.30am** AEDT – **SHA** *

* **Electrical equipment & services** listing – **midday** AEDT – **IPG** *

* **Property development** listing – **1pm** AEDT – **WTN** *

* **Traffic management** listing – **1.30pm** AEDT – **AVD** *

Today's Stock Watch
National Australia Bank (NAB)

AGM today.

Central Travel Management (CTD) / Helloworld Travel (HLO)

CTD is set to resume trade today having conducted a fully underwritten \$75M \$21-per-share institutional placement.

A fully underwritten \$25M SPP is scheduled for 23 December – 20 January.

The funds will support CTD's planned \$175M acquisition of HLO. CTD is paying \$100M cash and \$75M in CTD shares.

CTD traded at \$22.29 - \$23.90 the five sessions immediately prior to calling a trading halt pre-trade Wednesday.

SHAPE Australia Corporation (* SHA)

Building contractor and construction manager scheduled to list on the ASX **10.30am** AEDT, following a \$2M IPO at \$1.96 per share.

83.24M quoted shares.

IPD Group (* IPG)

Electrical equipment distributor and service provider scheduled to list on the ASX **midday** AEDT, following an ~\$39.96M IPO at \$1.20 per share.

~86.29M quoted shares.

Mirrabooka Investments (ASX: MIR) holds 3.14% and Washington H Soul Pattinson & Co (ASX: SOL) 2.90%.

Winton Land (* WTN)

Property developer scheduled to list on the ASX **1pm** AEDT, following a \$NZ350M IPO at \$NZ3.887 per share.

~296.6M quoted shares.

WTN is completing an ASX foreign exempt listing with its home exchange being the New Zealand Stock Exchange (main board).

AVADA Group (* AVD)

Traffic management specialist scheduled to list on the ASX **1.30pm** AEDT, following an ~\$32.54M IPO at \$1.00 per share.

~73.27M quoted shares.



Central bank policy action and mixed economic indicators remained firmly in focus, with two central banks announcing rate rises.

The \$US continued lower after turning from three-week peaks in late Wednesday US trade.

Overnight, the **Bank of England's** (BoE) policy meeting delivered a 0.15% rate increase to 0.25%, in response to inflationary pressures.

BoE governor Andrew Bailey ventured an ~6.0% inflation rate, from 5.1% within two – three months.

Wholesale gas prices remained a key factor, and domestic and international supply and logistics constraints were expected to continue, prompting some economists to question the efficacy of higher rates.

Soon after the BoE decision, the British pound was pushed as much as 0.8% higher.

For its part, the **European Central Bank** (ECB) confirmed it was reducing bond purchases under the €1.85 trillion Pandemic Emergency Purchase Program (PEPP) and that these would come to an end in March 2022.

The ECB appeared cautious however, the policy committee retaining buying under the Asset Purchase Program, and noting it could decide to resume PEPP activity.

Further, ECB president Christine Lagarde described economic outlook risks as 'broadly balanced'.

ECB economists raised the 2021 inflation forecast to 2.6% from 2.2%, and the 2022 prediction to 3.2% from 1.7%.

The regional 2021 GDP growth forecast came in at 5.1% from 5.0%, but expected 2022 growth was calculated at 4.2% against the previously predicted 4.6%.

In the meantime, **Norway's** central bank raised its key rate overnight, to 0.50%, and indicated further moves higher were likely during 2022.

Among Covid-19 developments, the UK revealed a record number of daily cases and increasing hospitalisations. France announced travel curbs.

Earlier yesterday, **Japan's** November trade statistics and December PMIs proved disappointing against forecasts, ahead of today's Bank of Japan policy meeting and outcomes statement.

Overnight **data** releases included the **euro zone's** November trade figures included a €3.6B trade surplus, soundly undershooting expectations for €14.2B following October's €7.3B.

The December preliminary manufacturing PMI for the euro zone slipped to a nonetheless robust 58 from 58.4.

The services PMI fell 2.6 points to 53.3, following forecasts for a 1.5-point decline.

Meanwhile, September quarter wages were reported 2.3% higher year-on-year and the labour cost index to have risen by 2.5%. Forecasters had anticipated increases of 1% and 1.2% respectively.

Germany's initial December manufacturing PMI rose by 0.5 to 57.9 against expectations for a 0.5-point slip to 56.9.

The services PMI indicated a fall into contraction territory however, with a 48.4 estimate, from 52.7 for November and following forecasts for a smaller fall to 51.1.

In the **UK**, preliminary PMIs painted a similar scenario to those

Pre-Open Announcements

Bionomics Ltd (* BNO)

The BNO US IPO was priced at \$US12.35 per American Depositary Share (ADS).

BNO expected trade to commence overnight on the NASDAQ Global market, under the symbol BNOX.

Cedar Woods Properties (* CWP)

CWP has negotiated an increase and extension of a corporate finance facility.

The facility comprises a three-year tranche and a five-year tranche. Each has been extended by one year and the overall total has been boosted from \$205M to \$300M.

Qualitas Ltd (* QAL)

Real estate investor fund investment management services specialist completed a successful ASX listing yesterday, following a \$335M IPO at \$2.50 per share.

Opened at \$2.55 and slipped to \$2.50 before settling at the company's day one high of \$2.60.

1.95M shares were traded across 1130 transactions.

294M quoted shares.

Trading commenced on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence 22 December (Wednesday next week).

Xpon Technologies (* XPN)

Cloud-based marketing services specialist completed a successful ASX listing yesterday, following a \$12.5M IPO at 20c per share.

Opened at 28.5c, the company's day one high, and slipped to 22c before settling at 24.5c.

~5M shares were traded across 315 transactions.

149.547M quoted shares.

BirdDog Technology (* BDT)

Audio-visual developer and manufacturer scheduled to list on the ASX 11am AEDT **Monday**, following a \$33M IPO at 65c per share.

~204.6M quoted shares.

Energy

Bounty Oil & Gas (* BUY) / BPH Energy (BPH) / MEC Resources (MMR)

The Australian Government intends to refuse an extension for offshore Sydney Basin PEP11 for gas exploration.

PEP11 is held in JV by BUY and BPH and MMR investee company Advent Energy.

BUY says it will focus on the offshore WA Carnarvon Basin Cerberus oil and gas project.

BUY has scheduled a 2022 outlook and exploration program webinar for 10am AEDT **Monday**.



across the channel.

The manufacturing index fell by 0.5 to 57.6, roughly in line with expectations.

The services PMI dropped 5.3 points to 53.2 however, against forecasts for 57.6.

In the **US**, weekly new unemployment claims tallied 206,000, following the previous week's 188,000 and forecasts for 215,000 new claims.

The Philadelphia Fed December manufacturing index plunged to 15.4 from 39, against expectations for a seven-point decline.

The new orders component index was estimated at 13.7 from 47.4.

The Kansas City Fed manufacturing index, dropped to 10 from 17, defying forecasts for a four-point (23.5%) improvement.

Markit's preliminary December PMI estimates for the US were expected to represent slight improvements for the month.

However, the manufacturing PMI fell to 57.8 from 58.3, against a 58.5 forecast, and the services PMI declined to 57.5 from 58.0 against a 58.2 forecast.

November industrial production was reported 0.5% higher for the month, roughly matching expectations, and following a 1.7% October increase.

Output was 5.3% higher than for November 2020.

November building permits and housing starts meanwhile rose 3.6% and 11.8% respectively for the month, in contrast to respective forecasts for a 1.3% drop and 2.6% increase.

Tonight in the **US**, no major economic data releases are due.

Elsewhere, the Bank of England publishes a quarterly bulletin, containing revised outlooks. November retail sales are also anticipated for the UK. The euro zone releases a final November CPI reading. Germany reports November producer prices.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1798.2	oz	33.7	1.9
Silver (NY) (Mar)	22.485	oz	0.94	4.4
Gold (LON)	1769	oz		
Platinum	937	oz	21	2.3
WTI Crude (NYMEX Jan)	72.38	bbbl	1.51	2.1
Brent Crude (ICE EUR Feb)	75.02	bbbl	1.14	1.5
Iron Ore (Qingdao) (CHN;62%Fe)	116.06	t	5.06	4.6
Copper (LME 3mth Evening) (15Dec)	9193	t		
Nickel	19110	t		
Aluminium	2597	t		
Lead	2283	t		
Zinc	3271	t		
Tin	37962	t		

Commodities Commentary

Oil – a weaker \$US largely supported overnight prices, again ongoing varying commentary regarding likely short and medium-term demand scenarios.

Meanwhile, international travel restrictions broadened in response to Covid-19 spread.

Registration details lodged post-trade yesterday.

Advent Energy holds 85% of PEP11 and BUY 15%.

BPH trade remains suspended. MMR trade has been suspended since 17 January.

Ronin Resources (* RON)

Exploration company completed a successful ASX listing yesterday, following a \$5M IPO at 20c per share.

Opened at 22c and traded at 21c – 23c before settling at 21.5c. 3.85M shares changed hands across 239 transactions.

~28,998M quoted shares.

Holds a thermal coal project and copper and gold project, each in Colombia.

RON says the thermal coal project is the company's initial focus.

Trading Halts

Company	Code	Resuming
Audio Pixels Holdings	AKP	17 Dec
Battery Minerals	BAT	17 Dec
Corporate Travel Management	CTD	17 Dec
Frontier Digital Ventures	FDV	17 Dec
Laserbond Ltd	LBL	17 Dec
Pearl Global	PG1	17 Dec
RTG Mining	RTG	17 Dec
The Sustainable Nutrition Group	TSN	17 Dec
Emyria Ltd	EMD	20 Dec
Esports Mogul	ESH	20 Dec
Future First Technologies	FFT	20 Dec
Greenland Minerals	GGG	20 Dec
Magnis Energy Technologies	MNS	20 Dec
Matsa Resources	MAT	20 Dec
Mayur Resources	MRL	20 Dec
Montem Resources	MR1	20 Dec

Suspensions (selected)

Company	Code	Since
BPH Energy	BPH	9 Dec
Emerge Gaming	EM1	3 Dec
Geopacific Resources	GPR	15 Dec
Palla Pharma	PAL	15 Dec
VIP Gloves	VIP	24 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MTS	Tue	10.5	100	3.85
KPG	Wed	0.36	100	1.56
APA	30 Dec	25	0	5.17
CHC	30 Dec	19.66	42.37	1.74



A US petroleum drill rig report is due tonight.

Gold – prices were pushed higher overnight, in part due to a \$US fall and some sub-expectations US data releases.

Post-policy meeting statements from the Bank of England and European Central Bank produced British pound and euro appreciations.

Base metals – overnight LME trade was influenced by a wave of mixed international economic indicators, central bank pronouncements and currency swings.

The \$US fall and perceptions of central banks in control and remaining able to adapt were cited as major positive factors across trade in general.

Among supply and demand developments, some short-term production curbs were reportedly eased in Tangshan, China.

Meanwhile, MMG reportedly closed down the Las Bambas, Peru copper operation, after failing to resolve community issues. The mine was estimated to have supplied 2% of world copper.

Nexa Resources was reported to have halted production earlier in the week at a zinc operation in Peru, due to a community-led blockade.

International PMI updates, released overnight and yesterday, indicated a broad deterioration in service sector activity.

Japan's November trade statistics, also revealed yesterday, included a ¥954.8B trade deficit. Forecasters had anticipated a ¥700B deficit following October's ¥68.5B shortfall.

Japan's preliminary November PMIs undershot expectations, the manufacturing index estimated at 54.2 from 54.5 for October and following forecasts for a slight rise to 54.6.

The services PMI was calculated at 51.1 from 52.5 and followed predictions of a meagre increase to 52.6.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7182	0.0022	0.31
EUR – USD	1.1332	0.0045	0.40

Overseas Data Today & Tonight

Japan	Bank of Japan policy meeting outcomes	Nov
UK	Retail sales	Nov
UK	Bank of England bulletin	Dec
UK	GfK consumer sentiment	Dec
Germany	Producer prices	Nov
Germany	IFO business climate	Dec
Euro zone	CPI (final)	Nov
Euro zone	New domestic vehicle registrations	Dec

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CIP	30 Dec	4.33	0	4.28
CLW	30 Dec	7.62	0	5.72
CNI	30 Dec	5.5	21.81	3.05
COF	30 Dec	4.15	0	6.86
CQE	30 Dec	4.22	0	4.19
CQR	30 Dec	11.7	0	5.43
GDI	30 Dec	3.88	0	6.98
GMG	30 Dec	15	0	1.16
GOZ	30 Dec	10.4	0	4.62
MGR	30 Dec	5.1	0	3.40
NSR	30 Dec	4.6	0	3.21
RCT	30 Dec	16.58	0	7.35
RFF	30 Dec	2.93	0	3.64
SCP	30 Dec	7.2	0	4.15
TCL	30 Dec	15	0	2.65

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	GNC	AGM
	NAB	AGM
	NUF	AGM
	IPL	AGM
Mon	FBR	AGM (1pm)
	SYD	Nov

December quarter S&P/ASX indices re-balance

The following changes come into effect prior to ASX open **Monday**:

S&P/ASX 100

Out: LNK

In: ORE

S&P/ASX 200

Out: KGN, MND, NEA, OBL, RBL

In: EVT, IMU, LTR, NVX, PDN

S&P/ASX All Technology

Out: BID, HTG, LBY, LVT, NET, OTW

In: AXE, CGS, JAN



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