

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6777	-90	<b>-1.3</b>
<b>NZX 50</b>	11288	-14	<b>-0.1</b>
<b>DJIA Futures</b>	27774	-15	-0.1
<b>S&amp;P 500 Futures</b>	3113	-1	0.0
<b>NASDAQ Futures</b>	8310	0	-0.1

**Local Markets Commentary**

The Australian market commences Tuesday trade with the outcomes of today's Reserve Bank of Australia (RBA) policy meeting keenly anticipated, following weaker-than-anticipated US economic indicators and an announcement of planned new US international import tariffs, ahead of a NATO conference in the UK from this evening.

**Locally today, the RBA post-policy meeting statement is due 2.30pm AEDT.**

The Australian Bureau of Statistics (ABS) publishes September quarter current account figures **11.30am AEDT.**

In overnight commodities trade, **oil** swung higher.

US **gold** futures (February) turned slightly lower.

**Iron ore** (Nymex CFR China, 62% Fe) rose sharply, beyond \$US88.10/t.

LME **copper** continued lower. **Nickel** swung to settle slightly higher. **Aluminium** rallied.

The **\$A** was propelled to ~US68.20c after trading at US67.85c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27783	-268	<b>-1.0</b>
<b>S&amp;P 500</b>	3114	-27	<b>-0.9</b>
<b>NASDAQ</b>	8568	-97	<b>-1.1</b>
<b>FTSE 100</b>	7286	-61	<b>-0.8</b>
<b>DAX 30</b>	12965	-272	<b>-2.1</b>
<b>Shanghai Comp</b>	2876	4	<b>0.1</b>

**Overseas Markets Commentary**

Early gains across major European and US equities markets were soon eroded overnight.

There was plenty for traders to consider, in addition to Cyber Monday retail sales optimism following the records declared for Black Friday and Super Saturday.

Over the weekend, **China's** National Bureau of Statistics had reported for the first time in seven months, a manufacturing PMI that indicated expansion rather than contraction.

This was followed yesterday by Caixin's November manufacturing PMI for China, which also indicated expansion, this particular

**RBA – Policy meeting outcomes – 2.30pm AEDT**
**Today's Stock Watch**
**Imdex Ltd (IMD)**

IMD is exercising an option to acquire Flexidrill for \$NZ3M cash. Completion is anticipated by the end of January 2020.

When the MagHammer drilling innovation is commercialised, IMD will also pay \$NZ5M, 50% in cash and 50% in IMD shares. In addition, IMD will pay \$NZ22M after four years, in part comprising 10% of revenue from Flexidrill commercial products.

**Neuren Pharmaceuticals (NEU)**

European patent effectively in hand through July 2034 for the use of NNZ-2591 in treating neurodevelopmental disorders.

**Elixinol Global (EXL)**

Selling the group's 50.5% holding in Elixinol Japan to Elixinol Japan shareholder Takeshi Sakurada, for ¥1M (~\$A13,500) cash on completion, plus a deferred \$A362,715, and a 3% royalty on Elixinol Japan gross sales.

EXL anticipates realising a \$A2.2M net loss on the transaction.

EXL has traded ~3% lower each of the past two trading sessions, yesterday settling at \$1.03.

**Resources**
**Saracen Mineral Holdings (SAR)**

SAR's WA Kalgoorlie-Boulder KCGM (Superpit) JV partner Newmont Goldcorp has appointed Boddington gold project senior manager mining Ben Wessely as GM KCGM.

In addition, Newmont Goldcorp's 2020 Superpit production guidance has been set at 285,000oz at a \$US1035/oz AISC, on a 50% basis.

SAR's guidance, also on a 50% basis, is 245,000oz at \$A1470/oz.

**Energy**
**Caltex Australia (CTX)**

CTX has determined the Alimentation Couche-Tard Inc (ATD) \$A34.50-per-share proposed offer undervalues CTX, and has invited ATD to submit a new proposal based on select non-public information CTX is providing.

**Santos Ltd (STO)**

Today's investor day materials, including guidance and production target revisions, lodged pre-trade.

STO is revising anticipated 2019 production from 73MMboe – 77MMboe to 74MMboe – 76MMboe.

Expected 2019 sales volumes are now 93MMboe – 95MMboe, from 90MMboe – 97MMboe.

In addition, STO is targeting 120MMboe production by 2025, against the previous 100MMboe target.

A live webcast presentation was scheduled for 9am AEDT.

index for the second consecutive month.

However, also over the weekend, a Chinese media report had again asserted China was still requiring the removal of US import tariffs prior to any initial trade pact.

Overnight, China's foreign ministry announced sanctions against US-headquartered human rights groups in relation to support for Hong Kong's autonomy.

The US administration in the meantime, announced taxes on steel and aluminium imports from **Argentina** and **Brazil** would be reimposed, to support US producers.

Also overnight, **European Central Bank** (ECB) president Christine Lagarde met with European Parliament committee members, assuring them the bank's policy review would be underpinned by both analysis and an 'open mind' and hence would not be hurried, enabling comprehensive consultation and time for reflection ahead of any change.

Meanwhile, North Atlantic Treaty Organisation (**NATO**) leaders began arriving in London, for a two-day summit officially commencing this evening, and with NATO leaders meeting tomorrow (Wednesday).

Among overnight economic indicator releases in the **US**, the influential ISM November manufacturing index declined by 0.2, further indicating contraction, to 48.1.

Further, the employment component fell 1.1 to 46.6, and the new orders sub-index by 1.9 to 47.2.

Markit's final 52.6 US November manufacturing reading represented a 1.3-point gain further into expansion, however.

US October construction spending came in 0.8% lower for the month, following a 0.3% September pullback and against forecasts for a modest rise.

Earlier in the **euro zone**, a final 46.9 November manufacturing PMI estimate represented a one-point rise for the month.

**Germany's** final November manufacturing PMI improved two points to 44.1.

In the **UK**, the 48.9 November manufacturing PMI did not compare favourably with October's 49.6, but proved not as dour as various forecasts.

**Tonight** in the **US**, the ISM's New York business activity index is due.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1469.2</b>	oz	-3.5	<b>-0.2</b>
<b>Silver (NY) (Mar)</b>	16.966	oz	-0.14	<b>-0.8</b>
<b>Gold (LON)</b>	1460	oz		
<b>Platinum</b>	896	oz	2	<b>0.2</b>
<b>WTI Crude (Jan)</b>	<b>55.96</b>	bbbl	0.79	<b>1.4</b>
<b>Brent Crude (Feb)</b>	<b>60.92</b>	bbbl	0.43	<b>0.7</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	88.11	t	3.43	<b>3.9</b>
<b>Copper</b> (LME,3mth,PM)	<b>5860</b>	t	-11	<b>-0.2</b>
<b>Nickel</b>	13695	t	20	<b>0.2</b>
<b>Aluminium</b>	1790	t	28	<b>1.6</b>
<b>Lead</b>	1906	t	-35	<b>-1.8</b>
<b>Zinc</b>	2231	t	-47	<b>-2.1</b>
<b>Tin</b>	16490	t	-5	<b>-0.0</b>

## Pre-Open Announcements

### Treasury Wine Estates (\* TWE)

TWE has appointed former Aristocrat Leisure (ASX: ALL) CFO Toni Korsanos as an independent non-executive director, effective 1 April 2020.

Ms Korsanos is also a Crown Resorts (ASX: CWN), Webjet (ASX: WEB) and Ardent Leisure (ASX: ALG) non-executive director.

### Aurora Labs (\* A3D)

Service contract secured with Granges AB covering an RMP-1 engineering research project.

### Nufarm Ltd (\* NUF)

Investor presentation lodged pre-trade, focusing on the Nuseed seed and Beyond Yield output platforms. NUF is presenting today and tomorrow.

### Meridian Energy (\* MEZ) / Contact Energy (\* CEN)

Separate agreements secured with NZ national grid owner Transpower, for the Clutha – Upper Waitaki lines project.

### Peet Ltd (PPC)

Conference presentation lodged post-trade yesterday.

## Resources

### Bardoc Gold (\* BDC)

Significant-width, high-grade RC drilling intersections lodged this morning, following extensional drilling within the Bardoc gold project El Dorado satellite prospect.

A second drill rig is being deployed and a resource upgrade is anticipated.

### Bryah Resources (\* BYH)

Heralding new high-grade assays from RC drilling within the WA Gabanintha project Tumblegum South gold-copper prospect.

### Carawine Resources (\* CWX)

Victoria Jamieson project geophysical surveying has delivered new porphyry copper-gold targets.

### Danakali Ltd (\* DNK)

Africa Finance Corporation (AFC) has subscribed for \$US50M worth of DNK shares at A60c per share.

### Musgrave Minerals (\* MGV)

Heralding WA Cue gold project Break of Day RC drilling results which indicate high-grade 'link' mineralisation.

### Metals X (\* MLX)

Chairman Simon Heggan and MD Damien Marantelli have resigned.

Patrick O'Connor has been appointed as MLX's new chair.

Mr Marantelli will remain CEO through a transition period.

Non-executive MLX director, and Jinchuan Group nominee, Yimin Zhang wants to retire from the MLX board.

MLX has appointed APAC Resources nominee and APAC

## Commodities Commentary

**Oil** – overnight reports contained claims OPEC<sup>+</sup> was considering deepening oil cuts by a daily 400,000bbl from April 1 2020 through at least June 30.

The reports included further concerns that international supplies would swell during first-half 2020 unless further reductions were imposed.

OPEC members will meet in Vienna Thursday and OPEC<sup>+</sup> on Friday.

In the meantime, contradictory statements were delivered by the US and Iran regarding the imposition of US sanctions on Iranian crude exports, Iran's VP claiming oil sales were continuing.

The OPEC speculation helped push overnight prices higher, but weaker-than-anticipated US data appeared to cap gains.

**Gold** – Comex futures were pushed and pulled by data overnight, firstly by more encouraging manufacturing activity figures out of China, and then by US manufacturing and construction spending reports which surprised on the downside.

Additional key data is due for the US this week, not the least employment statistics Friday, ahead of a Federal Reserve policy meeting next week, meaning, gold prices could continue to fluctuate over several sessions.

Geopolitics will also feature, this week with the addition of a NATO leader's meeting tomorrow, near London, which will follow a more general NATO event in London tonight.

**Base metals** – China's official November manufacturing PMI, revealed over the weekend, represented a return to expansion, after six months of contractionary readings. This was followed yesterday by China's Caixin-calculated November manufacturing PMI, which improved 0.1 from the October reading, to 51.8.

International PMI updates also mostly improved, with the notable exception of an influential US PMI estimate, coupled with disappointing US construction spending.

Japan's November manufacturing PMI continued to indicate contraction, but rose to 48.9 from 48.4.

In metal specific news, Norsk Hydro announced plans to reduce aluminium output at a key Slovakia facility by 20% due to softening market conditions.

LME aluminium inventories for product with no specific delivery rose further, pushing the influx within the past three weeks to 42%.

In the meantime, reports emerged that buyers in Japan had received March quarter aluminium price offers, from one producer, as much as 5.2% down from December quarter offers late last week.

Further, the US president revealed he wanted to reimpose import taxes on aluminium from Argentina and Brazil. Steel imports from these two nations would also attract renewed tariffs.

Codelco reported pre-tax September earnings had dropped 57% due to adverse weather, industrial action and falling copper prices.

executive director Brett Smith as a new non-executive director.

## Energy

### New Hope Group (\* NHC)

Oakey Coal Action Alliance is appealing to Australia's High Court in relation to the Queensland Court of Appeal dismissal of an OCAA appeal regarding New Acland Stage 3.

### Trading Halts

Company	Code	Resuming
Ausgold Ltd	AUC	3 Dec
Dimerix Ltd	DXB	3 Dec
Legacy Iron Ore	LCY	3 Dec
Mach7 Technologies	M7T	3 Dec
Murray River Organics Group	MRG	3 Dec
Resource Generation	RES	3 Dec
Triton Minerals	TON	3 Dec
Vonex Ltd	VN8	3 Dec
Adslot Ltd	ADJ	4 Dec
Agua Resources	AGR	4 Dec
Armour Energy	AJQ	4 Dec
Astron Corporation	ATR	4 Dec
Centaurus Metals	CTM	4 Dec
Chase Mining Corporation	CML	4 Dec
Eon NRG	E2E	4 Dec
Global Oil & Gas	GLV	4 Dec
MRG Metals	MRQ	4 Dec
OneMarket Ltd	OMN	4 Dec
Orthocell Ltd	OCC	4 Dec
Red Emperor Resources	RMP	4 Dec
THC Global Group	THC	4 Dec
Viva Leisure	VVA	4 Dec

### Suspensions (select)

Company	Code	Since
Austar Gold	AUL	18 Nov
Authorised Investment Fund	AIY	22 Nov
CFOAM Ltd	CFO	12 Nov
Cobalt Blue Holdings	COB	2 Dec
CropLogic Ltd	CLI	19 Nov
Donaco International	DNA	2 Dec
Ellex Medical Lasers	ELX	28 Nov
EVE Investments	EVE	29 Nov
G Medical Innovations Holdings	GMV	29 Nov
Legend Mining	LEG	2 Dec
Millennium Minerals	MOY	20 Nov
NetLinkz Ltd	NET	2 Dec
Nzuri Copper	NZC	19 Nov
Pioneer Credit	PNC	2 Dec
Titan Minerals	TTM	21 Nov

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6818	0.0001	<b>-0.01</b>
<b>EUR – USD</b>	1.1082	0.0002	<b>0.02</b>

**Australian Data Today**

RBA	Policy meeting outcomes	3 Dec
ABS	Balance of payments	Sep Q
ABS	Net exports	Sep Q

**US Data Tonight**

ISM New York	Nov
Vehicle sales	Nov

**Other Overseas Data Today & Tonight**

<b>UK</b>	Construction PMI	Nov
<b>Euro zone</b>	Producer prices	Oct

**Need More Information?**

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TV2U International	TV2	26 Nov
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**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CKF	Thu	9.5	100	1.89
PDL	Thu	25	10	5.87
FPH	Fri	11.36	0	1.06
GTK	Fri	2.84	8.5	3.57
CIE	Mon (9 Dec)	1	100	4.15
KKT	10 Dec	5	100	1.41
SHV	12 Dec	20	100	1.47

**Reports & Events**

(select)

When	Company	Report/Event
<b>Today</b>	<b>STO</b>	Investor day
<b>Tomorrow</b>	TPM	AGM
<b>Thu</b>	NUF	AGM
<b>Fri</b>	ALU	AGM
	SOL	AGM

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