

Markets

SFE 200 Futures (9.30am AEDT)	6667	56	0.9
NZX 50	11311	102	0.9
DJIA Futures	27640	-3	0.0
S&P 500 Futures	3111	0	0.0
NASDAQ Futures	8297	1	0.0

Local Markets Commentary

The Australian market commences today's trade with additional influential domestic data due by late morning, and a major bank having called a trading halt, ahead of material economic indicators for the euro zone and US tonight, and following an overnight return to positive risk sentiment across international equities markets.

Locally today, the Australian Bureau of Statistic (ABS) publishes **October trade balance and retail sales 11.30am AEDT.**

CKF and PDL trade ex-dividend.

Please see p4 for a detailed ex-dividend list.

In overnight commodities trade, **oil** jumped.

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

Iron ore (Nymex CFR China, 62% Fe) swung higher again, approaching \$US88.30/t.

LME **copper** rallied. **Nickel** and **aluminium** were pushed yet lower.

The **\$A** appreciated to ~US68.50c after trading at ~US68.25c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27650	147	0.5
S&P 500	3113	20	0.6
NASDAQ	8567	46	0.5
FTSE 100	7189	30	0.4
DAX 30	13141	151	1.2
Shanghai Comp	2878	-7	-0.2

Overseas Markets Commentary

Major European equities markets jumped during first-half overnight trade, mostly maintaining rallies through to settlement.

The FTSE 100 vacillated some however, with the British pound trading at seven-month highs against the \$US and multi-year peaks against the euro, following indications next week's national election would deliver a Conservative party majority.

Key US equities indices rallied on open, sentiment not faltering amid some weaker-than-anticipated data, but with oil stocks estimated lower for the first time in six weeks.

Most overnight risk sentiment was attributed to US media report claimed trade negotiators were closer to agreeing on the extent of

Australia – trade balance and retail sales– 11.30am AEDT

Today's Stock Watch
Metcash Ltd (MTS)

\$151.6M interim net loss, following a \$95.8M net profit a year ago. 1.6% higher, \$6.29B sales revenue.

6c fully franked interim dividend. \$95.3M net debt.

MTS's results included a \$237.4M impairment, mostly due to losing the 7-Eleven contract.

Challenging outlook.

MTS has traded lower the past five sessions, settling at \$2.77 yesterday.

Treasury Wine Estates (TWE)

TWE has appointed Constellation Brands craft and specialty president Ben Dollard as TWE Americas president, effective 13 January.

Ben Dollard is taking over from Angus McPherson who has been unable to work in the Americas during the December quarter, and who will be based in Melbourne from February.

Spark Infrastructure (SPK)

SPK's cloud and ICT services subsidiary Computer Concepts (CCL) is offloading its network services division operations to CCL GM network services Mark Jurgeleit.

Mr Jurgeleit will call his new business Octave and sub-contract Octave's services to SPK.

Calix Ltd (CXL)

A CXL-led consortium has been awarded a €16M European Commission grant supporting the construction of a 100,000tpa (input) facility to capture CO2 emissions from lime and cement industry products.

The consortium plans to demonstrate commercial capability using a CXL patented separation process.

Resources
BHP Billiton (BHP)

BHP has appointed former Newmont Goldcorp CEO Gary Goldberg as an independent non-executive director, effective 1 February 2020.

Mr Goldberg is also a former Rio Tinto Minerals Inc CEO and president and was vice chair of the World Gold Council.

Energy
Whitehaven Coal (WHC)

Revising FY 2020 coal production, sales and costs guidance: production (managed ROM) to 20Mt – 22Mt from 22Mt – 23.5Mt; managed sales to 19Mt – 20Mt from 20Mt – 21Mt and costs (excl royalties) to \$A73/t - \$A75/t from \$A70/t.

any import tax reversals ahead of an initial US-China trade pact.

Among overnight data releases, November services sector activity indices varied, the **euro zone** final services PMI representing a 0.3-point decline, to 51.9.

Germany's services PMI rose by 0.1 to 51.7.

In the **UK**, the services PMI indicated contraction, falling to 49.3 from 50.0.

In the **US**, the ISM non-manufacturing index came in 0.8 lower, at 53.9.

A private sector employment report surprised on the downside, estimating 67,000 new jobs in November, against 121,000 created in October and following forecasts of up to 140,000.

Weekly mortgage applications dropped 9.2%, despite a stay on mean 30-year interest rates, at 3.97%.

Tonight in the **US**, October trade balance and factory orders are due, together with weekly new unemployment claims and a November job cuts report, ahead of national monthly employment statistics tomorrow night.

Federal Reserve vice chair Quarles will meet with a Senate banking committee.

Elsewhere, a final September quarter **GDP** reading is due for the **euro zone**.

Aluminium Corp of China, Dollar General and Tiffany & Co are scheduled to release earnings later today and tonight.

In overnight corporate news, UK fund manager **M&G** suspended trade for a £2.5B property fund, citing significant, sustained outflows.

In the US, **Alphabet's** CEO stood down.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1480.2	oz	-4.2	-0.3
Silver (NY) (Mar)	16.916	oz	-0.332	-1.9
Gold (LON)	1461	oz		
Platinum	893	oz	-15	-1.7
WTI Crude (Jan)	58.43	bbl	2.33	4.2
Brent Crude (Feb)	63.00	bbl	2.18	3.6
Iron Ore (NYMEX,CHN,62%)	88.27	t	0.62	0.7
Copper (LME,3mth,PM)	5870	t	61	1.0
Nickel	13140	t	-215	-1.6
Aluminium	1759	t	-10	-0.5
Lead	1914	t	17	0.9
Zinc	2254	t	44	2.0
Tin	16730	t	40	0.2

Commodities Commentary

Oil – weekly US petroleum inventories, as calculated by government agency the EIA and published overnight, included a 4.86MMbbl draw on stored crude, but 3.385MMbbl rise for petrol stocks.

Daily net crude imports increased by 144,000bbl.

Meanwhile, Saudi Arabia declined to comment on outcomes from **OPEC** meetings commencing today and OPEC+ tomorrow, but Iraq, Venezuela and Oman all supported at least extending

Pre-Open Announcements

Australian Ethical Investment (* AEF)

Revising interim FY 2020 underlying NPAT guidance to \$4.2M - \$4.6M, representing a median 38.7% increase on a year ago.

This is mainly due to 9% FUM growth, to \$3.72B, from 30 June through 31 October.

Magellan Financial Group (* MFG)

\$A97.715 FUM as at 29 November, against \$A93.544 at the end of October.

AppsVillage Australia (* APV)

Anticipating a 200% year-on-year increase in monthly recurring revenue during December, to \$105,000.

In addition, APV expects December quarter paying customer numbers to increase by at least 45%.

Fonterra Shareholders' Fund (* FSF)

Fonterra Co-op is raising its farmgate milk price to \$NZ7.0/kgMs - \$NZ7.6/kgMS, representing a NZ25c median increase.

Heralding FY 2020 performance and providing an update in presentation format.

CVC Ltd (* CVC)

Chairman John Read intends to retire from the CVC board effective 31 March 2020.

Mr Read has been with CVC for 34 years.

ASX Ltd (ASX)

November activity report lodged this morning.

Swift Media (SW1)

Four-year \$8M debt facility secured with Pure Asset Management. Details lodged post-trade yesterday.

Resources

Adriatic Metals (* ADT) / Sandfire Resources (SFR)

ADT has lodged high-grade drilling results this morning for the Bosnia Rupice polymetallic project.

In addition, SFR has boosted its ADT holding to 15.785%.

Marindi Metals (* MZN)

Disappointing WA Forresteria gold-lithium project Gemcutter gold prospect follow-up drilling results in hand, prompting MZN to prioritise other gold targets within the project area.

Galena Mining (* G1A)

Abra base metals project JV company Abra Mining has paid \$1.6M cash and 7M G1A shares to an individual royalty holder, to terminate a 1.25% royalty.

Abra Mining shareholder Toho Zinc's CBH Western Australia (CBHWA) subsidiary contributed the \$1.6M cash.

Associated G1A and CBHWA share subscriptions mean G1A holds 86.16% of Abra Mining and CBHWA 13.84%.



the current cuts through to December 2020.

Among the forecasters, Fitch Solutions placed 2020 Brent prices at \$US62/bbl, against a \$US64/bbl 2019 prediction, and suggested prices could fall to \$US58/bbl for 2021.

Gold – early falls were reversed overnight, when a US private sector jobs report estimated 67,000 new jobs for November, against forecasts of up to 140,000.

By settlement however, Comex futures were again trading lower.

Base metals – some overnight trade was attributed to reports of progress in the extent tariffs would be rescinded ahead of an initial US-China trade accord.

Meanwhile, China revealed quotas enabling an additional 7970t of high-grade *copper* scrap imports through to the end of the month.

Steel scrap and *aluminium* scrap quotas were also raised, by a respective 170t and 9844t.

Total China scrap imports supported by quotas were estimated at 560,662t of copper, 22,418t of steel and 473,965t of aluminium.

Vale confirmed plans to offload its New Caledonia *nickel* operations, but also to boost overall nickel output.

SK Innovation in the meantime secured up to 30,000t of *cobalt* over six years from Glencore, to support electric vehicle battery production.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6849	0.0000	0.00
EUR – USD	1.1079	0.0001	0.01

Australian Data Today

ABS	Trade balance	Oct
ABS	Retail sales	Oct

US Data Tonight

Trade balance	Oct
Factory orders	Oct
Initial jobless claims	30 Nov
Challenger job cuts	Nov

Other Overseas Data Today & Tonight

Japan	Tankan index	Dec
UK	New car sales	Nov
Germany	Factory orders	Oct
Germany	Construction PMI	Nov
Euro zone	GDP (final)	Sep Q
Euro zone	Retail sales	Oct

Energy

Energy Resources of Australia (* ERA)

The Takeovers Panel has ordered ERA to postpone the closing date of the company's entitlement offer by at least five business days and to suspend trading in new shares on a deferred settlement basis, also for a minimum five business days from today inclusive.

Melbana Energy (MAY) / Santos Ltd (STO)

STO is conditionally exercising an option to acquire 80% of WA 488 P, which hosts the Beehive prospect.

STO is discussing the drilling of Beehive-1, and hence a farm-out.

Additional details lodged post-trade yesterday.

Trading Halts

Company	Code	Resuming
De.mem Ltd	DEM	5 Dec
FBR Ltd	FBR	5 Dec
Hammer Metals	HMX	5 Dec
Threat Protect Australia	TPS	5 Dec
Uniti Group	UWL	5 Dec
Cirralto Ltd	CRO	6 Dec
CoAssets Ltd	CA8	6 Dec
Manhattan Corporation	MHC	6 Dec
Salt Lake Potash	SO4	6 Dec
YPB Group	YPB	6 Dec
Nusantara Resources	NUS	9 Dec
Primero Group	PGX	9 Dec

Suspensions (select)

Company	Code	Since
Austar Gold	AULDA	18 Nov
Authorised Investment Fund	AIY	22 Nov
CropLogic Ltd	CLI	19 Nov
Donaco International	DNA	2 Dec
Ellex Medical Lasers	ELX	28 Nov
EVE Investments	EVE	29 Nov
Legend Mining	LEG	2 Dec
Murray River Organics Group	MRG	3 Dec
NetLinkz Ltd	NET	2 Dec
Nzuri Copper	NZC	19 Nov
Titan Minerals	TTM	21 Nov
Triton Minerals	TON	3 Dec
TV2U International	TV2	26 Nov

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CKF	Today	9.5	100	1.96
PDL	Today	25	10	6.21
FPH	Tomorrow	11.36	0	1.09
GTK	Tomorrow	2.84	8.5	3.60
CIE	Mon	1	100	4.20
KKT	Tue	5	100	1.42
SHV	12 Dec	20	100	1.43
PL8	16 Dec	0.5	100	5.10
RFF	30 Dec	2.71	0	5.87
TCL	30 Dec	31	6.45	3.99
VCX	30 Dec	7.7	0	6.16

Reports & Events

(select)

When	Company	Report/Event
Today	MTS	Interim
	NUF	AGM
Tomorrow	ALU	AGM
	SOL	AGM
Tue	BOQ	AGM
Thu (12 Dec)	ELD	AGM
	WBC	AGM
Fri (13 Dec)	PDL	AGM