

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	6738	35	<b>0.5</b>
<b>NZX 50</b>	11264	-12	<b>-0.1</b>
<b>DJIA Futures</b>	28014	0	0.0
<b>S&amp;P 500 Futures</b>	3146	0	0.0
<b>NASDAQ Futures</b>	8400	0	0.0

**Local Markets Commentary**

The Australian market opens a new week's trade with influential data in hand from China over the weekend, North Korea claiming a successful 'very important' test 'of great significance' at a rocket launch site, the US president issuing a threatening response, and a large new protest rally in Hong Kong.

Yesterday, **China** reported a \$US38.73B November **trade surplus**, against \$US43.02B at the end of October.

**Exports** fell year-on-year for a fourth consecutive month, this time by 1.1%, following a 0.9% October fall.

**Imports** rose year-on-year for the first time since April, increasing 0.3% after dropping 6.5% year-on-year in October.

Also over the weekend, China reported **foreign reserves** of \$US3.096 trillion at the end of November, against \$US3.105 trillion for October.

Regionally **today, Japan** is due to reveal a final estimate for September quarter **GDP** 10.50am AEDT.

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

In overnight Friday commodities trade, **oil** was pushed higher.

US **gold** futures (February) fell.

**Iron ore** (Nymex CFR China, 62% Fe) recorded another modest gain, above \$US88.50/t. Over the weekend, China has reported a 2.4% monthly fall in iron ore imports, and 0.7% decline for January-November imports, the monthly port inventories tally falling for the first time since May.

LME **copper** settled sharply higher. **Nickel** and **aluminium** also rallied.

The **\$A** was ultimately pushed a little lower after trading at ~US68.45c early Friday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	28015	337	<b>1.2</b>
<b>S&amp;P 500</b>	3146	28	<b>0.9</b>
<b>NASDAQ</b>	8657	86	<b>1.0</b>
<b>FTSE 100</b>	7240	102	<b>1.4</b>
<b>DAX 30</b>	13167	112	<b>0.9</b>
<b>Shanghai Comp</b>	2912	13	<b>0.4</b>

\* Nutritional products listing **midday** AEDT – **NUC** \*

**Today's Stock Watch**
**McMillan Shakespeare (MMS)**

Anticipating \$83M - \$87M FY 2020 underlying NPAT, due to greater-than-expected market condition challenges.

**Medibank Private (MPL) / nib Holdings (NHF)**

Approvals in hand for MPL to lift premiums by an average 3.27%, from 1 April 2020, and for NHF to raise premiums a mean 2.90%.

**The a2 Milk Company (A2M)**

A2M has appointed former MD Geoffrey Babidge as interim CEO after MD and CEO Jane Hrdlicka agreed to step down in the face of significant travel commitments.

**SUDA Pharmaceuticals (SUD)**

Feasibility agreement secured with Sanofi-Aventis for Sanofi to conduct a feasibility study of SUD's OroMist technology and a Sanofi selected active ingredient. The agreement is scheduled to expire 30 March 2021.

**Estia Health (EHE)**

Revising anticipated FY 2020 EBITDA (mature homes) to \$78M - \$82M, following a 0.6% fall in spot occupancy 16 August – 30 November and associated sub-expectations trend for daily revenue increases.

**Novonix Ltd (NVX)**

Conditional agreement secured to supply Samsung SDI with NVX's lithium-ion battery *PUREgraphite* anode.

**Worley Ltd (WOR)**

Five-year EPC contract in hand for Sasol's Secunda Synfuels facility, South Africa.

In addition, WOR and the Republic of Uzbekistan's Atomic Energy Development Agency are forming a JV (Uzatom Worley Engineering Llc) to deliver engineering, consulting and project management services for nuclear power facilities and nuclear infrastructure in Uzbekistan.

**Creso Pharma (CPH)**

Two initial orders worth a combined \$A300,000 in hand ahead of the planned South Africa retail pharmacies launch by 31 March 2020.

**Energy**
**Viva Energy (VEA)**

Anticipating \$625M - \$655M full year 2019 underlying EBITDA (replacement cost), against \$770M for 2018. \$135M - \$165M underlying NPAT (RC) expected, following \$229M.

Teleconference scheduled to commence 10.30am AEDT.



## Overseas Markets Commentary

Significantly improved risk sentiment featured across major European and US equities markets overnight Friday.

A US economic advisor confirmed new import taxes on goods from **China** were set to go ahead from 15 December (this coming Sunday), but that the president was content with the direction of trade negotiations with China.

For its part, China had earlier announced it was ending some import taxes on select pork and soy bean imports from the US.

In the **US**, November employment statistics included the creation of 266,000 new jobs, surprising on the upside.

The unemployment rate returned to 3.5% from 3.6% and the participation rate slipped to 63.2% from 63.3%.

Wages grew 0.2% for the month, following a 0.4% October increase. Compared with November 2018, wages were 3.1% higher.

Overnight Friday data releases also included US October wholesale inventories, which rose 0.1% after a 0.7% September fall.

The University of Michigan's initial December consumer sentiment reading jumped 2.4 points to 99.2

Earlier in **Germany**, October industrial production was reported to have dropped 1.7% for the month, following a 0.6% September fall.

A **UK** November house price index rose 1%, putting prices 2.1% above those for November 2018.

**Tonight** in the **US**, a consumer inflation expectations report is due. Elsewhere, Germany reveals October trade figures. Coupled with Friday's industrial output report, these could impact regional sentiment across tonight's trade.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Feb)	<b>1465.1</b>	oz	-18	<b>-1.2</b>
<b>Silver (NY)</b> (Mar)	16.596	oz	-0.463	<b>-2.7</b>
<b>Gold (LON)</b>	<b>1476</b>	oz	1	<b>0.1</b>
<b>Platinum</b>	<b>894</b>	oz	-1	<b>-0.1</b>
<b>WTI Crude</b> (Jan)	<b>59.20</b>	bbl	0.77	<b>1.3</b>
<b>Brent Crude</b> (Feb)	<b>64.39</b>	bbl	1.00	<b>1.6</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>88.56</b>	t	0.22	<b>0.3</b>
<b>Copper</b> (LME,3mth,PM)	<b>6023</b>	t	133	<b>2.3</b>
<b>Nickel</b>	<b>13485</b>	t	205	<b>1.5</b>
<b>Aluminium</b>	<b>1762</b>	t	13	<b>0.7</b>
<b>Lead</b>	<b>1886</b>	t	-19	<b>-1.0</b>
<b>Zinc</b>	<b>2238</b>	t	0.5	<b>0.0</b>
<b>Tin</b>	<b>17040</b>	t	265	<b>1.6</b>

## Commodities Commentary

**Oil** – China's November trade figures, including record daily crude imports, are expected to influence oil sentiment today and tonight.

January – November crude imports were reported 10.4% higher

## Pre-Open Announcements

### AusNet Services (\* AST)

AST has appointed acting CFO Mark Ellul as CFO, effectively immediately.

Mr Ellul has been with AST for nine years, most recently (prior to assuming the acting CFO role) as GM finance for the regulated energy regulated energy services business.

### Evolve Education Group (\* EVO)

EVO is planning to outlay a combined \$A12.03M for five childcare centres in the Australian Capital Territory (ACT), pending satisfactory financial and legal due diligence.

If the acquisition goes ahead, EVO will boost its licensed daily child capacity by 461.

EVO has settled lower the past four sessions, closing at 12.5c Friday.

### Cann Group (CAN)

CFO Richard Baker has resigned as company secretary and CFO, effective Friday last week. Separate company secretary and acting CFO appointments lodged this morning.

### Nuchev Ltd (\* NUC)

Goat-based nutritional products manufacturer and retailer scheduled to list **midday** AEDT following a \$48.6M IPO at \$2.60 per share.

Trading will commence on a deferred settlement basis.

32.18M quoted shares.

### Platinum Asset Management (PTM)

\$24.940M FUM as at 30 November, against \$24.596M at the end of October.

### Argo Global Listed Infrastructure (ALI)

ALI has appointed former Catapult Group (ASX: CAT) CFO Mark Hall as independent non-executive director, effective Friday 6 December.

Mr Hall also previously Telstra (ASX: TLS) deputy and acting CFO, and NBN Telstra retail head.

## Resources

### Lithium Australia (\* LIT)

The first commercial shipment of Soluna energy storage products has arrived in Australia, in conjunction with the formalisation of the Soluna Australia JV with DLG Group.

### Bellevue Gold (BGL)

BGL has appointed former Northern Star Resources (ASX: NST) Paulsens and Plutonic mines manager Craig Jones as COO.

### Avenira Ltd (AEV)

AEV has appointed chairman Brett Clark to the additional role of CEO, effective Thursday 5 December.

Mr Clark is a former Rio Tinto (ASX: RIO), Tethyan Copper, Snowden Mining Consultants executive.

Mr Clark will be paid \$200,000 plus superannuation.



year-on-year.

Daily November imports were estimated at 11.13MMbbl, following 9.61MMbbl a year earlier and 10.72MMbbl for October 2019.

Export sales for refined oil products were reported 63.5% higher than for November 2018, at 7.31Mt, January – November product exports rising 14.2% to 60.22Mt.

**OPEC** and **OPEC+** meetings concluded Friday with a decision to further cut daily output by a combined 500,000bbl, from January through the end of March, this boosting end-of-week Brent crude and WTI prices.

Notably, the increase was not set to commence from the 31 March expiry of the current 1.2MMbbl/d curb agreement, and will be reviewed at meetings scheduled for 5 – 6 March.

Brent crude settled ~6.5% higher for the week, and WTI up 7.3%. A weekly US petroleum drill rig count, published overnight Friday, included five fewer operational oil rigs, this representing a seventh consecutive week of declines.

Over the weekend, Iran touted a draft budget that was designed to circumvent the nation's dependence on oil income and US sanctions. The budget included a forecast 40% drop in oil, gas and condensate revenues for the financial year commencing 20 March.

In E&P news, Mexico heralded an up to 500MMbbl find in Tabasco state, with initial production expected to commence next year.

**Gold** – overnight Friday equities trade featured relatively strong risk sentiment, detracting from gold interest, on encouraging US-China trade signals from China and a better-than-anticipated US November job creation tally.

Speculation ahead of this week's US Federal Reserve policy meeting, plus detail within the post-policy meeting statement, will influence this week's gold trade.

**Base metals – China's** November **trade** figures, reported over the weekend, will influence at least some of tonight's trade. **Copper** concentrate imports notably rose ~12.7% for the month. Unwrought **aluminum** exports rose 4.9% for the month, but represented a 14.7% drop from a year earlier.

**Overnight Friday** trade was supported by China's offer to roll back taxes on some pork and soy bean imports from the US, another assuring statement from China of administrative support for economic domestic growth, plus strong job creations figures reported by the US.

A disappointing industrial production report for Germany curbed overall gains, however.

Meanwhile, earlier Friday, Indonesia had estimated 70Mt nickel capacity by 2022, against 91Mt for 2021.

November CPI growth and producer prices are due for China tomorrow.

Since last week, speculation has increased that China's Central Work Conference will this month set an ~6.0% domestic annual growth target. Further commentary this week is expected to influence base metals trade sentiment.

## Energy

### Norwest Energy (\* NWE) / Mineral Resources (MIN)

NWE has approved the JV drilling of the Lockyer Deep-1 well, EP368, onshore Perth Basin, WA.

NWE says it is fully-funded for its 20% working interest participation.

MIN subsidiary Energy Resources 80% and operator.

### Trading Halts

Company	Code	Resuming
BPH Energy	BPH	9 Dec
Cyprum Metals	CYM	9 Dec
Esports Mogul	ESH	9 Dec
Great Northern Minerals	GNM	9 Dec
Lodestar Minerals	LSR	9 Dec
Nusantara Resources	NUS	9 Dec
Panoramic Resources	PAN	9 Dec
Pure Minerals	PM1	9 Dec
Roots Sustainable Agricultural Technologies	ROO	9 Dec
SenSen Networks	SNS	9 Dec
AppsVillage Australia	APV	10 Dec
HeraMed Ltd	HMD	10 Dec
MinRex Resources	MRR	10 Dec
Pacific Current Group	PAC	10 Dec
RooLife Group	RLG	10 Dec

### Suspensions (select)

Company	Code	Since
Authorised Investment Fund	AIY	22 Nov
CoAssets Ltd	CA8	6 Dec
CropLogic Ltd	CLI	19 Nov
Donaco International	DNA	2 Dec
Ellex Medical Lasers	ELX	28 Nov
Legend Mining	LEG	2 Dec
Murray River Organics Group	MRG	3 Dec
Nzuri Copper	NZC	19 Nov
Titan Minerals	TTM	21 Nov
Triton Minerals	TON	3 Dec
TV2U International	TV2	26 Nov

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CIE</b>	Today	<b>1</b>	100	4.06
KKT	Tue	5	100	1.43
SHV	Thu	20	100	1.45
PL8	16 Dec	0.5	100	5.10
MTS	17 Dec	6	100	4.87
RCT	30 Dec	10.6	0	5.19

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6835	0.0003	0.05
<b>EUR – USD</b>	1.1057	0.0001	0.01

**US Data Tonight**

Consumer inflation expectations	Nov
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**Other Overseas Data Today & Tonight**

<b>Japan</b>	GDP (final)	Sep Q
Japan	Eco watchers survey	Nov
<b>Germany</b>	Trade balance	Oct
<b>Euro zone</b>	Sentix investor confidence	Nov

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RFF	30 Dec	2.71	0	5.84
TCL	30 Dec	31	6.45	3.91
VCX	30 Dec	7.7	0	6.05

**Reports & Events**

(select)

When	Company	Report/Event
<b>Tomorrow</b>	BOQ	AGM
<b>Thu</b>	ELD	AGM
	WBC	AGM
<b>Fri</b>	PDL	AGM

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