

Markets

SFE 200 Futures (9.30am AEDST)	6008	22	0.4
NZX 50	8193	6	0.1
DJIA Futures	24244	-30	-0.1
S&P 500 Futures	2648	0	0.0
NASDAQ Futures	6369	14	0.2

Local Markets Commentary

The Australian market opens a new month's trade on positive US equities leads, mixed overnight commodities trade, on a Friday, and ahead of influential regional data.

Caixin's November manufacturing PMI estimate for China is scheduled for release **12.45pm** AEDST.

Japan is due to publish additional October figures, including CPI at **10.30am** AEDST. A final November manufacturing PMI is also expected today.

In overnight commodities trade, **gold** fell further. **Oil** turned higher. **Iron ore** (China port, 62% Fe) rose for a second consecutive session, to breach \$US68/t. LME **copper** settled essentially flat. **Nickel** swung decidedly lower.

The **\$A** was pushed lower, to ~US75.65c, from ~US75.85c early yesterday evening.

Locally pre-trade, AIG publishes its November manufacturing activity index.

CoreLogic also releases a monthly capital city residential property price report today.

The Reserve Bank of Australia (RBA) also publishes a monthly commodity price report, but this will come post-trade.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24272	332	1.4
S&P 500	2648	22	0.8
NASDAQ	6874	50	0.7
FTSE 100	7327	-67	-0.9
DAX 30	13024	-38	-0.3
Shanghai Comp	3317	-21	-0.6

Overseas Markets Commentary

Major European and US equities trade diverged markedly overnight.

Optimism regarding sufficient support for likely new **US** tax legislation supported the DJIA to a new peak and the S&P 500 towards a record settlement, in turn spawning some record 'contagion' sentiment and keeping the financial sector in favour.

The **\$US** fell, however, onlookers citing reports of a possible US Secretary of State change. The FTSE 100 fell further as the British pound traded at a new two-month peak against the **\$US**.

New **US** data releases included personal-consumption expenditures (PCE), which rose 0.1% during October and 1.6% year-on-year.

October personal income and spending, were reported at 0.4% and 0.3% for the month

China – Caixin manufacturing PMI expected **12.45pm** AEDST

Japan – October CPI **10.30am** AEDST

* Food manufacturer listing **11am** AEDST – **BAH** *

* Minerals explorer listing **11.30Am** AEDST – **A1C** *

Today's Stock Watch

Telstra Corporation (TLS)

Reducing expected FY 2018 income from \$28.3B - \$30.2B to \$27.6B - \$29.5B.

NBN receipts are now expected to come in at \$1.4B - \$1.9B, against previous \$2.0B - \$2.5B guidance.

TLS capital expenditure is expected to remain at \$4.4B - \$4.8B.

The reductions are in part due to NBN Co having suspended network rollout work due to performance issues.

TLS is maintaining 22c guidance for total FY 2018 dividends.

Tatts Group (TTS) / Tabcorp Holdings (TAH)

The Australian Competition & Consumer Commission (ACCC) has decided it will not seek a judicial review of the Australian Competition Tribunal's (ACT) decision to conditionally authorise the proposed TAH acquisition of TTS.

Billabong International (BBG)

Boardriders Inc is offering BBG \$1 cash-per-share in an indicative, non-binding proposal.

19% BBG shareholder Oaktree Capital Management holds a majority interest in Boardriders via various funds. Oaktree is also one of two BBG senior lenders.

BBG traded at 71c - 80.5c yesterday and has granted Boardriders due diligence.

Fonterra Shareholders' Fund (FSF)

Trading halt called ahead of an anticipated Arbitration Tribunal decision today, regarding a whey protein concentrate recall, on precautionary grounds in 2013, and a subsequent dispute with Danone.

Macmahon Holdings (MAH) / Dacian Gold (DCN)

MAH has been awarded a five-year open pit mining services contract with DCN's WA goldfields Mount Morgans gold project.

Mining is expected to commence before year's end, and to ramp to 200,000ozpa.

Zenith Energy (ZEN)

ZEN has been named preferred bidder to build, own and operate a 62MW power station at Newmont Mining's Tanami gold mine. The work is expected to boost ZEN earnings from FY 2020.

Nuheara Ltd (NUH)

New certification in hand enabling NUH to sell its IQbuds in China, Hong Kong, Japan, Russia, Singapore and Taiwan.

Bojun Agriculture Holdings (* BAH)

Fruit food and beverage manufacturer scheduled to list **11am** AEDST following a \$7.66M IPO at 30c per share. 121.5M shares.

Resources

AIC Resources (* A1C)

Explorer scheduled to list **11.30am** AEDST following a \$10M IPO at 20c per share. 56.5M shares.

respectively.

The Chicago PMI fell 2.3 points to a nonetheless strong 63.9.

In the **euro zone**, November year-on-year CPI growth was reported in an initial estimate at 1.5%, from 1.4% for October. Forecasters had expected 1.6%.

Tonight in the US, October's CPI reading, ISM's November manufacturing index and October construction spending are keenly anticipated. Monthly motor vehicle sales are also due and a revised Markit manufacturing PMI.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1277	oz	-9.5	-0.7
Silver (NY) (Mar)	16.5	oz	-0.1	-0.6
Gold (LON)	1280	oz	-4	-0.3
Platinum	941	oz	3	0.3
WTI Crude (Jan)	57.4	bbl	0.1	0.2
Brent Crude (Jan)	63.6	bbl	0.5	0.7
Iron Ore (CHN port 62%)	68.1	t	0.2	0.5
Copper	6762	t	2	0.0
Nickel	11110	t	-410	-3.6
Aluminium	2048	t	-20	-1.0
Lead	2470	t	35	1.4
Zinc	3156	t	-1	-0.0
Tin	19620	t	95	0.5
CBT Wheat (Dec)	4.09	bshl	-0.07	-1.8

Commodities Commentary

Oil – OPEC's production cap agreement was extended for nine months past March 2018, with the support of several non-OPEC producers. OPEC members Nigeria and Libya have been included for the first time in the new curb deal.

Prices reportedly swung intra-session, in part due to some participants claiming before the announcement, that the arrangement would likely be reviewed mid-2018.

A weekly US petroleum rig count is due tonight.

Gold – prices were pushed lower again, despite a \$US decline, as US equities drew support.

Influential US data could influence some of tonight's trade, in addition to any tax legislation progress.

Base metals – some end-of-month positioning, currency turns, data and supply-demand talk pushed and pulled various prices overnight.

China's official November manufacturing PMI, reported yesterday, came in at 51.8, against 51.6 for October.

A Caixin manufacturing PMI for China is due today.

In addition, **Japan** reports October CPI and a final November manufacturing PMI.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7559	-0.0007	-0.09
EUR – USD	1.1893	-0.0011	-0.09

Australian Data Today

AiG	PMI	Nov
CLgc	Capital city rsdntl propty prices	Nov
RBA	Commodity price index	Nov

Pre-Open Announcements

Dicker Data (* DDR)

Networking security specialist Juniper Networks has appointed DDR as its Australian distributor as from today.

Cann Group (* CAN)

Conducting a fully-underwritten \$50M institutional placement and \$10M SPP, each at \$2.50 per share.

The SPP is scheduled for 14 December – 15 January. Major CAN shareholder Aurora Cannabis will boost its holding from 19.9% to 22.9%.

CAN remains in a trading halt, having last traded at \$3.00.

Noxopharm Ltd (NOX)

NOX US subsidiary Nyrada Inc is planning a \$A6M placement at \$4.00 per common share to select non-US investors. The placement offer is opening today and is expected to close 15 December.

Integral Diagnostics (IDX)

IDX financial controller and interim CFO Anne Lockwood has been appointed officially as CFO, effective today.

Cape Range (CAG)

Accounting and business intelligence software developer completed its ASX listing yesterday, following a \$5.6M IPO at 20c per share.

Opened at 22c and rose to 22.5c before settling at 20.5c. 502,500 shares were traded across 28 transactions.

~34.74M shares. iFREE Group (International) holds 36.66%.

Resources

Doray Minerals (* DRM) / Westgold Resources (* WGX)

An exclusive MoU covering Gnaweeda project discussions expired yesterday without agreement. Informal discussions are expected to continue, however.

Battery Minerals (* BAT)

Mozambique Montepuez graphite project update lodged this morning, highlighting the appointment of lead design engineers, the commencement of recruitment for senior development positions and the ordering of the primary crusher. David Flanagan executive chairman.

Matsa Resources (MAT)

Heralding Red Dog gold project drilling which has confirmed 'shallow and consistent mineralisation with strong potential for further mineralisation'.

First Cobalt Corp (FCC)

Explorer and cobalt project developer FCC completed its ASX listing yesterday. The listing came following the merger of the former Cobalt One had merged and British Columbia-headquartered FCC.

Opened at \$1.50 and slipped to \$1.40 before settling at \$1.44. ~578,000 shares changed hands across 67 trades.

Trading commenced on a deferred settlement basis. Normal (T+2) trade is expected to commence Monday. ~106.97M CDIs/shares.

Kirkland Lake Gold (KLA)

Gold miner and explorer completed its ASX listing yesterday as a foreign-exempt listing. KLA is listed on the TSX. 1M CDIs/shares.

US Data Tonight

CPI	Oct
ISM manufacturing	Nov
Construction spending	Oct
Markit PMI manufacturing (rev)	Nov
Vehicle sales	Nov

Other Overseas Data Today & Tonight

China	Caixin PMIs	Nov
Japan	CPI	Oct
Japan	PMI manufacturing (final)	Nov
Japan	Household spending	Oct
Japan	Unemployment	Oct
UK	PMI manufacturing	Nov
Germany	PMI manufacturing (final)	Nov
Euro zone	PMI manufacturing (final)	Nov

Need More Information?

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Trading Halts

Company	Code	Resuming
Cokal Ltd	CKA	1 Dec
Getswift Ltd	GSW	1 Dec
Tanga Resources	TRL	1 Dec
Tyranna Resources	TYX	1 Dec
Cann Group	CAN	4 Dec
European Cobalt	EUC	4 Dec
Fatfish Internet Group	FFG	4 Dec
Invigor Group	IVO	4 Dec
Kangaroo Island Plantation	KPT	4 Dec
Marmota Ltd	MEU	4 Dec
Quantum Resources	QUR	4 Dec
Fonterra Shareholders' Fund	FSF	5 Dec
Threat Protect Australia	TPSDC	5 Dec

Suspensions (selected)

Company	Code	Since
Bisan Ltd	BSN	2 Nov
Dawine Ltd	DW8	30 Nov
FE Ltd	FEL	22 Nov
Genera Biosystems	GBI	29 Nov
Global Energy Ventures	GEV	30 Nov
iCandy Interactive	ICI	15 Nov
Ishine International Resources	ISH	28 Nov
JustKapital Ltd	JKL	22 Nov
Marquee Resources	MQR	15 Nov
OrotonGroup Ltd	ORL	30 Nov
Red Emperor Resources	RMP	8 Nov
Winha Commerce & Trade	WQW	1 Dec
WPG Resources	WPG	30 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
USR	Today	15	0	3.92
EVO	Mon	2.26	0	6.62
MSG	Mon	0.1	0	4.17
ALL	Tue	20	100	1.32
FPH	Tue	~7.90	0	1.59
CKF	Wed	8	100	2.81
BTT	Thu	26	25	4.11

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	PMV	AGM
Mon	RIO (Plc)	Investor seminar
Tue	CSL	R&D briefing
Wed	SGH	AGM
	TPM	AGM