

Markets

SFE 200 Futures (9.30am AEDT)	5638	-10	-0.2
NZX 50	8772	-21	-0.2
DJIA Futures	24573	2	0.0
S&P 500 Futures	2646	-7	-0.3
NASDAQ Futures	6752	-17	-0.3

Local Markets Commentary

The Australian market opens Friday trade with new data out of China overnight, ahead of a batch of further influential data today, and with S&P/ASX quarterly indices rebalance details in hand.

Post-ASX trade yesterday, **China** reported a 26.3% tumble in year-on-year November foreign direct investment (FDI) to 92.11B yuan.

January – November FDI came in 1.3% lower, at 793.27B yuan (\$US115.54M).

China's November industrial production, fixed asset investment and retail sales figures are due for release **1pm AEDT**.

Locally today, S&P/ASX quarterly indices rebalance lists, published this morning, will influence some trade.

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

US (February) **gold** futures turned to settle lower.

Iron ore (China port 62% Fe) picked up the pace of Wednesday's gain.

LME **copper** settled slightly higher.

The **\$A** slipped to ~US72.20c after trading at ~US72.35c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24597	70	0.3
S&P 500	2651	-0.5	0.0
NASDAQ	7070	-28	-0.4
FTSE 100	6878	-3	0.0
DAX 30	10925	-5	0.0
Shanghai Comp	2634	32	1.2

Overseas Markets Commentary

Marked choppy trade underscored skittish sentiment across major European and US equities markets overnight.

Trade relations commentary from both the US and China, including from agricultural and tech component producers, remained in focus.

The **European Central Bank's** (ECB) post-policy meeting statement confirmed the end of a dedicated monthly bond purchase program come year's end.

ECB president Mario Draghi assured the bank would keep supporting regional progress, however, warning growth was slowing, along with inflation, and that political disquiet was growing.

Promises included re-investing maturing securities.

The ECB cut its 2019 and 2018 euro zone GDP growth forecasts each by 0.1% to 1.7% and 1.9% respectively.

China – industrial production, fixed asset investment, retail sales **1pm AEDT**

* Mineral exploration listing **1pm AEDT** – **YAL** *

S&P/ASX indices – quarterly rebalance announced

Please see **below**

Today's Stock Watch

CSR Ltd (CSR)

MD and CEO Rob Sindel intends to step down from his CSR roles within a year.

GWA Group (GWA)

Proposing to acquire New Zealand-headquartered Methven Ltd under a scheme arrangement which will effectively cost GWA ~\$A112M (\$NZ118M).

GWA says it will fund the purchase from existing debt facilities. A 19.9% Methven shareholder has committed to the scheme.

CIMIC Group (CIM)

Commencing a new 10% (~\$1.4B), 12-month buy-back 29 December.

Villa World (VLW)

Cancelling \$40M FY 2019 NPAT guidance.

Anticipating \$16M - \$17M interim NPAT and an 8c interim dividend. Update promised with interim results, 13 February.

Resources

West African Resources (WAF)

\$A43.2M placement completed at A25c per share. WAF has traded at 23.5c – 25.5c the past five trading sessions.

Yandal Resources (* YAL) / Northern Star Resources (NST)

Gold explorer scheduled to list on the ASX at **1pm AEDT** following a \$5M IPO at 20c per share. 29.25M quoted shares. NST holds 15.0%.

December quarter S&P/ASX indices re-balance

The following changes will be effected as the ASX opens **24 December**:

S&P/ASX 20

Out: ORG

S&P/ASX 50

Out: URW

S&P/ASX 100

Out: CSR, HVN

In: NEC, WOR

S&P/ASX All Australian 50

Out: ORI

S&P/ASX All Australian 200

Out: CLQ, JHC

In: COE, PNI

The 2019 inflation growth forecast was also lowered by 0.1%, to 1.6%.

Among overnight data releases, **US** November import prices tumbled 1.6% for the month, on oil price drops, and came in 0.7% higher year-on-year.

Export prices fell 0.9% during November and rose 1.8% year-on-year.

Weekly new unemployment claims dropped 27,000, and the four-week moving average by 3750.

November Treasury budget figures revealed a record budget deficit, due to 18% higher, \$US411B spending and effectively flat \$US206B revenue.

This, against a \$US139B November 2017 gap.

Germany's final November CPI readings were confirmed at 0.1% growth for the month and 2.3% year-on-year. The respective figures for October were 0.2% and 2.5%.

Earlier, **Italy** revealed it had conceded to some European Commission (EC) concerns regarding its proposed deficit-GDP ratio following a meeting on Wednesday.

Tonight in the US, November retail sales, industrial production and business inventories are due, together with initial December PMIs.

Elsewhere, a European Council meeting is expected to prove contentious, given the UK PM's decision to push back a parliamentary vote on European Union (EU) separation plans, pending further EU talks and potential assurances regarding timelines, including for a Republic of Ireland customs border.

In the meantime, the UK PM has pushed back a new parliamentary vote on proposed arrangements until an undisclosed January date.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1247	oz	-2.6	-0.2
Silver (NY) (Mar)	14.86	oz	0.00	0.0
Gold (LON)	1245	oz		
Platinum	794	oz	-8	-1.0
WTI Crude (Jan)	52.6	bbl	1.4	2.8
Brent Crude (Jan)	61.45	bbl	1.3	2.2
Iron Ore (CHN port 62%)	67.65	t	1.0	1.4
Copper (LME,3mth,PM)	6155	t	15	0.2
Nickel	10850	t	55	0.5
Aluminium	1932	t	-7	-0.4
Lead	1949	t	-27	-1.4
Zinc	2566	t	-4	-0.2
Tin	19400	t	75	0.4
CBT Wheat (Dec)	5.28	bshl	0.13	2.4

Commodities Commentary

Oil – a monthly report from the International Energy Agency (IEA), published overnight, warned of a crude deficit by the June quarter 2019, reversing a November prediction of surplus stocks through 2019. The IEA backed its new forecast by mostly citing last weekend's OPEC-led 1.2MMbbl/d production cut agreement, planned for six months from 1 January, and Canada's new pipeline constraint-led output cuts. In addition, despite US government agency the EIA reporting a rise in stored crude at the Cushing, Oklahoma centre for the week to 8 December, Genscape estimated an 822,000bbl drawdown for the week to 11 December.

Pre-Open Announcements

DuluxGroup Ltd (** DLX)

Morgans has placed an 'add' on DLX.

SCA Property Group (** SCP)

The total value of SCP's investment properties grew by \$699.3M to \$31.1531B from June to December.

The tally includes \$10M worth of completed developments and \$677.9M worth of acquisitions.

SCP plans to pay a 7.25c interim distribution.

Planning to release interim results ~5 February.

Aveo Group (* AOG)

AOG has bought back and cancelled 100,000 stapled securities since 24 September.

580,737,672 AOG stapled securities remain on issue.

Meridian Energy (MEZ)

November operating statistics lodged this morning.

Tymlex Group (TYM)

Software developer completed its ASX listing yesterday, following a \$5.32M IPO at 22c per share.

Opened at 16c and traded as high as 16.5c before settling at 15c. ~2.765M shares changed hands.

56.76M quoted shares.

EMVision Medical Devices (* EMV)

Medical imaging technology specialist completed a successful ASX listing yesterday, following a \$6M IPO at 25c per share.

Opened at 28.5c and traded at 28c - 30.5c before settling at 30.5c. ~1.78M shares changed hands.

39.00M quoted shares.

Resources

Cobalt Blue Holdings (COB)

Non-executive director Matthew Hill has resigned, effective yesterday.

COB expects to announce another board appointment 'shortly'.

Inca Minerals (ICG)

Company secretary and director Justin Walawski has resigned from his ICG roles, effective 22 January.

Energy

Origin Energy (** ORG)

Morgans has placed an 'add' on ORG.

Meanwhile, S&P is removing ORG from the S&P/ASX 20 index, effective 24 December.

Tap Oil (TAP)

New offshore Thailand Manora oil field off-take agreement in hand, effective for 12 months from 1 January.

Additional details lodged this morning.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	PDL	AGM
Wed	ANZ	AGM
	NAB	AGM
	ORI	AGM
	SYD	Nov stats



The IEA in the meantime maintained a forecast of 1.3MMbbl/d demand growth in 2018, and 1.4MMbbl/d for 2019.

A weekly US petroleum rig count is due tonight.

Gold – prices were pushed lower overnight, in part due to a \$US rise.

Data out of China, Japan, the euro zone and US today and tonight are considered likely influences on late-week gold prices.

In the meantime, BNP Paribas has maintained a \$US1145/oz 2019 gold price and \$US14.20/oz for silver. The bank cited gold-backed ETFs when pointing to persistent relatively low demand, and nominated US government bonds as a more favourable safe-haven investment.

Base metals – China's industrial production, fixed asset investment and retail sales figures, due today, will influence at least some of tonight's trade.

Yesterday, Henan Zhongfu Industrial announced it had suspended a 250,000tpa Henan province aluminium smelting business in favour of ultimately adding this capacity to operations in Sichuan province.

Underlying reasons included Henan winter regulations and Sichuan hydropower.

China's November property prices are expected over the weekend.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7224	0.0001	0.01
EUR – USD	1.1359	0.0000	0.00

US Data Tonight

Retail sales	Nov
Industrial production	Nov
Business inventories	Nov
Markit PMIs (prelim)	Dec

Other Overseas Data Today & Tonight

China	Industrial production	Nov
China	Fixed asset investment	Jan-Nov
China	Retail sales	Nov
Japan	Industrial production (final)	Oct
Japan	PMI manufacturing (prelim)	Dec
Japan	Tankan large manufacturing	Q4
Germany	PMIs (prelim)	Dec
Euro zone	PMIs (prelim)	Dec

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Thu	DLX IPL	AGM AGM
Fri (21 Dec)	AIA	Nov stats

Trading Halts

Company	Code	Resuming
Bass Metals	BSM	14 Dec
Data Exchange Network	DXN	14 Dec
Litigation Capital Management	LCA	14 Dec
BidEnergy Ltd	BID	17 Dec
Blackstone Minerals	BSX	17 Dec
Cardno Ltd	CDD	17 Dec
Flinders Mines	FMS	17 Dec
Kalium Lakes	KLL	17 Dec
Syntonic Ltd	SYT	17 Dec
Tikforce Ltd	TKF	17 Dec

Suspensions (select)

Company	Code	Since
Chapmans Ltd	CHP	7 Dec
Coolgardie Minerals	CM1	13 Dec
Department 13 International	D13	23 Nov
Eneabba Gas	ENB	10 Dec
IndiOre Ltd	IOR	12 Dec
MMJ Group Holdings	MMJ	12 Dec
Phosphagenics Ltd	POH	12 Dec
Planet Gas	PGS	23 Nov
Range Resources	RRS	10 Dec
Sterling Plantations	SBI	27 Nov
Wollongong Coal	WLC	13 Dec
Zyber Holdings	ZYB	28 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
IAB	Mon	29	100	0.00
PL8	Tue	0.5	100	tbc
APA	28 Dec	21.5	0	5.18
BWP	28 Dec	8.93	0	4.89
CHC	28 Dec	16.5	~49.69	4.38
CLW	28 Dec	6.5	0	6.09
CQR	28 Dec	14.28	0	6.20
GCM	28 Dec	2.375	100	tbc
MGR	28 Dec	5.3	0	4.98
NEW	28 Dec	4	0	5.56
RCT	28 Dec	10.37	0	6.48
RFF	28 Dec	2.61	0	4.64
RFP	28 Dec	2.6	100	0.00
SCP	28 Dec	7.25	0	5.39
SYD	28 Dec	19	0	5.42
TCL	28 Dec	29	~3.44	4.75
HNG	7 Jan	1.5	100	7.14

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