

Markets

SFE 200 Futures (9.30am AEDST)	6010	-3	-0.1
NZX 50	8330	7	0.1
DJIA Futures	24536	-110	-0.5
S&P 500 Futures	2653	-16	-0.6
NASDAQ Futures	6404	-14	-0.2

Local Markets Commentary

The Australian market opens Friday trade on mostly positive key commodities but negative international equities leads, as markets head towards the last full week trade ahead of the end-of-year holiday season.

In overnight commodities trade, **gold** futures continued higher while WTI **crude** swung so.

Iron ore (China port, 62% Fe) was pushed lower for a second consecutive session.

LME **copper** extended Wednesday's gains. **Aluminium** swung higher and rallied.

The **\$A** appreciated to ~US76.70c, after trading at ~US76.60c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24509	-77	-0.3
S&P 500	2652	-11	-0.4
NASDAQ	6857	-19	-0.3
FTSE 100	7448	-48	-0.7
DAX 30	13068	-58	-0.4
Shanghai Comp	3292	-11	-0.3

Overseas Markets Commentary

Choppy trade largely featured as major European and US equities markets headed lower overnight, investors digesting central bank commentary and major corporate announcements.

Uncertainty regarding the advance of proposed US tax legislation before year's end was also cited as a major cause for the caution demonstrated on US markets.

In the meantime, the **European Central Bank** maintained status quo policy at its last policy meeting for the year.

President Mario Draghi confirmed in a post-meeting conference that regional inflation targets would likely prove challenging for some time yet.

The **Bank of England** also held its position after lifting the main lending rate to 0.50% last month, and despite an ~3% CPI rate, ventured it was not concerned at any inflationary pressure in the medium-term.

Among data releases, **US** November retail sales were reported 58% higher year-on-year.

Weekly new unemployment claims fell further than anticipated.

November import and export prices were estimated 0.7% and 0.5% higher respectively, mostly on fuel price increases, following 0.1% gains for each in October.

* Wholesaler listing 11am AEDST - NTD *

Today's Stock Watch

National Australia Bank (NAB)

Today's AGM speeches lodged. Royal Commission questions anticipated.

Orica Ltd (ORI)

Today's AGM speeches and presentation lodged. In addition, ORI is appointing Brightstar US founder and former CEO and Ice Mobility co-founder and chair Denise Gibson as an independent, non-executive director, effective 1 January.

Crown Resorts (CWN)

Debt reduction strategy update lodged post-trade yesterday, highlighting \$700M worth of proposed asset sales.

Trilogy International (TIL)

Agreeing to a scheme of arrangement acquisition by CITIC Capital China Partners, pending TIL shareholder, New Zealand High Court and regulatory approvals.

McPherson's Ltd (MCP)

Selling the company's home appliance business to Glen Dimplex Australia for ~\$28M, including inventory plus fixed and intangible assets. Completion is scheduled for 28 February. Proceeds are earmarked for buying back \$25M worth of bonds. MCP anticipates reporting ~\$5M debt for 30 June 2018, against \$36.4M recorded for June 30 2017.

In addition, MCP has appointed Sunny Ridge Farms CEO and former Carlton & United Breweries CFO Grant Peck as an independent, non-executive director.

Navitas Ltd (NVT)

Agreements renewed with WA's Curtin University, including for the Perth-based Curtin College and Curtin Singapore campus.

Transurban Ltd (TCL)

Resuming from a trading halt having achieved 94% take-up to complete a \$1.35B institutional entitlement offer at \$11.40 per security. The bookbuild price came in at \$12.50. A retail offer is scheduled for 19 December - 20 January. TCL last traded at ~\$12.21.

National Tyre & Wheel (* NTD)

Tyre and wheel wholesaler scheduled to list 11am AEDST following a targeted \$59M IPO at \$1.00 per share. Trading will commence on a deferred settlement basis. Normal (T+2) trade is expected to commence 19 December (Tuesday next week). 101.1M shares.

Resources

Rio Tinto (RIO)

Copper and diamonds investor road show presentation lodged post-trade yesterday. RIO presented in Paris, France overnight.

Altech Chemicals (ATC)

German government project finance export credit cover agreed for ATC's high purity alumina (HPA) project.

Energy

Otto Energy (OEL)

The offshore Gulf of Mexico ST 224 #1 well will be plugged and abandoned, the targeted interval having deemed to be water-bearing.

Markit calculated a 53.0 initial December composite, PMI, 1.5 points lower than the final figure for November.

The **euro zone's** initial December PMIs produced an almost seven-year peak of 58.0 for the composite index, 0.5 higher for the month.

Germany's preliminary December composite, manufacturing and services PMIs also exceeded expectations.

The **UK's** November retail sales came in at a 1.6% annual improvement, following a 0.3% pullback in October and forecasts of a 0.3% gain. For the month, sales rose 1.1% against 0.5% for October.

Tonight in the US, November industrial production and a New York region manufacturing index are due.

In overnight corporate news, **Twitter** was reported to be facing a takeover bid.

Meanwhile, the (US) Federal Communications Commission effectively cancelled regulations designed to deliver internet neutrality, prompting expectations of major operational change but also several official protests.

Twenty-First Century Fox confirmed an agreement to sell select assets (including its movie business and a 39% Sky holding) to **Walt Disney Co** for ~\$US52.5M. This pushed the stocks ~4% and ~2% higher respectively.

Israel's generic drug specialist **Teva Pharmaceutical** announced an ~25% workforce chop (~14,000 jobs) and the suspension of dividends in an attempt to reduce debt.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1257	oz	8.5	0.7
Silver (NY) (Mar)	15.9	oz	0.1	0.4
Gold (LON)	1251	oz	8	0.7
Platinum	880	oz	-6	-0.7
WTI Crude (Jan)	57.0	bbl	0.4	0.8
Brent Crude (Feb)	62.4	bbl	0.0	0.0
Iron Ore (CHN port 62%)	69.9	t	-1.0	-0.9
Copper	6793	t	64	1.0
Nickel	11155	t	60	0.5
Aluminium	2050	t	41	2.0
Lead	2486	t	-39	-1.5
Zinc	3187	t	34	1.1
Tin	18900	t	100	0.5
CBT Wheat (Mar)	4.19	bshl	0.02	0.5

Commodities Commentary

Oil – prices again swung intra-session overnight, Brent trading as low as \$US52.01/bbl.

The International Energy Agency's (IEA) monthly oil report, published overnight, included a forecast 1.1MMbbl/d rise in international production during 2018.

US output would grow 870,000bbl/d, the IEA maintained, against a previous 790,000bbl/d forecast.

The IEA also predicted a daily 200,000bbl global surplus for the first half of 2018 and a deficit of the same magnitude during the second half.

A US petroleum rig count is due tonight.

Gold – the \$US swung a little higher overnight, but gold futures also rose, industry watchers citing a lack of conviction that rates would rise in the

Pre-Open Announcements

Slater & Gordon (* SGHDA)

Pitcher Partners has been granted leave to file a cross claim against SGHDA's shareholder claimant scheme.

In addition, the Hall Proceeding group has been granted an initial \$4M in legal costs and \$4.5M in litigation funding fees by the Federal Court, which has dismissed the action. Settlement will be implemented under SGHDA's claimant scheme.

Tower Ltd (TWR)

\$62.3M (gross) raised via 88% take-up in the recent rights offer. Underwriter Goldman Sachs New Zealand will take the balance 20.3M shares.

Investa Office Fund (IOF)

Heralding book value appreciations across holdings in Sydney and Brisbane. Details lodged post-trade yesterday.

In addition, proposing to pay a 10.15c interim distribution.

Engage:BDR Ltd (EN1)

Digital media and advertising specialist completed a successful ASX listing yesterday following a targeted \$10M IPO at 20c per share.

Opened at 30c and slipped to 22.5c before settling at 25c.

~4.5M shares changed hands across 259 trades.

~249.7M shares.

Resources

Gascoyne Resources (GCY)

164,000oz of WA Dalgara gold project hedged at \$1712/oz. Deliveries are scheduled for September 2018 – June 2022. The project remains under development.

Carawine Resources (CWX)

Explorer completed its ASX listing yesterday following a \$7M IPO at 20c per share.

Opened at 20c and traded at 19.5c – 20.5c before settling on par at 20c. ~1.75M shares were traded across 91 transactions. 52.7M shares.

Energy

Buru Energy (BRU)

WA Canning Basin operational update lodged post-trade yesterday.

December quarter S&P/ASX indices re-balance

The following changes will be effected from market open

Monday (18 December):

S&P/ASX 200

Out: FXL, JHC, REG

In: LYC, PLS, WTC

S&P/ASX All Australian 200

Out: VRT

In: LYC

Trading Halts

Company	Code	Resuming
Consolidated Zinc	CZL	15 Dec
Water Resources Group	WRG	15 Dec
Animoca Brands Corporation	AB1	18 Dec
Blackham Resources	BLK	18 Dec
Bod Australia	BDA	18 Dec



medium-term as much as the Federal Reserve had predicted.

Base metals – yesterday, China reported slightly slower industrial production (6.1% v 6.2%) and fixed asset investment growth 7.2% v 7.3%) for November, but an improved growth rate (10.2% v 10.0%) for retail sales.

In addition, the People's Bank of China raised a set of lending rates by 0.05%, signalling to some, further near-term central bank announcements, perhaps to bolster growth against further potential US interest rate rises.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7664	-0.0003	-0.04
EUR – USD	1.1773	-0.0002	-0.02

US Data Tonight

Industrial production	Nov
NY Fed Empire State manufacturing	Dec

Other Overseas Data Today & Tonight

Japan	Tankan all-industry index	Dec Q
BoE	Bulletin (quarterly)	Dec
Euro zone	Trade balance	Oct

Need More Information?

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BuildingIQ Inc	BIQ	18 Dec
Creso Pharma	CPH	18 Dec
Kin Mining	KIN	18 Dec
Melbana Energy	MAY	18 Dec
Six Sigma Metals	SI6	18 Dec
Slater & Gordon	SGH	18 Dec
SportsHero Ltd	SHO	18 Dec
Duketon Mining	DKM	19 Dec

Suspensions (selected)

Company	Code	Since
China Dairy Corporation	CDC	11 Dec
Dawine Ltd	DW8	30 Nov
FE Ltd	FEL	22 Nov
Jatenergy Ltd	JAT	13 Dec
Mobilarm Ltd	MBO	6 Dec
Mount Ridley Mines	MRD	13 Dec
Orinoco Gold	OGX	14 Dec
OrotonGroup Ltd	ORL	30 Nov
Rift Valley Resources	RVY	11 Dec
ServTech Global Holdings	SVT	6 Dec
Tanga Resources	TRL	1 Dec
Volt Power Group	VPR	7 Dec
Winha Commerce & Trade	WQW	1 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
GDF	Mon	2.25	0	7.80
APA	28 Dec	21	0	5.08
ARF	28 Dec	3.2	0	5.34
BWP	28 Dec	8.75	0	5.49
CHC	28 Dec	15.6	39.74	4.89
CLW	28 Dec	6.5	0	5.96
CQR	28 Dec	14	0	6.44
ECX	28 Dec	7.75	100	3.80
IOF	28 Dec	10.15	0	tbc
LEP	28 Dec	10.35	0	4.21
NSR	28 Dec	4.7	0	5.98
RCT	28 Dec	15.5	0	6.93
RFF	28 Dec	~2.51	0	4.29
SCP	28 Dec	6.8	0	5.58
SYD	28 Dec	18	0	4.72
TCL	28 Dec	28	8.92	4.44

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	BTT	AGM
	NAB	AGM
	ORI	AGM
Tue	ANZ	AGM
Wed	SYD	Nov
Thu	DLX	AGM
	IPL	AGM