

Markets

SFE 200 Futures (9.30am AEDT)	5580	-32	-0.6
NZX 50	8674	-49	-0.6
DJIA Futures	24113	0	0.0
S&P 500 Futures	2602	0	0.0
NASDAQ Futures	6600	0	0.0

Local Markets Commentary

The Australian market commences the last full week of trade for 2018 with a domestic national budget update, new data out of China over the weekend, and a warning out of North Korea to the US yesterday in response to last week's new sanctions.

Since Friday ASX trade, **China's** November new home prices were reported 0.98% higher for the month.

Year-on-year, prices rose 9.3%, against 8.6% for October.

Sixty-three of 70 surveyed cities reported a rise in prices, against 65 in October.

Locally today, the Australian government is expected to release its **mid-year budget update**, known as the Mid-Year Economic & Fiscal Outlook (MYEFO) from pre-ASX trade.

Also pre-trade, a weekly capital city residential property price report is due.

A Conference Board leading index report is also anticipated today.

In overnight Friday commodities trade, **oil** turned and fell.

US (February) **gold** futures continued lower.

Iron ore (China port 62% Fe) was pushed sharply higher.

LME **copper** and **aluminium** settled modestly lower, but **nickel** rallied.

The **\$A** appreciated to ~US71.85c after dropping to US71.60c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24101	-497	-2.0
S&P 500	2600	-51	-1.9
NASDAQ	6911	-160	-2.3
FTSE 100	6845	-32	-0.5
DAX 30	10866	-59	-0.5
Shanghai Comp	2594	-40	-1.5

Overseas Markets Commentary

Major European and US equities markets dropped on opening overnight Friday.

Data releases from China, the euro zone and US disappointed from early Friday, bruising international growth sentiment, and the \$US traded at 19-month highs.

In addition, a European Council meeting failed to offer the UK PM European Union (**EU**)-**UK** separation plan clarification and assurances, in particular regarding a Republic of Ireland customs border.

Australia – mid-year national budget update from ASX **pre-trade**

Last full trading week for 2018

Trades executed **Friday** this week (21 December) will **settle** 27 December (Thursday next week).

Next Monday's (24 December) trades will settle Friday 28 December.

Trades executed Thursday and Friday next week settle 31 December 2018 and 2 January respectively.

ASX Trading 24 December – 2 January

24 December	10am – 2.10pm AEDT
25 December	CLOSED
26 December	CLOSED
27, 28 December	10am – 4.10pm AEDT
31 December	10am – 2.10pm AEDT
1 January 2019	CLOSED
2 January 2019	10am – 4.10pm AEDST

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ)

The Reserve Bank of New Zealand has released a capital review consultation paper, which includes a potentially higher minimum capital reserve for ANZ New Zealand.

ANZ is scheduled to host its AGM Wednesday.

Inabox Group (IAB)

Trading ex-dividend (29c) today.

Resources

BHP Billiton (BHP)

\$US5.2B (A\$7.3B) off-market buy-back completed at \$A27.64 per share, involving 5.0% of BHP Ltd and BHP Plc stock. Applications were scaled back 58.7%.

In addition, BHP will pay a \$US1.02 special dividend.

BHP traded at \$31.24 - \$33.29 on the ASX last week.

Mineral Resources (MIN)

Albemarle Corporation has confirmed it will pay \$US1.15B cash for 50% of MIN's WA Wodgina lithium project, and will establish a 50:50 JV with MIN, subject to regulatory approvals.

Rio Tinto (RIO)

Confirming completion of the \$US500M France Dunkerque aluminium smelter sale. RIO is planning a shareholder return.

Energy

Woodside Petroleum (WPL)

JV agreement in hand for FEED to commence for planned offshore Senegal Rufisque, Sangomar and Sangomar Deep development.

Senex Energy (SXY)

Cooper basin Gemba-1 has flowed at 8MMscf/d during initial flow testing. 44MMcuft of gas and 88bbl of liquids were recovered during the seven-day test. First production anticipated by the end of 2019.

Among overnight Friday data releases, initial **euro zone** December manufacturing and services PMIs each came in at 51.4, following 51.8 and 53.4 respectively in November.

Germany's readings were reported as 51.5 for manufacturing and 52.5 for the services sector, against respective 51.8 and 53.3 November readings.

Since then, **France's** PM has confirmed the national 2019 deficit to GDP ratio will likely fall beyond the 3% European Union cap, at an estimated 3.2%.

In the **US**, November retail sales were reported 0.2% higher for the month and up 4.2% year-on-year, following 1.1% and 4.8% respectively for October.

Industrial production rose 0.6% for the month and 2% year-on-year, against a 0.2% pullback during October.

Initial December Markit PMI estimates fell 1.4 points to 53.9, and 1.3 points to 53.4, for the manufacturing and services sectors respectively.

Meanwhile, **Saudi Arabia** was reported to have given **Pakistan** \$US1B in foreign reserves, while Pakistan awaits the outcome for a plea for assistance from the International Monetary Fund (IMF).

While criticising sanctions against Iran, **Qatar** announced a planned \$US20B expansion in US energy sector activity, in particular in LNG production and export infrastructure.

Tonight in the US, a New York region business activity index is due.

Elsewhere, euro zone CPI and trade balance figures could influence some trade, if markedly different from expectations.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1241	oz	-6	-0.5
Silver (NY) (Mar)	14.64	oz	-0.22	-1.5
Gold (LON)	1243	oz	-3	-0.2
Platinum	785	oz	-9	-1.1
WTI Crude (Jan)	51.2	bbl	-1.38	-2.6
Brent Crude (Jan)	60.28	bbl	-1.17	-1.9
Iron Ore (CHN port 62%)	70.7	t	3.15	4.6
Copper (LME,3mth,PM)	6132	t	-23	-0.4
Nickel	11080	t	230	2.2
Aluminium	1926	t	-6	-0.3
Lead	1949	t	-0.5	-0.0
Zinc	2543	t	-23	-0.9
Tin	19330	t	-70	-0.4
CBT Wheat (Mar)	5.29	bshl	-0.07	-1.4

Commodities Commentary

Oil – \$US strength and international growth fears appeared the major influences on overnight Friday price falls.

For the week, Brent crude settled ~2.3% lower, and WTI 2.7%.

Among new production news, ENI and Qatar Petroleum predicted a newly-minted Mexico oil JV would be producing 90,000bbl/d in 2021, pending the commencement of production by mid-2019.

In the meantime, Barclays predicted the expiry of six-month Iran sanction waivers for key customers and a draw on international stockpiles would push prices higher again during the first six months of 2019.

A weekly US petroleum rig count, published overnight Friday, revealed four fewer operational oil rigs.

Pre-Open Announcements

LiveHire Ltd (📈 LVH)

LVH will recruit for energy infrastructure and distribution specialist Jemena under an agreement expected to deliver LVH a significant revenue boost. Details lodged this morning.

Myer Holdings (* MYR)

Non-executive director Bob Thorn is resigning from the MYR board in February.

Austal Ltd (* ASB)

Two additional Littoral combat ships ordered by the US Navy, at an undisclosed price.

McGrath Ltd (* MEA)

Reviewing how best to continue offering McGrath services in lower north shore Sydney.

In association, MEA has withdrawn April 2019 licence renewal offers for the Neutral Bay/Mosman and Chatswood/Northbridge franchises.

Mercury Ltd (* MCY)

Selling smart-metering business Metrix to intelliHUB for \$NZ270M cash.

Settlement is anticipated 1 March 2019.

Immutep Ltd (IMU)

Safety and tolerability targets satisfied in the Phase 1b clinical trial of IMU's HER-Vaxx gastric cancer vaccine.

Phase 2 details lodged this morning.

Cadence Capital (CDM)

November top 20 holdings lodged post-trade Friday.

Century Australia Investments (CYA)

The value of CYA's investment portfolio fell 3.6% in November.

Top 20 holdings lodged post-trade Friday.

Avita Medical (AVH)

\$3M, 8c per share SPP underway today through 7 January.

AVH will take oversubscriptions to \$5M.

AVH traded at 7.7c – 8.2c last week.

Exopharm Ltd (* EX1)

Exosomes-focused biopharmaceutical research firm scheduled to list on the ASX 1.30pm AEDT tomorrow following a \$7M IPO at 20c per share.

41.875M quoted shares.

Resources

Mincor Resources (MCR)

Heralding WA goldfields Cassini nickel project step-out diamond drilling results.

Assays lodged this morning, including 7.17m @ 11.49% Ni, from 457.06m.

Galena Mining (G1A)

WA Gascoyne region Abra base metals resource and reserve update lodged this morning.

White Cliff Minerals (WCN)

One director has resigned and two others have been appointed.

Details lodged post-trade Friday.

In addition, WCN is promising strategic updates 'in due course'.

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

Gold explorer scheduled completed a successful ASX listing Friday following a \$5M IPO at 20c per share.



Gold – a \$US index at 19-month highs damaged overnight Friday gold sentiment.

This week's prices are expected to mostly move on the US Federal Reserve's policy meeting, including speculation ahead, and the outcomes and outlook announcement early Thursday morning (AEDT).

Base metals – overnight Friday trade reacted to \$US strength, data out of China and generally poor equities sentiment.

China's industrial production, fixed asset investment and retail sales figures, reported Friday, largely undershot forecasts.

Retail sales rose the least in 15 years (8.1% against 8.6% in October) and industrial production (5.4%; 5.9%) in three years.

January – November fixed asset investment grew 5.9% however, against 5.7% for January – October.

Over the weekend, China revealed November new property residential prices had risen 0.98%.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7177	0.0004	0.06
EUR – USD	1.1306	0.0004	0.03

Australian Data Today

Treasury	Mid-year budget review	Dec
CLgc	Cptl city rsdntl propty prices	15Dec
ConfBd	Leading index	Oct

US Data Tonight

NY Fed (Empire State) manufacturing	Dec
NAHB housing market index	Dec

Other Overseas Data Today & Tonight

UK	CBI industrial trends - orders	Dec
Euro zone	CPI (final)	Nov
Euro zone	Trade balance	Oct

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Opened at 21c and traded at 20c – 22c before settling at 22c. 29.25M quoted shares.

128,750 shares were traded across 15 transactions.

NST held 15.0% on listing.

Energy

88 Energy (* 88E) / Red Emperor Resources (RMP) / Otto Energy (OEL)

Major permits, including permission to drill, in hand for Winx-1, Alaska North Slope.

Once commercial agreements are finalised, 88E will hold a 32% working interest, RMP 28% and OEL 20%.

Universal Coal (UNV)

Eloff project mining right in hand.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Wed	ANZ	AGM
	NAB	AGM
	ORI	AGM
	SYD	Nov stats
Thu	DLX	AGM
	IPL	AGM
Fri	AIA	Nov stats

Trading Halts

Company	Code	Resuming
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
Mineral Resources	MIN	18 Dec
Orinoco Gold	OGX	18 Dec
Paradigm Biopharmaceuticals	PAR	18 Dec
Respiri Ltd	RSH	18 Dec

Suspensions (select)

Company	Code	Since
Chapmans Ltd	CHP	7 Dec
Coolgardie Minerals	CM1	13 Dec
Data Exchange Network	DXN	14 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

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
IAB	Today	29	100	0.00
PL8	Tomorrow	0.5	100	5.97
APA	28 Dec	21.5	0	5.25
BWP	28 Dec	8.93	0	4.91
CHC	28 Dec	16.5	~49.69	4.34
CLW	28 Dec	6.5	0	6.11
CQR	28 Dec	14.28	0	6.19
CRR	28 Dec	5.22	0	7.33
GCM	28 Dec	2.375	47.36	4.20
GDF	28 Dec	2.25	0	6.95
IDR	28 Dec	4.25	0	6.22
KLA	28 Dec	3.4	0	0.29
MGR	28 Dec	5.3	0	4.91
NEW	28 Dec	4	0	5.58
RCT	28 Dec	10.37	0	6.48
RFF	28 Dec	2.61	0	4.52
RFP	28 Dec	2.6	100	0.00
SCP	28 Dec	7.25	0	5.37
SGP	28 Dec	13.5	0	7.28
SYD	28 Dec	19	0	5.43
TCL	28 Dec	29	~3.44	4.76
TGP	28 Dec	1	0	6.00
TOT	28 Dec	3	0	8.64
VCX	28 Dec	7.95	0	6.03
HNG	7 Jan	1.5	100	6.90