

Markets

SFE 200 Futures (9.30am AEDT)	5430	-1	-0.0
NZX 50	8713	-59	-0.7
DJIA Futures	23048	51	0.2
S&P 500 Futures	2486	-17	-0.7
NASDAQ Futures	6325	-27	-0.4

Local Markets Commentary

The Australian market commences Friday trade for the last full trading week of the year ahead of a CPI estimate out of Japan today and GDP readings for the US and UK tonight, following an overnight Bank of England warning and some significant commodity price moves.

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

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

Iron ore (China port 62% Fe) were propelled higher, beyond \$US72.20/t.

LME **copper** and **nickel** turned modestly lower.

The **\$A** rose to ~US71.15c after trading at US71.05c early yesterday evening.

Locally today, the Australian Bureau of Statistics releases additional and detailed employment statistics, following yesterday's November figures.

Regionally, **Japan** releases November CPI **10.30am** AEDT.

Overnight, the \$US traded at three-month lows against Japan's yen.

Thursday next week (27 December), **China** is scheduled to publish November industrial profits.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22860	-464	-2.0
S&P 500	2467	-40	-1.6
NASDAQ	6528	-108	-1.6
FTSE 100	6712	-54	-0.8
DAX 30	10611	-155	-1.4
Shanghai Comp	2536	-13	-0.5

Overseas Markets Commentary

Major European and US equities markets opened lower overnight and demonstrated weak risk sentiment throughout trade.

Notably, the NASDAQ Composite index tripped into 'bear' market territory intra-session, before receiving sufficient subsequent support to avoid a bear close.

The US president again threatened not to sign a funding bill by tonight's midnight (US ET) deadline, citing insufficient support for a Mexico border wall. The funding is needed to ensure all government administrative functions continue through 8 February.

Following its last policy meeting for the year, the **Bank of England** (BoE) warned uncertainty surrounding the UK's withdrawal from the European Union (EU) had 'intensified considerably', to the extent the central bank could not offer direction on

Japan – November CPI 10.30am AEDT

Today's trades settle Thursday next week (27 December).

Trades executed **Monday** (24 December) will **settle** Friday **28 December**.

Trades executed Thursday and Friday next week settle Monday 31 December 2018 and Wednesday 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 AEDT

State One's Market Opener will resume Wednesday 2 January

The State One Spinnaker will resume 13 January

Best wishes from all at State One for a safe and happy festive season

Today's Stock Watch

Insurance Australia Group (IAG) / QBE Insurance Group (QBE)

Individual company estimates are expected as early as today from damage reports following yesterday's storms in Sydney and further north. The Insurance Council of Australia has ventured a \$20M damage bill.

Swift Networks Group (SW1)

Proposing to acquire 100% of Medical Media, paying \$4.5M worth of SW1 shares at 30.1c each and up to an additional \$20.5M, pending performance targets.

In association, SW1 plans to negotiate a new \$6M banking facility. Completion is anticipated ~15 February, pending approvals. SW1 settled 10.4% higher for the session yesterday, at 26.5c. SW1's low for the week to date is 23.5c.

Resources

Resolute Mining (RSG)

30,000oz of gold added to RSG's hedge book at \$A1783/oz.

Artemis Resources (ARV)

WA Pilbara Radio Hill nickel project indicated resource estimated at 1.15Mt @ 0.52% Ni, 0.73% Cu & 277ppm Co, for 5980t of nickel, 8395t of copper and 318t of cobalt.

how traditional economic indicators might influence monetary policy.

Meanwhile BoE policy committee members voted unanimously to retain the 0.75% borrowing rate.

Among overnight **data** releases, US weekly new unemployment claims rose by 8000.

The closely-watched Philadelphia region (mid-Atlantic) manufacturing index was reported at a two-year low, dropping 3.5 points to 9.4.

The Conference Board's November leading index lifted 0.2% following a 0.1% October rise.

In the **UK**, November retail sales surprised on the upside, rising 1.4% following a 0.4% October fall.

Year-on-year, sales were 3.6% higher, against 2.4% in October.

In **Mexico**, the central bank raised the key interest rate by 0.25%, in part in an attempt to tame inflation.

Meanwhile, both the UK and the US have accused **China's** administration of supporting hacking coming from China and seemingly targeting trade information, reportedly attacking Hewlett Packard Enterprise and IBM to access client devices.

Tonight in the US, a final September quarter GDP reading is due, together with November personal income and spending, durable goods orders, a consumer sentiment update from the University of Michigan and a Kansas City region manufacturing index.

In overnight corporate news, **Walgreen Boots** announced up to \$US1B worth of cost cuts citing 'challenging' market competition, after reporting 9.9% higher \$US33.8B quarterly sales.

Cigarette manufacturer **Altria** (owns Marlboro) revealed it had outlaid \$US12.8B for a 35% holding in e-cigarette specialist **Juul Labs**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1268	oz	11.5	0.9
Silver (NY) (Mar)	14.84	oz	0.02	0.1
Gold (LON)	1255	oz		
Platinum	793	oz	9	1.2
WTI Crude (Jan)	45.88	bbbl	-2.29	-4.8
Brent Crude (Jan)	54.35	bbbl	-2.89	-5.1
Iron Ore (CHN port 62%)	72.26	t	3.11	4.5
Copper (LME, 3mth, PM)	6000	t	-15	-0.3
Nickel	10910	t	-40	-0.4
Aluminium	1912	t	-15	-0.8
Lead	1978	t	14	0.7
Zinc	2540	t	-1	-0.0
Tin	19320	t	50	0.3
CBT Wheat (Mar)	5.23	bshl	0.01	0.2

Commodities Commentary

Oil – a \$US index at four-week lows failed to benefit overnight oil prices, which dropped to ~one-year lows, ~35% below early-October peaks, largely on US and international economic growth disquiet.

A weekly US petroleum drill rig count is due tonight.

Gold – a cocktail of a further \$US pull back, poor equities sentiment and associated growing safe-haven mode sentiment supported overnight gold prices.

Tonight's US September quarter GDP, November personal income and spending, and durable goods

Pre-Open Announcements

THC Global Group (* THC)

The Office of Drug Control has granted two cannabis permits to THC subsidiary Cannedeo, enabling cultivation and production in Queensland.

Integrated Research (IRI)

IRI CFO Peter Adams has been appointed interim CEO, effective 18 February, when current IRI CEO John Merakovsky leaves.

Unibail-Rodamco-Westfield Ltd (URW)

Warsaw Skylight and Lumen office buildings sale completed a total ~€190M acquisition cost.

CIMIC Group (CIM)

CIM's Sedgman and CPB Contractors have secured a \$184M design, procurement, construction and commissioning contract with Pembroke Resources, for a coal handling and preparation plant at the Olive Downs coking coal project, Queensland.

Work is due for completion.

CIM announced in late trade yesterday that design work and some procurement is commencing immediately.

Vista Group (* VGL)

Agreement secured with Odeon Cinemas, to provide data analytics services to 123 cinema sites in the UK and Ireland.

Alterra Ltd (* 1AG)

Going ahead with the proposed demerger of the company's carbon business, following 'strong' shareholder support.

LBT Innovations (LBT)

\$1.9M R&D tax rebate in hand.

Fiji Kava (FIJ)

Biotech company completed its ASX listing yesterday, following a \$5.2M IPO at 20c per share.

Opened at 13.5c and traded as low as 10.5c before settling at 12c.

3.44M shares were traded across 158 transactions.

45.3M quoted shares.

Resources

Argosy Minerals (* AGY)

Providing additional Argentina Rinco lithium project test samples to preferred potential customers in Asia.

Independent testing by one laboratory in Argentina has determined 99.5% Li₂CO₃.

AGY has traded lower the past for sessions, yesterday settling at 13.5c, after closing out last week at 16.5c.

A-Cap Energy (* ACB) / Blackham Resources (* BLK)

ACB and BLK have agreed terms under which ACB will acquire a 75% farm-in interest in BLK's WA Wiluna (Wilconi) cobalt project.

Walkabout Resources (* WKT)

WKT has appointed former Ernst & Young mining and metals head Michael Elliott as an independent non-executive director.

In addition, WKT has settled with those who had requisitioned a shareholders' meeting.

The requisition notice has been withdrawn, and in association, WKT confirms it intends to reduce the number of executive directors, appoint a majority of independent non-executive directors and split the chairman's role into non-executive and CEO positions.

orders reports could wield greater influence than usual at the beginning of a major holiday season.

Among the new year forecasters, Capital Economics is predicting \$US1300/oz for end-2019 and \$US1400/oz for 2020, with the US Federal Reserve cutting rates.

Base metals – international economic growth and hence metals demand anxiety appeared to win out overnight against a weaker \$US.

Overnight, the US treasury confirmed sanctions would be lifted against a key controller of Russia aluminium producer Rusal. This pushed LME aluminium to 16-month lows, the LME proposing to lift a Rusal aluminium output suspension once sanctions ended.

In the meantime, Chile's Codelco was reported to have negotiated the supply of 50,000t - 100,000t of copper each year from 2019 – 2021, and potentially on rolling three-year terms thereafter, to each of Minmetals (China), Nexans (France) and Southwire (US).

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7109	-0.0003	-0.05
EUR – USD	1.1448	0.0002	0.02

Australian Data Today

ABS	Workforce (addtl detail)	Nov Q
RBA	Liabilities & assets	Dec

US Data Tonight

GDP (3 rd & final)	SepQ
Personal income & spending	Nov
Durable goods orders	Nov
Uni of Michigan consumer sentiment (final)	Dec
Kansas City Fed manufacturing	Dec

Other Overseas Data Today & Tonight

Japan	CPI	Nov
UK	GDP (final)	Sep Q
UK	Public sector finances	Nov
Germany	GfK consumer confidence	Dec
Germany	Import prices	Nov
Euro zone	Consumer confidence	Dec

Need More Information?

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Energy

Viva Energy Australia (VEA)

November Geelong refining margins lodged this morning.

Liquefied Natural Gas (* LNG)

LNG's Magnolia LNG Llc and Meridian LNG Holdings have agreed not to further extend a deadline for satisfying conditions for a liquefaction tolling agreement.

The agreement was first disclosed in July 2015.

Universal Coal (* UNV)

Binding, conditional commitment in hand from Ata Resources to make a consortium offer for UNV. This follows an approach announced late October.

Trading Halts

Company	Code	Resuming
Echo Resources	EAR	21 Dec
Family Zone Cyber Safety	FZO	21 Dec
IODM Ltd	IOD	21 Dec
Specialty Metals International	SEI	21 Dec
Doray Minerals	DRM	24 Dec
Micro-X Ltd	MX1	24 Dec
Symbol Mining	SL1	24 Dec

Suspensions (select)

Company	Code	Since
Bounty Mining	B2Y	20 Dec
Chapmans Ltd	CHP	7 Dec
Eneabba Gas	ENB	10 Dec
Helios Energy	HE8	19 Dec
IndiOre Ltd	IOR	12 Dec
Orinoco Gold	OGX	18 Dec
Range Resources	RRS	10 Dec
Tikforce Ltd	TKF	17 Dec
Troy Resources	TRY	20 Dec
Valor Resources	VAL	21 Dec
Wollongong Coal	WLC	13 Dec
Zyber Holdings	ZYB	28 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FPP	27 Dec	~2.1	0	tbc
ABP	28 Dec	1.1	0	5.27
AGM	28 Dec	9.25	0	2.73
APA	28 Dec	21.5	0	5.32
ARF	28 Dec	3.38	0	5.16
AVN	28 Dec	4.14	0	7.80
AYF	28 Dec	8.75	49.82	5.99
BWP	28 Dec	8.93	0	4.91
CDP	28 Dec	18.1	0	5.09
CHC	28 Dec	16.5	~49.69	4.29
CIP	28 Dec	4.6	0	6.62
CLW	28 Dec	6.5	0	6.00
CMA	28 Dec	4.36	0	7.41
CNI	28 Dec	4.25	20	6.39
CQE	28 Dec	4	0	5.08
CQR	28 Dec	14.28	0	6.11
CRR	28 Dec	5.22	0	7.30

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DXS	28 Dec	27.2	0	4.58
EAF	28 Dec	2.6	0	4.86
EFF	28 Dec	3.9	0	2.39
EGF	28 Dec	3	0	36.40
GCI	28 Dec	0.88	0	2.47
GCM	28 Dec	2.375	47.36	4.20
GDF	28 Dec	2.25	0	6.84
GDI	28 Dec	3.88	0	5.66
GMG	28 Dec	15	0	2.64
GPT	28 Dec	12.85	0	4.52
HPI	28 Dec	9.8	0	6.20
IDR	28 Dec	4.25	0	6.20
KLA	28 Dec	3.4	0	0.29
LEP	28 Dec	10.45	0	4.27
MGR	28 Dec	5.3	0	4.85
NEW	28 Dec	4	0	5.54
NSR	28 Dec	4.5	0	5.13
RCT	28 Dec	10.37	0	6.58
RFF	28 Dec	2.61	0	4.58
RFP	28 Dec	2.6	100	0.00
SCP	28 Dec	7.25	0	5.42
SGP	28 Dec	13.5	0	7.26
SYD	28 Dec	19	0	5.42
TCL	28 Dec	29	~3.44	4.83
TGP	28 Dec	1	0	5.77
TOT	28 Dec	3	0	8.64
VCX	28 Dec	7.95	0	5.89
VVR	28 Dec	7.03	0	6.18
CAM	3 Jan	1.25	100	5.81
HNG	7 Jan	1.5	100	6.67
BHP	10 Jan	US102	100	5.84

December quarter S&P/ASX indices re-balance

The following changes will be effected as the ASX commences trade **24 December (Monday)**:

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