

Markets

SFE 200 Futures (9.30am AEDT)	6630	-1	-0.0
NZX 50	12899	-21	-0.2
DJIA Futures	30033	0	0.0
S&P 500 Futures	3661	0	0.0
NASDAQ Futures	12368	0	0.0

Local Markets Commentary

The Australian market commences the last full week's trade for 2020 with international trade relations and Covid-19 management remaining forefront, and continuing \$A strength, ahead of a US electoral college presidential election result vote tonight.

Since overnight Friday international equities trade, key manufacturing and trading nations Korea and Germany have recorded daily Covid-19 diagnoses that have respectively prompted a warning of more onerous restrictions than those imposed this past Tuesday in Korea, and new partial lockdown rules from Wednesday in Germany.

In the US, regional distribution of the Pfizer/BioNTech Covid-19 vaccine commenced following emergency use endorsement.

Across the channel, the European Union (EU) and UK have confirmed UK-EU trade negotiations will continue into this week, an EU spokesperson sounding more optimistic late-weekend than early-weekend.

Locally today, the Australian Bureau of Statistics (ABS) publishes a report of Covid-19 impacts on households during November.

Plenty of commentary is anticipated also, during the wait for this week's national budget update (Mid-Year Economic and Fiscal Outlook).

In addition, **four stocks** are scheduled to **debut** on the ASX by early afternoon.

Further, post-ASX trade Friday, the S&P/ASX **quarterly indices rebalance** was revealed. *Please see p5 for details.*

Regionally, China's November residential property price index is expected 12.30pm AEDT.

Post-ASX trade Friday, China reported November **vehicle sales** had grown 12.6% year-on-year following a 12.5% October rise.

In Japan today, quarterly Tankan indices are anticipated 10.50am.

In overnight Friday commodities trade, **oil** swung lower.

US **gold** futures settled modestly higher.

Iron ore (Nymex, 62% Fe) traded above \$US152.02. Northern China port prices were reported at \$US160.13/t, from \$US156.58/t Thursday.

Overnight Friday LME **copper** and other key base metals turned and fell.

The **\$A** appreciated to ~US75.35c after falling to ~US75.20c early Friday evening.

This morning, the \$A has been pushed beyond \$US75.55c.

S&P/ASX indices rebalance in hand

Please see p5

- * Plant-based products listing – **10.30am AEDT – LV1** *
- * Cloud-based computing services listing – **11am AEDT – SOV** *
- * Power and telecom services listing – **midday AEDT – GNP** *
- * Mineral exploration listing – **12.30pm AEDT – ERW** *

Today's Stock Watch

IOOF Holdings (IFL) / National Australia Bank (NAB)

The Australian Consumer and Competition Commission (ACCC) will not oppose IFL's proposed acquisition of MLC Wealth from NAB. NAB's AGM is scheduled for Friday.

Altium Ltd (ALU)

Selling the TASKING business for \$US100M cash and a conditional performance-related \$US10M.

Beam Communications Holdings (BCC)

Order for 12,500 ZOLEO units in hand, pushing the number of units on order to 34,500.

Delivery of the latest order is anticipated by April 2021.

BCC and JV partner Roadpost anticipate agreements with additional retailers early 2021, after recently securing Canada-headquartered MEC.

Medical Developments International (MVP)

Resuming from a trading halt having completed a \$A25M, \$6.50-per-share placement in support of Pentrox commercialisation.

A \$5M SPP, at the same price is scheduled for 18 December – 18 January. MVP traded at \$6.51 - \$7.10 the five sessions previous to calling a halt.

Resources

Regis Resources (RRL)

Teleconference scheduled to commence 4pm AEDT. Duketon gold project Garden Well South underground mine approved, with development expected to commence by 31 March 2021.

Pilbara Minerals (PLS) / Altura Mining (AJM, *receivers, managers and administrators appointed*)

Altura Lithium Operations creditors have approved the PLS deed-of-company-arrangement (DOCA) proposal for PLS to effectively acquire the AJM Pilgangoora lithium project for \$US175M.

PLS plans to raise \$A119M from a placement to AustralianSuper, and \$A121M from a fully underwritten entitlement offer, each at 36c per share. PLS is resuming from a trading halt. PLS last traded at 87.5c Friday, before calling a trading halt, and after closing out the previous week at 76.5c.



Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30046	47	0.2
S&P 500	3663	-5	-0.1
NASDAQ	12378	-28	-0.2
FTSE 100	6547	-53	-0.8
DAX 30	13114	-181	-1.4
Shanghai Comp	3347	-26	-0.8

Overseas Markets Commentary

Sentiment dropped early across major European equities markets overnight Friday and never looked like recovering.

US equities markets also declined, early or on opening, but sentiment appeared more buoyant during second-half trade.

US negotiations towards legislation providing both government funding from the end of next week and fiscal support to aid in the economic recovery from Covid-19 impacts, appeared to have made little progress, with both Democrat and Republican negotiators accusing the other side of inflexibility.

Meanwhile, the UK PM and European Commission president again underscored the difficulties of achieving a UK-European Union (EU) trade deal by 31 December.

In Covid-19 vaccine news, US FDA advisers endorsed the emergency use of the Pfizer/BioNTech vaccine, with US vaccinations expected to commence no later than tonight.

Among other Covid-19 developments, new restrictions were announced for New York city from later today.

Central bank commentary also featured among overnight Friday considerations.

The **Bank of England's** (BoE) financial stability report underscored previous assurances that bank lending could survive Covid-19 impacts.

The BoE warned, however, of the potential for 'some disruption to financial services' should the UK end the transition period of its separation from the EU come year's end without a trade deal in place, but added that 'most risks ... have been mitigated'.

Notwithstanding, the bank pointed out 'financial stability' was not the same as 'market stability' and foreshadowed 'some market volatility', with the financial services disruption most likely experienced by EU-based clients.

The bank also recommended lenders constrain their proportional approvals of high-loan-to-income mortgages, to ward against pushing household debt higher.

In Germany, the **Bundesbank's** (central bank) six-monthly forecasts update included a 5.5% drop in 2020 GDP, against a previous forecast of a 7.1% tumble.

Expected 2021 GDP growth was lowered, by 0.2% to 3.0%, but the prediction for 2022 was boosted by 0.7% from the previous forecast, to 4.5%.

The Bundesbank said it expected the inflation rate to remain below 2.0%, despite an anticipated jump on the expiry of a temporary VAT reduction.

Pre-Open Announcements

Live Verdure (* LV1)

Plant-based food, nutraceutical and skin care supplier scheduled to list on the ASX **10.30am** AEDT, following a \$5M IPO at 20c per share.
~40M quoted shares.

Sovereign Cloud Holdings (* SOV)

Cloud-based computing services provider scheduled to list on the ASX **11am** AEDT, following a \$20M IPO at 75c per share.
52.48M quoted shares.

GenusPlus Group (* GNP)

Electricity and telecommunications infrastructure construction and maintenance specialist scheduled to list on the ASX **midday** AEDT, following a \$32.81M IPO at 96c per share.

CFOAM Ltd (* CFO)

The US Department of Energy has selected for negotiation for a \$US2.32M project support award.

Cellnet Ltd (* CLT)

27% higher, \$14.78M year-on-year November revenue.
174% NPAT growth, to \$1.19M.
Year-to-date NPAT at \$2.79M, against \$2.04M a year earlier.

MACA Ltd (* MLD)

\$74M five-year contract in hand for WA Kimberley region road maintenance resources, services and minor works.

Redhill Education (* RDH) / UCW Ltd (UCW)

UCW is offering 4.5 UCW shares for each RDH share in an off-market takeover bid.

Should the bid prove successful, UCW will appoint former Navitas CEO David Buckingham as CEO of the combined entity.
RDH traded at 72c – 79.5c last week.

UCW last traded Monday last week, at 17.5c.

Identitii Ltd (ID8)

US patent approval achieved for ID8's secure financial transaction information sharing system.
ID8 must pay a \$US600 fee.

Pacific Smiles (PSQ)

Anticipating 25% - 30% higher FY21 patient fees income, against previous 20% growth guidance.
EBITDA is expected to increase by 35% - 45%, rather than the previously forecast 25%.

Same-centre patient fees income has grown 14.6% for the financial year-to-date to 8 December.

Buddy Technologies (BUD)

BUD has appointed former Deloitte Touche Tohmatsu audit manager Vicky Allinson as company secretary, effective Friday.

Ms Allinson's appointment follows the resignation of former



Among overnight Friday **data** releases, **Germany's** final November CPI reading confirmed 0.8% deflation for the month and a 0.3% fall in prices year-on-year.

Earlier, **China** had revealed 12.6% year-on-year growth in November vehicle car sales, following 12.5% for October.

In the **US**, November producer prices were reported 0.1% higher for the month, but 0.8% higher than for November 2019.

An initial reading of the University of Michigan December consumer sentiment index came in at 81.4, from 76.9 for November, and following forecasts of a dip to 76.0.

Tonight in the **US**, the US electoral college allocates presidential election votes for the Joe Biden and Donald Trump.

Among scheduled data releases, a consumer inflation expectations report is due.

Elsewhere, the euro zone reports October industrial production.

In overnight Friday and weekend corporate news, UK-headquartered **AstraZeneca** revealed it was outlaying a total \$US39M in cash and shares for US-based immunology and rare-disease treatments-focused **Alexion Pharmaceuticals**.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1843.6	oz	6.2	0.3
Silver (NY) (Mar)	24.092	oz	0.08	0.3
Gold (LON)	1842	oz		
Platinum	1002	oz	-21	-2.1
WTI Crude (NYMEX Jan)	46.57	bbbl	-0.21	-0.5
Brent Crude (ICE EUR Feb)	49.97	bbbl	-0.28	-0.6
Iron Ore (NYMEX,CHN,62%)	152.02	t		
Copper (LME,3mth Ind,PM)	7772	t	-106	-1.3
Nickel	17287	t	-146	-0.8
Aluminium	2023	t	-37	-1.8
Lead	2064	t	-26	-1.3
Zinc	2795	t	-72	-2.5
Tin	19423	t	-34	-0.2

Commodities Commentary

Oil – demand-supply concerns again pushed prices lower overnight Friday, as several nations reported concerning Covid-19 figures and new restrictions were announced for New York city, impacting seasonal restaurant trade from tonight.

A US petroleum drill rig report, published overnight Friday, included 12 additional operational oil rigs.

Also overnight Friday, Iran's budget was said to incorporate the prospects of selling up to 2.3MMbbl/d in the year commencing March 2021.

Gold – overnight Friday sentiment appeared pushed and pulled by data releases, central bank reports, Covid-19 containment concerns and hopes, and ongoing difficulties securing agreement on new US fiscal support, and a UK-European Union (EU) trade deal by an end-of-year expiry of an 11-month transition period for the UK's separation from the EU.

Central bank meeting statements will influence some gold sentiment this week, even though no change is considered out of

company secretary Ben Secrett in favour of another opportunity.

NZME Ltd (NZM)

NZM has appointed first commercial iPhone app company Polar Bear Farm co-founder Guy Horrocks as an independent director, effective 8 February.

COSOL Ltd (COS) / Houston We Have (HWH)

COS and HWH have appointed Lisa Wynne as company secretary, effective immediately.

Former COS and HWH (and BUD and ANA) company secretary Ben Secrett has resigned.

Resources

Errawarra Resources (* ERW)

WA-focused mineral explorer and project developer scheduled to list on the ASX **12.30pm** AEDT, following a \$6M IPO at 20c per share.

33.71M quoted shares.

Newcrest Mining (* NCM) / Encounter Resources (* ENR)

NCM is withdrawing from the West Tanami Selby, Watts and Lewis JVs, but is retaining its JV interest in the Aileron project, WA West Arunta region.

Auroch Minerals (* AOU)

Heralding additional WA Leinster nickel project high-grade assays from diamond drilling within the Horn prospect.

Kirkland Lake Gold (* KLA)

2021 full year guidance lodged this morning, including 1.3Moz – 1.4Moz production and a \$US790/oz - \$US810/oz AISC.

Thomson Resources (TMZ)

Investor update presentation lodged post-trade Friday.

TMZ has traded higher the past four sessions, adding 17.35% Friday to settle at 11.5c, after closing out the previous week at 9c.

Helix Resources (HLX)

HLX has appointed experienced resources sector executive and financier Mike Rosenstreich as MD, effective 11 January.

Kingfisher Mining (* KFM)

Mineral exploration company completed an enviable ASX listing Friday, following a \$6M IPO at 20c per share.

Opened at 31.5c and traded at 26.5c – 33c before settling at 29.5c.

7.4M shares changed hands across 534 transactions.

32.945M quoted shares.

AKORA Resources (* AKO)

Explorer and iron ore project developer scheduled to list on the ASX 11.30am AEDT **tomorrow**, following a \$5M IPO at 25c per share.

49.545M quoted shares.



the Bank of Japan's meeting. A two-day US Federal Reserve policy meeting will deliver outcomes early Thursday AEDT. The Bank of England also convenes a policy meeting, Thursday evening AEDT.

Base metals – as with oil, overnight Friday base metals trade appeared mostly influenced by demand concerns from Covid-19 containment-related restrictions, and difficulty in negotiating additional US fiscal support, plus international trade fears, in particular overnight Friday on discouraging reports out of UK-EU negotiations.

Meanwhile, late Thursday, the China Iron and Steel Association reportedly called for an investigation into the recent surge in iron ore prices.

Today, China is expected to report November residential property prices.

China's November industrial production, fixed asset investment and retail sales are anticipated **tomorrow**.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7556	0.0007	0.09
EUR – USD	1.2137	0.0000	0.00

Australian Data Today

ABS	Covid-19 household impacts	Nov
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US Data Tonight

Consumer inflation expectations	Nov
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Other Overseas Data Today & Tonight

China	Residential property price index	Nov
Japan	Tankan indices	Dec Q
Japan	Industrial production (final, 3.30pm AEDT)	Oct
Japan	Tertiary industry index	Oct
Euro zone	Industrial production	Oct

Need More Information?

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Energy

Ansila Energy (ANA)

ANA has appointed Matthew Foy as company secretary. Former ANA company secretary Ben Secrett has resigned.

Trading Halts

Company	Code	Resuming
Flinders Mines	FMS	14 Dec
Geopacific Resources	GPR	14 Dec
Musgrave Minerals	MGV	14 Dec
Poseidon Nickel	POS	14 Dec
Stemcell United	SCU	14 Dec
ADX Energy	ADX	15 Dec
Althea Group Holdings	AGH	15 Dec
Australian Dairy Nutritionals Group	AHF	15 Dec
BCI Minerals	BCI	15 Dec
Conico Ltd	CNJ	15 Dec
Global Value Fund	GVF	15 Dec
Meteoric Resources	MEI	15 Dec

Suspensions *(select)*

Company	Code	Since
Dotz Nano	DTZ	20 Nov
Ovato Ltd	OVT	4 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	16 Dec	0.4	100	4.52
CLF	17 Dec	1.5	100	4.80
MTS	22 Dec	8	100	3.61
CHC	30 Dec	18.55	40.16	2.49
CLW	30 Dec	7.3	0	6.06
GDF	30 Dec	1.8	0	5.45
GMG	30 Dec	15	0	1.68
RCT	30 Dec	8.54	0	4.14
RFF	30 Dec	2.82	0	4.45

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	EM1	AGM
Wed	AOU	AGM
	AIA	October operating statistics
	ANZ	AGM
	MXR	AGM
	MMJ	Investor update (tele 8.45am)

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	RSH	AGM
Thu	CDD	AGM
	CNN	Regulatory update (tele 8am)
	ELD	AGM
	MRM	AGM
Fri	ANP	AGM
	GCY	AGM
	IPL	AGM
	LIT	AGM
	NAB	AGM
	NUF	AGM
21 Dec	ADD	AGM
22 Dec	ALG	AGM
	OAR	AGM
	ORI	AGM
23 Dec	AR9	AGM
	SCT	AGM

December quarter S&P/ASX indices re-balance

The following changes come into effect on ASX open **21 December** (Monday next week):

S&P/ASX 20

Out: IAG

In: APT

S&P/ASX 50

Out: OSH, VCX

In: APT, XRO

S&P/ASX 100

Out: ILU, FLT, NHF

In: IEL, MIN, REH

S&P/ASX All 200

Out: AVH, COE, WSA

In: KGN, REH

S&P/ASX All Technology

Out: RAP

In: 3DP, 4DX, BID, DTC, FDV, FZO, HTG, LBY, MMM, OTW, TNT, WBT, YOJ