

Markets

SFE 200 Futures (9.30am AEDT)	7351	-29	-0.4
NZX 50	12858	-71	-0.6
DJIA Futures	35552	-93	-0.3
S&P 500 Futures	4637	-32	-0.7
NASDAQ Futures	15925	-157	-1.0

Local Markets Commentary

The Australian market commences mid-week trade with a major bank hosting an AGM, a key domestic economic report due late morning, and a batch of influential data out of China early afternoon, ahead of material UK and US economic data and US Federal Reserve policy meeting outcomes tonight.

Overnight US equities sentiment again proved ultimately negative.

Locally today, Westpac and the Melbourne Institute publish their December **consumer sentiment** report at 10.30am AEDT.

Regionally today, China is scheduled to release November **industrial production** and **retail sales** and January – November **fixed asset investment** at 1pm AEDT.

In addition, November home prices (12.30 pm) and an unemployment rate update are anticipated today.

In overnight commodities trade, **oil** fell for a second consecutive session.

US **gold** futures swung to trade sub-\$US1775/oz.

Iron ore (China port CFR, 62% fines) also turned lower, trading beneath \$US112/t.

LME (3mth evening) **copper** again reportedly settled ~0.5% lower.

Nickel and **aluminium** were reported to have declined by ~1%. Last night's LME final price updates were unavailable from IRESS at time of publication.

The **\$A** fell below US71.10c after trading at ~US71.30c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35544	-107	-0.3
S&P 500	4634	-35	-0.8
NASDAQ	15238	-176	-1.1
FTSE 100	7219	-13	-0.2
DAX 30	15454	-168	-1.1
Shanghai Comp	3662	-20	-0.5

Overseas Markets Commentary

Major European, UK and US equities markets ultimately fell further overnight, despite some early, but varying, positive sentiment demonstrated in DAX, FTSE and DJIA trade.

Covid-19 containment concerns, the potential further impact on global supplies and logistics, and hence prolonged inflationary

*** Africa mineral exploration listing – 12.30pm AEDT – AMM ***

Today's Stock Watch
Westpac Banking Corporation (WBC)

Regulatory and performance updates anticipated at today's AGM.

CSL Ltd (CSL)

Planning to launch a unanimously approved public tender \$US179.95 cash-per-share offer for Vifor Pharma.

The offer values Vifor at \$US11.7B (~\$A16.4B).

Vifor 23.2% shareholder Patinex has agreed to tender its holding into the offer.

Conditions and rationale lodged post-trade yesterday.

In association, CSL is conducting a \$A6.3B fully underwritten institutional placement and non-underwritten \$A750M SPP.

CSL will also use a \$US6.0B bridge facility and \$US2.0B worth of exiting cash/undrawn facilities.

The floor price for the book-build placement is \$A273.00.

CSL hosted a conference call yesterday evening (AEDT). Presentation also lodged.

CSL traded at \$297.00 - \$307.82 the five sessions immediately prior to calling a trading halt pre-trade yesterday.

SRG Global (SRG) / Lendlease Group (LLC)

SRG has secured a \$30M structures contract secured with LLC for the Australian Defence-owned HMAS Stirling and Henderson facilities in southern coastal Perth.

Recce Pharmaceuticals (RCE)

Dosing due to commence tomorrow for 10 patients recruited for the phase I clinical trial of the proposed R327 IV antibiotic.

Resources
Sandfire Resources (SFR)

WA Old Highway gold deposit initial indicated resource estimated at 2.8Mt @ 2.5g/t Au, for 223,000oz of gold.

~9100m diamond drilling program underway.

Piedmont Lithium (PLL)

US North Carolina lithium hydroxide project bankable feasibility results lodged pre-trade. These included a \$US2.04B post tax NPV (8%) and 27% post-tax IRR.

Altura Mining (AJM)

Nevada, US Fish Lake Valley lithium project technical review of previous exploration work completed.

Geophysical data collection and direct lithium extraction studies underway.

AJM settled at 1.5c yesterday, down 76.25% for the session, after resuming ASX trade following a lengthy suspension.



pressures, prevailed.

Commentary abounded surrounding the likely US Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) post-policy meeting statements tonight (Fed) and tomorrow night (BoE and ECB).

Meanwhile, US Senate progress was reported towards a potential \$US2.5 trillion increase in the government debt limit. A positive vote, anticipated post-US trade, means the required legislation could move to the House of Representatives for consideration.

US secretary of state Janet Yellen has previously urged for an approved increase by midnight tonight.

In overnight **data** releases, **euro zone** October industrial production rose 1.1% for the month, in line with forecasts after a 0.2% September decline.

Against October 2020, output was up 3.3%.

In the **UK**, October average earnings (excluding bonuses) were calculated 4.3% higher for the month after rising by 5% during September.

October unemployment fell 0.1% to 4.2%, in line with expectations.

Unemployment claims fell by 49,800 during November, against expectations of 20,000 fewer claims and following a 14,900 October decrease.

In the **US**, November producer prices were reported 0.8% higher for the month, against forecasts for a 0.5% increase and after growing 0.6% during October.

Against November 2020, prices were up 9.6%.

Core prices (excluding the food and energy sectors) rose 0.7% for the month and 7.7% year-on-year, against respective 0.3% and 7.7% expected growth.

The NFIB small business optimism index in the meantime was calculated at 98.4 from 98.2, following forecasts for a decline to 98.0.

Tonight in the **US**, the Federal Reserve announces outcomes from its policy meeting, after which chair Jerome Powell will also host a press conference.

In addition, November retail sales, the NY Fed Empire State manufacturing index, October business inventories, November import and export prices, the NAHB housing market index and weekly mortgage applications are due.

Elsewhere, the UK reports November CPI.

Lennar Corp and Trip.com are among stocks scheduled to release quarterly earnings.

In overnight corporate news, **Pfizer** revealed final trial data for the Covid-19 anti-viral treatment Paxlovid, these indicating the oral treatment could cut hospitalisation or death rates by up to 89%.

Toyota announced a planned ~\$US70B (¥8 trillion) investment in electric vehicle production and associated support, so that all Toyota vehicles would be electric by 2030.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1772.3	oz	-16	-0.9
Silver (NY) (Mar)	21.918	oz	-0.41	-1.9

Pre-Open Announcements

Auckland International Airport (* AIA)

October passenger numbers confirmed as 92.5% lower than for October 2020.

Estimating an 89.1% year-on-year drop for the November passengers tally.

Yojee Ltd (* YOJ)

Three additional logistics hubs, including YOJ's first in Europe, now live and generating revenue.

Details lodged this morning.

Linus Technologies (LNU)

Access links to yesterday's market update webinar and presentation lodged post-trade yesterday.

The Hydration Pharmaceuticals Company (* HPC)

Hydration products provider completed a successful ASX listing yesterday, following a \$17M IPO at 29c per share.

Opened at 29c and slipped to 28.5c before settling at its day one high of 35.5c.

3.77M shares were traded across 358 transactions.

132.165M quoted shares.

Xpon Technologies (* XPN)

Cloud-based marketing services specialist scheduled to list on the ASX midday AEDT **tomorrow**, following a \$12.5M IPO at 20c per share.

149.547M quoted shares.

Resources

Armada Metals (* AMM) / Cobre Ltd (CBE)

Africa nickel and copper-focused mineral exploration company AMM is scheduled to list on the ASX **12.30pm** AEDT, following a \$10M IPO at 20c per share.

50M quoted shares.

CBE holds 14.423% of AMM, after providing AMM with \$US750,000 in pre-IPO funding and subscribing for \$1M worth of shares in the AMM IPO.

Metal Tiger (ASX: MTR) holds 4.808%.

Genmin Ltd (* GEN)

Two MoU secured for the supply of 3Mtpa of iron ore fines and 1Mtpa of lump ore from the Baniaka iron ore project, Republic of Gabon.

The MoU are with China Minmetals Corporation and Changzhou Dongfang Special Steel, covering an initial three years.

Targeting 30 June 2023 for legally binding off-take agreements.

Australian Strategic Materials (* ASM)

Joint statement of cooperation negotiated with South Korean government agency the Korean Mine Rehabilitation & Resource Corporation (KOMIR; formerly Korean Resources Corporation) for the supply of critical minerals and metals to



Gold (LON) (13Dec)	1788	oz		
Platinum	918	oz	-9	-1.0
WTI Crude (NYMEX Jan)	70.73	bbl	-0.56	-0.8
Brent Crude (ICE EUR Feb)	73.70	bbl	-0.69	-0.9
Iron Ore (Qingdao) (CHN;62%Fe)	111.9	t	-2.3	-2.0
Copper (LME 3mth Evening) (13Dec)	9445	t		
Nickel	19704	t		
Aluminium	2655	t		
Lead	2298	t		
Zinc	3325	t		
Tin	38745	t		

Commodities Commentary

Oil – the International Energy Agency’s (IEA) monthly oil market report, published overnight, included a view the Covid-19 omicron variant outbreak could slow international demand, but would likely prove temporary and that demand would continue to recover to pre - Covid-19 levels.

Renewed travel restrictions prompted the IEA to reduce its 2021 and 2022 demand forecast by 100,000bbl/d.

A stronger \$US and over-supply views appeared to be the major factors in pushing prices lower overnight.

A weekly US petroleum inventories report is due from government agency the EIA tonight.

Post-US trade, the API released a weekly report, which included an 815,000bbl draw on crude stocks last week.

Gold – \$US strength and an oil price fall were cited for the overnight drag on gold prices, Comex futures trading at ~two-week lows.

Ahead of the US Federal Reserve policy meeting outcomes, to be released tonight (early tomorrow morning AEDT), the overnight US PPI raised expectations the central bank could bring forward the first planned rate increase.

Among the forecasters, JPMorgan expects a mean average \$US1630/oz for gold during 2022 and \$US20.48/oz for silver.

Commerzbank predicts ‘subdued’ 1H 2022 prices that will strengthen during 2H, producing an overall \$US1900/oz.

Commerzbank had previously opted for \$US2100/oz, but anticipates \$US2000/oz prices not to return until 2023.

Base metals – a stronger \$US (\$US index +~0.2%), inventory, economic data releases and a World Health Organisation (WHO) warning of ‘unprecedented’ spread of the Covid-19 omicron variant produced some overnight price swings.

Cash prices for *copper* notably fell below those for three-month contracts.

Japan’s final October industrial production reading represented a 1.8% improvement for the month, following a 5.4% September drop and initial October estimate of a 1.1% rise. Against October 2020, output was down 4.1%.

China’s industrial production, retail sales and fixed asset investment updates, scheduled for release today, are expected to influence some trade tonight.

Korea.

ASM and KOMIR will aim to jointly expand the use of rare earths and critical metals in Korea, and to develop import opportunities that will support industry in Korea.

Revolver Resources (* RRR)

Heralding Dianne copper project IP electrical geophysical surveying results.

SSR Mining (* SSR)

Saskatchewan Amisk gold project drilling and grab sample results lodged pre-trade.

FYI Resources (FYI)

Non-executive director Adrian Jessup has resigned from the FYI board, effective immediately.

Mr Jessup had been an FYI director since 2012.

Energy

Strike Energy (* STX)

Onshore WA Perth Basin South Erregulla-1 drilling expected to commence before year’s end.

\$2M Australian government ‘supply chain resilience’ grant in hand for Project Haber.

The project has also been awarded lead agency status by the WA government.

Ronin Resources (* RON)

Exploration company scheduled to list on the ASX 1.30pm AEDT **tomorrow**, following a \$5M IPO at 20c per share.

~28,998M quoted shares.

Holds a thermal coal project and copper and gold project, each in Colombia.

RON says the thermal coal project is the company’s initial focus.

Trading Halts

Company	Code	Resuming
Harvest Technology Group	HTG	15 Dec
Medibio Ltd	MEB	15 Dec
Mighty Kingdom	MKL	15 Dec
MinRex Resources	MRR	15 Dec
MOQ Ltd	MOQ	15 Dec
Palla Pharma	PAL	15 Dec
Paterson Resources	PSL	15 Dec
PolarX Ltd	PXX	15 Dec
Queensland Pacific Metals	QPM	15 Dec
Tamaska Oil & Gas	TMK	15 Dec
Thor Mining	THR	15 Dec
333D Ltd	T3D	16 Dec
BNK Banking Corporation	BBC	16 Dec
Credit Clear	CCR	16 Dec
CSL Ltd	CSL	16 Dec
IDT Australia	IDT	16 Dec

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7103	0.0000	0.00
EUR – USD	1.1258	-0.0022	-0.19

Australian Data Today

Westpac-MelbInst	Consumer sentiment	Dec
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US Data Tonight

Federal Reserve monetary policy meeting outcomes	15 Dec
Import & export prices	Nov
Retail sales	Nov
NY Fed Empire State manufacturing index	Dec
Business inventories	Oct
NAHB housing market index	Dec
MBA mortgage applications	10 Dec

Other Overseas Data Today & Tonight

China	Industrial production	Nov
China	Fixed asset investment	Jan - Nov
China	Retail sales	Nov
China	Residential property prices	Nov
Japan	Tertiary industry index (3pm AEDT)	Oct
UK	CPI	Nov

Need More Information?

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MA Financial Goup	MAF	16 Dec
PepinNini Minerals	PNN	16 Dec
Shekel Brainweigh	SBW	16 Dec

Suspensions *(selected)*

Company	Code	Since
Adalta Ltd	1AD	14 Dec
Asian American Medical Group	AJJ	23 Nov
Aurumin Ltd	AUN	10 Dec
BPH Energy	BPH	9 Dec
Emerge Gaming	EM1	3 Dec
Middle Island Resources	MDI	10 Dec
SRJ Technologies Group	SRJ	23 Nov
VIP Gloves	VIP	24 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GRR	Today	10	100	5.33
PL8	Tomorrow	0.5	100	4.38
MTS	21 Dec	10.5	100	3.86
CHC	30 Dec	19.66	42.37	1.72
CIP	30 Dec	4.33	0	4.25
CLW	30 Dec	7.62	0	5.66
COF	30 Dec	4.15	0	7.01
CQE	30 Dec	4.22	0	4.09
CQR	30 Dec	11.7	0	5.35
GDI	30 Dec	3.88	0	6.95
GMG	30 Dec	15	0	1.15
MGR	30 Dec	5.1	0	3.36
RCT	30 Dec	16.58	0	tbc
RFF	30 Dec	2.93	0	3.64
SCP	30 Dec	7.2	0	4.25
TCL	30 Dec	15	0	2.63

Reports & Events*(selected; all times AEDT)*

When	Company	Report/Event
Today	AGH	AGM (5pm)
	AIA	October
	WBC	AGM
Tomorrow	ANZ	AGM
	ELD	AGM
	EL8	AGM (1.30pm)
	ORI	AGM
Fri	GNC	AGM
	NAB	AGM



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NUF	AGM
IPL	AGM