Market Opener

Monday, 15 November 2021

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Markets

SFE 200 Futures (9.30am AEDT)	7435	-3	-0.0
NZX 50	12938	30	0.2
DJIA Futures	36013	0	0.0
S&P 500 Futures	4678	0	0.0
NASDAQ Futures	16193	0	0.0

Local Markets Commentary

The Australian market opens a new week's trade with Reserve Bank of Australia (RBA) insights due be delivered to national parliamentarians, plus influential data due out of Japan later this morning and from China early afternoon, following overnight Friday US equities trade.

Post-ASX trade Friday, Asia Pacific Economic Co-operation (APEC) leaders, including Xi Jinping (China) and Joe Biden (US), met virtually at a forum hosted by New Zealand, ahead of scheduled bilateral virtual talks tonight.

Over the weekend, the UN's climate change forum concluded following prolonged negotiations which resulted in a contentious statement, forged with last minute changes and delivered in an emotion-charged atmosphere.

Locally today, **RBA** assistant governor (economic) Luci Ellis and RBA head of economic analysis Bradley Jones are due to meet with the national House of Representatives standing committee on tax and revenue from **11.30am** AEDT.

Also today, **NAB** is among stocks trading ex-dividend. *Please see pp4-5 for a detailed ex-dividends list.*

Regionally today, **China** is scheduled to provide October **fixed asset investment**, **industrial production** and **retail sales** updates at **1pm** AEDT.

Residential property prices are also due, 12.30pm.

For its part, **Japan** releases its first estimate of September quarter **GDP** growth **10.50am** AEDT.

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

US **gold** futures settled slightly higher.

Iron ore (China port CFR, 62% fines) swung lower, below $US89.70/t.

LME (3mth evening) **copper, nickel** and **aluminium** extended Thursday's gains.

The **$A** appreciated to ~US73.30c after trading at ~US72.95c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	36100	179	0.5
S&P 500	4683	34	0.7
NASDAQ	15861	157	1.0
FTSE 100	7348	-36	-0.5

Today's Stock Watch

Elders Ltd (ELD)

22c, 20%-franked final dividend, from 13c, fully-franked a year ago.
22% higher, $149.8M full year NPAT.
22% higher, $2.55B sales. $216.9M net debt.

Incitec Pivot (IPL)

8.3c, 1.2c-franked (14%) final dividend, against no dividend a year ago, and a 1c fully franked interim dividend.
20.8% lower, $A149.1M full year NPAT.
10.3% lower, $4.35B ordinary activities revenue.
$1.22 NTA from $1.12.
Climate change report also lodged pre-trade.
In addition, IPL has appointed Dyno Nobel Asia Pacific CFO Chris Opperman as interim CFO, effective today.

Australian Clinical Labs (ACL)

Webinar scheduled to commence 11am AEDT.
Proposing to outlay up to $70M to acquire Medlab Pathology.
ACL will pay $60M upfront, $5M at the end of 2022 and an achievement-related potential $5M.
ACL will use cash and existing debt facilities to fund the purchase. Completion anticipated by year's end, pending regulatory approvals.

PlaySide Ltd (PLY)

Heralding an eight-figure work-for-hire development agreement with NASDAQ-listed Publisher Take-Two Interactive Softward's 2K Games.
PLY will act as a key partner in a franchise to be developed by 2K Games.

Vita Group (VTG) / Telstra Corp (TLS)

VTG has completed the sale of the group's ~$110M cash retail information and communication technology (ICT) business to TLS.
VTG will pay 39c a first tranche of a fully franked special dividend this month, to be followed by ~3c – 6c when full transaction costs are known.
VTG will use remaining sale funds for growing the artisan aesthetic clinics.
Executive and board changes, mostly as previously flagged, lodged post-trade Friday.

Resources

Red Dirt Minerals (RDT)

Maiden (and ongoing) Mt Ida lithium-copper-gold project drilling has intersected pegmatite in 14 of 16 holes drilled.
Additional observations lodged this morning.
A second drill rig is anticipated by month's end.

DAX 30	16094	11	0.1
Shanghai Comp	3539	6	0.2

Overseas Markets Commentary

Trade across most major European, UK and US equities featured some marked changes in intra-sessional sentiment overnight Friday, with key US indices trending notably higher in second-half trade to close near session peaks.

Both China and the US confirmed a virtual meeting between the nations' two presidents had been scheduled for overnight tonight, buoying hopes of strengthening relations following the week's earlier joint commitment to co-operate on climate change action.

In overnight Friday **data** releases, the **euro zone** reported a better-than-feared 0.2% decline in September industrial production, following August's 1.7% drop. Forecasters had anticipated a new 0.7% fall.

Output was 5.2% higher than for September 2020.

Germany's October wholesale prices were calculated 1.6% higher for the month following a 0.8% September increase.

Against October 2020, prices were up 15.2%.

In the **US**, a September job openings report included an estimated 10.44M opportunities, from 10.63M in August. Forecasters had predicted a decline in openings, venturing a total 10.1M.

The University of Michigan's initial November national consumer sentiment index came in at 66.8, representing a 4.9-point decline from October.

Tonight in the US, NY Fed Empire State manufacturing index is due.

Elsewhere, the euro zone releases September trade figures.

Companies scheduled to report earnings or provide trading updates later today or tonight include: Advance Auto Parts, Ivanhoe Mines, Tyson Foods and Warner Music Group.

In overnight Friday corporate news, **Biogen** benefited from trial data which indicated the company's Alzheimer's treatment, Aduhelm, could lower blood levels of a protein associated with brain degeneration, including as observed in Alzeheimer's sufferers.

Meanwhile, **AstraZeneca** revealed it had begun accepting commercial supply contracts for its Covid-19 vaccine, developed with Oxford University, indicating an end to the company's thus-far not-for-profit pricing.

Pricing would be tiered, and would remain tailored to any nation's ability to pay, the firm assured, and hence the company was not anticipating 'huge' profits from sales of the vaccine.

September quarter AstraZeneca Covid-19 vaccine sales tallying $US1.1B contrasted with those of Pfizer ($US13B reported together with a forecast of $US36B for 2021) and of Moderna ($US4.8B).

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1868.5**	oz	4.6	0.2
Silver (NY) (Dec)	**25.352**	oz	0.05	0.2
Gold (LON)	**1861**	oz		

Pre-Open Announcements

BrainChip Holdings (* BRN)

BRN has appointed Silicon Valley Executive Network board member Sean Hehir as CEO.

Mr Hehir will also be appointed as a BRN executive director, 29 November.

Noxopharm Ltd (* NOX)

$8.8M Australian government Medical Research Future Fund (MRFF) grant in hand in support of a study investigating combining NOX's Veyonda with chemotherapy drug doxorubicin for treating soft tissue sarcomas.

Adbri Ltd (* ABC) / HT&E Ltd (* HT1)

Conference presentations lodged pre-trade.

HT1 traded lower for four sessions last week, settling at $4.22 after closing out the previous week at $4.54.

Contact Energy (* CEN)

October operating statistics lodged pre-trade, including mass market gas and electricity sales almost on-par with October 2020, but $NZ104.46MW/h netback against $NZ99.15MW/h.

Contracted wholesale electricity sales tallied 690GWh, against 638GWh.

Electricity and steam net revenue came in at $NZ91.57/MWh, against $NZ76.69/MWh.

Conference presentation also lodged pre-trade.

AFT Pharmaceuticals (* AFP)

The US FDA has nominated 30 June as the date by which it must respond to the application for the IV form of AFP's Maxigesic pain treatment.

AFP had been anticipating an August – September 2022 date, known as the Prescription Drug User Fee Act (PDUFA) date.

Cardno Ltd (CDD)

Reporting unsolicited approaches regarding potential transactions involving CDD's international development business.

CDD is continuing a strategic review under financial and legal advisers, including with regard to the international development business.

The sale of CDD's Americas and Asia Pacific consulting businesses is expected to complete by 7 December.

APM Human Services International (APM)

Comprehensive one-stop wellbeing services provider completed its ASX listing Friday, following a $982.1M IPO at $3.55 per share.

Opened at $3.50, its debut day high, and fell to $3.20 before settling at $3.33.

18.51M shares were traded across 4012 transactions.

Trading commenced on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence Wednesday.

Platinum	**1081**	oz	-3	-0.3
WTI Crude (NYMEX Dec)	**80.79**	bbl	-0.80	-1.0
Brent Crude (ICE EUR Jan)	**82.17**	bbl	-0.70	-0.8
Iron Ore (Qingdao) (CHN;62%Fe)	**89.69**	t	-2.88	**-3.2**
Copper (LME 3mth Evening)	**9706**	t	79	0.8
Nickel	**19973**	t	217	1.1
Aluminium	**2700**	t	40	1.5
Lead	**2362**	t	-4	-0.2
Zinc	**3267**	t	-12	-0.4
Tin	**37811**	t	148	0.4

Commodities Commentary

Oil – views the US Federal Reserve could raise rates earlier than anticipated, in response to inflation levels, were cited as one major influence on overnight Friday trade, in addition to supply-demand commentary.

Among the producers, Russia's Rosneft warned demand was outstripping supply, and ventured the company would increase output by ~1.0% during the coming year. Rosneft reported an ~$US4.4B September quarter profit, due to oil price strength. Output grew 9% over the three months, to 3.98MMbbl/d. BP remains an ~20% Rosneft shareholder.

A weekly US petroleum drill rig report, published overnight Friday, calculated four additional oil rigs became operational during the previous week, raising the tally to 454, the highest count in 19 months.

The International Energy Agency (IEA) is due to release its monthly report overnight tomorrow.

Gold – continuing $US strength and hedging on inflation views pushed and pulled overnight Friday prices, but a slight ultimate gain for Comex futures produced a 2.8% rise for the week.

International GDP and CPI updates, plus US regional manufacturing indices and retail sales, are among data releases expected to swing some currency trade and gold sentiment this week.

Consumer retail activity will feature in corporate earnings reports.

Base metals – commentary on the health of China's property sector, a remaining strong $US and select inventories appeared the main influences on overnight Friday trade.

China's economic position will also influence at least some of tonight's trade, with October **fixed asset investment**, **industrial production** and **retail sales** updates due today.

The monthly **home price index** is also anticipated.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7328	-0.0003	-0.04
EUR – USD	1.1443	-0.0001	-0.01

US Data Tonight

NY Fed Empire State manufacturing	Nov

~898.62M quoted shares.

carsales.com Ltd (CAR)

Jobkeeper payments disclosure lodged post-trade Friday.

Catapult Group (CAT)

Jobkeeper payments disclosure lodged post-trade Friday.

Codan Ltd (CDA)

Jobkeeper payments disclosure lodged post-trade Friday.

Crown Resorts (CWN)

Jobkeeper payments disclosure lodged post-trade Friday.

Eagers Automotive (APE)

Jobkeeper payments disclosure lodged post-trade Friday.

Lendlease Group (LLC)

Jobkeeper payments disclosure lodged post-trade Friday.

Pinnacle Investment Management Group (PNI)

Jobkeeper payments disclosure lodged post-trade Friday.

Premier Investments (PMV)

Jobkeeper payments disclosure lodged post-trade Friday.

Wesfarmers Ltd (WES)

Jobkeeper payments disclosure lodged post-trade Friday.

Woolworths Group (WOW)

Jobkeeper payments disclosure lodged at market close Friday.

Resources

Pantoro Ltd (* PNR)

Heralding WA Halls Creek project drilling, which PNR says has confirmed a large-scale Lamboo PGE deposit.

Assays lodged pre-trade.

Poseidon Nickel (POS)

WA Black Swan restart project update lodged pre-trade.

Heavy Minerals (* HVY)

Port Gregory project step out drilling has intersected heavy mineral (HM) mineralisation outside the exploration target area.

HVY describes visual results as 'highly encouraging' and has applied for E70/5934, located to the east of E70/5160, the southern boundary of which delivered the step out mineralisation.

Gascoyne Resources (* GCY)

GCY has appointed former Firefly Resources MD Simon Lawson as MD and CEO, taking over from Richard Hay.

Mr Hay has been a GCY non-executive director since Wednesday last week, following the implementation of the GCY-Firefly scheme of arrangement.

Korab Resources (KOR)

WA Pilbara exploration licence E08/2756 has been renewed/extended for five years to 8 September 2026.

E08/2756 forms part of the greater Mt Elephant project which covers a total 1200sq km.

Other Overseas Data Today & Tonight

China	Fixed asset investment	Jan - Oct
China	Industrial production	Oct
China	Retail sales	Oct
China	Residential property prices	Oct
Japan	GDP (prelim)	Sep Q
Japan	Industrial production (final)	Sep

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Lynas Rare Earths (LYC)

Jobkeeper payments disclosure lodged post-trade Friday.

Orocobre Ltd (ORE)

Jobkeeper payments disclosure lodged post-trade Friday.

Evolution Energy Minerals (* EV1)

Exploration company scheduled to list on the ASX 12.30pm AEDT **tomorrow**, following a $22M IPO at 20c per share.
110M quoted shares.

Energy

Strike Energy (* STX) / Talon Energy (* TPD)

WA onshore Perth Basin EP447 JV Walyering-5 drilling underway as of yesterday.
STX 55% and operator; TPD 45%.

Ampol Ltd (ALD)

Jobkeeper payments disclosure lodged post-trade Friday.

AGL Energy (AGL)

Jobkeeper payments disclosure lodged post-trade Friday.

Trading Halts

Company	Code	Resuming
Alicanto Minerals	AQI	15 Nov
Hawthorn Resources	HAW	15 Nov
Jadar Resources	JDR	15 Nov
Legacy Iron Ore	LCY	15 Nov
Nexus Minerals	NXM	15 Nov
Oneview Healthcare	ONE	15 Nov
RooLife Group	RLG	15 Nov
Tanga Resources	TRL	15 Nov
Dreadnought Resources	DRE	16 Nov
Eastern Iron	EFE	16 Nov
Invion Ltd	IVX	16 Nov
Mont Royal Resources	MRZ	16 Nov
Murray Cod Australia	MCA	16 Nov
Aguia Resources	AGR	17 Nov

Suspensions *(selected)*

Company	Code	Since
BIR Financial	BIR	28 Oct
Intra Energy Corporation	IEC	3 Nov
Nex Metals	NME	1 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
NAB	Today	**67**	100	3.01
PL8	Today	**0.5**	100	4.33
QVE	Today	**1.2**	100	4.13
AST	Tomorrow	4.75	0	3.65

ACQ	Thu	8	100	4.36
CBO	Thu	3.3	20	0.00
IAP	Thu	4.53	0	5.47
JHX	Thu	40.5	0	0.00
ZEL	Thu	6.72	0	3.78
FGX	Fri	3	100	1.79
ORI	Fri	16.5	0	1.55
SOL	Fri	36	100	1.94
WGB	Fri	5	100	1.97

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	**ELD**	Full year (w/cast tele 10am)
	IPL	Full year
	OPY	AGM
Tomorrow	AZL	AGM
	CPN	AGM (midday)
	LIC	AGM
	MGR	AGM
	PLS	AGM (5pm)
	RCP	Webinar (midday)
Wed	A2M	AGM
	ABP	AGM (2.30pm)
	APT	AGM
	ALK	AGM (1.30pm)
	ALQ	Interim
	BWX	AGM
	CCX	AGM
	CBA	Sep Q
	CMW	AGM
	EML	AGM
	FWD	AGM (midday)
	HLA	AGM
	HPI	AGM
	LFG	AGM
	MOZ	AGM
	NUF	Full year
	PDN	AGM (1pm)
	POD	AGM
	PTM	AGM
	PLT	Interim
	PPS	AGM
	REM	AGM (1pm)
	SEK	AGM (4pm)
	SVW	AGM
Thu	AFP	Interim

	ALU	AGM
	ALL	Full year
	AMA	AGM
	AAC	Interim
	AVZ	AGM (5pm)
	CAM	AGM
	BSL	AGM
	EHL	AGM
	FNP	AGM
	GMG	AGM
	IGO	AGM (3pm)
	JLG	AGM
	MLD	AGM
	MKG	AGM
	MPL	AGM
	MIN	AGM
	MGV	AGM
	NHC	AGM (1pm)
	NST	AGM (2pm)
	PFP	AGM
	QHL	AGM (2pm)
	RDT	AGM
	SHL	AGM
	TMR	AGM
	VRT	AGM
	WSA	AGM (6pm)
	WNC	AGM (2pm)
Fri	AX1	AGM
	BMN	AGM (midday)
	EZL	AGM (4.30pm)
	FZO	AGM (5pm)
	IMU	AGM
	MVF	AGM
	NAN	AGM
	NXT	AGM
	PXA	AGM
	RMD	AGM (9am)
	SLR	AGM (5pm)
	SYD	Oct
	WTC	AGM