

Markets

SFE 200 Futures (9.30am AEDT)	6846	-12	-0.2
NZX 50	11372	43	0.4
DJIA Futures	28274	8	0.0
S&P 500 Futures	3195	0	0.0
NASDAQ Futures	8595	5	0.1

Local Markets Commentary

The Australian market opens today's trade ahead of material domestic data late-morning, Bank of Japan and Bank of England policy meetings today and this evening, and with the results of a US House of Representatives vote on impeachment charges against the president pending.

In addition, post-ASX trade yesterday, the **People's Bank of China** reduced the 14-day repo (reverse repurchase) rate by 0.05% to 2.65%, citing intent to 'keep year-end liquidity steady'.

The move effectively enabled an additional \$US28.41B in funds.

This, ahead of loan prime rate updates anticipated tomorrow.

Regionally today, the **Bank of Japan** holds a policy meeting from which it will release a statement **2pm** AEDT.

New Zealand is due to report September quarter GDP and November trade statistics.

Locally today, the Australian Bureau of Statistics publishes November **trade** figures **11.30am** AEDT.

A November **new home sales** report is anticipated from the HIA **11am** AEDT.

In overnight commodities trade, Brent **crude** settled slightly higher and WTI crude US1c/bbl lower.

US **gold** futures (February) also settled a little lower.

Iron ore (Nymex CFR China, 62% Fe) also moved marginally lower, US1c below \$US92.00/t.

LME **copper** ultimately declined a little. **Nickel** continued to fall. **Aluminium** swung higher.

The **\$A** rose to ~US68.55c after trading below US68.50c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28239	-28	-0.1
S&P 500	3191	-1	-0.0
NASDAQ	8828	4	0.1
FTSE 100	7541	15	0.2
DAX 30	13222	-66	-0.5
Shanghai Comp	3017	-5	-0.2

Overseas Markets Commentary

Choppy trade featured across major European and US equities

Australia – November **trade** balance – **11.30am** AEDT

Japan – BoJ **monetary policy** meeting statement – **2pm** AEDT

ASX Trading 24 December – 2 January

24 December	10am – 2.10pm AEDT
25 December	CLOSED
26 December	CLOSED
27 December	10am – 4.10pm AEDT
30 December	10am – 4.10pm AEDT
31 December	10am – 2.10pm AEDT
1 January 2020	CLOSED
2 January 2020	10am – 4.10pm AEDT

State One's *Market Opener* will continue tomorrow
and resume Thursday 2 January 2020

The State One *Spinnaker* will resume 5 January



*Best wishes from all at State One
for a safe and happy end-of-year season*

Trades executed **Monday** next week (23 December) will **settle** 27 December (Friday next week).

Next Tuesday's (24 December) trades will settle Monday 30 December.

Trades executed Friday next week settle 31 December.

Today's Stock Watch

Seven West Media (SWM)

The Australian Competition & Consumer Commission (ACCC) has outlined concerns regarding SWM's proposed sale of its Pacific Magazines division to Bauer Media, and is seeking submissions ahead of a targeted 2 April 2020 final decision.

Resources

Lynas Corporation (LYC)

Plans to establish a rare earths processing facility in Kalgoorlie-Boulder, WA have been boosted with the WA Government awarding the project 'lead Agency' status. This means the Department of Jobs, Tourism, Science & Innovation will help manage and coordinate the approvals process. LYC is targeting operations by early 2023.



markets overnight, amid key data releases in the euro zone, ahead of a GDP update tomorrow night in the US.

In the meantime, the US House of Representatives was heading towards a post-US trade vote on two formal impeachment charges against the president.

In overnight data releases, the **euro zone's** November CPI was finalised as representing 0.3% deflation for the month, following a 0.1% October rise.

Year-on-year, prices were 1.0% higher, however.

Germany's November producer prices were calculated flat for the month, following a 0.2% October pull back.

November prices were 0.7% lower than a year earlier.

Ifo's business climate index for Germany rose to 96.3 from 95.1, the conditions component improving 0.8 to 98.8.

In the **UK**, November CPI rose 0.2% for the month, following 0.2% October deflation. Compared with November 2018, the November index was 1.5% higher.

In the **US**, weekly new mortgage applications dropped 5%.

Mean 30-year mortgage rates remained at 3.98%.

Tonight in the **US**, the Philadelphia Fed manufacturing index, existing home sales, weekly new unemployment claims and the Conference Board leading index are due.

Elsewhere, the **Bank of England** holds a policy meeting, the post-meeting commentary most highly-anticipated.

In overnight corporate news, **Fiat Chrysler** and **PSA Peugeot** revealed a planned \$US50B merger.

FedEx was pushed ~10% lower after lowering full year earnings guidance while reporting a 39% quarterly earnings drop post-Tuesday US trade.

Nike is scheduled to report post tonight's trade.

Commodities				
COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Feb)	1478.7	oz	-1.9	-0.1
Silver (NY) (Mar)	17.049	oz	0.023	-0.1
Gold (LON)	1476	oz		
Platinum	934	oz	9	1.0
WTI Crude (Jan)	60.93	bbl	-0.01	-0.0
Brent Crude (Feb)	66.17	bbl	0.07	0.1
Iron Ore (NYMEX,CHN,62%)	91.99	t	-0.1	-0.1
Copper (LME,3mth,PM)	6189	t	-7	-0.1
Nickel	13875	t	-130	-0.9
Aluminium	1781	t	16	0.9
Lead	1930	t	34	1.8
Zinc	2313	t	23	1.0
Tin	17280	t	-45	-0.3

Commodities Commentary

Oil – prices swung lower in early trade due to a late-Tuesday industry report estimating a greater than 4.5MMbbl rise in US crude stockpiles last week.

However, a weekly US petroleum inventories report from government agency the EIA, published overnight, included a

Pre-Open Announcements

Cann Group (* CAN) / IDT Australia (* IDT)

IDT has packed CAN's initial commercially-produced medicinal cannabis product (dried flower) ready for stability testing ahead of maiden commercial sales to Australian patients, planned to commence by 31 March 2020.

CAN already exports the product to Aurora Cannabis, Canada, for research.

Spark New Zealand (* SPK) / Sky Network Television (* SKT)

SPK is planning to sell its entertainment streaming service Lightbox to SKT, pending commercial, legal and regulatory approvals.

SKT plans to merge Lightbox with the Neon SKT streaming service.

Centuria Industrial REIT (* CIP)

Expanding the Woolworths (ASX: WOW) Townsville distribution centre by 5500sq m to 10,200sq m.

\$14M anticipated cost. Targeting practical completion ~mid-2020, from when a new, 12-year lease will be established with WOW.

In addition, CIP is outlaying \$8M to acquire a Richlands, Queensland West Link Place property which adjoins one already held by CIP.

IMF Bentham (* IMF)

The Federal Court has approved the UGL securities class action settlement, with IMF anticipating \$8.9M gross income for FY 2020.

In addition, IMF is considering appealing a court's rejection of a funded claim in a non-Australian balance sheet investment. Including a potential court costs order, IMF is otherwise expecting a \$5.6M loss from funding this client claim.

A partial payment received by another client means IMF could recognise \$14.1M from funding a claim for which an appeal is underway for part of the Supreme Court of NSW decision.

Aggregate gross income for 2019 is estimated at \$126.5M.

ResApp Health (* RAP)

WA Aboriginal Health Ethics Committee approval in hand for a pilot, double-blind study of RAP's chronic obstructive pulmonary disease (COPD)-screening smartphone application with indigenous Australians at the Geraldton Regional Aboriginal Medical Service.

Salmat Ltd (* SLM)

Confirming third party interest in MicroSourcing that has led to discussions of a possible sale by SLM.

Auckland International Airport (AIA)

November passenger numbers rose 1.7% year-on-year and were 2.1% higher for the financial year-to-date.

Additional statistics lodged this morning.



1.1MMbbl decline in stored crude, due to flat (9.8MMbbl/d) production and lower (6.6MMbbl, against 6.9MMbbl) daily imports.

Net crude imports were reported 541,000bbl/d lower.

Petrol stocks grew by 2.5MMbbl, to 237.3MMbbl, the highest tally in ~nine months.

In the meantime, Saudi Arabia reported a 5.8% rise in October crude exports, for the month, to 7.06MMbbl/d. Daily production rose by 1.17MMbbl, to 10.30MMbbl.

The January WTI contract expires at tonight's settlement.

Gold – onlookers reported 'holiday-mode' volumes overnight, despite key data and votes remaining outstanding for the week.

Tomorrow night's US September quarter GDP third and final reading, and November personal income and spending figures, are expected to influence at least some trade sentiment.

Base metals – overnight LME trade demonstrated some caution ahead of key data yet to come this week. A strengthening \$US (ICE index ~0.2% higher) also curbed gains.

Meanwhile, the People's Bank of China reduced the 14-day repo (reverse repurchase) rate by 0.05% to 2.65%.

Yangshan's October copper premiums were reported at \$US61, against \$US85/t in September.

Lead is in focus due to northern hemisphere winter battery demand, China's November output reported at 572,000t, a record peak, representing an ~15% year-on-year increase.

Among economic data releases under consideration overnight, **Japan** had yesterday reported an ¥82.1B November deficit following a ¥15.7B October surplus.

Exports dropped 7.9% (Oct -9.2%).

Imports slid 15.7% (Oct -14.8%).

Tomorrow, **China's** one-year and five-year loan prime rates are keenly anticipated.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6853	-0.0001	-0.01
EUR – USD	1.1115	0.0001	0.00

Australian Data Today

ABS	Employment statistics	Nov
HIA	New home sales	Nov
RBA	Forex transactions	Nov
RBA	Official reserve assets	Nov

US Data Tonight

Initial jobless claims	14 Dec
Philadelphia Fed manufacturing	Dec
Existing home sales	Nov
Conference Board leading index	Nov

iCetana Ltd (* ICE)

Video analytics software developer scheduled to list 1pm AEDT **Monday**, 23 December following a \$5M IPO at 20c per share.

102.69M quoted shares.

Curtin University holds 7.09%.

Resources

Chalice Gold Mines (* CHN)

Heralding Victoria Pyramid Hill gold project Ironbark North target air core drilling results. Assays and possible implications lodged this morning.

Classic Minerals (* CLZ)

The WA Forrestania gold project Lady Magdalene resource has been boosted to 5.92Mt @ 1.32g/t Au, for 251,350oz. CLZ 80%.

Godolphin Resources (* GRL)

NSW-focused gold and base metals explorer completed its ASX listing yesterday, following a \$7.45M IPO at 20c per share.

Opened at 20c and traded at 17.5c – 21c before settling back at 20c. 881,368 shares changed hands across 66 transactions.

67.4M quoted shares.

Energy

Beach Energy (** BPT)

BPT plans to acquire a 30% participating interest in the OMV-operated offshore New Zealand PEP 50119, and expects to contribute \$25M towards Tawhaki-1 drilling, scheduled to commence early 2020.

Following the acquisition OMV will hold 52.93%, BPT 30% and Mitsui 17.07%.

BPT has traded higher the past four sessions, settling at \$2.69 yesterday.

Reports & Events

(select)

When	Company	Report/Event
Today	AIA	Nov op statistics
Tomorrow	IPL	AGM
	SYD	Nov op statistics
30 Dec	BEN	Interim

Trading Halts

Company	Code	Resuming
Kalia Ltd	KLH	19 Dec
Tigers Realm Coal	TIG	20 Dec
Variscan Mines	VAR	20 Dec

**Other Overseas Data Today & Tonight**

Japan	BoJ policy statement	Dec
UK	BoE policy statement	Dec
UK	Retail sales	Nov
UK	CBI distributive trades	Dec

Need More Information?

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Suspensions *(select)*

Company	Code	Since
African Energy Resources	AFR	18 Dec
Bounty Mining	B2Y	19 Dec
Cirralto Ltd	CRO	18 Dec
Ellex Medical Lasers	ELX	28 Nov
Gulf Manganese Corporation	GMC	18 Dec
Horseshoe Metals	HOR	16 Dec
Murray River Organics Group	MRG	3 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
KPG	Tomorrow	1.21	100	4.51
ABP	30 Dec	9.45	0	5.05
ADI	30 Dec	4.38	0	5.84
AGM	30 Dec	4.5	0	4.39
APA	30 Dec	23	0	4.09
APZ	30 Dec	2.75	0	4.20
AQR	30 Dec	5.45	0	6.12
AVN	30 Dec	4.26	0	5.88
AYF	30 Dec	7	39.59	5.493
BWP	30 Dec	9.02	0	4.45
CHC	30 Dec	17.5	17.14	2.97
CIP	30 Dec	4.67	0	5.43
CLW	30 Dec	7	0	4.87
CMA	30 Dec	4.45	0	5.90
CNI	30 Dec	4.17	37.78	4.17
CQE	30 Dec	4.17	0	4.98
CQR	30 Dec	14.52	0	6.55
DXS	30 Dec	27	0	4.21
EAF	30 Dec	2.6	0	3.80
EFF	30 Dec	4.2	0	4.29
EGF	30 Dec	3.25	0	6.56
GCI	30 Dec	0.73	0	4.83
GDF	30 Dec	0.75	0	6.41
GDI	30 Dec	3.88	0	5.02
GMG	30 Dec	15	0	2.17
GOZ	30 Dec	11.8	8.47	5.40
GPT	30 Dec	13.37	0	4.48
HPI	30 Dec	10.3	0	6.22
IFN	30 Dec	1	0	1.59
KLA	30 Dec	7.48	0	0.27
LEP	30 Dec	10.45	0	3.81
MGR	30 Dec	6.1	0	3.62
MOGL	30 Dec	8.37	0	tbc
NEW	30 Dec	4	0	5.96
NSR	30 Dec	4.7	0	5.00
RCT	30 Dec	10.6	0	5.23
RDC	30 Dec	2.21	0	6.47



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RFF	30 Dec	2.71	0	5.69
SCP	30 Dec	7.5	0	5.46
SGP	30 Dec	13.5	0	5.76
SYD	30 Dec	19.5	0	4.35
TCL	30 Dec	31	6.45	3.83
TGP	30 Dec	1	0	1.82
TOT	30 Dec	2.25	0	10.32
VCX	30 Dec	7.7	0	6.24

December Quarter S&P/ASX indices re-balance

The following changes will be effected as the ASX commences trade **Monday, 23 December:**

S&P/ASX 20

Out: S32

In: NCM

S&P/ASX 200

Out: GXY, SDA

In: APE, INA

S&P/ASX All Australian 200

Out: ALG, GXY, SDA

In: IMF, MP1, PRU