

Markets

SFE 200 Futures (9.30am AEDT)	6614	20	0.3
NZX 50	12762	34	0.3
DJIA Futures	29868	64	0.2
S&P 500 Futures	3667	7	0.2
NASDAQ Futures	12454	2	0.0

Local Markets Commentary

The Australian market opens today's trade with material domestic data due by late morning, a positive domestic economic indicator already in hand pre-trade, and further key data for China early afternoon, following vacillating overnight international equities sentiment.

Locally today, the Australian Bureau of Statistics (ABS) publishes **October trade statistics 11.30am AEDT**.

At the same time, the ABS reports **October business and household lending**, including for residential property.

Pre-trade, AiG has reported a decidedly expansionary **55.3 November construction sector activity** index, this from 52.7 for October.

Also today, **FPH, PDL and TNE** trade **ex-dividend**. Please see p3 for a comprehensive list.

Regionally, Caixin is scheduled to release its **November services PMI for China 12.45pm AEDT**.

In addition, **Japan hosts a 30-year government bond auction**.

In overnight commodities trade, **oil** swung higher.

US **gold** futures settled with a gain for a second consecutive session.

LME **copper** and other key base metals turned lower.

In **iron ore** trade, northern China iron ore (62% Fe fines) prices were reported ~3% higher, at \$US136.29/t.

The **\$A** appreciated to ~US74.05c after trading at US73.85c early yesterday evening.

Earlier this morning, the \$A traded beyond US74.15c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	29884	60	0.2
S&P 500	3669	7	0.2
NASDAQ	12348	-7	-0.1
FTSE 100	6463	79	1.2
DAX 30	13313	-69	-0.5
Shanghai Comp	3449	-2	-0.1

Overseas Markets Commentary

Sentiment diverged across major European and US equities markets overnight, the UK's FTSE 100 trending higher throughout

Australia – October trade balance - 11.30am AEDT

*** Online retail listing – 11am AEDT – BKG ***

Today's Stock Watch
Qantas Airways Holdings (QAN)

Anticipating a 'substantial' FY21 loss, with international travel likely at a 'virtual standstill' through to at least July 2021.

Expecting ~80% domestic capacity by the end of the March quarter, however.

December domestic capacity is estimated to come in at 68% of pre - Covid-19 figures.

\$3.6B liquidity at 30 November.

Westpac Banking Corporation (WBC)

Confirming an enforceable risk governance remediation undertaking with the Australian Prudential Regulation Authority (APRA). Details lodged this morning.

Kogan.com Ltd (KGN)

Acquiring New Zealand online gaming, entertainment and toys retailer Mighty Ape. Consideration includes \$A122.4M, to be paid in four tranches, plus possible earn-outs.

Forbidden Foods (FFF) / Baby Bunting (BBN)

FFF has secured an Australia-wide distribution agreement with BBN, for BBN outlets to stock four FUNCH fruit purees and three FUNCH infant cereal products.

Shaver Shop (SSG)

19.1% higher, \$88.4M total July – November sales.

Outlaying \$13M for the balance six NSW franchises.

Estimating a \$16M - \$17M sales benefit in the first full year of ownership. SSG expects the transaction to complete early-February and to fund the purchase using cash, plus if needed, debt facilities. \$20.6M net cash at 30 November.

Telix Pharmaceuticals (TLX)

Intending to proceed with the Phase III ProstACT international, multi-centre study, following a 24 November pre-investigational new drug meeting with the US FDA.

The FDA has requested additional data.

Booktopia Group (* BKG)

Online retailer scheduled to list on the ASX **11am AEDT**, following a \$43.1M IPO at \$2.30 per share.

137.36M quoted shares.

Resources
Musgrave Minerals (MGV) / Evolution Mining (EVN)

Air core drilling within the WA Murchison region Lake Austin MGV-EVN JV has delivered high-grade intersections.

Assays lodged this morning.

to settle near sessional peaks, but mainland European markets never looking like achieving recovery from weak openings, as Germany, Italy and Spain announced tough end-of-year community restrictions.

US economic indicators, in particular, appeared to concern, but most key domestic indices recovered from session lows.

A US private sector employment report included an estimated 307,000 new jobs for November, against expectations of 370,000 and following 404,000 for October.

The ISM's New York business activity index dived to 44.2 from 65.1. Forecasters had anticipated a drop, but not one below 55.

The Federal Reserve's district-by-district economic overview known as the beige book concluded four of 12 districts had experienced 'little or no' economic growth within the ~six-week survey period (to ~19 Nov), and modest gains for the other districts.

Meanwhile, overnight investors also considered an announcement Tuesday evening UK time, that UK regulators had granted emergency use approval to the **Covid-19 vaccine** candidate developed by Pfizer and BioNTech.

In addition in the UK, non-essential retail outlets, fitness and centres and some beauty and personal services businesses reopened overnight, as a general lockdown for England was replaced with a new tiered restrictions system.

UK-European Union (EU) trade negotiations also continued overnight, reports indicating the UK was willing to give some ground on fishing activity.

Concerns regarding warnings the talks could yet prove inconclusive pushed the British pound lower.

Further, the European Medicines Agency (EMA) appeared to criticise the UK regulatory decision to approve the emergency use of the same Covid-19 vaccine candidate that it (the EMA) had flagged for a decision by 29 December.

Also overnight, **US Federal Reserve** chair Jerome Powell and US treasury secretary Steven Mnuchin met again with parliamentarians, members of the House of Representatives financial services committee.

The Fed chair continued to emphasise that overall Covid-19 economic impacts would not be fully revealed until at least second-half 2021, and that employment support and small business assistance in particular remained crucial.

The \$US traded at 2.5-year lows, amid commentary of progress, but also significant differences, as parliamentarians negotiated a potential new stimulus package plus government funding, the government funds needing to be in place 11 December.

Meanwhile, in non-US overnight **data** releases, **Germany's** October retail sales far exceeded expectations, rising 2.6% for the month, and coming in 8.2% higher than for October 2019.

Euro zone October producer prices were reported 0.4% higher for the month but 2% lower than for a year earlier.

Unemployment slipped to 8.4% from 8.5%.

Tonight in the **US**, the ISM's influential services sector activity index for November, a November job cuts report and weekly new unemployment claims are due.

Companies listed to report earnings later today and tonight

Pre-Open Announcements

Afterpay Ltd (* APT)

November underlying sales tallied \$A2.1B, against \$A1B for November 2019.

Macmahon Holdings (* MAH)

\$75M debt facility extended two years to July 2023, and boosted to \$170M. Details lodged this morning.

Millennium Services Group (MIL)

Chairman Roger Smeed is intending to retire from the MIL board on the February 2021 release of interim results.

Cashrewards Ltd (CRW)

Cashback reward program specialist completed its ASX listing yesterday, following a \$65M IPO at \$1.73 per share.

Opened at \$2.01 and traded as high as \$2.05 before settling at \$1.75.

4.65M shares changed hands.

78.82M quoted shares.

Resources

BHP Group (BHP)

BHP has appointed Stefanie Wilkinson company secretary of BHP Group Ltd and BHP Group Plc, effective 1 March 2021.

Geof Stapledon is acting company secretary of BHP Group Ltd and BHP Group Plc in the meantime.

Element 25 (* E25)

WA Butcherbird manganese project pre-feasibility update lodged this morning, including NPV and IRR figures.

Piedmont Lithium (PLL)

North Carolina, US regulatory air approval in hand to construct and operate a planned 22,700tpa lithium hydroxide chemical plant.

Firefinch Ltd (FFX)

The Morila gold mine produced 4130oz of gold, at 51% recovery, during November, the first month under FFX ownership.

FFX anticipates 4000oz – 4100oz December output and March quarter production tallying 10,000oz - 10,500oz.

Mineral Commodities (MRC)

Director Joseph Caruso has resigned from the MRC board after almost 20 years.

Trading Halts

Company	Code	Resuming
The Food Revolution Group	FOD	3 Dec
MyFiziq Ltd	MYQ	3 Dec
Noxopharm Ltd	NOX	3 Dec
Salt Lake Potash	SO4	3 Dec



include DocuSign, Dollar General and Kroger.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1830.2	oz	11.3	0.6
Silver (NY) (Mar)	24.16	oz	0.13	0.5
Gold (LON) (1 Dec)	1811	oz		
Platinum	1007	oz	12	1.2
WTI Crude (NYMEX Jan)	45.28	bbl	0.73	1.6
Brent Crude (ICE EUR Jan)	48.25	bbl	0.83	1.8
Iron Ore (NYMEX,CHN,62%) (1 Dec)	130.81	t	6.19	5.0
Copper (LME,3mth Ind,PM)	7672	t	-24	-0.3
Nickel	15985	t	-299	-1.8
Aluminium	2059	t	-6	-0.3
Lead	2049	t	-42	-2.0
Zinc	2740	t	-33	-1.2
Tin	18775	t	-110	-0.6

Commodities Commentary

Oil – reports of consensus progress ahead of an OPEC+ meeting, (re)scheduled for tonight, and targeting a decision on whether to alter the proposed 1 January easing of production curbs, spawned some overnight optimism.

In addition, an emergency use approval by UK regulators of a Covid-19 vaccine candidate that had been deemed greater than 90% effective in late-stage clinical trials, also buoyed hopes of a sooner-rather-than-later pickup in global crude demand.

A weekly US petroleum inventories report, published by government agency the EIA overnight, also ultimately supported sentiment, crude stocks estimated to have fallen by 679,000bbl, and stored petrol by 266,000bbl.

A weekly US petroleum industry report published post-US settlement Tuesday, had included a 4.1MMbbl build in crude stocks.

Meanwhile, the EIA concluded net US crude imports had declined a daily 454,000bbl and that refiner demand had fallen by 251,000bbl/d.

Gold – the \$US traded at 2.5-year lows, but the British pound also fell overnight, currency swings pushing and pulling overall gold sentiment.

Concerning US economic data releases, together with rising US Covid-19 hospitalisation tallies, supported ultimate gains.

Additional US jobs market figures tonight, ahead of national monthly employment statistics tomorrow night, will continue to influence at least some sentiment this week.

Base metals – an early \$US move higher and some profit-taking were cited as key influences on overnight LME trade. The \$US subsequently pulled back again, however.

Hopes of a new US support funding package and the UK approval for emergency use of a vaccine developed to control Covid-19 supported some overnight sentiment.

Among the producers, Vale lowered its 2020 **iron ore** production guidance from >310Mt to 300Mt – 305Mt. 2021 expectations came down from >318Mt to 315Mt – 335Mt.

Caixin is due to release its **China** November services PMI today.

AppsVillage Australia	APV	4 Dec
Duxton Broadacre Farms	DBF	4 Dec
Nickel Mines	NIC	4 Dec
Ovato Ltd	OVT	4 Dec
Papyrus Australia	PPY	4 Dec
Wiluna Mining Corporation	WMX	4 Dec
Big River Gold	BRV	7 Dec

Suspensions *(select)*

Company	Code	Since
Cirralto Ltd	CRO	30 Nov
Dotz Nano	DTZ	20 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FPH	Today	18.82	0	0.79
PDL	Today	22	10	5.55
TNE	Today	9.41	60	0.38
CKF	7 Dec	10.5	100	1.93
SHV	10 Dec	4	100	5.18
UMG	11 Dec	3.9	0	0.00
CLF	17 Dec	1.5	100	4.80
RFF	30 Dec	~2.82c	0	tbc

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	QAN	Trading update (8am)
Tomorrow	DEG	AGM (2pm)
	PMV	AGM

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7417	0.0011	0.15
EUR – USD	1.2114	0.0012	0.10

Australian Data Today

ABS	Trade balance	Oct
ABS	Lending to businesses & individuals (incl for homes)	Oct
AiG	PCI	Nov

US Data Tonight

Initial jobless claims	28 Nov
ISM non-manufacturing	Nov
Challenger job cuts	Nov
Markit services PMI (final)	Nov

Other Overseas Data Today & Tonight

China	Caixin services PMI	Nov
Japan	Services PMI (final)	Nov
UK	Services PMI (final)	Nov
Germany	Services PMI (final)	Nov
Euro zone	Retail sales	Oct
Euro zone	Services PMI (final)	Nov

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