

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7353	22	0.3
<b>NZX 50</b>	12737	127	1.0
<b>DJIA Futures</b>	35713	501	1.4
<b>S&amp;P 500 Futures</b>	4685	95	2.1
<b>NASDAQ Futures</b>	16318	475	3.0

**Local Markets Commentary**

The Australian market opens mid-week trade with a further \$A appreciation, new data in hand from China since yesterday's ASX trade and a key release due from Japan this morning, following positive overnight international equities trade sentiment.

**Locally** today, the Reserve Bank of Australia (RBA) releases its monthly **chart pack** at 11.30am AEDT.

Prior to tomorrow's ASX opening, RBA governor Philip Lowe is scheduled to speak on the future for payments systems.

**Regionally** today, **Japan** releases a finalised September quarter **GDP** reading at **10.50am** AEDT.

The initial estimate indicated a 0.8% GDP drop, following 0.4% June quarter growth.

Post-ASX trade yesterday, **China** revealed November **foreign exchange reserves** worth \$US3.222 trillion from \$US3.218 trillion for October and following forecasts for \$US3.20 trillion.

In overnight commodities trade, **oil** posted further strong gains.

US **gold** futures swung modestly higher.

**Iron ore** (China port CFR, 62% fines) jumped to trade beyond \$US111.30/t.

Yesterday, China reported monthly and year-on-year increases in November iron ore imports. Meanwhile, notably 777,915t of Australian **coal** was cleared by customs at China ports during November, with overall coal imports tallying 35.05Mt against October's 26.94Mt. *Please see Commodities Commentary pp3-4 below for additional China trade details.*

LME (3mth evening) **copper** reportedly continued higher overnight, adding ~0.5%.

**Nickel** and **aluminium** were reported to have each swung more than 1% higher. *Last night's LME final price updates were unavailable from IRESS at time of publication.*

The \$A was propelled to ~US71.20c after approaching US71.00c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	35719	492	1.4
<b>S&amp;P 500</b>	4687	95	2.1
<b>NASDAQ</b>	15687	462	3.0
<b>FTSE 100</b>	7340	108	1.5
<b>DAX 30</b>	15814	433	2.8

**\* Gold and copper exploration listing – 12.30pm AEDT – OMX \***

**Today's Stock Watch**
**Aristocrat Leisure (ALL)**

CFO Julie Cameron-Doe has resigned, having been appointed Wynn Resorts CFO.

Ms Cameron-Doe has been with ALL for eight years, four as CFO, and will remain during a six-month notice period.

**Telix Pharmaceuticals (TLX)**

Exclusive distribution agreement secured for TLX's prostate cancer investigational imaging kit Illuccix in Spain.

**Life360 Inc (360) / Oil Search (OSH) / Santos Ltd (STO)**

360 is set to join the S&P/ASX 200 prior to the ASX open 13 December (Monday next week).

360 will replace OSH, pending final approval of the scheme of arrangement acquisition of OSH by STO.

**Platinum Asset Management (PTM)**

\$22.050B FUM at 30 November from \$21.579B at 30 October.

**Resources**
**Silver Lake Resource (SLR)**

Subscription agreement secured for SLR to acquire Harte Gold Corp.

SLR is providing a \$C10.8M debtor-in-possession loan to Harte.

Additional details lodged pre-trade.

**Greenvale Mining (GRV)**

Heralding Queensland Alpha torbanite project test work indications. Details lodged pre-trade.

**Dreadnought Resources (DRE)**

Resuming from a trading halt with further high-grade WA West Kimberley Tarraji-Yampi project Orion target drilling results.

Assays lodged pre-trade.

**Energy**
**Woodside Petroleum (WPL)**

Today's virtual investor day presentation is scheduled to commence 12.30pm AEDT.

A Q&A is scheduled to commence 1.30pm AEDT.

**Alligator Energy (AGE)**

South Australia Samphire uranium project drilling update lodged pre-trade.

Heralding indications from hand-held scintillometer core surveying.



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## Overseas Markets Commentary

European, UK and US equities markets opened decisively higher overnight, sentiment never looking threatened throughout respective trading sessions.

Economic data releases remained mixed and Covid-19 omicron variant nature and spread commentary varied.

Geopolitical relations also remained in focus, with China reacting to the US diplomatic boycott of the winter Olympics in Beijing, and a scheduled link up between the US and Russian presidents with Russian troops remaining near the Ukraine border.

During the subsequent two-hour video meet, the US president reportedly warned of new economic sanctions and military support for Ukraine should Russia invade.

For his part, Russian president Vladimir Putin was reported to have sought a guarantee that NATO troops would not move further east.

Both the US and Russia agreed to maintain links via consulting teams.

China's November trade statistics, reported yesterday, indicated strong demand.

However, given the People's Bank of China cut in large commercial bank reserve requirements this past week, and Evergrande's debt repayment warning, followed by reports of missed payments yesterday, economists appeared wary of predicting likely economic scenarios.

In overnight **data** releases, the **euro zone's** September quarter GDP reading was finalised in line with expectations, and on par with the June quarter, at 2.2% growth for the three months.

Year-on-year, the final September quarter reading represented 3.9% growth against the June quarter's 14.4% increase.

The ZEW December economic sentiment for the bloc surprised on the upside, rising to 26.8 from 25.9 against forecasts for 23.2.

**Germany's** October industrial production encouraged, improving 2.8% for the month, following a 0.5% September decline and expectations of a 1.2% rise.

ZEW's December economic sentiment index for Germany was calculated at 29.9 from 31.7, following forecasts for a steeper fall to 26.5.

The current conditions component index plunged to -7.4 from 12.5. A drop had been anticipated, but to 5.1.

In the **UK**, the BRC retail sales monitor (released yesterday morning AEDT) indicated a 1.8% improvement during November, following a 0.2% October pullback. Forecasters had expected a turn higher, by 1.1%.

Overnight, the BBA November mortgage rate proved static at 3.61%.

Meanwhile, a 30-year treasury gilt auction notably delivered a 0.871% yield, from 1.332% previously.

Yesterday afternoon, a 30-year bond auction hosted by Japan produced 0.673% from 0.683%.

In the **US**, October trade figures included both imports and exports at record highs.

## Pre-Open Announcements

### Traffic Technologies (TTI)

\$3.4M raised in the recent 3c-per-share rights issue which had targeted up to \$10.13M.

Wholesale investors will be approached regarding the ~\$6.73M shortfall.

TTI has traded at 3.0c – 3.4c over the past five trading sessions.

### GenusPlus Group (GNP)

42.661M shares are due to be released from voluntary escrow 15 December.

### RocketBoots Ltd (\* ROC)

Business software firm specialising in data collection and management completed its ASX listing yesterday, following a \$4.25M IPO at 20c per share.

Opened at 17c and traded at 16c – 20c before settling at 18c.

3.92M shares were traded across 205 transactions.

31.75M quoted shares.

E8 Group Pty Ltd held 33.61% on listing.

## Resources

### Orange Minerals (\* OMX)

Gold and copper-focused explorer scheduled to list on the ASX **12.30pm** AEDT, following a \$7M IPO 20c per share.

41.22M quoted shares.

### Hexagon Energy (HXG)

Agreements with South Star Battery Metals Corp have progressed to a binding earn-in and option agreement for HXG's 80%-held Alabama, US Ceylon graphite project.

Under the agreement, South Star will acquire up to 75% of the project.

Additional details lodged this morning.

## Energy

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

Walyering-5 update lodged this morning, focusing on implications for development.

Production testing is scheduled for the March quarter 2022.

### Boss Energy (BOE)

Heralding progress with preparations for the recommencement of production from the South Australia Honeymoon uranium project.

### Grand Gulf Energy (GGE)

Utah, US Paradox Basin Red helium JV project initial prospective resource estimated at 10.9Bcf (P50 unrisked).

GGE 50%.



Exports rose to \$US223.6B (from \$US206.8B), and imports to \$US242.7B (from \$US288.2B).

This produced a \$US67.1B deficit against an \$US81.4B September shortfall and forecasts for a \$US66B new deficit.

The IBD/TIPP economic optimism index was calculated a 48.4 from 43.9 for November and following forecasts for a slighter rise to 45.0.

September quarter unit labour costs were finalised at 9.6% higher year-on-year, following an initial estimate of an 8.3% jump, and a 5.9% June quarter increase.

October consumer credit growth was estimated at \$US16.9B, against \$US27.82B for September and against forecasts for \$US33B.

**Tonight** in the **US**, an October job openings report is due, together with weekly mortgage applications.

In addition, the US treasury hosts a \$US36B 10-year notes auction and Germany a 10-year bond offer. A 10-year US bond offer is also scheduled for early tomorrow morning (AEDT), prior to the ASX open.

Elsewhere, European Central Bank (ECB) president Christine Lagarde is scheduled to speak publicly.

In addition, reserve banks in India and Canada convene policy meetings and announce outcomes later today and tonight.

Companies scheduled to report earnings or provide updates later today or tonight include Berkeley Group, Campbell Soup, GameStop and Stellantis.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Feb)	<b>1784.7</b>	oz	5.20	<b>0.3</b>
<b>Silver (NY)</b> (Mar)	<b>22.523</b>	oz	0.26	<b>1.2</b>
<b>Gold (LON)</b> (6 Dec)	<b>1779</b>	oz		
<b>Platinum</b>	<b>952</b>	oz	14	<b>1.5</b>
<b>WTI Crude</b> (NYMEX Jan)	<b>72.05</b>	bbbl	2.56	<b>3.7</b>
<b>Brent Crude</b> (ICE EUR Feb)	<b>75.44</b>	bbbl	2.36	<b>3.2</b>
<b>Iron Ore</b> (Qingdao) (CHN;62%Fe)	<b>111.34</b>	t	8.51	<b>8.3</b>
<b>Copper</b> (LME 3mth Evening) (6 Dec)	<b>9496</b>	t		
<b>Nickel</b>	<b>19817</b>	t		
<b>Aluminium</b>	<b>2589</b>	t		
<b>Lead</b>	<b>2196</b>	t		
<b>Zinc</b>	<b>3161</b>	t		
<b>Tin</b>	<b>38714</b>	t		

### Commodities Commentary

**Oil** – positive demand views continued to prevail during overnight trade.

China's November crude imports were reported at 41.79Mt (10.17MMbbl/d), down 8% year-on-year, but encouraging against October's 8.9MMbbl/d.

January – November crude imports tallied 466.84Mt (10.2MMbbl/d), 7.3% lower than for January – November 2020.

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

Overnight post-US trade, the API has published a weekly report

### Trading Halts

Company	Code	Resuming
ADX Energy	ADX	8 Dec
Equus Mining	EQEDA	8 Dec
Great Northern Minerals	GNM	8 Dec
Icetana Ltd	ICE	8 Dec
Ionic Rare Earths	IXR	8 Dec
Vortiv Ltd	VOR	8 Dec
Alcidion Group	ALC	9 Dec
Biogene Technology	BGT	9 Dec
BPH Energy	BPH	9 Dec
Canyon Resources	CAY	9 Dec
The Environmental Group	EGL	9 Dec
Epsilon Healthcare	EPN	9 Dec
Ironbark Zinc	IBG	9 Dec
Kopore Metals	KMT	9 Dec
OreCorp Ltd	ORR	9 Dec
Orthocell Ltd	OCC	9 Dec
Johns Lyng Group	JLG	13 Dec

### Suspensions (selected)

Company	Code	Since
Asian American Medical Group	AJJ	23 Nov
Emerge Gaming	EM1	3 Dec
Hot Chili	HCH	7 Dec
Leaf Resources	LER	17 Nov
SRJ Technologies Group	SRJ	23 Nov
VIP Gloves	VIP	24 Nov

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>MXI</b>	Today	<b>62.5</b>	100	0.00
SHV	Tomorrow	8	100	0.67
PL8	16 Dec	0.5	100	4.50
MTS	21 Dec	10.5	100	4.05
RFF	30 Dec	2.93	0	3.86
TCL	30 Dec	15	0	2.62

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>WPL</b>	Strategy update
<b>Tomorrow</b>	FSF	AGM (8.30am)
	PPT	Investor day (9am)



which includes an estimated 3.089MMbbl draw on US crude stocks last week.

**Gold** – equities proved in favour again, the \$US rose a little (ICE \$US index +0.1%) and US 10-year bond yields rose above 1.460% overnight, but gold received support, some attributing this to geopolitical-based safe-haven interest.

The wait for Friday's US CPI update and other material data prior to then, ahead of the US Federal Reserve's last policy meeting for the year next week, also pushed and pulled trade.

**Base metals** – overnight LME trade appeared largely influenced by China's November trade statistics.

In addition, Chile was reported to have exported \$US4.9B worth of *copper* during October, the 35% increase mostly attributed to higher prices.

**China's** November trade figures, reported yesterday, exceeded expectations in terms of China demand.

The trade surplus fell to \$US71.72B from \$US84.54B, this largely attributed to China's imports fuelled by restocking.

Imports were estimated 31.7% higher year-on-year, following expectations for a 21% rise and October's reported 20.6% year-on-year imports growth.

Exports grew 22% year-on-year, against a 27.1% such increase in October and forecasts for a 16% November annualised rise.

Unwrought *copper* and copper products imports rose for a third consecutive month, tallying 510,402t, against 410,541t during October.

Copper imports were 9% lower than for November 2020, however, and January – November imports down 19.9% at 4.94Mt.

Copper concentrate imports were reported at the most since at least December 2007, tallying 2.19Mt, 21.9% higher than for October.

China reported importing 104.96Mt of *iron ore* during November, 14.6% more than for October, and 6.9% more than for November 2020.

January – November iron ore imports tallied 1.04Bt, down 3.2% year-on-year.

**Steel** product exports came in at 4.36Mt, down 3.1% from October.

Steel imports jumped 25.7% however, to 1.42Mt.

January – November steel product exports and imports were calculated at 61.88Mt and 13.27Mt respectively.

China's unwrought *aluminium* and products exports were calculated at 509,318.5t, up 20.1% year-on-year, and 6.2% more than for October.

China's November producer prices and CPI are expected tomorrow.

<b>Fri</b>	PDL	AGM
	SOL	AGM

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7117	0.0046	0.65
<b>EUR – USD</b>	1.1271	-0.0018	-0.16



**Australian Data Today**

RBA	Chart pack	Dec
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**US Data Tonight**

JOLTS job openings		Oct
Weekly mortgage applications		3 Dec

**Other Overseas Data Today & Tonight**

Japan	GDP (final)	Sep Q
Japan	Tankan indices	Dec
Japan	Bank lending	Nov
Japan	Eco watchers survey (4pm AEDT)	Nov

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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