

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	6877	28	<b>0.4</b>
<b>NZX 50</b>	11274	47	<b>0.4</b>
<b>DJIA Futures</b>	28229	-24	-0.1
<b>S&amp;P 500 Futures</b>	3194	0	0.0
<b>NASDAQ Futures</b>	8578	2	0.0

## Local Markets Commentary

The Australian market commences today's trade with Reserve Bank of Australia (RBA) policy meeting minutes due late morning, and a major domestic bank hosting an AGM, as policy debate continues from the Australian government's updated forecasts released in the mid-year budget review yesterday.

**Locally** today, the **RBA** publishes minutes of the 3 December policy meeting **11.30am** AEDT.

At the same time, the Australian Bureau of Statistics (ABS) is due to report **October lending** details, including for residential property.

A weekly **consumer sentiment** reading is due pre-trade.

Also today, **MTS** trades ex-dividend.

In overnight commodities trade, **oil** continued to gain, but at a much reduced pace.

US **gold** futures (February) turned slightly lower.

**Iron ore** (Nymex CFR China, 62% Fe) declined a little, but remained above \$US92.0/t.

LME **copper** and **aluminium** swung higher. **Nickel** settled with a small gain.

The **\$A** was pushed to ~US68.85c after trading at ~US68.75c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	28236	101	<b>0.4</b>
<b>S&amp;P 500</b>	3191	23	<b>0.7</b>
<b>NASDAQ</b>	8814	79	<b>0.9</b>
<b>FTSE 100</b>	7519	166	<b>2.3</b>
<b>DAX 30</b>	14408	125	<b>0.9</b>
<b>Shanghai Comp</b>	2984	17	<b>0.6</b>

## Overseas Markets Commentary

Major European and US equities markets featured strong risk sentiment overnight, at the start of the last full week of trade for 2019, with a definitive UK election result in hand, positive pre-holiday season moves in US-China trade talks and a batch of better than anticipated economic indicators out of China earlier yesterday.

In addition in the UK, the **Bank of England** (BoE) released the results of bank stress tests and broader risk surveying, maintaining

**Australia – RBA policy meeting minutes 11.30am AEDT**

\* Craft beverage listing **11am** AEDT – **FFL** \*

## ASX Trading 24 December – 2 January

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

## Today's Stock Watch

### Australia & New Zealand Banking Group (ANZ)

AGM today.

ANZ recouped 2% Friday last week, and 1.38% yesterday, settling at \$25.05.

### Orica Ltd (ORI)

ORI has appointed former GroundProbe (acquired by ORI in January) CEO and 2019 ORI consultant John Beevers as a non-executive director, effective 1 February.

In addition, Mr Beevers is a previous ORI executive. Details lodged this morning.

Today's AGM materials also lodged pre-trade.

## Resources

### Northern Star Resources (NST)

Planning to acquire Newmont Goldcorp's 50% of the KCGM 'Super Pit', Kalgoorlie-Boulder WA, for ~\$US800M cash.

In association conducting a fully underwritten \$A765M institutional placement and \$A50M SPP, each at \$A9 per share. NST will also use \$A480M worth of debt funding.

### Iluka Resources (ILU)

Anticipating a \$US290M Sierra Leone rutile (SRL) impairment and \$US115M SRL deferred tax assets write-down, plus a \$A60M increase in rehabilitation liability, each to be reflected in FY 2019 financial reporting.

Teleconference scheduled to commence 10am AEDT.

### Lynas Corporation (LYC)

Malaysian regulators have declined to allow an increase in LYC lanthanide concentrate processing. LYC will again apply for an increase in 2020, but with additional reports and management plans regulators are requiring for reconsideration.



the major lenders were holding sufficient capital to manage through the planned UK separation from the European Union (EU).

Further, the BoE said it would revise capital requirements, essentially boosting flexibility, to support lending in the event of any economic crisis.

Among overnight data releases, the **euro zone's** preliminary December PMIs indicated further contraction in the manufacturing sector 45.9, from 46.9) but improved expansion for the services sector 52.4, from 51.9).

September quarter labour costs and wages growth were each calculated 2.6% higher year-on-year.

Germany's manufacturing PMI declined 0.7 to 43.4. The nation's services sector reading came in 0.3 higher however, at 52.0.

In the **UK**, the November manufacturing PMI dropped 1.5 points to 47.4. The services sector index slipped by 0.3 to 49.

In the **US**, the New York Fed's Empire State manufacturing index rose by 0.6 to 3.5.

A home builders' housing market index jumped five points to 76.

Initial December PMI estimates, as calculated by Markit, included a 52.5 for the manufacturing sector, against 52.6 in October. The services sector reading rose by 0.6 to 52.2.

**Tonight** in the **US**, industrial production, building permits and housing starts, plus a job openings report and economic optimism index are due.

Meanwhile, a \$US1.4 trillion US government spending bill was due to be revealed late-Monday, ahead of this weekend's new funding deadline, meaning additional domestic political considerations could sway some of tonight's sentiment.

Elsewhere, trade figures are due for the euro zone and wages and unemployment data for the UK.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1480.5</b>	oz	-0.7	<b>-0.1</b>
<b>Silver (NY) (Mar)</b>	17.113	oz	0.1	<b>0.6</b>
<b>Gold (LON)</b>	<b>1467</b>	oz		
<b>Platinum</b>	<b>927</b>	oz	1	<b>0.1</b>
<b>WTI Crude (Jan)</b>	<b>60.21</b>	bbl	0.14	<b>0.2</b>
<b>Brent Crude (Feb)</b>	<b>65.34</b>	bbl	0.12	<b>0.2</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>92.10</b>	t	-0.17	<b>-0.2</b>
<b>Copper (LME,3mth,PM)</b>	<b>6188</b>	t	49	<b>0.8</b>
<b>Nickel</b>	<b>14230</b>	t	15	<b>0.1</b>
<b>Aluminium</b>	<b>1778</b>	t	11	<b>0.6</b>
<b>Lead</b>	<b>1883</b>	t	-22	<b>-1.2</b>
<b>Zinc</b>	<b>2287</b>	t	32	<b>1.4</b>
<b>Tin</b>	<b>17175</b>	t	-50	<b>-0.3</b>

### Commodities Commentary

**Oil** – China's industrial production, asset sales and fixed asset investment figures, released yesterday, surprised on the upside, bolstering views of increased demand in the face of further OPEC production pullbacks and forecast reductions in US shale output. A plethora of key international data due throughout this week,

## Pre-Open Announcements

### Founders First (\* FFL)

Craft beverage specialist scheduled to list **11am** AEDT following a \$15.78M IPO at 50c per share. 90.62M quoted shares.

### Air New Zealand (AIZ)

Non-executive director Sir John Key intends to retire from the AIZ board 31 March 2020.

### Fineos Corporation Holdings (\* FCL)

Anticipating €80M - €82M FY 2020 revenue, against €74M forecast in the FCL prospectus.

Yesterday evening's AGM chairman's address and CEO presentation lodged post-trade yesterday.

### Althea Group Holdings (AGH)

AGH sold 206 bottles of CBD100 in the first 18 business days of availability.

In addition, the first-half December daily tally for new patients prescribed AGH medicinal cannabis products came in at 35, representing a 46% increase on November's growth rate.

### Vection Technologies (VR1)

VR1 will launch its first real-time augmented reality (AR) Smart Factory platform for Cosia Group's GD Spa.

GD Spa requested that VR1 conduct Smart Factory platform proof of concept following a Motor Valley media event Thursday last week.

### Identitii Ltd (ID8)

Eight-week pilot project underway with Standard Chartered Bank.

ACCC and AUSTRAC program participation updates also lodged this morning.

Further, ID8 has been placed second in the data management provider category under the 2019 Bob's Guide software rankings.

### Viva Leisure (VVA)

Launching the Club Lime Member ID app for Apple Watch on the Apple App Store today.

An Android app is expected to be available on Google Play by week's end.

### Keytone Dairy Corporation (KTD)

KTD has completed its Melbourne powder manufacturing consolidation earlier than planned. Details lodged pre-trade.

KTD settled 13.7c higher for the session yesterday, at 41.5c, following receipt of New Zealand manufacturing and export (to China) approvals.

### Meridian Energy (MEZ)

November operational and market statistics, including 26.9% higher year-on-year retail sales volumes, lodged this morning.

### TechnologyOne Ltd (TNE)

TNE has appointed CFO and operating office corporate services Paul Jobbins also as a secondary company secretary.

plus end-of-year positioning, and anticipated speculation regarding the US-China trade pact slated for signing in January are seen as the major influences on oil trade this week.

Meanwhile overnight, the US Energy Information Administration (EIA) forecast January output for key US shale operations would rise a daily 29,000bbl to 9.14MMbbl/d.

**Gold** – in the absence of new geopolitical developments overnight and with no major currency moves, gold trade proved cautious.

A smattering of central bank policy meeting minutes and new policy decisions due this week, combined with a swag of material international economic indicators could produce more action through the week, however.

**Base metals** – Better-than-anticipated economic indicators out of China yesterday, new copper production, another batch of forecasts, the pending end-of-year holiday season, and decidedly positive international equities sentiment influenced select overnight LME trade.

Earlier yesterday, **China** reported 6.2% higher year-on-year November industrial production (against 4.7% for October), 8% higher retail sales (7.2%), flat 5.2% January – November year-on-year fixed asset investment and a 7.1% (7.8%) rise for the residential property index.

A new *copper* mine in the US announced the commencement of production, targeting 27,000tpa of copper concentrate.

In the meantime, Goldman Sachs issued its 2020 commodity returns forecasts, citing US-China trade relations, UK political developments, and company capacity to invest in production as the key influences.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6877	-0.0008	<b>-0.11</b>
<b>EUR – USD</b>	1.1147	0.0004	<b>0.03</b>

#### Australian Data Today

RBA	Policy meeting minutes	3 Dec
ANZ/RMgn	Consumer sentiment	15Dec
ABS	Lending indicators (housing, personal, busnss)	Oct

#### US Data Tonight

Housing starts	Nov
Building permits	Nov
Industrial production	Nov
JOLTS job openings	Oct
IBD/TIPP economic optimism	Dec

#### Other Overseas Data Today & Tonight

<b>UK</b>	Average wages	Oct
<b>UK</b>	Unemployment	Oct
<b>UK</b>	Unemployment claims	Nov

This releases TNE corporate development director Gareth Pye from his additional role of secondary company secretary.

#### Race Oncology (RAC)

RAC has received a \$159,371 R&D tax incentive refund for 2018-19.

#### Openpay Group (OPY)

'Buy Now, Pay Later' payments specialist completed its ASX listing yesterday, following a \$50M IPO at \$1.60 per share.

Trade commenced on a deferred settlement basis.

Opened at \$1.65, its day one high, and traded as low as \$1.28 before settling at \$1.325.

%.68M shares were traded across 2058 transactions.

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

67.29M quoted shares.

#### Resources

##### De Grey Mining (DEG)

Heralding WA Mallina gold project Hemi and Antwerp prospects as new gold finds following air core drilling. Assays lodged this morning.

Resuming from a trading halt having last traded at 1.5c.

##### Talga Resources (\* TLG)

Large-scale commercial trial underway for TLG's Talcoat graphene additive for maritime coatings. The trial is with the same ship owner which had participated in the initial trial.

##### Matador Mining (MZZ)

Newfoundland, Canada Cape Ray gold project drilling has doubled the strike length of continuous gold mineralisation to 1.2km, with mineralisation remaining open on strike.

Assays lodged this morning.

##### Godolphin Resources (\* GRL)

NSW-focused gold and base metals explorer scheduled to list 1pm AEDT **tomorrow**, following a \$7.45M IPO at 20c per share. 67.4M quoted shares.

#### Energy

##### Ansila Energy (ANA)

Sicity-2 clean-up and flow testing is on track to commence before month's end. Long-term transient pressure build-up testing is anticipated in January-February.

ANA has appreciated 12.5% and 8.9% over the past two trading sessions, settling at 4.9c yesterday.

##### Otto Energy (OEL)

OEL has appointed former Contango Oil & Gas Company VP and treasurer Sergio Castro as CFO.

In addition, OEL VP investor relations Krista Walter is intending to finish with OEL come year's end.

##### FAR Ltd (FAR) / Woodside Petroleum (WPL)

The International Chamber of Commerce (ICC) tribunal has delivered its draft award regarding FAR-Woodside Energy Senegal joint operating agreement arbitration to the



Euro zone Trade balance Oct

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International Court of Arbitration.

FAR is not anticipating any outcomes prior to January-February 2020 however, due to usual International Court of Arbitration processes.

**Regergen Ltd (\* RLT)**

Initial indications from gas flaring and laboratory analysis following a previously announced strike while completing horizontal drilling within the Virginia gas project Karoo formation indicate 12% helium and 75% methane, adding to RLT's considerations for the potential of the project.

Details lodged post-trade yesterday.

RLT gained 6.06% Friday last week, and 9.52% yesterday, settling at \$1.15.

**Arafura Resources (ARU)**

Northern Territory Nolan's Bore project drilling results lodged this morning.

**Trading Halts**

Company	Code	Resuming
Big Star Energy	BNL	17 Dec
African Energy Resources	AFR	18 Dec
Bass Metals	BSM	18 Dec
Canterbury Resources	CBY	18 Dec
Cirralto Ltd	CRO	18 Dec
ECS Botanics Holdings	ECS	18 Dec
Gulf Manganese Corporation	GMC	18 Dec
Northern Star Resources	NST	18 Dec
Pharmaxis Ltd	PXS	18 Dec
Roto-Gro International	RGI	18 Dec
Simble Solutions	SIS	18 Dec
Stellar Resources	SRZ	18 Dec
Whitebark Energy	WBE	18 Dec
Bounty Mining	B2Y	19 Dec

**Suspensions (select)**

Company	Code	Since
Antisense Therapeutics	ANP	16 Dec
Australian Potash	APC	16 Dec
Authorised Investment Fund	AIY	22 Nov
Connected IO	CIO	16 Dec
Ellex Medical Lasers	ELX	28 Nov
Horseshoe Metals	HOR	16 Dec
Murray River Organics Group	MRG	3 Dec
Titan Minerals	TTM	21 Nov
TV2U International	TV2	26 Nov

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CVF	Today	0.46	100	7.24

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MTS	Today	6	100	2.60
KPG	Thu	1.21	100	4.51
ABP	30 Dec	9.45	0	5.04
APA	30 Dec	23	0	4.14
APZ	30 Dec	2.75	0	4.27
AVN	30 Dec	4.26	0	6.12
BWP	30 Dec	9.02	0	4.44
CHC	30 Dec	17.5	17.14	2.93
CIP	30 Dec	4.67	0	5.34
CLW	30 Dec	7	0	4.93
CMA	30 Dec	4.45	0	5.98
CQE	30 Dec	4.17	0	4.90
CQR	30 Dec	14.52	0	6.35
DXS	30 Dec	27	0	4.16
GDI	30 Dec	3.88	0	5.07
GMG	30 Dec	15	0	2.16
GPT	30 Dec	13.37	0	4.47
HPI	30 Dec	10.3	0	6.26
LEP	30 Dec	10.45	0	3.80
MGR	30 Dec	6.1	0	3.60
RCT	30 Dec	10.6	0	5.36
RDC	30 Dec	2.21	0	6.55
RFF	30 Dec	2.71	0	5.73
SCP	30 Dec	7.5	0	5.44
SYD	30 Dec	19.5	0	4.33
TCL	30 Dec	31	6.45	3.83
VCX	30 Dec	7.7	0	6.24

**Reports & Events**

(select)

When	Company	Report/Event
<b>Today</b>	<b>ANZ</b>	AGM
	<b>ORI</b>	AGM
<b>Tomorrow</b>	NAB	AGM
	SLK	AGM
<b>Thu</b>	IPL	AGM
<b>30 Dec</b>	BEN	Interim

**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.