

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7260	11	0.2
<b>NZX 50</b>	12610	-67	-0.5
<b>DJIA Futures</b>	34566	0	0.0
<b>S&amp;P 500 Futures</b>	4538	0	0.0
<b>NASDAQ Futures</b>	15718	0	0.0

**Local Markets Commentary**

The Australian market opens a new week's trade with a quarterly S&P/ASX indices rebalance in hand and two key domestic economic reports due late morning, ahead of a Reserve Bank of Australia (RBA) policy meeting tomorrow, and amid varying views of international monetary policy and likely economic scenarios.

**Locally** today, the ANZ's monthly **job advertisements** report is due **11.30am** AEDT.

The Melbourne Institute November **inflation gauge** report is anticipated at 11am.

**Regionally** today, no major economic indicators are scheduled for release.

In overnight Friday commodities trade, Brent **crude** extended Thursday's rise, but WTI crude turned lower, each change relatively modest against the week's oscillations.

US **gold** futures swung higher.

**Iron ore** (China port CFR, 62% fines) turned higher, approaching \$US102.4/t.

LME (3mth evening) **copper** fell.

**Nickel** and **aluminium** settled variously higher.

The **\$A** declined to ~US70.05c after falling below US70.50c early Friday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34580	-60	-0.2
<b>S&amp;P 500</b>	45387	-39	-0.8
<b>NASDAQ</b>	15085	-296	-1.9
<b>FTSE 100</b>	7122	-7	-0.1
<b>DAX 30</b>	15170	-93	-0.6
<b>Shanghai Comp</b>	3607	34	0.9

**Overseas Markets Commentary**

Major European, UK and US equities markets opened variously higher overnight Friday, but each key index quickly declined.

There was plenty to consider, including some worse-than anticipated economic data releases.

Earlier Friday, **China's** Guangdong province-headquartered property developer Evergrande warned in a notice to the Hong Kong stock exchange that it could not guarantee being able to

**\* OTC bond market services listing – 10.30am AEDT – ABE \***

**\* Australian-focused property REIT listing – midday AEDT – NPR \***

**\* Mineral exploration listing – 12.30pm AEDT – LRV \***

**S&P /ASX December quarter rebalance in hand**

*Please see details p5*

**Today's Stock Watch**
**Metcash Ltd (MTS)**

10.5c fully franked interim dividend, from 8c fully franked a year ago. 3.0% higher, \$128.8M interim NPAT.

1.3% higher, \$7.15B revenue. \$148.6M net debt. 39.3c NTA from 68.7c. Reporting strong early 2H22 sales.

**Boral Ltd (BLD)**

Planning to sell the North American fly ash business for \$US755M (~\$A1B) to Eco Material Technologies Inc. Pending regulatory approvals, completion is anticipated during FY22.

**Damstra Holdings (DTC)**

Resuming trade having completed a \$10M institutional placement and \$3.8M institutional entitlement offer, each at 34c per share. A \$6.3M entitlement offer commences tomorrow and is expected to close 16 December.

DTC traded at ~39.22c – 51.97c the five sessions immediately prior to calling a halt.

**Vulcan Steel (VSL)**

Upgrading FY22 (pre-listing costs) EBITDA guidance by 18% - 25% (post-IFRS) and 22% - 30% (pre-IFRS). Anticipating 26% - 35% (post IFRS) higher and 24% - 33% higher (pre-IFRS) NPAT. 35% higher year-on-year July – November revenue.

Steel segment revenue grew 42% and metals by 22%.

Planning to lodge interim results 22 February.

**Resources**
**Firefinch Resources (FFX)**

Updated Mali Goulamina lithium project DFS statistics include a \$A4.1B post-tax NPV and 83% post-tax IRR. Additional figures and explanatory information lodged this morning.

**Adriatic Metals (ADT)**

Vares silver project Rupice region diamond drilling has intersected high-grade mineralisation, confirming extended continuity within the project area. Assays lodged pre-trade.

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

WA EP447 Walyering-5 logging has confirmed four gas-charged reservoirs with a total 116m gross thickness and 51m net pay. CO<sub>2</sub> < 1.0%. STX operator and 55%; TPD 45%.



meet debt repayments.

Evergrande revealed a demand from creditors for ~\$US260M.

Guangdong officials subsequently announced the provincial government would install a ‘working group’ to maintain ‘normal operations’ at Evergrande and to oversee risk management.

Later Friday (China time), the People’s Bank of China, the China Banking & Insurance Regulatory Commission and the China Securities Regulatory Commission each assured that the Evergrande situation was ‘controllable’ (by authorities), and that they would ensure that broader sector and financial prospects in China would not be adversely impacted.

Also during early overnight Friday trade, **European Central Bank** (ECB) president Christine Lagarde indicated policy change was likely at this month’s policy meeting, but that it would be set for a short period only, given raised levels of uncertainty since the last meeting.

For its part, the **International Monetary Fund** (IMF) warned it was expecting the slowdown in global economic progress noted during Autumn to be extended, and predicted reduced forecasts for international economic growth in the fund’s next economic outlook report.

In addition overnight Friday, **US** November workforce statistics surprised, the number of new jobs falling far short of forecasts.

The mix of headline figures portraying the overall employment scenario both supported both holding off on bringing any rate increase forward and bringing forward the timeline for phasing out the current bond purchase program.

210,000 additional jobs were reported but forecasters had anticipated ~550,000 following October’s 546,000.

The unemployment rate dropped by 0.4% to a 21-month low of 4.2%, however.

The participation rate was calculated 0.2% higher than for October, at 61.8%.

Hourly earnings were estimated on average to have increased by 0.3% over the month, and were 4.8% higher than for November 2020.

Among other overnight Friday US investor considerations, US parliamentarians had approved (late-Thursday US time) funding legislation which effectively avoided some government services having to be shut down from midnight Friday.

Among overnight Friday **data** releases, the **euro zone**’s October retail sales rose 0.2% for the month after a 0.4% September fall. Forecasters had anticipated a 0.1% increase.

Against October 2020, sales were up 1.4%.

A finalised November services PMI was reported at 55.9 from the initial estimate of 56.6 and following 54.6 for October.

In **Germany**, the final November services PMI reading came in at 52.7 from an initial 53.4, following October’s 52.4.

Germany’s new domestic vehicle registrations for November were reported 31.7% lower year-on-year. Forecasters had anticipated a 16% fall.

The **UK**’s November services PMI was finalised at 58.5 from the preliminary 58.6 estimate, against 59.1 for October.

In the **US**, in addition to the November employment figures, the ISM’s non-manufacturing (services) PMI was reported at an even

## Pre-Open Announcements

### Australian Bond Exchange Holdings (\* ABE)

OTC bond market financial advice and dealing services specialist scheduled to list on the ASX **10.30am** AEDT, following a \$7.27M IPO at 65c per share.

34.83M quoted shares.

### Newmark Property REIT (\* NPR)

The stapled securities of Newmark Hardware Trust and Newmark Capital (Chadstone) Property Trust are expected to list as NPR **midday** AEDT, following a \$128.3M IPO at \$1.895 per stapled security.

181.65M quoted stapled securities.

Trade will commence on a conditional and deferred settlement basis.

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

### Magellan Financial Group (MFG)

\$A116.413B FUM at 30 November, from \$A114.800B at the end of October.

### Wide Open Agriculture (\* WOA)

Middle East distribution agreement secured with MKMI General Trading for WOA’s Dirty Clean Food oat milk.

MKMI is committing to purchase a minimum \$150,000 worth of the milk for each of two years.

WOA anticipates delivering first milk to the Middle East by February 2022.

### Synlait Milk (SM1)

The New Zealand government’s Ministry for Primary Industries is forming a partnership with SM1, Danone and AgResearch to investigate soil health impacts on farm resilience, production and the environment, including climate change. The investigation will involve 10 properties over five years.

### Virgin Money UK (VUK)

VUK non-executive director Amy Stirling plans to step down from the VUK board by the 2022 (northern) summer, due to her proposed appointment as Hargreaves Lansdown CFO.

### Clean TeQ Water (\* CNQ)

The Townsville City Council plans to open a new tender after changing the scope of the recycled water treatment facility project.

Hence CNQ negotiations regarding the EPC contract, following the initial 2019 tender, will not be continued.

CNQ plans to participate in the new tender, given the ‘strong understanding’ of the project requirements developed over the past 2.5 years.

### RocketBoots Ltd (\* ROC)

Business software firm specialising in data collection and management scheduled to list on the ASX **11am** AEDT **tomorrow**, following a \$4.25M IPO at 20c per share.

31.75M quoted shares.



more robust 69.1, from 66.7 for October, and soundly defying expectations for a decline to 65.0.

October factory orders also surprised on the upside, growing by 1% for the month, against forecasts for just 0.1% growth, following a 0.5% September increase.

**Tonight** in the US, no major economic indicators are scheduled for release.

Earlier Friday, Chinese ride-hailing app **Dido** announced it would delist from the New York Stock Exchange and would prepare to list in Hong Kong. Commentators speculated on regulatory pressure both from China and in the US.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Feb)	<b>1783.9</b>	oz	21.2	1.2
<b>Silver (NY)</b> (Mar)	<b>22.481</b>	oz	0.16	0.7
<b>Gold (LON)</b> (2 Dec)	<b>1765</b>	oz		
<b>Platinum</b>	<b>930</b>	oz	-6	-0.6
<b>WTI Crude</b> (NYMEX Jan)	<b>66.26</b>	bbbl	-0.24	-0.4
<b>Brent Crude</b> (ICE EUR Feb)	<b>69.88</b>	bbbl	0.21	0.3
<b>Iron Ore</b> (Qingdao) (CHN;62%Fe)	<b>102.36</b>	t	0.74	0.7
<b>Copper</b> (LME 3mth Evening)	<b>9408</b>	t	-77	-0.8
<b>Nickel</b>	<b>20025</b>	t	84	0.4
<b>Aluminium</b>	<b>2625</b>	t	24	0.9
<b>Lead</b>	<b>2211</b>	t	-45	-2.0
<b>Zinc</b>	<b>3159</b>	t	15	0.5
<b>Tin</b>	<b>39325</b>	t	355	0.9

### Commodities Commentary

**Oil** – a cocktail of demand fears, in part due to reports of increasing Covid-19 infections from a broadening list of nations and regions, and OPEC+ confirmation it would review output plans prior to next month's scheduled ministers' meeting if needed, swung prices overnight Friday.

Settlement prices represented a sixth consecutive week of declines for both Brent (~2.4%) and WTI crude (~2.7%).

A US weekly petroleum drill rig report, published overnight Friday, reported no change in active drill rigs for either oil or gas, the overall tally remaining at 569 and the operational oil rig count at 467.

**Gold** – prices were pushed higher overnight Friday as US 10-year bond yields fell to ~135%, but gold sentiment appeared to remain constrained by varying inflation and monetary policy conjecture.

Greater consensus on overall international economic growth challenges proved the major influencing factor for the week.

Among data releases, a US CPI reading could influence some gold sentiment late-week.

**Base metals** – global economic growth disquiet, commentary on the latest data out of China and a relatively strong \$US appeared to influence overnight Friday trade sentiment in general and to limit select gains.

Meanwhile, MMG announced it would wind down operations at the 400,000tpa Las Bambas copper project, Peru by the middle of the month, citing community commercial negotiation challenges.

Caixin's November services PMI for **China**, reported Friday, fell to

E8 Group Pty Ltd holds 33.61%.

### Resources

#### Larvotto Resources (\* LRV) / Minotaur Exploration (MEP)

Exploration company scheduled to list on the ASX **12.30pm** AEDT, following a \$6M IPO at 20c per share.

35.13M quoted shares; 15M quoted options, exercisable at 30c each and with a 1 December 2024 expiry.

LRV holds a Queensland Mt Isa region copper project formerly owned by MEP, a gold project in New Zealand and multi-mineral project in the Norseman, WA region.

Minotaur Resources Investments holds 4.48% of LRV shares and options.

#### Infinity Lithium Corporation (\* INF)

MoU secured with Thyssenkrupp Industrial Solutions to investigate using green hydrogen to power INF's lithium chemical conversion process at the San José project, Spain.

#### Antipa Minerals (\* AZY)

Minyari gold deposit drilling has returned several high-grade, near-surface intersections.

Assays lodged pre-trade.

#### Hyperion Metals (\* HYM)

MoU secured to potentially supply titanium feedstocks ilmenite (50,000tpa) and rutile (10,000tpa), plus staurolite (10,000tpa), to Chemours over an initial five years.

#### BHP Group (\* BHP)

BHP is extending the expiry date of its offer for Noront Resources from 14 December until 14 January (7pm Toronto time).

BHP is discussing potential support for the offer with Wyloo Metals.

#### Prodigy Gold (PRX)

PRX has appointed Gerard McMahon as chairman, effective immediately.

Mr McMahon was elected as a non-executive director at PRX's AGM Monday last week.

PRX MD Matt Briggs has recently been interim PRX chair.

### Energy

#### Buru Energy (\* BRU) / Origin Energy (ORG)

WA Canning Basin Ungani 8H well drilling expected to commence prior to Christmas.

Anticipating WA Canning Basin EP428 Rafael 1 production testing to begin mid-December, pending weather and operational constraints, including Covid-19 containment restrictions.

BRU (operator) and ORG each 50%.

#### 88 Energy (\* 88E)

Merlin-2 permit to drill anticipated ~year's end.

Drilling is expected to commence in February 2022.



52.1 from 53.8, following forecasts for a slighter decline to 53.0. China's November trade figures, expected tomorrow, could cause some caution tonight. Inflation statistics are also due this week.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7006	0.0001	0.01
<b>EUR – USD</b>	1.1309	-0.0005	-0.04

### Australian Data Today

Melb Inst	Inflation gauge	Nov
ANZ	Job advertisements	Nov

### Overseas Data Today & Tonight

<b>UK</b>	New domestic vehicle sales	Nov
UK	Construction PMI	Nov
<b>Germany</b>	Factory orders	Oct
Germany	Construction PMI	Nov
<b>Euro zone</b>	Sentix investor confidence	Dec
Euro zone	Construction PMI	Nov

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Snow road construction preparations underway. Drilling contractor pre-payment will comprise 88E shares.

### Trading Halts

Company	Code	Resuming
American Rare Earths	ARR	6 Dec
Dacian Gold	DCN	6 Dec
Elmore Ltd	ELE	6 Dec
ReNu Energy	RNE	6 Dec
White Rock Minerals	WRM	6 Dec
Ausgold Ltd	AUC	7 Dec
Australian Strategic Materials	ASM	7 Dec
Hot Chili	HCH	7 Dec
Prominence Energy	PRM	7 Dec
Registry Direct	RD1	7 Dec
Great Northern Minerals	GNM	8 Dec

### Suspensions *(selected)*

Company	Code	Since
Asian American Medical Group	AJJ	23 Nov
Emerald Resources	EMR	1 Dec
Emerge Gaming	EM1	3 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>CKF</b>	Today	<b>12</b>	100	1.75
SHV	Thu	8	100	0.65
RFF	30 Dec	2.93	0	3.91

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>APT</b>	AGM
	<b>MTS</b>	Interim
	<b>VR1</b>	AGM (6pm)
<b>Tomorrow</b>	BOQ	AGM
<b>Wed</b>	WPL	Strategy update
<b>Thu</b>	FSF	AGM (8.30am)
	PPT	Investor day (9am)
<b>Fri</b>	PDL	AGM

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AGM

**December quarter S&P/ASX indices re-balance**

The following changes come into effect prior to ASX open **20 December**:

**S&P/ASX 100***Out:* LNK*In:* ORE**S&P/ASX 200***Out:* KGN, MND, NEA, OBL, RBL*In:* EVT, IMU, LTR, NVX, PDN**S&P/ASX All Technology***Out:* BID, HTG, LBY, LVT, NET, OTW*In:* AXE, CGS, JAN