

Markets

SFE 200 Futures (9.30am AEDT)	7314	29	0.4
NZX 50	12626	28	0.2
DJIA Futures	35212	646	1.9
S&P 500 Futures	4590	53	1.2
NASDAQ Futures	15843	125	0.8

Local Markets Commentary

The Australian market commences today's trade with outcomes from today's Reserve Bank of Australia (RBA) policy meeting due this afternoon, a stronger \$A, new domestic data in hand pre-trade, further key domestic data late morning, and influential data due out of China this afternoon.

Overnight international equities trade ultimately proved decisively positive.

Locally today, the **RBA's post-policy meeting announcement is due 2.30pm AEDT.**

The Australian Bureau of Statistics (ABS) releases September quarter capital city **residential property prices at 11.30am AEDT.**

At the same time, the ABS publishes *additional* information regarding October **building approvals** (reported last month).

The RBA also releases card transaction and official reserve asset reports this morning.

Pre-trade the AiG has released a **49.6 November services PMI.** This from 47.6 in October, and remaining contractionary against forecasts for an expansionary 53.

Regionally today, **China** is scheduled to disclose November **trade statistics, 2pm AEDT.**

Japan is due to report October household spending 10.30am and to host a 30-year bond auction this afternoon.

In overnight commodities trade, **oil** was propelled higher.

US **gold** futures turned modestly lower.

Iron ore (China port CFR, 62% fines) continued higher, surpassing \$US102.80/t.

LME (3mth evening) **copper** reportedly swung to an ~1% gain.

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

The **\$A** was pushed to ~US70.50c after rising to ~US70.35c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35227	647	1.9
S&P 500	4592	53	1.2
NASDAQ	15225	140	0.9
FTSE 100	7232	110	1.5
DAX 30	15381	211	1.4

*** Business software listing – 11am AEDT – ROC ***

Today's Stock Watch
Bank of Queensland (BOQ)

Reporting strong 1Q22 activity but NIM (net interest margin) pressure.

Business banking lending grew by ~\$200M during the quarter. Today's AGM materials lodged pre-trade.

Insurance Australia Group (IAG)

Business update webcast scheduled to commence 10am AEDT. Planning to boost the group's customer tally by one million to 9.5M within five years. Direct Insurance Australia is expected to account for 750,000 of the new customers.

Magellan Financial Group (MFG)

CEO Brett Cairns resigned yesterday for personal reasons. MFG has appointed MFG CFO Kirsten Morton as interim CEO. Mr Cairns joined MFG as a non-executive director in 2007, was appointed executive chair in 2015 and became CEO in 2019. Hamish Douglass remains MFG executive chair.

Starpharma Holdings (SPL)

DEP (dendrimer-based) exploratory research agreement secured with Roche Group member Genentech.

The agreement initially covers the investigation of DEP drug conjugates.

SRG Global (SRG)

\$20M specialist facades contract secured with the Adelaide CBD Festival Tower development.

Strategic Elements (SOR)

Patent granted in Japan for SOR's nanocube memory ink technology.

Resources
Australian Strategic Materials (ASM)

A NSW Dubbo project optimisation study has delivered a \$A2.36B pre-tax NPV, 23.5% pre-tax IRR and \$A425M full ramp basis annual free cash flow.

Details lodged pre-trade.

Resuming from a trading halt having last traded at \$11.40.

Ausgold Ltd (AUC)

WA Katanning gold project resource boosted to 46.14Mt @ 1.24g/t Au, for 1.837Moz of gold. Details lodged pre-trade.

AUC is resuming from a trading halt having last traded at 4.5c.

Energy
Adavale Resources (ADD)

Heralding positive indications from South Australia Lake Surprise initial exploration.



Shanghai Comp 3589 -18 -0.5

Overseas Markets Commentary

Traders pushed European, UK and US equities markets to decisive gains overnight, despite mixed economic data releases, but amid broadening reports of the seemingly relatively mild nature of the omicron Covid-19 variant.

Geopolitical relations were forefront with the US administration confirming in late trade that it would implement a diplomatic boycott of the 2022 winter Olympics due to be hosted by Beijing.

Monetary policy timeline speculation and central bank activity remained in focus however, together with Covid-19 management and likely impacts on international economic progress.

Over the weekend, Goldman Sachs had issued a new, reduced forecast for 2022 US GDP growth, citing potential longer-than-anticipated worker and supply constraints. The new prediction proved 0.4% lower than the previous prediction, at 3.8%.

Yesterday, the People's Bank of China reduced reserve requirements for large commercial financial institutions by 0.5%, hence bolstering business liquidity across the republic by ~1.2 trillion yuan (~\$US188B).

Overnight, Bank of England monetary policy head Ben Broadbent warned of 5%+ UK inflation growth during the northern hemisphere spring, citing the expiry of a retail energy price cap by the energy regulator Ofgem, and anticipated ongoing supply constraints.

In overnight **data** releases, **Germany's** factory orders were reported to have tumbled 6.9% during October.

Orders had risen by 1.8% in September and forecasters had anticipated a 0.4% fall for October.

The November construction PMI indicated ongoing contraction, estimated at 47.9 from 47.7, defying forecasts for a 0.8-point rise.

The December Sentix investor confidence index for the **euro zone** came in at 13.5 from 18.3 in November, against expectations of a smaller decline to 15.9.

The current conditions component index dropped to 13.3 from 23.5, but the expectations sub-index rose by 0.5 to 13.8.

The euro zone's November construction PMI was calculated at 53.3 from 51.2.

In the **UK**, the November construction PMI encouraged, rising to 55.5 from 54.6 following expectations of 54.2.

In addition, November new domestic vehicle sales were reported 1.7% higher than for November 2020. Forecasters had anticipated sales to be 12% lower year-on-year. October sales had represented a 26% year-on-year decline.

In the **US**, there were no major economic indicators due for release overnight.

Tonight in the **US**, October trade balance statistics, October consumer credit, an economic optimism index and finalised September quarter productivity figures are due.

Elsewhere, the euro zone reports a final September quarter GDP reading, and Germany October industrial production.

The UK hosts a 30-year treasury gilt auction.

Pre-Open Announcements

RocketBoots Ltd (* ROC)

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

31.75M quoted shares.

E8 Group Pty Ltd holds 33.61%.

Imugene Ltd (* IMU)

Second patient dosed in the Phase I clinical trial of IMU's proposed oncolytic virotherapy CHECKvacc in patients with triple negative breast cancer.

Australian Bond Exchange Holdings (* ABE)

OTC bond market financial advice and dealing services specialist completed its ASX listing yesterday, following a \$7.27M IPO at 65c per share.

Opened at its day one high of 70c and traded as low as 51.5c before settling at 53c.

793,094 shares were traded across 192 transactions.

34.83M quoted shares.

Newmark Property REIT (* NPR)

The stapled securities of Newmark Hardware Trust and Newmark Capital (Chadstone) Property Trust completed a successful ASX listing as NPR yesterday, following a \$128.3M IPO at \$1.895 per stapled security.

Opened at \$1.93 and traded as high as \$1.95 before settling at their day one low of \$1.92.

150,856 shares changed hands across 47 transactions.

181.65M quoted stapled securities.

Trade commenced on a conditional and deferred settlement basis.

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

Resources

Zimplats Holdings (* ZIM)

10-year, \$US1.8B capital investment strategy outlined post-trade yesterday.

BlackEarth Minerals (* BEM)

Updated Madagascar Maniry graphite project scoping study presentation lodged pre-trade.

Sunshine Gold (SHN)

Ravenswood West Titov Cu-Ag-Mo prospect RC drilling has indicated high-grade copper and molybdenum zones.

Assays lodged post-trade yesterday.

Additional assays, from Triumph gold project resource drilling and Ravenswood West Keans Cu-Au-Ag-Mo prospect drilling, anticipated this month.

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

Exploration company LRV completed its ASX listing yesterday,



Companies scheduled to report earnings or provide updates later today or tonight include Ashtead Group, Auto Zone and Toll Brothers.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1779.5	oz	-4.40	-0.3
Silver (NY) (Mar)	22.263	oz	-0.22	-1.0
Gold (LON)	1768	oz		
Platinum	938	oz	8	0.9
WTI Crude (NYMEX Jan)	69.49	bbbl	3.23	4.9
Brent Crude (ICE EUR Feb)	73.08	bbbl	3.20	4.6
Iron Ore (Qingdao) (CHN;62%Fe)	102.83	t	0.47	0.5
Copper (LME 3mth Evening) (3 Dec)	9408	t		
Nickel	20025	t		
Aluminium	2625	t		
Lead	2211	t		
Zinc	3159	t		
Tin	39325	t		

Commodities Commentary

Oil – broadening views on the likely relatively mild nature of the Covid-19 omicron variant helped ease demand trepidation overnight.

In addition, Saudi Arabia had raised December crude prices for Asia and the US over the weekend.

Overnight, comments out of the World Petroleum Conference supported expectations of demand exceeding supply.

Gold – improved equities risk sentiment, higher US 10-year bond yields (1.437% from 1.342%) and a 0.2% \$US (ICE index) appreciation detracted from overnight gold interest.

Material economic indicators are due out of China, the euro zone, UK and US through the week, these expected to be analysed in terms of near-term monetary policy, and hence to influence some gold trade.

Base metals – a move by the People’s Bank of China to boost commercial bank lending supported early overnight LME sentiment.

A \$US rise and economic growth warnings and commentary constrained most gains, however.

In addition, *aluminium* on-warrant inventories in LME-registered warehouses were reported 21% higher for the week.

Meanwhile, reports based on satellite surveillance indicated an increase in *nickel* smelting during November and decrease for refined *copper* output.

China’s November trade figures, anticipated today, will influence at least some trade tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7048	0.0024	0.34
EUR – USD	1.1286	-0.0002	-0.02

following a \$6M IPO at 20c per share.

Opened at 14c and traded at 13c – 15c before settling back at 14c.

1.57M shares changed hands across 66 transactions.

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 held 4.48% of LRV shares and options on listing.

Orange Minerals (* OMX)

Explorer scheduled to list on the ASX 12.30pm AEDT **tomorrow**, following a \$7M IPO 20c per share.

41.22M quoted shares.

Trading Halts

Company	Code	Resuming
Hot Chili	HCH	7 Dec
Prominence Energy	PRM	7 Dec
Registry Direct	RD1	7 Dec
ADX Energy	ADX	8 Dec
Anteris Technologies	AVR	8 Dec
Dreadnought Resources	DRE	8 Dec
Equus Mining	EQE	8 Dec
Great Northern Minerals	GNM	8 Dec
Icetana Ltd	ICE	8 Dec
Ionic Rare Earths	IXR	8 Dec
Vortiv Ltd	VOR	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 (%)
MXI	Tomorrow	62.5	100	0.00
SHV	Thu	8	100	0.67
RFF	30 Dec	2.93	0	3.97
TCL	30 Dec	15	0	2.60

**Australian Data Today**

AiG	PSI (Services PMI)	Nov
RBA	Policy meeting outcomes	7 Dec
ABS	Capital city residential property prices	Sep Q
ABS	Building approvals (addtl information)	Oct
RBA	Card transactions	Oct
RBA	Official reserve assets	Nov

US Data Tonight

Trade balance		Oct
IBD/TIPP economic optimism		Nov
Productivity (final)		Sep Q
Consumer credit change		Oct

Other Overseas Data Today & Tonight

China	Trade balance	Nov
Japan	Household spending	Oct
Japan	Average cash earnings	Oct
Japan	Leading economic index (prelim; 4pm AEDT)	Oct
UK	BRC retail sales monitor	Nov
Germany	ZEW economic sentiment; conditions	Nov
Germany	Industrial production	Oct
Euro zone	GDP (final)	Sep Q
Euro zone	ZEW economic sentiment	Nov

Need More Information?

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Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	BOQ	AGM
	IAG	Business update (10am)
Tomorrow	WPL	Strategy update
Thu	FSF	AGM (8.30am)
	PPT	Investor day (9am)
Fri	PDL	AGM
	SOL	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



companies mentioned herein.

