

Markets

SFE 200 Futures (9.30am AEDT)	5676	13	0.2
NZX 50	8792	10	0.1
DJIA Futures	25046	0	0.0
S&P 500 Futures	2702	0	0.0
NASDAQ Futures	6803	0	0.0

Local Markets Commentary

The Australian market commences today's trade a much-anticipated regular news briefing from China's commerce ministry today, further influential domestic data, the commencement of two days of OPEC talks from later today, and a swag of key US data tonight.

US equities markets did not trade last night.

Locally today, the October **trade balance** is due **11.30am** AEDT, as are **retail sales**.

Reserve Bank of Australia (RBA) deputy governor Guy Debelle is scheduled to speak on *Lessons & Questions from the GFC*, 8pm, at the Australian Business Economists annual dinner.

Regionally, the regular weekly **China** commerce ministry briefing will attract more attention than usual, due to little detail out of China following last weekend's discussions between the presidents of China and the US.

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

US (February) **gold** futures also turned and declined.

Iron ore (China port 62% Fe) extended its current positive run.

LME **copper** continued lower but **nickel** turned to record a gain.

The **\$A** fell to ~US72.70c after trading below ~72.95c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25027	Closed	during a
S&P 500	2700		day of mourning
NASDAQ	7158		
FTSE 100	6922	-101	-1.4
DAX 30	11200	-135	-1.2
Shanghai Comp	2650	-16	-0.6

Overseas Markets Commentary

Major European equities markets dropped on opening overnight and never looked like recovering.

US equities and bond markets were closed last night during a declared national day of mourning, and as Washington hosted a state funeral service for former president George HW Bush.

Among early data releases, the **euro zone's** final November services PMI was calculated 0.3 lower for the month, at 53.4.

October retail sales improved 0.3% for the month, following a 0.5% September fall, and were 1.7% higher year-on-year.

Germany's services PMI fell 1.4 points to 53.3.

Australia – trade balance **11.30am** AEDT

China – commerce ministry expected to discuss US trade talks

Reserve Bank of Australia – deputy governor Guy Debelle is due to speak on *Lessons & Questions from the GFC*, **8pm** AEDT

Today's Stock Watch

Cash Converters International (CCV) / Bank of Queensland (BOQ)

CCV has appointed BOQ Business executive Brendan White as CEO, effective March. Mr White has been with BOQ for six years.

Asaleo Care (AHY)

Selling its Australian tissue (facial, toilet, table napkin, paper towel) business to Solaris Paper for \$180M.

Brands being offloaded include Deeko, Handee and Sorbent.

In addition, ASY has agreed in-principle a five-year extension to a trade mark and technology licensing agreement with Essity, covering the Tork and Tena professional and personal hygiene brands.

Fonterra Shareholders' Fund (FSF)

October quarter revenue fell 4% year-on-year to \$NZ3.8B.

Sales volumes dropped 6% to 3.6B liquid milk equivalent (LME). Operating expenses rose 3% to \$NZ656M.

FSF has lowered its 2018/19 farmgate milk price from \$NZ6.25/kgMS - \$NZ6.50/kgMS, to \$NZ6.00/kgMS - \$NZ6.30/kgMS.

Suda Pharmaceuticals (SUD) / Zelda Therapeutics (ZLD)

Feasibility and option agreement negotiated for the proposed development of a pharmaceutical-grade cannabinoid oral spray. SUD is developing oro-mucosal spray Oro Mist, and will make this available to cannabinoid derivatives specialist ZLD for evaluation.

WorleyParsons Ltd (WOR)

US antitrust clearance in hand for the proposed Jacobs ECR acquisition.

Pendal Group (PDL)

Trading ex-dividend (30c) today.

PDL gained 40c Monday, but forfeited 33c Tuesday through Wednesday.

Please see pp3-4 for a detailed ex-dividend list.

Wesfarmers Ltd (WES)

Shaw and Partners have placed a buy on WES.

Resources

BHP Billiton (BHP)

WA Government approval in hand to develop the northern goldfields Venus nickel project. First ore output is expected early 2019.

South32 Ltd (S32) / Independence Group (IGO) / Northern Star Resources (NST)

UBS is recommending S32, IGO and NST as 'buy's.

Energy

Oil Search (OSH)

November drilling report lodged this morning.

OSH has traded at \$7.305 - \$7.70 for the week to date.

In the **UK**, the November services PMI fell 1.8 to 50.4, approaching contraction mode for the first time in ~two years.

November new car sales dropped 3.0% year-on-year, following a 2.9% October fall.

Bank of England policy meeting minutes revealed a demonstrated focus on assessing the likely outcomes for the UK on its proposed withdrawal from the European Union (EU).

Meanwhile, UK parliamentary dissension continued as the proposed deal governing the separation was debated for a second day, this time after being presented for the first time with legal advice suggesting a UK-wide customs union (that is, including Northern Ireland and the Irish Republic) would likely remain in place indefinitely.

The Irish Republic is an EU member.

The **US** Federal Reserve's region-by-region 'beige book' economic report, released overnight, indicated recent new trade tax higher-price impacts were broadening, and that modest inflation growth was continuing.

Meanwhile yesterday, China's commerce ministry expressed confidence in a quick delivery of what the US and China agreed over the weekend, and described the dinner meeting between the presidents of both nations as a 'great success'.

Tonight in the US, weekly new unemployment claims are due and a jobs layoff report, ahead of November national employment statistics tomorrow night.

Final October durable goods orders are also expected, together with a raft of key data initially scheduled for release Wednesday US time.

In addition, at least two Federal Reserve regional presidents are scheduled to speak, and perhaps chair Jerome Powell also.

Elsewhere, a third day of **UK-EU** separation plan debate in the UK parliament is scheduled, ahead of a fourth Monday next week, plus any amendments and a formal vote Tuesday (11 December).

In corporate news late yesterday, **Takeda** Pharmaceutical shareholders approved the proposed £46B acquisition of Dublin-headquartered drug manufacturer **Shire** Plc.

Facebook was accused in the UK parliament of engineering preferential data access details, according to private emails released in the parliament.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1243	oz	-4	-0.3
Silver (NY) (Dec)	14.6	oz	-0.1	-0.5
Gold (LON)	1240	oz	10	0.8
Platinum	799	oz	-3	-0.4
WTI Crude (Jan)	52.9	bbl	-0.4	-0.7
Brent Crude (Jan)	61.6	bbl	-0.5	-0.8
Iron Ore (CHN port 62%)	67.4	t	0.2	0.3
Copper (LME,3mth,PM)	6175	t	-34	-0.6
Nickel	11225	t	75	0.7
Aluminium	1969	t	-5	-0.3
Lead	1983	t	-24	-1.2
Zinc	2618	t	29	1.1
Tin	19180	t	5	0.0
CBT Wheat (Dec)	5.18	bshl	-0.04	-0.8

Pre-Open Announcements

Biotron Ltd (* BIT)

~\$4.7M realised from the exercise of 30 November-expiry options at 6c each.

98.29% of BIT's 30 November-expiry options were exercised, and the balance have been taken by underwriters.

BIT traded at 13c – 17.5c Monday through yesterday.

Donaco International (* DNA)

MD and CEO Joey Lim will take three months' leave of absence, for health reasons.

Donaco Singapore director Ben Lim has been appointed interim MD and CEO.

Resources

Orinoco Gold (OGX)

OGX non-executive director Terry Topping has resigned, effective immediately.

Kingsrose Mining (KRM)

KRM non-executive chairman Roderick McIllree has resigned, effective immediately.

KRM founding and current director, and 9.15% KRM shareholder Michael Andrews has been appointed interim KRM chair.

VDM Group (VMG)

Commitments in hand for a \$6M placement at 1c per share.

VMG has traded at 0.2c – 0.3c for the week to date.

Resuming from a trading halt having last traded at 0.2c.

Alliance Mineral Assets (A40) / Tawana Resources (TAW)

A40 commenced ASX trade yesterday following the acquisition of TAW.

Only one trade was recorded, for 15,000 shares at 33c.

TAW had last traded at 31c.

A40 trade commenced on a deferred settlement basis.

Normal (T+2) trade is anticipated from ASX open 17 December.

1.295B A40 quoted shares.

Caprice Resources (CRS)

Minerals explorer completed its ASX listing yesterday following a \$4.5M IPO at 20c per share.

Opened at 20.5c. Slipped to 18.5c before settling at 19.5c.

~1.3M shares were traded across 67 transactions.

24.6M quoted securities.

Energy

Carbon Energy (* CNX)

Receivers and managers appointed.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	FSF	Q1
	NUF	AGM
Tomorrow	SOL	AGM
Wed (12 Dec)	WBC	AGM
13 Dec	ELD	AGM

Commodities Commentary

Oil – the US president again urged OPEC overnight not to cut production in 2019.

Reports emerged Saudi Arabia had yesterday met with the US special representative for Iran, and also that Saudi discussions with Russia were more promising regarding an output cut agreement.

OPEC commences its last formally scheduled policy meeting of the year later today in Vienna. The organisation is due to meet with allies tomorrow, and is expected to announce outcomes from 2019 production level discussions.

A weekly US petroleum inventories report is also due, as prepared by US government agency the EIA.

Gold – the US and China both expressed positive views of recent and near-term trade discussions yesterday and overnight, the \$US rose and gold turned lower.

In the meantime an ABN AMRO metals strategist has forecast a mean \$US1325/oz for gold futures in 2019, with \$US1400/oz likely in December 2019.

The prediction was based in part on greater support expected to come from domestic demand in China and India

Base metals – pushed and pulled overnight by data, a stronger \$US, geopolitics and stockpiles.

Late Tuesday, the US president had again threatened more **tariffs** against China, but appeared more conciliatory overnight following positive but detail-bereft comments from China.

Caixin's 53.8 November **China services PMI**, reported yesterday, represented a three-point rise for the month, the best growth rate in five months.

A services activity index for Japan slipped 0.1 to 52.3. China's November trade figures, CPI and PPI, due over the **weekend**, could produce some additional caution heading towards end-of-week trade.

Overnight **zinc** trade again benefited in part from declining stockpiles and an expected significant near-term deficit.

Nickel, and some zinc trade, was supported by a 4% rise in China construction steel prices.

Meanwhile among the forecasters, Goldman Sachs is predicting \$US60/t - \$US70/t for iron ore spot 62% fines in 2019.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7273	0.0002	0.03
EUR – USD	1.1346	0.0002	0.02

Australian Data Today

ABS	Trade balance	Oct
ABS	Retail sales	Oct

US Data Tonight

Trade balance	Oct
Durable goods orders (final)	Oct
Challenger job cuts	Nov
<i>ISM non-manufacturing</i>	Nov
<i>Productivity</i>	Sep Q

14 Dec	PDL	AGM
19 Dec	ANZ NAB ORI SYD	AGM AGM AGM Nov stats
20 Dec	DLX IPL	AGM AGM
21 Dec	AIA	Nov stats

Trading Halts

Company	Code	Resuming
Brookside Energy	BRK	6 Dec
CardieX Ltd	CDX	6 Dec
Charter Hall Lon WALE REIT	CLW	6 Dec
Comet Resources	CRL	6 Dec
Echo Resources	EAR	6 Dec
Estrella Resources	ESR	6 Dec
Force Commodities	4CE	6 Dec
Genesis Minerals	GMD	6 Dec
MNF Group	MNF	6 Dec
PolarX Ltd	PXX	6 Dec
Vivid Technology	VIV	6 Dec
West African Resources	WAF	6 Dec
Agua Resources	AGR	7 Dec
Mount Burgess Mining	MTB	7 Dec
Norwood Systems	NOR	7 Dec
Westgold Resources	WGX	7 Dec
Sheffield Resources	SFX	10 Dec

Suspensions (select)

Company	Code	Since
Birimian Ltd	BGS	15 Nov
Department 13 International	D13	23 Nov
Energy Technologies	EGY	12 Nov
PayGroup Ltd	PYG	3 Dec
Planet Gas	PGS	23 Nov
RCR Tomlinson	RCR	14 Nov
Sterling Plantations	SBI	27 Nov
VPCL Ltd	VPC	19 Nov
Zyber Holdings	ZYB	28 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AYK	Today	11	100	4.37
AYZ	Today	42	100	3.85
CKF	Today	9	100	2.61
PDL	Today	30	15	6.10
TLM	Today	6.38	100	0.00
WBA	Today	3	100	1.73
FPH	Tomorrow	9.16	0	1.74
JHX	Tues (11 Dec)	11.01	0	2.69
GTK	12 Dec	8.18	8.50	2.45
ECX	13 Dec	8	100	6.45
MTS	13 Dec	6.5	100	5.47
SEN	13 Dec	0.37	0	0.50
CLW	28 Dec	6.5	0	6.20



<i>ADP private sector employment</i>	Nov
<i>Markit services PMI (final)</i>	Nov

NEW	28 Dec	4	0	5.50
RFF	28 Dec	2.61	0	4.52
TCL	28 Dec	29	~3.4	4.87

Other Overseas Data Today & Tonight

Japan	Tankan index	Dec
Germany	Factory orders	Oct
Germany	Construction PMI	Nov

Need More Information?

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