

Markets

SFE 200 Futures (9.30am AEDT)	5637	-30	-0.5
NZX 50	8719	-48	-0.6
DJIA Futures	24432	0	0.0
S&P 500 Futures	2636	0	0.0
NASDAQ Futures	6624	0	0.0

Local Markets Commentary

The Australian market commences a new week's trade following influential data out of China and a US-imposed deadline for improved US-China trade relations over the weekend, and an OPEC-led production cut agreement overnight Friday, ahead of a UK parliamentary vote tomorrow night on the UK-EU separation plan.

Over the weekend, **China** reported November trade, CPI and producer price figures that mostly undershot forecasts.

These included a 5.4% year-on-year rise in **exports**, against expectations of a 10% increase.

Imports rose 3% year-on-year, following forecasts of a 14.5% rise.

The trade surplus rose to \$US44.74B, from \$US34.02B.

The **CPI** rose 2.2%, against 2.5% in October and following forecasts of a 2.4% gain.

For the month, consumer prices fell 0.3%.

Producer prices rose 2.7% year-on-year, against 3.3% in October, and represented the lowest gain in ~two years.

For the month, the PPI slipped 0.2% after a 0.4% October increase.

Since then, the US has nominated 1 March as the new date tariffs would increase on imports from China, if new negotiations did not produce a favourable result.

In overnight Friday commodities trade, **oil** swung sharply higher.

US (February) **gold** futures rallied.

Iron ore (China port 62% Fe) slightly extended Thursday's turn lower.

LME **copper** turned higher and rallied, as did **nickel** and **aluminium**, although nickel's gain proved relatively constrained.

The **\$A** traded at US72.00c after falling to US72.15c early Friday evening. This morning, the \$A dropped below US71.90c.

Locally today, a weekly capital city residential property price report is due.

The Australian Bureau of Statistics (ABS) reports October housing finance 11.30am AEDT.

This morning, **Reserve Bank of Australia** (RBA) assistant governor (financial markets) Christopher Kent told attendees at a Sydney Bloomberg event that last week's September quarter GDP figures highlighted weak consumption, but also that Australia's banks are not as vulnerable to US rate rises as some assume.

Regionally, **Japan** publishes a final September quarter **GDP** reading 10.50am AEDT.

Reserve Bank of Australia – assistant governor (financial markets) Christopher Kent spoke publicly on *US Monetary Policy & Australian Financial Conditions*, **8.35am** AEDT, Sydney

Today's Stock Watch

IOOF Holdings (IFL)

IFL GM wealth management Renato has been appointed acting CEO and IFL non-executive director Allan Griffiths as acting chairman, while Christopher Kelaher and George Venardos respectively defend APRA allegations.

In addition, IFL has this morning lodged details of a 'managed action plan' initiated in conjunction with APRA concerns.

Meanwhile, Morgan Stanley has re-rated IFL as equal-weight, from overweight.

Telstra Corporation (TLS)

Outlaying \$386M for 30MHz – 80MHz 5G spectrum access.

Trade Me Group (TME)

CEO Jon Macdonald will no longer leave this month, but remain with TME while private equity bids are being assessed, and until a new CEO is appointed.

Integrated Research (IRI)

IRI has appointed Matt Glasner to the new IRI position of chief commercial officer.

In addition, US subsidiary Integrated Research Americas & global alliances president Andre Cuenin has resigned.

Hazer Group (HZR)

CSIRO independent testing of HZR's process to produce graphite together with hydrogen has determined the graphite is applicable for use in lithium ion batteries.

Four of five graphite samples delivered superior performance when compared with two commercial anodes.

Resources

Sheffield Resources (SFX)

Resuming trade, having secured \$16M in a 65c-per-share institutional placement, in support of northern WA Thunderbird mineral sands project development.

A \$A3M SPP will follow.

SFX last traded at 75c.

Dacian Gold (DCN)

WA Mt Morgans commercial gold production anticipated by month's end.

Mincor Resources (MCR)

High-grade Durkin nickel project assays lodged this morning.

MCR says it is talking with 'several' parties regarding potential off-take agreements.

Energy

Buru Energy (BRU) / Rey Resources (REY)

Mitsubishi is selling its WA Canning Basin EP 457 and EP458 interests to BRU and REY.

Operator BRU will hold a 60% working interest, from 37.5%, and REY 40%, from 25%.

BRU will be responsible for 66.6% of funding and REY 33.3%.

China is scheduled by some to report November lending.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24389	-559	-2.2
S&P 500	2633	-63	-2.3
NASDAQ	6969	-219	-3.1
FTSE 100	6778	74	1.1
DAX 30	10788	-23	-0.2
Shanghai Comp	2606	0.7	0.0

Overseas Markets Commentary

US equities markets headed lower from early trade overnight Friday, international and political issues appearing to weigh the most.

Major mainland European equities indices chopped amid data releases and concerns at the economic impact of major protests in **France**, which spread to Brussels, before being dragged lower by US market signals in late trade.

The FTSE 100 was supported by oil and metals price gains, rallying both early and late, but ultimately losing some gains towards close.

OPEC had announced its members and allies had agreed to an overall 1.2MMbbl/d crude output cut, immediately propelling prices higher.

Despite upbeat **China** trade talks comments from the **US** president, US administrative statements were perceived as indicative of no likely near-term progress, bruising large-cap stocks largely reliant on international business.

In addition, an investigation into allegations of collusion with **Russia** during the 2016 presidential election is expected to report some preliminary findings in the near-term, and the US president's personal lawyer is expected to be sentenced, following false testimony admissions, Wednesday.

Further, the US president named his new attorney-general nomination.

Among new **data** releases, US November employment statistics prompted further debate regarding US interest rates and likely moves at next week's Federal Reserve policy meeting.

155,000 jobs were created, following forecasts of up to 200,000, and against October's 237,000 (revised from 250,000).

The figures pushed the \$US lower early.

Wages grew 0.2% for the month, following a revised (cut by 50%) 0.1% October gain.

Year-on-year, wages were 3.1% higher, the same as for October.

The unemployment rate remained at 3.7%, and the participation rate at 62.9%.

A 97.5 preliminary University of Michigan December consumer sentiment index also represented no change.

Consumer credit jumped \$US25.4B against forecasts of a \$US15.0B increase.

Earlier, a **euro zone** final September quarter GDP growth reading came in flat at 0.2% for the quarter. Year-on-year, growth rose 1.6%.

Germany's October industrial production fell 0.5% for the month, following a 0.2% September rise.

Pre-Open Announcements

Johns Lyng Group (* JLG)

JLG has agreed to supply domestic property insurance repair work for up to 1000 properties per quarter on behalf of a Western Australia-based insurer.

The agreement effectively commences 1 February and will last for one year, pending a five-year extension.

In addition, Paul Dwyer retired from the JLG board Friday.

JLG intends to appoint another non-executive director.

IMF Bentham (IMF)

IMF's FUM tally has grown beyond \$A1B with the completion of a \$US500M for IMF's Fund 4.

Fleetwood Corporation (FWD) / Rio Tinto (RIO)

FWD has again been named RIO's preferred third party accommodation provider in Dampier and Karratha, under a one-year extension to an existing agreement.

Resources

Lynas Corporation (* LYC)

LYC was keen to point out post-trade Friday that a Malaysian operation review committee found LYC had been compliant with all current regulations.

Further, LYC underscored the finding that the source(s) of heavy metal concentrations within a river system were unknown.

LYC settled at \$1.68 Friday after closing out the previous week at \$2.10.

Eclipse Metals (* EPM) / Rio Tinto (RIO)

A Liverpool project farm-in and JV agreement between EPM, North Minerals and RIO has been terminated due to conditions precedent not being satisfied.

Energy

Aspire Mining (AKM)

AKM has appointed AKM's new largest shareholder (Tserenpuntsag Tserendamba) nominee Achit-Erdine Darambara and Boldbaatar Bat-Amgalan as non-executive and executive directors respectively, effective Friday (7 December).

Reports & Events

(selected scheduled)

When	Company	Report/Event
Wed	WBC	AGM
Thu	ELD	AGM
Fri	PDL	AGM
19 Dec	ANZ	AGM
	NAB	AGM
	ORI	AGM
	SYD	Nov stats
20 Dec	DLX	AGM
	IPL	AGM
21 Dec	AIA	Nov stats

Tonight in the US, an October job openings report is due.

Federal Reserve officials also continue final public addresses ahead of next week's policy meeting.

Overnight Friday, two regional presidents again indicated next year's previously expected series of rate rises may no longer be deemed appropriate.

Over the weekend, the US president announced his chief of staff would leave his position by the end of December.

Some of tonight's trade sentiment could reflect a reaction to the further key US administrative staff changes.

Germany's markets may also react, following the election of a new ruling party (CDU) leader, to take over from Angela Merkel who stepped down after 18 years in this role.

Ms Merkel remains Germany's chancellor, however.

Influential data is due in the UK tonight, as **UK-EU** separation plan debate resumes in parliament, ahead of a scheduled vote tomorrow.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1254	oz	11	0.8
Silver (NY) (Dec)	14.72	oz	0.21	1.4
Gold (LON)	1236	oz		
Platinum	792	oz	4	0.5
WTI Crude (Jan)	52.6	bbbl	1.1	2.2
Brent Crude (Jan)	61.7	bbbl	1.6	2.7
Iron Ore (CHN port 62%)	66.5	t	-0.1	-0.1
Copper (LME,3mth,PM)	6145	t	75	1.2
Nickel	10910	t	60	0.6
Aluminium	1955	t	19	1.0
Lead	1995	t	11	0.6
Zinc	2587	t	-6	-0.2
Tin	19000	t	75	0.4
CBT Wheat (Dec)	5.20	bshl	0.14	3.0

Commodities Commentary

Oil – OPEC and allies agreed overnight Friday, to a 1.2MMbbl/d production cut, major OPEC members responsible for two-thirds of this.

OPEC members Iran, Libya and Venezuela were exempted from the new cuts which commence January, but not at the full reduction rate.

Russia will reduce its output gradually.

A weekly US petroleum drill rig count, also published overnight Friday, revealed the number of operational oil rigs had fallen by 10, the largest weekly fall in ~two years.

Gold – US November jobs figures came in lower than anticipated, pushing the \$US lower overnight Friday. Together with other geopolitical news, this supported gold trade, US February futures trading as high as \$US1254.20/oz.

US CPI and retail sales releases this week, and a European Central Bank policy meeting, could influence some trade, this week, but geopolitics, including the UK parliamentary EU withdrawal plan vote, are expected to produce the greatest currency, and hence gold price, moves.

Base metals – a \$US fall supported overnight Friday LME trade.

Tonight's trade is likely to be impacted by headline weekend data out of China, however.

Trading Halts

Company	Code	Resuming
Core Lithium	CXO	10 Dec
Helix Resources	HLX	10 Dec
JCurve Solutions	JCS	10 Dec
Matrix Composites & Engineering	MCE	10 Dec
Medibio Ltd	MEB	10 Dec
Nusantara Resources	NUS	10 Dec
Animoca Brands Corporation	AB1	11 Dec
AuMake International	AU8	11 Dec
EMU NL	EMU	11 Dec
First Graphene	FGR	11 Dec
Intermin Resources	IRC	11 Dec
MacPhersons Resources	MRP	11 Dec
Orthocell Ltd	OCC	11 Dec
Triton Minerals	TON	11 Dec
Zenith Minerals	ZNC	11 Dec

Suspensions (select)

Company	Code	Since
Agua Resources	AGR	7 Dec
Birimian Ltd	BGS	15 Nov
Chapmans Ltd	CHP	7 Dec
Department 13 International	D13	23 Nov
Mount Burgess Mining	MTB	7 Dec
PayGroup Ltd	PYG	3 Dec
Planet Gas	PGS	23 Nov
PolarX Ltd	PXX	6 Dec
Sterling Plantations	SBI	27 Nov
VPCL Ltd	VPC	19 Nov
Zyber Holdings	ZYB	28 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CD3	Tomorrow	1.3	0	0.00
ING	Tomorrow	33	tbc	tbc
JHX	Tomorrow	11.01	0	2.69
GTK	Wed	8.18	8.50	2.53
ECX	Thu	8	100	6.37
MTS	Thu	6.5	100	5.53
SEN	Thu	0.37	0	0.48
CLW	28 Dec	6.5	0	6.19
MGR	28 Dec	5.3	0	tbc
NEW	28 Dec	4	0	5.62
RCT	28 Dec	10.37	0	6.52
RFF	28 Dec	2.61	0	4.54
RFP	28 Dec	2.6	100	0.00
TCL	28 Dec	29	3.44	4.77



China's November trade figures, reported Saturday, surprised on the downside for both exports and imports.

Iron ore imports notably fell for a second consecutive month.

CPI and PPI, published yesterday, each fell for the month.

These figures are expected to influence at least some of tonight's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7191	0.0005	0.07
EUR – USD	1.1393	0.0002	0.02

Australian Data Today

CLgc	Captl city rsdntl propty prices	7 Dec
ABS	Housing finance	Oct

US Data Tonight

JOLTS job openings	Oct
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Other Overseas Data Today & Tonight

China	<i>New lending</i>	Nov
Japan	GDP (final)	Sep Q
Japan	Bank lending	Oct
Japan	Eco watchers survey (4pm)	Oct
UK	GDP	Oct
UK	Trade balance	Oct
UK	Industrial production	Oct
UK	Construction output	Oct
UK	NIESR GDP	Nov
Germany	Trade balance	Oct
Euro zone	Sentix investor confidence	Dec

Need More Information?

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