

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5608	16	<b>0.3</b>
<b>NZX 50</b>	8698	27	<b>0.3</b>
<b>DJIA Futures</b>	24336	-86	-0.4
<b>S&amp;P 500 Futures</b>	2641	-2	-0.1
<b>NASDAQ Futures</b>	6717	18	0.3

## Local Markets Commentary

The Australian market opens mid-week trade with new data out of China and Japan early yesterday evening and amid a swarm of international considerations.

In mixed overnight commodities trade, **oil** turned higher.

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

**Iron ore** (China port 62% Fe) declined for a fourth consecutive session.

LME **copper** swung higher and rallied.

The **\$A** was pushed about within a relatively narrow range after trading at US72.00c early yesterday evening.

**Locally** today, Westpac and the Melbourne Institute publish their monthly **consumer sentiment** report 10.30am AEDT.

The Australian Bureau of Statistics publishes **October lending** figures 11.30am.

Post-ASX trade yesterday, **China's** November new **lending** was reported at 1250B yuan, against 697B yuan in October.

China also revealed November **vehicle sales** had tumbled 13.9% year-on-year, following an 11.7% drop in October.

In addition, post-ASX trade yesterday, **Japan** reported a 16.8% year-on-year drop in November machine tool orders, following a 0.7% October fall.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	24370	-53	<b>-0.2</b>
<b>S&amp;P 500</b>	2637	-1	<b>-0.0</b>
<b>NASDAQ</b>	7032	11	<b>0.2</b>
<b>FTSE 100</b>	6807	85	<b>1.3</b>
<b>DAX 30</b>	10781	158	<b>1.5</b>
<b>Shanghai Comp</b>	2594	10	<b>0.4</b>

## Overseas Markets Commentary

Major European and US equities markets were pushed and pulled overnight by:

- confirmation of a high-level US-China trade-focused teleconference late Monday;
- new US presidential threats to not sign off on new government funding next week;
- a financial crisis warning from the immediate former chair of the US Federal Reserve;
- claims France's tax cut timetable and wages concessions, following cost-of-living protests, would push the nation's deficit beyond the European Commission 3% GDP cap;

\* Medical device manufacturing listing **1pm AEDT - HMD** \*

## Today's Stock Watch

### Westpac Banking Corporation (WBC)

AGM this morning.

### Commonwealth Bank of Australia (CBA)

CBA has appointed Australian National University engineering and computer science professor Genevieve Bell as an independent non-executive director, effective 1 January. Professor Bell is also a former Intel VP.

### Trade Me Group (TME)

Proposing to merge with Apax Partners in an agreed scheme arrangement whereby Apax will pay \$NZ6.45 for each TME share. The price is an improvement on an earlier Apax proposal, since followed by due diligence.

A TME shareholder vote on the plan is anticipated in April 2019. TME has traded on the ASX at \$5.72 - \$5.90 over the past five trading sessions.

### Sonic Healthcare (SHL)

Planning to outlay \$US540M for US-headquartered pathology services company Aurora Diagnostics.

In association, SHL is conducting a \$A600M fully-underwritten institutional placement, and \$A100M non-underwritten SPP, each at \$A19.50 per share.

SHL settled at \$21.39 yesterday and has called a trading halt this morning.

### Challenger Ltd (CGF)

CGF has appointed CGF distribution, product and marketing COO Angela Murphy as distribution, product and marketing CEO, effective immediately.

Ms Murphy is taking over from Richard Howes, who has been appointed CEO and MD, effective January.

### Virgin Australia Holdings (VAH)

VAH has appointed retired Air Chief Marshal Sir Angus Houston as an independent non-executive director, effective 12 December, when Mark Vaile AO steps down from the VAH board.

### MACA Ltd (MLD)

MLD subsidiary MACA Interquip has secured a \$28M, eight-month works contract with Adaman Resources' WA Kirkalocka gold project.

Work is expected to commence in February.

### Mayne Pharma (MYX)

US FDA approval in hand for MYX's Tolsura capsules as a new drug application for the treatment of systemic fungal infections in adults.

### QBE Insurance Group (QBE)

Morgans has placed QBE on its add list, cancelling former hold advice.

### HeraMED Ltd (\* HMD)

Foetal heart beat monitor manufacturer scheduled to list on the ASX **1pm AEDT** following a \$6M IPO at 20c per share. 40.75M quoted securities.

- European Union public intransigence on renewing separation talks with the UK;
- reports China had detained a Canadian citizen, in retaliation for the arrest last week in Canada of Huawei's CFO, also the daughter of the company's founder; and
- a deadly attack on civilians near a Christmas market in France.

European indices opened higher and mostly continued to rally on early US-China trade optimism, including a reported, repeat offer from China of vehicle import tax cuts.

Among data releases, average earnings in the **UK** were reported to have grown 3.3% in the three months to 31 October.

ZEW's December economic sentiment index for traditional euro zone powerhouse **Germany** improved from -24.1 to -17.5.

The current conditions component dropped to 45.3 from 58.2, however.

**US** November producer prices were estimated 2.5% higher year-on-year, against 2.9% at the end of October. For the month, prices rose 0.1%

A small business optimism index fell 2.6 to a nonetheless strong 104.8.

**Tonight** in the US, November CPI, monthly treasury budget figures and weekly mortgage applications are due.

Elsewhere, the heads of the European Commission (EC) and **Italy** meet to discuss possible changes to Italy's proposed budget, deemed non-compliant with region-wide regulations.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1247</b>	oz	-2	<b>-0.2</b>
<b>Silver (NY) (Mar)</b>	14.66	oz	0.05	<b>0.3</b>
<b>Gold (LON)</b>	1245	oz		
<b>Platinum</b>	783	oz	0	0.0
<b>WTI Crude (Jan)</b>	<b>51.65</b>	bbbl	0.65	<b>1.3</b>
<b>Brent Crude (Jan)</b>	<b>60.2</b>	bbbl	0.2	<b>0.4</b>
<b>Iron Ore (CHN port 62%)</b>	<b>66.0</b>	t	-0.1	<b>-0.2</b>
<b>Copper (LME,3mth,PM)</b>	<b>6168</b>	t	79	<b>1.3</b>
<b>Nickel</b>	10770	t	-30	<b>-0.3</b>
<b>Aluminium</b>	1939	t	1	<b>0.1</b>
<b>Lead</b>	1975	t	24	<b>1.2</b>
<b>Zinc</b>	2590	t	15	<b>0.6</b>
<b>Tin</b>	19125	t	175	<b>0.9</b>
<b>CBT Wheat (Dec)</b>	5.21	bshl	-0.05	<b>-0.9</b>

### Commodities Commentary

**Oil** – Russia confirmed overnight that its 228,000bbbl/d production cut, pledged for six months from January last week, would be implemented gradually, with a likely daily 50,000bbbl - 60,000bbbl January reduction.

In the meantime, US government agency the EIA reduced its US 2018 production forecast to a still record 10.88MMbbbl/d, representing a 1.53MMbbbl/d rise and placing the US at the top of the international crude producers' league.

Earlier this week, China revealed it had imported 10.43MMbbbl/d during November, against 9.6MMbbbl/d in October.

The increase has been attributed mostly to lower prices, refiners ensuring they utilised import quotas,

## Pre-Open Announcements

### EMVision Medical Devices (\* EMV)

Medical imaging technology specialist scheduled to list 2pm AEDT tomorrow following a \$6M IPO at 25c per share. 39.00M quoted shares.

## Resources

### Battery Minerals (\* BAT)

Mozambique Balama Central graphite project feasibility work has indicated a \$US69.4M capex and \$US363/t C1 operating cost over the initial eight years of production.

Mine life is estimated at 27 years, based on 58,000tpa at 96% TGC (total graphitic carbon).

The project's reserve has been calculated at 19.7Mt @ 11.1% TGC, for 2.2Mt TGC.

### Havilah Resources (HAV)

Mark Stewart will take over as HAV chairman when Ken Williams retires this role immediately following the HAV AGM.

## Energy

### Arafura Resources (ARU)

ARU's \$3M underwritten SPP has closed over-subscribed, in support of Nolans NdPr project feasibility.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>WBC</b>	AGM
<b>Tomorrow</b>	ELD	AGM
<b>Fri</b>	PDL	AGM
<b>19 Dec</b>	ANZ	AGM
	NAB	AGM
	ORI	AGM
	SYD	Nov stats
<b>20 Dec</b>	DLX	AGM
	IPL	AGM
<b>21 Dec</b>	AIA	Nov stats

## Trading Halts

Company	Code	Resuming
Auctus Alternative Investments	AVCDC	12 Dec
Change Financial	CCA	12 Dec
Nusantara Resources	NUS	12 Dec
Phosphagenics Ltd	POH	12 Dec
SelfWealth Ltd	SWF	12 Dec
Tychaen Resources	TYK	12 Dec
Azumah Resources	AZM	13 Dec
Coolgardie Minerals	CM1	13 Dec
Musgrave Minerals	MGV	13 Dec
Transaction Solutions International	TSN	13 Dec
Vimy Resources	VMY	13 Dec
Sonic Healthcare	SHL	14 Dec

and smudgy market supply and source expectations, in part based on US sanctions against Iran.

OPEC's monthly oil report, due tonight, will be keenly analysed for output change over the past several weeks in light of oversupply claims.

A weekly US petroleum inventories report is also due tonight from the EIA.

**Gold** – trade vacillated overnight on reports the US president had issued another, this time vehement, threat to refuse to sign off on government funding next week, pending funds for the president's desired Mexico-US border wall.

In addition to bubbling geopolitical issues, a raft of key data due out of the US late-week is expected to ultimately influence this week's gold prices.

Among the forecasters, Bank of America Merrill Lynch was reported to be targeting a mean \$US1296/oz for gold and \$US16.93/oz for silver for 2019.

**Base metals** – a softer \$US and US-China trade talk optimism supported early overnight LME trade.

International production and trade figures also remained in focus.

Chile revealed a 6% year-on-year increase in January – October copper output, to 4.74Mt.

China's November unwrought *copper* imports were reported over the weekend as 8.6% higher for the month but 3% lower year-on-year, at 456,000t.

Copper concentrate imports were estimated down 4.6% year-on-year, at 1.70Mt.

China's November *aluminium* exports were reported 11.7% higher for the month, at 536,000t, representing the second highest aluminium exports recorded for any month.

*Iron ore* imports came in at 86.25Mt, down 2.4% for the month, ahead of China's more onerous winter operational regulations.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7203	0.0000	0.00
<b>EUR – USD</b>	1.1319	0.0001	0.01

### Australian Data Today

Wstpc/MI	Consumer sentiment	Dec
ABS	Lending finance	Oct

### US Data Tonight

CPI	Nov
Treasury budget	Nov
MBA mortgage applications	7 Dec

### Other Overseas Data Today & Tonight

<b>China</b>	FDI (6pm AEDT)	Jan - Nov
<b>Japan</b>	Producer prices	Nov
Japan	Machinery orders	Oct
Japan	Tertiary industry index (6pm)	Oct
<b>Euro zone</b>	Industrial production	Oct

### Suspensions *(select)*

Company	Code	Since
Chapmans Ltd	CHP	7 Dec
Department 13 International	D13	23 Nov
Eneabba Gas	ENB	10 Dec
IndiOre Ltd	IOR	12 Dec
Mount Burgess Mining	MTB	7 Dec
PayGroup Ltd	PYG	3 Dec
Planet Gas	PGS	23 Nov
Range Resources	RRS	10 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 (%)
<b>GTK</b>	Today	<b>8.18</b>	8.50	2.64
ECX	Tomorrow	8	100	6.48
MTS	Tomorrow	6.5	100	5.67
SEN	Tomorrow	0.37	0	0.50
CHC	28 Dec	16.5	49.7	tbc
CLW	28 Dec	6.5	0	6.11
MGR	28 Dec	5.3	0	4.93
NEW	28 Dec	4	0	5.54
RCT	28 Dec	10.37	0	6.48
RFF	28 Dec	2.61	0	4.60
RFP	28 Dec	2.6	100	0.00
SYD	28 Dec	19	0	tbc
TCL	28 Dec	29	3.44	4.77



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