

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7190	-61	-0.8
<b>NZX 50</b>	11530	-55	-0.5
<b>DJIA Futures</b>	33993	-140	-0.4
<b>S&amp;P 500 Futures</b>	3998	-24	-0.6
<b>NASDAQ Futures</b>	11751	-89	-0.8

## Local Markets Commentary

The Australian market commences today's trade with the \$A at ~US68.55c, influential domestic economic data due late morning, a swag of regional material data, including a batch out of China early afternoon, and a further US interest rate increase, ahead of Bank of England and European Central Bank policy meetings tonight.

US equities markets fell overnight.

**Locally** today, the Australian Bureau of Statistics publishes **November workforce** figures, including jobs, wages and the national unemployment rate, at **11.30am** AEDT.

At the same time, the Reserve Bank of Australia (RBA) releases November foreign exchange transactions and holdings of official reserve assets.

In addition today, the Melbourne Institute is expected to release a December **inflation expectations** report, at **11am** AEDT.

**Regionally** today, **China** is scheduled to release November updates for **fixed asset investment, industrial production** and **retail sales** at **1pm** AEDT.

**Residential property prices** are due 12.30pm AEDT.

Pre-trade, **South Korea** has reported November **import** and **export prices**, these rising year-on-year by 14.2% and 8.6% respectively.

**Japan** is due to release November **trade** figures at 10.50am AEDT.

This morning, **New Zealand** has reported 2.0% September quarter **GDP** growth for the three months, against an anticipated 0.9%.

On an annualised basis, GDP was up 6.4%.

Further today, Japan is listed to host a 20-year government bond auction this afternoon.

In overnight commodities trade, **oil** rose further.

US **gold** futures turned moderately lower to trade below \$US1820/oz.

**Iron ore** (Nymex CFR China, 62% Fe) rose by just US3c/t.

LME (3mth evening) **copper** and **nickel** were each reportedly trading 0.3% higher for the day at 1700 GMT. **Aluminium** was reported down 0.4%.

*Last night's LME final 3-mth evening price updates were unavailable from IRESS at time of publication. These are expected from IRESS at 11.30am AEDT.*

The **\$A** maintained ~US68.65c after trading at ~US68.65c - ~US68.70c early yesterday evening.

Early **volatility** possible, as S&P/ASX24 SPI 200 quarterly **futures contracts expire today**.

Group opening times will be **extended** as follows:

**Group 1 (A – B)** 10.00 am +/- 15 secs

**Group 2 (C – F)** 10.04 am +/- 15s

**Group 3 (G – M)** 10.08 am +/- 15s

**Group 4 (N – R)** 10.12 am +/- 15s

**Group 5 (S – Z)** 10.16 am +/- 15s

## Today's Stock Watch

### Australia & New Zealand Banking Group (ANZ)

AGM today.

### Woolworths Group (WOW)

Acquiring 55% of Petspiration Group.

### Elders Ltd (ELD)

ELD has outlaid ~\$NZ37.1M for 11.295% of NZX-listed agricultural supplies and services business PGG Wrightson, paying \$NZ4.35-per share.

ELD says it does not currently intend to obtain a controlling stake in PGG Wrightson.

ELD AGM today.

### Spark New Zealand (SPK)

SPK investee mobile towers business company Connexa is planning to acquire 2degrees Mobile.

Details lodged this morning.

### The Food Revolution Group (FOD)

FOD has appointed former Victoria premier Jeffrey Kennett AC to the FOD board as non-executive chairman.

Mr Kennett founded and chaired beyondblue and is also a former Equity Trustees chairman.

Former FOD chair Norman Li is remaining on the FOD board as a non-executive director.

## Resources

### Mineral Resources (MIN)

MIN has appointed Justin Langer AM as an independent non-executive director, effective 1 January.

Mr Langer's appointment follows that of Colleen Hayward AM, also as a non-executive director, as announced Monday.

### West African Resources (WAF)

Heralding Burkina Faso Sanbrado gold project resource definition drilling results. Assays lodged pre-trade.

### Poseidon Nickel (POS)

Black Swan FID anticipated by mid-2023.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	33966	-142	-0.4
<b>S&amp;P 500</b>	3995	-24	-0.6
<b>NASDAQ</b>	11171	-86	-0.8
<b>FTSE 100</b>	7496	-7	-0.1
<b>DAX 30</b>	14460	-38	-0.3
<b>Shanghai Comp</b>	3177	0.2	0.0

**Overseas Markets Commentary**

Major European and UK equities markets traded lower early overnight.

US equities markets followed with cautious early trade but fell on the release of the **US Federal Reserve** post-policy meeting statement.

The Fed announced a 0.50% interest rate increase, as anticipated, and confirmed policy makers wanted to assess how the domestic economy would respond to the series of increases this past year.

In particular, the FOMC wanted to avoid stalling the US economy via rate increases.

The new rates target range is 4.25% - 5.00% with bank officials expecting this to exceed 5.00% and remain above 5.00% through to at least late 2023.

Updated Fed economic projections also included the national inflation rate remaining above 3.0% until at least 2025, and 0.5% GDP growth for 2022 and 2023.

The unemployment rate was predicted to reach 4.6%.

Meanwhile, ahead of a European Central Bank (ECB) policy meeting tonight, an ECB official was reported as asserting ECB policy makers also expected euro zone inflation to remain above the 2% target level through 2025.

Among other news overnight, the US announced it had agreed to supply Patriot air defence missiles to Ukraine.

In overnight data releases, **UK** November **CPI** represented 0.4% inflation growth for the month, following 2.0% for October and forecasts of a new 0.7% increase.

Against November 2021, inflation was running at 10.7%, against October's 11.1%.

As with the US November CPI, released overnight Tuesday, lower petrol prices were cited as a significant easing factor.

In the **euro zone**, October industrial production was estimated to have dropped 2% for the month after increasing by 0.8% in September. Forecasters had anticipated a 1.2% fall.

Against October 2021, output was up 3.4%.

In the **US**, November import and export prices fell by 0.6% and 0.3% respectively for the month.

Against November 2021, prices were up 2.7% and 6.3% respectively.

Weekly mortgage applications increased by 3.2% following a 1.9% decline the previous week.

Mean average 30-year mortgage rates were reported at 6.42% from 6.41%.

**Pre-Open Announcements****Infratil Ltd (IFT)**

IFT and Commonwealth Superannuation Corporation are setting up a renewable energy unit Mint Renewables Ltd. IFT will initially invest \$A219M for a 73% interest.

**Pexa Group (PXA)**

Investor presentation lodged post-trade yesterday.

**Resources****Jindalee Resources (JRL)**

Oregon, US McDermit lithium project RC and diamond drilling has continued to extend known mineralisation.

Latest significant assays lodged post-trade yesterday.

Anticipating an updated resource to be ready for release early 2023.

**DeSoto Resources (\* DES)**

Gold and lithium explorer scheduled to list on the ASX 1.30pm AEDT **tomorrow**, following a \$10M IPO at 20c per share. ~55M quoted shares.

Two projects in the Northern Territory.

Predictive Discovery (ASX: PDI) founder and former CEO Chris Roberts DES executive chair.

Recent BPM Minerals (ASX: BPM) and former PDI corporate development officer CEO Chris Swallow DES MD.

Barry Murphy DES non-executive director.

**Taiton Resources (\* T88)**

Multi-mineral explorer scheduled to list on the ASX 2.30pm AEDT **Monday**, following an ~7M IPO at 20c per share. ~51.5M quoted shares.

Two projects in South Australia and one in Western Australia.

**Energy****BPH Energy (BPH)**

BPH 36.1% associate Advent Energy subsidiary Aotearoa Offshore is terminating a proposed farm-in initially agreed earlier this year with OMV New Zealand.

**Trading Halts**

Company	Code	Resuming
Asra Minerals	ASR	15 Dec
Classic Minerals	CLZ	15 Dec
Flynn Gold	FG1	15 Dec
Pan Asia Metals	PAM	15 Dec
Caprice Resources	CRS	16 Dec
Global Lithium Resources	GL1	16 Dec
Intra Energy Corporation	IEC	16 Dec
RMA Global	RMY	16 Dec
Strike Resources	SRK	16 Dec



**Tonight** in the US, weekly new unemployment claims are due, together with November retail sales and industrial production, October business inventories and the December Philadelphia Fed and NY Fed (Empire State) manufacturing indices.

Elsewhere, the **Bank of England** and **European Central Bank** each convene policy meetings from which outcomes announcements and subsequent press conferences are keenly anticipated.

Adobe and H&M among companies listed to report earnings or provide sales updates later today and tonight.

Associated British Foods, Burberry and DS Smith trade ex-dividend on the FTSE 100.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	1818.7	oz	-6.8	-0.4
<b>Silver</b> (COMEX 5000 Mar)	24.14	oz	0.15	0.6
<b>Platinum</b>	1026	oz	-5	-0.5
<b>WTI Crude</b> (NYMEX Jan)	77.28	bbbl	1.94	2.5
<b>Brent Crude</b> (ICE EUR Feb)	82.70	bbbl	2.02	2.4
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	109.26	t	0.03	0.0
<b>Copper</b> (LME 3mth Evening) (13 Dec)	8494	t	121	1.4
<b>Nickel</b>	28292	t	-1239	-4.2
<b>Aluminium</b>	2461	t	47	1.9
<b>Lead</b>	2206	t	26	1.2
<b>Zinc</b>	3318	t	49	1.5
<b>Tin</b>	24649	t	694	2.9
<b>Coal</b> (ICE-GC Newcastle; IRESS)	405	t	4	1.0
<b>Wheat</b> (CBT Mar; IRESS)	749.25	t	-1.5	-0.2

### Commodities Commentary

**Oil** – overnight trade considerations included two key reports, a further US interest rate increase, the continued outage of a Canada-US crude pipeline and currency moves.

The International Energy Agency's (IEA) monthly oil market report, published overnight, included forecasts for international oil demand growth to come in at 2.3MMbbl/d for 2022 and to fall to 1.7MMbbl/d for 2023.

The IEA predicted China's demand to grow by ~1MMbbl/d in 2023 after a 400,000bbl/d fall in demand for this year.

The agency estimated Russia's crude output would likely fall by 1.4MMbbl/d in 2023.

The IEA also estimated Russia's production had risen by 90,000bbl/d in November, bringing output to 200,000bbl/d below levels recorded prior to the 24 February military force entry into Ukraine.

Also overnight, US government agency the EIA released a weekly domestic petroleum inventories report, this including a rise for both crude and petrol stocks.

Crude inventories were estimated 10.231MMbbl higher for the week and petrol stocks to have grown by 4.496MMbbl.

Petrol production grew by 129,000bbl and net crude imports fell by 31,000bbl.

Overnight Tuesday post-US trade, the American Petroleum Institute (API) had published a weekly report which included an estimated 7.819MMbbl increase in US crude stocks last week.

### Suspensions (selected)

Company	Code	Since
Copper Strike	CSE	13 Dec
DW8 Ltd	DW8	14 Dec
Meteoric Resources	MEI	12 Dec
Security Matters	SMX	12 Dec

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>PL8</b>	Today	<b>0.55</b>	100	5.45
KPG	Mon	0.4	100	1.36
MTS	Tue	11.5	100	5.01
GLE	28 Dec	2.14	0	0.00
AOF	29 Dec	2.5	0	8.85
BWP	29 Dec	9.02	0	4.44
CHC	29 Dec	20.84	45	3.06
CIP	29 Dec	4	0	5.19
CLW	29 Dec	7	0	6.60
CMW	29 Dec	1.38	0	9.12
COF	29 Dec	3.52	0	9.80
CQE	29 Dec	4.3	0	5.13
GDF	29 Dec	1.8	0	5.27
GDI	29 Dec	2.5	0	10.06
HPI	29 Dec	9.2	0	5.76
MGR	29 Dec	5.2	0	4.59
NSR	29 Dec	5.5	0	4.20
RCT	29 Dec	22.37	0	9.01
RFF	29 Dec	2.93	0	4.73
RGN	29 Dec	7.5	0	5.41
TCL	29 Dec	26.5	0	2.92

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>ANZ</b>	AGM
	<b>ELD</b>	AGM
<b>Tomorrow</b>	NAB	AGM
<b>Mon</b>	EMN	Full year; Sep Q
<b>Tue</b>	IPL	AGM



**Gold** – confirmation of another US rate rise and the prospect of rates increasing further next year and remaining relatively high for some time appeared the main influences on overnight gold trade. Central bank policy meetings, scheduled for the UK and euro zone tonight, are expected to swing some currency trade.

**Base metals** – China’s Covid case numbers and reports the release of such would be scaled back ensured demand scenarios remained in focus overnight.

In addition, another US interest rate increase and rate rises anticipated out of UK and euro zone central bank meetings tonight, also kept financing considerations forefront.

Influential November economic data due out of China today is expected to influence at least some of tonight’s trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6857	0.0027	0.40
<b>EUR – USD</b>	1.0683	0.0059	0.55

### Australian Data Today

ABS	Workforce (incl jobs, wages, unemploymt)	Nov
Melb Inst	Inflation expectations	Dec
RBA	Forex transactions; Holdings of reserve assets	Nov

### US Data Tonight

Initial jobless claims	12 Dec
Retail sales	Nov
Industrial production	Nov
Philadelphia Fed manufacturing	Dec
NY Fed (Empire State) manufacturing	Dec
Business inventories	Oct

### Other Overseas Data Today & Tonight

<b>China</b>	Fixed asset investment	Jan-Nov
China	Industrial production	Nov
China	Retail sales	Nov
China	House price index	Nov
<b>South Korea</b>	Import & export prices	Nov
<b>Japan</b>	Trade balance	Nov
Japan	Tertiary industry index (3.30pm AEDT)	Oct
<b>New Zealand</b>	GDP	Sep Q
<b>UK</b>	BoE policy meeting outcome	15 Dec
UK	New domestic vehicle registrations	Nov
<b>Germany</b>	Wholesale prices	Nov
<b>Euro zone</b>	ECB policy meeting outcomes	15 Dec
Euro zone	New domestic vehicle registrations	Nov

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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

The following changes come into effect prior to the ASX open **Monday (19 December)**:

### S&P/ASX 50

Out: LLC

In: PLS

### S&P/ASX 200

Out: SBM

In: MND

### S&P/ASX All Technology

Out: 4DS, 4DX, ALC, AXE, CGS, FZO, SPT, WSP

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