

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7072	-27	-0.4
<b>NZX 50</b>	11575	-29	-0.2
<b>DJIA Futures</b>	33128	0	0.0
<b>S&amp;P 500 Futures</b>	3879	0	0.0
<b>NASDAQ Futures</b>	11345	0	0.0

## Local Markets Commentary

The Australian market commences the last week of trade before Christmas weekend with the \$A at ~67.05c, amid widespread inflation and recession speculation and warnings, and ongoing broad heightened geopolitical tensions.

US equities markets settled lower in concert for a third consecutive session overnight Friday.

Since overnight Friday trade, China has been reported to be temporarily closing most face-to-face schooling in Shanghai, in favour of online learning, due to surging Covid case numbers, including among students and education staff.

In geopolitical news over the weekend, India appears to have deliberately further fuelled border tensions with China.

In addition, North Korea has resumed ballistic missile test launches towards the east coast of the Korean peninsula.

**Locally** today, no material economic data releases are anticipated during ASX trade.

New forecasts are in hand however, from the Office of the Chief Economist and Department of Industry of Resources and Energy.

**Regionally** today also, no major economic reports are scheduled for release.

In overnight Friday commodities trade, **oil** settled lower again, Brent crude closing below \$US80/bbl.

US **gold** futures swung higher, settling at ~\$US1800/oz.

**Iron ore** (Nymex CFR China, 62% Fe) closed a little lower, but remained above \$US110.0/t.

**Coal** (ICE-GC Newcastle) traded higher but was again constrained to \$US405/t.

LME (3mth evening) **copper** and **aluminium** continued lower. **Nickel** volatility gave way to a second consecutive slight sessional fall.

The \$A rose to ~US67.10c after trading at ~US 66.90c - ~US66.95c early Friday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	32920	-282	-0.8
<b>S&amp;P 500</b>	3852	-43	-1.1
<b>NASDAQ</b>	10705	-105	-1.0
<b>FTSE 100</b>	7332	-94	-1.3
<b>DAX 30</b>	13893	-93	-0.7

**\* Multi-mineral exploration listing – 2.30pm AEDT – T88 \***

## ASX Trading 23 December – 3 January

<b>23 December</b>	10am – 2.10pm AEDT
<b>26 December</b>	CLOSED
<b>27 December</b>	CLOSED
<b>28 December</b>	10am – 4.10pm AEDT
<b>29 December</b>	10am – 4.10pm AEDT
<b>30 December</b>	10am – 2.10pm AEDT
<b>2 January 2023</b>	CLOSED
<b>3 January 2023</b>	10am – 4.10pm AEDT

State One's Market Opener will continue until Thursday  
 and resume Monday 9 January 2023



Trades executed **Thursday** (22 December) will **settle** 28 December (Wednesday next week).

Friday's (23 December) trades will settle 29 December (Thursday next week).

Trades executed Thursday **next week** (29 December) settle Tuesday 3 January.

Friday (30 December) trades will settle Wednesday 4 January.

## Today's Stock Watch

### Perenti Ltd (PRN)

Raising FY 23 revenue guidance from \$2.6B - \$2.7B to \$2.7B - \$2.9B, and EBIT(A) to \$230M - \$250M from \$215M - \$230M. PRN subsidiary Barmenco has secured a development work contract with Evolution Mining's (ASX: EVN) Ernest Henry underground gold and copper mine. In addition, the work scope of Barmenco's Garden Well mine contract with Regis Resources (ASX: RRL) has been expanded.

### APA Group (APA)

APA has appointed acting APA CEO Adam Watson as CEO and MD. Mr Watson is a prior Transurban (ASX: TCL), BlueScope Steel (ASX: BSL) and Melbourne Airport executive.

### Resources

### Newcrest Mining (NCM)

NCM has appointed NCM CFO Sherry Duhe as interim CEO. NCM CEO and MD Sandeep Biswas retires as MD immediately, but remains with NCM through a CEO transitional period until his NCM retirement 18 March 2023.



Shanghai Comp 3168 -0.8 -0.0

### Overseas Markets Commentary

Weak sentiment featured across major European, UK and US equities overnight Friday.

The prospect of higher for longer interest rates through 2023 appeared a major influence on trade as data releases continued to underscore international economic growth fears.

Three US Federal Reserve district presidents publicly ventured US rates could need to go higher than even recently anticipated.

Commentary continued to speculate on China's near – to – mid-term economic prospects amid ongoing reports of escalating numbers of Covid cases and impacts on daily activity in various regions and cities.

The Central Bank of Russia retained its main interest rate at 7.5% for a second consecutive policy meeting, and revised the anticipated 2020 inflation rate from 12.6% to 12.0%.

The bank emphasised that challenges for economic growth remained, these including labour shortages and sanctions impacts, and that policy makers would continue to monitor economic indicators and adjust rates as needed.

Meanwhile, in geopolitical news, Ukraine suffered a barrage of Russian air attacks across multiple cities.

Among overnight Friday data releases, the **euro zone's** annualised November inflation growth was finalised at 10.1% from the initial estimate of 10.0%.

October's rate had been recorded at 10.6% however, and the new reading represented the first fall since June 2021.

For the month, November inflation fell 0.1% as indicated by the first estimate.

This was also significant given October's 1.5% increase for the month.

In the meantime, euro zone October trade figures included a €26.5B deficit.

Economists had anticipated a €41.2B shortfall following September's €34.4B deficit.

Initial December PMIs indicated ongoing contraction, but nonetheless improvement, the manufacturing rising to 47.8 from 47.1 and the services PMI estimated at 49.1 from 48.5.

**Germany's** December preliminary PMIs also retained contraction mode for both the manufacturing and services sectors, but estimates proved greater than the November readings.

The manufacturing PMI rose to 47.4 from 46.2 and the services PMI climbed to 49.0 from 46.1.

In the **UK**, November retail sales underscored recession concerns, falling 0.4% for the month, following a 0.9% October increase and forecasts for a new 0.3% rise.

Against November 2021, sales were down 5.9%.

Preliminary December PMIs came in mixed.

The manufacturing PMI fell to 44.7 from 46.5 against forecasts for a slighter decline to 46.3.

The services PMI improved to the expansion – contraction cut-off of 50.0 from November's contractionary 48.8.

This, against expectations of deteriorating to 48.3.

### Pre-Open Announcements

#### Macquarie Telecom Group (\* MAQ)

MAQ has appointed former Qantas Airways (ASX: QAN) executive Lisa Brock as an independent non-executive director, effective 31 January 2023.

#### Imdex Ltd (\* IMD)

IMD has appointed Seattle, US-based Microsoft Worldwide Energy & Mining chief commercial officer Uwa Airhiavbere as a non-executive director, effective today.

#### Alcidion Group (ALC)

ALC has secured a contract extension with Leidos Australia. The total contract value (TCV) of the extension is estimated at \$8.4M m over 4.75 years.

#### Sezzle Inc (SZL)

November income rose 16.5% year-on-year to \$US13.1M.

Net income came in at \$US200,000.

\$US1.3M net loss for October – November.

Additional statistics lodged pre-trade.

#### MMA Offshore (MRM)

Anticipating \$30M - \$32M 1H FY23 EBITDA, ~70% greater than for 2H FY22.

Yet to contract several larger vessels of integrated scopes into 2H FY23, and monsoon season is during the March quarter, but MRM is describing second-half market conditions as encouraging 'at present'.

#### Virgin Money UK (VUK)

Non-executive VUK director Darren Pope is planning to step down from the VUK board 26 May 2023.

#### Sky City Entertainment (SKC) / Genesis Energy (GNE)

SKC chief people and culture officer Claire Walker has resigned, effectively 31 March 2023, having been appointed chief people officer by GNE.

Ms Walker will commence with GNE 3 April 2023.

#### EML Payments (EML)

EML will file an amended defence after consenting to a draft amended statement of claim being filed by Shine Lawyers in a class action, against EML in the Supreme Court of Victoria, which EML announced 23 December 2021.

EML says the amended statement of claim boosts the number of allegations from four to 20 and also expands the claim period from 19 December 2020 – 18 May 2021 to 19 December 2020 – 25 July 2022.

EML asserts it has always complied with disclosure obligations.

#### Perpetual Ltd (PPT) / Pental Group (PDL)

Ben Heap, one of the PDL independent non-executive directors PPT had proposed to appoint to the PPT board on the proposed PPT acquisition of PDL has asked to be withdrawn from consideration.



Earlier Friday, the GfK December consumer sentiment index for the UK was reported at -42 from -44 for November.

In the **US**, S&P Global initial December PMIs indicated economic weakening.

The manufacturing PMI fell to 46.2 from 47.7 against forecasts for an improvement to 48.2.

The services PMI also declined, from 46.2 to 44.4, defying expectations for a 1.6-point rise to 47.8.

**Tonight** in the US, a home builders' December housing market index is due.

Elsewhere, European Union energy ministers discuss regional supply, options and broader policy through the northern hemisphere winter.

In overnight Friday and weekend corporate news, **Adobe** reported better-than-anticipated quarterly profit.

In the meantime, **Meta Platforms** benefited from a JP Morgan ratings upgrade.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold</b> (COMEX 100 Feb)	1800.2	oz	12.4	0.7
<b>Silver</b> (COMEX 5000 Mar)	23.33	oz	0.02	0.1
<b>Platinum</b>	989	oz	-15	-1.5
<b>WTI Crude</b> (NYMEX Jan)	74.29	bbbl	-1.82	-2.4
<b>Brent Crude</b> (ICE EUR Feb)	79.04	bbbl	-2.17	-2.4
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	110.27	t	-0.23	-0.2
<b>Copper</b> (LME 3mth Evening)	8269	t	-24	-0.3
<b>Nickel</b>	28278	t	-33	-0.1
<b>Aluminium</b>	2375	t	-9	-0.4
<b>Lead</b>	2156	t	2.5	0.1
<b>Zinc</b>	3019	t	-141	-4.5
<b>Tin</b>	23536	t	-64	-0.3
<b>Coal</b> (ICE-GC Newcastle; IRESS)	405	t	2	0.5
<b>Wheat</b> (CBT Mar; IRESS)	754	t	-4	-0.5

### Commodities Commentary

**Oil** – further price falls overnight Friday were attributed to recession fears, and hence reduced demand, in part based on higher interest rate pressures.

Prices received some support however, from US officials reporting plans for a 3MMbbl repurchase of domestic crude to bolster strategic petroleum reserves, reported at their lowest since 1984.

While the nominated quantity is minor against the release over the past year of 180MMbbl from reserves, any indications that this could prove the start of a series of repurchases would be considered by traders as significant.

A weekly US petroleum drill rig report, published overnight Friday, included five fewer operational oil rigs and one additional gas rig in action, taking the overall tally of operational rigs to 776.

**Gold** – despite further hawkish statements from US Federal Reserve officials overnight Friday, bolstering \$US strength, gold prices were pushed higher.

Some commentators pointed to indications of safe-haven buying as equities continued largely out of favour for a third consecutive

The Australian Securities & Investment Commission (ASIC) has commenced civil proceedings against Mr Heap and he wishes to focus on contesting the matter.

### Australian Ethical Investment (AEF)

AEF company secretary Tom May has resigned, effective Friday.

### Farm Pride Foods (FRM)

FRM company secretary Robin Donohue has resigned, effective Friday.

FRM has appointed FRM interim MD Bruce De Lacy as interim company secretary.

Mr Donohue was also FRM CFO. FRM finance manager Harris Baig took over as interim CFO 1 December.

### Resources

#### Rio Tinto (\* RIO)

RIO has completed its \$US1.3B acquisition of the balance of Turquoise Hill Resources, giving RIO 66% of the Oyu Tolgoi project in Mongolia.

The Government of Mongolia holds the balance via a company named Erdenes Oyu Tolgoi

#### Taiton Resources (\* T88)

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

~51.5M quoted shares.

Two projects in South Australia and one in Western Australia.

#### BBX Minerals (BBX)

Ema project 2017 diamond drill holes assays have been completed for gold, platinum, palladium, iridium and rhodium.

Details and commentary lodged post-trade Friday.

2021 drill hole assaying is planned for early 2023.

BBX settled at 7.3c Friday after closing out the previous week at 7.0c.

#### Metalicity Ltd (MCT) / Nex Metals Explorations (NME)

The WA Supreme Court has determined MCT must pay costs in a matter regarding a dispute with NME over an attempt at an NME board spill.

#### DeSoto Resources (\* DES)

Gold and lithium explorer completed its ASX listing Friday, following a \$10M IPO at 20c per share.

Opened 17c, the company's day one low, and traded as high as 18.5c before settling at 17.5c.

~2.35M shares changed hands across 124 transactions.

~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.



session.

Comex futures again reached \$US1800/oz, with industry watchers venturing no marked moves lower were likely to remain sustainable.

**Base metals** – demand growth was again cited as the main influence behind weak overnight Friday base metals sentiment in general.

\$US relative strength on the back of comments from US Federal Reserve district presidents also detracted from purchases needed to be completed in other currencies.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6707	-0.0002	-0.02
<b>EUR – USD</b>	1.0594	0.0007	0.07

#### Australian Data Today

Office of the Chief Economist Resources & Energy (1/4ly) Dec

#### US Data Tonight

NAHB housing market index Dec

#### Other Overseas Data Today & Tonight

<b>UK</b>	CBI industrial trends orders	Dec
<b>Germany</b>	Ifo business climate	Dec
<b>Euro zone</b>	Ifo business climate	Dec

#### 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)

## Energy

### Invictus Energy (\* IVZ)

Zimbabwe Mukuyu-1 total depth (3603m) reached with multiple zones encountering fluorescence and elevated gas shows.

IVZ 80%.

### Strike Energy (\* STX)

STX has secured a \$153M domestic gas financing package with Macquarie Bank.

Details lodged pre-trade.

### Cooper Energy (\* COE) / Santos Ltd (STO)

COE has appointed STO VP strategy and business development Jane Norman as CEO and MD, effective 20 March 2023.

Ms Norman will take over from David Maxwell whose intention to retire was announced in October.

### Triangle Energy (Global) (\* TEG) / Talon Energy (TPD)

TEG has secured an L7 ad EP 437 25% participating interest farm out to TPD.

TPD is contributing \$A1M towards past expenditure.

Additional details lodged this morning.

#### Trading Halts

Company	Code	Resuming
Critical Resources	CRR	19 Dec
DMC Mining	DMM	19 Dec
ISynergy Group	IS3	19 Dec
Legacy Minerals Holdings	LGM	19 Dec
Pearl Gull Iron	PLG	19 Dec
PolarX Ltd	PXX	19 Dec
Amani Gold	ANL	20 Dec
Cobre Ltd	CBE	20 Dec
Elmore Ltd	ELE	20 Dec
Labyrinth Resources	LRL	20 Dec

#### Suspensions (selected)

Company	Code	Since
Copper Strike	CSE	13 Dec
Kaddy Ltd	KDY	14 Dec
Pan Asia Metals	PAM	15 Dec

#### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>KPG</b>	Today	<b>0.4</b>	100	1.36
MTS	Tomorrow	11.5	100	4.99
SGLLV	Tomorrow	10	100	5.29



GLE	28 Dec	2.14	0	0.00
AOF	29 Dec	2.5	0	8.66
APA	29 Dec	26	0	4.93
APZ	29 Dec	3.5	0	3.54
ARZ	29 Dec	4.2	0	4.21
BWP	29 Dec	9.02	0	4.43
CHC	29 Dec	20.84	45	3.11
CIP	29 Dec	4	0	5.26
CLW	29 Dec	7	0	6.47
CMW	29 Dec	1.38	0	9.40
COF	29 Dec	3.52	0	9.65
CQE	29 Dec	4.3	0	5.01
CQR	29 Dec	13	0	6.03
DXC	29 Dec	5.3	0	7.77
DXI	29 Dec	4.1	0	5.65
GDF	29 Dec	1.8	0	5.27
GDI	29 Dec	2.5	0	10.26
GMG	29 Dec	15	0	1.65
HCW	29 Dec	1.88	0	5.53
HDN	29 Dec	2.08	0	6.38
HPI	29 Dec	9.2	0	5.59
MGR	29 Dec	5.2	0	4.59
NPR	29 Dec	2.5	0	5.12
NSR	29 Dec	5.5	0	4.18
RCT	29 Dec	22.37	0	8.96
RFF	29 Dec	2.93	0	4.66
RGN	29 Dec	7.5	0	5.43
SGP	29 Dec	11.8	0	6.86
TCL	29 Dec	26.5	0	2.95
TOT	29 Dec	1.5	0	7.14
WPR	29 Dec	4.03	0	5.81

## Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>EMN</b>	Full year; Sep Q
	<b>SZL</b>	Nov
<b>Tomorrow</b>	IPL	AGM

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

The following changes were scheduled to come into effect prior to the ASX open **today**

#### S&P/ASX 50

*Out:* LLC

*In:* PLS

#### S&P/ASX 200

*Out:* SBM

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*In:* MND

**S&P/ASX All Technology**

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