

Markets

| | | | |
|--------------------------------------|-------|-----|------|
| SFE 200 Futures (9.30am AEDT) | 7025 | 58 | 0.8 |
| NZX 50 | 11443 | 38 | 0.3 |
| DJIA Futures | 33053 | 80 | 0.2 |
| S&P 500 Futures | 3849 | 4 | 0.1 |
| NASDAQ Futures | 11176 | -17 | -0.2 |

Local Markets Commentary

The Australian market commences mid-week trade with the \$A at ~US66.80c and a material domestic economic report due late morning, following relatively lacklustre overnight international equities trade and with a sharpened focus on Australia's relations with China.

US equities markets settled with gains, albeit varied and at best slight, overnight.

Locally today, Westpac and the Melbourne Institute are due to publish their **leading index** report for November at **10.30am** AEDT.

Meanwhile, Australia's foreign minister Penny Wong is in Beijing to meet China's foreign minister Wang Yi on the 50th anniversary of diplomatic relations between China and Australia.

Regionally this morning, **New Zealand** has released November trade figures, these including a \$NZ1.863B deficit following forecasts for a \$NZ1.8B shortfall. A \$NZ2.298B deficit had been recorded for October.

In overnight commodities trade, **oil** settled higher for a second consecutive session, but Brent crude just slightly so.

US **gold** futures swung higher to trade above \$US1825.0/oz.

Iron ore (Nymex CFR China, 62% Fe) recorded a modest gain to settle above \$US109.5/t.

Coal (ICE-GC Newcastle) declined but remained above \$US400/t.

LME (3mth evening) **base metals** prices reportedly swung in early trade.

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

The **\$A** maintained US66.70c after trading at US66.55c – US66.95c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|-----|------|
| Dow Jones | 32850 | 92 | 0.3 |
| S&P 500 | 3822 | 4 | 0.1 |
| NASDAQ | 10547 | 1 | 0.0 |
| FTSE 100 | 7371 | 9 | 0.1 |
| DAX 30 | 13885 | -58 | -0.4 |
| Shanghai Comp | 3074 | -33 | -1.1 |

ASX Trading 23 December – 3 January

| | |
|-----------------------|--------------------|
| 23 December | 10am – 2.10pm AEDT |
| 26 December | CLOSED |
| 27 December | CLOSED |
| 28 December | 10am – 4.10pm AEDT |
| 29 December | 10am – 4.10pm AEDT |
| 30 December | 10am – 2.10pm AEDT |
| 2 January 2023 | CLOSED |
| 3 January 2023 | 10am – 4.10pm AEDT |

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

Trades executed Thursday this week 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
Telstra Group (TLS) / TPG Telecom (TPG)

The Australian Competition & Consumer Commission (ACCC) has decided against granting approval for a proposed TLS and TPG regional mobile network sites and services deal. TPG will apply for a review of the decision by the Australian Competition Tribunal.

Symbio Holdings (SYM)

Webinar scheduled to commence 10am AEDT. Anticipating \$26M - \$30M FY23 EBITDA, against previous \$36M - \$39M guidance.

Matrix Composites & Engineering (MCE)

\$44M buoyancy system purchase order in hand.

DroneShield Ltd (DRO)

\$11M counterdrone/C-UAS equipment purchase order in hand.

Resources
Pilbara Minerals (PLS)

Reporting positive outcomes from off-take price reviews with WA Pilgangoora lithium project customers. Project expansion update, including an anticipated \$A404M capex, from the previously estimated \$A297.5M also lodged this morning.



Overseas Markets Commentary

Major European, UK and US equities markets fell in early trade overnight, most subsequently featuring vacillating trade to settle slightly – modestly changed for the session.

Central bank activity remained in focus, as did economic indicators.

Yesterday afternoon (AEDT), the Bank of Japan retained the key short-term interest rate at -0.1%.

The central bank however, broadened its tolerance range of yield rate fluctuations for 10-year government bonds from +/-0.25% to +/-0.50%. This propelled the Japanese yen higher against the \$US.

Also yesterday afternoon, the People's Bank of China retained the one-year and five-year loan prime rates at 3.65% and 4.3% respectively.

Earlier yesterday, the Reserve Bank of Australia (RBA) released the 6 December policy meeting minutes, these revealing policy makers entertained holding rates steady after seven consecutive increases.

However, a 0.25% increase was agreed following consideration of the degree of economic uncertainty moving into 2023.

Among overnight data releases, **Germany's** producer prices were reported to have dropped 3.9% during November, following expectations for a 2.0% decline after tumbling 4.2% in October.

Against November 2021, prices were nonetheless up 28.2%.

Euro zone December consumer confidence, as calculated by the European Commission (EC), rose to -22.2 from -23.9 for November, defying forecasts for a further deterioration to -24.6.

In the **US**, November building permits tumbled 11.2% for the month, following a 3.3% October fall and against expectations for a decidedly smaller fresh 1.8% decline.

November housing starts fell by 0.5% for the month, against forecasts for a 1.5% fall following October's 2.1% drop.

Tonight in the **US**, November existing home sales and the Conference Board December consumer confidence reading are due, together with weekly mortgage applications and rates.

In addition, the US conducts a 20-year bond auction.

Elsewhere, Canada reports November CPI growth.

Companies scheduled to report earnings later today or tonight include Carnival and Micron Technology.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|---|--------|-------|-------|------|
| Gold (COMEX 100 Feb) | 1825.4 | oz | 27.70 | 1.5 |
| Silver (COMEX 5000 Mar) | 24.27 | oz | 1.07 | 4.6 |
| Platinum | 1006 | oz | 26 | 2.7 |
| WTI Crude (NYMEX Jan) | 76.09 | bbf | 0.90 | 1.2 |
| Brent Crude (ICE EUR Feb) | 79.99 | bbf | 0.19 | 0.2 |
| Iron Ore (NYMEX CHN port;62%Fe) | 109.86 | t | 0.30 | 0.3 |
| Copper (LME 3mth Evening) (19 Dec) | 8323 | t | 53 | 0.6 |
| Nickel | 27210 | t | -1068 | -3.8 |
| Aluminium | 2359 | t | -16 | -0.7 |
| Lead | 2164 | t | 8 | 0.4 |
| Zinc | 3017 | t | -2 | -0.1 |

Pre-Open Announcements

ANZ Group Holdings (** ANZ)

The new head entity of the ANZ group, ANZ Group Holdings, is expected to commence ASX quotation on open **today**, trading on a deferred settlement basis.

~3B quoted shares.

Normal (T+2) trade is expected to commence 4 January.

Australia & New Zealand Banking Group will become an ASX debt listing, also on today's ASX open and also on a deferred settlement basis, continuing the quotation of five series of capital notes and 10 series of wholesale debt securities. The notes also commence normal (T+2) trade 4 January.

Argenica Therapeutics (AGN)

Dosing (of four cohorts) completed in the phase one clinical trial of ARG-007 as a potential treatment for stroke and other neurological conditions.

No serious adverse events reported from the dosing.

Acrux Ltd (ACR)

Launching with partner Padagis a generic version of the topical anaesthetic Emla cream.

Air New Zealand (AIZ)

Comprehensive November operational statistics lodged pre-trade.

The number of passengers carried was up 261.7% on November 2021 but down 9.4% against November 2019 (pre-Covid).

For the year to date, passenger numbers are up 152.4% on last year, but down 12.2% for the same period in 2019.

A2B Australia (A2B)

Selling the group's Bourke Rd, Alexandria, Sydney property for \$19M.

MoneyMe Ltd (MME)

Debt funding arrangement successfully renegotiated.

Details lodged this morning.

Gryphon Capital Income Trust (GCI)

Paying a 1.27c December distribution.

Centuria Capital Group (CNI)

Paying a 5.8c fully franked interim distribution.

SOCO Corporation (* SOC)

IT services consultancy scheduled to commence ASX trade 11am AEDT **Friday**, following a \$5M IPO at 20c per share. 126.265M quoted shares.

Empired Ltd (ASX: EPD) and Xref Ltd (ASX: XF1) chair Thomas Stianos SOC non-executive chair.

Resources

OZ Minerals (OZL)

Prominent Hill 30 June resource and ore reserve statement lodged pre-trade.



| | | | | |
|--------------------------------|--------|---|-------|------|
| Tin | 23303 | t | -233 | -1.0 |
| Coal (ICE-GC Newcastle; IRESS) | 401.35 | t | -3.65 | -0.9 |
| Wheat (CBT Mar; IRESS) | 749.75 | t | 1.25 | 0.2 |

Commodities Commentary

Oil – prices swung intra-session overnight, trader considerations including a weaker \$US, Covid spread fuel demand impacts in China, a major storm weather warning for the US mid-west and forecasts of nationwide freezing temperatures.

In addition, a restart application for the ~620,000bbl/d Canada – US Keystone heavy crude pipeline was reported to have been lodged with regulators.

A weekly US petroleum inventories report is due tonight.

Overnight post-US trade, the American Petroleum Institute (API) published a weekly report which included a 3.069MMbbl estimated decline in US crude stocks last week.

Gold – a lower \$US supported overnight gold interest.

Industry market watchers also again attributed some gains to safe-haven buying.

Final estimates for US and UK September quarter GDPs could sway some of tomorrow night's trade sentiment, pending how they are viewed in terms of influencing central bank moves.

Tonight's trade could in part react to a CPI reading for Canada.

Base metals – overnight base metals trade was pushed and pulled by a further \$US decline and reports the extent of Covid cases among workers was curtailing industrial activity in China.

In addition, broader Zimbabwe operational uncertainty spread following an administrative announcement banning raw lithium exports without written permission from government authorities.

Meanwhile, China's one-year and five-year prime lending rates were again retained at 3.65% and 4.3% respectively yesterday.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------|--------|--------|------|
| AUD – USD | 0.6678 | 0.0030 | 0.45 |
| EUR – USD | 1.0627 | 0.0019 | 0.18 |

Australian Data Today

| | | |
|------------------------|---------------|-----|
| Westpac-Melb Institute | Leading index | Nov |
|------------------------|---------------|-----|

US Data Tonight

| | |
|---|--------|
| Existing home sales | Nov |
| Conference Board consumer confidence | Dec |
| MBA mortgage applications; 30-year mortgage rates | 16 Dec |

Other Overseas Data Today & Tonight

| | | |
|-------------|-------------------------|-----|
| New Zealand | Trade balance | Nov |
| UK | Public sector finances | Nov |
| UK | CBI distributive trades | Dec |
| Germany | GfK consumer confidence | Jan |

Critical Resources (CRR)

Canada Mavis Lake drilling has delivered a 'possible' new mineralised zone down-dip of the main zone.

Details, including some intercepts, lodged this morning.

Assays pending for 29 drill holes.

EcoGraf Ltd (EGR)

'Evidence in answer' lodged with IP Australia relating to two parties' opposition to EGR's *Method of producing purified graphite patent* application 2021261902.

Athena Resources (AHN)

The WA Minister for Mines will determine whether AHN must forfeit mid-west iron ore exploration licences E09/1507 and E09/1552.

The Perth Warden has indicated he would recommend an AHN exemption be refused.

AHN is considering a judicial review of the Warden's exemption application decision.

Energy

New Hope Corporation (NHC)

Proposing to repurchase, via a reverse book-build, up to \$70M worth of the principal amount of the \$A200M 2.75% senior convertible notes due 2026.

Commentary and additional details lodged post-trade yesterday.

Deep Yellow (DYL)

Terminating a minerals royalty deed held by Resource Capital Fund VI (RCF) with DYL subsidiary Narnoo Mining.

Under the deed, RCF was entitled to a 1.15% royalty on all WA Victoria Desert Mulga Rock project ore, concentrates and other products.

DYL will pay RCF \$14M worth of DYL shares (at a five-day weighted average price) in terminating the deed.

DYL settled 8.5% lower for the session yesterday, at 70c.

Trading Halts

| Company | Code | Resuming |
|------------------------|------|----------|
| Arizona Lithium | AZL | 21 Dec |
| BPH Energy | BPH | 21 Dec |
| Cosmos Exploration | C1X | 21 Dec |
| European Lithium | EUR | 21 Dec |
| Image Resources | IMA | 21 Dec |
| Osteopore Ltd | OSX | 21 Dec |
| Gold Mountain | GMN | 22 Dec |
| Happy Valley Nutrition | HVM | 22 Dec |
| Tombola Gold | TBA | 22 Dec |



Russia

Producer prices

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

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Suspensions *(selected)*

| Company | Code | Since |
|------------------------|------|--------|
| Burgundy Diamond Mines | BDM | 19 Dec |
| Copper Strike | CSE | 13 Dec |
| Pan Asia Metals | PAM | 15 Dec |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------|--------|---------|--------------|-----------|
| GLE | 28 Dec | 2.14 | 0 | 0.00 |
| ABP | 29 Dec | 9 | 0 | 6.82 |
| AOF | 29 Dec | 2.5 | 0 | 8.66 |
| APA | 29 Dec | 26 | 0 | 4.95 |
| APZ | 29 Dec | 3.5 | 0 | 3.52 |
| ARF | 29 Dec | 4.2 | 0 | 4.42 |
| BWP | 29 Dec | 9.02 | 0 | 4.63 |
| CDP | 29 Dec | 13.13 | 0 | 5.85 |
| CHC | 29 Dec | 20.84 | 45 | 3.25 |
| CIP | 29 Dec | 4 | 0 | 5.51 |
| CLW | 29 Dec | 7 | 0 | 6.78 |
| CMW | 29 Dec | 1.38 | 0 | 9.62 |
| CNI | 29 Dec | 5.8 | 100 | tbc |
| COF | 29 Dec | 3.52 | 0 | 10.18 |
| CQE | 29 Dec | 4.3 | 0 | 5.19 |
| CQR | 29 Dec | 13 | 0 | 6.30 |
| DXC | 29 Dec | 5.3 | 0 | 7.85 |
| DXI | 29 Dec | 4.1 | 0 | 5.89 |
| ECF | 29 Dec | 2.35 | 0 | 9.71 |
| FOR | 29 Dec | 3 | 0 | 5.97 |
| FPP | 29 Dec | 3 | 0 | 7.55 |
| GCI | 29 Dec | 1.27 | 0 | tbc |
| GDF | 29 Dec | 1.8 | 0 | 5.31 |
| GDI | 29 Dec | 2.5 | 0 | 10.47 |
| GMG | 29 Dec | 15 | 0 | 1.75 |
| HCW | 29 Dec | 1.88 | 0 | 5.61 |
| HDN | 29 Dec | 2.08 | 0 | 6.66 |
| HPI | 29 Dec | 9.2 | 0 | 5.69 |
| MGR | 29 Dec | 5.2 | 0 | 4.81 |
| NPR | 29 Dec | 2.5 | 0 | 5.14 |
| NSR | 29 Dec | 5.5 | 0 | 4.42 |
| RCT | 29 Dec | 22.37 | 0 | 9.07 |
| RFF | 29 Dec | 2.93 | 0 | 4.77 |
| RGN | 29 Dec | 7.5 | 0 | 5.69 |
| SGP | 29 Dec | 11.8 | 0 | 7.29 |
| TCL | 29 Dec | 26.5 | 0 | 3.01 |
| TOT | 29 Dec | 1.5 | 0 | 7.32 |
| WPR | 29 Dec | 4.03 | 0 | 6.10 |
| CAM | 5 Jan | 1.3 | 100 | 5.95 |