

Markets

| | | | |
|--------------------------------------|-------|------|------|
| SFE 200 Futures (9.30am AEDT) | 7296 | -47 | -0.6 |
| NZX 50 | 11613 | -65 | -0.6 |
| DJIA Futures | 33986 | -473 | -1.4 |
| S&P 500 Futures | 4003 | -72 | -1.8 |
| NASDAQ Futures | 11806 | -204 | -1.7 |

Local Markets Commentary

The Australian market commences today's trade with the Reserve Bank of Australia (RBA) convening a policy meeting from which outcomes will be known this afternoon, key domestic economic updates due late morning, and the \$A trading just below US67.0c. US equities markets fell decisively overnight.

Locally today, the RBA will announce policy meeting outcomes 2.30pm AEDT.

The Australian Bureau of Statistics releases September quarter **balance of payments** and also an October **household spending** indicator report at 11.30am AEDT.

Regionally today, **Japan** is scheduled to report October household spending within an hour of the ASX open.

This afternoon, Japan is also listed to host a 30-year government bond auction.

In overnight commodities trade, **oil** picked up the pace of Friday's fall.

US **gold** futures also declined further, trading below \$US1785/oz.

Iron ore (Nymex CFR China, 62% Fe) rose slightly, settling above \$US107.65/t.

Coal (ICE-GC Newcastle) turned more than 2% higher.

LME **copper** was reported 0.8% lower than Friday's close at 1708 GMT. **Nickel** had reportedly fallen by 1.2% at that time.

Aluminium was recorded at prices not seen since mid-June, at ~\$US2577/t, before being listed post 1700 GMT down 1.4% for the day.

The **\$A** dropped beneath US67c after trading at ~US68.05c - ~US68.15c yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|------|------|
| Dow Jones | 33947 | -483 | -1.4 |
| S&P 500 | 3999 | -73 | -1.8 |
| NASDAQ | 11240 | -160 | -1.4 |
| FTSE 100 | 7568 | 11 | 0.2 |
| DAX 30 | 14448 | -82 | -0.6 |
| Shanghai Comp | 3212 | 56 | 1.8 |

Overseas Markets Commentary

Most major European, UK and US equities markets opened lower

RBA – policy meeting outcomes - 2.30pm AEDT
Today's Stock Watch
Bank of Queensland (BOQ)

Today's AGM materials lodged.
 Strategy questions anticipated.

Ventia Services Group (VNT)

VNT has secured a \$200M, three-year power and fibre networks supply contract with the SKA Observatory (SKAO). VNT is also contracted to design and commission a central processing facility and remote processing facilities for the SKAO Australian site.

Lycopodium Ltd (LYL) / West African Resources (WAF)

LYL estimates the EPCM contract awarded for WAF's Burkina Faso Kiaka gold project is worth \$A44M.

Major works are expected to commence in the March quarter 2023.

WAF revealed the contract award pre-trade yesterday when heralding strong interest in potential project debt financiers.

Vmoto Ltd (VMT)

Strategic technology and investment agreement secured with Charged Asia.

Under the agreement, VMT will invest up to \$US3M in credit offsets on batteries and electric vehicles VMT will supply to Charged Asia over three years.

VMT consequently anticipates holding 8% of Charged Asia.

Resources
Sarytogan Ltd (SGA)

Central Kazakhstan graphite deposit metallurgical test work, using two separate processes, has achieved 99.7% total graphitic carbon (TGC) from each.

Combining the methods produced 99.87% TGC.

Additional details and implications lodged this morning.

SGA appreciated 10.91% yesterday, settling at 30.5c.

Tyranna Resources (TYX)

Assays anticipated early February following the completion of initial drilling within the Namibe lithium project Muvero prospect.

Meanwhile, lithium mineralisation was noted below surface.

Plans to ensure sufficient water supply also lodged this morning.

Ragusa Minerals (RAS)

WA Burracoppin project initial drilling has returned high-grade rare earth mineralisation.



overnight, sentiment deteriorating further intra-session.

The FTSE 100 proved an exception, although trade also demonstrated weak sentiment.

Recession warnings increased as western Europe faced its first cold snap for Winter against energy supply fears, and the \$US rallied on US data which indicated labour market and broader economic resilience.

This was interpreted as perhaps pushing the Federal Reserve to raise its rates range at next week's policy meeting higher than anticipated last week.

Earlier yesterday, Caixin's November services PMI for China indicated a further deterioration in activity, falling to 46.7 from 48.4.

In geopolitical developments, two air bases located well within Russia suffered drone attacks and Russia unleashed a further barrage of missile attacks in Ukraine.

Among overnight data releases, **euro zone** October retail sales fell 1.8% for the month following a 0.8% September improvement.

Against October 2021, sales were down 2.7%.

Meanwhile, the November services PMI was finalised at 48.5 from 48.6 in October.

Germany's 46.1 final November services PMI represented a 0.4-point fall for the month.

In the **UK**, November new domestic vehicle sales were reported 23.5% higher than for November 2021.

The UK November services PMI was finalised at 48.8, the same reading as for October.

In the **US** the ISM's non-manufacturing index for November surprised, rising 2.1 points for the month to 56.5, rather than falling, as forecast, to 53.0.

The business activity component index jumped from 55.7 to 64.7 and the employment component index rose from a contractionary 49.1 to an expansionary 51.5.

October factory orders also exceeded expectations, 1.0% higher for the month, against an expected 0.4% increase.

Tonight in the US, October international trade figures are due.

Elsewhere later today and tonight, Japan conducts a 30-year government bond auction and the UK a five-year treasury gilt offer.

AutoZone is among companies scheduled to report results later today and tonight.

In overnight corporate news, **Foxconn** revealed November revenue fell 29% for the month and 11% against November 2021, citing Covid management restrictions impacting the Taiwan-headquartered company's Zhengzhou, China facility.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|----------------------------------|--------|-------|-------|------|
| Gold (COMEX 100 Feb) | 1781.3 | oz | -28.3 | -1.6 |
| Silver (COMEX 5000 Mar) | 22.42 | oz | -0.83 | -3.7 |
| Platinum | 997 | oz | -16 | -1.6 |
| WTI Crude (NYMEX Jan) | 76.93 | bbbl | -3.05 | -3.8 |
| Brent Crude (ICE EUR Feb) | 82.68 | bbbl | -2.89 | -3.4 |

Pre-Open Announcements

ASX Ltd (ASX)

November operational report lodged this morning.

Incannex Healthcare (IHL)

Provisional patent application filed for the direct use of IHL-42X in treating obstructive sleep apnoea.

IHL dropped 10.87% yesterday, settling at 20.5c, following a capital raising announcement.

Emeco Holdings (EHL)

EHL has successfully negotiated the refinancing of a \$100M revolving credit facility.

DGL Group (DGL)

~2.65M shares are due to be released from voluntary escrow 9 December (Thursday this week).

Resources

Hammer Metals (HMX)

Lithium-bearing zone identified with an ~200m outcropping strike length during initial rock chip sampling within the WA north-east goldfields Yandal tenements.

Riversgold Ltd (RGL)

WA Pilbara Tambourah lithium project and Yilgarn region Mt Holland lithium project exploration updates lodged pre-trade. Sampling assays anticipated early 2023.

Highfield Resources (HFR)

Pleading ignorance in response to an ASX price query. HFR closed out November at 84c and traded at 80.5c – 84.5c Friday last week, but was pushed as low as 64.5c yesterday prior to settling at 69c, down 14.29% for the session.

Patriot Battery Metals (* PMT)

Canada-headquartered lithium-focused exploration company scheduled to list on the ASX midday AEDT **tomorrow**, following a \$4.2M IPO at 60c per CDI.

700,000 quoted shares, equivalent to 7M CDIs.

Holds the 200sq km Corvette lithium project.

Formerly known as Gaia Metals Corporation.

Former Pilbara Minerals (ASX: PLS) MD and CEO Ken Brinsden non-executive chairman.

Energy

Norwest Energy (NWE) / Mineral Resources (MIN)

WA Perth Basin Rococo 3D seismic surveying underway.

Details lodged this morning

MIN subsidiary Energy Resources holds 80% of EP368 and 77.78% of EP426, and is operator of each permit.

NWE holds the balance.



| | | | | |
|--|--------|---|-------|------|
| Iron Ore (NYMEX CHN port;62%Fe) | 107.68 | t | 0.24 | 0.2 |
| Copper (LME 3mth Evening) (2 Dec) | 8451 | t | 114 | 1.4 |
| Nickel | 28903 | t | 1263 | 4.6 |
| Aluminium | 2547 | t | 60 | 2.4 |
| Lead | 2204 | t | 29 | 1.3 |
| Zinc | 3078 | t | -0.75 | -0.0 |
| Tin | 23233 | t | -68 | -0.3 |
| Coal (ICE-GC Newcastle; IRESS) | 400 | t | 9 | 2.3 |
| Wheat (CBT Mar; IRESS) | 740 | t | -21 | -2.8 |

Commodities Commentary

Oil – prices swung again overnight, trading up to \$US2/bbl higher for the session in early trade, in part due to optimism regarding reports out of China of the extent of Covid curb easing and also on the official commencement of the European Union and G7 \$US60/bbl price caps on Russian seaborne crude.

They were ultimately pushed lower however on data which indicated US economic resilience and raised fears of another robust interest rate increase from next week's US Federal Reserve policy meeting. This exacerbated concerns at a potential recession-fuelled drop in demand next year.

Meanwhile, Asian delivery prices for blended Russian oil were reported at \$US79/bbl yesterday.

Gold – prices were pushed below \$US1800/oz overnight, a \$US rally damaging interest.

Short-term futures profit-taking was also reported following two consecutive sessions of \$US1800+/oz settlements.

Base metals – overnight prices were pushed and pulled by early China demand growth optimism and a later \$US push higher on new US data.

Copper reportedly traded at three-week peaks intra-session before being pushed lower.

Aluminium also ultimately traded lower on reports China production was increasing, with output potentially stockpiled for the 2023 lunar New Year season.

Caixin's November services PMI for China, reported yesterday, represented further contraction, coming in at 46.7 from 48.4 for October.

China's November trade figures are anticipated tomorrow. This could produce some cautious trade tonight.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|-------|
| AUD – USD | 0.6697 | -0.0146 | -2.13 |
| EUR – USD | 1.0494 | -0.0087 | -0.82 |

Australian Data Today

| | | |
|-----|------------------------------|-------|
| RBA | Policy meeting outcomes | 6 Dec |
| ABS | Balance of payments | Sep Q |
| ABS | Household spending indicator | Oct |

Trading Halts

| Company | Code | Resuming |
|-----------------------|------|----------|
| Advance Metals | AVM | 6 Dec |
| Antilles Gold | AAU | 6 Dec |
| Bannerman Energy | BMN | 7 Dec |
| Olympio Metals | OLY | 7 Dec |
| Red Mountain Mining | RMX | 7 Dec |
| Singular Health Group | SHG | 7 Dec |
| Way2Vat Ltd | W2V | 7 Dec |
| White Rock Minerals | WRM | 7 Dec |
| Xantippe Resources | XTC | 7 Dec |

Suspensions (selected)

| Company | Code | Since |
|-------------------|------|-------|
| The Market Herald | TMH | 2 Dec |
| Wellfully Ltd | WFL | 1 Dec |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|----------|-------------|--------------|-----------|
| DBI | Today | 5.03 | 0 | 5.41 |
| CVL | Tomorrow | 2 | 100 | 1.57 |
| FPH | Thu | 17.5 | 0 | 0.88 |
| HIT | Thu | 1.5 | 100 | 5.37 |
| SHV | Thu | 2 | 100 | 1.82 |
| GLE | 28 Dec | 2.14 | 0 | 0.00 |
| GDF | 29 Dec | 1.8 | 0 | 5.14 |
| RFF | 29 Dec | 2.93 | 0 | 4.75 |
| TCL | 29 Dec | 26.5 | 0 | 2.93 |

Reports & Events

(selected; all times AEDT)

| When | Company | Report/Event |
|-----------------|--------------------------|--------------|
| Today | ASX BOQ | Nov AGM |
| Tomorrow | IFM | Investor day |
| Fri | SOL | AGM |

**US Data Tonight**

| | |
|---------------|-----|
| Trade balance | Oct |
|---------------|-----|

Other Overseas Data Today & Tonight

| | | |
|------------------|---------------------------------------|-----|
| Japan | Household spending | Oct |
| Japan | Average cash earnings | Oct |
| UK | BRC retail sales monitor (~10am AEDT) | Nov |
| UK | Construction PMI | Nov |
| Germany | Factory orders | Oct |
| Germany | New domestic vehicle registrations | Nov |
| Germany | Construction PMI | Nov |
| Euro zone | Construction PMI | 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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