

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>6024</b>	<b>23</b>	<b>0.4</b>
<b>NZX 50</b>	8231	-4	-0.1
<b>DJIA Futures</b>	24318	0	0.0
<b>S&amp;P 500 Futures</b>	2651	0	0.0
<b>NASDAQ Futures</b>	6340	0	0.0

## Local Markets Commentary

The Australian market opens a new week's trade on positive overnight Friday international equities leads, but with new data and commentary out of China since then.

Over the weekend, **China** reported 1.7% November **CPI** growth, against 1.9% for October.

November **producer prices** rose 5.8% year-on-year, following a 6.9% gain for October. For the month, prices rose 0.5%.

Also over the weekend, a People's Bank of China currency committee member was quoted as predicting 6.5% - 7% 2017 China **growth**. He reportedly listed excess capacity, inventories and debt as challenges to maintaining similar growth rates.

In overnight Friday commodities trade, **oil** extended Thursday's rally. US **gold** futures continued lower.

**Iron ore** (China port, 62% Fe) swung higher, by the same percentage it had tumbled Thursday.

LME **copper** continued to settle just a little higher for a third consecutive session.

The **\$A** was kept at ~US75.10c after briefly trading at ~US75.05c early Friday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>24329</b>	118	<b>0.5</b>
<b>S&amp;P 500</b>	2652	15	0.6
<b>NASDAQ</b>	6840	27	0.4
<b>FTSE 100</b>	7394	73	1.0
<b>DAX 30</b>	13154	109	0.8
<b>Shanghai Comp</b>	3290	18	0.6

## Overseas Markets Commentary

Major European and US equities markets headed higher overnight Friday, sentiment buoyed by some pleasing developments and data.

A breakthrough, enabling the **UK** and European Union officials to progress UK-EU separation negotiations on a 15-page document, had been announced early in the day (European time), buoying regional market sentiment.

In the meantime, October industrial production was reported 3.6% higher year-on-year, supported by manufacturing output, which improved 3.9%.

The trade deficit was trimmed to £10.78B from £11.25B in September.

**US** data releases featured monthly employment figures, which included the creation of 228,000 jobs, exceeding most forecasts by ~30,000.

## Today's Stock Watch

### Cleanaway Waste Management (CWY) / Tox Free Solutions (TOX)

CWY is planning to acquire TOX under an agreed \$3.425-per-share proposal.

Conditions include Australian Competition & Consumer Commission (ACCC) approval.

TOX traded at \$2.60 - \$2.80 last week, and CWY at \$1.405 - \$1.515.

CWY trading halt called this morning.

### Downer EDI (DOW) / OZ Minerals (OZL)

DOW and JV partner Ausenco have won a \$312M EPC, power, water and communications contract with OZL's Carrapateena copper-gold project, South Australia.

### Invocare Ltd (IVC) / Metcash Ltd (MTS)

UBS has placed a sell on IVC, cancelling a previous neutral assessment.

Meanwhile, UBS has cancelled MTS sell advice, replacing it with a neutral rating.

## Resources

### AWE Ltd (AWE) / Mineral Resources (MIN)

MIN is proposing to buy AWE in a one-for-22.325 bid, valuing AWE at 80c per share.

In the meantime, AWE has recommended shareholders take no action in response to the unsolicited 73c-per-share off-market bid from China Energy Reserve & Chemical Group Australia.

AWE traded at 64.75c - 74c Friday before settling at 73c, 10.6% higher for the session.

In other AWE announcements, the company is deemed due to pay \$US7M tax to Indonesia within 30 days, in relation to a 2012 acquisition.

The final payment relating to the Bulu PSC sale has been extended but is anticipated by year's end.

### Echo Resources (EAR) / Northern Star Resources (NST)

NST has acquired 16.4% of EAR online at an average price of 29c per share.

~95.8M EAR shares were traded Thursday and Friday last week, at 27c - 34c. Friday, EAR appreciated 12.7%, settling at 31c.

### Metalicity Ltd (MCT)

Heralding preliminary metallurgical test work results, producing zinc and lead concentrate using ore from MCT's Admiral Bay zinc project. The testing is being completed independently under an MoU with China Minmetals Nonferrous Metals Co. Details lodged this morning.

### Doray Minerals (DRM)

Record, 5895oz underground Deflector gold mine production during December. October's 5050oz output had also represented a monthly record.

### Artemis Resources (ARV)

Planning to recommence processing at Radio Hill in July 2018. ARV last week secured \$6M of working capital and development funding under an 18-month loan and convertible note agreement with a UK-headquartered institutional group. Details lodged this morning.

Wages growth again disappointed, at 0.2% for the month (to \$US26.55/hr) and 2.5% annualised. Unemployment remained steady, at 4.1%.

The University of Michigan's initial November consumer sentiment reading represented a 1.7-point slip to 96.8.

Earlier, **Germany's** October trade surplus was reported to have fallen €1.9B to €19.9B.

Imports rose 1.8% for the month, and exports fell 0.4%, each after falling 1% in September.

**Tonight** in the US, an October jobs opportunity report is due.

In overnight Friday corporate news, music streaming specialists **Spotify** and **Tencent** revealed they were purchasing minority holdings in each other.

Over the weekend, **BAE Systems** announced a £5B order from Qatar, for 24 Eurofighter Typhoon craft.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1248</b>	oz	-5	-0.4
<b>Silver (NY) (Mar)</b>	15.8	oz	0.0	0.1
<b>Gold (LON)</b>	1255	oz		
<b>Platinum</b>	885	oz	-7	-0.8
<b>WTI Crude (Jan)</b>	<b>57.4</b>	bbl	0.7	1.2
<b>Brent Crude (Feb)</b>	<b>63.4</b>	bbl	1.2	1.9
<b>Iron Ore</b> (CHN port 62%)	<b>69.4</b>	t	3.7	<b>5.6</b>
<b>Copper</b>	<b>6571</b>	t	7	0.1
<b>Nickel</b>	10950	t	-90	-0.8
<b>Aluminium</b>	2011	t	1	0.0
<b>Lead</b>	2447	t	14	0.6
<b>Zinc</b>	3083	t	-7	-0.2
<b>Tin</b>	19450	t	25	0.1
<b>CBT Wheat (Mar)</b>	<b>4.19</b>	bshl	-0.03	-0.6

### Commodities Commentary

**Oil** – China's November 9.01MMbbl/d imports helped support overnight Friday prices. During October, China had imported 7.3MMbbl/d on average.

The threat of industrial action in Nigeria this week, also remained.

A weekly US petroleum rig count revealed two additional oil rigs were operational.

**Gold** – three central bank (US Fed, ECB, BoE) meetings this week, plus bitcoin futures trade, will impact currency trade and hence gold interest.

The US Federal Reserve meeting is expected to prove a major influence from early-week, as many policy and data watchers anticipate another rate rise for the year.

Overnight Friday, some bargain-hunting was reported. Nonetheless, Comex February futures settled ~2.5% lower for the week.

**Base metals** – pushed and pulled overnight Friday by **China's** November trade figures, which had been reported earlier Friday. Key data in the US, UK and euro zone were also in focus, ahead of central bank meetings this week.

Over the weekend, China reported falling annualised CPI and PPI growth for November.

Friday, **Japan's** final September quarter GDP reading had surprised on the upside.

## Pre-Open Announcements

### Patrys Ltd (\* PAB)

A study comparing PAB's PAT-DX1 with olaparib has demonstrated the two molecules can act synergistically when used simultaneously, both killing a range of different cancer cells as single agents, but appearing to produce more effective results when used in combination.

### Recce Ltd (RCE)

Corporate presentation lodged this morning.

### Admedus Ltd(AHZ)

AHZ has changed its financial year-end from 30 June to 31 December, and will accordingly publish interim accounts in February. AHZ's AGM is scheduled for May.

### Credible Labs (\* CRD)

Finance website operator completed a successful ASX listing Friday following a targeted \$67M IPO at \$1.21 per share.

Opened at \$1.60 and traded at \$1.32 - \$1.65 before settling at \$1.32.

3.97M shares changed hands across 916 transactions.

Trading commenced on a deferred settlement basis. Normal (T+) trade is expected to commence tomorrow.

### Wagners Holding Company (\* WGN)

Composite fibre construction materials and concrete manufacturer completed a successful ASX listing Friday following a \$196M IPO at \$2.71 per share.

Opened at \$3.31 and traded at \$3.30 - \$3.45 before settling at \$3.40.

19.1M shares changed hands across 2985 transactions.

161.38M shares.

Trading commenced on a conditional and deferred settlement basis. Normal (T+2) trade is expected to commence 14 December (Thursday).

## Resources

### Greenpower Energy (GPP)

Heralding grab sample assays for the Morabisi lithium-rare earths project, Guyana.

### Alkane Resources (ALK)

Tomingley gold project Wyoming One core drilling has confirmed continuity and extension to known mineralisation below the existing open-cut operation.

Significant-width, high-grade assays lodged this morning.

Anticipating results from the underground mining study by 31 March.

### Independence Group (IGO)

IGO has completed the Stockman project sale to Washington H Soul Pattinson & Co (ASX: SOL) subsidiary CopperChem.

### Inca Minerals (ICG)

ICG's 0.6c-per-share entitlement offer attracted 28% take-up and raised \$960,000.

ICG traded at 0.5c - 0.7c last week.

## Energy

### Sacgasco Ltd (SGC) / Pancontinental Oil & Gas (PCL) / Xstate Resources (XST)

Seeking approval to fracture stimulate the second deepest zone within the Dempsey 1-15 well.

The zone likely hosts a significant gas find with high pressures, but low permeability.

SGC operator and 50%; PCL and XST 10% each.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7508	-0.0002	<b>-0.03</b>
<b>EUR – USD</b>	1.1767	0.0002	<b>0.01</b>

**Australian Data Today**

CLgc	Capital city rsdntl prop prices	8Dec
------	---------------------------------	------

**US Data Tonight**

JOLTS job openings	Oct
--------------------	-----

**Other Overseas Data Today & Tonight**

<b>Japan</b>	BSI large manufacturing	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).

**Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice**

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

**Trading Halts**

Company	Code	Resuming
Getswift Ltd	GSW	11 Dec
LatAm Autos	LAA	11 Dec
Rift Valley Resources	RVY	11 Dec
Blackstone Minerals	BSX	12 Dec
DigitalX Ltd	DCC	12 Dec
First Cobalt Corp	FCC	12 Dec
MyFiziq Ltd	MYQ	12 Dec
Zelda Therapeutics	ZLD	12 Dec
Cleanaway Waste Management	CWY	13 Dec

**Suspensions (selected)**

Company	Code	Since
Ausnet Financial Services	AU1	6 Dec
Cokal Ltd	CKA	1 Dec
Dawine Ltd	DW8	30 Nov
FE Ltd	FEL	22 Nov
Global Energy Ventures	GEV	30 Nov
iCandy Interactive	ICI	15 Nov
Mobilarm Ltd	MBO	6 Dec
OrotonGroup Ltd	ORL	30 Nov
ServTech Global Holdings	SVT	6 Dec
Tanga Resources	TRL	1 Dec
Volt Power Group	VPR	7 Dec
Winha Commerce & Trade	WQW	1 Dec

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>CIE</b>	Today	<b>1.6</b>	50	8.27
GTK	Tomorrow	7.75	8.5	1.98
JHX	Tomorrow	10.45	0	1.83
PL8	Wed	0.45	100	1.24
BPS	Thu	2.25	100	14.84
INM	Thu	53.27	0	3.81
MTS	Thu	6	100	3.39
TRA	Thu	2.31	100	0.00
GDF	18 Dec	2.25	0	7.71

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Tomorrow</b>	TTS	AGM
<b>Thu</b>	ELD	AGM
<b>Fri</b>	BTT	AGM
	NAB	AGM
	ORI	AGM
<b>19 Dec</b>	ANZ	AGM
<b>20 Dec</b>	SYD	Nov
<b>21 Dec</b>	DLX	AGM
	IPL	AGM