

# KALKINE MAGAZINE

NOVEMBER 2020

**DECODING THE NEWS,  
TRENDS AND STOCKS THAT  
RULE THE MARKET**



**HEALTHCARE | ECONOMY | COMMODITY | TECHNOLOGY**

# ABOUT KALKINE

Kalkine group is a prominent name in the subscription & media sales line of business. A renowned equity market research, investor relations and media house firm, Kalkine caters to the share markets of Australia, the UK, Canada, and New Zealand. The Company will soon spread its wings in the American share market and has also sets its eyes on the growing Ireland market.

Kalkine Media provides trending and live news articles about listed companies belonging to diverse sectors and market commentaries. Kalkine Media also keeps its loyal reader base well acquainted with insights on the famous 3Cs of the market- commodities, currency, and cryptocurrency, along with macro and microeconomic updates, educational content, and financial definitions.

Interestingly, Kalkine Media also operates on the model of Advertiser – a Publisher firm under its B2B umbrella, providing a dedicated platform to the subscribed clients to leverage various offerings like exclusive banners, sponsored article coverages, email direct marketing campaigns (EDMs), videos and podcasts.

Periodic Investor Events and Webinars provide a crucial platform for several listed players/ private companies to present their business vision amidst broader industrial landscape and to interact with core audience including Brokers, Fund Managers/SMSF Investor Managers, Sophisticated Investors, Senior Business Executives and Retail Investors.

A team of passionate experts who understand market nuances, come up with best possible offerings, diligently putting together comprehensive research products, making Kalkine Media a high-quality content-driven platform.





# ABOUT KALKINE

# KUNAL SAWHNEY

Founder & CEO





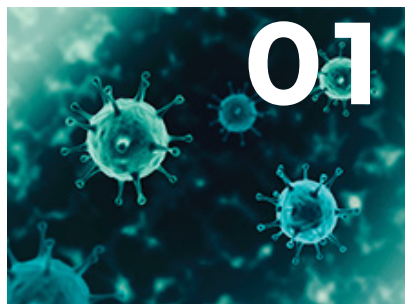
Kunal Sawhney is the Founder & CEO at Kalkine Group and is a richly experienced and accomplished financial professional with a wealth of knowledge in the Australian Equities Market. His knowledge, skillset and vision provided all the perfect ingredients required to start one of the fastest growing equity market research firms across Australia. This was further supported by the aim of channelising energy and enthusiasm towards the stock market into a leading Media Research Firm.



Hina Chowdhary is the Director, Equity Research at Kalkine with extensive experience in the area of Equities Research. She has hands-on experience in developing industry breaking equity news, company specific investment themes/ ideas, and other equity research-related products.

# CONTENTS

---



08

## Healthcare

Efforts continue towards a much-anticipated vaccine launch- Notably, global efforts continue towards the same.

## Economy

The 'Global Virus Crisis' (GVC) opened a real can of worms for economies across the globe. However, extraordinary policy actions seem to be unfolding well for economic revival.



14



19

## Commodities

The impact of the pandemic was mostly negative on commodities. However, there have been outliers especially in the precious metals segment, offering safe haven to institutional and individual investors' money.

## B2B

Walk through the recent developments of two of our exclusive clients!



25





30

## Upcoming IPOs

The IPO market seems to finally gather momentum amid rebounding equities and improving investors' sentiments on economic recovery hopes and vaccine development.

## Technology

Technology is at the disposal with its services to rescue and help people amid the COVID-19 crisis. Sustainability practices and virtual assistance are now the “new normal”.



32



38

## ETFs

ETF providers have continued the pace of invention in the market. Ethical ETFs are gaining momentum as investors are increasingly looking for ways to mitigate the crisis looming on our environment and society.

## Bitcoin

Bitcoin continues to climb the price ladder and is closing in on the all-time high levels, What is fuelling this massive rally?



40

# HEALTHCARE

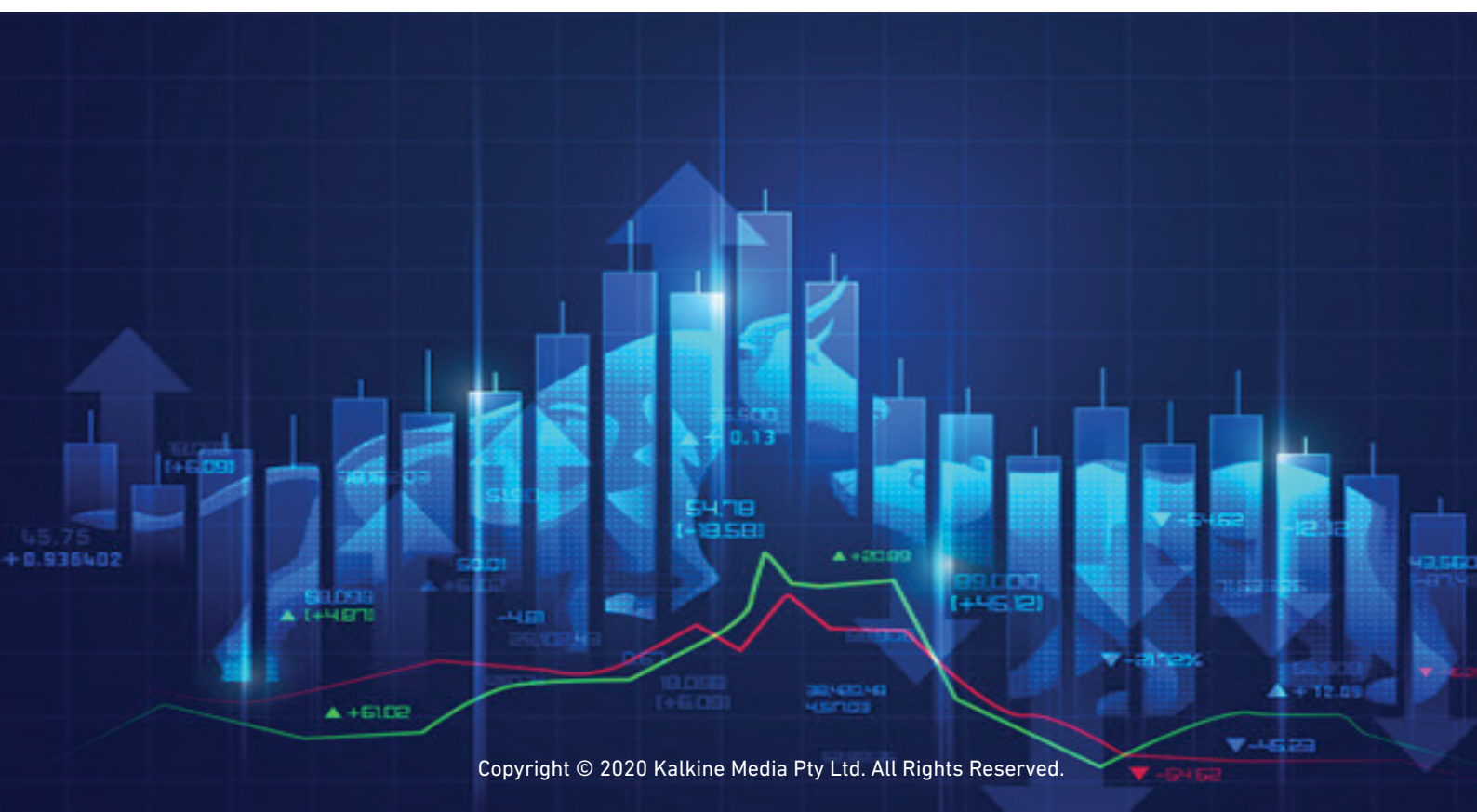
## COVID-19 ADDS TO THE GLOW OF HEALTHCARE SECTOR

Although, many industries are confronting challenges with the COVID-19 pandemic weighing down businesses. However, the ongoing market turmoil has created an opportunity for the healthcare sector.

The impressive financial and operational performance during this reporting season also reflected on equity markets with some Australian healthcare sector players witnessing a decent rise in their respective share prices.

## COVID-19 VACCINE UPDATE

According to the latest draft landscape of COVID-19 vaccine candidates provided by the World Health Organization (WHO) on 12 November 2020, a total of 212 vaccine candidates are being tested across the world. Of the total, 48 vaccine candidates are under clinical evaluation with several technologies.





## ACCORDING TO THE WHO, INVESTIGATIONAL VACCINE CANDIDATES IN THE LATE STAGES OF CLINICAL TRIALS ARE FROM 11 COMPANIES/ UNIVERSITIES/INSTITUTES:

- University of Oxford/AstraZeneca
- Moderna/NIAID
- BioNTech SE/Fosun Pharma/Pfizer
- Wuhan Institute of Biology Products/SinoPharm
- Sinovac
- Bharat Biotech
- Cansino Biological Inc/Beijing institute of Biotechnology
- Beijing Institute of Biological Products/SinoPharm
- Gamaleya Research Institute
- Janssen Pharmaceutical Companies
- Novavax



## MODERNA'S COVID-19 VACCINE DEMONSTRATED 94.5% EFFICACY

On 16 November, US biotech firm Moderna Inc (NASDAQ:MRNA) announced that its experimental vaccine against COVID-19, mRNA-1273 was 94.5% effective, marking a significant breakthrough in the quest to end the ongoing COVID-19 pandemic. The Company targets the

submission of an Emergency Use Authorization (EUA) with the US FDA in the next few weeks. Moderna anticipates having almost 20 million doses of mRNA-1273 ready for shipment in the US by 2020 end. Furthermore, the Company is on track to manufacture 500 million to 1 billion doses worldwide in 2021.

## PFIZER AND BIONTECH SUBMIT EMERGENCY USE AUTHORIZATION (EUA) FOR COVID-19 VACCINE

Pfizer Inc (NYSE:PFE) and BioNTech SE (NASDAQ:BNTX) have concluded the Phase 3 clinical study of their COVID-19 vaccine candidate, BNT162b2. On 20 November 2020, the two partners took a significant step in COVID-19 vaccine development with the submission of the Emergency Use Authorization (EUA) to the US FDA. The Companies said that final efficacy analysis of Phase 3 clinical trial showed that their vaccine candidate met all the primary efficacy endpoints of the study. The data demonstrated BNT162b2 to be

95% effective against COVID-19 with no serious safety concerns observed so far.

The Emergency Use Authorization will potentially enable the use of the vaccine in high-risk populations in the US by December 2020. The two partners will be ready to distribute the COVID-19 vaccine within hours after FDA authorization.

Pfizer is confident in its enormous experience, expertise, and existing cold-chain infrastructure for COVID-19 vaccine distribution across the world.



# GAVI TO PROCURE 200 MILLION DOSES OF SANOFI-GSK COVID-19 VACCINE CANDIDATE FOR THE COVAX FACILITY

Gavi, the Vaccine Alliance, had signed a Statement of Intent in October with Sanofi and GSK to offer 200 million doses of adjuvanted recombinant protein COVID-19 vaccine to the COVAX

Facility. This non-binding statement is a critical step to ensure that the vaccine doses, if approved and licensed, are available to all countries and economies participating in the COVAX Facility.

*"The signing of this statement of intent is an important step forward in our partnership, and I welcome Sanofi and GSK's commitment to the COVAX goal of equitable access to COVID-19 vaccines."- CEO of Gavi, Seth Berkley*

Gavi is also planning to secure doses of the most promising vaccine candidates so that the 184 participants involved in the COVAX

Facility to ensure that people in highest risk groups have rapid access to a safe and effective vaccine.

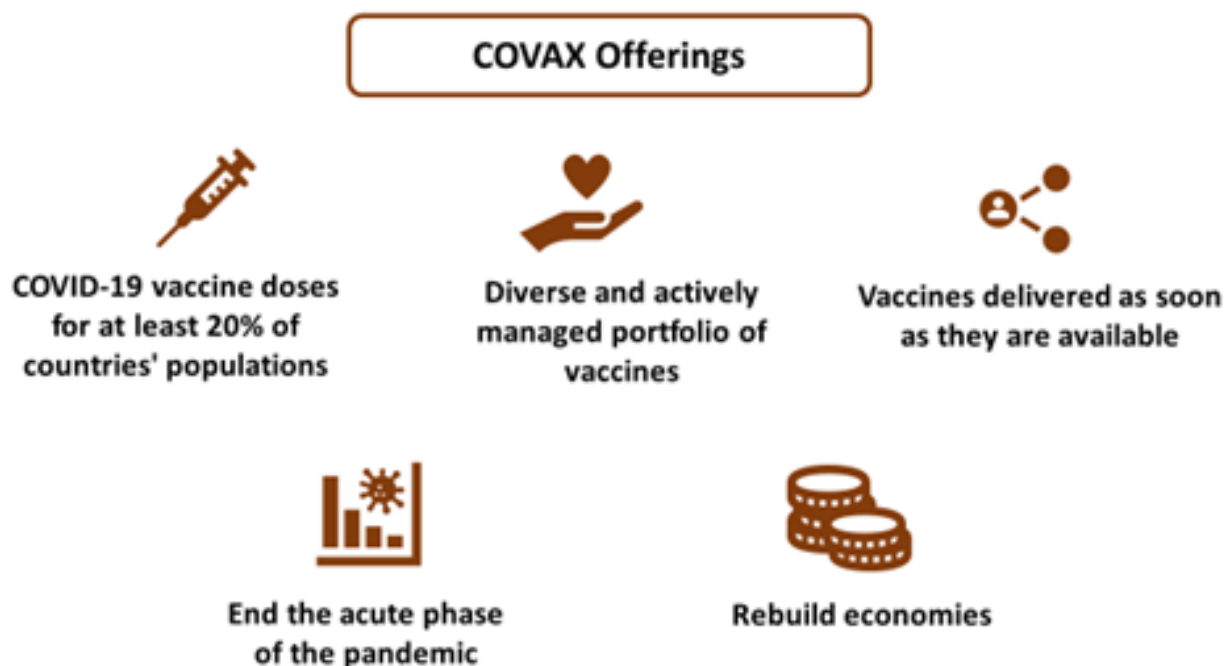


Image: Kalkine Group (Source: gavi.org)



COVAX is the only global program that is working with governments and vaccine developers to ensure that COVID-19 vaccines are available worldwide to economies of all financial means.

The primary goal of COVAX is to have 2 billion doses available by the end of the year 2021, and this should be adequate for protecting vulnerable and high-risk people, and frontline healthcare workers.

Efforts are ongoing to ensure equitable distribution of vaccines:

- COVAX Facility is designed to ensure rapid, fair, and equitable access to COVID-19 vaccines around the world.
- COVAX is the vaccines pillar of the Access to COVID-19 Tools Accelerator. It is co-led by Gavi, the CEPI and WHO, working in partnership, with developed and developing countries' vaccine manufacturers.
- Scott Morrison has been asserting that Australia shall share a vaccine if the country discovers it first. He has been one of the top supporters of the COVAX Facility.



# COVID-19 VACCINE AND SARS-COV-2 MUTATION

As the healthcare companies are burning their midnight oil to find an effective vaccine to combat the on-going COVID-19 pandemic, researchers and experts have offered mixed views.

Some scientists are concerned about the mutation in SARS-CoV-2, the virus causing COVID-19. The new emerging variants of SARS-CoV-2 are a sign of worry with experts unsure whether the vaccine that eventually comes to market will be effective against the different strains. The researchers suggest that to protect public health, it is necessary to track and understand the consequences of new virus mutations on the infection severity, transmission, host range along with vulnerability to vaccine-triggered immunity.

However, some scientists believe that current COVID-19 vaccine development programs would still be effective against the new mutants of SARS-CoV-2.

## **The mink-associated variant strain of SARS-CoV-2 in Denmark**

As per the information provided by the WHO on 6 November 2020, since June, about 214 human COVID-19 cases have been identified in Denmark with variants of SARS-CoV-2 associated with farmed minks,

including 12 cases, reported on 5 November, with a unique variant.

Till 6 November 2020, six countries-Denmark, Italy, Spain, Sweden, the Netherlands, and the US had reported SARS-CoV-2 in farmed minks to the World Organisation for Animal Health (OIE).

The recent findings reported by the Danish Public Health Authority Denmark related to the new SARS-CoV-2 variant identified in humans needs to be confirmed and evaluated to understand any potential implications in terms of clinical presentation, diagnostics, transmission, therapeutics and vaccine development.

The WHO suggests that additional virological studies should be performed for better understanding of the new specific mutations observed in Denmark. Moreover, it also advises further investigation around the epidemiological changes in virus function in terms of its transmissibility and the severity of the infection it causes.





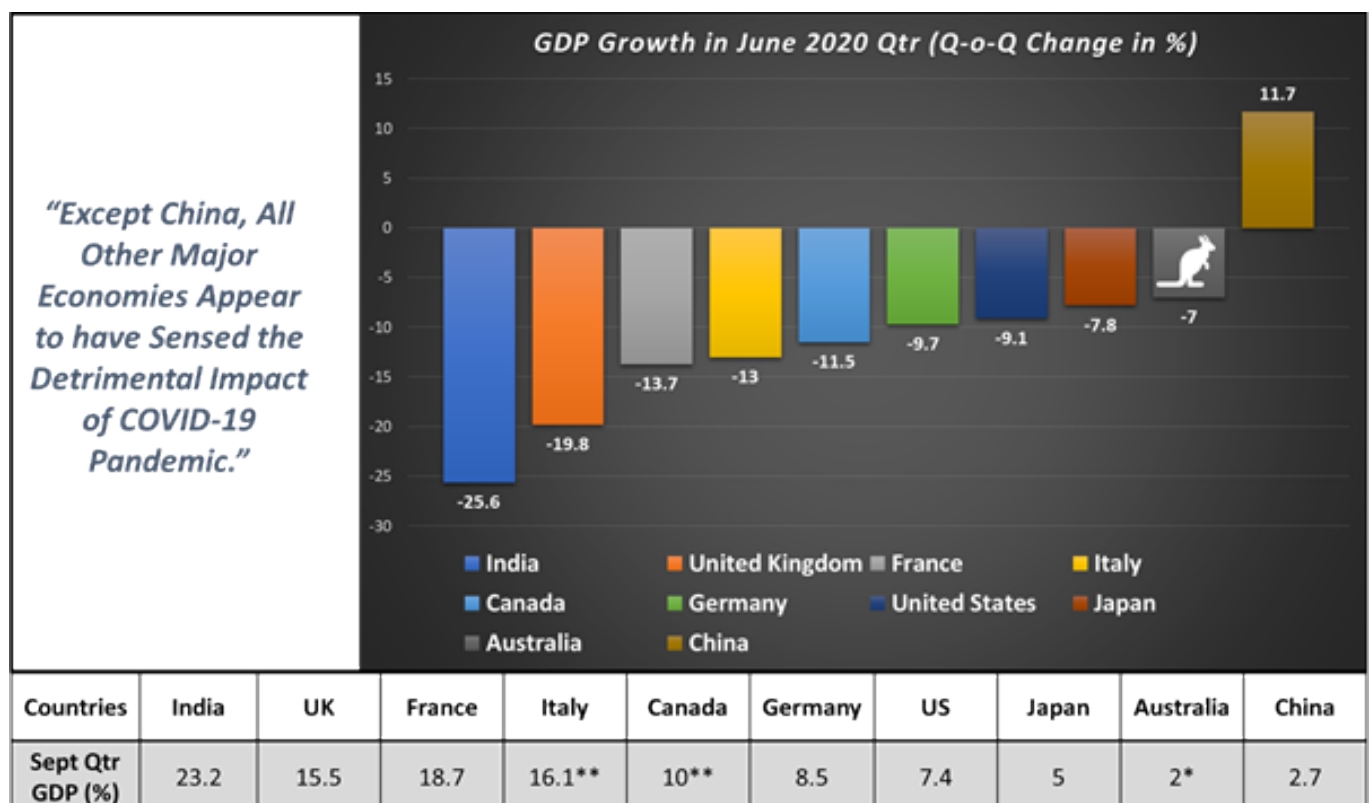
# ECONOMY

## HOW HAS THE COVID-19 JUGGERNAUT DERAILED THE GLOBAL ECONOMY?

COVID-19 pandemic seems to have ransacked both consumers and businesses, ripping off their substantial wealth and time. By tearing off financial markets and bringing economies to a standstill, the 'Global Virus Crisis' (GVC) opened a real can of worms for economies across the globe.

- The World Bank's Global Economic Prospects report, published in June 2020, projected the global economy to contract by 5.2% in 2020 amid COVID-19-driven repercussions.
- The report also anticipated economic activity in advanced economies to shrink by 7% this year. Unfortunately, the data so far appears to be more devastating!

Several economies across the world have experienced a significant contraction in June 2020 Quarter's GDP in response to the pandemic and the resultant lockdowns.



Kalkine Group Image; Note: \* and \*\* represent 'forecast' and 'preliminary estimates', respectively

Copyright © 2020 Kalkine Media Pty Ltd. All Rights Reserved.

- While most of the economies replicated negative GDP growth trend observed in March 2020 Quarter, China surprisingly returned to modest growth in Q2 2020 after plummeting 10% in the first quarter.
- China's dedicated fiscal and monetary push, along with successful containment of virus infections supported the nation's recovery.
- Besides, Australia seems to have fared relatively well in comparison to other advanced economies, in terms of economic contraction in June Quarter.

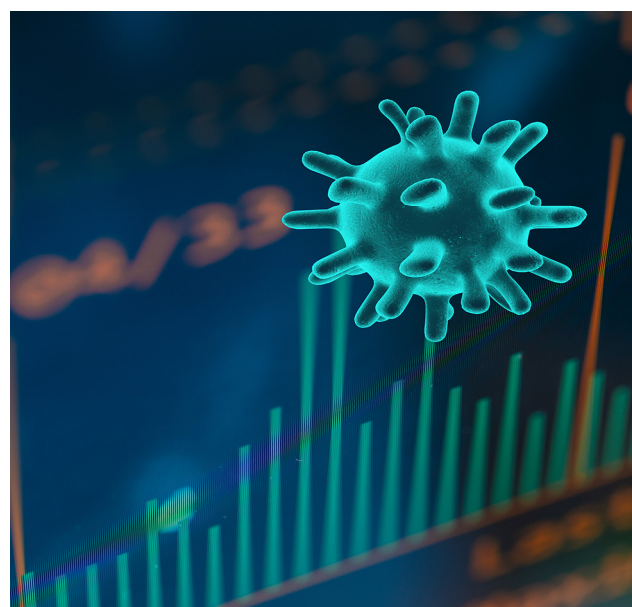


Preliminary estimates and projections suggest that most of the countries returned to positive growth in September 2020 quarter after a sharp contraction in June quarter.

## How have Economies Responded to COVID-19?

Economies across the globe undertook extraordinary policy actions to survive through the virus crisis. A mix of monetary and fiscal responses emerged as the most-friendly choice of policymakers. While the response varied in terms of composition and size across different countries, the types of measures were broadly similar. In addition to announcing massive stimulus packages, the governments implemented budgetary measures like transfers to firms and households, spending on healthcare, tax cuts or deferrals, and wage and unemployment subsidies. The central banks ensured a smooth operation of the financial system by supporting the flow of credit to firms and households. The measures

deployed by the central banks mostly comprised lowering interest rates, introducing new lending operations, and inaugurating or extending asset purchase programmes.





## Australia's Response to COVID-19 Pandemic

- Government's Massive Economic Support Package of \$259 Billion
- Central Bank's Comprehensive Set of Measures, Comprising Reduction in Interest Rate to 0.25%, a Term Lending Facility to Lower Costs and Target of 0.25% Yield on 3-Year Australian Government Securities
- Government's \$2.4 Billion Health Package

## Components of \$259 Billion Stimulus Package

\$17.6 Billion Stimulus Package

\$105 Billion RBA-Govt. Lending

\$66 Billion Economic Rescue Package

\$70 Billion JobKeeper Package

*Government's 2020-21 Budget is likely to provide additional support to households and businesses in response to the economic effects of the coronavirus pandemic.*

*Kalkine Group Image*

## Latest Statistics on Australian Economy

Undeniably, Australia went through an extremely difficult phase amidst the COVID-19 outbreak, with the nation's economy experiencing its biggest contraction in June 2020 Quarter since the Great Depression of 1930s.

While the economic revival is underway in most parts of Australia, uncertainty mounts over the shape and nature of this recovery amidst unavailability of COVID-19 vaccine. The Reserve Bank of Australia (RBA) deems that four interrelated factors will shape Australia's recovery from the virus crisis:

- How successful the nation is in containing the virus?
- How willing businesses and people are to draw on their amassed financial buffers?
- How effectively the nation will deal with the shadow of this uneven recession?
- Economic policy.

The performance of economic indicators deserves closer attention in gauging nation's revival from the COVID-19 storm.

## Australian Economy – Latest Statistics



### Retail Turnover



Months	May	June	July	Aug	Sept
Δ in %	16.9↑	2.7↑	3.2↑	4↓	1.1↓



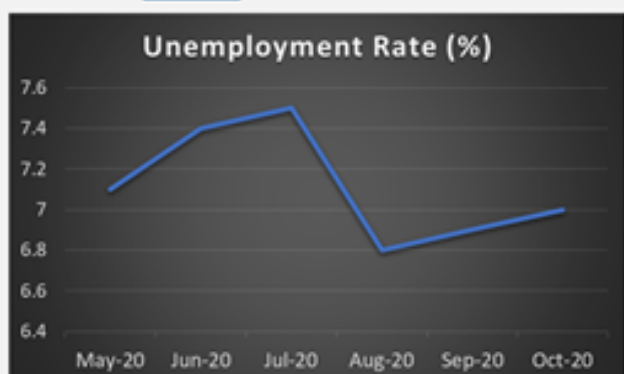
### Gross Domestic Product



Quarters	March Qtr	June Qtr
Δ in %	0.3↓	7↓



### Unemployment Rate



Months	May	June	July	Aug	Sept	Oct
Δ in pts	0.7↑	0.4↑	<0.1↑	0.7↓	0.1↑	0.1↑



### Consumer Price Inflation



Quarters	March Qtr	June Qtr	Sept Qtr
Δ in %	0.3↑	1.9↓	1.6↑



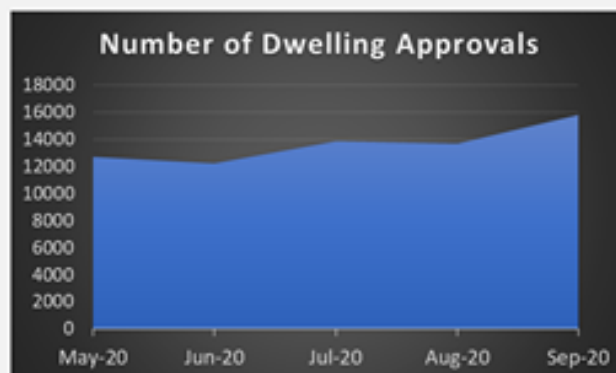
### Trade Surplus



Months	May	June	July	Aug	Sept
Δ in \$m	195↑	861↑	3,542↓	2,009↓	3,012↑



### Building Approvals



Months	May	June	July	Aug	Sept
Δ in %	16.4↓	4.9↓	12↑	1.6↓	15.4↑

Kalkine Group Image; Data Source: ABS



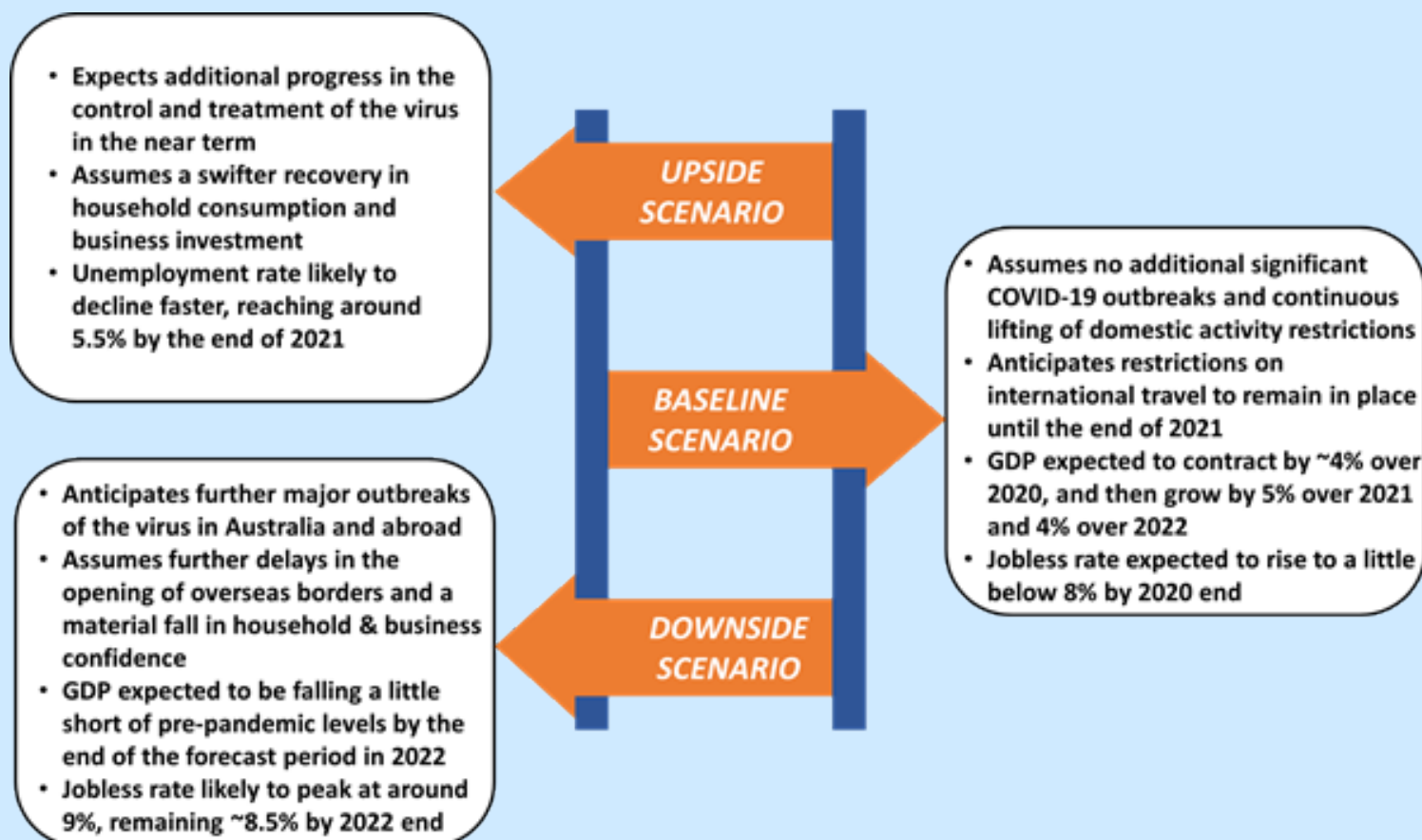
While the Australian economy is not out of the woods yet, it appears to be in better shape than many other advanced economies. Moreover, the

recent easing of lockdown restrictions in Victoria is expected to deliver the nation's economy a further shot in the arm over the near term.

## Outlook

Given the range of uncertainty in the current COVID-19-induced environment, the RBA provides 3 separate scenarios for the nation's economic outlook – baseline, upside, and downside. While the baseline

scenario assumes a continuing gradual recovery in domestic activity, the upside and downside scenarios presume faster and slower economic recovery, respectively.



*Kalkine Group Image*  
*Data Source: RBA November Economic Outlook*

**While Australia's recovery from the GVC appears fragile, sustenance of the critical support from the government and the RBA can provide some sort of cushion to the nation's economic situation.**



# COMMODITIES

## 2020 – THE YEAR OF COMMODITIES

Commodities in 2020 have seen their fair share of undulations. Precious metals saw a record-breaking rally on account of investors flocking to risk-free trade. However, the industrial metals suffered, thanks to demand shock in the first phase of the COVID-19 outbreak. The prices managed to recover to an extent in the second phase, owing to the disruptions in mining operations and supply chains.



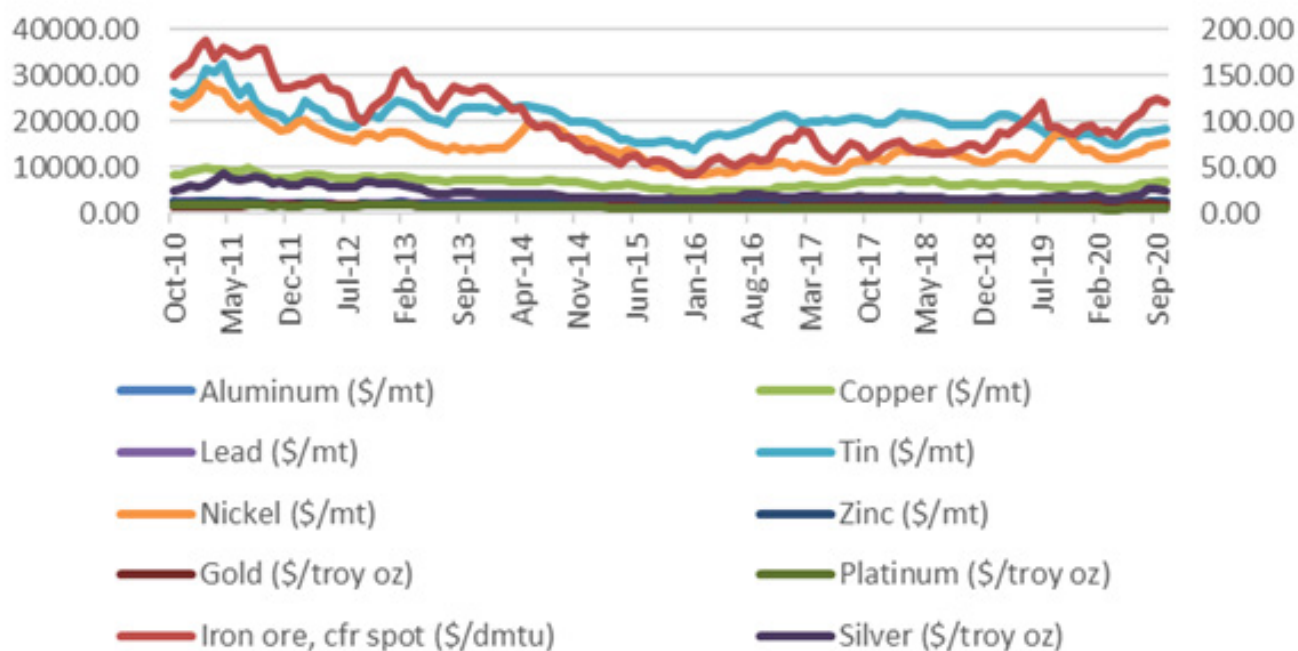
## China Benefitted from Early Reopening of Economy, Others following Suit

China, where the first human infections were detected, has experienced a strong recovery, especially post the end of March. As for other Asian powers and their European counterparts, the pandemic succeeded to some extent in painting a bleak picture of industrial activity with widespread restrictions. While the risk of subsequent waves of infection persists, the easing of measures along with government reforms favour a demand surge as cheap money is being pumped into these economies to bolster the economy and in turn the demand for commodities.

As nations globally adjust to the new normal, the industrial and economic activities have begun to pick up the pace following major stimulus push by almost all major commodity mongers including China, India, US and the EU.

Though impact of the pandemic was mostly negative on commodities, there have been outliers especially in the precious metals segment, offering safe haven to institutional and individual investors' money.

## Commodity Price Performance 2020



## Quarterly and YTD Commodity Performance



Commodity Price Performance Source: World Bank Pink Sheet

## Precious Metals:

- Gold, the world's safe haven, witnessed robust performance, hitting an all-time high price of US\$2,079.65 an Ounce in August.
- For major part of 2020, gold prices continued to rally, on the back of factors like weak economic conditions, supply disruptions amid the pandemic, and major support by central banks and institutional investors switching to gold-backed investment instruments owing to low bond yields and highly volatile equity markets.
- Gold and silver have been a stallion of the COVID-19 outbreak with both surging to record highs, as demand from global gold and silver-backed ETFs soared, taking total money flow in structured products to record high levels during 2020.
- The gold spot is currently under a consolidation phase, and the investors are focusing their attention towards the two much-anticipated events holding the potential to shape the future of many asset classes on the global front, i.e., the U.S. elections and the COVID-19 vaccine development.
- Recently, gold prices retraced sharply over the announcements of vaccine development. An effective vaccine could end the prevailing uncertainty around risky assets, and might dent the gold prices.

## Opportunity within Precious Metals Segment:

- Platinum prices continue to recover upon massive buying spree, pushing platinum-backed exchange-traded fund holdings to surge to a record.
- Further, growing investment demand and supply disruptions, especially from South Africa support the metal to rise even higher to match the returns being offered by gold and silver.

## Base Metals to regain momentum upon Stimulus push:

- Base metal prices have finally started recovering across the global front amid supply disruptions but still have a long way to go before reaching the pre-COVID levels.
- Stimulus packages declared across economies continue to support the demand surge for base metals such as nickel and copper.

- Reduced workforce availability in the mining industry coupled with issues across the shipping industry have created a supply void, especially for copper, leading to a sentiment splash in base metal prices.
- President-elect Joe Biden has been vocal on issues pertaining to climate change and renewable energy, and the US rejoining the Paris agreement could fuel the battery materials and base metals' demand in the medium to long term.

## Iron ore:

- Iron ore prices have shown immense resilience and have gone up substantially so far in 2020, majorly due to early recovery in Chinese steel ecosystem and supply disruption in Brazil.
- The iron ore mining industry had cashed in on the surge in the iron ore demand over robust steel production across China.
- Considering the impact of COVID-19 across Brazil and the growing number of cases, many industry experts believe that the Brazilian supply chain might not return to normal levels for quite some time. This could bode well for Australian producers as they chip in to keep the supply afloat.
- As per the Resources and Energy Quarterly report, the 2019-20 iron ore export earnings marked an increase of ~ 30.76 per cent at \$102 billion, as compared to the previous annual record of \$78 billion. A strong growth in export volume may be witnessed during the year (2021-22) benefitting from Australia's expanding production and export capacity.

### **The short to medium term outlook for iron ore remains optimistic with the following trends governing the prices-**

- The stimulus package aims to fill the infrastructure gaps and presents a long-term sustainable demand opportunity for iron and steel industry
- The recent resurgence in virus infections especially in Europe may lead to some disruption in the manufacturing sector but the chances of further lockdown restriction remains minimal at the moment.
- The positive news on the coronavirus vaccine by Pfizer and Moderna is closing in on the post-pandemic dream.

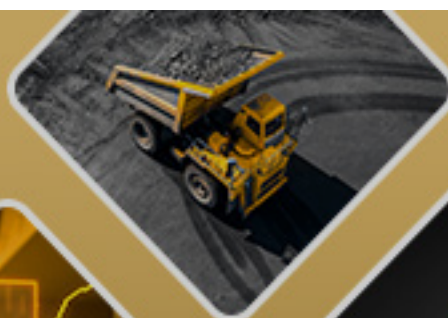
## Few interesting ASX metals & mining stocks:

### Evolution Mining Limited (ASX:EVN)

- Gold Miner focused on maximising margins at the high-grade low-cost mining operations
- The gold producer targets production of 730 koz in 2020 with an AISC of US\$940 an ounce gold, positioning it well against the gold price fluctuations.
- Return on investment varies between 13% and 24% across the portfolio with an average life of mine of at least 10 years
- Dividend per ounce gold produced increased by ~24% y-o-y in FY20 to 365.
- Impeccable growth record: Gold production up 71% and FCF/oz by 422% in the past 5 years.

### Regis Resources Limited (ASX: RRL)

- A Perth based gold production and exploration company that has a successful track record of developing mid-sized gold operations within Australia and Africa.
- Strong project portfolio- Ben Hur, McPhillamys Gold Project & Rosemont underground
- Commenced mining at 3 open cut deposits, the ramp-up of Rosemont UG operations is underway.
- Lean Balance Sheet with \$209 million cash and no debt
- Aiming to achieve 400 kilo ounces a year production milestone, expanding project portfolio with the recent acquisition of Ben Hur.





## Piedmont Lithium (ASX:PLL)

- An emerging lithium chemicals company aiming to become a strategic domestic supplier of battery-grade lithium hydroxide and other chemicals to the growing electric vehicle and battery storage markets in the United States.
- In September 2020, Piedmont signed a sales agreement with Tesla for the supply of Spodumene concentrate from North Carolina deposit. Piedmont commits to supply one third of Spodumene concentrate for an initial term of 5 years, which may be extended upon mutual agreement of the two involved parties.
- Piedmont raised \$81.2 million via US IPO in October 2020 after the signing of binding agreement with Tesla.
- The company operates the world-class mining project in the U.S. Auto Alley with access to all major existing and upcoming markets.
- Prefeasibility studies suggest strong project economics with one of the lowest cash costs globally with 25 years of mine life.





**B2B**

**Oil and gas explorer, 88 Energy owns exploration permits in Alaska.**





One of the most significant developments recently was the **Off-market Takeover Bid for XCD Energy Limited**, wherein 88E concluded the process of compulsory acquisition of remaining shares and listed options in XCD up to 90% of acceptances in the Offers.

The transaction may help in shaping an Alaska-focused oil exploration and appraisal company consisting of a diversified portfolio of 3 highly prolific project areas- Project Icewine, Yukon Leases and Project Peregrine.

The final third party **petrophysical interpretation results** received from the Charlie-1 well using sophisticated Laminated Sand Analysis has indicated discoveries in the Seabee Formation, showing the largest contribution in the final interpretation with a significant increase in net pay, compared to the initial interpretation.

Located on the North Slope of Alaska, 88E's newly acquired Project Peregrine is making significant strides in terms of farm-out as well as on permitting and planning fronts.

The Company recently received highly encouraging results from the review of amplitude vs offset studies (AVO) conducted at the Peregrine project. The signatures observed are very similar to the Willow oil field and the Merlin and Harrier prospects, especially for Fluid Factor.

Furthermore, subsequent to the final processing and interpretation of 3D seismic (2018) over Cascade prospect at the Yukon Leases, the prospect has been upgraded to drillable prospect from a lead.

88E has achieved another key milestone in its journey to emerge as a successful exploration and production company.

88E has been formally reassigned Area A leases at Project Icewine. Also, its working interest on about 40% of the gross Project Icewine lease status has grown from 30% to 75% in the area adjoining the lately successful Charlie-1 well.

Furthermore, for prospects in the vicinity of the recently drilled Charlie-1 well, Independent Prospective Resources estimates were prepared, where majority of the resource has been estimated within the Seabee formation. Moreover, there were excellent oil saturations observed in the cores and hence the Company is optimistic to entice a partner to fund drilling of additional wells.

Presently, the work related to permitting is well underway for the Cascade Prospect and ahead of the prospective drilling in 2021, subject to farm-out. Additional work related to an independent resource estimate in the Area A leases is in progress and is scheduled to conclude in the upcoming weeks.

Lately, 88E concluded a bookbuild to raise up to A\$10.07 million under a Placement to domestic as well as global institutional and sophisticated investors through the issue of up to 1,678,333,334 fully paid ordinary shares. This strengthened 88E's balance sheet and

fortified its financial position to fund further exploration activities.

In the near future, 88E expects further positive news flow regarding the updated resources at Project Icewine, farm-out of Peregrine, rig contracts as well as drilling at Project Peregrine.







**Gold focused explorer, NTM Gold is engaged in exploration within the highly prospective Eastern Goldfields, Western Australia, via its 100% owned Redcliffe Gold Project.**





The Redcliffe Project includes several separate deposits with established resources close to existing infrastructure and mines, indicating significant upside for NTM.

NTM's Hub prospect has indicated significant success through the latest diamond drill 20RDD004 hole aimed at testing the mineralisation down-plunge. The drilling has increased the vertical continuity of the high-grade material, returning 7.5m @ 8.1 g/t gold from 405.6m, including 4.4m @ 12.2 g/t gold.

Interestingly, the intercepts confirm the continuation of high-grade material down-plunge and remain open along strike and at depth.

Of late, deep diamond holes at Hub prospect has extended the southerly plunge of the high-grade mineralisation at NTM's Hub prospect by an additional 190m and 100m vertically.

The drilling has returned encouraging grades and widths, including the following:

- 5.5m @ 11.7 g/t Au from 529m, incl. 2.0m @ 23.6 g/t Au
- 2.0m @ 5.1 g/t Au from 543.7m

Hub prospect continues to deliver outstanding grades at depth while the high-grade mineralisation to the south of the lamprophyre remains open.

Diamond drilling at Hub is progressing well to test the extents of the southern plunge. NTM is also engaged in RC drilling at the GTS deposit, to test the depth extensions to current gold mineralisation.

Following the completion of RC drilling, NTM plans to move the rig to the Gully area to follow up on historical drilling.

NTM believes that these intercepts have significant favourable consequences for the deposit and the results enhance the depth and plunge potential of the deposit while indicating significant upside beyond the shallow high-grade oxide mineralisation.

Lately, NTM has inked a binding Scheme Implementation Deed with Dacian Gold Limited, which intends to merge the two companies by way of an NTM Scheme of Arrangement. The merger seeks to benefit the shareholders of both the companies through strategic consolidation of regional Mineral Resources and integration of NTM's Redcliffe Gold Project into DCN's Mt Morgans Gold Operations.

Further, the merger is expected to give birth to an industry leading portfolio of advanced exploration targets while providing exposure to prospective enhanced market rating and improved liquidity of the Merged Entity.

# UPCOMING IPOs

## The IPO Corner

IPOs went into a deep freeze during 1H20 on fears of global recession amidst the pandemic. However, the market is likely to gather momentum over the coming months amid rebounding equities and improving investors' sentiments on the back of

economic recovery hopes and vaccine development. Opportunities remain for companies operating in sectors harnessing benefits from the pandemic like biotech, selected miners, and technology.

### Below are some latest updates from the IPO corner -

- TikTok intends to go public on an American stock market in about a year's time. Experts believe that this could be one of technology sector's biggest-ever stock market debuts. However, ByteDance, TikTok's owner, is racing for a White House approval and awaiting its Oracle & Walmart deal to close.
- Cloud data warehousing firm Snowflake more than doubled on their first day of trading in the biggest software IPO this year, trading on NYSE under the ticker symbol "SNOW."
- Auckland-based BNPL company Laybuy Group Holdings' (ASX:LBV) IPO raised \$80 million and seemed to be perfectly timed given the BNPL space's benefit from online shopping boom amid the pandemic.
- ASX 300 listed clinical-stage healthcare company Opthea Limited (ASX:OPT) has filed a registration statement for a proposed IPO in the US, plans to list the ADS on the NASDAQ.
- Vocus Group Limited has appointed financial advisers who would be executing the IPO of Vocus New Zealand, anticipated to commence before the end of FY21.
- Menlo Security Inc. recently raised \$100 million in a round of funding led by Vista Equity Partners.
- Hipages Group Holdings Ltd (ASX:HPG) made its ASX debut on 12 November 2020 and started trading after successfully raising \$100.4 million.



## Few interesting IPOs that are slated to hit the market soon:

Company Name	Focus	ASX Code	Issue Price	Listing Date
Control Bionics Limited	Design, manufacture & sale of augmentative & alternative communication technology	CBL	\$0.60	7 Dec 2020
Cluey Limited	Online tutoring for Australian school children	CLU	\$1.20	9 Dec 2020
AKORA Resources Limited	Exploration and development of iron ore	AKO	\$0.25	11 Dec 2020
Benz Mining Corp	Mining and exploration	BNZ	\$0.50	15 Dec 2020

Source: Secondary Research



# TECHNOLOGY

## How has COVID-19 swayed the tech sector?

Coronavirus has had a significant impact on the technology sector, disrupting raw materials supply, disturbing electronics value chain, and triggering an inflationary threat to products. More optimistically, the disturbance initiated an acceleration

of isolated functioning and a quick emphasis on assessing and de-risking the value chain. Further, probable carbon emission decrease could result in shifting the focus on sustainability practices.

## Technology to the rescue?

With many countries implementing lockdown and strict social distancing measures, people have been struggling to manage their work and daily chores. So, the question arises- who is going to come to the rescue and help people knock off the pandemic blues? The answer, undoubtedly, is “Technology”.

Technology is at the disposal with its services to help people manage their work from home and attend official meetings or video conferences via virtual tools like Zoom or Microsoft Teams. Learning via e-learning platforms, ordering essential items online, entertainment via online streaming apps like Netflix and Amazon Prime- has become the new normal.

**Affirming technology’s significant role in boosting economy, Commonwealth Scientific and Industrial Research Organisation (CSIRO) states that-**

- **Digital technologies are expected to contribute \$315 billion towards the Australian economy by 2028.**
- **Quantum technology industry will generate US\$4 billion annually and 16,000 jobs by 2040 in Australia.**
- **Artificial intelligence could add \$22.17 trillion to the world economy by 2030.**

The Australian Communications and Media Authority will utilise the funds for new digital auction as well as spectrum licence systems. The objective of the Australian 5G Innovation Initiative is to test and develop 5G applications, services, and products to showcase its benefits to businesses so that they

get keen on embracing 5G solutions.

The initiative would help businesses, including SMEs to showcase 5G capabilities for both industrial and commercial applications, including logistics management, smart factories and warehousing, and autonomous vehicles.

## Australia's Digital Capacity Supported 3.2 million people working during the pandemic

A study conducted by Microsoft found that the Australian enterprise rose to the COVID-19-induced operational challenge. The new research shows that a shift to digital means helped the economy in a much better way than anticipated. During the period, it was Australia's digital capacity that kept ~3.2 million people employed. The figure includes individuals who were at

high risk of losing their respective jobs due to the social distancing guidelines introduced by the Government.

A report published by Accenture-owned AlphaBeta, in partnership with Microsoft, provided new insights on the impact of the latest technologies adopted during COVID-19 on the businesses and workers in Australia.

### Below are some of the key findings:

- Australian businesses swiftly fast-tracked technology adoption during COVID-19.
- In 2020 alone, some technologies were implemented as many times as they were in the last decade.
- Australian companies with an increased focus on technology implementation were stronger during the pandemic.
- The tech-advanced companies had revenues more robust than others. These companies were more likely to maintain employment and had more strong profitability during the crisis.
- Collaboration technologies, through remote working, ensured that 3.2 million Australians continued working in a safe environment.
- Remote working provided various productivity outcomes based on the kind of work and the situation of the workers. Productivity was 3X higher in firms that explicitly changed their workplace to remote working. It includes providing additional training, establishing new management practices, providing extra pastoral care, plus supplying new equipment for workers at home.



## Speeding Up digital technology adoption:

**During COVID-19, 54% of the companies started using video conferencing more frequently. Remote access usage increased for 37% of the companies while 28% started using filesharing more often.**

Australian businesses also rapidly enhanced their adoption of front office technologies such as web presence, take and place orders via online medium and social media activity.



## Are you on a shopping spree? Have you witnessed a boost in contactless payments?

Following strict social distancing norms, people prefer cashless transactions as a precaution to prevent the virus spread. Digital payments, which were once used for convenience, have now become the necessity in the current times. Besides, consumers have been doing more shopping online from their homes during the lockdown period, pushing cashless transactions.

**As per evidence, amount of cash withdrawn from ATMs has gone down by around 1/3rd since the COVID-19 outbreak. More people are switching to alternative payment methods such as tap cards, online payments, and buy now pay later (BNPL) payments via smartphones.**

Many big banks like National Australia Bank (ASX: NAB) brought changes to contactless payment limits during COVID-19 to reduce physical contact at the time of shopping. The payment limits have been increased from \$100 to \$200 for personal and business customers.

Recently, the Australian Government announced that it would review domestic payments system regulation to ensure that the existing regulatory architecture can aid continual innovation. The review would also access the means to drive increased productivity via innovation and competition, access government payment system, and also analyse global trends to find the methods through which Australia can remain competitive globally.

# STOCKS TO LOOK AT IN DECEMBER

## RECCE PHARMACEUTICAL LIMITED (ASX:RCE)

- With its unique antibiotics, Recce Pharmaceuticals is addressing the urgent global health problems of antibiotic resistant superbugs and emerging viral pathogens.
- The Company is testing RECCE®327 for inhibition of the SARS-CoV-2 virus, the virus causing COVID-19. RECCE®327 showed promising inhibition of the SARS-CoV-2 virus in-vitro screening assay.
- Recce Pharmaceutical is conducting this study in collaboration with CSIRO/Doherty Institute in Australia.
- Stage 1b confirmatory in vitro testing and a cytotoxicity assessment is underway in upcoming weeks.

## CSL LIMITED (ASX:CSL)

- ASX 200-listed biotech behemoth CSL Limited is working with the University of Queensland (UoQ) to develop vaccine against COVID-19.
- In addition to manufacturing UQ-CSL V451, CSL started production of Oxford/Astra Zeneca's AZD1222.
- CSL commenced manufacturing of 30 million doses of 'AZD1222' in Melbourne. During 2020/2021 CSL would produce eight large-scale batches of the vaccine.



## IMMUTEP LIMITED (ASX:IMM)

- Immutep is gaining attention on the back of its TACTI-002 clinical trial. The Company disclosed promising interim data from its ongoing Phase 2 TACTI-002 trial evaluating the combination of eftilagimod alpha (IMP321) with KEYTRUDA® (pembrolizumab) of Merck & Co.
- Immutep anticipates reporting more mature data from TACTI-002 trial during the first half of CY2021.
- Also, Immutep was granted a patent for its IMP701 antibody by the Australian Patent Office.

## AFTERPAY (ASX:APT)

- Afterpay is a buy now pay later player and operates by providing credit to customer on zero interest to make payments to merchants who are a part of the Afterpay platform.
- On a global level, APT's active customer reached 11.2 million. In US alone, the number of active customers reached 6.5 million.
- Active merchants also increased to 63.8k by Q1 FY2021.

## ZIP CO LIMITED (ASX:ZIP)

- Zip Co is a major player in the digital retail finance and payments industry.
- In the recently published October FY21 trading update, Z1P declared record transaction volume of \$401.1 million, up 101% year on year in the month of October.
- Z1P completed the acquisition of QuadPay in the US and it has delivered record results across all metrics. The business reported 200% increase in the transaction volume.

## TESSERENT LIMITED (ASX:TNT)

- The Company, through its Cyber 360 strategy, aims to build out a one-stop-shop that provides overall cybersecurity solution for its clients.
- It also aims to integrate acquisitions to increase synergy efficiencies and drive organic revenue through cross-sales.
- It intends to capture market share in government, critical infrastructure, and banking and finance

## WHITEHAWK LIMITED (ASX:WHK)

- The Global online cyber security exchange Company was awarded the first sole source US Federal Government CIO Cyber Risk Radar contract, across 150 Suppliers and options for additional 150 suppliers a year for a base year and four option years.
- It completed five Cyber Risk Radar Cybersecurity Maturity Model Certification focused Proof of Values, three with US Government Departments/Agencies and two with Major Manufacturers.
- WHK signed a partnership agreement with Global Insurance Group to explore WhiteHawk online platform and virtual Cyber Risk Service options for their business clients.





# ETFs

## All the roads lead to ETFs: Why are investors flocking to this asset class?

Growth in ETF markets has been phenomenal over the years. Although ETFs are largely passively managed investment funds, the ETF providers put skin in the game with the growing availability of active ETFs.

A passive ETF invests in a predetermined composition of asset classes based on an index. But an active ETF holds stocks, bonds and other asset classes, and their composition and selection are built on the conviction of the investment manager.

Active and passive investment philosophies continue to attract

considerable debate among market participants and investors.

Since the inception of the first ETF in 1993, the ETF industry has grown by leaps and bounds while also satisfying investors with decent returns.

It is crystal clear that the ETFs' growth in the last decade had been drastic. The adoption and penetration of ETFs in the last decade was perhaps the best it had ever been. And the asset under management with ETFs is now comfortably in trillions.





## Cheap, accessible, flexible and more

ETFs are highly sought-after investment funds because of numerous reasons. A relatively low-cost structure compared to traditional mutual funds help ETFs to penetrate into portfolios of astute investors.

**With exchange-trading features like shares, the liquidity levels of popular ETFs continue to remain elevated, and day traders also prefer swinging on ETF trades extensively.**

This very feature of ETFs also makes them accessible for many small investors with a small amount of investment capital.

ETFs are extensively used as diversification in concentrated portfolios since they have a basket of securities providing exposure to wider asset class base. They also provide a greater level of transparency abiding by exchange rules.

Investors also prefer ETFs because of efficient access to international markets. ETFs offer an avenue for strategic asset allocation. Based on short-term investment views, investors can have over or underweight exposure to regions, countries or styles.

## Exposure of numerous asset classes and styles

Equity ETFs remain a well-liked product, while bond ETFs also have gained significant traction from risk-averse investors seeking regular income flows. The availability of commodity and alternative ETFs is comparatively low.

ETF providers continue the pace of invention in the market. Of late, ethical ETFs are gaining momentum as investors are increasingly looking for ways to contribute to the crisis looming on our environment and society.

Ethical ETFs follow responsible investing and impact investing techniques to find investment opportunities that also contribute to address the challenges faced by

environment and communities. Firms also provide commodity ETFs, currency ETFs, oil and natural gas ETFs, energy ETFs and real estate ETFs.

ETFs based on alternative asset classes have offered an attractive avenue to prospective investors who are looking for exposure to alternative assets like gold, silver, crude oil, natural gas, currency and real assets. With inflation expected to rise and interest rates at a record low, the inflows into Gold ETFs have increased drastically.

Usually taking exposure in these asset classes requires large sums of investment. But with alternative ETFs, the investment can be very small.

# BITCOIN

## CRYPTO COMEBACK: WHAT'S FUELLING BITCOIN'S MASSIVE RALLY?

Bitcoin is grabbing eyeballs again. The currency continues to climb and is closing in on the all-time high levels not seen since it peaked three years ago.

Post the last halving day on 11 May 2020, bitcoin prices have gained considerable momentum as the supply is getting narrow over the decline in the reward per block. After the last halving day, the bitcoin reward per block stands at 6.25 coins, which would further reduce to 3.125 coins in 2024.



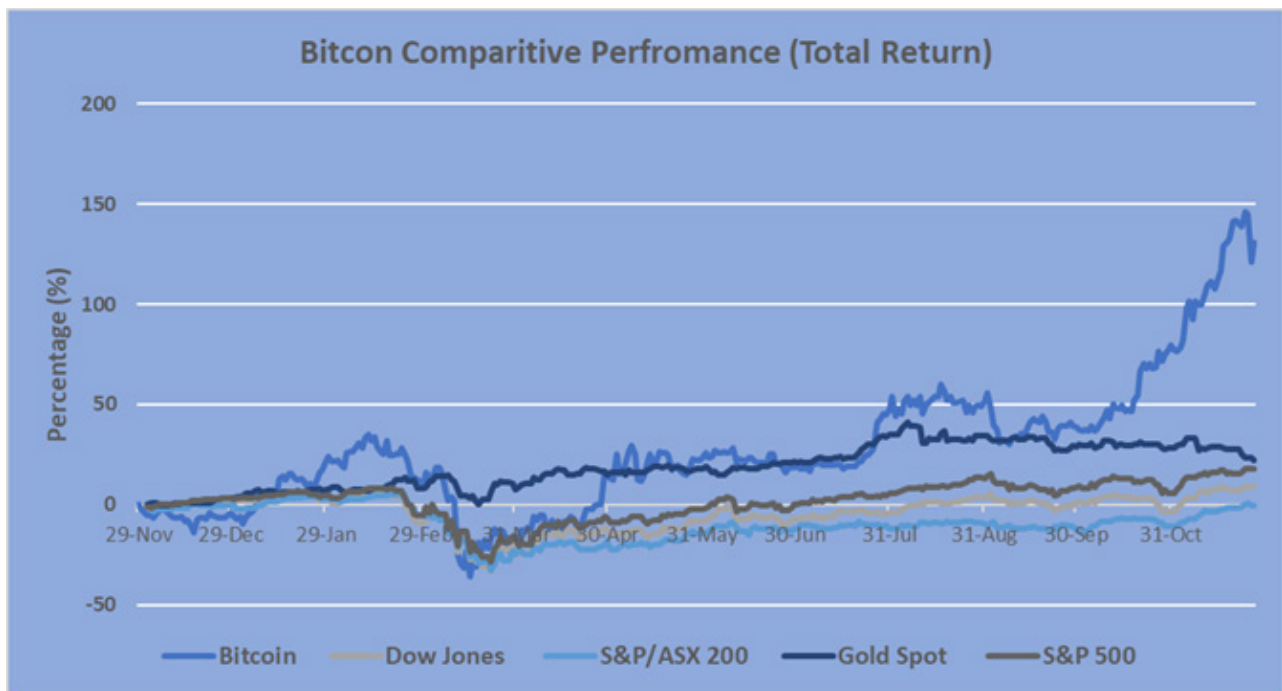
## WHAT'S KEEPING THE DIGITAL GOLD BUOYANT?

Bitcoin is a currency of mayhem as initially envisaged by Satoshi Nakamoto in his white paper. At present, the need for hedging against the prevailing risk in wake of the global uncertainty due to Covid-19 and low or negative interest rates is keeping the investor interest in Bitcoin alive.

The money flowing into Bitcoin seems to be rewarding investors well while generating alpha above

many risky assets class and even above the safe-haven gold.

Over the last one year, Bitcoin has delivered a return of 131 per cent, outperforming all major equity indexes such as S&P 500, S&P/ASX 200, and Dow Jones Industrial Average. Apart from that, the currency has even outperformed the safe-haven asset with an alpha 108 per cent. (as on 29 November 2020 prices)



Data Source: Refinitiv Eikon, Thomson Reuters

## DEFI SENTIMENTS ADD TO BITCOIN GLORY

Decentralised finance or DeFi – the umbrella term for cryptocurrencies or blockchain geared to pin down financial intermediaries is also propelling the market sentiment for Bitcoin.

A lot of DeFi applications are now emerging into the market, including

Decentralised Exchanges such as AirSwap for currency exchanges, prominent lending platforms such as Compound and many others that provide investors with an opportunity to earn additional return apart from the price appreciation of cryptocurrencies, enticing them more towards the crypto market.





## DEFI-BASED ADDITIONAL OPPORTUNITIES

One of the most prominent strategies that has gained steam recently is the use of DeFi-based lending platform for liquidity farming – an avenue for generating additional alpha in the crypto space.

Yield farming is defined as a strategy of temporarily putting cryptocurrency at the disposal of some DeFi-based start-up application to earn tokens, which have some additional rights and

benefits in the crypto space. The additional tokens gained in yield farming could also be put into pools of tokens that trade freely in the market, just like any other financial asset.

Therefore, such emerging opportunities to earn an additional return over the normal price appreciation of a cryptocurrency is also attracting a lot of investors to Bitcoin and other cryptocurrencies.

## SHOT IN THE ARM FOR BITCOIN - PAYPAL THROWS THE HAT IN THE RING



On 21 October 2020, PayPal disclosed its intention to enter the cryptocurrency space by allowing its customers to transact in Bitcoins and various other cryptocurrencies through their PayPal accounts. Furthermore, the Company envisions to enable its ~ 26 million merchants

to accept bitcoin as a source of financial transactions and ownership transfer.

To begin with, the global payment technology giant would enable four currencies on its platform, namely, Litecoin, Bitcoin Cash, Ethereum, and Bitcoin.



## Disclaimer

This e-magazine is a service of Kalkine Media Pty. Ltd., A.C.N. 629 651 672, and does not operate under Australian Financial Services Licence. The information in this magazine has been prepared from a wide variety of sources, which we, to the best of our knowledge and belief, consider accurate. The images used in the e-magazine are the property of their respective owners and/or Kalkine Media has appropriate licences and permission to use such images.

Any advice in this magazine is general in nature and does not take into consideration your personal objectives, financial situation or needs. This e-magazine is prepared with the sole intention of sharing market-related insights. You should make your own enquiries about any investments and we strongly suggest you seek advice from a financial adviser, stockbroker or other professional (including taxation and legal advice), as necessary, before acting upon any recommendation. Before making any decision please consider any relevant Product Disclosure Statement.

Past performance is neither an indicator nor a guarantee of future performance. We have commercial relationship with our contributors, including but not limited to Kalkine Pty Ltd (ABN 34 154 808 312), our related party, which holds Australian Financial Services Licence (425376). Some of the companies covered in this magazine maybe a client of Kalkine Media, however, at the time of publication, Kalkine Media has no position in any of the stocks of such clients.