

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>6010</b>	<b>12</b>	<b>0.2</b>
<b>NZX 50</b>	7996	-44	-0.6
<b>DJIA Futures</b>	23491	0	0.0
<b>S&amp;P 500 Futures</b>	2591	0	0.0
<b>NASDAQ Futures</b>	6342	0	0.0

## Local Markets Commentary

The Australian market opens today's trade ahead of further key data out of China, and on mixed commodities and lacklustre equities leads.

China's October **CPI** and producer prices are expected **12.30pm** AEDST.

In overnight commodities trade, US **gold** futures swung higher. **Oil** and **iron ore** continued lower. LME **copper** turned higher.

The **\$A** approached US76.80c after appreciating beyond US76.70c yesterday evening.

Locally today, September housing finance figures are due from the ABS at 11.30am AEDST.

This morning, the Reserve Bank of **New Zealand** has maintained its 1.75% overnight rate, but brought forward its forecast of a likely increase by one quarter to the third quarter 2019.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>23563</b>	6	<b>0.0</b>
<b>S&amp;P 500</b>	2594	4	<b>0.1</b>
<b>NASDAQ</b>	6789	21	<b>0.3</b>
<b>FTSE 100</b>	7530	17	<b>0.2</b>
<b>DAX 30</b>	13382	3	<b>0.0</b>
<b>Shanghai Comp</b>	3415	2	<b>0.1</b>

## Overseas Markets Commentary

Major European and US equities markets mostly opened lower overnight but also largely recovered from session lows.

Speculation and suggestions broadened regarding the potential delay of some US tax cuts in order to achieve legislation that had a chance of being voted through by year's end.

In addition, a third Federal Reserve board position was potentially becoming vacant earlier than the incumbent's tenure was due to finish, with confirmation current chair Janet Yellen had not yet affirmed she would stay after early-February, when she will vacate the chair.

In the UK, the government suffered the resignation of a second cabinet minister within one week.

**Tonight** in the US, weekly new unemployment claims and final September wholesale inventories are due.

AstraZeneca, Bridgestone, Burberry, Commerzbank, Disney, (US retailer) Kohl's, News Corporation, Office Depot, (UK supermarket chain) Sainsbury's, Siemens and Singapore Telecommunications (including Optus) are among companies scheduled to report earnings today or tonight.

## China – October CPI and PPI **12.30pm** AEDST

## Today's Stock Watch

### Westfield Corporation (↓ **WFD**)

\$US32.2B AUM as at 30 September. Additional September quarter statistics lodged this morning.

### Goodman Group (↓ **GMG**)

\$A33.9B AUM as at 30 September. Expecting ongoing demand for high-quality industrial real estate. Maintaining 6% higher, 45.7c FY 2018 operating EPS.

### Flight Centre (FLT)

Today's AGM chairman's and MD speeches lodged. Anticipating 6.2% - 15.6% FY 2018 underlying pre-tax profit growth.

### James Hardie Industries (JHX)

14% lower, \$US123.8M interim NPAT. 6.2% higher, \$US1.03B sales. Anticipated a \$US245M - \$US275M FY 2018 adjusted operating profit, against \$US248.6M for FY 2017.

### Xero Ltd (↓ **XRO**)

\$NZ21.1M interim net loss, against a \$NZ43.9M loss a year ago. 37% higher, \$NZ187.7M operating revenue. Initial positive EBITDA achieved, \$NZ5.4M. \$NZ84.4M cash and short-term deposits. International growth expected to continue. Planning to delist from the New Zealand Stock Exchange early-February 2018, citing less than optimal trading liquidity.

### Mayne Pharma Group (↓ **MYX**)

Launching the full range (four doses) of clozapine tablets in the US, for use as an antipsychotic alternative to Clozaril.

### Decmil Group (DCG)

\$75M contract secured with BHP Billiton's WA Pilbara Mulla Mulla village. Work is expected to commence immediately.

### ePAT Technologies (EPT)

Initial PainChek commercial sale to a residential aged care operator achieved. EPT launched PainChek at an Alzheimer's Australia conference in October.

### Commonwealth Bank of Australia (CBA) / Macquarie Atlas Roads (MQA)

Morgans has removed CBA and MQA from its add list, in favour of hold advice.

### News Corporation (NWS)

Expected to lodge financial results in the US tonight.

## Resources

### Fortescue Metals Group (FMG)

Full feasibility is underway for the WA Pilbara Eliwana iron ore project.

## Energy

### Santos Ltd (STO)

Anticipating production to come in at the upper end of this year's 58MMboe - 60MMboe target. Expecting a sales tally at the upper end of 79MMbbl - 82MMbbl. 2018 sales are likely to total 72MMbbl - 78MMbbl.

Today's investor day presentation lodged. A live webcast was scheduled to commence 9am AEDST.

In overnight corporate news, Chinese company **Tencent** (owns WeChat) confirmed it had accrued an ~12% holding in **Snap**, helping Snap stock to recover a little from a 20% pre-trade drop on disappointing quarterly growth and revenue.

UK department store **Marks & Spencer** reported 2.6% higher, £5.13B interim revenue but a 5.3% drop in adjusted pre-tax profit.

France's **Total** revealed it could pay up to \$US2B for compatriot **Engie's** LNG business.

**Apple's** price in the meantime reached a new high, valuing the company at ~\$US900B.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1284</b>	oz	8	0.6
<b>Silver (NY) (Sep)</b>	17.0	oz	0.07	0.4
<b>Gold (LON)</b>	1284	oz	8	0.7
<b>Platinum</b>	930	oz	10	1.1
<b>WTI Crude (Nov)</b>	<b>56.8</b>	bbl	-0.4	-0.7
<b>Brent Crude (Nov)</b>	<b>63.5</b>	bbl	-0.2	-0.3
<b>Iron Ore (CHN port 62%)</b>	<b>62.3</b>	t	-0.4	-0.6
<b>Copper</b>	<b>6855</b>	t	29	0.4
<b>Nickel</b>	12700	t	45	0.4
<b>Aluminium</b>	2109	t	-23	-1.1
<b>Lead</b>	2507	t	11	0.4
<b>Zinc</b>	3192	t	26	0.8
<b>Tin</b>	19450	t	-30	-0.2
<b>CBT Wheat (Dec)</b>	<b>4.27</b>	bshl	-0.01	-0.2

### Commodities Commentary

**Oil** – pushed and pulled overnight by: a fall in China's October oil imports; OPEC lowering the pace of expected demand for OPEC crude over two years; an unexpected rise in US oil stocks; and Middle East tension involving Saudi Arabia, Iran and also yesterday, drawing commentary from the US.

A weekly US petroleum inventories report revealed refining activity had increased, but that so had crude stockpiles, by 2.2MMbbl.

US oil imports had risen by a daily 1.1MMbbl, whereas exports had fallen by 1.3MMbbl.

Production rose slightly, by a daily 67,000bbl to 9.62MMbbl/d.

Stored petrol and distillate fell by 3.3Mmbbl and 3.4Mmbbl respectively.

**Gold** – traded at three-week peaks, gains also producing technical buying.

Initial buying was attributed mostly to Middle East tensions. The \$US index also fell slightly.

**Base metals** – China's October imports (+17.2% year-on-year), revealed yesterday, exceeded forecasts but exports (+6.9%) undershot expectations.

Iron ore imports fell 1.6% year-on-year, but for the year to date are 6.3% higher than a year ago.

Individual commodity figures for China will influence some trade over the next few sessions.

China's October CPI and producer prices, due today, are likely to affect tonight's trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7677	0.0001	0.02
<b>EUR – USD</b>	1.1595	-0.0000	-0.00

## Pre-Open Announcements

### iSentia Group (\* ISD)

Doug Snedden has been appointed as an ISD non-executive director and as chairman, effective at the conclusion of the 23 November AGM.

### EML Payments (\* EML)

Multi-year agreement secured with BETDAQ for the provision of branded reloadable cards, enabling users to access winnings. EML says the terms and timing of the deal and launch remain confidential.

### Eclipx Group (\* ECX)

\$A351.5M asset-backed bonds issue, supported in part by fleet and commercial equipment receivables. The issue was oversubscribed and the bonds have been allocated to 20 investors. Details lodged post-trade yesterday.

### Spark Infrastructure (SKI)

SKI yesterday commenced a road show which will continue through 14 November (Tuesday next week). SKI is meeting with investors in Hong Kong, Japan and Singapore. Road show presentation lodged post-trade yesterday.

### Regis Healthcare (REG)

Conference presentation lodged post-trade yesterday. REG is presenting today.

## Resources

### Neometals Ltd (\* NMT)

Barrambie titanium project metallurgical drilling results, including several high-grade intersections, lodged post-trade yesterday. Core is in China for evaluation by a titanium processor.

### OceanaGold Corporation (OGC)

Drilling results from several projects lodged post-trade yesterday.

## Energy

### Freedom Oil & Gas (\* FDM)

Eagle Ford shale wells Wilson B-1 and Wilson B-2 have averaged a respective 1244boe/d and 1256boe/d over 30 days of production.

### Trading Halts

Company	Code	Resuming
Gascoyne Resources	GCY	9 Nov
Inabox Group	IAB	9 Nov
Kairos Minerals	KAI	9 Nov
Marindi Metals	MZN	9 Nov
Triton Minerals	TON	9 Nov
Agrimin Ltd	AMN	10 Nov
Cassini Resources	CZI	10 Nov
Orthocell Ltd	OCC	10 Nov
Prospect Resources	PSC	10 Nov
Victory Mines	VIC	10 Nov

### Suspensions (selected)

Company	Code	Since
Bisan Ltd	BSN	2 Nov
Blackham Resources	BLK	8 Nov

**Australian Data Today**

ABS	Housing finance	Sep
-----	-----------------	-----

**US Data Tonight**

Initial jobless claims	4 Nov
Wholesale inventories (final)	Sep

**Other Overseas Data Today & Tonight**

<b>China</b>	CPI	Oct
China	PPI	Oct
<b>Japan</b>	BoJ policy opinions summary	Oct
Japan	Bank lending	Oct
Japan	Current account	Sep
Japan	Machinery orders	Sep
Japan	Machine tool orders	Oct
Japan	Tertiary industry index	Sep
Japan	Eco watchers survey	Oct
<b>UK</b>	Trade balance	Sep
UK	Industrial production	Sep
UK	Construction output	Sep
<b>Germany</b>	Trade balance	Oct
<b>Euro zone</b>	EC forecasts	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](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.

Byte Power Group	BPG	8 Nov
Caeneus Minerals	CAD	30 Oct
G Medical Innovations Holdings	GMV	8 Nov
Haoma Mining	HAO	18 Oct
Indo Mines	IDO	1 Nov
Oriental Technologies	OTI	1 Nov
Peel Mining	PEX	8 Nov
Quest Minerals	QNL	2 Nov
Red Emperor Resources	RMP	8 Nov
ServTech Global Holdings	SVT	1 Nov
Soon Mining	SMG	23 Oct
Stargroup Ltd	STL	19 Oct
Wolf Petroleum	WOF	30 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>API</b>	Today	<b>3.5</b>	100	4.59
<b>NAB</b>	Today	<b>99</b>	100	6.26
<b>RBD</b>	Today	<b>~10.59</b>	0	0.00
<b>WAT</b>	Today	<b>3</b>	100	2.78
CSR	Tomorrow	13.5	50	5.80
KMD	Tomorrow	8.23	100	5.58
WHC	Tomorrow	10	0	1.47
ANZ	Mon	80	100	5.32
WBC	Mon	94	100	5.74
ORI	Tue	28	0	2.77
WBA	Tue	3	100	2.19

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>CHC</b>	AGM
	<b>FLT</b>	AGM
	<b>GMG</b>	Q1 2018
	<b>JHX</b>	Interim; Q2
	<b>KAR</b>	AGM
	<b>REA</b>	Q1 2018
	<b>STO</b>	Investor Day
	<b>TME</b>	AGM
	<b>WFD</b>	Sep Q
	<b>XRO</b>	Interim
<b>Tomorrow</b>	NVT	AGM
	NWS	Sep Q
<b>Mon</b>	ELD	Full-year
	MPL	AGM
<b>Tue</b>	ABP	AGM
	CPU	AGM
	EHE	AGM
	IPL	Full-year
	NCM	AGM
	OFX	Interim