STATE ONE
STOCKBROKING LTD
Participant of ASX Group AFSL 247 100
ABN 95 092 989 083

Market Opener

Tuesday 31 October 2017

Need more information?

Contact your State One advisor on 1300 651 898 or advice@stateone.com.au

Markets

SFE 200 Futures (9.30am AEST)	**5900**	**0**	**0.0**
NZX 50	8165	21	0.3
DJIA Futures	23285	-6	0.0
S&P 500 Futures	2568	0	0.0
NASDAQ Futures	6220	-5	-0.1

Local Markets Commentary

The Australian market opens today's end-of-month trade ahead of influential data and reports out of China and Japan, and on mixed overnight international leads.

China publishes official October PMIs **midday** AEDST.

The **Bank of Japan** is scheduled to announce outcomes from its policy meeting **1pm** AEDST.

Japan also publishes most of the nation's key economic data for **September**, including industrial production, detailed trade figures, household spending and employment figures, from **10.30am**.

In overnight commodities trade, US **gold** futures rose. **Oil** continued higher. **Iron ore** (China port, 62% Fe) extended its latest decline to four consecutive sessions, falling below $US60/t. LME **copper** and **nickel** swung higher.

The **$A** rose above US76.85c after slipping to ~US76.65c early yesterday evening.

Locally today, September financial aggregates, including private sector credit are due **11.30am** AEDST.

A weekly consumer sentiment reading is expected pre-trade and an HIA home sales report at 11am.

International reserves and forex liquidity updates will be published post-trade.

A plethora of September quarter reports can also be expected today.

HVN trades ex-dividend.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**23349**	-85	**-0.4**
S&P 500	2573	-8	-0.3
NASDAQ	6699	-2	-0.0
FTSE 100	7488	-17	-0.2
DAX 30	13230	12	0.1
Shanghai Comp	3390	-26	-0.8

Overseas Markets Commentary

Vacillating trade featured across major European and US equities markets overnight, at the outset of one of the busiest earnings reporting season weeks, and amid US political considerations and debate surrounding the likely timing, and hence impacts, of planned US tax changes.

Among the first releases in a week of significant economic indicator and policy reports, an initial September CPI reading for **Germany** came in flat for the month and 1.6% higher year-on-year, following 0.1% growth in August and a 1.8% annual

China – NBS/CFLP PMIs **midday** AEDST

Japan – Bank of Japan policy statement **1pm** AEDST

Last trading day of the month

* Professional services listing **1.30pm** AEDST – **GO2** *

Today's Stock Watch

Woolworths Ltd (WOW)

September quarter sales grew 3.7% year-n-n year to $14.52B. Food sales increased 4.7%. Big W sales revenue rose 2.9%. Additional divisional statistics lodged this morning.

National Australia Bank (NAB)

Former Westpac (ASX: WBC) New Zealand CEO Ann Sherry has been appointed as a NAB non-executive director, effective 8 November. Ms Sherry is executive chair of Carnival Australia.

Bendigo & Adelaide Bank (BEN)

Today's AGM address and presentation, including update, lodged.

Suncorp Group (SUN)

Notes offer opens today, but SUN has abandoned plans for a securityholder offer. $300M worth has been allocated on a firm basis under the broker and institutional offers. Margin set at 3.65%.

Abacus Property Group (ABP)

ABP and a global investment group have funded three property loans worth a total $121M. Two loans belong to ABP and the third is a new loan. ABP and the investment group intend to consider Australian capital city project funding opportunities, the majority of the funding to come from the investment group.

The GO2 People (* GO2)

Labour hire and recruitment services specialist scheduled to list **1.30pm** AEDST following a $10M IPO at 20c per share.
Top-10 shareholders include JP Morgan Nominees Australia (9.16%), HSBC Custody Nominees (4.24%) and UBS Nominees (1.48%). 62.5M shares on issue.

Resources

Prospect Resources (PSC)

>99.5% lithium carbonate produced using ore from PSC's Arcadia lithium deposit, Zimbabwe.
PSC expects to commence commissioning a lithium carbonate production pilot plant by year's end.

Energy

Origin Energy (ORG)

Produced 89.1PJe during the September quarter, following 89.2PJe for the June quarter and 74.2PJe for the September quarter 2016.
Sold 91.PJe for $A678.6M revenue, against $673.1M and $429.7M respectively.
Individual product and project statistics lodged this morning.

Beach Energy (BPT)

Produced 2.6Mmboe (100% BPT) during the September quarter 2% more than for the June quarter.
Sales revenue rose 17% to $178M.

AWE Ltd (AWE)

UBS has placed a sell on AWE, cancelling a neutral rating.

reading.

September retail sales rose 0.5% following a 0.2% pullback during August. Year-on-year, sales improved 4.1%.

A set of **euro zone** sentiment indices was largely estimated higher than previously and than forecast.

In the **US**, September personal income and spending rose 0.4% and 1% respectively.

A Texas manufacturing index also pleased, rising 6.3 points to 27.6.

Meanwhile, details and names regarding the first charges arising from an investigation into Russian links with the 2016 US election were revealed. Two associates of president Donald Trump were named.

In **Spain**, the public prosecutor pushed for sedition and funds misuse charges against the recent government leaders for Catalonia.

Tonight in the US, the Federal Reserve commences a policy meeting from which outcomes will be announced early Thursday AEDST.

Among data releases, September quarter employment costs, a Chicago PMI, plus house price and consumer confidence indices are due tonight.

Companies scheduled to report earnings today and tonight include: Airbus, Archer Daniels Midland, BNP, BP, Kellogg, Kirin Holdings, Mastercard, Pfizer, Ryanair, Samsung and Sony.

In overnight corporate news and moves, **HSBC** reported a $US4.6B September quarter pre-tax profit, $US3.8B higher than a year earlier, but $US0.7B lower than for the June quarter.

Glencore raised its full-year EBIT forecast following an encouraging quarter, despite production falls in key commodities including copper and nickel.

Merck dropped 6% after abandoning pursuit of an additional use for one of its drugs. This appeared to impact sentiment for major stocks across the sector.

Novartis, however, revealed a plan to purchase French drug manufacturer Advanced Accelerator Applications for $US3.9B.

General Motors suffered from a Goldman Sachs sell recommendation, its stock falling almost 3%.

Apple appreciated 2.2% from iPhone X demand indications.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1278**	oz	6	0.5
Silver (NY) (Sep)	16.9	oz	0.1	0.6
Gold (LON)	1273	oz	6	0.5
Platinum	917	oz	2	0.2
WTI Crude (Nov)	**54.2**	bbl	0.3	0.5
Brent Crude (Nov)	**60.9**	bbl	0.5	0.8
Iron Ore (CHN port 62%)	**58.8**	t	-1.3	-2.2
Copper	**6867**	t	37	0.5
Nickel	11675	t	95	0.8
Aluminium	2163	t	-5	-0.2
Lead	2410	t	-13	-0.5
Zinc	3209	t	37	1.2
Tin	19425	t	-450	-2.3
CBT Wheat (Dec)	**4.25**	bshl	-0.03	-0.6

Commodities Commentary

Oil – a softer $US helped support overnight trade in the absence of new news.

Gold – less certain equities sentiment, a $US

Pre-Open Announcements

Ingham's Group (ING)
Today's AGM address and presentation lodged.

Infigen Energy (* IFN)
14% higher September quarter generation and 16% higher revenue, year-on-year.

Novonix Ltd (* NVX)
Resuming from a trading halt having raised $A4M in a private placement at $1.40 per share. NVX last traded at $1.46.

Impedimed (IPD)
SOZO with L-Dex will be distributed in Australia and New Zealand exclusively by Regional Health Care Group.

Quickstep Holdings (QHL)
Annual report lodged post-trade yesterday.

Resources

Primary Gold (PGO)
Mt Bundy gold project Rustlers Roost deposit resource estimated 72% higher, at 49.6Mt @ 0.84g/t Au, for 1.332Moz of gold.
PGO says 78% (1.028Moz) of the resource qualifies for indicated status.

De Grey Mining (DEG)
Heralding Pilbara gold project nugget finds within a 12km target. Details lodged post-trade yesterday.

Energy

Oilex Ltd (OEX)
Founding OEX director and shareholder, and inaugural chairman Max Cozijn is retiring from the OEX board at the company's November AGM.

Buru Energy (BRU)
Presentation lodged post-trade yesterday.

Trading Halts

Company	Code	Resuming
BrainChip Holdings	BRN	31 Oct
SportsHero Ltd	SHO	31 Oct
Aspire Mining	AKM	1 Nov
Battery Minerals	BAT	1 Nov
Cadence Capital	CDM	1 Nov
Estrella Resources	ESR	1 Nov
Impact Minerals	IPT	1 Nov
Indo Mines	IDO	1 Nov
Metal Bank	MBK	1 Nov
JustKapital Ltd	JKL	1 Nov
PSC Insurance Group	PSI	1 Nov
Red Metal	RDM	1 Nov
ServTech Global Holdings	SVT	1 Nov
Zenitas Healthcare	ZNT	1 Nov

Suspensions *(selected)*

Company	Code	Since
Arrowhead Resources	AR1	9 Oct
Caeneus Minerals	CAD	30 Oct
Haoma Mining	HAO	18 Oct
Mustang Resources	MUS	30 Oct

pullback, and the potential for stronger gains this week, supported gold prices overnight.

Base metals – some caution noted overnight ahead of a week of influential data releases and monetary policy meetings, in particular in the US and UK, that could markedly move select currencies.

China's official October PMIs, plus **Japan**'s September industrial production and October central bank policy statement, all due today, are likely to influence at least some of tonight's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7685	-0.0003	-0.04
EUR – USD	1.1645	-0.0005	-0.05

Australian Data Today

ANZ/RyMgn	Consumer sentiment	29 Oct
HIA	New home sales	Sep
RBA	Private sector credit	Sep
RBA	Forex liquidity; reserves	Sep

US Data Tonight

Employment cost index	Sep Q
ISM Chicago PMI	Oct
S&P/Case-Shiller house price index	Aug
Conf Board consumer confidence	Oct

Other Overseas Data Today & Tonight

China	NBS PMIs	Oct
Japan	BoJ policy statement	Oct
Japan	BoJ outlook	Dec Q
Japan	Detailed trade statistics	Sep
Japan	Workforce	Sep
Japan	Industrial production	Sep
Japan	Household spending	Sep
Japan	Construction orders	Sep
Japan	Housing starts	Sep
UK	GfK consumer confidence	Oct
Euro zone	GDP (1st)	Sep Q
Euro zone	CPI (1st)	Oct
Euro zone	Unemployment	Sep

Need More Information?

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Neurotech International	NTI	13 Oct
SIV Asset Management	SAM	10 Oct
Soon Mining	SMG	23 Oct
Stargroup Ltd	STL	19 Oct
Wavenet International	WAL	30 Oct
Wolf Petroleum	WOF	30 Oct
XPD Soccer Gear Group	XPD	11 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
CLX	Today	**1.75**	100	3.04
HVN	Today	**12**	100	6.67
D2O	Tomorrow	2.3	75	2.11
FNP	Tomorrow	2.25	100	0.96
BOQ	Thu	46	100	5.64
BPS	Fri	2.25	100	5.63

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**AQG**	Sep Q
	BPT	Sep Q
	BDR	Sep Q
	BEN	AGM
	CQR	AGM
	GPT	Sep Q
	IFN	Sep Q
	ING	AGM
	ISU	AGM
	ORG	Sep Q
	SYR	Sep Q
	WOW	Sep Q
Tomorrow	AMC	AGM
	CSR	Full-year
	MYR	Investor day
	NHF	AGM
Thu	BLD	AGM
	CCP	AGM
	DOW	AGM
	FXJ	AGM
	NAB	Full-year
	PPT	AGM
	SWM	AGM
	TLS	Investor day