

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5874	-37	<b>-0.6</b>
<b>NZX 50</b>	8915	-16	<b>-0.2</b>
<b>DJIA Futures</b>	25973	0	0.0
<b>S&amp;P 500 Futures</b>	2779	0	0.0
<b>NASDAQ Futures</b>	7031	0	0.0

## Local Markets Commentary

The Australian market opens a new week's trade with fresh data out of China over the weekend and three major domestic stocks trading ex-dividend.

Yesterday, China reported September quarter foreign investment in China's financial sector tallied \$US2.9B. Outflows totalled \$US2.64B.

Net offshore investment by Chinese financial institutions totalled \$US1.75B.

In largely negative overnight Friday commodities trade, **oil** dropped further.

US (December) **gold** futures, and LME **copper**, **nickel** and **aluminium** fell.

**Iron ore** (China port 62% Fe) extended Thursday's rally.

The **\$A** slipped to US72.25c after trading at US72.45c early Friday evening.

Locally today, a weekly capital city residential property price report is due pre-trade.

The Reserve Bank of Australia (RBA) releases card transaction figures, 11.30am AEDT.

**ANZ**, **MQG** and **ORI** trade ex-dividend. *Please see p4 for details.*

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25989	-202	<b>-0.8</b>
<b>S&amp;P 500</b>	2781	-26	<b>-0.9</b>
<b>NASDAQ</b>	7407	-124	<b>-1.7</b>
<b>FTSE 100</b>	7105	-35	<b>-0.5</b>
<b>DAX 30</b>	11529	2	<b>0.0</b>
<b>Shanghai Comp</b>	2599	-37	<b>-1.4</b>

## Overseas Markets Commentary

Most major European and US equities markets and never seriously looked like recovering.

Germany's DAX proved the exception, pulled higher in second-half trade, despite marked vacillations, as the euro traded at 16-month lows against the \$US.

Following talks with **US** secretary of state Mike Pompeo, **China's** Office of Foreign Affairs director Yang Jiechi and Politburo member Yang Jiechi publicly promoted 'dialogue and consultation', warning any trade conflict extension threatened not only the economies of the US and China, but also international economic health.

Earlier Friday, China had reported a fourth consecutive month of slowing producer prices, and an almost 12% drop in October vehicle sales.

Early overnight Friday data releases included a batch of mixed key **UK** economic indicators.

## Today's Stock Watch

### Westpac Banking Group (WBC)

\$750M hybrid notes offer at \$100 per note, in support of tier one capital. Details lodged this morning, ahead of a book-build expected to determine a 3.70% - 3.90% margin.

The offer is scheduled for 20 November - 11 December, pending a possible early close.

### Woolworths Group (WOW)

Company secretary and chief legal officer Richard Dammary has resigned, effective late-January 2019.

In addition, WOW has secured an agreement to sell 540 petrol and convenience store outlets to EG Group for \$A1.725B, pending Foreign Investment and Review Board (FIRB) approval.

### Elders Ltd (ELD)

9c fully franked final dividend, up 1.5c. 38% lower, \$71.57M full year NPAT. 2% higher, \$1.61B revenue. 86c NTA.

### EML Payments (EML)

EML will provide PointsBet USA with a PointsBet-branded reloadable card program for use across New Jersey (state), under an exclusive agreement.

PointsBet is presenting at EML's EMLCON investor conference in Sydney tomorrow.

### The Food Revolution Group (↓ FOD)

MoU secured with China Petroleum & Chemical Corporation (Sinopec), for Sinopec to potentially sell FOD's canola oil products across Sinopec's 35,000 petrol and convenience outlets in China.

### SRG Global (GCS)

\$14M, 18-month University of Melbourne contract in hand.

### SkyCity Entertainment Group (SKC)

Sydney conference presentation, including trading update to 7 November, lodged this morning. SKC is presenting today.

## Resources

### Rio Tinto (RIO)

\$A2.87B off-market buy-back completed at \$A69.69 per share.

### Syrah Resources (↓ SYR)

One-year, 6000t Mozambique Balama graphite sales agreement secured with Qingdao Freyr Graphite Co.

In addition, a spot sale of 98% fixed carbon grade graphite has been agreed with a Japanese customer.

### Encounter Resources (↓ ENR) / Independence Group (IGO)

IGO is buying \$1.8M worth of ENR shares at 7.5c each, ahead of plans to secure 70% of ENR's WA Yeneena copper-cobalt project. ENR settled at 4c Friday.

## Energy

### Cooper Energy (↓ COE)

Damage has been determined within the as-yet unconnected pipeline linking offshore Victoria Sole wells to the Orbest gas plant.

The installation contractor is assessing the damage, but COE does not expect repair times to push back first commercial gas sales, expected July 2019.

A preliminary September quarter GDP growth estimate came in at 0.6% for the three months and 1.5% year-on-year.

June quarter GDP advances had been finalised at 0.4% and 1.2% respectively.

The nation's September trade deficit, also published Friday, improved to £270M, from £2.1B at the end of August.

Industrial production was deemed stagnant for the month, and year-on-year, following a 1% year-on-year August rise. August monthly industrial production was also reported flat.

Construction output rose 3% year-on-year, after 1 0.5% improvement in August.

Meanwhile, the government's transport minister resigned his ministerial position, and from government, over dissatisfaction with negotiations for the UK's planned separation from the European Union (EU).

In the **US**, October producer prices surprised with a 0.6% monthly rise, against 0.2% in September and forecasts of a similar rise. Year-on-year, prices were 2.6% higher.

September wholesale inventories were reported 0.4% higher for the month, following a 0.3% August increase.

A University of Michigan consumer sentiment reading slipped to 98.3 from 98.6 at the end of October.

No data releases are due **tonight** in the US during Veterans' Day commemorations.

Elsewhere Euro Finance Week commences in Kristianstad, Sweden.

Autohome and AXA are among companies scheduled to report earnings.

In corporate news since Friday's ASX close, **Alibaba** yesterday reported more than \$30.5B worth of sales from the 24-hour "Singles' Day/Double 11" sales event, a record.

This represented a 27% annual sales growth rate against 39% for 2017, and the slowest annual improvement in the event's 10-year history.

**NB** *US equities and commodities markets are scheduled to trade as normal tonight, alongside Veterans' Day commemorations.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1209</b>	oz	-17	-1.4
<b>Silver (NY) (Dec)</b>	14.1	oz	-0.3	-2.1
<b>Gold (LON)</b>	1211	oz	-13	-1.0
<b>Platinum</b>	851	oz	-10	-1.2
<b>WTI Crude (Dec)</b>	<b>60.2</b>	bbl	-0.5	-0.8
<b>Brent Crude (Jan)</b>	<b>70.2</b>	bbl	-0.5	-0.7
<b>Iron Ore</b> <small>(CHN port 62%)</small>	<b>77.2</b>	t	0.9	1.2
<b>Copper</b> <small>(LME, 3mth, PM)</small>	<b>6056</b>	t	-99	-1.6
<b>Nickel</b>	11470	t	-310	-2.6
<b>Aluminium</b>	1954	t	-36	-1.8
<b>Lead</b>	1977	t	-27	-1.4
<b>Zinc</b>	2523	t	0.5	0.0
<b>Tin</b>	19150	t	-175	-0.9
<b>CBT Wheat (Dec)</b>	<b>5.02</b>	bshl	-0.06	-1.1

### Commodities Commentary

**Oil** – a weekly **US** petroleum drill rig count, published overnight Friday, included 12 additional

## Pre-Open Announcements

### Bionomics Ltd (\*\* BNO)

Trading halt called this morning.

Business options strategic review underway after a \$A7.87M placement at 16.37c per share to major BNO shareholder BVF Partners.

BNO will offer up to \$3.98M worth of shares at the same price to institutional shareholders.

Another offer, at 15.5c per share, is planned for retail shareholders.

In addition, non-executive chairman Errol De Souza is assuming executive responsibilities from today.

MD Deborah Rathjen retired from her MD role Friday, but will remain CEO until 31 January.

Further, BNO CFO Steven Lydeamore has resigned, but will remain with BNO until 23 November.

BNO financial controller and former CFO will become interim BNO CFO.

BVF will hold 19.9% of BNO and has nominated Mitch Kaye as a BNO director.

BNO traded at 14c – 16.5c last week.

### Vonex Ltd (\* VN8)

Added 16% Friday to close out last week at 14.5c, its best close in more than three months. Product rollouts are supporting VN8.

### Thorn Group (\* TGA)

The \$50M limit of a corporate loan facility has been cut to \$30M following a review which commenced 30 September.

### DroneShield Ltd (DRO)

CFO Claire Newey has resigned, effective early 2109.

DRO says existing DRO employees will assume CFO responsibilities.

### Pointerra Ltd (3DP)

Non-executive 3DP director and founding 3DP chairman Rob Newman has resigned, due to Nearmap (ASX: NEA) responsibilities.

3DP has subsequently appointed NGIS Australia MD Paul Farrell as a non-executive director.

### Hearts and Minds Investments (\* HM1)

Investment company scheduled to list 1.15pm AEDT Wednesday following a \$500M at \$2.50 per share.

## Resources

### Mineral Resources (MIN)

Confirming an (empty) iron ore train derailment between Esperance port, southern WA and MIN's Koolyanobbing project. The derailment is considered likely due to track damage from weekend flash flooding.

### Lynas Corporation (\* LYC)

A live-streamed public hearing into LYC Malaysian operations was scheduled to commence 9am Malaysian time Sunday, in Kuantan.

Regulators, the government-appointed LYC review committee, LYC and other interest parties were to be present at the hearing.

LYC provided a link to additional details post-trade Friday.

operational oil rigs, the largest weekly increase in ~5.5 months.

Brent crude settled 3.6% lower for the week, trading below \$US70/bbl intra-session Friday.

WTI crude recorded a 10<sup>th</sup> consecutive sessional decline.

An **OPEC**-led meeting in Abu Dhabi yesterday concluded with influential OPEC member **Saudi Arabia** announcing plans to cut December shipments of Saudi crude by a daily 500,000 bbl.

Un-named sources claimed signatories to the OPEC output agreement had discussed a total cut of up to 1MMbbl/d, ahead of the next regular schedule OPEC meeting in Vienna, 6 – 7 December.

**Russia's** energy minister yesterday questioned claims of potential 2019 market oversupply.

Also yesterday, **Iran** claimed it had sold 700,000bbl of export crude to three private companies, on Sunday, at \$US64.97/bbl.

**Gold** – a yet stronger \$US (following a 0.8% index gain Thursday) and generally negative commodities sentiment propelled gold lower overnight Friday.

Federal Reserve officials' speeches will be keenly anticipated this week, following last week's post-policy meeting statement.

Economic indicator focus will encompass US CPI, retail sales and regional manufacturing data.

**Base metals** – **China's** October CPI was reported 2.5% higher year-on-year, the same as for September. For the month, CPI rose 0.2%, following a 0.7% September gain.

Producer prices rose 3.3%, following a 3.6% September rise.

Vehicle sales fell 11.7% after an 11.6% drop in September.

Overnight Friday LME trade was also impacted by continuing \$US strength.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7221	0.0001	0.02
<b>EUR – USD</b>	1.1324	0.0002	0.02

### Australian Data Today

CLgc	Capital city rsdntl propty prices	9 Nov
RBA	Credit and debit card transactions	Sep

### Overseas Data Today & Tonight

<b>Japan</b>	PPI	Oct
Japan	Machine tool orders (5pm AEDT)	Oct

### 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).

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>ELD</b>	Full year
	<b>FSF</b>	AGM
<b>Tomorrow</b>	BRG	AGM
	CQR	AGM
	NXT	AGM
	IPL	Full year
<b>Wed</b>	AST	Interim
	AOG	AGM
	BIN	AGM
	CPU	AGM
	ECX	Full year
	MPL	AGM
	MGX	AGM
	NSR	AGM
	NCM	AGM
	NEC	AGM
	PGH	AGM
	RHC	AGM
	SWM	AGM
<b>Thu</b>	ABP	AGM
	CHC	AGM
	CGC	AGM
	EHL	AGM
	FXL	AGM
	FMG	AGM
	GMG	AGM
	ISD	AGM
	NVT	AGM
	NST	AGM
	PTM	AGM
	SXY	AGM
	SRS	AGM
WES	AGM	

### Trading Halts

Company	Code	Resuming
88 Energy	88E	12 Nov
Arafura Resources	ARU	12 Nov
CV Check	CV1	12 Nov
Energy Technologies	EGY	12 Nov
King Island Scheelite	KIS	12 Nov
Moho Resources	MOH	12 Nov
Odin Metals	ODM	12 Nov
Stonewall Resources	SWJ	12 Nov
Triangle Energy (Global)	TEG	12 Nov
4DS Memory	4DS	13 Nov
Cyclic Group	CYQ	13 Nov
Environmental Clean Technologies	ECT	13 Nov
PPK Group	PPK	13 Nov
Bionomics Ltd	BNO	14 Nov

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**Suspensions** *(select)*

Company	Code	Since
Impelus Ltd	IMS	26 Oct
Lindian Resources	LIN	5 Nov
MGC Pharmaceuticals	MXC	5 Nov
Pelican Resources	PEL	31 Oct
Updater Inc	UPD	9 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ANZ</b>	Today	<b>80</b>	100	5.90
<b>MQG</b>	Today	<b>215</b>	45	4.33
<b>ORI</b>	Today	<b>31.5</b>	0	2.79
WBC	Tomorrow	94	100	6.79
TLT	Tomorrow	1.6	0	1.55
KMD	Fri	10.07	100	4.95
SOL	Fri	33	100	1.88
TWD	Fri	16	100	6.77
WAM	Fri	7.75	100	6.65
CBC	19 Nov	1.6	100	3.31