

Futures Indices (Source: IRESS)

INDEX	CLOSE	+/-	%
E-mini S&P 500 Futures	2974	3.75	0.13
E-mini Dow Futures	26859	41	0.15
E-mini NASDAQ 100 Futures	7743.25	8	0.1
SFE 200 Futures	6692	-43	-0.64

Local Market Commentary

Stocks fall and bonds climb on risk-off atmosphere: A bombastic speech at the UN from US President Trump, coupled with fresh US political turmoil, which could lead to impeachment proceedings, sent stocks tumbling on Wall Street last night. It took the shine-off earlier news that the UK Supreme Court had ruled British Prime Minister Boris Johnson's decision to suspend UK Parliament last month was "unlawful", putting another obstacle between the UK PM and a hard-Brexit. The Australian sharemarket has opened sharply low. The Australian Dollar rallied off-the-back of a speech delivered by RBA Governor Lowe. And in the day ahead, traders turn their attention to the RBNZ rate-decision this afternoon. RBA Governor Philip Lowe delivered a speech overnight entitled 'An Economic Update'. He spoke up the fundamentals of the Australian economy, suggesting it's now at a gentle "turning-point". Not to back himself into a corner, Governor Lowe did say the RBA would "again take stock of the evidence" for and against another rate cut. All-in-all, however, the market judged Governor Lowe's speech to be "less-dovish" than expected, with the implied chance of a rate-cut next week falling to 63 per cent.

World Indices (Source: IRESS)

INDEX	CLOSE	+/-	%
Dow Jones	26807.77	-142.22	-0.53
S & P 500	2966.6	-25.18	-0.84
NASDAQ	7993.6268	-118.8352	-1.46
FTSE 100	7291.43	-34.65	-0.47
DAX 30	12307.15	-35.18	-0.29
CAC 40	5628.33	-2.43	-0.04
Milan MIB30	21901.01	1.13	0.01
Nikkei	22098.84	19.75	0.09
Hang Seng	26281	58.6	0.22
Hang Seng China Enterprises	10271.03	-16.89	-0.16
Straits Times	3155.46	9.26	0.29
Shanghai Composite	2985.3406	8.2639	0.28

Australian Stock Watch

AMP Limited (AMP): AMP has told unwanted financial advisers they have until Halloween to accept a "one-off offer" and leave the business or face less attractive options. A notice of termination letter says following a review of the company's advice network, AMP has decided to expel the particular practice from the group and revoke their authority to act for them. "AMP Financial Planning (AMPFP) has made the difficult decision to terminate your corporate and individual authorised representative status. AMPFP has made this decision because your practice does not meet the thresholds that we have set under AMP's future strategy", reports AFR.

ARQ Group Ltd (ARQ): Arq Group's management has bade goodbye to chief executive Martin Mercer with a warning that full-year profits could be up to a half lower than previously indicated, and put its businesses up for possible sale. Arq chairman Andrew Reitzer said the company had asked Macquarie Capital to carry out the review "in a matter of days", after the company's shares plunged 34 per cent to 35.5¢ on Tuesday when a trading halt put in place last Thursday was lifted. Mr Reitzer said he did not want to "pre-empt" the review, but said one outcome could be an advice to sell one or other parts of Arq's business, reports AFR.

ASX Ltd (ASX): Ken Henry has withstood a protest vote to be re-elected to the board of the Australian Securities Exchange after its chairman, Rick Holliday-Smith, pleaded with shareholders to distinguish between the issues that tripped him up at the banking royal commission and his role as an ASX director. Dr Henry, who has been a director of ASX since February 2013, is stepping down as National Australia Bank chairman on November 15, after being embarrassed in the witness box at the Hayne royal commission last year and forced to announce his retirement a week after receiving a battering in Kenneth Hayne's final report in February, reports AFR.

Bendigo and Adelaide Bank Ltd (BEN): The Community First Credit Union has won a decades-long dispute with the Bendigo and Adelaide Bank over what it claims has been monopoly use of the term "community bank". The Federal Court of Australia has upheld an application by the credit union, which sought to overturn two trademarks featuring the term "community bank" awarded to Bendigo Bank in 1999 and 2001 respectively. It also upheld an appeal against a 2017 ruling by the Register of Trade Marks in 2017 that opposed intended trademarks by Community First Credit Union, which featured the terms "community" and "bank", reports AFR.



Overseas Markets & Gold Commentary

US President Trump didn't hold back in his address to the US General Assembly last night. Few political issues escaped his ire, condemning the audience's "globalists", attacking America's social-media giants, lashing out at Iran, weighing in on tensions in Hong Kong, and – perhaps surprisingly, and definitely most concerningly, for markets – re-adopting a hostile stance against China and its economic and trade practices. The whole speech came as a shock to market participants, who moved quickly to re-price the risk that the recent niceties exchanged between the US and China on trade may, ultimately, one again, amount to nothing.

The series of knots tied by US President Trump that entangled market participants overnight only became tighter. Democrats are planning to commence an impeachment inquiry against the US President, in response to allegations that he pressured Ukraine's President to begin a corruption investigation into former Vice President Joe Biden. The impact on markets from that event was softened somewhat, after the US President stated he would be releasing the transcript of the telephone conversation at the centre of this controversy. Nevertheless, the news proved a blow to market sentiment, with US political-risk now added to the market's growing-list of risk factors.

One piece of news that didn't take too much attention overnight, perhaps because of its obscurity, was the massive sell-off in crypto-currencies. It was led by a considerable 15 per cent fall in Bitcoin, with other cryptos following, and sustaining even greater losses. Numerous reasons, ranging from technical market-factors to shifts in market sentiment have been provided. None are overly convincing. What can probably be said safely is that in an immature, unregulated and speculative market like cryptos, *these things will periodically happen.*

Coles Group Ltd (COL): Coles sold a new neighbourhood centre it anchors in south-west Sydney for \$34.8 million and a shopping centre development site in Newcastle for \$8.9 million as it builds towards \$300 million of property divestments. The supermarket group and its main rival Woolworths are both offloading newly built shopping centres to take advantage of the strong investor market for non-discretionary retail assets. The Willowdale Shopping Centre in Denham Court west of Liverpool – part of a Stockland residential community – sold on a yield of 5.6 per cent to Willowdale Shopping Plaza, whose investors include Tan Cuong Tran and Li Ley Tran from Hunters Hill and Shufen Huang of Forest Lodge, reports AFR.

Commonwealth Bank of Australia (CBA): Commonwealth Bank, the nation's biggest lender, has slashed its fixed rates by up to 90 basis points across its mortgage range as the battle for market share among the big banks intensifies. Other banks including Westpac – the second-largest lender – are easing borrowing requirements and increasing cash incentives for super-prime borrowers in expectation that competition will continue to intensify. Mortgage brokers, who recommend more than 50 per cent of loans to property buyers, said the big cuts probably signalled that CBA expected another cut in the cash rate, reports AFR.

Cronos Australia: Medicinal cannabis products company Cronos Australia hopes to join the ASX boards with about a \$70 million market capitalisation in early November. Cronos Australia, which is backed by Canadian cannabis bigwig Cronos Group, is in front of potential investors seeking \$20 million in an initial public offering at 50¢ a share. Cronos Group, which owns 50 per cent of Cronos Australia, would hold a 31.1 per cent stake following the IPO, according to information before potential investors, reports AFR.

Eclix Group Ltd (ECX): The chief executive of car leasing and fleet management group Eclix says costs are still *"unacceptably high"* in the group although there's solid early progress in a cost-cutting program to rip out \$20 million in savings. Julian Russell, a former UBS investment banker who took the helm on May 13 and is attempting to right a company that lost its way after some poor acquisitions, said a simplification push was paying early dividends but there was still a long way to go, reports AFR.

Finbar Group Limited (FRI): ASX-listed West Australian apartment developer Finbar has completed its \$51.8 million Palmyra East development in Fremantle despite only achieving pre-sales for half the project. The group said it pre-sold 69 out of the 128 apartments and would begin settlement for those units next month, which was good news for buyers. In turn, Finbar would wear the risk of selling the rest of the units over time. *'The completion of Palmyra East with \$25 million in presales is a significant achievement for the company as we continue to operate in a subdued local market,'* said Finbar managing director Darren Pateman, reports AFR.

Hutchison Telecommunications (Aus) Ltd (HTA): Vodafone Hutchison Australia will have to make major changes to its mobile



International Economic Data

- **US EIA Natural Gas Stocks Change** - Working gas held in storage facilities in the United States increased by 49 billion cubic feet in the week ending August 9 of 2019, reports EIA.
- **EU Balance of Trade** - The Euro Area trade surplus narrowed to EUR 20.6 billion in June 2019 from EUR 22.6 billion in the corresponding month of the previous year and easily beating market forecasts of a EUR 16.3 billion surplus, reports TradingEconomics.
- **US Building Permits** - Building permits in the United States surged 8.4 percent from a month earlier to a seasonally adjusted annual rate of 1,336 thousand in July 2019, while markets were expecting a smaller rise of 3.1 percent. It is the strongest gain in building permits since June 2017, as authorisations for the volatile multi-family housing segment jumped 21.8 percent to 498 thousand and single-family permits rose 1.8 percent to 838 thousand. Across regions, permits went up in the West (13.7 percent to 365 thousand); the South (10.7 percent to 685 thousand), but declined in the Midwest (-1.2 percent to 169 thousand) and the Northeast (-3.3 percent to 117 thousand). Permits for June were revised to 1,232 thousand from 1,220 thousand, reports TradingEconomics.
- **US Michigan Consumer Sentiment** - The University of Michigan's consumer sentiment for the US fell to 92.1 in August 2019 from 98.4 in the previous month and well below market consensus of 97.2, a preliminary estimate showed. That was the lowest reading since January, as monetary and trade policies have heightened consumer uncertainty about their future financial prospects, reports TradingEconomics.
- **US Baker Hughes Oil Rig Count** - U.S. energy firms this week increased the number of oil rigs operating for the first time in seven weeks despite plans by most producers to cut spending on new drilling this year. Companies added six oil rigs in the week to Aug. 16, the biggest increase since April, bringing the total count to 770, General Electric Co's (GE.N) Baker Hughes energy services firm said in its closely followed report on Friday. In the same week a year ago, there were 869 active rigs, reports Reuters

plans within months as the limits of its existing network reach capacity, the Federal Court has heard. Mike Wright, a former head of networks for Telstra and a witness for the Australian Competition and Consumer Commission, said the explosion in data demand meant operators like Vodafone needed to upgrade their networks. He said this could be done by acquiring more spectrum or improving the network by building more towers and small cells and upgrading technology, reports AFR.

IOOF Holdings Limited (IFL): Wealth manager IOOF may have been berated at the Hayne royal commission for dipping into its reserves to compensate members, but some experts say they have always been puzzled by this line of attack. Superannuation funds are required by law to keep a certain amount of money in reserve for operational emergencies under what is called the operational risk financial requirement, which is approximately 0.25 per cent of fund assets for a large fund. Some also have general reserves, which in IOOF's case was made up of *"felicitous amounts flowing incidentally as a result of accounting, tax and timing matters"*, reports AFR.

iSignthis Ltd (ISX): Payments unicorn iSignthis has assured the market it *"adheres [to] or exceeds"* its regulatory requirements, but a series of transactions that triggered alerts at Danish bank KAB last year remain unexplained. Shares in iSignthis fell 10 per cent to 94¢ on Tuesday after a joint investigation by The Australian Financial Review and Danish business publication Børsen revealed that KAB received 26 alerts relating to foreign transfers in and out of the account of iSignthis eMoney, reports AFR.

Macquarie Media Ltd (MRN) & Nine Entertainment Co Holdings Ltd (NEC): Advertising veteran John Singleton signed over his stake in Macquarie Media to Nine Entertainment and his friend and venture capitalist Mark Carnegie is expected to follow suit, delivering the shares Nine needs to seal the takeover of the radio broadcaster. Nine lifted its stake to 87.05 per cent on Tuesday morning, up from 54.4 per cent, after Mr Singleton accepted Nine's \$1.46-a-share offer. Sources have indicated Mr Carnegie is likely to back the bid following an independent expert's report by PwC that declared Nine's offer fair and reasonable, reports AFR.

National Australia Bank Ltd. (NAB): National Australia Bank is boosting its funding of fintech start-ups planning to disrupt its own lending, figuring it can gain exposure to borrowers seeking alternatives to the big four via its wholesale lending operations. NAB, the nation's biggest business bank, has agreed to provide a \$57 million warehouse funding facility to new personal lender Symple Loans, which plans to use it to ramp up lending in competition with NAB and the other major banks, reports AFR.

Treasury Wine Estates Ltd (TWE): Treasury Wine Estates is considering demerging the group's cheaper commercial wine operations, but not before acquiring a suitable commercial rival. Chief executive Mike Clarke said separating the commercial wine arm from the higher-end business, led by Penfolds, was overdue. Treasury generates about 30 per cent of its \$2.8 billion annual sales from lower-priced commercial brands led by Lindemans,

**Commodities (Source: IRESS)**

COMMODITY	CLOSE	+/-	%
COMEX			
Gold Dec 19	1539	7.5	0.49
Silver Dec 19	18.665	0.816	4.57
Copper Dec 19	2.6035	-0.008	-0.31
NYMEX			
Platinum Jan 10	961.1	0.3	0.03
Palladium Dec 19	1645.5	19.9	1.22
LONDON METAL			
Gold (AM Fix)	1520.25	0.75	0.05
Gold (PM Fix)	1520.65	-1.45	-0.1
ENERGY			
Light Crude Nov 19	56.82	-1.27	-2.19
Brent Crude Oil	62.54	0.11	0.18
CBT			
Wheat Dec 19	481.75	0	0
Soybeans Nov 19	894.25	0	0
Corn Dec 19	374.75	0	0
OTHER			
Iron Ore (China Port)	92	-1	-1.08
Coal (ICE-GC Newcastle)	68.97	-0.13	-0.19
LME Indicative			
Copper - Cash	5753.25	3	0.05
Copper - 3Mth	5772.5	-22.5	-0.39
Lead - Cash	2042.75	-28.5	-1.38
Lead - 3Mth	2061.5	-16.5	-0.79
Zinc - Cash	2296.75	-45.25	-1.93
Zinc - 3Mth	2279.5	-46	-1.98
Aluminum - Cash	1740	-24.75	-1.4
Aluminum 3Mth	1762.5	-22	-1.23
Nickel - Cash	17295	-300	-1.71
Nickel - 3Mth	17175	-130	-0.75
Tin - Cash	16483	-41	-0.25
Tin - 3Mth	16595	65	0.39

AUD exchange Rates (Source: IRESS)

CROSS	CLOSE	+/-	%
AUDUSD	0.6789	-0.001	-0.14
AUDJPY	72.7485	-0.072	-0.1
AUDGBP	0.5439	-0.0003	-0.05
AUDCAD	0.8998	-0.0006	-0.07
AUDNZD	1.0747	-0.0004	-0.03
AUDHKD	5.3225	-0.0083	-0.16
AUDSGD	0.9342	-0.0009	-0.1
AUDMYR	2.8407	-0.0024	-0.08
AUDEUR	0.6168	-0.0002	-0.03

Blossom Hill and some of the lower-tier Wolf Blass labels. "Demerger is still on the cards if we do the right M&A," Mr Clarke told an investor day briefing on Tuesday, reports AFR.

Virgin Australia Holdings Ltd (VAH): Queensland Development Minister Cameron Dick wants more corporate heavyweights like Virgin Australia to set up their headquarters – and stay – in Brisbane. As Mr Dick prepared for today's launch in Sydney of a campaign to lure more southern businesses north of the Tweed, he said an \$11 million incentive package to help Virgin set up its corporate base in Queensland in 2000 was worth it. AFR.

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
APE	Today	14	100	1.65
AYK	Today	114	43	6.33
AYZ	Today	119	76	4.68
CWP	Today	13.5	100	5.04
GDF	Today	2.25	0	6.10
SXE	Today	3	100	0.00
WPP	Today	2.3	100	10.96
A2B	Tomorrow	4	100	5.39
ALX	Tomorrow	15	0	1.89
BWX	Tomorrow	2.7	100	0.00
CUP	Tomorrow	1	100	2.09
EBO	Tomorrow	31.05	95.77	2.55
HUO	Tomorrow	3	50	0.67
JHC	Tomorrow	3.35	50	5.55
LYL	Tomorrow	15	100	6.02
MYE	Tomorrow	4	100	0.00
NEC	Tomorrow	5	100	2.53
PFG	Tomorrow	0.2	100	8.13
QRI	Tomorrow	0.95	0	2.90
VEA	Tomorrow	2.1	100	2.40
ARF	Fri	3.58	0	4.64
AYF	Fri	8	51.27	5.66
BSA	Fri	0.5	100	1.14
CIP	Fri	4.67	0	5.62
CLF	Fri	1.5	100	3.91
CLW	Fri	7	0	4.60
CMA	Fri	4.45	0	5.75
CQE	Fri	4.17	0	4.40
GCI	Fri	0.76	0	4.87
GCM	Fri	1.25	0	4.43
KLA	Fri	5	0	0.20
KMD	Fri	11.1	100	4.75
MEZ	Fri	11.88	0	2.57
RDC	Fri	2.2	0	4.73
RFF	Fri	2.71	0	5.96



Economic News This Week

- Today **US CB Consumer Confidence**
- Today **US MBA Mortgage Applications**
- Today **US New Home Sales**
- Thursday **US EIA Crude Oil Stocks Change**
- Thursday **US EIA Gasoline Stocks Change**
- Thursday **US Continuing Jobless Claims**
- Thursday **US Initial Jobless Claims**
- Friday **US EIA Natural Gas Stocks Change**
- Friday **EU Consumer Confidence**
- Friday **US Durable Good Orders**
- Saturday **US Michigan Consumer Sentiment**
- Saturday **US Baker Hughes Oil Rig Count**
- Saturday **US Baker Hughes Oil Rig Count**
- Sunday **CN NBS Manufacturing PMI**
- Sunday **CN Non Manufacturing PMI**
- Sunday **AU Private Sector Credit**
- Sunday **CN Caixin Manufacturing PMI**
- Sunday **EU Unemployment Rate**

Trading Halts

Company	Code	Resuming
Family Zone Cyber Safety	FZO	25 Sep
Hexagon Resources	HXG	25 Sep
HotCopper Holdings	HOT	25 Sep
Kibaran Resources	KNL	25 Sep
Krakatoa Resources	KTA	25 Sep
Metals Australia	MLS	25 Sep
Smiles Inclusive	SIL	25 Sep
Stavely Minerals	SVY	25 Sep
Superloop Ltd	SLC	25 Sep
Surefire Resources	SRN	25 Sep
White Rock Minerals	WRM	25 Sep
First Wave Cloud Technology	FCT	26 Sep
Focus Minerals	FML	26 Sep
Golden Deeps	GED	26 Sep
Red Mountain Mining	RMX	26 Sep
Terrain Minerals	TMX	26 Sep
Toro Energy	TOE	26 Sep
Vault Intelligence	VLT	26 Sep
Whitebark Energy	WBE	26 Sep

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