

Markets

SFE 200 Futures (9.30am AEST)	6739	24	0.4
NZX 50	10789	Public	Holiday
DJIA Futures	26948	44	0.2
S&P 500 Futures	3025	5	0.2
NASDAQ Futures	8058	23	0.3

Local Markets Commentary

The Australian market opens a new week's trade with new data out of China over the weekend, ahead of a likely decision tonight on a new date for the UK's planned withdrawal from the European Union, and a week featuring US Federal Reserve and Bank of Japan policy meetings, material economic indicators for Australia and across major international markets, and major US corporate earnings reports.

In addition, over the weekend, the **US** declared a major raid in north west **Syria** had resulted in the death of a key Islamic State figure.

Deadly street protests continued in **Iraq**, **Hong Kong** protests again turned violent, and **Lebanon's** and **Chile's** continued to broaden.

Yesterday, **China** reported a weaker-than-expected 2.1% fall in January - September industrial profits, following a 1.7% decline for January - August.

Locally today, CommSec publishes its *State of the States* quarterly economic assessment.

In overnight Friday commodities trade, **oil** continued higher.

US **gold** futures (December) settled almost flat.

Iron ore (Nymex CFR China, 62% Fe) turned slightly higher.

LME **copper**, **nickel** and **aluminium** closed little changed.

The **\$A** fell back to ~US68.20c after approaching US68.35c early Friday evening.

New Zealand's markets are **closed today**, due to a public holiday weekend.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26958	153	0.6
S&P 500	3023	12	0.4
NASDAQ	8243	57	0.7
FTSE 100	7324	-4	-0.1
DAX 30	12895	22	0.2
Shanghai Comp	2955	14	0.5

Overseas Markets Commentary

Swinging, choppy trade featured across major European equities markets overnight Friday, but key US indices advanced in early trade and never looked to be headed.

Today's Stock Watch
Sims Metal Management (SGM)

Anticipating a \$A20M - \$A30M 1H FY 2020 underlying EBIT loss. A \$A20M - \$A50M full year underlying EBIT loss is expected. Details lodged this morning.

PPK Group (PPK)

Proposing to acquire 45% of body armour manufacturer Craig International Ballistics (CIB), purchasing 500,000 shares at \$4.50 each. In addition, PPK will pay CIB \$2.75M cash.

Sezzle Inc (SZL)

The number of SZL active merchants rose 48.7% during the September quarter, to 7507.

The active customers tally was boosted 49.9%, to 429,898.

Blackmores Ltd (BKL)

BKL settled the acquisition of soft-gel capsule and tablet manufacturer Catalent Australia, and its Braeside, Victoria facility, Friday with a \$33M completion payment.

A \$20M capital payment is also anticipated early 2020, as a BKL contribution to upgrades and expansions over the past 18 months. This will also include any working capital adjustments.

BKL's AGM is scheduled for Thursday this week.

IRESS Ltd (IRE)

Planning to offer an automated superannuation service through an agreement with Emergency Services and State Super.

Rural Funds Management (RFF)

Selling poultry assets for \$72M, and outlaying \$22.6M for three cattle properties.

Althea Group (Holdings) (AGH)

Launching a new cannabidiol oral oil product.

Resources
Carawine Resources (CWX) / Rio Tinto (RIO)

CWX has secured a RIO farm-in and JV agreement over four of CWX's WA Paterson province tenements.

Initially, RIO will pay CWX \$200,000 cash and subscribe for \$300,000 worth of CWX shares.

Under the agreement, RIO can earn up to 70% over six years, before becoming a JV partner, and subsequently can earn an additional 10%.

Further, CWX has won ballots for four additional Paterson province tenements, two of these within a kilometre of the Nifty copper project. CWX traded at 22.5c - 27c last week.

Energy
Beach Energy (BPT)

Produced 6.55MMboe during the September quarter, down 6% on the June quarter. Sales revenue fell 13% to \$514M.



The **US** administration declared China and the US were near finalising some of the accord announced from the trade talks in Washington earlier in the month.

In addition, the defence secretary confirmed that the US was planning to secure oil fields in northern Syria.

European Union (EU) leaders agreed to extend the deadline for the UK's withdrawal from the EU beyond 31 October (Thursday), and flagged a decision tonight on a new date.

In the **UK**, major political parties were considering options should the leaders decide the UK can leave anytime through to 31 January, pending UK parliamentary approvals.

The UK PM continued to maintain he would push for an early general election.

Scant overnight Friday **data** releases included the GfK November consumer confidence index for **Germany**, which came in at 9.6 from 9.8.

An IFO October business climate index remained flat at 94.6.

In the **US**, the University of Michigan's final October consumer sentiment reading was reported at 95.5, against the first estimate of 96, but this followed 93.2 at the end of September.

Tonight in the US, the September Chicago Fed national activity and Dallas Fed October manufacturing indices are due, together with September export and import prices, and wholesale inventories.

Elsewhere, a new EU-UK planned separation timetable is expected.

Companies scheduled to report earnings later today and tonight include: Alphabet (incl Google; post-US trade), AT&T, Baidu, Canon, Everbright, HSBC, Hyundai Heavy Industries, Loews, NXP Semiconductors (post-US trade), Samsung Heavy Industries, SK Telecom, Spotify, and Walgreens Boots Alliance.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1505.3	oz	0.60	0.0
Silver (NY) (Dec)	17.926	oz	0.122	0.7
Gold (LON)	1497	oz		
Platinum	924	oz	3	0.3
WTI Crude (Dec)	56.66	bbl	0.43	0.8
Brent Crude (Dec)	62.02	bbl	0.35	0.6
Iron Ore (NYMEX,CHN,62%)	90.22	t	0.11	0.1
Copper (LME,3mth,PM)	5892	t	5	0.1
Nickel	16860	t	20	0.1
Aluminium	1725	t	2	0.1
Lead	2232	t	9	0.4
Zinc	2506	t	7	0.3
Tin	16695	t	-80	-0.5

Commodities Commentary

Oil – Friday's further gains were attributed in part to positive US talk regarding US-China trade accord progress.

In addition, a weekly US petroleum drill rig count estimated 17 fewer operational oil rigs, reducing the tally to 696.

A tropical storm in the north west Gulf of Mexico was also on

Pre-Open Announcements

Coca-Cola Amatil (CCL)

Non-executive director Julie Coates will retire from the CLL board 29 November, due to her appointment as MD and CEO of CSR Ltd (ASX: CSR).

Virgin Australia Holdings (* VAH)

Conducting a \$A150M ASX-listed notes offer, 5 – 25 November. This in addition to the \$US425M offer announced last week.

Cromwell Property Group (* CMW)

CMW is acquiring all third party holdings in the Cromwell Polish Retail Fund.

Details lodged this morning, including an early-November anticipated completion.

AusCann Ltd (AC8)

Chairman Mal Washer has retired from the AC8 board.

Cheryl Edwards has been appointed interim chair, but will not seek re-election to the AC8 board when her term expires January 2020.

Noxopharm Ltd (NOX)

Executive chairman and founder Graham Kelly is assuming CEO duties due to the departure of Greg van Wyk.

Imugene Ltd (IMU)

Anticipating \$4.1M worth of R&D tax incentive rebates during the December quarter.

Resources

Magmatic Resources (* MAG)

MAG has appointed Battery Minerals (ASX: BAT) David Flanagan as an independent non-executive director.

Mr Flanagan is a former chairman and MD of Atlas Iron which was acquired by Redstone Corporation last year.

BCI Minerals (* BCI)

Shipped 2Mt of iron ore during the September quarter. \$A32M cash.

WA Mardie salt and potash project DFS outcomes expected by 31 March 2020.

Lithium Australia (LIT)

September quarter report lodged post-trade Friday.

Energy

Norwest Energy (* NWE)

Prospective gas resources updates lodged this morning for the WA Perth Basin Lockyer Deep and North Erregulla Deep prospects.



watch.

Meanwhile, the US had reportedly further eased sanctions for select companies to utilise COSCO tankers, on a temporary basis, to enable pre-sanction orders to be delivered.

In corporate other industry news, Saudi Aramco estimated a 400,000t – 500,000t of petrochemical product output impact from the September oil facility attacks, and conceded some financial impact could be reported for the December quarter.

Qatar's major petrochemical producer Industries Qatar reported reduced sales and lower prices had combined with maintenance outages to produce an almost 50% fall in January - September net profit.

Phillips 66 also reported ~50% fall in September quarter net earnings.

In the meantime, planned industrial action at Petrobras (Brazil) operations was expected to be placed on hold following reported new contracts progress.

WTI crude closed the week 5% higher, and Brent with a 4.4% gain.

Gold – early gains overnight Friday were initially attributed to concern over weak economic indicators, and the wait for a decision on the likely timing of the UK's planned departure from the EU, but US administrative talk promoting trade negotiations progress with China, pegged futures back from an intra-session \$US1520.90/oz.

This week's **US Federal Reserve** policy meeting is expected to influence some sentiment this week, both through pre-meeting commentary and post-meeting outcomes and statements.

Material data releases, including from China and the US, are also expected to swing trade through the week.

Major companies will also report earnings in the US.

Base metals – China's January - September industrial profits (-2.1%, following -1.7% for January – August), reported yesterday, are expected to dampen at least some LME sentiment tonight, despite overnight Friday's optimistic US talk regarding progress with a trade accord with China.

China PMIs, are due later this week, are expected to keep China growth in focus.

In metal-specific news, the Philippines Tampak copper-gold project has reportedly regained an environmental permit.

Indonesia has reportedly boosted Aneka Tambang's *nickel* ore export allowance by ~330,000t.

In Chile, major *lithium* operations have reportedly been blockaded among ongoing broader national protests.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6823	0.0003	0.04
EUR – USD	1.1181	0.0000	0.00

Australian Data Today

CommSec	State of the States	Oct
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Trading Halts

Company	Code	Resuming
Genetic Signatures	GSS	28 Oct
Horseshoe Metals	HOR	28 Oct
Kazia Therapeutics	KZA	28 Oct
Zenith Minerals	ZNC	28 Oct
Cardinal Resources	CDV	29 Oct
Eagle Mountain Mining	EM2	29 Oct
QMA Media	QMS	29 Oct

Suspensions (select)

Company	Code	Since
Costa Group Holdings	CGC	23 Oct
Environmental Clean Technologies	ECT	23 Oct
Family Insights Group	FAM	1 Oct
Force Commodities	4CE	7 Oct
iSignthis Ltd	ISX	2 Oct
New Standard Energy	NSE	14 Oct
Peppermint Innovation	PIL	11 Oct
Troy Resources	TRY	15 Oct
UltraCharge Ltd	UTR	21 Oct
Wattle Health Australia	WHA	2 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ASG	Today	3	100	1.17
CLV	Tomorrow	1.75	100	0.64
NST	Tomorrow	7.5	100	0.61
TER	Tomorrow	1	0	0.00
GCI	Wed	0.76	0	4.93
MOT	Thu	1	0	2.69
MXT	Thu	0.88	0	5.47
FNP	Fri	3.25	0	0.90
PIA	4 Nov	3.5	67.14	3.17

Reports & Events

(selected)

When	Company	Report/Event
Today	BPT	Sep Q
	BKI	AGM
Tomorrow	FLC	Sep Q
	FMG	AGM
	LOV	AGM
	SXE	AGM
	VOC	AGM



US Data Tonight

Chicago Fed national activity index	Sep
Dallas Fed manufacturing	Oct
Export and import prices	Sep
Wholesale inventories	Sep

Other Overseas Data Today & Tonight

UK	CBI distributive trades	Oct
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Wed	IAP	Interim (teleconf 5pm AEDT)
	JHG	Sep Q
	MYR	AGM
	NCZ	AGM
	NXT	AGM
	NHF	AGM
Thu	BKL	AGM
	CNU	AGM
	OGC	Sep Q (post-trade; tele 8am Fri)
	PNI	AGM
	RWC	AGM
Fri	CLH	AGM
	IMM	AGM

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