

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6676	6	<b>0.1</b>
<b>NZX 50</b>	10796	7	<b>0.1</b>
<b>DJIA Futures</b>	27161	29	0.1
<b>S&amp;P 500 Futures</b>	3049	2	0.1
<b>NASDAQ Futures</b>	8122	10	0.1

**Local Markets Commentary**

The Australian market commences today's trade with key domestic and China economic indicators due by the middle of the day, another US rates cut in hand, and a major domestic bank reporting earnings.

China's National Bureau of Statistics is expected to release October PMIs **midday AEDT**.

The Bank of Japan is scheduled to release a post-policy meeting statement **~2pm AEDT**.

Locally today, the Reserve Bank of Australia (RBA) publishes financial aggregates, including **private sector credit 11.30am AEDT**.

September **building approvals** and September quarter **export and import prices** are due from the Australian Bureau of Statistics (ABS) at the same time.

In overnight commodities trade, **oil** fell, but is expected to benefit from the subsequent US rates cut announcement.

US **gold** futures (December) turned to settle higher, but swung back again post-settlement on the US rates cut.

**Iron ore** (Nymex CFR China, 62% Fe) continued to decline.

LME **copper** and **nickel** turned lower. **Aluminium** closed essentially flat.

The **\$A** was propelled to ~US69.00c after approaching US68.75c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27187	115	<b>0.4</b>
<b>S&amp;P 500</b>	3047	10	<b>0.3</b>
<b>NASDAQ</b>	8304	27	<b>0.3</b>
<b>FTSE 100</b>	7331	25	<b>0.3</b>
<b>DAX 30</b>	12910	-29	<b>-0.2</b>
<b>Shanghai Comp</b>	2939	-15	<b>-0.5</b>

**Overseas Markets Commentary**

Weak sentiment featured in early trade across major European and US equities markets overnight, but most key indices settled at or near session highs, the DAX 30 proving a notable exception.

US settlements were buoyed by the **US Federal Reserve** decision to cut its rates range by 0.25% (to 1.5% - 1.75%) for the third consecutive policy meeting.

**China – official (NBS) PMIs midday AEDT**

**Australia – private sector credit 11.30am AEDT**

\* Fund listing **midday AEDT – TDI** \*

**Last trading day for October**

**Today's Stock Watch**
**Australia & New Zealand Banking Group (ANZ)**

7% lower, \$A5.95B full year NPAT. 6% lower, \$18.79B continuing operations operating income.

Flat, \$6.47B continuing operations cash profit.

On-par, 11.4% CET1. Flat, 80c 70%-franked final dividend.

**Janus Henderson Group (JHG)**

\$US112.1M September quarter net profit, against \$US111.2M a year earlier and \$US109.4M for the June quarter 2019.

\$US356.1B AUM, down 1% for the three months.

Paying a US36c quarterly dividend. \$US1.21 NTA.

**Brambles Ltd (BXB)**

BXB has appointed Telstra Corp (ASX: TLS) and Toll Group chair John Mullen as a non-executive director, effective tomorrow, and as chairman-elect, to take over from Stephen Johns when he retires next year.

**GPT Group (GPT)**

97.7% occupancy, against 97.1% at 30 June.

Retail specialty sales grew 0.5% year-on-year, to \$11,546/sq m.

**Coles Group (COL)**

\$A600M notes offer, comprising \$300M worth of 2.5% seven-year notes, and \$300M worth of 2.65% 10-year notes.

Funds will replace select bank debt facilities established when COL demerged from Wesfarmers (ASX: WES) last year.

**Bellamy's Australia (BAL)**

Today's AGM materials lodged pre-trade.

**Resources**
**Iluka Resources (ILU)**

Reviewing corporate and capital structure for mineral sands production and the WA Mining Area C royalty. Promising a review update with full year results February 2020.

Year-to-date year-on-year mineral sands production is down 14.4%, at 748,200t. Sales are 26.6% lower, at 590,300t. Revenue is down 13.8% to \$A798.4M.

\$89M net debt, against \$142M at 30 June.

September quarter statistics also lodged pre-trade.

**Resolute Mining (RSG)**

Produced 103,201oz of gold at a \$US1202/oz AISC during the September quarter. Sold 127,265oz at \$US1362/oz.

\$A179M cash, bullion and listed investments.



In announcing the cuts, the Fed cited ‘global developments for the economic outlook’ and ‘muted inflation pressures’.

The post-policy meeting statement also suggested that ongoing cuts were not a given, reducing any expectations of further easing at the next policy meeting, scheduled for December.

At the subsequent press conference, chair Jerome Powell described the bank’s policy as ‘well-positioned’.

Meanwhile, **Chile**’s president withdrew his nation from hosting the **Asia-Pacific Economic Cooperation (APEC)** summit scheduled for 16 – 17 November, at which the US president had planned to meet with the president of China.

Chile was due to host an international climate summit in December, but also cancelled this commitment.

In the **UK**, the House of Lords approved a 12 December general election. The Queen is now due to give assent.

Among a swag of overnight **data** releases, a **euro zone** business confidence index improved to -0.19 from -0.23.

A final October consumer confidence reading came in at -7.6 following September’s -6.5.

**Germany**’s initial October CPI estimate represented 0.1% growth for the month against a flat result for September.

Year-on-year growth was 1.1%.

In the **US**, the initial September quarter GDP growth estimate came in at 1.9% for the three months, 0.3% higher than some expectations, and against a final 2.0% recorded for the June quarter.

A private sector October jobs report estimated 125,000 jobs had been created during the month, following 93,000 for September.

Weekly mortgage applications rose 0.6%, despite mean 30-year mortgage rates rising to 4.05% from 4.02%. Applications had dropped 11.9% the previous week.

**Tonight** in the **US**, September personal income and spending, a monthly job cuts report, the September quarter employment cost index, weekly initial jobless claims and a Chicago PMI update are due, ahead of October national employment statistics tomorrow night.

Elsewhere, **euro zone** GDP and CPI readings are keenly anticipated.

Companies scheduled to report earnings later today and tonight include: Archer Daniels Midland, Audi, BNP Paribas, Bristol-Myers Squibb, Celgene, Daewoo Engineering, Estee Lauder, Fiat Chrysler, Fuji Electric, Japan Airlines, Kraft Heinz, Mitsubishi Electric, Mitsubishi Heavy Industries, Pinterest, Royal Dutch Shell, Samsung Electronics, Sanofi, SK Telecom, Sumitomo Heavy Industries, Takeda Pharmaceutical and Toyota Industries.

Unilever trades ex-dividend on the FTSE 100.

In overnight corporate news, **Deutsche Bank** reported an €832M September quarter net loss, against a €3.15B net loss for the June quarter and a €229M profit for the September quarter 2018.

**Apple** reported post-US trade, at the same time delivering a seemingly pleasing holiday season sales forecast.

This is likely to influence at least some of tonight’s overall US trade sentiment.

## Pre-Open Announcements

### Bubs Australia (\* BUB)

58% year-on-year higher, \$14.21M September quarter revenue. Additional September quarter statistics lodged pre-trade.

### Infigen Energy (\* IFN)

September quarter net revenue rose 5% year-on-year, to \$69.6M.

Additional September quarter statistics lodged this morning.

### 360 Capital Digital Infrastructure Fund (\* TDI)

Expecting to list on the ASX **midday** AEDT following a \$65M IPO at \$2.00 per unit.

Trading will commence on a deferred settlement basis.

Normal (T+2) trade is expected to commence Monday.

58.25M quoted units.

### Myer Holdings (MYR)

19.07% proxies vote against MYR’s remuneration report at yesterday’s AGM.

The subsequent poll produced a 19.15% vote against.

### Quickstep Holdings (QHL)

Forfeited 9.4% yesterday, settling at 14.5c.

Anticipating 8% - 10% FY 2020 sales growth.

September quarter sales grew 11% year-on-year to \$19.5M.

## Resources

### Sandfire Resources (\* SFR)

Black Butte copper project Johnny Lee deposit measured and indicated resource estimated at 10.9Mt @ 2.9% Cu, for 311,000t of copper.

SFR 80%.

## Energy

### Winchester Energy (\* WEL)

Texas, US Mustang oil field White Hat 20#4 will be completed as an oil producer.

Wireline logging has indicated 25ft of gross sand thickness.

WEL 75% working interest.

## Trading Halts

Company	Code	Resuming
Alexium International Group	AJX	31 Oct
IXUP Ltd	IXU	31 Oct
Strike Energy	STX	31 Oct
Tempo Australia	TPP	31 Oct
NTM Gold	NTM	1 Nov
PointsBet Holdings	PBH	1 Nov
Tymlez Group	TYM	1 Nov

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1496.7</b>	oz	6	0.4
<b>Silver (NY) (Dec)</b>	17.867	oz	0.036	0.2
<b>Gold (LON)</b>	1487	oz		
<b>Platinum</b>	923	oz	5	0.5
<b>WTI Crude (Dec)</b>	<b>55.06</b>	bbl	-0.48	-0.9
<b>Brent Crude (Dec)</b>	<b>60.61</b>	bbl	-0.98	-1.6
<b>Iron Ore</b> (NYMEX,CHN,62%)	89.80	t	-0.23	-0.3
<b>Copper</b> (LME,3mth,PM)	<b>5885</b>	t	-41	-0.7
<b>Nickel</b>	16780	t	-40	-0.2
<b>Aluminium</b>	1754	t	0.5	0.0
<b>Lead</b>	2201	t	-54	-2.4
<b>Zinc</b>	2516	t	-28	-1.1
<b>Tin</b>	16800	t	-50	-0.3

**Commodities Commentary**

**Oil** – weekly **US** petroleum **inventories**, reported by the EIA overnight, included a 5.7MMbbl increase in stored crude, but a fifth consecutive draw on petrol stocks, this time tallying 3.0MMbbl.

Distillate (incl heating oil and diesel) inventories fell for a sixth consecutive week.

Net oil imports grew a daily 1.2MMbbl. Imports from Canada jumped and further supply came from a 'strategic petroleum reserve' release.

Refinery use improved 2.5%.

PetroChina notable cited domestic supply overhang when reporting a 90% drop in January – September refining division operating profit. The group's oil production grew 2.9%

The **US Federal Reserve** announced its rate cut post-US settlement, so this will first influence today's trade.

The Brent December contract expires at tonight's settlement.

**Gold** – a **US Federal Reserve** rates cut pushed futures lower post-settlement, but some relatively weak data had earlier supported prices to the first positive settlement for this week.

Further key international data releases are due from today through the end of the week, and include China business activity indices today and tomorrow, and monthly US employment statistics and an ISM manufacturing index update tomorrow night.

The Bank of Japan concludes a policy meeting today and will announce outcomes well before the commencement of US trade.

The Bank of England and Reserve Bank of Australia hold policy meetings next week, but only the post-meeting statements are likely, if at all, to influence gold sentiment.

**Base metals** – reduced China-US near-term trade accord expectations, inventory figures and a batch of mixed data influenced overnight sentiment.

Meanwhile, protest-wracked Chile reported reduced *copper* and *iron* output had pushed overall September mining production lower.

Peru, in the meantime, signalled the planned 120,000tpa Tia

**Suspensions** (select)

Company	Code	Since
Horseshoe Metals	HOR	28 Oct
Invigor Group	IVO	30 Oct
New Standard Energy	NSE	14 Oct
Peppermint Innovation	PIL	11 Oct
Troy Resources	TRY	15 Oct
UltraCharge Ltd	UTR	21 Oct
Vanadium Resources	VR8	30 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>MOT</b>	Today	<b>1</b>	0	2.73
<b>MXT</b>	Today	<b>0.88</b>	0	5.47
FNP	Tomorrow	3.25	0	0.92
NBI	Tomorrow	0.9	0	5.81
PIA	Mon	3.5	67.14	3.10
BIS	Tue	4	100	3.42
NAC	Tue	1.35	100	5.68
NSC	Tue	1	100	5.33
WLL	Tue	21	100	1.61
BKW	Wed	38	100	3.05
BOQ	Wed	31	100	3.77
RMD	Wed	3.99	0	0.70

**Reports & Events**

(selected)

When	Company	Report/Event
<b>Today</b>	<b>ANZ</b>	Full year
	<b>BAL</b>	AGM
	<b>BKL</b>	AGM
	<b>BUB</b>	Sep Q
	<b>CNU</b>	AGM
	<b>CLQ</b>	AGM
	<b>GPT</b>	Sep Q
	<b>ILU</b>	Sep Q
	<b>IFN</b>	Sep Q
	<b>OGC</b>	Sep Q (post-trade; tele 8am Fri)
	<b>PNI</b>	AGM
	<b>RSG</b>	Sep Q
<b>RWC</b>	AGM	
<b>Tomorrow</b>	ASB	AGM
	BAP	AGM
	CLH	AGM
	CSR	Interim
	IMM	AGM
	MQG	Interim



Maria copper project could progress, awarding a construction licence, but the PM warned social and environmental conditions needed to be satisfactory for the project to ultimately proceed.

In individual company news, *Aluminum Corp of China* (Chalco) reported a 10.4% year-on-year September quarter production decline, to 950,000t, and 13.8% sales drop to 940,000t.

Indonesia suggested *nickel* ore exports could resume again within two weeks, pending an investigation into alleged regulatory breaches, ahead of an indefinite ban scheduled to commence January 2020.

Tonight's trade is likely to be influenced by official **China** October PMIs, due today. A Bank of Japan post-policy meeting statement, plus euro zone GDP and CPI readings could also sway some sentiment.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6900	0.0001	-0.02
<b>EUR – USD</b>	1.1155	0.0005	0.04

### Australian Data Today

RBA	Financial aggregates (incl private sector credit)	Sep
ABS	Building approvals	Sep
ABS	Import & export prices	Sep Q
RBA	International reserves; forex liquidity	Oct

### US Data Tonight

Personal income & spending	Sep
Employment cost index	Sep Q
Chicago PMI	Oct
Challenger job cuts	Oct
Initial jobless claims	26 Oct

### Other Overseas Data Today & Tonight

<b>China</b>	PMIs	Oct
<b>Japan</b>	Bank of Japan policy statement	Oct
Japan	BoJ quarterly outlook	Dec Q
Japan	Industrial production (Sep)	Sep
Japan	Consumer confidence (4pm AEDT)	Oct
<b>UK</b>	GfK consumer sentiment	Oct
<b>Germany</b>	Retail sales	Sep
<b>Euro zone</b>	GDP (initial)	Sep Q
Euro zone	CPI (prelim)	Oct
Euro zone	Unemployment	Sep

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	ORI	Full year
<b>Mon</b>	CDV	AGM
	CCP	AGM
	WBC	Full year
<b>Wed</b>	BLD	AGM
	CWP	AGM
	CTD	AGM
	EHE	AGM
	PDL	Full year
	PPH	Interim
	VAH	AGM

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