

Markets

SFE 200 Futures (9.30am AEST)	6658	28	0.4
NZX 50	10743	-16	-0.2
DJIA Futures	27444	14	0.1
S&P 500 Futures	3077	1	0.0
NASDAQ Futures	8213	6	0.1

Local Markets Commentary

The Australian market opens today's trade with lacklustre overnight international equities leads, another major domestic bank reporting full year results, material national data due late-morning and several large-cap companies hosting AGMs and providing updates.

Locally today, AiG releases its October national **construction sector activity** index pre-trade.

September international trade figures, as calculated by the Australian Bureau of Statistics, are anticipated **11.30am AEDT**.

In overnight commodities trade, **oil** swung lower and US **gold** futures (December) higher.

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

LME **copper** turned and fell. **Nickel** and **aluminium** again settled a little lower.

The **\$A** fell beneath US68.85c after trading at ~US69.00c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27493	-0.1	-0.0
S&P 500	3077	2	0.1
NASDAQ	8411	-24	-0.3
FTSE 100	7397	9	0.1
DAX 30	13180	31	0.2
Shanghai Comp	2979	-13	-0.4

Overseas Markets Commentary

Vacillating sentiment was again demonstrated across major European and US equities markets overnight, international economic growth apprehension appearing to weigh.

A media report suggested any initial phase trade deal-related meeting between the presidents of the US and China could occur as late as December.

In the meantime, China's COFCO revealed it was purchasing \$US100M worth of pork from a Danish company.

The International Monetary Fund (IMF) also revealed it expected growth in the euro zone to slow further than previously anticipated, due in part to reduced activity moving to the services sector in addition to manufacturing.

Among overnight **data** releases, the **euro zone's** September retail

Australia – September trade statistics 11.30am AEDT

* Medicinal cannabis listing **midday AEDT – CAU** *

Today's Stock Watch

National Australia Bank (NAB)

Maintaining fixed remuneration for executives at this year's levels (ie no increases), and scrapping short-term variable rewards.

83c fully franked final dividend, against 98c a year ago. 13.6% lower, \$4.798B full year NPAT. 6.1% lower, \$17.931B revenue. 10.6% lower, \$5.097B cash profit. 10.38% CET1. 18% higher, \$919M credit impairments.

James Hardie Industries (JHX)

18% higher, \$US189.6M interim NPAT. 2% higher, \$US1.32B net sales. US10c interim dividend. \$US1.52 NTA, up 21%.

Downer EDI (DOW)

Today's AGM materials lodged pre-trade.

Spark New Zealand (SPK)

Today's AGM materials lodged pre-trade.

Sky City Entertainment (SKC)

Today's investor day materials, including a trading update, lodged pre-trade.

Perenti Global (PRN)

Expecting casualties within the PRN Burkina Faso African Mining Services member workforce, due to the deadly attack on a convoy ~40km from the Semafo Bongou mining operation.

Jatenergy Ltd (JAT)

NEURIO distribution agreement secured in China with Kigobaby, with an initial \$100,000 payment due within three days.

MGM Wireless (MWR)

Agreement secured for The Good Guys to sell MWR's SPACETALK children's smartphone/watch/GPS.

Zip Co (ZIP)

Australian instalment payment agreement secured with Amazon Commercial Services. ZIP is expecting its service will become available on Amazon.com.au today.

Cronos Australia (* CAU)

Medicinal cannabis products supplier scheduled to commence ASX trade **midday AEDT** following a \$20M IPO at 50c per share. Trading will commence on a deferred settlement basis. Normal (T+2) trade is expected to commence Monday. 48.625M quoted shares.



sales exceeded expectations, jumping 3.1% year-on-year following a 2.7% August increase. For the month however, sales improved just 0.1%, against 0.6% in August.

A final services PMI reading for October came in at 52.2 from 51.6 in September.

In **Germany**, September factory orders pleased, rising 1.3% following a 0.4% August decline.

The nation's services PMI was finalised at 51.6, 0.2 higher for the month.

In the **US**, September quarter productivity was calculated 0.3% lower year-on-year, the first quarterly fall in four years, after improving 2.5% across the June quarter.

Weekly mortgage applications slipped 0.1%, with mean 30-year mortgage rates falling to 3.98%, against 4.05% the previous week.

Brazil's currency (the real) suffered a 2% drop against the \$US following a disappointing auction of four oil blocks.

Meanwhile in the **UK**, the ruling Conservatives launched their national election campaign.

Tonight in the **US**, September consumer credit and weekly new unemployment claims are due.

Elsewhere, the **Bank of England** convenes a policy meeting, announces outcomes, and publishes an inflation report.

Companies scheduled to report earnings later today and tonight include: ArcelorMittal, Commerzbank, J Sainsbury, Keurig Dr Pepper, Kirin Holdings, Lloyds Banking, Lotte Shopping, Monster Beverage, News Corporation, Rinnai, Shiseido, Siemens, Symantec, Toyota Motor, UniCredit and Walt Disney.

Royal Dutch Shell and GlaxoSmithKline trade ex-dividend on the FTSE 100.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1493.1	oz	9.4	0.6
Silver (NY) (Dec)	17.598	oz	0.03	0.2
Gold (LON)	1489	oz		
Platinum	927	oz	0	0.0
WTI Crude (Dec)	56.35	bbbl	-0.88	-1.5
Brent Crude (Jan)	61.74	bbbl	-1.22	-1.9
Iron Ore (NYMEX,CHN,62%)	82.98	t	0.13	0.2
Copper (LME,3mth,PM)	5883	t	-61	-1.0
Nickel	16240	t	-45	-0.3
Aluminium	1804	t	-5	-0.3
Lead	2108	t	-42	-2.0
Zinc	2475	t	25	-1.0
Tin	16545	t	90	0.6

Commodities Commentary

Oil – a weekly **US** petroleum **inventories** report, published by government agency EIA overnight, included a 7.93MMbbl rise in stored crude.

Net daily crude imports increased by 336,000bbl, exports tumbling 1MMbbl/d to 2.4MMbbl/d.

Refinery utilisation pulled back to 86% of capacity and runs declined by 237,000bbl/d.

Pre-Open Announcements

Xero Ltd (* XRO)

\$NZ1.34M interim NPAT. 32% higher, \$NZ338.66M revenue. NZ44c NTA, against US54c a year ago.

Emerge Gaming (* EM1)

ArcadeX billing and distribution agreement secured with WorldPlay Mobile Solutions.

MyFiziq Ltd (MYQ)

MYQ and Red Leaf Securities have agreed to terminate, a corporate advisory mandate.

MYQ will grant Red Leaf 1.2M MYQ shares as settlement.

MYQ has traded at 24.5c – 32c for the week to date.

Resources & Energy

BHP Group (** BHP)

Update keenly anticipated at BHP's Australia AGM, scheduled for this morning.

South32 Ltd (** S32)

Proposing to sell the company's 91.835% holding in South 32 SA Coal Holdings Pty Ltd (South Africa Energy Coal) for an initial 100M rand.

S32 is selling to Serity Resources, plus one community trust and one employee trust.

Pending the satisfaction of sale conditions, closure is anticipated within nine – 12 months.

Trading Halts

Company	Code	Resuming
Total Brain	TTB	7 Nov
Ambertech Ltd	AMO	8 Nov
Konekt Ltd	KKT	8 Nov

Suspensions (select)

Company	Code	Since
Alexium International Group	AJX	31 Oct
Creso Pharma	CPH	5 Nov
Horseshoe Metals	HOR	28 Oct
Invigor Group	IVO	30 Oct
Micro-X Ltd	MX1	6 Nov
Novatti Group	NOV	6 Nov
OBJ Ltd	OBJ	5 Nov
Peppermint Innovation	PIL	11 Oct
Troy Resources	TRY	15 Oct
UltraCharge Ltd	UTR	21 Oct
Vanadium Resources	VR8	30 Oct



Petrol stocks fell by 2.83MMbbl, to beneath a five-year average, and distillates (including diesel and heating oil) were estimated 600,000bbl lower.

In **Iraq**, civil protests blocked access to the Nassiriya oil refinery and a warehouse used to store fuel supplies from another region.

Saudi Arabia reported an \$US8.56B September quarter budget deficit, impacted by lower oil prices and production curbs. Oil revenue was reported 24.6% lower for the three months, against a 4% improvement in the deficit over this time.

Russia's energy minister in the meantime claimed stability in oil markets, pointing to (Brent) prices above \$US60/bbl.

In **Brazil**, onerous conditions proved too much for most oil majors, Brazil's State-owned Petrobras, China National Offshore Oil Corp (CNOOC) and China National Petroleum Corp division China National Oil & Gas Exploration & Development Corp the only bidders in an auction of four blocks. Further, bids were submitted for just two of the blocks.

Gold – a slight pullback in the ICE \$US index (0.1%) and fall in US bond yields supported overnight gold interest.

Base metals – overnight trade appeared mostly influenced by stockpiles, data including factory orders and retail sales in Germany and the euro zone, forecasts and a weaker \$US.

Indonesian authorities were reported to be considering lifting a temporary ban on *nickel* ore exports as early as today.

Cobalt production was expected to grow 3.5% during 2020, but not at the same pace as for 2019, which is estimated at 6.3%, research firm Antaika predicted. This is due, in part, to Glencore's Democratic Republic of Congo Mutanda operation remaining closed.

Meanwhile another *lithium* producer, this time Livent, pointed to reduced prices and international oversupply fears in describing industry conditions as 'difficult'.

Among data releases, **Japan's** final October services PMI, reported yesterday, dropped to a contractionary 49.7 from September's 52.8. **Germany's** factory orders swung higher.

China's trade figures are anticipated tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6885	-0.0000	-0.01
EUR – USD	1.1071	0.0005	0.04

Australian Data Today

AiG	PCI	Oct
ABS	Trade balance	Sep

US Data Tonight

Consumer credit (7am Fri AEDT)	Sep
Initial jobless claims	2 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
OMH	Today	1	0	3.92
WAT	Today	3	100	2.20
CSR	Tomorrow	14	50	5.58
JHG	Tomorrow	52.45	0	5.57
JYC	Tomorrow	5	100	4.14
ANZ	Mon	80	70	6.15
MQG	Mon	250	40	4.25
ORI	Tue	33	15.15	2.28
WBC	Tue	80	100	6.90
API	Wed	4	100	5.66
GMA	Wed	24.2	0	4.48

Reports & Events

(select)

When	Company	Report/Event
Today	BHP	AGM
	DOW	AGM
	FLT	AGM
	JHX	Interim; Sep Q
	LCK	Investor webinar
	MCR	AGM
	NAB	Full year
	SKC	Investor day; trading update
	SPK	AGM
	XRO	Interim
Tomorrow	ADT	AGM
	AMC	Sep Q (o/night Thu AEDT)
	HIL	AGM
	NWS	Sep Q (o/night Thu AEDT)
	SUL	Investor day
Mon	DHG	AGM
	ELD	Full year
	ED1	AGM
	SO4	AGM
Tue	FSF	AGM
	HCH	AGM
	IPL	Full year
	INA	AGM
	MAH	AGM
	NWL	AGM
	NCM	AGM
	NEC	AGM
	S2R	AGM

**Other Overseas Data Today & Tonight**

China	Foreign exchange reserves (post-ASX trade)	Oct
Japan	Tankan index	Oct
UK	BoE post-policy meeting outcomes	Nov
UK	BoE inflation report	Nov
Germany	Industrial production	Sep
Germany	Construction PMI	Oct
Euro zone	ECB economic bulletin	Nov
Euro zone	EC forecasts	Nov

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	COL	AGM
	CPU	AGM
	MGX	AGM
	PGH	AGM
	SWM	AGM

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