

## Markets

<b>SFE 200 Futures</b> (9.25am AEST)	<b>5278</b>	<b>-12</b>	<b>-0.2</b>
<b>NZX 50</b>	6946	-15	-0.2
<b>DJIA Futures</b>	18085	23	0.1
<b>S&amp;P 500 Futures</b>	2124	4	0.2
<b>NASDAQ Futures</b>	4805	8	0.2

## Local Markets Commentary

The Australian market commences Melbourne Cup Day trade with plenty to consider locally and regionally, on mixed commodities leads, and after US equities settled barely changed.

Locally today, the **Reserve Bank of Australia (RBA)** holds a policy meeting, from which outcomes will be known 2.30pm AEDST

Manufacturing and house price indices, plus a weekly consumer sentiment reading are also due.

Post-trade, the RBA publishes its October commodity price index report.

Regionally today, **China** PMIs are due from the NBS **midday** AEDST, and from Caixin (manufacturing only) **12.45pm**.

The Bank of **Japan** (BoJ) also announces outcomes from its policy meeting **~2pm** AEDST. A manufacturing PMI is due **11.30am**.

In overnight commodities trade, **oil** and US **gold** futures turned lower. **Iron ore** was pushed yet higher. **Copper** settled modestly higher.

The **\$A** remained within a narrow range after trading at ~US76.10c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>18142</b>	-19	<b>-0.1</b>
<b>S&amp;P 500</b>	2126	-0.3	<b>-0.0</b>
<b>NASDAQ</b>	5189	-1	<b>-0.0</b>
<b>FTSE 100</b>	6954	-42	<b>-0.6</b>
<b>DAX 30</b>	10665	-31	<b>-0.3</b>
<b>Shanghai Comp</b>	3100	-4	<b>-0.1</b>

## Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight. Key indicators came in mixed and oil and gold prices turned lower, at the beginning of a significant week of central bank meetings and influential economic data.

In the **US**, September personal income and spending figures were considered encouraging, spending improving 0.5% after pulling back 0.1% in August, and pointing to an upward revision for September quarter GDP.

Income rose 0.2% on top of a 0.2% increase in August.

The Chicago PMI fell 3.6 points to 50.6 however, against expectations of a slight improvement to 54.3.

The Dallas Fed (Texas region) manufacturing index moved 2.2 points higher, but at -1.5, remained in contraction mode.

RBA – policy statement **2.30pm** AEDST.

Melbourne Cup – public holiday in Melbourne.

**China** – PMIs **midday** AEDST (NBS/CFLP) and **12.45pm** (Caixin).

**Japan** – BoJ policy statement expected **~2pm** AEDST. **PMI 11.30am**.

## Today's Stock Watch

### Collins Foods (CKF)

Collins Foods Germany is acquiring 11 KFC outlets in Stuttgart and Frankfurt, Germany. Total consideration is €12.7M, inclusive of transaction costs. CKF is purchasing the businesses directly from Kentucky Fried Chicken.

### Leaf Resources (LER)

Resuming from suspended trade having completed a \$2.35M placement at 14.5c per share. Funds are intended to support the commercialisation of the Glycell process to convert waste biomass into 'green' plastics and chemicals. LER last traded at 17c.

### IPH Ltd (IPH)

Ella Cheong (Hong Kong) and Ella Cheong Intellectual Property Agency (Beijing) Company acquisition completed. IPH has paid \$HK95M (~\$A16M) cash plus 737,261 IPH shares at \$5.4933 each, and will pay another ~\$HK43M worth of adjustments, April 2017.

### Australia & New Zealand Banking Group (ANZ)

Due to report full-year results Thursday.

### CSR Ltd (CSR)

Interim results anticipated tomorrow.

## Resources

### Evolution Mining (EVN)

Queensland Ernest-Henry copper-gold project acquisition completed. The operation is expected to boost EVN's annual gold production by 85,000oz.

### Mineral Resources (MIN)

Shipped 3.6Mt of iron ore during the September, representing an 18% increase on the June quarter. Full September quarter operational details, highlighting MIN's diversification strategy, lodged this morning.

### Kingsrore Mining (KRM)

An October debt repayment deadline has been extended, as KRM and the company's lenders negotiate new loan and security agreements, with a view to changing repayment schedules.

## Energy

### South32 Ltd (S32)

Illawarra metallurgical coal project saleable output is expected to fall 500,000t due to Appin mine longwall issues. Details lodged post-trade yesterday.

### Origin Energy (ORG)

The amount of Australia Pacific LNG project finance to be guaranteed by ORG has been reduced from \$1.9B to \$1.6B, due to Train 1 performance sufficiently satisfying lenders. ORG 37.5%.

Across in the **euro zone**, an initial October CPI reading placed inflation growth at a two-year peak of 0.5%. Core CPI was estimated at 0.8%.

September quarter GDP growth was reported at 0.3% for the quarter and 1.6% annually.

**Germany's** September retail sales dropped 1.4%, following forecasts of a 0.2% rise.

Speculation surrounding the likely tenure of **Bank of England** governor Mark Carney quietened when he confirmed he planned stay on one year past his initial five-year contract, but leave when the UK completed its separation from the European Union, likely June 2019.

**Tonight** in the **US**, a two-day Federal Reserve policy meeting commences. In addition, ISM's manufacturing index, October construction spending and a Markit final October manufacturing PMI are due.

Archer Daniel Midlands, BP, Kellogg, Nippon Steel, Pfizer, Royal Dutch Shell, Standard Chartered, Sony and Tata Motors are among companies scheduled to report earnings and/or provide trading updates today and tonight.

Overnight, **General Electric** and **Baker Hughes** confirmed an agreement to merge GE's oil and gas business with Baker Hughes, to form a 62.5:37.5 entity.

Earlier in Japan, **Sony** and **Panasonic** had each lowered profit guidance.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1273</b>	oz	-3	<b>-0.3</b>
<b>Silver (NY) (Dec)</b>	17.9	oz	0.1	<b>0.6</b>
<b>Gold (LON)</b>	1272	oz	-1	<b>-0.1</b>
<b>Platinum</b>	980	oz	3	<b>0.3</b>
<b>WTI Crude (Dec)</b>	<b>46.9</b>	bbl	-1.8	<b>-3.8</b>
<b>Brent Crude</b>	<b>48.3</b>	bbl	-1.4	<b>-2.8</b>
<b>Iron Ore (Tianjin)</b>	<b>63.8</b>	t	0.7	<b>1.1</b>
<b>Copper (LME)</b>	<b>4853</b>	t	10	<b>0.2</b>
<b>Nickel</b>	10475	t	45	<b>0.4</b>
<b>Aluminium</b>	1734	t	15	<b>0.9</b>
<b>Lead</b>	2065	t	0	<b>0.0</b>
<b>Zinc</b>	2458	t	62	<b>2.6</b>
<b>Tin</b>	20700	t	50	<b>0.2</b>
<b>CBT Wheat (Dec)</b>	<b>4.16</b>	bshl	0.08	<b>1.9</b>

### Commodities Commentary

**Oil** – traded at four-week lows, amid pessimism global oversupply will continue for some time yet, and as the \$US index turned again and traded at close to 8.5-month highs.

**Gold** – the \$US gained on US consumer spending, detracting from gold. Profit-taking was also reported.

**Base metals** – lower inventories supported increased China demand views for *copper*.

**Zinc** traded at five-year highs, supported by an end-of-mine-life for one of Glencore's Mt Isa operations.

**Aluminium** reached 15-month highs on higher costs for China's producers.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7609	0.0001	<b>0.01</b>
<b>EUR – USD</b>	1.0971	-0.0010	<b>-0.09</b>

## Pre-Open Announcements

### Alexium International (AJX)

October shareholder newsletter lodged this morning, highlighting Alexicool strategy.

### Cellmid Ltd (🔴 CDY)

Resuming from suspended trade with commitments for a \$3M placement at 3c per share. Funds are earmarked for the US launch of the evolix FGF5 inhibitor growth product range. CDY last traded at 3.4c.

### Bard1 Ltd (\* BD1)

September quarter report lodged post-trade yesterday. \$2.7M cash and equivalents, against \$3.1M at the end of the June quarter. Comprehensive activities update anticipated at the company's 7 November AGM.

### iCollege Ltd (ICT)

Offering the FSK training program to five additional probation and parole offices, bringing the total such training programs to 11.

### Boyuan Holdings (\* BHL)

Property developer and manager completed a successful ASX listing yesterday, following an \$18.6M IPO at 20c per share. Opened at 22c and traded at 21c – 23.5c before settling at 21.5c. 402,000 shares changed hands across 28 trades.

## Resources

### Panoramic Resources (PAN)

\$A20M in liquid assets as at 30 September. The WA Lanfranchi and Savannah projects remain on care and maintenance. September quarter report lodged post-trade yesterday.

### Gold Road Resources (\* GOR)

Heralding additional significant results from Attila deposit infill and extensional drilling. Attila is located ~30km from GOR's Gruyere gold project.

### Maximus Resources (\* MXR)

WA goldfields Eagles Nest initial resource estimated at 407,550t @ 2.04g/t Au for 26,800oz of gold. 8,400oz (~31%) qualify for indicated status.

### Navarre Minerals (🔴 NML)

Resuming from a trading halt in receipt of commitments for a \$747,000 placement at 3.8c-per-share. NML appreciated 10.5% immediately before calling the trading halt, to last trade at 4.2c.

## Trading Halts

Company	Code	Resuming
Bathurst Resources	BRL	2 Nov
TV2U International	TV2	2 Nov

## Suspensions (selected)

Company	Code	Since
Atrum Coal	ATU	31 Oct
Black Ridge Mining	BRD	31 Oct
Cabral Resources	CBS	19 Oct
Enerji Ltd	ERJ	20 Oct

**Australian Data Today**

RBA	Policy statement	Nov
AiG	PMI	Oct
ANZ/RoyMgn	Consumer sentiment	30 Oct
CLgc/RPData	House prices	Sep
Dun&BradSt	Business expectations	Oct
RBA	Commodity price index	Oct

**US Data Tonight**

ISM manufacturing	Oct
Construction spending	Sep
Markit manufacturing PMI (final)	Oct

**Other Overseas Data Today & Tonight**

<b>Japan</b>	BoJ policy statement	Nov
Japan	Nikkei manufacturing PMI	Oct
Japan	Vehicle sales	Oct
<b>UK</b>	Markit PMI manufacturing	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).

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MGM Wireless	MWR	26 Oct
Nkwe Platinum	NKP	18 Oct
Nuheara Ltd	NUH	27 Oct
Omni Market Tide	OMT	19 Oct
Orinoco Gold	OGX	12 Oct
RNI NI	RNI	31 Oct
Target Energy	TEX	13 Oct
Transerv Energy	TSV	25 Oct
TW Holdings	TWH	31 Oct
Volta Mining	VTM	17 Oct
Wangle Technologies	WGL	18 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
API	Thu	3.5	100	3.16
GLH	Thu	1	0	0.00
LGD	Thu	0.6	100	5.45
SFL	Thu	1	100	4.76
NAB	Fri	99	100	7.07
BIS	7 Nov	2.5	100	5.56
IPE	8 Nov	2.2	100	33.13
MQG	8 Nov	190	45	5.39
BKW	9 Nov	32	100	3.56
RMD	9 Nov	3.3	0	1.55

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Tomorrow</b>	CSR	Interim
	NIB	AGM
<b>Thu</b>	ANZ	Full-year
	BLD	AGM
	BTT	Full-year
	CCP	AGM
	DOW	AGM
	FXJ	AGM
	PPT	AGM
<b>Fri</b>	REA	Sep Q
	HIL	AGM
	ORI	Full-year
	SKB	AGM
	SGH	AGM
<b>7 Nov</b>	SPK	AGM
	BD1	AGM