

Markets

SFE 200 Futures (9.30am AEDT)	5813	5	0.1
NZX 50	8873	29	0.3
DJIA Futures	25244	-81	-0.3
S&P 500 Futures	2728	-11	-0.4
NASDAQ Futures	6998	-80	-1.1

Local Markets Commentary

The Australian market opens Friday trade ahead of further key domestic data today and out of the US tonight.

Overnight US equities leads are positive, but US equities futures have turned negative this morning.

Post-US trade, Apple's end-of-year sales guidance undershot expectations.

Locally today, September quarter **producer prices** and September **retail sales** are due **11.30am AEDT**.

Among corporate reports today, **MQG** and **CSR** have reported interim results, and **ORI** full year figures, each pre-trade.

In overnight commodities trade, **oil** dropped further for the week.

US (December) **gold** futures swung sharply higher.

Iron ore (China port, 62% Fe) extended Wednesday's fall.

LME **copper** and other base metals turned and rallied.

The **\$A** exceeded US72.00c after trading at US71.55c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25381	265	1.1
S&P 500	2740	29	1.1
NASDAQ	7434	128	1.8
FTSE 100	7115	-13	-0.2
DAX 30	11469	21	0.2
Shanghai Comp	2606	3	0.1

Overseas Markets Commentary

US equities markets again opened higher and soon headed towards settlements at or near session peaks.

Major European indices chopped and swung through overnight trade.

During a much-anticipated post policy meeting press conference, **Bank of England** governor Mark Carney declared national inflation would rise should favourable agreements governing the UK's separation from the European Union (EU) be ultimately negotiated, meaning rates would need to rise from the current 0.75% to 1.5% within three years.

Meanwhile, EU negotiators were reportedly considering a compromise arrangement to move past the Northern Ireland border customs stoush, the British pound and euro each gaining against the

Australia – PPI and retail sales 11.30am AEDT

Today's Stock Watch

Macquarie Group (MQG)

4.97% higher, \$1.31B interim NPAT.
8.02% higher, \$5.83B revenue.
\$2.15 interim dividend, 45% franked.
10.4% CET1.
\$3.4B capital surplus.
\$43.07 NTA.

The share buyback announced a year ago has ended, without any shares having been purchased.

In addition, MQG has appointed former RBA board member Jillian Broadbent AO as an independent director for both MQG and Macquarie Bank (ASX: MBL), effective Monday.

Orica Ltd (ORI)

\$A48.1M full year net loss, against a \$366.M profit a year ago.
6.6% higher, \$5.37B revenue. 31.5c final dividend, against 28.0c. \$3.178 NTA.

CSR Ltd (CSR)

77% drop in interim NPAT to \$A26.8M.
6% higher, \$1.399B revenue.
13c fully franked interim dividend, down 5c.
\$2.15 NTA. \$68.5M net debt.
Anticipating \$180M - \$205M full-year pre-significant item NPAT.

Janus Henderson Group (JHG)

\$US111.2M September quarter net income, against \$US99.5M a year earlier, and \$US104.6M for the June quarter 2018.
AUM grew 2% to \$US378.1B.
Paying a US36c quarterly dividend.

The Food Revolution Group (FOD)

Fruit Farm 2L orange juice China Inspection & Quarantine (CIQ) Certificate in hand.
FOD will promote the juice at next week's China International Import Expo, Shanghai.

Austal Ltd (ASB)

Reporting a data management systems breach and subsequent extortion attempt.

Sims Metal Management (SGM)

Gretchen Johanns has been appointed SGM company secretary following the resignation of Scott Miller, effective today.
SGM is due to host its AGM Thursday next week (8 November).

G Medical Innovations Holdings (GMV)

Proposing to acquire the balance of cardiac monitoring services specialist Telerhythmics for \$UA1.95M.

Althea Group Holdings (AGH)

Medicinal cannabis manufacture licence in hand from the Australian Government Office of Drug Control.

Resources

Kore Potash (K02)

Reviewing Republic of Congo Kola project definitive feasibility results, having received final documents from the consortium of French engineering companies commissioned to complete the study.

\$US.

Among UK data releases, the October manufacturing PMI was reported at 51.1, from 53.6 in September.

In the **US**, the ISM's October manufacturing index undershot expectations, remaining strong at 57.7, but following 59.8 for September.

Weekly initial jobless claims fell by 2000, following forecasts of a 3000 fall. In addition, the previous week's tally was raised by 1000.

A job cuts report calculated announced job losses rose to 756,400 in October, from 552,900 for September.

September quarter productivity came in at a 2.2% year-on-year rise, against 3.0% for the June quarter.

September construction spending was reported flat, following a 0.8% August rise.

October vehicle sales rose to 17.57M from 17.44M in September.

Meanwhile in the last full week of trade before the mid-term elections, the US president promoted border control, and 'very good' discussions with China's president Xi Jinping that indicated the two would agree to meet at the G20 leaders' summit later this month.

Tonight in the US, October employment statistics are due, together with September trade balance and factory orders, plus the ISM's October New York business activity index.

Companies scheduled to reveal earnings or provide updates later today or tonight include: AbbVie, Alibaba, Asics, Berkshire Hathaway, Chevron, Exxon Mobil, Isuzu Motors, Itochu and Mitsubishi.

In overnight corporate news, **Royal Dutch Shell** recorded its best quarterly profit for four years, boosted by higher oil and gas prices, as was BP's profit revealed earlier this week, the highest for BP in five years.

DowDuPont pleased with a \$US3B buyback and better-than-anticipated profit figures, although revenue fell short of expectations.

Ford Motor reported a 3.9% fall in October vehicle sales.

Apple reported post-US trade, but despite revenue profit and revenue, end-of-year sales appears to have disappointed.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1239	oz	24	1.9
Silver (NY) (Dec)	14.7	oz	0.5	3.2
Gold (LON)	1215	oz		
Platinum	858	oz	23	2.8
WTI Crude (Dec)	63.7	bbl	-1.6	-2.5
Brent Crude (Jan)	72.9	bbl	-2.15	-2.9
Iron Ore (CHN port 62%)	75.25	t	-5	-0.6
Copper (LME,3mth,PM)	6090	t	98	1.6
Nickel	11785	t	285	2.5
Aluminium	1966	t	12	0.6
Lead	1953	t	29	1.5
Zinc	2540	t	47	1.9
Tin	19100	t	0	0.0
CBT Wheat (Dec)	5.08	bshl	0.07	1.5

Commodities Commentary

Pre-Open Announcements

Heartland Group Holdings (HGH)

Financial services company completed its ASX listing yesterday under foreign exempt status.

Traded at \$1.47.

7040 shares changed hands in three transactions,

HGH's main listing is on the NZX.

560.1M quoted shares.

Energy

Bounty Oil & Gas (BUY)

South West Queensland PL 77 Jarra 5 logging preparations are underway following oil shows.

BUY 2%.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	CSR	Interim
	GXL	AGM
	MAH	AGM
	MQG	Interim
	ORI	Full year
	SPK	AGM
Mon	WBC	Full year
Wed	CBA	AGM
	NWS	Sep Q
	VAH	AGM
Thu	BHP	AGM
	GMG	Q1
	JHX	Q1
	PDL	AGM
	REA	Q1
	SGM	AGM
	TME	AGM
Fri	NAN	AGM
	SFH	AGM

Trading Halts

Company	Code	Resuming
BMG Resources	BMG	2 Nov
King River Copper	KRC	2 Nov
Optiscan Imaging	OIL	2 Nov
Rhinomed Ltd	RNO	2 Nov
Ausmex Mining Group	AMG	5 Nov
Lindian Resources	LIN	5 Nov
MGC Pharmaceuticals	MXC	5 Nov
Oliver's Real Food	OLI	5 Nov
Property Connect Holdings	PCH	5 Nov

Suspensions (select)

Company	Code	Since
---------	------	-------

Oil – WTI traded at 4.5-month lows overnight, prompting further selling though the session. China customs figures reportedly showed a 34% year-on-year September drop in crude imports from Iran, to 2.13Mt, and a 12% fall in Saudi oil imports to 3.78Mt.

China's September US oil imports rose to 1.04Mt from 495,551t in September 2017, with January – September US imports coming in 150% higher year-on-year.

China also imported more oil from Russia during September, 1,65MMbbld, against a daily 1.54MMbbld a year earlier.

In the meantime, Iran's president again implored European nations to support international agreements favouring global co-operation.

A weekly US petroleum drill rig count is due tonight.

Gold – this week's price falls, coupled with an overnight \$US fall, supported overnight gold interest.

Tonight's US monthly national employment report is expected to influence \$US trade, and hence gold sentiment.

Base metals – a softer \$US and technicals helped support overnight LME trade.

Among the forecasters, Glencore said it anticipated a 178,000t nickel deficit for 2018

For its part, Sumitomo said it would produce ~8000t fewer tonnes of nickel, than previously forecast, from the 47.7%-held Madagascar Ambatovy project for the year to 31 March.

Caixin's October manufacturing PMI for **China**, reported yesterday, rose 0.1 to 50.1.

Also yesterday, a final October manufacturing PMI for **Japan** came in at 52.9, up 0.4.

Caixin's China October services PMI is expected Monday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7200	-0.0006	-0.08
EUR – USD	1.1403	-0.0006	-0.05

Australian Data Today

ABS	PPI	Sep Q
ABS	Retail sales	Sep

US Data Tonight

Employment (incl wages, job creation)	Oct
Trade balance	Sep
Factory orders	Sep
ISM New York	Oct

Other Overseas Data Today & Tonight

UK	Construction PMI	Oct
Germany	Manufacturing PMI (final)	Oct
Germany	Import, export prices	Sep
Euro zone	Manufacturing PMI (final)	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.

Celsius Resources	CLA	1 Nov
GBM Gold	GBM	11 Oct
Gulf Manganese Corporation	GMC	19 Oct
Impelus Ltd	IMS	26 Oct
Invictus Energy	IVZ	1 Nov
MRG Metals	MRQ	31 Oct
New Energy Minerals	NXE	1 Nov
Pelican Resources	PEL	31 Oct
Updater Inc	UPD	9 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FNP	Today	2.75	50	0.97
JYC	Mon	6	100	6.92
NAC	Mon	1.35	100	6.87
NSC	Mon	1.36	100	9.13
BIS	Tue	4	100	4.37
BKW	Wed	36	100	3.17
RMD	Wed	3.66	0	0.92
API	Thu	4	100	4.76
NAB	Thu	99	100	tbc
WAT	Thu	3	100	2.38
ANZ	12 Nov	80	100	6.19

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.