

## Markets

<b>SFE 200 Futures</b> (9.25am AEST)	<b>5167</b>	<b>-25</b>	<b>-0.5</b>
<b>NZX 50</b>	6767	-12	-0.2
<b>DJIA Futures</b>	17853	1	0.0
<b>S&amp;P 500 Futures</b>	2084	0	0.0
<b>NASDAQ Futures</b>	4672	-2	-0.1

## Local Markets Commentary

The Australian market commences Friday trade on negative overnight equities leads.

In commodities trade, US **gold** futures turned lower. **Oil** continued so. LME **copper** rallied. **Iron ore** resumed its climb.

The **\$A** appreciated again after trading at ~US76.65c yesterday evening.

Locally today (11.30am AEDST), the **RBA** publishes a quarterly monetary policy report, which will include inflation and GDP updates.

The ABS releases September retail trade figures. October vehicle sales are also due.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>17931</b>	-29	<b>-0.2</b>
<b>S&amp;P 500</b>	2089	-9	<b>-0.4</b>
<b>NASDAQ</b>	5058	-47	<b>-0.9</b>
<b>FTSE 100</b>	6791	-55	<b>-0.8</b>
<b>DAX 30</b>	10326	-45	<b>-0.4</b>
<b>Shanghai Comp</b>	3129	26	<b>0.8</b>

## Overseas Markets Commentary

Cats remained among pigeons overnight, Britain's High Court ruling the **UK** parliament must first approve a triggering of the process for the UK to leave the European Union (EU).

This effectively jeopardises the proposed separation, and propelled the British pound higher.

The government is appealing on the grounds the public referendum was held under a parliamentary act, and the Supreme Court has set aside 5 - 8 December for a preliminary hearing.

In the meantime, major European and US equities markets mostly chopped their way to lower finishes again, ahead of **US** jobs figures tonight and the US presidential poll Tuesday next week.

In US data releases, ISM's October services sector activity index fell 2.3 to 54.8, against expectations of 56.0.

Weekly new unemployment claims rose by 7000.

A job layoffs report reported 31% fewer cuts, totalling 30,740, however.

Hourly output per worker (non-farm productivity) was estimated to have risen 3.1% during the September quarter after falling 0.2% for the June quarter.

September (new) factory orders rose 0.3%, from a 0.4% gain in August, and unfilled orders fell.

Back in the UK, the **Bank of England** (BoE) had

**RBA** - quarterly monetary policy report **11.30am** AEDST.

\* Road tourism vehicle specialist listing **midday** AEDST - **ATL** \*

\* Medical support device manufacturer listing **1pm** AEDST - **NTI** \*

## Today's Stock Watch

### Orica Ltd (ORI)

\$342.8M full-year NPAT, following a \$1.3B loss a year ago. 16.8% lower, \$5.1M revenue. 29c, 8c-franked final dividend. \$3.264 NTA. \$1.5B net debt. \$328M cash and equivalents.

### Sonic Healthcare (SHL)

Proposing to outlay €120M for Munich-based Staber Laboratory. SHL says it can fund the purchase from existing cash and debt facilities. Settlement is anticipated by 31 March 2017.

### National Australia Bank (NAB)

Trading ex-dividend (99c) today.

### Genworth Mortgage Insurance Australia (GMA)

\$46.7M September quarter NPAT, against \$65.5M a year ago. Gross written premium dropped 25.8%. Mortgage delinquencies are growing in Queensland and Western Australia. Teleconference scheduled to commence 10.30am AEDST. Access details lodged this morning.

### SCA Property Group (SCA)

Raising FY 2017 EPU and DPU guidance 0.4c to 14.4c and 13.0c respectively, following the Lillybrook and CQR acquisitions.

### SpeedCast International (SDA)

Resuming from a trading halt having raised \$252M in the institutional entitlement offer in support of the proposed Harris CapRock acquisition. The \$3.10-per-share offer attracted a \$3.40-per-share shortfall book-build price. The retail offer is scheduled for 9 - 18 November. SDA last traded at ~\$3.60.

### GBST Ltd (GBT) / MainstreamBPO Ltd (MAI)

GBT has secured a software supply and associated services deal with independent fund administrator MAI.

### Apollo Tourism & Leisure (\* ATL)

Tourist and recreational road vehicle specialist scheduled to list midday AEDST following a \$50M IPO at \$1.00 per share. Private account 65.51%; JP Morgan Nominees 3.21%; National Nominees 3.21%. Citicorp, UBS, HSBC, BNP Paribas, AMP nominee groups also among the top 10 shareholders.

### Neurotech International (\* NTI)

Neurological condition support device manufacturer scheduled to list 1pm AEDST following a \$7M IPO at 20c per share. HSBC Nominees among the top 10 shareholders, holding ~3%.

## Resources

### Australian Vanadium (AVL)

Option secured to acquire at least 50.03% of the Blesberg lithium-tantalum project, South Africa. An existing mine is connected to grid power and its ore was used to produce spodumene concentrate in a previous life.

## Energy

### Carnarvon Petroleum (CVN)

WA-435-P Phoenix South-2 drilling has been underway for a week and is at 1500m on its way to 3500m targeted depth. CVN 20%; Quadrant Energy 80% and operator.

already prepared its latest inflation report, for release last night, based on the depreciation of the British pound since the 23 June decision to leave the EU.

The report lifted the 2017 and 2018 CPI growth forecasts to 2.7%, from 2% and 2.4% respectively, and put GDP growth at 1.4% (from 0.8%) for 2017 and 1.5% (from 1.8%) for 2018.

The BoE also held a monetary policy meeting, which resulted in status quo for rates and asset purchases.

**Tonight** in the **US**, the October employment report is keenly anticipated. September trade figures are also due.

Asics, Lion Corp, Marubeni and Mitsubishi Corp are scheduled to report earnings today and tonight.

Overnight, **Facebook** and **Fitbit** warnings hurt NASDAQ trade.

Earlier, **Lenovo** produced a \$US157M quarterly profit, from a \$US714M loss a year ago. Revenue dropped 8%, but an asset sale helped the overall result. In addition, last year's loss was mostly due to restructuring.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1303</b>	oz	-6	<b>-0.4</b>
<b>Silver (NY) (Dec)</b>	18.4	oz	-0.3	<b>-1.8</b>
<b>Gold (LON)</b>	1301	oz	-3	<b>-0.2</b>
<b>Platinum</b>	994	oz	6	<b>0.6</b>
<b>WTI Crude (Dec)</b>	<b>44.7</b>	bbbl	-0.7	<b>-1.5</b>
<b>Brent Crude (Jan)</b>	<b>46.4</b>	bbbl	-0.5	<b>-1.1</b>
<b>Iron Ore (Tianjin)</b>	<b>64.5</b>	t	0.1	<b>0.2</b>
<b>Copper (LME)</b>	<b>4958</b>	t	38	<b>0.7</b>
<b>Nickel</b>	10480	t	160	<b>1.6</b>
<b>Aluminium</b>	1731	t	5	<b>0.3</b>
<b>Lead</b>	2092	t	38	<b>1.9</b>
<b>Zinc</b>	2487	t	61	<b>2.5</b>
<b>Tin</b>	21105	t	330	<b>1.6</b>
<b>CBT Wheat (Dec)</b>	<b>4.12</b>	bshl	-0.06	<b>-1.4</b>

### Commodities Commentary

*Oil* – prices fell to six-week lows, despite reports of an attack on a pipeline in Nigeria and a relatively softer \$US.

A weekly US petroleum drill rig count is due tonight.

*Gold* – further profit-taking reported, amid caution ahead of the monthly US employment report tonight and presidential vote Tuesday next week.

*Base metals* – a 52.4 (Caixin) services PMI for China encouraged yesterday, ahead of a swag of new statistics this coming week. A weaker \$US also supported trade sentiment.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7680	-0.0004	<b>-0.05</b>
<b>EUR – USD</b>	1.1106	-0.0000	<b>-0.00</b>

### Australian Data Today

RBA	Policy report (quarterly)	Nov
ABS	Retail trade	Sep
VFACTS	Vehicle sales	Oct

## Pre-Open Announcements

### BT Investment Management (BTT) / REA Group (REA)

Macquarie has re-assessed BTT and REA as outperform, from neutral.

### Spark New Zealand (SPK)

Today's AGM presentation and address lodged this morning.

### Stargroup Ltd (\* STL)

October revenue totalled \$846,277, against \$150,000 for full-year 2016 revenue. Additional statistics lodged this morning.

### Audio Pixels Holdings (\* AKP)

Heralding commencement of a four – eight-week hardware integration program for the company's digital sound reproduction product MEMS-ASIC.

### Star Entertainment Group (SGR)

Director Sally Pitkin has paid \$4.97 on-market for an additional 19,000 SGR shares, bringing the total SGR shares she directly holds to 45,900. Dr Pitkin purchased the shares 28 October (Friday last week). SGR traded at \$4.72 - \$5.035 that day, and yesterday at \$4.77 - \$4.89.

### Touchcorp Ltd (TCH)

MD Adrian Cleeve has been granted medical leave. Chairman Mike Jefferies will assume leadership of the senior management team while Mr Cleeve recuperates.

## Resources

### Kore Potash (K2P) / Elemental Minerals (ELM)

ELM has changed its name to Kore Potash and will commence trading today under the code K2P.

## Davenport Resources

Davenport Resources is a multi-mineral exploration company seeking to list on the ASX in mid-December.

The company is conducting a \$5M - \$6M IPO at 20c per share.

Once the IPO is completed, Davenport will hold two exploration licences in a potash production region in central Germany.

Based on exploration records for the licences, Davenport anticipates proving a JORC-compliant potash resource within three years.

Davenport knows the licences and their potential well. They are held mostly by Potash West, whose MD Patrick McManus is Davenport Resources' non-executive chairman. Davenport's MD will be Potash West director Christopher Bain.

Due to its recent history as an Arunta Resources subsidiary, Davenport Resources also holds the Southern Cross Bore copper-gold project in the Arunta province, Northern Territory.

**State One holds firm stock in the Davenport Resources offer.**

*For further information, please contact your advisor, or email [davenport@amscot.com.au](mailto:davenport@amscot.com.au).*

**US Data Tonight**

Employment (job #s, unemployment, wages)	Oct
Trade balance	Sep

**Other Overseas Data Today & Tonight**

<b>China</b>	Current account (prelim)	SepQ
<b>Japan</b>	Nikkei PMI services	Oct
<b>Germany</b>	PMI services, composite (final)	Oct
<b>Euro zone</b>	PMI services, composite (final)	Oct
Euro zone	PPI	Oct
Euro zone	PMI retail	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).

**Trading Halts**

Company	Code	Resuming
Cardinal Resources	CDV	4 Nov
Contango Income Generator	CIE	4 Nov
Contango Microcap	CTN	4 Nov
Finders Resources	FND	4 Nov
Latitude Consolidated	LCD	4 Nov
Xstate Resources	XST	4 Nov
Austin Exploration	AKK	7 Nov
Metals of Africa	MTA	7 Nov

**Suspensions (selected)**

Company	Code	Since
Atrum Coal	ATU	31 Oct
Cabral Resources	CBS	19 Oct
Estrella Resources	ESR	3 Nov
Eve Investments	EVE	3 Nov
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
TV2U International	TV2	2 Nov
TW Holdings	TWH	31 Oct
Volta Mining	VTM	17 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>NAB</b>	Today	<b>99</b>	100	7.19
BIS	Mon	2.5	100	5.21
IPE	Tue	2.2	100	33.45
MQG	Tue	190	45	5.55
BKW	Wed	32	100	3.64
RMD	Wed	3.3	0	1.57
CSR	Fri (11 Nov)	13	0	5.86
KMD	Fri	~7.76	84.99	5.66
MGP	Fri	0.2	0	2.67
NAC	Fri	2.5	100	4.15
WAT	Fri	3	100	3.73

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>GMA</b>	Sep Q
	<b>HIL</b>	AGM
	<b>ORI</b>	Full-year
	<b>SKB</b>	AGM
	<b>SGH</b>	AGM
	<b>SPK</b>	AGM
<b>Mon</b>	BD1	AGM
	DMP	AGM
	GMG	Sep Q
	UGL	AGM
	WBC	Full-year



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**Tue**

CBA  
DLX  
IPL  
NCM  
NWS  
REA

Sep Q  
Full-year  
Full-year  
AGM  
Sep Q  
AGM