

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6564	24	<b>0.4</b>
<b>NZX 50</b>	10956	-20	<b>-0.2</b>
<b>DJIA Futures</b>	26433	-6	0.0
<b>S&amp;P 500 Futures</b>	2937	-1	0.0
<b>NASDAQ Futures</b>	7741	1	0.0

## Local Markets Commentary

The Australian market commences today's trade with a trio of material domestic reports plus new data anticipated for China today, ahead of public speeches by the heads of the Bank of England later today and US Federal Reserve early tomorrow morning.

**Regionally**, Caixin is expected to release its September services PMI for China 12.45pm AEDT.

In addition, **Bank of England** governor Mark Carney is scheduled to speak on climate change at a conference in Tokyo 3pm AEDT.

**Locally** today, a weekly **consumer sentiment** reading is due pre-trade.

NAB is scheduled to publish its monthly **business conditions and confidence** survey report 11.30am AEDT.

The ANZ monthly **job advertisements** report is also due then.

Several high-profile companies trade **ex-dividend** from today through the end of the week. *Please see p3 for a detailed list.*

In overnight commodities trade, WTI **crude** settled US6c/bbl lower and Brent down US2c/bbl.

US **gold** picked up the pace of Friday's slight slip.

**Iron ore** (Nymex CFR China, 62% Fe) turned to record a modest rise.

LME **copper** swung higher and **nickel** slightly lower. **Aluminium** rallied from Friday's flat close.

The **\$A** settled to trade within a relatively narrow range after dropping below US67.35c from beyond US67.50c early yesterday evening.

**China's markets open for trade today for the first time in a week.**

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26478	-96	<b>-0.4</b>
<b>S&amp;P 500</b>	2939	-13	<b>-0.5</b>
<b>NASDAQ</b>	7956	-26	<b>-0.3</b>
<b>FTSE 100</b>	7198	43	<b>0.6</b>
<b>DAX 30</b>	12097	85	<b>0.7</b>
<b>Shanghai Comp</b>	2905	Public	Holiday

## Overseas Markets Commentary

Vacillating trade featured across major European and US equities markets overnight, with no shortage of scenarios to consider.

**China – Caixin services PMI 12.45pm AEDT**

## Today's Stock Watch

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

Full year 2019 customer remediation charges are expected to tally \$682M, including \$559M for 2H.

### Vault Intelligence (VLT) / Vita Group (VTG)

VLT has secured a partnership with VTG, targeting the development, marketing and sales of subscriptions for VLT's mobile risk and safety workforce management system Solo.

VTG is Telstra's (ASX: TLS) master licensed dealer and operates ~100 TLS retail stores and four TLS business technology centres.

### Imdex Ltd (IMD)

Paying a A2c fully franked dividend from the \$US4.3M sale of the group's 30% holding in Vaughn Energy Services.

### Synlait Milk (SM1)

CFO Nigel Greenwood is planning to leave SM1 by late March – early April 2020.

Mr Greenwood was appointed SM1 CFO in April 2010.

### Fonterra Shareholders' Fund (FSF) / Mercury NZ (MCY)

FSF has appointed MCY CEO Fraser Whineray to the newly created role of chief operating officer (COO), effective early 2020.

Mr Whineray has been with MCY for 11 years, the past five as CEO.

### Baby Bunting (BBN)

Reporting 3.1% year-to-date comparable store sales growth.

Today's AGM presentation and speeches lodged pre-trade.

### Konekt Ltd (KKT)

Agreeing to a scheme of arrangement takeover by Advanced Personnel management for 49c cash-per-share.

KKT last traded Friday, at 29c, after adding 11.54% for the session, prior to calling a trading halt.

## Resources

### Stavelly Minerals (SVY)

Resuming from a trading halt with additional step-out diamond drilling results from the Stavelly copper-gold project Thursday's prospect, Victoria.

These again include significant-width, high-grade copper assays. SVY settlements appreciated from 86c to \$1.105 the three sessions immediately prior to calling the trading halt. During this time, SVY reached \$1.19, after trading at \$1.25 the previous week following the release of assays from initial Thursday's prospect diamond drilling.



The US administration confirmed US-China trade talks would commence Thursday, as planned, despite mixed speculation regarding expectations.

A US economic advisor promoted optimism on achieving progress this week, despite weekend reports the China delegation, headed by VP Liu He remained opposed to key US demands.

A surprise US administration announcement regarding a pending invasion of north east Syria by Turkey and an associated US withdrawal from the area also produced plenty of commentary.

The US president subsequently warned Turkey of economic consequences pending actions.

Iraq's deadly protests also kept regional tensions, and potential broader implications, in focus.

In the meantime, **UK** and **European Union** (EU) officials confirmed teleconferences at the commencement a new round of formal negotiations regarding plans for the UK to separate from the EU 31 October.

Among scant overnight **data** releases, **Germany's** August factory orders were calculated 0.6% lower for the month, following a 2.1% July drop, and 6.7% down year-on-year.

A Sentix consumer sentiment reading tumbled to -16.8 from -11.1.

**US** September consumer credit fell to \$US17.9B from \$US23.05B.

**Tonight** in the **US**, US Federal Reserve chairman Jerome Powell is scheduled to speak at the National Association for Business Economists annual conference in Denver, but post-US trade.

Earlier, September producer prices, a small business optimism index and monthly budget statement are due.

Elsewhere, **UK** and **European Union** (EU) officials are vowing to continue talks ahead of a targeted announcement of any progress on UK-EU separation plans by week's end.

Companies scheduled to report earnings and/or provide updates include Domino's Pizza, Levi Strauss, Peabody Energy and Yum! Brands.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1504.4</b>	oz	-8.5	<b>-0.6</b>
<b>Silver (NY) (Dec)</b>	17.54	oz	-0.085	<b>-0.5</b>
<b>Gold (LON)</b>	1499	oz		
<b>Platinum</b>	876	oz	-4	<b>-0.5</b>
<b>WTI Crude (Nov)</b>	<b>52.75</b>	bbl	-0.06	<b>-0.1</b>
<b>Brent Crude (Dec)</b>	<b>58.35</b>	bbl	-0.02	<b>-0.0</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	92.55	t	0.37	<b>0.4</b>
<b>Copper</b> (LME,3mth,PM)	<b>5695</b>	t	72	<b>1.3</b>
<b>Nickel</b>	17690	t	-40	<b>-0.2</b>
<b>Aluminium</b>	1743	t	26	<b>1.5</b>
<b>Lead</b>	2178	t	30	<b>1.4</b>
<b>Zinc</b>	2288	t	-17	<b>-0.7</b>
<b>Tin</b>	16435	t	-15	<b>-0.1</b>

### Commodities Commentary

**Oil** – prices were pushed and pulled overnight, rising early in response to headline figures from a report estimating OPEC

## Pre-Open Announcements

### Australian Foundation Investment Company (AFI)

State-of-market questions anticipated at this morning's AGM. AGM presentation lodged pre-trade.

### GetSwift Ltd (\* GSW)

Minimum one-year e-commerce, order management and last mile logistics SaaS contract secured with Intervale Center Inc. Subscription fees will depend on take up utilisation. GSW appreciated 16.98% Friday last week and 6.45% yesterday, last trading at 66c.

### CV Check (\* CV1)

September quarter revenue grew to a record \$3.5M, buoyed by 26% higher year-on-year B2B revenue tallying \$2.6M. \$5.8M cash at bank.

### AFT Pharmaceuticals (\* AFP)

AFP has secured a MoU with New Zealand medicinal cannabis company SETEK covering the research, development and commercialisation of medicinal cannabis products.

### Evolve Education Group (EVO)

EVO has completed the \$A11.8M acquisition of four child care centres in Melbourne.

### Kyckr Ltd (KYK)

KYK co-founder and non-executive director Robert Leslie is resigning from the KYK board, in favour of responsibilities including as CEO of Sedicii.

## Resources

### Liontown Resources (\*\* LTR)

Resource expansion drilling has extended Kathleen Valley lithium project known mineralisation by 400m to a 1.4km strike length. LTR says mineralisation remains open up- and down-dip to the north west.

New assays lodged this morning.

### Australian Potash (APC)

APC has qualified for a \$A1.4M R&D tax offset in recognition of Lake Wells sulphate of potash project bore construction and pond test work.

## Energy

### Santos Ltd (\* STO) / Carnarvon Petroleum (\* CVN)

WA 437P Dorado-3 initial Caley reservoir flow testing has indicated production flow rates could come in at the higher end of pre-drilling expectations.

Details lodged this morning.

STO 80% and operator; CVN 20%.



September output had fallen by a daily 1.48MMbbl during September, to 28.45MMbbl/d.

This however, was mostly attributed to the mid-September attacks on key facilities in Saudi Arabia and on ongoing US sanctions on oil trade out of Iran and Venezuela.

In the meantime, speculation abounded regarding any likely progress when higher-level US-China trade talks resume in Washington Thursday.

Further overnight, Germany's August factor orders underscored international demand concerns.

Late-week, OPEC and the International Energy Agency (IEA) are scheduled to release monthly reports.

**Gold** – US equities followed Friday's rally with swinging overnight trade, broad uncertainties and a 0.2% higher ICE \$US index seemingly producing too much caution to promote any definitive moves higher for gold.

Key reports and China-US trade talks scheduled to commence Thursday are expected to keep sentiment fluid this week.

**Base metals** – some apparent US optimism regarding late-week China-US trade talks supported select overnight trade.

Inventories appeared the other major influence.

China trade recommences for the first time in a week later today, and is expected to boost tonight's LME trade volumes.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6732	0.0000	0.00
EUR – USD	1.0972	0.0002	0.02

#### Australian Data Today

ANZ/RoyMorgan	Consumer sentiment	6 Oct
NAB	Business conditions, confidence	Sep
ANZ	Job advertisements	Sep

#### US Data Tonight

PPI		Sep
NFIB small business optimism		Oct
Budget statement		Sep

#### Other Overseas Data Today & Tonight

<b>China</b>	Caixin services PMI	Sep
<b>Japan</b>	Household spending	Aug
Japan	Eco watchers survey (4pm AEDT)	Sep
<b>Germany</b>	Industrial production	Aug

#### Trading Halts

Company	Code	Resuming
Estrella Resources	ESR	8 Oct
DXN Ltd	DXN	9 Oct
iCandy Interactive	ICI	9 Oct
Orthocell Ltd	OCC	9 Oct
Sealink Travel Group	SLK	9 Oct
Smart Marine Systems	SM8	9 Oct

#### Suspensions (select)

Company	Code	Since
Ark Mines	AHK	25 Sep
ADX Energy	ADX	3 Oct
AuKing Mining	AKN	30 Sep
Bounty Mining	B2Y	3 Oct
European Cobalt	EUC	24 Sep
Family Insights Group	FAM	1 Oct
Force Commodities	4CE	7 Oct
Hexagon Resources	HXG	25 Sep
iSignthis Ltd	ISX	2 Oct
Thred Ltd	THD	26 Sep
Transcendence Technologies	TTL	24 Sep
Wattle Health Australia	WHA	2 Oct

#### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ASL</b>	Today	<b>3.5</b>	100	1.61
<b>REH</b>	Today	<b>14.25</b>	100	1.90
<b>RHP</b>	Today	<b>2</b>	100	0.75
<b>SSG</b>	Today	<b>2.5</b>	80	7.04
GOW	Tomorrow	5	100	4.74
NBL	Tomorrow	5.5	100	3.05
DGH	Thu	3	54.49	3.00
GNG	Thu	2	0	10.59
HVN	Thu	21	100	6.55
FGG	Fri	1.5	100	0.79
FGX	Fri	2.4	100	4.04
MAH	Fri	0.5	30	0.00
MFF	Fri	2	100	0.93
OPC	Fri	3.6	100	0.00
RND	Fri	10	100	tbc
TBR	Fri	20	100	tbc
WGB	Fri	2	100	0.00
WLE	Fri	3	100	4.33



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