

Markets

SFE 200 Futures (9.30am AEST)	6070	-7	-0.1
NZX 50	9123	-24	-0.3
DJIA Futures	26532	-12	-0.1
S&P 500 Futures	2893	-1	0.0
NASDAQ Futures	7389	-3	0.0

Local Markets Commentary

The Australian market commences today's trade following vacillating overnight international equities sentiment.

In mostly negative overnight commodities trade, **oil** settled lower, albeit WTI crude only slightly changed again.

US (December) **gold** futures fell.

Iron ore (China port, 62% Fe) recorded a small gain.

LME **copper** settled barely changed, **aluminium** dropped further, and **nickel** turned lower.

The **\$A** headed towards US70.80c after falling below US70.50c early yesterday evening.

Locally today, NAB publishes its monthly business survey report **11.30am** AEST.

Pre-trade, a weekly consumer sentiment reading is due.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26487	40	0.2
S&P 500	2884	-1	-0.0
NASDAQ	7736	-53	-0.7
FTSE 100	7233	-85	-1.2
DAX 30	11947	-165	-1.4
Shanghai Comp	2717	-105	-3.7

Overseas Markets Commentary

Early negative trade and significant swings featured across most major European and US equities markets overnight.

Columbus Day observance in the US produced lighter trading volumes.

Earlier, China's markets had dropped on resuming trade for the first time in a week.

The \$US continued robust (0.36% higher against the euro), souring select US export sentiment.

The British pound pulled back again on confusion surrounding predictions out of both the European Union (EU) and the UK regarding the UK's negotiations for agreements governing its departure from the EU.

Among new data releases, **Germany's** August industrial production disappointed, slipping 0.3% for the month, following a 1.3% drop in July.

A **eurozone** Sentix confidence index fell 0.6 to 11.4

In the meantime, the European Union had confirmed aversion to **Italy's** proposed budget deficits through 2021. Italian bond yields were subsequently reported at 4.5-year highs.

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

Planning to review wealth management-related fees charged over the past seven years, in particular, against deceased estates.

CBA also plans to rebate 'grandfathered commission' charged against superannuation and other investment accounts.

Some legacy wealth fees are also earmarked for removal from January 2019.

Australia & New Zealand Banking Group (ANZ)

Morgans has placed an 'add' on ANZ, cancelling hold advice.

Suncorp Group (SUN)

Planning to redeem outstanding SUNPD subordinated notes next month at a \$A100 face value plus a \$A1.2111 interest payment.

The notes will trade for the last time on the ASX on 12 November.

Bio-Gene Technology (BGT)

Toxicity testing of BGT's Flavocide, in mammals, over 28 days, has produced positive results. Details and plans lodged this morning.

Vonex Ltd (VN8)

VN8's Oper8tor app, designed to produce faster linked voice calls and messages across multiple devices, will commence beta testing this month for conference capability, ahead of a soft launch in Europe.

NextDC Ltd (NXT)

Deutsche Bank has cancelled NXT sell advice, in favour of a hold recommendation.

Reece Ltd (REH)

Trading ex-dividend (14.25c) today.

Resources

Pilbara Minerals (PLS)

An independent laboratory has confirmed PLS's first Pilgangoora project spodumene concentrate shipment, earlier this month, at 6.256% lithia and 0.724% Fe₂O₃.

Sheffield Resources (SFX)

Heralding drilling results from the Dampier mineral sands project Night Train prospect. Assays include 27m @ 5.29% HM from 49.5m, incorporating 22.5m @ 6.17% HM from 52.5m.

In the meantime, a China Jiangxi province campaign against illegal rare earth mining is predicted by some analysts to have at least some impact on international markets supply.

Energy

Sundance Energy (SEA)

Sold a daily 15,300boe during September.

Anticipating September quarter production to come in at up to 11,000boe/d, and daily sales to tally up to 32% higher than for the June quarter, at up to 15,000boe.

Carnarvon Petroleum (CVN)

Field surveillance has not thrown up any impediments to drilling a WA-523-P Buffalo oil field (redevelopment area) well during the September quarter 2019.

In addition, preferred locations of a platform, FPSO and lines have been determined.

Elsewhere, **Pakistan** revealed it would need international rescue funding and was approaching the International Monetary Fund (IMF).

Brazil's first round of presidential elections appeared to favour a far-right candidate heading towards the second round later this month.

Tonight in the **US**, small business and economic optimism indices are due.

Also tonight, updated international economic growth forecasts are anticipated from the **IMF**.

In overnight corporate news, **Google** conceded it would need to shut down social network Google+ following an up to three-year data breach the company said was identified earlier this year.

General Electric's Baker Hughes announced it would pay \$US550M for 5% of **ADNOC** (Abu Dhabi National Oil Company) **Drilling**.

In addition, deep water drilling rig specialist **Enso** and **Rowan** appreciated 3% - 4% after revealing a planned \$US12B merger.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1184	oz	-17	-1.4
Silver (NY) (Dec)	14.4	oz	-0.3	-1.8
Gold (LON)	1204	oz		
Platinum	818	oz	-3	-0.4
WTI Crude (Nov)	74.3	bbl	-0.05	-0.1
Brent Crude (Nov)	83.9	bbl	-0.25	-0.3
Iron Ore (CHN port 62%)	69.4	t	0.2	0.3
Copper (LME, 3mth, PM)	6178	t	5	0.1
Nickel	12575	t	-45	-0.4
Aluminium	2067	t	-63	-3.0
Lead	1972	t	-25	-1.3
Zinc	2615	t	-20	-0.8
Tin	18900	t	-75	-0.4
CBT Wheat (Dec)	5.15	bshl	-0.06	-1.2

Commodities Commentary

Oil – prices swung significantly overnight, Brent and WTI crude trading as low as \$US82.66/bbl and \$US73.07/bbl respectively.

Traders faced a continuing strong \$US, and China's move to boost banking sector liquidity, and awaited any supplementary information regarding revelations late last week from US officials that they some Iran oil sanction exemptions were under consideration.

In the meantime, a new tropical storm was forming in the US gulf region, prompting some companies to evacuate rigs.

In other sector news, a 320,000bbl/d refinery in Canada was shut down offline following a fire.

Meanwhile, another Genscape report estimated stocks at the Cushing, Oklahoma centre had begun to fall a little.

Among supply-demand commentary, Iran again ridiculed a Saudi Arabia claim of replacing reduced Iranian exports.

In addition, an industry report calculated Iran's crude exports for the first week of October had fallen to a daily 1.1MMbbl, from 1.6MMbbl/d in September.

The report, in part based on shipping data, claimed the oil was exclusively headed to customers in China, India and the Middle East.

Pre-Open Announcements

Family Zone Cyber Safety (* FZO)

FZO has appointed Peter Westmacott as a non-executive director.

Sir Westmacott is a former British ambassador to France, Turkey and the US.

He is a Companion of the Order of St Michael & St George, promoted to Knight Commander (KCMG), and Knight Grand Cross (GCMG). He is also a Lieutenant of the Victorian Order (LVO).

FZO fell 4.65% Friday last week and 9.76% yesterday, settling at 37c.

Chorus Ltd (CNU)

CNU has commissioned an independent review of sub-contractor employment practices, covering businesses working on the UFB (ultra-fast broadband) network.

Phylogica Ltd (* PYC)

In receipt of a \$2.9M cash FY 2018 R&D tax refund.

Aurora Labs (* A3D)

\$1.3M received under the R&D tax rebate scheme.

Creso Pharma (CPH)

23.2M shares due for release from escrow 20 October.

Details of additional securities due for release also lodged post-trade yesterday.

CPH says 80% of the relevant securities are held by CPH board members.

CPH has 92.5M quoted shares on issue.

Resources

Genesis Minerals (* GMD)

WA eastern goldfields Ulysses gold project resource updated to 7.1Mt @ 3.3g/t Au, for 760,000oz of gold.

The new figures represent a 439,000oz (137%) increase in contained gold and 10% higher average grade.

GMD says the resource remains open at depth and along strike. Ongoing drilling across new areas.

Feasibility anticipated to be completed mid-2019.

Energy

Real energy Corporation (RLE)

Tamarama-2 three-stage stimulation completed.

Flow back, 'expected to take a few weeks', will follow cleaning.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	BLX	AGM
Tomorrow	ERA	Sep Q
Thu	AMC TCL	AGM AGM; Sep
Mon	WES	Sep Q
Tue (16 Oct)	COH ORA RIO	AGM AGM Sep Q

Reports continued to persist, also, that Iran is storing production on tankers. OPEC estimated Iran's August daily output had tallied 3.58MMbbl.

Gold – \$US strength appeared the main influence on overnight gold sentiment.

A US Federal Reserve official was reported as claiming only a limited number of further US rate rises would be needed.

US inflation figures, and additional Federal Reserve commentary are keenly anticipated later this week.

Base metals – China's foreign reserves and a central bank liquidity move, each revealed over the weekend, plus a services PMI update (53.1, from 51.5) yesterday, and a drop in China's equities sentiment, gave traders plenty to consider at the commencement of LME Week.

Traders in **China** returned from a week-long holiday but Japan's traders were absent and activity from the US was reduced due to Columbus Day observance.

Aluminium trade was further impacted after Norsk Hydro secured court approval that would enable the group to keep open the Alunorte alumina refinery in Brazil. In addition, a Hong Kong-based analyst predicted China could fill lost Alunorte production.

NB: LME Week is underway, meaning plenty of predictions and speculation are likely through the next several days. Nonetheless, trade volumes can traditionally wane.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7080	0.0003	0.04
EUR – USD	1.1494	0.0002	0.02

Australian Data Today

ANZ/RyMgn	Consumer sentiment	7 Oct
NAB	Business conditions	Sep

US Data Tonight

NFIB small business optimism	Sep
IBD/TIPP economic optimism	Oct

Other Overseas Data Today & Tonight

Japan	Eco watchers survey	Sep
Japan	Machine tool orders (5pm AEST)	Sep
UK	BRC sales	Aug
Germany	Trade balance	Aug

Need More Information?

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	TLS	AGM
	WHC	Sep Q
Wed (17 Oct)	BHP	Sep Q
	CGF	Sep Q
	CSL	AGM
	ORG	AGM
	OZL	Sep Q
	SBM	Sep Q
	TAH	AGM
	TRS	AGM

Trading Halts

Company	Code	Resuming
Axiom Mining	AVQ	9 Oct
Kin Mining	KIN	9 Oct
First Au	FAU	10 Oct
Landmark White	LMW	10 Oct
Six Sigma Metals	SI6	10 Oct
Venturex Resources	VXR	10 Oct
Xstate Resources	XST	10 Oct
Alloy Resources	AYR	11 Oct

Suspensions (select)

Company	Code	Since
American Patriot Oil & Gas	AOW	5 Oct
Aurora Dividend Income Trust	AOD	21 Sep
AVZ Minerals	AVZ	4 Oct
Aksesstoday Ltd	AXL	14 Sep
Black Star Petroleum	BSP	21 Sep
buyMyplace.com.au Ltd	BMP	24 Sep
Classic Minerals	CLZ	28 Sep
Crusader Resources	CAS	1 Oct
Jacka Resources	JKA	21 Sep
Leigh Creek Energy	LCK	3 Oct
MMJ Phytotech	MMJ	8 Oct
MSM Corporation International	MSM	25 Sep
PLC Financial Solutions	PLC	5 Oct
Plukka Ltd	PKA	2 Oct
Sprintex Ltd	SIX	28 Sep
Updater Inc	UPD	9 Oct
Wolf Minerals	WLF	27 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SEC	Today	3	0	4.71
REH	Today	14.25	100	1.80
SEQ	Tomorrow	0.5	100	1.49
DGH	Thu	2.25	100	3.19
GNG	Thu	5	0	7.64
HVN	Thu	18	100	8.62
MFF	Thu	1.5	100	1.05
FGX	Fri	2.3	100	3.45
SIG	Fri	1.5	100	6.35
WAA	Fri	2.85	100	4.89
WAX	Fri	4.75	100	5.67
WLE	Fri	2.5	100	4.18
WMI	Fri	4	100	1.33



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