

Markets

SFE 200 Futures (9.30am AEDT)	6020	-6	-0.1
NZX 50	9066	-3	-0.0
DJIA Futures	26494	13	0.1
S&P 500 Futures	2889	1	0.0
NASDAQ Futures	7404	5	0.1

Local Markets Commentary

The Australian market opens mid-week trade on mixed overnight international equities sentiment, and following an International Energy Agency (IEA) prediction **China** would achieve #1 **natural gas** importer status by year's end.

In relatively positive overnight commodities trade, **oil** swung higher.

US (December) **gold** futures settled with a modest gain.

Iron ore (China port, 62% Fe) and LME **copper** and **nickel** rallied.

Aluminium extended this week's run lower, but at a more moderate pace.

The **\$A** was ultimately propelled towards US71.0c after trading at ~US70.75c early yesterday evening.

Locally today, Westpac and the Melbourne Institute publish their monthly consumer confidence report **10.30am** AEDT.

Regionally, **China's** September lending figures are anticipated anytime from today.

In addition, the International Monetary Fund (IMF) releases an updated **international fiscal monitor** report during ASX trade today, as it continues its annual meeting in Bali.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26431	-56	-0.2
S&P 500	2880	-4	-0.1
NASDAQ	7738	2	0.0
FTSE 100	7238	4	0.1
DAX 30	11977	30	0.3
Shanghai Comp	2721	5	0.2

Overseas Markets Commentary

Markedly choppy trade featured across major European and US equities markets overnight.

The \$US traded at more than six-week peaks before swinging, oil prices turned higher again, and the US president threatened China with additional adverse trade tariffs.

Reports emerged earlier yesterday, of a particularly difficult meeting Monday between China's foreign minister and the US Secretary of State, China concluding adverse impacts from the trade stoush would endure past the short term.

Also pre-European and US trade, the International Monetary Fund (IMF) had released a 3.7% 2018 and 2019 international economic growth forecast, the 2018 figure 0.2% lower than predicted by the IMF in April.

Today's Stock Watch

Navitas Ltd (NVT)

A consortium led by BGH Capital has approached NVT with an unsolicited, proposal to acquire NVT for \$5.50 cash-per-share, pending satisfactory due diligence and other conditions.

The consortium includes 12.6% NVT shareholder, and former NVT CEO, Rodney Jones, and 5.4% NVT shareholder AustralianSuper.

NVT has traded at \$4.285 - \$4.42 over the past five trading sessions.

Fonterra Shareholders' Fund (FSF)

Fonterra Co-op Group has lowered its 2018-19 farmgate milk price to \$6.25/kgMS - \$6.50/kgMS, from \$6.75/kgMS.

Fonterra maintains international supply is outstripping demand. Further, the group warns of volatility, and recommends producers 'budget with ongoing caution'.

MNF Group (MNF) / Inabox Group (IAB)

MNF is predicting \$12.8M (MNF) NPAT and a \$29.1M EBITDA, with these figures to rise to as much as \$16.5m and \$36.0M for FY 2020.

A webinar is scheduled to commence 3pm AEDT. Access details lodged pre-trade.

Clinuvel Pharmaceuticals (CUV)

Successful UK appeal application against a NICE evaluation that CUV's Scenesse was not recommendable for NHS patients with the EPP metabolic disorder. The matter, however, will now return to a NICE panel for further assessment.

Traffic Technologies (TTI)

\$15M, three-year LED street lighting and other hardware supply contract secured with TasNetworks.

Genesis Energy (GNE)

Electricity retail sales volumes grew 4.1% during the September quarter, to 1725GWh. Gas sales volume rose 8.1% to 2.7PJ. The median wholesale generation price fell 12% to \$NZ86/MWh. Total generation declined by 15%, thermal generation dropping 29%.

Infigen Energy (IFN)

Generated 135GWh of electricity during September, 29% less than a year earlier.

For the year-to-date, IFN has produced 3% less electricity.

Resources

Kirkland Lake Gold (KLA)

Produced 180,155oz of gold during the September quarter, 30% more than a year earlier, and 9% more than for the June quarter.

For January - September, KLA has produced 492,484oz, representing a 15% year-on-year increase.

\$US275M cash and equivalents.

Energy

Cooper Energy (COE)

Second gas supply contract secured with O-I Australia, this time for a daily 3TJ from COE's offshore Victoria Casino Henry operation during 2019.

COE 50% and operator.

Moreover, the IMF highlighted poor US-China relations as a dominant threat to global economic growth, adding financing difficulties for emerging markets as another primary concern.

Ultimately, US GDP could forfeit 0.9% in 2019 and China 1.6%, pending business reactions, the IMF ventured.

Meanwhile, the US administration announced the resignation of its UN ambassador, but anticipated and promoted a return to some administrative role following 'time off'.

In **US** data releases, the IBD/TIPP October economic optimism index was reported at an ~14-year high of 57.8, representing a 1.9-point rise over the past month.

Germany's trade surplus was reported to have grown €0.7B during August, to €17.2B. Seasonally adjusted, the headline figure rose €2.4B to €18.3B.

The value of all imports fell 2.7%, against a 0.1% slip in total exports value.

In the **UK**, BRC reported a 0.2% year-on-year decline in September like-for-like retail sales following a 0.2% rise in August.

Total sales rose 0.7%, following a 1.3% August gain.

Tonight in the **US**, September producer prices and August wholesale inventories are due.

In addition, two Federal Reserve regional presidents are scheduled to speak publicly.

Among corporate expectations, new Pixel smartphones are anticipated from **Google** at a scheduled New York event.

BlackRock, Delta Airlines and WHSmith are among companies expected to report earnings.

In overnight corporate news, a fuel price warning from **American Airlines** pushed the stock more than 5% lower.

An investment bank recommendation helped **Walmart** to a greater than 2% gain.

The S&P 500's **PPG Industries** (paint specialist) tumbled ~10% after bemoaning the impacts of rising input costs (in particular for raw materials) and reduced demand in China.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1192	oz	3	0.3
Silver (NY) (Dec)	14.4	oz	0.07	0.5
Gold (LON)	1187	oz		
Platinum	823	oz	5	0.6
WTI Crude (Nov)	75.0	bbl	0.7	0.9
Brent Crude (Nov)	85.0	bbl	1.1	1.3
Iron Ore (CHN port 62%)	71.4	t	2	2.5
Copper (LME, 3mth, PM)	6292	t	114	1.9
Nickel	13010	t	435	3.5
Aluminium	2056	t	-11	-0.5
Lead	1936	t	-36	-1.8
Zinc	2678	t	63	2.4
Tin	18990	t	90	0.5
CBT Wheat (Dec)	5.14	bshl	0.03	0.1

Commodities Commentary

Oil – Gulf of Mexico output was estimated 40% lower (~671,000bbl/d; 6% of daily US production) ahead of hurricane Michael, with overnight forecasters expecting landfall along the Florida coast

Pre-Open Announcements

LandMark White (* LMW)

LMW is resuming from a trading halt with an agreed \$A10.3M acquisition of regional property valuation firm Taylor Byrne.

Consideration comprised \$A5.15M cash plus 8.533M LMW shares at 60c each.

LMW anticipates the purchase will add \$A22.7M to annual revenue.

LMW last traded at 57c.

Pushpay Holdings (PPH)

Planning to lodge interim results (to 30 September) 7 November, and to host a teleconference that day commencing 9am AEDT. Access details lodged this morning.

Resources

Highfield Resources (* HFR)

Muga potash project measured-plus-indicated resource estimated at 234.75Mt @ 12.3% K₂O.

Energy

Energy Resources of Australia (* ERA) / Rio Tinto (RIO)

Produced 544t of uranium oxide during the September quarter, 15% less than a year earlier, and 36% more than for the June quarter.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ERA	Sep Q
Tomorrow	AMC TCL	AGM AGM; Sep
Mon	WES	Sep Q
Tue (16 Oct)	COH ORA RIO TLS WHC	AGM AGM Sep Q AGM Sep Q
Wed (17 Oct)	BHP CGF CSL ORG OZL SBM TAH TRS	Sep Q Sep Q AGM AGM Sep Q Sep Q AGM AGM

Trading Halts

Company	Code	Resuming
Venturex Resources	VXR	10 Oct
Xstate Resources	XST	10 Oct
Alloy Resources	AYR	11 Oct
Dragontail Systems	DTS	11 Oct

as a category three storm tonight.

In the meantime, 2MMbbl of Iranian crude was reported to have delivered to China's Dalian port Monday.

US industry weekly petroleum statistics are expected tonight, and a report from the government's EIA tomorrow night.

Gold – the \$US rallied to six-week highs during early trade, but a pullback helped support gold sentiment, with bargain-hunting and short covering also cited for across-the-board price gains.

US PPI and CPI, due tonight and tomorrow night respectively, are more greatly anticipated than normal, given the US Federal Reserve's last policy meeting statement foreshadowing a series of rate rises.

Base metals – China's media yesterday promoted further stimulus, buoying overnight sentiment.

In addition, confirmation was cited at LME Week that China would speed up export tax rebates, as well as increase these, commencing 1 November.

Zinc stockpiles were estimated at the least in ~10 years, some citing environmental regulatory and profit-based cutbacks by smelters in China as the main reason.

Aluminium continued to be pushed lower after Norsk Hydro revealed it expected to be producing at 50% capacity again from its Aunorte refinery in Brazil.

Among **copper** news, Vale was reported to be ready, perhaps this week, to sign off on a planned \$US1B expansion of the Salobo copper operation, Brazil.

Global electric and self-drive vehicle development plans appeared to continue to support **nickel**.

China's trade figures, due Friday, are expected to influence end-of-week trade.

NB: LME Week continues, producing plenty of varying scenarios for traders to consider.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7105	0.0003	0.04
EUR – USD	1.1497	0.0004	0.03

Australian Data Today

Wstpc/MI	Consumer confidence	Oct
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US Data Tonight

Producer prices	Sep
Wholesale inventories	Aug
MBA mortgage applications	5 Oct

Other Overseas Data Today & Tonight

China	<i>New yuan loans</i>	Sep
Japan	Machinery orders	Aug
Japan	Machine tool orders	Sep
UK	Trade balance	Aug
UK	Industrial production	Aug
UK	Construction output	Aug
UK	NIESR GDP estimate (mthly)	Aug

GBM Gold	GBM	11 Oct
MGC Pharmaceuticals	MXC	11 Oct
Mustang Resources	MUSDE	11 Oct
Pure Minerals	PM1	11 Oct
ResApp Health	RAP	11 Oct

Suspensions (select)

Company	Code	Since
American Patriot Oil & Gas	AOW	5 Oct
Aurora Dividend Income Trust	AOD	21 Sep
AVZ Minerals	AVZ	9 Oct
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 (%)
SEQ	Today	0.5	100	1.49
AJD	Tomorrow	2	0	5.69
DGH	Tomorrow	2.25	100	3.24
GNG	Tomorrow	5	0	7.86
HVN	Tomorrow	18	100	8.49
MFF	Tomorrow	1.5	100	1.05
FGX	Fri	2.3	100	3.38
SIG	Fri	1.5	100	6.40
WAA	Fri	2.85	100	4.87
WAX	Fri	4.75	100	5.76
WLE	Fri	2.5	100	4.18
WMI	Fri	4	100	1.32
NZM	Mon (15 Oct)	1.82	0	11.96
TPM	Mon	2	100	0.50
UOS	Mon	0.5	0	4.29
ASG	Tue (16 Oct)	4.8	100	6.43
SSG	Tue	2.4	100	9.18

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