

Markets

SFE 200 Futures (9.30am AEDT)	5914	-109	-1.8
NZX 50	8846	-205	-2.3
DJIA Futures	26475	-44	-0.2
S&P 500 Futures	2778	-3	-0.1
NASDAQ Futures	7023	-9	-0.1

Local Markets Commentary

The Australian market will fall early following overnight tumbles across major international equities markets, accentuated in the US.

In overnight commodities trade, **oil** fell.

US (December) **gold** continued a little higher.

Iron ore (China port, 62% Fe) retained Tuesday's gain, but settled flat.

LME **copper** and other key base metals, including **nickel**, were pushed lower.

The **\$A** has been propelled higher this morning.

It traded lower again overnight, reaching ~US70.50c, after falling to ~US70.90c early yesterday evening.

Locally today, the Melbourne Institute publishes a monthly inflation expectations report, midday AEDT.

Pre-trade, **Reserve Bank of Australia** (RBA) assistant governor (economic) Luci Ellis was scheduled to speak at an Economic & Social Outlook conference hosted by the Melbourne Institute.

Regionally today, **Japan** is expected to report September producer prices and bank lending, 9.50am AEDT.

*This morning, a large earthquake off the **Papua New Guinea** coast prompted tsunami warnings. Another significant earthquake was reported near **Bali**.*

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25599	-832	-3.2
S&P 500	2786	-95	-3.3
NASDAQ	7422	-316	-4.0
FTSE 100	7146	-92	-1.3
DAX 30	11713	-265	-2.2
Shanghai Comp	2726	5	0.2

Overseas Markets Commentary

Major European and US equities markets opened just slightly lower overnight, but ultimately tumbled to settle at or near session lows.

US 10-year bond yields resumed their ascent, reaching 3.22%, tech stocks were sold down, and oil prices fell.

Both the euro and British pound rose against the \$US. Meanwhile, the yen extended its run of safe-haven gains against the \$US.

Among a raft of **UK** data releases, an August GDP estimate came in at 1.5% year-on-year growth following 1.7% in July. For the month, GDP was calculated as static.

RBA – assistant governor Luck Ellis was scheduled to speak at an Economic & Social Outlook conference, **9.30am** AEDT

Today's Stock Watch

Ramsay Health Care (RHC)

Directors of Ramsay Générale de Santé (RGdS) target Capiro have unanimously voted to accept the RGdS SEK (Swedish kroner) 58 cash-per-share offer.

In association, Capiro has scrapped plans to sell its French operations to Vivalto Santé.

RGdS has lowered the minimum acceptance condition to 75%.

Wesfarmers Ltd (WES)

WES demerger program director Sarah Hunter appointed Officeworks MD. Current MD Mark Ward is planning to become a WES advisor.

Chorus Ltd (CNU)

Fixed line connections fell by 19,000 to 1.5M during the September quarter. Total broadband connections rose 3000 to 1.19M. In addition, CNU completed 50,000 fibre installations, and recorded 50% UFB take-up, from 45% as at 30 June.

RCR Tomlinson (RCR)

An RCR JV with Opus International has secured an interim project alliance agreement for services to be provided for the Auckland, New Zealand city rail link project.

Pendal Group (PDL)

FUM grew by \$1.6B during the September quarter, to \$101.6B.

Netwealth Group (NWL)

8.6% FUM September quarter increase to \$3.1B FUM. \$19.3B FUA, from \$18B as at 30 June, and against \$13.7B on 30 September 2017.

ELMO Software (ELO)

ELO has appointed Praemium Ltd (ASX: PPS) chair and SLM Corporate founder and MD Barry Lewin as a non-executive director and chairman, effective immediately.

Transurban Group (TCL)

AGM this morning. September average daily traffic rose 3.3%.

TCL has traded lower the past three sessions.

Amcor Ltd (AMC)

AGM this morning. AMC pays its final FY 2018 dividend Tuesday next week. AMC has traded lower the past three sessions.

Harvey Norman Holdings (HVN)

Trading ex-dividend (18c) today.

Resources

Fortescue Metals Group (FMG)

Proposing to buy back \$A500M worth of shares on-market, likely from 25 October.

Syrah Resources (SYR)

Produced 38,700t of graphite during the September quarter, and sold 20,000t. \$US100.3M cash on hand.

Mt Gibson Iron (MGX)

Resources at 30 June 2018 estimated at 76.4Mt @ 61.8% Fe, against 87.9Mt @ 61.4% Fe a year earlier.

Reserves updated to 21.0Mt @ 65.55 Fe, following 12.8Mt @ 66.0% Fe.

The August trade deficit came in at £1.27B, against £0.57B in July.

August industrial production grew 1.3% year-on-year, following a 1% July gain.

In the **US**, September producer prices were reported to have risen 0.2%, after slipping 0.1% in August. Year-on-year, prices are 2.6% higher.

August wholesale inventories climbed 1% following a 0.6% increase for July.

Weekly mortgage applications fell 1.7%, attributed to 30-year loan rates at ~5%.

Tonight in the **US**, the September CPI, a monthly budget statement and weekly new unemployment claims are due.

Elsewhere, the **European Central Bank** (ECB) publishes the minutes of its September policy meeting.

Delta Air Lines, Nomura and Walgreens Boots Alliance are among companies expected to report earnings.

HSBC and Tesco trade ex-dividend on the FTSE 100.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1193	oz	1.9	0.2
Silver (NY) (Dec)	14.3	oz	-0.08	-0.6
Gold (LON)	1186	oz		
Platinum	823	oz	0	0.0
WTI Crude (Nov)	73.2	bbbl	-1.8	-2.4
Brent Crude (Nov)	83.1	bbbl	-1.9	-2.3
Iron Ore (CHN port 62%)	71.14	t	0	0.0
Copper (LME,3mth,PM)	6239	t	-53	-0.8
Nickel	12680	t	-330	-2.5
Aluminium	2047	t	-9	-0.4
Lead	1910	t	-26	-1.3
Zinc	2629	t	-49	-1.8
Tin	19025	t	35	0.2
CBT Wheat (Dec)	5.12	bshl	-0.03	-0.6

Commodities Commentary

Oil – risk-off equities trade appeared in part to influence overnight oil sentiment.

Gulf of Mexico daily oil production was reported down 42% (~6.5% of US output), due to shut downs ahead of Hurricane Michael which hit the Florida coast as a category four storm.

Commodities traders were reported to be forecasting 2019 oil prices between ~\$US65/bbl and ~\$US100/bbl.

US government agency Energy Information Administration forecast domestic 2018 production to come in at a record 10.74Mmbbl/d, against last month's prediction of a daily 10.66Mmbbl.

Major Iranian crude client India was in the meantime reported to be taking 4MMbbl of additional Saudi oil next month.

US weekly petroleum inventories, as produced by the EIA, are due tonight.

Post-US trade, the American Petroleum Institute has calculated a 9.7MMbbl build in US stored crude for last week, potentially further adversely influencing sentiment during Asian trading sessions today.

Gold – prices fell early overnight, but equities fell decisively out of favour during US trade, supporting some safe-haven gold interest.

Pre-Open Announcements

Navitas Ltd (* NVT) / oOh!media Ltd (* OML)

Macquarie has reassessed NVT as neutral, from outperform, and commenced OML coverage with an outperform rating.

Beacon Lighting (* BLX)

Planning to outlay \$11.8M for a former Masters property in Brisbane. BLX proposes to use the property as a distribution facility for operations in Queensland and New South Wales. BLX says it will fund the purchase from new bank facilities. Settlement is anticipated mid-January 2019.

Pharmaxis Ltd (* PXS)

LOXL2 inhibitor phase one clinical trial outcomes confirmed no safety issues and demonstrated certain efficacy. Statistics lodged this morning.

Zelda Therapeutics (* ZLD)

ZLD is concluding a clinical trial collaboration in Chile with Fundacion Daya, and 'de-prioritising' proposed eczema treatment activities.

ZLD intends to focus on autism and insomnia clinical trials in Australia and the US.

Swick Mining Services (SWK)

September quarter drilling business revenue estimated at \$36.7M, following \$36.2M a year earlier. Fleet utilisation averaged 75%, against 77%.

Star Combo Pharma (S66)

Company secretary Richard Hill has resigned. Patrick Raper has been appointed S66's new company secretary, and (Ms) Su Zhang as joint company secretary.

Tribeca Global Natural Resources (* TGF)

Investment company scheduled to list 11am AEDT tomorrow following a \$157.5M IPO at \$2.50 per share. 63M quoted securities.

Resources

Perseus Mining (* PRU)

Heralding outcomes from a Côte d'Ivoire Yaouré gold project FEED study and a value engineering assessment.

First gold expected 2020.

Statistics lodged this morning.

Energy

Carnarvon Petroleum (CVN)

\$A49.5M cash as at 30 September, following \$A14.6M worth of exploration expenditure.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AMC	AGM
	TCL	AGM; Sep
Mon	WES	Sep Q
Tue	COH	AGM
	ORA	AGM
	RIO	Sep Q
	SAR	Sep Q



US September CPI, due tonight is keenly anticipated and could swing \$US, and hence, gold trade.

Base metals – LME trade settled before the US equities markets declines extended into ultimate slides.

Tonight's trade could demonstrate some caution, ahead of **China's** September trade figures, expected tomorrow.

Australia was reported earlier this week to have exported 850Mt of **iron ore** during the September quarter, 8% fewer tonnes than for the June quarter, during which a record 930Mt were exported.

In **copper** news, BHP Billiton was expecting to be resuming operations from an Olympic Dam facility by month's end, producing a lift in overall copper production.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7065	0.0020	0.29
EUR – USD	1.1533	0.0016	0.14

Australian Data Today

MelbInst	Inflation expectations	Oct
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US Data Tonight

CPI	Sep
Initial jobless claims	6 Oct
Budget statement	Sep

Other Overseas Data Today & Tonight

Japan	PPI	Sep
Japan	Bank lending	Sep
UK	RICS house price balance	Sep
Euro zone	ECB policy meeting minutes	Sep

Need More Information?

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	TLS	AGM
	WHC	Sep Q
Wed	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
Alloy Resources	AYR	11 Oct
GBM Gold	GBM	11 Oct
MGC Pharmaceuticals	MXC	11 Oct
ResApp Health	RAP	11 Oct
Byron Energy	BYE	12 Oct
Centuria Capital Group	CNI	12 Oct
Centuria Metropolitan REIT	CMA	12 Oct
Helix Resources	HLX	12 Oct
Metgasco Ltd	MEL	12 Oct
Otto Energy	OEL	12 Oct
Southern Gold	SAU	12 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
Mustang Resources	MUSDE	11 Oct
PLC Financial Solutions	PLC	5 Oct
Plukka Ltd	PKA	2 Oct
Pure Minerals	PM1	11 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 (%)
AJD	Today	2	0	5.72
DGH	Today	2.25	100	3.24
GNG	Today	5	0	7.75
HVN	Today	18	100	8.23
MFF	Today	1.5	100	1.05
FGX	Tomorrow	2.3	100	3.36
SIG	Tomorrow	1.5	100	6.40
WAA	Tomorrow	2.85	100	4.89
WAX	Tomorrow	4.75	100	5.72
WLE	Tomorrow	2.5	100	4.17



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WMI	Tomorrow	4	100	1.33
NZM	Mon	1.82	0	12.25
TPM	Mon	2	100	0.51
UOS	Mon	0.5	0	4.29
ASG	Tue	4.8	100	6.43
PL8	Tue	0.5	100	5.58
SSG	Tue	2.4	100	9.13
GOW	Wed (17 Oct)	6	100	4.29
NWH	Wed	2	100	1.03
AVG	Thu (18 Oct)	1.5	100	2.63
KSC	Thu	2	100	2.35
PIC	Thu	3.3	100	5.56