

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6571	42	<b>0.6</b>
<b>NZX 50</b>	10896	9	<b>0.1</b>
<b>DJIA Futures</b>	26547	63	0.2
<b>S&amp;P 500 Futures</b>	2947	6	0.2
<b>NASDAQ Futures</b>	7779	19	0.2

## Local Markets Commentary

The Australian market opens Friday trade following further gains on major international equities markets overnight, and some supportive key commodities trade, with commentary anticipated from administrative-level US-China trade talks underway in the US.

**Locally** today, no material economic indicators are scheduled for release.

Regionally, China's September foreign direct investment (FDI) figures are anticipated anytime from today.

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

US **gold** futures (December) swung lower.

**Iron ore** (Nymex CFR China, 62% Fe) seesawed to a strong finish just beyond \$US93/t.

LME **copper** and **nickel** rallied. **Aluminium** turned to post a moderately higher close.

The **\$A** rose to ~US 67.60c after approaching US67.55c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26497	151	<b>0.6</b>
<b>S&amp;P 500</b>	2938	19	<b>0.6</b>
<b>NASDAQ</b>	7951	47	<b>0.6</b>
<b>FTSE 100</b>	7186	20	<b>0.3</b>
<b>DAX 30</b>	12164	70	<b>0.6</b>
<b>Shanghai Comp</b>	2948	23	<b>0.8</b>

## Overseas Markets Commentary

Major European equities markets chopped and swung some but achieved ultimate overnight sessional gains. Key US equities indices extended Wednesday's rally with relatively minor vacillations.

Reports ahead of the commencement of administrative level US-China trade talks in Washington overnight included speculation and claims regarding US-declared import taxes due to be implemented Tuesday next week, a currency agreement select licences for business dealings with Huawei.

In addition, China's officials were reported to be planning to conduct one day of talks, rather than two, and the US president announced his intention to meet the head of China's delegation, VP Liu He tonight.

\* Investment trust listing 11am AEDT – MHH \*

## Today's Stock Watch

### Air New Zealand (AIZ)

AIZ has appointed Walmart president and CEO Greg Foran as CEO, effective in the March quarter 2020.

### Sky New Zealand (SKT)

SKT has secured a four-year extension to its exclusive International Cricket Council (ICC) broadcast agreement.

This includes both men's and women's tournaments and will take in the ICC Cricket World Cup in India in 2023.

Schedule lodged this morning.

### Opthea Ltd (OPT)

Additional data from the OPT-302 phase 2b clinical trial in patients with wet AMD has been presented to a San Francisco summit for ophthalmologists.

Presentation lodged this morning.

### IOOF Holdings (IFL)

Selling the group's 52.4% equity interest in Perennial Value Management (PVM). IFL holds 42.2% in PVM voting rights and dividend entitlements.

### Tabcorp Holdings (TAH)

TAH has appointed former National Rugby League CEO and current Football Federation Australia CEO David Gallop AM as a non-executive director.

While awaiting approvals, Mr Gallop will sit on the TAH board as an observer.

### Spark Infrastructure (SKI)

SKI has appointed former Infigen Energy (ASX: IFN) MD and current CleanCo QLD interim CEO Miles George as a director.

### Michael Hill International (MHJ)

September quarter sales revenue rose 9.7% year-on-year, to \$A124.0M. Same stores revenue rose 11.9%.

Additional statistics lodged this morning.

### Magellan High Conviction Trust (\* MHH)

Global equities investment trust scheduled to list on the ASX 11am AEDT following an ~\$861.8M IPO at \$1.50 per unit.

~\$574.5M quoted units.

## Resources

### Silver Lake Resources (SLR)

Produced 59,288oz of gold and 734t of copper during the September quarter. Sold 56,683oz of gold and 613t of copper at \$A1995/oz, with a \$1260/oz AISC.

Cash and bullion rose 18% to \$155.2M. Listed investments were calculated at \$5.1M.



Mr Liu was reported to have promoted the view that China was keen for an agreement 'on matters of importance to both sides'.

Earlier, **European Central Bank (ECB)** September monetary policy meeting minutes revealed some dissent among the 25 members of the governing council regarding the resumption of bond purchases, up to €20B worth each month.

All members agreed some stimulus was needed, but some thought bond purchases ought be held back, and others considered they would be ineffective.

Meanwhile across the channel and beyond, Ireland's PM notably described **UK-European Union (EU)** separation potential arrangement talks with the UK PM as 'very positive' and 'very promising', despite issues both the UK and EU had initially sought to resolve ahead of an EU leaders' summit scheduled for late next week.

In **South Korea**, a large hedge fund put a stop to redemptions after regulators launched an investigation.

Among a batch of mixed key data releases, **Germany's** August trade surplus fell to €16.2B from €21.6B.

Seasonally adjusted, exports fell 1.8%, following a 0.8% July increase.

Imports rose 0.5% against a 1.0% fall in July.

The **UK's** August trade figures included a £1.546B trade deficit, following a £1.681B July deficit.

GDP growth averaged 0.3% over the August quarter, after slipping 0.1% during August.

GDP growth at the end of August represented 1.1% annual growth.

UK August industrial production fell 1.8% from a year earlier, and declined 0.6% for the month.

In the **US**, September CPI came in flat for the month, following a 0.1% August rise. Year-on-year, prices remained 1.7% higher.

Weekly new unemployment claims fell by 10,000 to 210,000.

**Tonight** in the **US**, September import and export prices, and a University of Michigan initial September consumer sentiment reading are due.

Elsewhere, a final September CPI reading is due for Germany.

*US equities and commodities markets are scheduled for regular trade during Monday's Columbus Day commemorations. Canada's markets will be closed due to a Thanksgiving holiday.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1500.9</b>	oz	-11.9	<b>-0.8</b>
<b>Silver (NY) (Dec)</b>	17.602	oz	0.208	<b>-1.2</b>
<b>Gold (LON)</b>	1507	oz	1	<b>0.1</b>
<b>Platinum</b>	897	oz	7	<b>0.8</b>
<b>WTI Crude (Nov)</b>	<b>53.55</b>	bbl	0.96	<b>1.8</b>
<b>Brent Crude (Dec)</b>	<b>59.10</b>	bbl	0.78	<b>1.3</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	93.01	t	1.42	<b>1.5</b>
<b>Copper (LME,3mth,PM)</b>	<b>5777</b>	t	89	<b>1.6</b>
<b>Nickel</b>	17580	t	250	<b>1.4</b>
<b>Aluminium</b>	1751	t	7	<b>0.4</b>
<b>Lead</b>	2155	t	19	<b>0.9</b>
<b>Zinc</b>	2371	t	54	<b>2.3</b>

## Pre-Open Announcements

### Brambles Ltd (BXB)

Trading ex-dividend (17c) Monday.

BXB added 3.54% on AGM day yesterday, settling at \$11.40 and trading as high as \$11.515 intra-session.

### Thorn Group (\* TGA)

TGA has fulfilled its monetary obligations, as set out in a class action settlement deed, with a final \$25M, paid yesterday.

This followed the completion of the group's entitlement offer.

### Buddy Technologies (\* BUD)

Smart light product sales are underway across the UK and Ireland in Dixons Carphone Warehouse outlets.

### Skin Elements (SKN)

Founding SKN non-executive director Luke Martino has resigned from the SKN board, effective immediately.

The announcement follows SKN's disclosure yesterday that the proposed China distribution agreement would not go ahead.

SKN lost 20% yesterday, settling at 1.6c after trading as low as 0.9c.

### Dimerix Ltd (DXB)

Non-executive director David Franklyn has resigned from the DXB board, effective immediately, due to a potential conflict of interest.

## Resources

### Spectrum Metals (\* SPX) / Venus Metals Corporation (VMC)

SPX intends to defend Penny West mining tenements allegations lodged with the WA Supreme Court by VMC.

VMC describes these as 'without merit' and plans to continue exploration.

SPX is also considering whether to lodge any counterclaim.

### Carawine Resources (CWX)

Non-executive director Bruce McQuitty will retire from the CWX board at the end of the company's AGM.

### Marindi Metals (MZN)

MZN has appointed consultant geologist and corporate advisor Michael Edwards as a non-executive director.

## Energy

### African Energy Resources (AFR)

The Botswana Mmamabula West coal resource has grown to 2.935Bt.

Details lodged this morning.

### Trading Halts

Company	Code	Resuming
Alt Resources	ARS	11 Oct



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**Commodities Commentary**

**Oil** – OPEC’s monthly report, published overnight, included reductions for 2019 likely oil demand growth, and also the expected rise in supply from non-OPEC nations for 2019 and 2020. OPEC’s general secretary Mohammed Barkindo reportedly conceded the OPEC+ alliance could agree to a further output reduction at a December meeting.

Mr Barkindo indicated a decision would be reached in December, regarding the production curb agreement that expires 31 March 2020.

Russia confirmed it would talk market stability in Saudi Arabia this coming Monday.

For its part, Saudi Arabia reported a 660,000bbl/d drop in September output, mostly attributed to the mid-September aerial attack on facilities.

In the meantime, industry analysts speculated on up to 200,000bbl/d of Ecuador oil exports that usually goes to the west coast of the US.

Fellow OPEC member Venezuela revealed India’s Reliance Industries was planning to resume oil shipments from sanction-hit Venezuela for the first time in four months.

Commentary from US-China trade talks, which commenced in Washington overnight, is expected to influence much of tonight’s trade.

Also tonight, the **International Energy Agency (IEA)** is scheduled to release a monthly oil report.

In addition, a weekly US petroleum drill rig report is due.

**Gold** – Comex futures headed lower overnight when the US president announced plans to meet with China’s VP Liu He tonight.

China-US talk is expected to continue to influence sentiment.

**Base metals** – overnight sentiment seemed supported by select reports regarding US-China trade talks plans, including the potential implementation of a currency agreement and a possible pushing back of new US import taxes on goods from China, due to come into effect Tuesday next week.

In addition, the yuan strengthened against the \$US, supporting Chinese buying.

In specific metals-related news, China’s MMG revealed an operational impact at the Las Bambas, Peru *copper* project due to blockading which has affected supply deliveries.

A Konkola Copper Mines Zambia smelter, scheduled to close for maintenance did so two days early come yesterday, due to reported equipment failure.

Meanwhile, late-Tuesday, China reportedly revealed plans to further support regional growth.

**Japan’s** September producer prices, reported yesterday, were flat for the month and 1.1% lower than a year earlier. August machinery orders were calculated 14.5% lower than for August 2018.

Salt Lake Potash	SO4	11 Oct
Artemis Resources	ARV	14 Oct
Cellmid Ltd	CDY	14 Oct
EnviroSuite Ltd	EVS	14 Oct
New Standard Energy	NSE	14 Oct
Spectrum Metals	SPX	14 Oct
Stavelly Minerals	SVY	14 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
Cyprium Metals	CYM	10 Oct
European Cobalt	EUC	24 Sep
Family Insights Group	FAM	1 Oct
Force Commodities	4CE	7 Oct
iCandy Interactive	ICI	9 Oct
iSignthis Ltd	ISX	2 Oct
Thred Ltd	THD	26 Sep
Transcendence Technologies	TTL	24 Sep
Variscan Mines	VAR	10 Oct
Wattle Health Australia	WHA	2 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>FGG</b>	Today	<b>1.5</b>	100	0.00
<b>FGX</b>	Today	<b>2.4</b>	100	4.00
<b>MAH</b>	Today	<b>0.5</b>	30	0.00
<b>MFF</b>	Today	<b>2</b>	100	0.94
<b>OPC</b>	Today	<b>3.6</b>	100	0.00
<b>TBR</b>	Today	<b>20</b>	100	0.00
<b>WGB</b>	Today	<b>2</b>	100	0.00
<b>WLE</b>	Today	<b>3</b>	100	4.36
BXB	Mon	17	0	2.54
PPK	Mon	1	100	0.22
TPM	Mon	2	100	0.58
TRA	Mon	3.7	85	7.38
UOS	Mon	0.5	0	3.16
CVF	Tue	5	100	1.87
GNE	Wed	7.87	0	2.31
AVG	Thu	2	100	2.88
IMD	Thu	2	100	1.53
RIC	Thu	2.75	100	4.03
WAM	Thu	7.75	100	6.68
CDM	Fri (18 Oct)	2	100	3.79

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6758	-0.0004	<b>-0.06</b>
<b>EUR – USD</b>	1.1006	0.0000	0.00

**US Data Tonight**

Import and export prices	Sep
University of Michigan consumer sentiment (prelim)	Oct

**Other Overseas Data Today & Tonight**

<b>China</b>	<i>Foreign direct investment (FDI)</i>	Sep
<b>Germany</b>	CPI (final)	Sep

**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)

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**Reports & Events**

(selected)

When	Company	Report/Event
<b>Tue</b>	ORA	AGM
	TLS	AGM
<b>Wed</b>	CBA	AGM
	ORG	AGM
	TWE	AGM
<b>Thu</b>	BHP Plc	AGM (LON)
	IMD	AGM
	ING	AGM
	NST	SepQ (9.30 tele)
	SGF	AGM
<b>Fri</b>	SDF	AGM
	SKC	AGM