

Markets

SFE 200 Futures (9.30am AEDT)	5745	5	0.1
NZX 50	8774	-54	-0.6
DJIA Futures	25079	35	0.1
S&P 500 Futures	2699	-29	-1.1
NASDAQ Futures	6768	-85	-1.2

Local Markets Commentary

The Australian market commences today's trade at the same time as **US Federal Reserve** chair Jerome Powell is scheduled to speak publicly on economic influences.

Overnight equities leads are unresponsive amid ongoing geopolitical uncertainties and following an international data dump yesterday and last night.

In overnight commodities trade, **oil** and US (December) **gold** futures swung higher.

Iron ore (China port 62% Fe) turned slightly higher.

LME **copper** continued modestly higher, and **aluminium** turned so. **Nickel** extended this week's decline.

The **\$A** appreciated to ~US72.20c after falling to ~US71.90c early yesterday evening.

Locally today, October **employment** statistics are due **11.30am** AEDT.

Also today, **Reserve Bank of Australia** (RBA) deputy governor Guy Debelle addresses the topic of *Assessing the Effects of Housing Lending Policy Measures* as a panel member at a FINSIA 'The Regulators' event, **1pm** AEDT.

An inflation expectations report is also expected from the Melbourne Institute today.

In addition, another swag of high-profile domestic stocks hosts **AGMs** today. Please see *pp2-3* for details.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25081	-206	-0.8
S&P 500	2702	-21	-0.8
NASDAQ	7136	-64	-0.9
FTSE 100	7034	-20	-0.3
DAX 30	11413	-60	-0.5
Shanghai Comp	2632	-23	-0.9

Overseas Markets Commentary

US equities markets soon trended lower overnight, following initial gains, only to head higher two hours before close, and then reverse direction again in the last hour of trade.

Major European indices also swung notably, as investors considered several key economic indicators and material geopolitical developments from both sides of the Atlantic.

The UK cabinet approved a draft plan governing the **UK-European Union** (EU) separation, albeit reportedly not without significant division.

US – Federal Reserve chair Jerome Powell speech **10am** AEDT
Australia – October employment 11.30am AEDT

Today's Stock Watch

GrainCorp Ltd (📉 **GNC**)

43.7% lower, \$70.5M full year NPAT.

7.1% lower, \$4.25B revenue. 8c fully franked final dividend. \$6.46 NTA.

FY 2019 eastern Australia grains business conditions have worsened.

REA Group (REA) / News Corporation (NWS)

CEO Tracey Fellow has resigned, effective January, to become NWS's digital real estate president, based in New York.

Wesfarmers Ltd (WES)

Coles Group will be added to the S&P/ASX 200 index following close of trade 20 November (Tuesday next week), pending WES's proposed one-per-one share spin-off of Coles Group (XASX: COL).

No company will be removed from the S&P/ASX 200 when Coles is added. WES hosts its AGM today.

Xero Ltd (XRO)

Outlaying up to £5.25M over three years for UK-headquartered accounting software specialist Instafire.

MACA Ltd (MLD)

Anticipating \$7M - \$9M interim NPAT.

Revenue is expected to grow 10% to \$620M, 95% of contracted revenue.

New equipment and greater-than-anticipated project costs have impacted first half expectations, but MLD is anticipating equipment and inventory investments to pay off during 2H FY 2019.

MLD called a trading halt yesterday morning, ahead of the company's AGM, where it provided the updated figures.

Emeco Holdings (EHL)

Reporting a 'solid' Q1 FY 2019 operating performance. Today's AGM materials lodged.

G8 Education (📉 **GEM**)

Today's investor day presentation, including a trading update, lodged. Teleconference commencing **11.30am** AEDT.

Navitas Ltd (NVT)

Questions regarding the consortium bid for NVT anticipated at today's AGM, for which materials have been lodged.

MYOB Group (MYO)

Today's investor day materials lodged.

Seven West Media (SWM)

UBS has cancelled SWM sell advice, in favour of a neutral rating.

Ausnet Services (AST)

Morgan Stanley has re-rated AST as equal-weight, from underweight. Macquarie has reassessed AST as neutral, from underperform.

Resources

Fortescue Metals Group (FMG)

Outlook update anticipated at today's AGM.

The UK parliament and each EU parliament must also grant approvals before any deal is finalised.

An EU leaders' summit is expected within two weeks, amid a busy calendar which includes the G20 leaders' meeting in Argentina.

Italy retained its initial budget plans, again offering projected GDP and debt statistics for the next several years, defying European Commission pressure to conform to regional regulatory requirements.

Earlier yesterday, Japan and China had published a series of mixed key data.

Among a plethora of influential overnight data releases, **US** October CPI growth was calculated, in line with forecasts, at 0.3% for the month, and 2.5% year-on-year, against 0.2% and 2.3% respectively during September.

The new figures, supported by a petrol price bounce, supported views the Federal Reserve would raise interest rates a further 0.25% at next month's policy meeting, and hence pushed the \$US higher.

The \$US rise came after the previous session's oil price plummet had supported emerging market currencies, and following earlier overnight gains for the euro and British pound.

In the **UK**, October CPI rose 0.1% for the month and 2.4% year-on-year, the same rates recorded for September.

Producer prices rose 0.3% and 3.3% respectively, against 0.4% and 3.1% in September.

A revised **euro zone** September quarter GDP reading was reported as 0.2% growth for the three months, and 1.7% year-on-year.

For the June quarter, GDP had grown 0.4% and 2.2% respectively.

September industrial output fell 0.3% for the month, producing a 0.9% year-on-year gain. During August, industrial production grew 1.1% for both the month and year-on-year.

Germany's initial September quarter GDP figure was estimated as a 0.2% pullback, following 0.5% June quarter growth.

Year-on-year, GDP grew 1.1%, against 2% for the June quarter.

Economists cited vehicle production regulations, in particular governing emissions, as a contributing factor to the softer numbers.

National industry group BDI in the meantime reduced its 2018 domestic export growth prediction for the second consecutive month, this time from 3.5% to 3.0%.

Tonight in the US, October retail sales, import and export prices, September business inventories and two regional manufacturing business activity indices are due.

In addition, **Federal Reserve** chair Jerome Powell is due to speak publicly just as the ASX commences tomorrow's trade.

Nordstrom, NVIDIA, Tullow Oil and Walmart are among companies scheduled to report earnings or provide updates.

GlaxoSmithKline, J Sainsbury (supermarket chain), Marks & Spencer and Shell trade ex-dividend on the FTSE 100.

Cisco Systems has reported post-US trade this morning, predicting 5% - 7% December quarter year-on-year revenue growth. The guidance could impact some sentiment tonight.

Pre-Open Announcements

Aveo Group (* AOG)

Macquarie has re-rated AOG as underperform, from neutral.

Senetas Corporation (* SEN)

Proposing to purchase \$US8M worth of convertible notes in Votiro Cybersec Global, a file scanning, cleaning and reconstruction specialist.

SEN completed the purchase of \$US4M of these yesterday/overnight, using existing cash reserves.

Pharmaxis Ltd (* PXS)

Reporting positive indications from the Lysyl Oxidase Like 2 proposed fibrotic disease treatment phase one clinical trial. Toxicity results yet to come.

FBR Ltd (* FBR)

Appreciated 27.3% to 21c in high-volume trade yesterday after confirming completion of a successful robotic home build.

FBR is planning to commercialise the company's robotic bricklaying system.

Sky & Space Global (SAS)

SAS has demonstrated the company's 3 Diamonds nano-satellites network for voice calls and messaging to delegates at the AfricaCom conference, Cape Town.

Hearts and Minds Investments (HM1)

Investment company completed a successful ASX listing yesterday following a \$500M at \$2.50 per share.

Opened at \$2.59 and traded at \$2.47 - \$2.60 before settling at \$2.54.

~3.34M shares changed hands across 447 transactions.

Resources

Perseus Mining (PRU)

Edikan (Ghana), Sissingué and Yaouré project site visit presentations lodged this morning.

Alacer Gold Corporation (AQG)

Turkey Coppler gold project site visit presentation lodged this morning.

West African Resources (WAF)

Reporting visible gold from Burkina Faso Sanbrado gold project drilling at 865m - 895m down hole.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ABP	AGM
	CHC	AGM
	CGC	AGM
	EHL	AGM
	FXL	AGM
	FMG	AGM
	GEM	Investor day
	GMG	AGM
	GNC	Full year
	ISD	AGM
	MYO	Investor day
	NVT	AGM
	NST	AGM
	PTM	AGM

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1211	oz	10	0.8
Silver (NY) (Dec)	14.1	oz	0.12	0.9
Gold (LON)	1202	oz		
Platinum	833	oz	-4	-0.5
WTI Crude (Dec)	56.3	bbl	0.6	1.0
Brent Crude (Jan)	66.1	bbl	0.65	1.0
Iron Ore (CHN port 62%)	75.9	t	0.2	0.2
Copper (LME,3mth,PM)	6090	t	17	0.3
Nickel	11310	t	-35	-0.3
Aluminium	1943	t	8	0.4
Lead	1953	t	1	0.1
Zinc	2502	t	13	0.5
Tin	19305	t	35	0.2
CBT Wheat (Dec)	5.12	bshl	-0.06	-1.1

Commodities Commentary

Oil – overnight traders again considered figures from the International Energy Agency (IEA) and OPEC reports.

The IEA predicted first-half 2019 global crude supply would grow by a daily 2MMbbl, against a 1.4MMbbl/d demand increase.

Further, the IEA forecast the US to account for 1.3MMbbl/d of the supply increase.

OECD inventories rose by 58.1MMbbl (630,000bbl/d), to 2.875 billion barrels during the September quarter, the IEA estimated. The September increase slowed to 12.1MMbbl, however.

Reports continued from the OPEC-led meeting in Abu Dhabi last Sunday, claims emerging that a cut of up to 1.4MMbbl/d had been discussed for 2019.

Weekly US petroleum inventories from US government agency the EIA are expected tonight.

Gold – US October CPI growth was reported in line with forecasts, boosting the probability of another US rate rise before year's end and sending the \$US higher.

Key currencies including the euro and British pound had appreciated earlier, this plus bargain-hunting and short-covering also reported as notable influences during last night's trade.

~**10am AEDT, US Federal Reserve** chair Jerome Powell is due to speak publicly, this potentially swinging both today's and tonight's gold sentiment.

Base metals – some of yesterday's data out of Japan and China fuelled global economic growth concerns, as did overnight economic figures from the euro zone.

Japan's September quarter GDP fell 0.3% for the three months, and dropped 1.2% year-on-year, impacted by a series of natural disasters which directly impeded exports and consumer activity. By contrast, June quarter GDP grew 0.8%, and 3% year-on-year.

The September tertiary index fell 1.1% for the month following a 0.4% August rise.

Industrial production was finalised at a 0.4% pullback for the month and 2.5% year-on-year slide, following respective 0.3% and 0.2% August gains.

China's October industrial production grew 5.9% year-on-year following a 5.8% year-on-year rise in September.

Retail sales rose by 8.6% year-on-year, against

	SXY	AGM
	SRS	AGM
	WES	AGM
Tomorrow	ALU	AGM
	IFN	AGM
	LLC	AGM
	LNK	AGM
	MGR	AGM
	PBT	AGM
Mon	BBN	AGM
	FXJ	AGM
	SYD	Oct
Tue	A2M	AGM
	ALQ	Interim
	AAD	AGM
	DHG	AGM
	FBU	AGM
	MND	AGM
	NHC	AGM
	OFX	Interim
	TNE	Full year
Wed (21 Nov)	CMW	AGM
	GOZ	AGM
	NWH	AGM
	PPC	AGM
	REA	AGM
	SCP	AGM
	SVW	AGM
	SHL	AGM
	VRT	AGM
	WEB	AGM
	WTC	AGM
	WOW	AGM

Trading Halts

Company	Code	Resuming
Adriatic Metals	ADT	15 Nov
Gold Mountain	GMN	15 Nov
Pacifico Minerals	PMY	15 Nov
Sipa Resources	SRI	15 Nov
Toptung Ltd	TTW	15 Nov
Cauldron Energy	CXU	16 Nov
MACA Ltd	MLD	16 Nov
Prodigy Gold	PRX	16 Nov
Property Connect Holdings	PCH	16 Nov
ShareRoot Ltd	SRO	16 Nov
Tanga Resources	TRL	16 Nov
Mithril Resources	MTH	19 Nov
Oakdale Resources	OAR	19 Nov

Suspensions (select)

Company	Code	Since
Australian Mines	AUZ	14 Nov
Energy Technologies	EGY	12 Nov
Environmental Clean Technologies	ECT	13 Nov
Impelus Ltd	IMS	26 Oct



9.2% in September.

Fixed asset investment for January-October rose 5.7% against 5.4% for January through September. Both investment and industrial output exceeded forecasts.

Late Tuesday, however, China's October lending figures had been reported significantly lower for the month.

Overnight LME trade also appeared influenced by an early relatively weaker **\$US** against stronger emerging market currencies.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7235	0.0002	0.03
EUR – USD	1.1313	0.0004	0.04

Australian Data Today

ABS	Employment	Oct
MelbInst	Inflation expectations	Nov

US Data Tonight

Philadelphia Fed manufacturing	Nov
NY Fed (Empire State) manufacturing	Nov
Retail sales	Oct
Import and export prices	Oct
Business inventories	Sep

Other Overseas Data Today & Tonight

UK	Retail sales	Oct
Euro zone	Trade balance	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.

Lindian Resources	LIN	5 Nov
Orinoco Gold	OGX	14 Nov
Pelican Resources	PEL	31 Oct
RCR Tomlinson	RCR	14 Nov
Updater Inc	UPD	9 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Today	0.5	100	5.80
TLT	Today	1.6	0	1.51
DDR	Tomorrow	4.4	100	6.25
KMD	Tomorrow	10.07	100	4.95
SOL	Tomorrow	33	100	1.83
TWD	Tomorrow	16	100	6.82
WAM	Tomorrow	7.75	100	6.68
CBC	Mon	1.6	100	3.38
ELD	Mon	9	100	2.55
IPL	22 Nov	6.2	20	2.64
ZEL	22 Nov	11.54	0	5.80
RHL	23 Nov	6	100	4.81
CIE	26 Nov	1.55	50	7.44
IFT	26 Nov	5.5	0	4.50
CVL	29 Nov	0.59	100	1.14
GZL	29 Nov	10	100	4.41

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