

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5818	0	<b>0.0</b>
<b>NZX 50</b>	8815	-23	<b>-0.3</b>
<b>DJIA Futures</b>	25197	-4	0.0
<b>S&amp;P 500 Futures</b>	2749	0	0.0
<b>NASDAQ Futures</b>	7079	2	0.0

## Local Markets Commentary

The Australian market commences today's trade following ambivalent overnight international equities and commodities leads, and ahead of new data out of China and key domestic reports.

**China** is scheduled to report September CPI and PPI **12.30pm** AEDT.

**Locally**, the **Reserve Bank of Australia** (RBA) publishes the minutes of its October policy meeting **11.30am** AEDT.

The Australian Bureau of Statistics (ABS) releases overall August lending finance figures at the same time.

A weekly consumer sentiment reading is due pre-trade.

In overnight commodities trade, **oil** extended Friday's gains.

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

**Iron ore** (China port, 62% Fe) eased by US1c.

LME **copper** settled essentially flat. **Nickel** and **aluminium** were pushed lower.

The **\$A** was traded back towards US71.30c after appreciating to ~US71.40c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25251	-89	<b>-0.4</b>
<b>S&amp;P 500</b>	2751	-16	<b>-0.6</b>
<b>NASDAQ</b>	7431	-66	<b>-0.9</b>
<b>FTSE 100</b>	7029	33	<b>0.5</b>
<b>DAX 30</b>	11614	90	<b>0.8</b>
<b>Shanghai Comp</b>	2568	-39	<b>-1.5</b>

## Overseas Markets Commentary

Major European and US equities markets diverged overnight, all major indices again featuring choppy trade, but most in the US settling at session lows, against session highs for European exchanges.

US-Saudi tensions remained, with a growing chorus of US ally leader and business sector comments also suggesting to investors that **Saudi Arabia's** global business and investment ventures, and the international banking sector could be at risk.

Earlier, the head of the People's Bank of **China** openly acknowledged adverse domestic impacts from the current US trade policies, but sought to assure the central bank was well tooled to support China's economy.

In addition, a **US** steel sector downgrade from an investment bank, which further reduced some ratings for specific sector-related stocks, appeared

**China** – September CPI **12.30pm** AEDT

**Australia** – RBA policy meeting minutes **11.30am** AEST

## Today's Stock Watch

### National Australia Bank (NAB)

Anticipating a \$261M reduction in second-half 2018 cash earnings due to an additional \$314M to be paid back to customers and associated costs.

Planning to publish full year results and more detail 1 November.

### Unibail-Rodamco-Westfield (URW)

Selling the Paris La Défense district Tour Ariane office building for €464.9M.

### WiseTech Global (WTC)

Acquiring UK-headquartered logistics management software specialist LSI Sigma Software, for \$3.6M upfront and a maximum \$1.4M earnout.

### Sims Metal Management (SGM)

Proposing to buy back up to 20.4M shares (10%) over a year commencing ~8 November, pending market prices and conditions.

## Resources

### Rio Tinto (RIO)

September quarter WA Pilbara iron ore production fell by 3% year-on-year, to 82.5Mt, and shipments by 5%, to 81.9Mt. Bauxite and aluminium production each came in 1% lower, and mined copper 32% higher.

For the calendar year-to-date, RIO iron ore production and shipments have risen 4%, as has bauxite output. Aluminium output has fallen 3%, to 2.58Mt, and mined copper risen 38%, to 455,800t.

### BHP Billiton (BHP)

Proposing to secure an additional 5.2% of SolGold (to hold 11.2%) by purchasing a further 100M SolGold shares at 45p each. BHP is due to report for the September quarter tomorrow.

### Saracen Mineral Holdings (SAR)

Produced a record 88,940oz of gold during the September quarter, at a \$A993/oz AISC. Sold 86,623oz at \$A1640/oz. \$A131.0M cash and equivalents. 272,400oz hedged at \$A1743/oz.

### Northern Star Resources (NST)

NST's total resources have reached 188Mt @ 3.4g/t Au, for 20.5Moz.

Pogo resource updated to 8.8Mt a 14.7g/t Au, for 4.15Moz of contained gold, using a 6.2g/t Au cut-off.

The revised Pogo resource does not include satellite deposits.

In addition, NST is planning to lodge the company's September quarter report prior to market open 25 October (Thursday next week), and to host a webcast teleconference that day, commencing 11am AEDT. Access details lodged post-trade yesterday.

## Energy

### Whitehaven Coal (WHC)

Produced 3981t of managed saleable coal during the September quarter, 32% less than a year earlier. Sold 4853t, 20% less than for the September quarter 2017.

to influence sentiment in general.

Meanwhile, the British pound and euro headed lower against the \$US, supporting select exporters.

In overnight data releases, **US** September retail sales were reported 0.1% higher, as they were for August. This against expectations of a possible 0.6% gain in September, but nonetheless representing a 4.7% 12-month rise.

A New York region manufacturing index came in at 21.1, after falling four points to 19 in September.

August business inventories rose 0.5% to \$US1.96 trillion, 4.6% higher than a year ago.

**Tonight** in the US, September industrial production, a job openings report and housing market sentiment index are due.

Blackrock, CSX, Domino's Pizza, Goldman Sachs, IBM, Infosys, Johnson & Johnson, Merlin Entertainments, Morgan Stanley, Netflix, Pearson, Rio Tinto and United Continental are among companies scheduled to report earnings or provide updates.

In overnight corporate news, **Apple** suffered a 1.5% fall following an analyst warning, in particular in relation to predictions of reduced China demand.

US department store chain **Sears** filed for bankruptcy and announced plans to close ~140 stores.

**Bank of America** traded more than 1.5% lower after adviser and underwriting fees plus loan business each appeared to undershoot expectations. Quarterly profit rose 32% however, supported by rate rises and tax relief.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1230</b>	oz	8	0.7
<b>Silver (NY) (Dec)</b>	14.7	oz	0.09	0.6
<b>Gold (LON)</b>	1220	oz		
<b>Platinum</b>	840	oz	4	0.5
<b>WTI Crude (Nov)</b>	<b>71.8</b>	bbl	0.4	0.6
<b>Brent Crude (Nov)</b>	<b>80.8</b>	bbl	0.4	0.4
<b>Iron Ore</b> (CHN port 62%)	71.66	t	-0.01	-0.0
<b>Copper</b> (LME, 3mth, PM)	<b>6301</b>	t	-1	-0.0
<b>Nickel</b>	12615	t	-40	-0.3
<b>Aluminium</b>	2027	t	-14	-0.7
<b>Lead</b>	2085	t	34	1.6
<b>Zinc</b>	2599	t	-47	-1.8
<b>Tin</b>	19145	t	20	0.1
<b>CBT Wheat (Dec)</b>	<b>5.25</b>	bshl	0.08	1.5

### Commodities Commentary

**Oil** – possible US and ally sanctions against Saudi Arabia supported overnight crude prices.

The US secretary of state and Saudi king were scheduled to meet.

**Gold** – traded at 10-week peaks, this mostly attributed to renewed safe-haven buying, and technicals.

In addition, US equities trade again turned notably circumspect, and the \$US swung a little following weaker-than-anticipated US retail sales.

**Base metals** – as with US equities, which opened lower, international trade and investment concerns appeared to damage overnight LME sentiment.

In addition, the euro and British pound headed lower against the \$US.

## Pre-Open Announcements

### Telstra Corporation (\* TLS)

Updated outlook keenly anticipated at today's AGM.

Chairman's speech and CEO's presentation lodged pre-trade.

### Cochlear Ltd (\* COH)

Today's AGM chairman's speech lodged pre-trade.

### Orora Ltd (\* ORA)

AGM today. ORA has traded lower four of the past six trading sessions, yesterday settling at \$3.24 after trading as low as \$3.20.

### Spotless Group Holdings (\* SPO) / Downer EDI (DOW)

CEO and MD Dana Nelson has stepped down from her SPO roles, effective today, but will assist SPO for another six months.

DOW general counsel and company secretary Peter Tompkins has been appointed SPO's new MD and CEO.

DOW acquired SPO last year.

### DroneShield Ltd (\* DRO)

A government agency has ordered two DroneGuns. DRO has not disclosed the identity of the relevant national government.

### TV2U International (\* TV2)

CFO and executive director David Adams has resigned, but will consult to TV2 until the end of February 2019.

### identitii Ltd (\* ID8)

Financial technology specialist scheduled to list 11am AEDT tomorrow following an \$11M IPO at 75c per share.

31.77M quoted securities.

### Security Matters (\* SMX)

Goods permanent security ID specialist completed its ASX listing yesterday following a \$6M IPO at 20c per share.

Opened at 20c and rose to 21c before settling at 20.5c.

2.1M shares changed hands across 98 transactions.

36M quoted securities.

## Resources

### Lynas Corporation (\*\* LYC)

The Malaysian government LYC operational review will complete its work over six weeks, according to media reports, LYC says.

LYC has also lodged this morning the names of the review committee members, as reported by media in Malaysia.

### Talga Resources (\* TLG)

Heralding test results on TLG's lithium-ion battery anode product. These have indicated ultra-fast battery charging capabilities. Details lodged this morning.

## Energy

### Buru Energy (\* BRU)

Produced 117,000bbl of oil, including the one-millionth barrel of onshore WA Canning Basin Ungani field crude, during the September quarter.

Sold 105,000bbl.

\$A71M cash, against \$A20M 30 June, having received the final payment for the \$64M sale to Roc Oil of 50% of Ungani.



Pre-winter demand extended *lead's* current run.

**China's** September CPI and producer prices are anticipated today, and are likely to influence at least some of tonight's trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7138	0.0006	0.08
<b>EUR – USD</b>	1.1584	0.0004	0.04

### Australian Data Today

RBA	Policy meeting minutes	2 Oct
ANZ/RyMgn	Consumer sentiment	14 Oct
ABS	Lending finance	Aug

### US Data Tonight

Industrial production	Sep
JOLTS job openings	Aug
NAHB housing market index	Oct

### Other Overseas Data Today & Tonight

<b>China</b>	CPI	Sep
<b>China</b>	PPI	Sep
<b>UK</b>	Earnings	Aug
UK	ILO unemployment	Aug
UK	Unemployment claims change	Sep
<b>Germany</b>	ZEW economic sentiment	Oct
<b>Euro zone</b>	Trade balance	Aug
Euro zone	ZEW expectations, sentiment	Oct

### 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).

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>COH</b>	AGM
	<b>ORA</b>	AGM
	<b>RIO</b>	Sep Q
	<b>SAR</b>	Sep Q
	<b>TLS</b>	AGM
	<b>WHC</b>	Sep Q
<b>Tomorrow</b>	BHP	Sep Q
	CGF	Sep Q
	CSL	AGM
	ORG	AGM
	OZL	Sep Q
	SBM	Sep Q
	TAH	AGM
	TRS	AGM
	<b>Thu</b>	ANN
AZJ		AGM; Sep Q
API		Full year
GXY		Sep Q
ING		AGM
STO		Sep Q
SKT		AGM
S32		Sep Q
SDF		AGM
TWE		AGM
WPL	Sep Q	
<b>Fri</b>	ARB	AGM
	EVT	AGM
	SKC	AGM
	SYD	Sep
	<b>22 Oct</b>	FLT

### Trading Halts

Company	Code	Resuming
CardieX Ltd	CDX	16 Oct
Future Generation Global Investment	FGG	16 Oct
Spectrum Metals	SPX	16 Oct
Venus Metals Corporation	VMC	16 Oct
White Cliff Minerals	WCN	16 Oct
Alkane Resources	ALK	17 Oct
Byrah Resources	BYH	17 Oct
Calidus Resources	CAI	17 Oct
High Peak Royalties	HPR	17 Oct
Kazia Therapeutics	KZA	17 Oct
Protean Energy	POW	17 Oct
Troy Resources	TRY	17 Oct

### Suspensions *(select)*

Company	Code	Since
Aurora Dividend Income Trust	AOD	21 Sep
AVZ Minerals	AVZ	9 Oct
Black Star Petroleum	BSP	21 Sep

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buyMyplace.com.au Ltd	BMP	24 Sep
Classic Minerals	CLZ	28 Sep
Crusader Resources	CAS	1 Oct
Doriemus Plc	DOR	15 Oct
GBM Gold	GBM	11 Oct
Jacka Resources	JKA	21 Sep
MGM Wireless	MWR	15 Oct
MMJ Phytotech	MMJ	8 Oct
MSM Corporation International	MSM	25 Sep
Mustang Resources	MUS	11 Oct
PLC Financial Solutions	PLC	5 Oct
Plukka Ltd	PKA	2 Oct
Updater Inc	UPD	9 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>APW</b>	Today	<b>1.07</b>	0	1.57
<b>ASG</b>	Today	<b>4.8</b>	100	6.52
<b>PL8</b>	Today	<b>0.5</b>	100	5.58
<b>SSG</b>	Today	<b>2.4</b>	100	9.03
GOW	Tomorrow	6	100	4.35
KAT	Tomorrow	0.75	100	3.90
NWH	Tomorrow	2	100	1.02
AVG	Thu	1.5	100	2.63
KSC	Thu	2	100	2.43
PIC	Thu	3.3	100	5.64
APL	Fri	5	50	4.42
APLN	Fri	5	50	0.00
NHC	Fri	8	100	3.79
FLK	22 Oct	3.6	100	2.17
TRA	22 Oct	3.65	0	3.72
SNC	23 Oct	3.5	100	7.33