

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5307</b>	<b>-13</b>	<b>-0.2</b>
<b>NZX 50</b>	6839	14	0.2
<b>DJIA Futures</b>	18832	0	0.0
<b>S&amp;P 500 Futures</b>	2173	-7	-0.3
<b>NASDAQ Futures</b>	4783	17	0.4

## Local Markets Commentary

The Australian market opens today's trade on mostly negative international equities and key commodities leads.

In overnight commodities trade, US **gold** futures settled little changed and **oil** lower. **Iron ore** continued lower after dropping Tuesday. **Copper** also continued to fall.

The **\$A** fell decisively beneath US75.0c after slipping to US75.20c yesterday evening.

Locally today, the ABS publishes employment statistics **11.30am** AEDST.

The RBA also reports forex transactions and official assets.

October property prices are expected out of China tomorrow.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>18868</b>	-55	<b>-0.3</b>
<b>S&amp;P 500</b>	2177	-3	<b>-0.2</b>
<b>NASDAQ</b>	5295	19	0.4
<b>FTSE 100</b>	6750	-43	<b>-0.6</b>
<b>DAX 30</b>	10664	-71	<b>-0.7</b>
<b>Shanghai Comp</b>	3205	-2	<b>-0.1</b>

## Overseas Markets Commentary

Major European and US equities markets mostly settled lower overnight following vacillating trade.

Oil prices chopped, finance sector stocks suffered and the tech sector remained supported.

In new data releases, **US** October industrial production was reported flat, although manufacturing output improved 0.2%.

Producer prices surprised, also coming in steady following forecasts of a 0.3% rise. Core prices increased 1.6% year-on-year and fell 0.2% for the month.

A homebuilders' sentiment index remained at 63.

Weekly mortgage applications dropped 9.2%, in part blamed on appreciating bond yields.

In the meantime, the UK reported 4.8% unemployment for July – September, the lowest rate in 11 years. ON the flip sided unemployment claims rose in October by the most in five months.

**Tonight** in the US, Federal Reserve chair Janet Yellen is scheduled to meet with a parliamentary economic committee.

October CPI, building permits and housing starts, weekly new unemployment claims and a regional manufacturing index are also due.

**Australia - October employment 11.30am AEDST.**

## Today's Stock Watch

### Telstra Corporation (TLS)

Today's investor day presentation and CEO and CFO speeches lodged, highlighting capital expenditure plans.

### Wesfarmers Ltd (WES)

10-year agreement with Citi secured for the distribution of Coles-branded credit cards. Citi will issue and manage the cards, and fund receivables, which last month totalled ~\$80M.

### James Hardie Industries (JHX)

24% lower, \$US144.1M interim NPAT. 11% higher, \$US973.5M net sales. US10c interim dividend. \$US74.7M September quarter adjusted net operating profit, and \$US495.8M net sales. Forecasting a conditional \$US250M - \$US270M full-year adjusted net operating profit.

### CSG Ltd (CSV)

Lowering expected FY 2017 underlying EBITDA from \$44M - \$48M to \$38M - \$42M. Ongoing, short-term and one-off supporting factors listed this morning. Presentation also lodged, ahead of a teleconference which commenced 9.15am AEDST.

### Boart Longyear (BLY)

50% higher year-on-year September quarter NPAT. Revenue down 6%. Net debt rose 22%. Details lodged this morning.

### Sonic Healthcare (SHL)

Today's AGM presentation and address lodged.

## Resources

### BHP Billiton (BHP)

AGM today, Brisbane.

### Rio Tinto (RIO)

In relation to the Simandou, Guinea investigation, RIO has officially terminated employment contracts for energy and minerals division CEO Alan Davies and legal and regulatory affairs executive Debra Valentine. RIO VP iron ore sales and marketing and marine MD Bold Baatar is replacing Alan Davies. CFO Chris Lynch is temporarily assuming Ms Valentine's duties.

### Syrah Resources (SYR)

Downstream strategy update presentation lodged. Teleconference commencing 10.30am AEDST. Access details lodged this morning.

## Energy

### WorleyParsons Ltd (WOR)

Five-year EPCm services contract secured with Qatar Shell for Pearl GTL (gas-to-liquids) and associated facilities.

### Santos Ltd (STO) / Oil Search (OSH)

STO subsidiary Barracuda Ltd is acquiring 20% of PPL 402, PNG, on confidential terms, from OSH and ExxonMobil. OSH will retain 37.5% and remain operator; ExxonMobil's Esso PNG Wren will hold 42.5%.

### Austin Exploration (AKK)

Reporting strong gas flows from the Marco Polo and Columbus wells, Pathfinder project, Colorado, US. Gas is being flared to enable safe flow-testing to commence.

Best Buy, Gap, Investec, Johnson Matthey, Premier Oil, Staples and Wal Mart are scheduled to report later today and tonight.

Marks & Spencer and Sainsbury trade ex-dividend on the FTSE100.

Overnight, **Lowe's** suffered after reporting disappointing quarterly revenue and profit, the figures including a \$US290M Masters JV (with Woolworths, ASX: WOW) write-down.

**Target Corp** surpassed expectations, however and lifted its holiday season sales outlook.

**BP** announced 3% - 4% of jobs would go at an Indiana refinery.

Workers at **Rakuten** may fare better, after Japanese online retailer secured a four-year sponsorship agreement with FC Barcelona.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1224</b>	oz	-0.05	<b>-0.0</b>
<b>Silver (NY) (Dec)</b>	16.9	oz	-0.1	<b>-0.7</b>
<b>Gold (LON)</b>	1229	oz	2	<b>0.2</b>
<b>Platinum</b>	942	oz	5	<b>0.5</b>
<b>WTI Crude (Dec)</b>	<b>45.6</b>	bbl	-0.2	<b>-0.5</b>
<b>Brent Crude (Jan)</b>	<b>46.6</b>	bbl	-0.3	<b>-0.7</b>
<b>Iron Ore (Tianjin)</b>	<b>72.2</b>	t	-0.6	<b>-0.8</b>
<b>Copper (LME)</b>	<b>5433</b>	t	-92	<b>-1.7</b>
<b>Nickel</b>	11330	t	35	<b>0.3</b>
<b>Aluminium</b>	1697	t	-38	<b>-2.2</b>
<b>Lead</b>	2161	t	-49	<b>-2.2</b>
<b>Zinc</b>	2524	t	-89	<b>-3.4</b>
<b>Tin</b>	19900	t	-400	<b>-2.0</b>
<b>CBT Wheat (Dec)</b>	<b>3.97</b>	bshl	-0.02	<b>-0.5</b>

### Commodities Commentary

**Oil** – prices fell early on a yet stronger \$US, and a US industry report late Tuesday that indicated US crude stockpiles had risen significantly the previous week.

The government EIA report came in during overnight trade, estimating a 5.3MMbbl gain for the week, against forecasts of a 1.5MMbbl increase.

Earlier, in its latest outlook report the International Energy Agency (IEA) warned new industry investment was needed to avoid a 2020s boom-bust scenario.

(non-OPEC) Russia's energy minister confirmed another meeting with Saudi Arabia was possible ahead of the OPEC 30 November meeting.

**Gold** – settled little changed despite a \$US index at 13-year highs. Flat US producer prices were considered one influence. Comex futures traded at \$US1230/oz intrasession.

**Base metals** – \$US strength offered no support for overnight trade. Reports also emerged China was preparing to do more to cut excess steel capacity. In addition, October US industrial production undershot expectations.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7486	0.0005	<b>0.06</b>
<b>EUR – USD</b>	1.0698	0.0007	<b>0.07</b>

## Pre-Open Announcements

### Creso Pharma (\* CPH)

LoI secured with Canadian medical cannabis group CanniMed, for CPH to be preferred distributor for CanniMed across the European Union.

### Autosports Group (\* ASG)

Specialist vehicle and services provider completed a successful ASX listing yesterday following a \$159.3M IPO at \$2.40 per share. Opened at \$2.65 and traded at \$2.45 - \$2.66 before settling at \$2.47. 23.2M shares changed hands across 1876 transactions. Trading commenced on a conditional and deferred settlement basis. Normal (T+2) trade is expected to commence 22 November.

### Bravura Solutions (BVS)

Software developer and distributor completed its ASX listing yesterday following a \$148.1M IPO at \$1.45 per share. Opened at \$1.37 and slipped to \$1.10 before settling at \$1.25. ~9.75M shares were traded across 2285 transactions. Trading commenced on a deferred settlement basis. Normal (T+2) trade is expected to commence 22 November.

### OpenDNA Ltd (OPN)

Digital analysis specialist completed its ASX listing yesterday following an \$8M IPO at 20c per share. Opened at 16c and traded at 15.5c – 18c before settling at 16.5c. 868,214 shares changed hands across 80 trades.

## Resources

### Great Boulder Resources (\* GBR)

Gold explorer scheduled to list 1.30pm AEDST tomorrow following a \$6.1M IPO at 20c per share.

## Davenport Resources

Davenport Resources is a multi-mineral exploration company seeking to list on the ASX in mid-December.

The company is conducting a \$5M - \$6M IPO at 20c per share.

Once the IPO is completed, Davenport will hold two exploration licences in a potash production region in central Germany.

Based on exploration records for the licences, Davenport anticipates proving a JORC-compliant potash resource within three years.

Davenport knows the licences and their potential well. They are held mostly by Potash West, whose MD Patrick McManus is Davenport Resources' non-executive chairman. Davenport's MD will be Potash West director Christopher Bain.

Due to its recent history as an Arunta Resources subsidiary, Davenport Resources also holds the Southern Cross Bore copper-gold project in the Arunta province, Northern Territory.

**State One holds firm stock in the Davenport Resources offer.**

*For further information, please contact your advisor, or email [davenport@amscot.com.au](mailto:davenport@amscot.com.au).*

**Australian Data Today**

ABS	Employment (incl unemploymt; wages)	Oct
RBA	Forex transactions	Oct
RBA	Reserve assets	Oct

**US Data Tonight**

Initial jobless claims	12 Nov
CPI	Oct
Housing starts	Oct
Building permits	Oct
Philadelphia Fed manufacturing	Nov

**Other Overseas Data Today & Tonight**

<b>UK</b>	Retail sales	Oct
<b>Euro zone</b>	CPI (final)	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).

**Trading Halts**

Company	Code	Resuming
Segue Resources	SEG	17 Nov
Great Western Exploration	GTE	18 Nov
Medibio Ltd	MEB	18 Nov
Wangle Technologies	WGL	18 Nov

**Suspensions** (selected)

Company	Code	Since
Ashley Services Group	ASH	10 Nov
BGD Corporation	BGD	7 Nov
Carbon Energy	CNX	10 Nov
Cardinal Resources	CDV	4 Nov
Estrella Resources	ESR	3 Nov
Nyota Minerals	NYO	15 Nov
Transerv Energy	TSV	25 Oct
TV2U International	TV2	2 Nov
TW Holdings	TWH	31 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AYD	Tomorrow	10	100	3.46
AYH	Tomorrow	5	100	4.52
AYJ	Tomorrow	54	100	3.71
AYK	Tomorrow	37	100	3.25
AYZ	Tomorrow	54	100	3.52
SOL	Tomorrow	31	100	3.42

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>AJL</b>	AGM
	<b>AYS</b>	AGM
	<b>BHP</b>	AGM
	<b>CGC</b>	AGM
	<b>GTY</b>	AGM
	<b>GMG</b>	AGM
	<b>IFN</b>	AGM
	<b>ISD</b>	AGM
	<b>JHX</b>	Interim
	<b>LNG</b>	AGM
	<b>MTR</b>	AGM
	<b>MIN</b>	AGM
	<b>MGR</b>	AGM
	<b>NHC</b>	AGM
	<b>PTM</b>	AGM
	<b>PBT</b>	AGM
	<b>SVW</b>	AGM
	<b>SHL</b>	AGM
	<b>TLS</b>	Investor Day
	<b>VRL</b>	AGM
<b>Tomorrow</b>	ALU	AGM
	AST	Interim
	AHG	AGM
	IGO	AGM
	ISU	AGM



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KMD	AGM
LNK	AGM
MYR	AGM; Sales
PDN	AGM
RRL	AGM
SLR	AGM
SYD	Oct Stats
VCX	AGM