

Markets

SFE 200 Futures (9.30am AEDT)	5700	-94	-1.6
NZX 50	8505	-137	-1.6
DJIA Futures	24676	60	0.2
S&P 500 Futures	2670	6	0.2
NASDAQ Futures	6861	25	0.4

Local Markets Commentary

The Australian market opens today's trade again following largely negative overnight international trade sentiment, but also with a substantial list of influential domestic stocks hosting AGMs and/or providing quarterly figures and updates, and higher US equities futures.

In overnight commodities trade, WTI **crude** settled higher, but Brent ultimately extended Tuesday's fall. US (December) **gold** futures swung lower.

Iron ore (China port, 62% Fe) extended this week's gains.

LME **copper** and **nickel** continued lower.

The **\$A** fell to ~US70.60c after holding at ~US70.85c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24583	-608	-2.4
S&P 500	2656	-85	-3.1
NASDAQ	7108	-329	-4.4
FTSE 100	6963	8	0.1
DAX 30	11192	-83	-0.7
Shanghai Comp	2603	8	0.3

Overseas Markets Commentary

US equities markets trended lower through most overnight trade, accelerating declines in late trade to settle at session lows.

Major European indices traded largely positive but were dragged to session lows in the final hour of trade, when weak US equities sentiment was confirmed.

Again, there was no shortage of economic data, corporate reports and outlooks and geopolitical chop to consider.

Among a swag of **US** economic indicator releases, the Federal Reserve's region-by-region economic summaries confirmed most – moderate growth, but the 'beige book' report also included concerns regarding higher shipping fees and manufacturing costs, forcing some manufacturers to raise prices.

September new home sales dropped 5.5%, to 553,000, the least in 21 months. In addition, figures for August, July and June were revised lower.

August house prices were reported 0.3% higher, following a 0.2% July rise.

Markit's initial October PMI estimates came in at 55.9 for manufacturing, 0.3 higher for the month, and 54.7 for the services sector, 1.2 higher than for September.

Today's Stock Watch

AMP Ltd (AMP)

Proposing to sell Australian and New Zealand wealth protection businesses for ~\$A3.3B, \$1.9B in cash.

The New Zealand business will likely be offered under an IPO. September quarter divisional cash flows also lodged this morning, together with a presentation outlining AMP's review decisions.

Qantas Airways (QAN)

6.3% higher, \$4.41B September quarter revenue.

Fuel costs are rising but net passenger revenue growth grew. Capacity management also assisting.

76% of FY 2019 fuel has been hedged and 39% of fuel for FY 2020. AGM tomorrow.

Blackmores Ltd (BKL)

September quarter update presentation lodged ahead of today's AGM.

WiseTech Global (WTC)

Anticipating 44% - 50% FY 2019 revenue growth to \$320M - \$333M, and 31% - 37% higher EBITDA totalling \$102M - \$107M. Conference presentation lodged this morning.

Ausdrill Ltd (ASL)

ASL agreed target Barminco has secured a \$240M four-year contract extension with Independence Group's (ASX: IGO) WA Nova Ni-Cu-Co project.

Tabcorp Holdings (TAH)

Today's investor day presentation lodged pre-trade.

Fairfax Media (FXJ) / NZME Ltd (NZM)

FXJ will not appeal the New Zealand Court of Appeal's decision in favour of the New Zealand Commerce Commission's stance not to authorise the proposed merger of FXJ's Stuff with NZM.

Resources

Newcrest Mining (NCM)

UBS has cancelled an NCM sell recommendation.

Northern Star Resources (NST)

Sold 212,682oz of gold during the September quarter. \$A1226/oz AISC. \$227M cash and equivalents.

Lynas Corporation (LYC)

Produced a record 5220t of ReO during the September quarter, 8.7% more than for the June quarter. NdPr output rose 9.1% to 1578t. Operational cash flows grew 58%. Invoiced sales revenue rose 15.2% to \$A105.6M.

Fortescue Metals Group (FMG)

Shipped 40.2Mt of iron ore during the September quarter, 9% fewer tonnes than for the September quarter 2017.

Mined 14% more ore, totalling 51.9Mt and process 3% more, 42.9Mt.

Average realised price rose 12.5% for the quarter to \$US45/t. \$US972M cash on hand. \$US3.0B net debt.

Sheffield Resources (SFR)

Produced 17,924t of copper and 11,141oz of gold, in concentrate, during the September quarter, at an US89c/lb C1 cost. \$218.4M cash.

Webcast teleconference scheduled to commence 1pm AEDT.

Weekly mortgage applications rose 4.9% as 30-year rates steadied.

Germany's initial October PMI readings disappointed, manufacturing falling from 53.7 to 52.3 and services sector activity from 55.9 to 53.6.

The respective overall **euro zone** estimates came in at 52.1, down 1.1, and 53.3, down 1.4.

The euro dropped against the \$US following the new figures. The British pound also declined, this attributed to speculation regarding potential emergency measures, such as to ensure supplies, should the UK separate from the European Union without favourable deals in place.

Tonight in the US, the week's data deluge continues, this time including durable goods, wholesale inventories, pending home sales and unemployment claims reports, plus a regional manufacturing index.

Elsewhere, the **European Central Bank** (ECB) holds a policy meeting followed by an outcomes statement and press conference.

Another avalanche of high-profile companies is scheduled to reveal earnings or provide updates later today or tonight. Stocks include: Alphabet (Google parent), Amazon, Bristol-Myers Squibb, Canon, Comcast, ConocoPhillips, Daimler, Dow Chemical, General Electric, Hitachi Construction Machinery, Hyundai Motor, Intel, Lloyds Banking, Merck, Newmont Mining, Puma, Raytheon, ResMed, Snap, Twitter, UBS, WPP, Xerox and ZTE Corp.

ITV and Rolls-Royce trade ex-dividend on the FTSE 100.

In overnight corporate news, many large-cap international stocks across several sectors reported, including **Boeing**, which was pushed more than 3% higher after raising full-year revenue and profit forecasts.

Communications major **AT&T** failed to please, however, and settled more than 6% lower.

Chip manufacturer **Texas Instruments** also suffered a price drop after warning that its market would 'soften'.

Freeport-McMoRan reported greater-than-expected copper-gold production and grades, and hence 13% higher revenue, despite 5% and 8% year-on-year price falls for copper and gold respectively.

Mixed results and forecasts came from Advanced Micro Devices (another chip maker), Ford Motor, Microsoft, Tesla and Visa post-US trade. These will likely influence select trade tonight.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1228	oz	-9	-0.5
Silver (NY) (Dec)	14.7	oz	-0.1	-0.6
Gold (LON)	1236	oz		
Platinum	829	oz	-2	-0.2
WTI Crude (Dec)	66.8	bbl	0.4	0.6
Brent Crude (Dec)	76.17	bbl	-0.27	-0.4
Iron Ore (CHN port 62%)	74.7	t	0.4	0.6
Copper (LME, 3mth, PM)	6179	t	-17	-0.3
Nickel	12225	t	-150	-1.2
Aluminium	1997	t	-4	-0.2
Lead	2005	t	-12	-0.6
Zinc	2663	t	-6	-0.2
Tin	19275	t	-25	-0.1

Pre-Open Announcements

ResMed Inc (* RMD)

Due to report in the US tonight.

Recce Ltd (* RCE)

Presenting at the World Anti-Microbial Resistance Congress, Washington DC, US.

The two-day conference is scheduled to commence tonight (AEDT).

Roots Sustainable Agricultural Technologies (ROO)

First zone temperature optimisation system order in hand from Israel, for basil crops. The order is valued at \$A30,000.

Class Ltd (CL1)

CEO Kevin Bungard is stepping down by mutual consent with the CL1 board.

CL1 CFO Glenn Day will be acting CEO following a short transition period.

Mr Bungard has been CL1's CEO since April 2014, and hence was CEO when CL1 listed on the ASX December 2015.

PINCHme.com Inc (PIN)

Product sampling and digital promotions site operator completed its ASX listing yesterday following an ~\$8M IPO at 50c per CDI/share.

Opened at 44c and traded at 38c – 48c before settling at 39c. 468,369 shares were traded across 92 transactions.

~117.134M quoted CDIs/329,954 shares. Based in New York.

Resources

Mineral Resources (* MIN)

Today's Wodgina site tour presentation lodged pre-trade.

OM Holdings (* OML)

September quarter operational statistics lodged pre-trade.

Atlas Iron (* AGO)

Shipped 1.9Mt (wet) of iron ore during the September quarter, against 2.1Mt for the June quarter.

\$A51M cash on hand.

Grange Resources (* GRR)

September quarter iron pellet production was adversely impacted by rain and associate pit dewatering, falling to 437,000t from 609,000t for the June quarter.

Meanwhile average received prices for pellets rose 31% during the quarter, to a record \$US132.41/t.

\$A209.28M cash and liquid investments.

OceanaGold Corporation (OGC)

September quarter update anticipated post-ASX trade.

Energy

Woodside Petroleum (* WPL)

Greater Western Flank phase two gas production underway, \$630M under budget.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	APA	AGM
	BKL	AGM; Sep Q
	CWY	AGM
	EPW	AGM

CBT Wheat (Dec) 4.99 bshl -0.10 -2.0

Commodities Commentary

Oil – large-volume WTI trade was reported overnight, as prices swung before settling higher for the session.

Brent crude settled lower, however.

A report claimed two government-run refineries in China had decided not to import any oil from Iran next month, sparking further speculation of possible scenarios following the scheduled 4 November commencement of US sanctions against Iran's petroleum exports business.

In the US, a weekly domestic petroleum inventories report, published by government agency EIA, delivered a greater-than-anticipated rise (6.3MMbbl) in crude stocks, the fifth consecutive weekly build.

Net imports were reported lower, by a daily 335,000bbl.

Stored petrol fell by 4.8MMbbl, as with crude, surprising in magnitude against forecasts.

Gold – overnight falls were attributed to a higher \$US index and profit-taking, during a busy week for US data releases and US Federal official speeches, heading towards the mid-term elections.

An initial (of three) US September quarter GDP reading is anticipated Friday.

Base metals – an early strong \$US, plus low-risk sentiment continuing to be demonstrated by US equities trade, bruised general overnight trade sentiment.

Major Chile *copper* producer Antofagasta pulled back the upper end of full-year output guidance, citing a 'tight' physical market.

Aluminium producer Norsk Hydro reported better-than-anticipated September quarter profit.

A World *Steel* Association report estimated international steel production had risen 4% year-on-year during September, bolstered by a 7.5% rise in crude steel from China.

Mixed-strength manufacturing PMIs reported yesterday and overnight for Japan (53.1, from 52.5), the euro zone (52.1, from 53.2) and US (55.9, from 55.6), appeared to add to persistent uncertainty regarding international trade prospects.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7063	0.0002	0.02
EUR – USD	1.1398	0.0007	0.06

US Data Tonight

Initial jobless claims	20 Oct
Durable goods orders	Sep
Pending home sales	Sep
Wholesale inventories	Sep
Kansas City Fed manufacturing	Oct

Other Overseas Data Today & Tonight

Germany	IFO business climate	Oct
Germany	GfK consumer confidence	Nov
Euro zone	ECB policy statement	Oct

FMG	Sep Q
GUD	AGM
JBH	AGM
LYC	Sep Q
NST	Sep Q
OGC	Sep Q
QAN	Sep Q
REH	AGM
REG	AGM
S32	AGM
TAH	Investor day
WHC	AGM

Tomorrow	ASB	AGM
	CAR	AGM
	CGF	AGM
	GWA	AGM
	IAG	AGM
	QAN	AGM
	RMD	Sep Q
RSG	AGM	
Mon	BAP	AGM
	BCI	Sep Q
	IGO	Sep Q
Tue	AQG	Sep Q
	BPT	Sep Q
	BEN	AGM
	BLD	AGM
	LOV	AGM
	ORG	Sep Q
	ORE	Sep Q
	RCR	AGM
	RWC	AGM
	VOC	AGM

Trading Halts

Company	Code	Resuming
Marindi Metals	MZN	25 Oct
St George Mining	SGQ	25 Oct
Impelus Ltd	IMS	26 Oct
Redbubble Ltd	RBL	26 Oct
Roto-Gro International	RGI	26 Oct
SportsHero Ltd	SHO	26 Oct
TAG Pacific	TAG	26 Oct
Talon Petroleum	TPD	26 Oct
Universal Coal	UNV	26 Oct
Bellevue Gold	BGL	29 Oct

Suspensions (select)

Company	Code	Since
Crusader Resources	CAS	1 Oct
GBM Gold	GBM	11 Oct
Gulf Manganese Corporation	GMC	19 Oct
MMJ Phytotech	MMJ	8 Oct
PLC Financial Solutions	PLC	5 Oct
ResApp Health	RAP	24 Oct
Updater Inc	UPD	9 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.

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FLK (<i>susp</i>)	Tomorrow	3.6	100	2.16
RIC	Tomorrow	2.75	100	2.92
PMV	Fri	33	100	3.61
CLV	Mon	1.25	100	1.17
CLX	Tue (30 Oct)	2	100	4.00
SMR	Tue	2	0	2.22
UNV	Tue	1	0	6.67
FNP	Fri (2 Nov)	2.75	50	0.93
JYC	5 Nov	6	100	7.03
NAC	5 Nov	1.35	100	6.87
NSC	5 Nov	1.36	100	9.07