

Markets

SFE 200 Futures (9.25am AEST)	5340	8	0.2
NZX 50	6920	24	0.3
DJIA Futures	18124	-4	0
S&P 500 Futures	2133	-1	0
NASDAQ Futures	4853	0	0

Local Markets Commentary

The Australian market will open on mostly negative equities and mixed commodities leads.

In overnight commodities trade, **oil** continued to fall and US **gold** futures turned lower. LME **copper** settled slightly higher. **Iron ore** climbed yet higher.

The **\$A** dropped to ~US76.5c after trading at ~US77.0c early yesterday evening.

Locally today, September **trade** prices are due **11.30am** AEDST, and will likely spark speculation of budget deficit effects.

In addition, **NAB** full-year results are in, and a swag of high-profile companies (including AAD, BKL, JBH, TTS) hold **AGMs** and/or report for the September quarter. *Please see pp3-4.*

Regionally today, **China** is due to publish industrial profits **12.30pm**.

This morning, **New Zealand** has reported a \$NZ1.4B September trade deficit, against expectations of \$NZ1.2B.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	18199	30	0.2
S&P 500	2139	-4	-0.2
NASDAQ	5250	-33	-0.6
FTSE 100	6958	-60	-0.9
DAX 30	10710	-48	-0.4
Shanghai Comp	3116	-16	-0.5

Overseas Markets Commentary

Major European and US equities markets reacted overnight to a plethora of corporate reports and some mixed economic indicators, ahead of key central bank policy meetings next week.

In addition, oil prices continued lower, impacting energy sector sentiment.

UK mortgage approvals were reported 3.4% higher in September than for August.

Germany's GfK consumer sentiment index slipped 0.3 to 9.7, against expectations of a steady result. Import prices turned higher, rising 0.1% in September. Year-on-year, these were 1.8% lower, against 2.6% down for August.

In the **US**, September new home sales rose 3.1%, but August total was revised 34,000 lower.

The national September trade deficit was reported 5.2% lower, at \$US56.1B, following forecasts of a rise to \$US60.5B.

Wholesale inventories came in 0.2% higher, and

Australia – trade prices **11.30am** AEDST.

China – industrial profits **12.30pm** AEDST.

* Consumer retail listing **11am** AEDST – **BDA** *

Today's Stock Watch

National Australia Bank (NAB)

94.4% lower, \$352M full-year NPAT, impacted by the Clydesdale Bank (ASX: CYB) and life insurance sales. 1.7% lower, \$18.1B revenue. Cash profit up 4.2% to \$6.5B and revenue 2.5% higher. Bad and doubtful debts increased 7% to \$800M. Overall expenses rose 2.2%, but for 2H, came down 2%. 9.8% CET1 ratio. 99c, flat, fully-franked final dividend.

Bank of Queensland (BOQ)

Trading ex-dividend (38c) today. BOQ slipped 30c (2.6%) yesterday.

Challenger Ltd (CGF)

Two new annuities deals secured. AGM address and presentation lodged this morning.

JB Hi-Fi (JBH)

12.5% higher, September quarter sales and still targeting \$4.25B for FY 2017. Comparable sales up 8.3%. AGM addresses and presentation lodged this morning.

Ardent Leisure (AAD)

AGM today. Addresses and presentation lodged.

Blackmores Ltd (BKL)

Plenty of China market commentary anticipated at today's AGM.

Tatts Group (TTS)

The proposed merger with Tabcorp Holdings (TAH) is expected to spawn plenty of questions at today's AGM.

APN News & Media (APN)

Resuming from a trading halt having raised ~\$254M in an institutional placement and entitlement offer at \$2.45 per share. The entitlement offer shortfall achieved \$3.01 per share. The retail entitlement offer is scheduled for 2 -17 November. APN last traded at \$3.12.

MG Trust (MGC)

Increasing supplier payments 2c/L for FY 2017, totalling ~\$50M. Milk supply support package impaired \$31.8M. Other details lodged this morning.

CFOAM Ltd (CFO)

Inorganic carbon material developer completed a stellar ASX listing yesterday, following a \$9M IPO at 20c per share. Opened at 60c and traded at 51c – 70c, settling at 70c. 10.66M shares were traded across 1423 transactions.

Bod Australia (* BDA)

Personal products manufacturer, distributor and retailer scheduled to list 11am AEDST following a \$6M IPO at 20c per share. Health & Beauty Enterprise 10.86%; Noir Ted 10.86%; JP Morgan 6.52%; UBS4.18%.

Resources

Newcrest Mining (NCM)

Produced 615,000oz of gold and 24,000t of copper during the September quarter, at a \$790/oz AISC. Sold gold at \$US1328/oz and copper for \$US2.14/lb.

retail stocks 0.3%.

Markit's initial October services PMI was estimated 2.5 points higher for the month, at 54.8.

The combined statistics prompted some speedy upward forecasts for September quarter GDP, due tomorrow night (AEDST).

Weekly mortgage applications dropped 4.1% to their least in ~nine months, however.

Tonight in the **US**, weekly new unemployment claims are due, together with September pending home sales and durable goods orders, and a regional manufacturing index.

Alphabet, Amazon, Barclays, BT, Deutsche Bank, Dow Chemical, Ford Motor, Henderson Group, LinkedIn, Nomura, Potash Corp, Samsung Electronics, Twitter, Volkswagen and ZTE are among companies scheduled to report earnings and/or provide trading updates today and tonight.

ITV, Unilever and Wolseley trade ex-dividend on the FTSE100.

Overnight, **Apple** fell after revealing post-US trade Tuesday that quarterly revenue had fallen 9%, and that annual revenue had fallen for the first time in 15 years. Albeit, results exceeded some expectations, and Apple also predicted revenue would turn positive during the December quarter.

Yesterday, **Nintendo** dropped full-year operating profit guidance ~33%, in part due to a robust yen, and on 33% lower interim sales totalling \$US1.3B.

Spain's **Banco Santander** reported 1% higher, €1.7B quarterly NPAT, but worried UK investors, due to an 11% slide in UK income, attributed to reduced corporate banking fee income and a £43M wealth and investment products provision.

The FTSE100 was also impacted by Chile's **Antofagasta**, which sounded a full-year output warning.

Coca-Cola reported quarterly profit (~\$US1.1B) and revenue had slipped less than feared, however.

Boeing appeared pleased, also, quarterly profit ascending 33.7%.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1267	oz	-7	-0.6
Silver (NY) (Dec)	17.6	oz	-0.2	-0.9
Gold (LON)	1271	oz	1	0.1
Platinum	960	oz	-2	-0.2
WTI Crude (Dec)	49.2	bbl	-0.8	-1.6
Brent Crude	50.0	bbl	-0.8	-1.6
Iron Ore (Tianjin)	62.7	t	1.1	1.8
Copper (LME)	4740	t	5	0.1
Nickel	10260	t	35	0.3
Aluminium	1679	t	10	0.6
Lead	2048	t	-5	-0.2
Zinc	2339	t	-28	-1.2
Tin	20425	t	125	0.6
CBT Wheat (Dec)	4.12	bshl	0.07	1.8

Commodities Commentary

Oil – WTI settled below \$US50/bbl, at its lowest in three weeks, in part due to a stronger \$US.

EIA-estimated US weekly crude inventories came in 553,000bbl lower, after an industry report, released late-Tuesday published an increase.

Gold – positive US data sent gold sentiment lower overnight.

Pre-Open Announcements

APN Property Group (APD)

Selling Hungry Jack's and Shell/Subway in South Nowra, NSW for \$11.32M, pending local government sub-division approval within six months. Book value at 30 June was \$9.25M. Proceeds are earmarked for debt reduction.

BPS Technology (BPS)

Upgraded guidance lodge post-trade yesterday, in association with the Entertainment Publications of Australia & New Zealand acquisition. September quarter statistics also lodged.

VEEM Ltd (* VEE)

Marine engineer completed a successful ASX listing yesterday, following a \$5M IPO at 50c per share. Opened at 59.5c and traded at 59c – 62c before settling at 61c. 2.5M shares changed hands across 78 trades.

Resources

Resolute Mining (* RSG)

Produced 79,334oz of gold during the September quarter at a \$A1173/oz AISC. \$A273M cash, bullion plus listed investments (A\$235M net cash). Teleconference scheduled to commence 10.30am AEDST. Access details lodged this morning.

Sandfire Resources (* SFR)

Produced 9731oz of gold and 15,610t of copper during the September quarter at a \$US1.06/lb C1 cost. Specifically, concentrate production came in at 64,285t @ 24.3% Cu and 4.7g/t Au. Sold 52,665t of concentrate during the quarter. \$54.4M cash. Teleconference and webcast scheduled to commence 1pm AEDST. Access details lodged this morning.

Alacer Gold Corporation (* AQG)

\$US2.6M September quarter NPAT following \$US11.1M a year ago. \$US28.0M gold sales revenue, against \$US60.3M. \$US253.9M cash and equivalents. Marble mine pit wall instability impacted production. Management discussion and analysis lodged post-trade yesterday.

Lithium Australia (* LIT)

Details of a second continuous pilot plant operation (10 – 13 October) lodged this morning, including production of 6kg of 99% pure lithium carbonate concentrate.

Millennium Minerals (* MOY)

Produced 20,018oz of gold at a \$A1249/oz AISC during the September quarter. \$24.2M cash. Nil debt. Reserves and resources update also lodged this morning.

Energy

Beach Energy (** BPT)

Produced a record 2.9MMboe during the September quarter. Sold a record 3.3MMboe. 1% higher, \$168.9M sales revenue at a 5% lower, \$US62.6/bbl. \$243M cash reserves.

Intra Energy Corporation (* IEC)

MoU secured with Sinohydro Corporation for the joint development of the 270MW Ngaka coal-fired power station, Tanzania. IEC and Sinhydro will establish a new entity to undertake the project, with specific responsibilities assigned to each party.



Base metals – variously pushed and pulled overnight by inventories, \$US moves and output expectations.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7644	-0.0005	-0.07
EUR – USD	1.0906	-0.0002	-0.01

Australian Data Today

ABS	Export & import prices	Sep
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US Data Tonight

Initial jobless claims	22 Oct
Durable goods	Sep
Pending home sales	Sep
Kansas City manufacturing	Oct

Other Overseas Data Today & Tonight

China	Industrial profits	Sep
UK	GDP	Sep Q

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Trading Halts

Company	Code	Resuming
Activistic Ltd	ACU	28 Oct
Bannerman Resources	BMN	28 Oct
Bluglass Ltd	BLG	28 Oct
Cellmid Ltd	CDY	28 Oct
Creso Pharma	CPH	28 Oct
Terrain Minerals	TMX	28 Oct
Tox Free Solutions	TOX	28 Oct
White Cliff Minerals	WCN	28 Oct
IDT Australia	IDT	31 Oct

Suspensions (selected)

Company	Code	Since
Cabral Resources	CBS	19 Oct
Clean Seas Tuna	CSS	26 Oct
Cleveland Mining Company	CDG	3 Oct
Enerji Ltd	ERJ	20 Oct
Freshtel Holdings	FRE	6 Oct
MGM Wireless	MWR	26 Oct
Nkwe Platinum	NKP	18 Oct
Omni Market Tide	OMT	19 Oct
Orinoco Gold	OGX	12 Oct
Target Energy	TEX	13 Oct
Transerv Energy	TSV	25 Oct
Volta Mining	VTM	17 Oct
Wangle Technologies	WGL	18 Oct
Zamia Metals	ZGM	3 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AGF	Today	~10.39	0	150.23
BOQ	Today	38	100	6.84
CBL	Today	~2.83	0	1.87
CLV	Today	0.5	100	1.18
JYC	Today	6	100	3.85
AOD	Tomorrow	0.36	94.44	6.24
PMV	Tomorrow	25	100	3.28
FNP	Mon	2.25	100	0.86
HVN	Mon	17	100	5.85

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AAD	AGM
	APA	AGM
	BKL	AGM
	BPT	Sep Q
	CGF	AGM
	CWY	AGM
	CTD	AGM
	HGG	Sep Q
	JBH	AGM
	MML	Sep Q
	NAB	Full-year
	NCM	Sep Q
	OGC	Sep Q
	REH	AGM

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	RSG	Sep Q
	SAI	AGM
	SFR	AGM
	SGF	AGM
	SFH	AGM
	SDF	AGM
	TGR	AGM
	TTS	AGM
	UGL	AGM
	WHC	AGM
Tomorrow	AMP	Sep Q
	ASB	AGM
	ASL	AGM
	CAR	AGM
	GWA	AGM
	MQG	Interim
	MGC	AGM
	REG	AGM
	SGR	AGM
	WOW	Sep Q
Mon	AWE	Sep Q
	HVN	Sep Q
	IFN	Sep Q
	MAD	Sep Q
	ORG	Sep Q
	QAN	Sep Q
	WEC	Sep Q
Wed	CSR	Interim
	FMG	Sep Q
	NIB	AGM
3 Nov	ANZ	Full-year
	BLD	AGM
	BTT	Full-year
	CCP	AGM
	DOW	AGM
	FXJ	AGM
	PPT	AGM
	REA	Sep Q
4 Nov	HIL	AGM
	ORI	Full-year
	SGH	AGM
	SPK	AGM