

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5653	-51	<b>-0.9</b>
<b>NZX 50</b>	8585	-31	<b>-0.4</b>
<b>DJIA Futures</b>	24380	-51	-0.2
<b>S&amp;P 500 Futures</b>	2639	-5	-0.2
<b>NASDAQ Futures</b>	6713	-23	-0.4

## Local Markets Commentary

The Australian market commences today's trade following overnight falls for most key commodity prices and across US equities markets.

In overnight commodities trade, **oil** swung lower.

US (December) **gold** futures turned moderately lower.

**Iron ore** (China port, 62% Fe) settled flat, but lower and higher grades gained.

LME **copper** settled flat. **Nickel** continued to decline. **Aluminium** swung lower.

The **\$A** fell to ~US70.60c after briefly trading beyond US71.05c early evening.

Locally today, a weekly consumer sentiment reading is due pre-trade.

The Australian Bureau of Statistics (ABS) releases September building approvals **11.30am** AEDT.

Also today, **Reserve Bank of Australia** (RBA) assistant governor (financial system) Michele Bullock is scheduled to speak at a conference in Sydney **1.10pm** AEDT.

In addition, operational updates are anticipated from several high-profile stocks hosting AGMs. Please see pp2-3 for a detailed list.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	24443	-245	<b>-1.0</b>
<b>S&amp;P 500</b>	2641	-17	<b>-0.7</b>
<b>NASDAQ</b>	7050	-117	<b>-1.6</b>
<b>FTSE 100</b>	7026	87	<b>1.3</b>
<b>DAX 30</b>	11335	135	<b>1.2</b>
<b>Shanghai Comp</b>	2542	-57	<b>-2.2</b>

## Overseas Markets Commentary

Trade across major European and US equities markets diverged markedly overnight.

Key US indices rallied on opening but began to head lower ~two hours into trade.

**US** personal spending figures had pleased, but the threat of potential new and/or increased taxes on imports from **China** fuelled domestic and international economic concerns.

In **Germany**, chancellor Angela Merkel was reported early to be wanting to relinquish the leadership of her political party by year's end, but was prepared to lead the government for two years.

**Italy** received an unexpected, albeit limited sentiment boost, Standard & Poor's (S&P) announcing overnight Friday that the nation's BBB credit rating would be retained. S&P lowered the

## Second last trading day for October

**RBA** - assistant governor Michele Bullock is speaking at a markets conference, **1.10pm** AEDT, Sydney

## Today's Stock Watch

**Bendigo & Adelaide Bank (BEN) / Boral Ltd (BLD)** AGMs today.

**Vocus Group (VOC) / Lovisa Holdings (LOV)** Today's AGM presentations and speeches lodged.

**Reliance Worldwide Corporation (RWC)** Today's AGM speeches lodged post-trade yesterday. The AGM is scheduled to commence 11am AEDT.

**CIMIC Group (CIM)** CIM's UGL has secured a \$180M, two-year substations plus transmission lines design, build and commission contract with ElectraNet.

The project will connect OZ Minerals' (ASX: OZL) Prominent Hill project, South Australia to the electricity grid. In addition, CIM's CPB Contractors have been awarded a \$170M construction contract with a western Sydney road upgrade project.

**Medlab Clinical (MDC)** MDC's human cancer trial of the cannabis-based NanaBis is moving to stage two following positive safety, tolerance and pain control results from stage one.

**Watpac Ltd (WTP)** Morgan has removed WTP from its 'add' list, issuing hold advice.

**Z Energy (ZEL)** Macquarie has rerated the fuel distributor as outperform, from neutral.

## Resources

**Independence Group (IGO)** RBC Capital Markets has rerated IGO as outperform, from sector perform.

**Western Areas (WSA)** Produced 5379t of nickel in concentrate during the September quarter. Sold 5018t for a \$A7.91/lb net price.

**Mincor Resources (MCR)** Sold 3824oz of gold at \$A1664/oz during the September quarter. \$A11.19M cash.

## Energy

**Caltex Australia (CTX)** Planning to raise its dividend to 50% - 70% of full year replacement cost of sales operating profit after tax (excluding significant items).

September quarter refiner margins lodged this morning, the realised CRM coming in at \$US10.26/bbl, against \$US13.26/bbl a year earlier.

Investor day presentations, for today and tomorrow, also lodged pre-trade.

**Origin Energy (ORG)** September quarter update anticipated this morning.

**Beach Energy (BPT)** Macquarie has re-rated BPT as neutral, from underperform.

outlook to negative, however.

Italy's parliament is expected to commence deliberations on the government's proposed high-debt budget this week.

In the **UK**, the Autumn budget included promises of additional funds for the national health system, defence, counter-terrorism and roads. A road tax, digital services provider tax, fuel tax freeze, minimum wage boost and earlier-than-expected lower personal tax thresholds also featured.

Among new **data** releases, US September consumer spending was reported 0.4% higher for the month, with August's figure revised 0.2% higher to a 0.5% gain.

This, against a 0.2% rise in September personal income.

The spending increase represented the seventh consecutive rise, but income the least rate increase in 15 months, and just half August's boost.

A Federal Reserve Texas region manufacturing activity index came in 1.3 higher for the month, at 29.4.

**Tonight** in the US, an August house price index and October consumer sentiment reading are due.

Companies scheduled to reveal **earnings** or provide updates later today or tonight include: Agricultural Bank of China, Airbus, Allergan, Anadarko Petroleum, Baidu, BNP, Baoshan Iron & Steel, Bright Dairy & Food, BP, Coca-Cola, eBay, Facebook, Fiat Chrysler, General Electric (incl Baker Hughes), Honda Motor, Kobe Steel, Mastercard, Peabody Energy, Pfizer, Reckitt Benckiser, Sony, Standard Chartered and Volkswagen.

In overnight corporate news, **HSBC** helped boost European sentiment, reporting a better-than-anticipated \$US5.9B quarterly profit.

European **vehicle manufacturers** were also in favour on reports China's promised import tax reductions for personal vehicles could be as much as 50%.

A new **digital services provider** tax, proposed in the UK budget overnight, may have added to recent reporting season tech sector growth fears.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1231</b>	oz	-6	-0.4
<b>Silver (NY) (Dec)</b>	14.5	oz	-0.2	-1.6
<b>Gold (LON)</b>	1234	oz		
<b>Platinum</b>	830	oz	-1	-0.1
<b>WTI Crude (Dec)</b>	<b>67.0</b>	bbbl	0.55	-0.8
<b>Brent Crude (Dec)</b>	<b>77.3</b>	bbbl	-0.3	-0.4
<b>Iron Ore</b> (CHN port 62%)	<b>76.5</b>	t	0	0.0
<b>Copper</b> (LME,3mth,PM)	<b>6160</b>	t	0	0.0
<b>Nickel</b>	11755	t	-145	-1.2
<b>Aluminium</b>	1984	t	-14	-0.7
<b>Lead</b>	1958	t	-40	-2.0
<b>Zinc</b>	2622	t	-29	-1.1
<b>Tin</b>	19125	t	-175	-0.9
<b>CBT Wheat (Dec)</b>	<b>5.075</b>	bshl	0.02	0.5

### Commodities Commentary

**Oil** – uncertainty appeared the major factor on overnight trade, in a stronger \$US environment.

Reports emerged that data was indicating daily crude exports out of Iran had reached 1.55MMbbl

## Pre-Open Announcements

### QMS Media (QMS)

CFO Peter Cargin is resigning, effective late-November. QMS financial controller Kate Solomon will be interim CFO.

### ResApp Health (RAP)

Test results are anticipated today. RAP trade has been suspended ahead of receiving the results, but RAP announced yesterday that the results were in hand and were being assessed.

### Osprey Medical (OSP)

Issuing \$A10M worth of shares at A15.5c (per CDI) to Allan Gray, and planning a \$A10.5M entitlement offer. Details lodged this morning.

## Resources

### Venus Metals (VMC)

Pilgangoora Minerals is planning to farm into VMC's Pilgangoora East, Wodgina South and Poona lithium projects. Details lodged this morning.

### Orocobre Ltd (ORE)

A September quarter webcast briefing will commence 2.30pm AEDT today.

### Alacer Gold Corporation (AQG)

Reporting in the US tonight.

## Energy

### Viva Energy (VEA)

Crude processed through the Geelong refinery during September totalled 3.6MMbbl. The refining margin came in at \$US8.10/bbl.

### Byron Energy (BYE)

Produced an attributable 131,867bbl of oil and 160,648MMbtu of gas during the September quarter. Net revenue totalled \$US9.6M. \$11.6M cash.

### 88 Energy (88E)

The shortfall from 88E's rights issue this month totalled ~593.592M shares. ~795.887M shares were on offer.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>BEN</b>	AGM
	<b>BLD</b>	AGM
	<b>CTX</b>	Investor day
	<b>LOV</b>	AGM
	<b>ORG</b>	Sep Q
	<b>ORE</b>	Sep Q
	<b>RCR</b>	AGM
	<b>RWC</b>	AGM
	<b>VOC</b>	AGM
	<b>Tomorrow</b>	AQG
AIA		AGM
ANZ		Full year
CTX		Investor day
CTD		AGM
GMA		Sep Q
HSO		AGM



for the first three weeks of October, and 1.85MMbbl for 1 – 24 October, against 1.33MMbbl for the first two weeks of the month.

In addition, China, India and Turkey were reportedly continuing to purchase at least some crude from Iran, following reports earlier this month that orders indicated a key China port seemed to be taking additional quantities this month and through this weekend, perhaps for storage.

Tankers were loading Iran's crude exports with tracking systems disabled, some claimed, a practice first noted in 2012.

For its part, Saudi Arabia admitted the amount of oil Iran would export from this coming weekend was unknown and that any estimates were guesses.

US sanctions against Iran's oil exports are due to come into effect from the beginning of next week.

Among other overnight considerations, some considered the new president in Brazil able to effect his promise of improved private investment access to the nation's natural resources.

**Gold** – \$US strength, in part due to encouraging US consumer spending figures, and an early broad equities sentiment rally damaged overnight gold interest.

**Base metals** – further trade tariff threats appeared the most unsettling influence on overnight sentiment, in the wake of China's slowdown in industrial profits, reported over the weekend.

China PMI updates are due from tomorrow.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7059	0.0002	0.04
<b>EUR – USD</b>	1.1373	0.0001	0.01

### Australian Data Today

ANZ/RyMgn	Consumer sentiment	29 Oct
ABS	Building approvals	Sep

### US Data Tonight

Conference Board consumer confidence	Oct
Case-Shiller house price index	Aug

### Other Overseas Data Today & Tonight

<b>Japan</b>	Workforce (incl wages)	Sep
<b>Germany</b>	CPI (prelim)	Oct
Germany	Unemployment	Oct
<b>Euro zone</b>	GDP (prelim)	Sep/Q
Euro zone	Consumer, economic confidence	Oct

### Need More Information?

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	IFN	Sep Q
	JHC	AGM
	NHF	AGM
	TGR	AGM
<b>Thu</b>	CNU	AGM
	CCP	AGM
	CWN	AGM
	DOW	AGM
	NAB	Full year
	PPT	AGM
	SGR	AGM
	VCX	AGM
	WOW	Sep Q
<b>Fri</b>	MAH	AGM
	MQG	Interim
	ORI	Full year
	SPK	AGM
<b>Mon (5 Nov)</b>	WBC	Full year

### Trading Halts

Company	Code	Resuming
Fluence Corporation	FLC	30 Oct
Wangle Technologies	WGL	30 Oct
Bellevue Gold	BGL	31 Oct
Corporate Travel Management	CTD	31 Oct
G Medical Innovations Holdings	GMV	31 Oct
Litigation Capital Management	LCA	31 Oct
MRG Metals	MRQ	31 Oct
Osprey Medical	OSP	31 Oct
TNG Ltd	TNG	31 Oct

### Suspensions (select)

Company	Code	Since
BPH Energy	BPH	25 Oct
GBM Gold	GBM	11 Oct
Green Energy Solutions	IGE	29 Oct
Gulf Manganese Corporation	GMC	19 Oct
Impelus Ltd	IMS	26 Oct
Inca Minerals	ICG	29 Oct
MMJ Phytotech	MMJ	8 Oct
PLC Financial Solutions	PLC	5 Oct
ResApp Health	RAP	24 Oct
Updater Inc	UPD	9 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CLX</b>	Today	<b>2</b>	100	4.17
<b>GCI</b>	Today	<b>0.88</b>	0	1.60
<b>SMR</b>	Today	<b>2</b>	0	2.47
<b>UNV</b>	Today	<b>1</b>	0	6.15
MXT	Tomorrow	0.9	0	5.12
NBI	Thu	0.88	0	0.43
FNP	Fri	2.75	50	1.00
JYC	5 Nov	6	100	7.01
NAC	5 Nov	1.35	100	6.87
NSC	5 Nov	1.36	100	9.38



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BIS	6 Nov	4	100	4.35
BKW	7 Nov	36	100	3.20
RMD	7 Nov	(US)0.04	0	0.89
API	8 Nov	4	100	5.14
WAT	8 Nov	3	100	2.38