

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6671	25	<b>0.4</b>
<b>NZX 50</b>	10801	40	<b>0.4</b>
<b>DJIA Futures</b>	27259	0	0.0
<b>S&amp;P 500 Futures</b>	3063	0	0.0
<b>NASDAQ Futures</b>	8160	0	0.0

**Local Markets Commentary**

The Australian market commences a new week's trade amid fluid international relations, with key domestic data releases due, and following positive overnight Friday international equities trade sentiment.

Over the weekend, the US commerce secretary has announced progress in various trade talks such that the US may not commence import taxes on vehicles and parts from the European Union, Japan and Korea.

For its part, Iran has reiterated it will not resume sanctions-related negotiations with the US.

Civil protests have continued in the Hong Kong, the Middle East and South America.

Locally today, September **retail sales**, as calculated by the Australian Bureau of Statistics, are due **11.30am AEDT**, the same time ANZ publishes October **job advertisements**.

The Melbourne Institute and TD Securities are expected to release their October **inflation gauge** report midday.

Sales figures in particular could move the **\$A** ahead of the Reserve Bank of Australia's (RBA) policy meeting tomorrow.

In overnight Friday commodities trade, **oil** jumped.

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

**Iron ore** (Nymex CFR China, 62% Fe) fell below \$US89.60c/t.

LME **copper** and **aluminium** settled just slightly changed. **Nickel** gained.

The **\$A** appreciated to ~US69.15c after trading at ~US68.95c early Friday evening.

**Japan's** markets are closed today due to a public holiday.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27347	301	<b>1.1</b>
<b>S&amp;P 500</b>	3067	29	<b>1.0</b>
<b>NASDAQ</b>	8386	94	<b>1.1</b>
<b>FTSE 100</b>	7302	54	<b>0.8</b>
<b>DAX 30</b>	12961	94	<b>0.7</b>
<b>Shanghai Comp</b>	2958	29	<b>1.0</b>

**Overseas Markets Commentary**

Positive sentiment featured across major European and US

**Australia – September retail sales 11.30am AEDT**

**Today's Stock Watch**
**Westpac Banking Corporation (WBC)**

80c fully franked final dividend, against a 94c interim dividend. 16% lower, \$6.78B full year NPAT. 6% lower, \$20.65B revenue. 15% lower, \$6.85B cash earnings. 10.7% CET1, but this is expected to lift by ~0.58% on a \$2.5B capital raising, ahead of which WBC has called a trading halt this morning.

The raising comprises a \$2B, \$25.32-per-share fully underwritten institutional share placement and a \$500M SPP. Describing the operating environment as 'tough' and APRA's capital requirements as 'unquestionably strong'. Expecting 2020 to be 'challenging'. Presentation lodged pre-trade. WBC traded at \$27.58 - \$\$29.09 last week.

**Sigma Healthcare (SIG)**

SIG is confirming the My Chemist/Chemist Warehouse Group has approached SIG regarding resuming supplying FMCG products to the group. SIG promises an update on any negotiation results. SIG appreciated 5.17% Friday, settling at 61c.

**NRW Holdings (NWH)**

Selected as preferred bidder in the sale of BGC Contracting, pending several conditions. NWH says it has several funding options.

**Macmahon Holdings (MAH) / Newcrest Mining (NCM)**

MAH and NCM have agreed higher rates for MAH work at NCM's Telfer project, such that MAH expects this contract to prove cash flow positive for the remainder of its term.

**Speedcast International (SDA)**

SDA has appointed Peter Myers as CFO. Former Schlumberger IT operations head Jennifer Grigel has been appointed COO, taking over from Sebastien Lehnerr early 2020. Mr Lehnerr is returning to SDA customer Schlumberger, as chief information officer.

**Resources**
**Independence Group (IGO) / Panoramic Resources (PAN)**

3.8% PAN shareholder IGO is intending to offer one share for each 13 PAN shares, off-market. Additional details lodged this morning. *Please also see p3.*

**BHP Group (BHP)**

BHP has approved \$44M as the group's contribution to restarting a concentrator at the Samarco operation, Minas Gerais, Brazil. Operations have been suspended since a dam failure early November 2015. BHP 50%; Vale 50%.



equities markets from outset overnight Friday, key US indices achieving new intra-sessional and/or settlement peaks.

Earlier, China signalled 'progress' with US trade talks over the week, and the US Trade Representative's office also used the same terminology.

Three phases of partial accords were suggested by one US spokesperson, however.

This ultimately appeared to be ignored by overnight Friday traders however, as was a WTO panel decision in response to an application from China, that China was entitled to seek \$US3.6B each year in compensation tariffs from the US, in relation to previous alleged anti-dumping ruling breaches.

Also overnight Friday, US economic indicator releases exceeded expectations.

US October workforce statistics included 128,000 new jobs against forecasts as low as 75,000.

Further, the total number of jobs created during August and September was revised upwards by 95,000.

Wages increased by 0.2% for the month and were 0.3% higher than for October 2018.

Unemployment rose to 3.6% from 3.5%.

ISM's October manufacturing index remained in contraction mode, but improved by 0.5 to 48.3.

September construction spending picked up 0.5%, following a 0.3% August fall.

Among other overnight Friday **data** releases, the UK's October manufacturing PMI rose to 49.6 from 48.3.

**Tonight** in the **US**, September factory orders and the ISM's New York business activity index are due.

Elsewhere, final October PMIs are due for western mainland Europe.

Companies scheduled to report earnings later today and tonight include: Groupon, Ryanair, Sysco Corp and Uber.

In overnight Friday and weekend corporate news, **Berkshire Hathaway** reported a quarterly operating profit that exceeded analyst expectations.

Also over the weekend, **McDonald's** has terminated the employment of its CEO and installed the company's US president as the new CEO.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1511.4	oz	-3.4	-0.2
Silver (NY) (Dec)	18.052	oz	-0.015	-0.1
Gold (LON)	1511	oz		
Platinum	948	oz	18	1.9
WTI Crude (Dec)	56.20	bbl	2.02	3.7
Brent Crude (Jan)	61.69	bbl	2.07	3.5
Iron Ore (NYMEX,CHN,62%)	89.55	t	-0.25	-0.3
Copper (LME,3mth,PM)	5811	t	6	0.1
Nickel	16775	t	75	0.5
Aluminium	1755	t	-1	-0.1
Lead	2162	t	4	0.2
Zinc	2487	t	-1	-0.0

## Pre-Open Announcements

### Empired Ltd (EPD) / Rio Tinto (RIO)

EPD has secured a new IT supply contract with RIO, initially for three years, and including options for two one-year extensions.

### Charter Hall Long WALE REIT (CLW) / Charter Hall Group (CHC)

CLW is acquiring two A-grade office buildings and a Bunnings warehouse, for a total \$331.5M. Details lodged this morning.

In associating, CLW is conducting a \$120M institutional placement and \$122M entitlement offer, each fully underwritten and at \$5.50 per unit.

CLW trading halt called this morning.

CLW traded at \$5.685 - \$5.90 last week.

### Cardno Ltd (CDD)

CEO and MD Ian Ball has resigned, effective immediately.

CDD Americas region CEO Susan Reisbord has been appointed to take over from Mr Ball.

### MG Unit Trust (\* MGC)

MGC has agreed on a potential settlement of the Webster class action, pending Federal Court approval.

MGC will pay \$37.5M, including interest and costs, and says this will be funded 'substantially' through insurance.

The settlement was agreed without admission of liability.

### PharmAust Ltd (PAA)

PAA's Phase II MPL trial for dogs with lymphoma will be expanded from the University of Melbourne's U-Vet Werribee Animal Hospital to also include the Animal Referral Hospital, Homebush, Sydney as a trial site.

### Sims Metal Management (SGM)

Mike Kane will retire from the SGM board today, due to executive responsibilities.

### Insurance Australia Group (IAG)

One of IAG's two company secretaries, Rebecca Farrell, has resigned, effective Friday.

### SRG Global (SRG)

Non-executive chairman Peter Wade is retiring from the SRG board at the company's AGM.

Deputy SRG chair and former Leighton Contractors MD Peter McMorrow will take over from Mr Wade.

### AusCann Group Holdings (AC8)

Executive director and former interim CEO Paul McLeman has resigned from the AC8 board, effective today.

Merchant Group CFO Christopher Mews has been appointed to the AC8 board as Merchant Funds Management's nominee.

### Next Science (NXS)

Refuting alleged company net cash details published in a media article.

### Titomic Ltd (TTT)

Link lodged post-trade Friday to an October update presented



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**Commodities Commentary**

**Oil** – propelled higher by a rise in a private sector-focused manufacturing activity index for China, positive reports out of China regarding US trade negotiations, better-than-anticipated US jobs figures, and further commentary surrounding slower US production growth.

A weekly US petroleum drill rig count, published overnight Friday, included five fewer operational oil rigs, bringing the tally (691) to 183 fewer rigs than a year earlier.

Meanwhile, Russia's October oil production has been reported at 11.25MMbbl/d against 11.23MMbbl/d, remaining above the target level agreed to under the OPEC+ output agreement curb.

In corporate news, Exxon Mobil and Chevron reported respective 50% and 36% drops in September quarter profits, mostly due to lower oil prices.

Saudi Aramco has launched its IPO, for the Saudi stock exchange, also revealing a \$US68B January – September net profit and \$US244B income.

**Gold** – seesawed lower overnight Friday, on better-than-anticipated US data, but retained a settlement above \$US1500/oz.

Apart from geopolitics, trade figures for China, Germany and the US, and statements from the Bank of England policy meeting could influence some overall sentiment, hence affecting gold interest, this week.

**Base metals** – Caixin's October private sector-focused manufacturing PMI for China, reported Friday, rose by 0.3 to 51.7, the best monthly increase in ~two years.

A final October manufacturing PMI for Japan came in at 48.4, against 48.9 for September.

Conflicting commentary regarding the likely timetable for any China-US trade accord, and how much relative 'progress' had been achieved last week, appeared to constrain overnight Friday LME trade sentiment, however.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6912	-0.0004	-0.06
<b>EUR – USD</b>	1.1166	-0.0004	-0.04

**Australian Data Today**

ABS	Retail sales	Sep
TDSec/MInst	Inflation gauge	Oct
ANZ	Job advertisements	Oct

**US Data Tonight**

Factory orders	Sep
ISM New York	Oct
Durable goods orders (final)	Sep

in video format.

TTT forfeited 6.8% Friday, settling at 95.5c.

**Resources****Azumah Resources (\* AZM)**

Recommending shareholders accept Ibaera's revised 3.3c cash-per-share unconditional offer, pending no other proposal deemed superior.

AZM traded at 3.3c – 3.4c last week.

**Silver Lake Resources (SLR) / EganStreet Resources (\* EGA)**

SLR has conditionally increased its EGA offer to 0.431 SLR share for each EGA share. Details lodged post-trade Friday.

EGA says it is ceasing discussions with Adaman Resources which had submitted an indicative and conditional alternative proposal 16 October.

EGA traded at 30c – 31.5c last week, and SLR at \$1.025 - \$1.205.

**Talga Resources (\* TLG)**

A 33,000t container ship to which a TLG graphene-enhanced coating has been applied has commenced sea trials.

**Panoramic Resources (PAN)**

PAN has appointed director Peter Sullivan to take over as chairman when Brian Phillips retires, as planned, from the PAN board at the end of the 20 November AGM.

Victor Rajasooriar will be PAN's representative on the Horizon Gold (ASX: HZN) board. PAN holds 51% of HZN.

**Perseus Mining (PRU)**

PRU's 90%-held Ghana subsidiary is acquiring an option to purchase the Agyakusu prospecting license, located adjacent to the PRU Edikan gold project mining leases.

Details lodged this morning.

**Metro Mining (MMI)**

MMI has appointed former BHP Billiton Mitsubishi Alliance JV CEO and asset president Lucas Dow as a director.

**Energy****Buru Energy (\* BRU)**

Reporting good and bad news.

73,757bbl of Ungani crude was loaded Friday, with BRU anticipating \$A2.95M revenue.

Meanwhile, WA onshore Canning Basin Miani 1 logging has indicated there are no producible zones, due to tight reservoirs.

**Otto Energy (OEL)**

\$US55M debt facility in hand.

**Trading Halts**

Company	Code	Resuming
Hazer Group	HZR	4 Nov
Hydrix Ltd	HYD	4 Nov
Minotaur Exploration	MEP	4 Nov

**Other Overseas Data Today & Tonight**

<b>UK</b>	Construction PMI	Oct
<b>Germany</b>	PMIs (final)	Oct
<b>Euro zone</b>	PMIs (final)	Oct
Euro zone	Sentix investor confidence	Nov

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MSL Solutions	MPW	4 Nov
Pacific America Holdings	PAK	4 Nov
Phylogica Ltd	PYC	4 Nov
Tubi Ltd	2BE	4 Nov
VRX Silica	VRX	4 Nov
Alcidion Group	ALC	5 Nov
Cirralto Ltd	CRO	5 Nov
Creso Pharma	CPH	5 Nov
EM Vision Medical Devices	EMV	5 Nov
MCP Income Opportunities Trust	MOT	5 Nov
MNF Group	MNF	5 Nov
OBJ Ltd	OBJ	5 Nov
Peninsula Energy	PEN	5 Nov
Pointerra Ltd	3DP	5 Nov
Rox Resources	RXL	5 Nov
Simple Solutions	SIS	5 Nov
Venus Metals Corporation	VMC	5 Nov
Westpac Banking Corporation	WBC	6 Nov

**Suspensions** *(select)*

Company	Code	Since
Alexium International Group	AJX	31 Oct
Horseshoe Metals	HOR	28 Oct
Invigor Group	IVO	30 Oct
New Standard Energy	NSE	14 Oct
Peppermint Innovation	PIL	11 Oct
Troy Resources	TRY	15 Oct
UltraCharge Ltd	UTR	21 Oct
Vanadium Resources	VR8	30 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>PIA</b>	Today	3.5	67.14	3.07
BIS	Tomorrow	4	100	3.45
NAC	Tomorrow	1.35	100	5.61
NSC	Tomorrow	1	100	5.33
WLL	Tomorrow	21	100	1.60
BKW	Wed	38	100	3.03
BOQ	Wed	31	100	3.79
JMS	Wed	4	0	7.69
RMD	Wed	3.99	0	0.69
OMH	Thu	1	0	4.17
WAT	Thu	3	100	2.36
JHG	Fri	52.45	0	6.04
JYC	Fri	5	100	7.96

**Reports & Events***(select)*

When	Company	Report/Event
<b>Today</b>	<b>CDV</b>	AGM



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	CCP WBC	AGM Full year
<b>Wed</b>	BLD	AGM
	CWP	AGM
	CTD	AGM
	EHE	AGM
	PDL	Full year
	PPH	Interim
	VAH	AGM