

Markets

SFE 200 Futures (9.30am AEDT)	5765	40	0.7
NZX 50	8777	63	0.7
DJIA Futures	25335	-9	0.0
S&P 500 Futures	2742	58	2.2
NASDAQ Futures	6918	206	3.1

Local Markets Commentary

The Australian market commences today's trade following a substantial overnight \$A rise, a US equities rally on signs the pace of US rate rises could slow, and price gains for select key commodities.

The \$A was propelled to ~US73.10c after trading at ~US72.35c early yesterday evening.

In overnight commodities trade, **oil** fell.

US (December) **gold** futures swung higher.

Iron ore (China port 62% Fe) rose decisively for a second consecutive session.

LME **copper** rallied.

Locally today, September quarter **private capital expenditure** is due 11.30am AEDT.

October new home sales are scheduled for release 11am.

Several large-cap and/or high-profile stocks also host **AGMs** today.

Companies trading ex-dividend include **ALQ** and **TNE**. Please see pp2-3 for detailed lists.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25366	618	2.5
S&P 500	2744	62	2.3
NASDAQ	7292	209	3.0
FTSE 100	7005	-12	-0.2
DAX 30	11299	-10	-0.1
Shanghai Comp	2602	27	1.1

Overseas Markets Commentary

Major European and US equities markets trade diverged overnight, key European indices opening higher but losing gains amid choppy trade.

US markets jumped just prior to mid-session on comments from US **Federal Reserve** chair Jerome Powell delivered at the Economic Club of New York, the DJIA, S&P 500 and NASDAQ each closing at session-highs.

Referring to a newly-introduced financial stability report from the central bank, Dr Powell listed risks to domestic economic growth, which included Fed policy, but described the financial system as 'more resilient' and hence deemed 'vulnerabilities ... moderate'.

Dr Powell's comments regarding rate levels appeared to differ from a month ago, and were interpreted as indicating rate rises may not continue at the previously anticipated pace. The \$US consequently swung lower.

Second last trading day for November

* Minerals exploration listing **midday** AEDT - **NWM** *

Today's Stock Watch

Aristocrat Leisure (ALL)

27c fully franked final dividend, up 7c.

9.6% higher, \$542.6M full year NPAT.

44.7% higher, \$3.55B revenue.

Anticipating continued growth, mostly during 2H FY2019.

Bingo Industries (BIN)

The Australian Competition & Consumer Commission (ACCC) has published a list of concerns regarding BIN's proposed Dial-a-Dump acquisition.

A final ACCC decision on the planned transaction is scheduled for 21 February.

Orora Ltd (ORA)

Outlaying \$US80.5M for Pollock Packaging.

Audiocast teleconference scheduled for 10.30am AEDT.

Bapcor Ltd (BAP)

Planning to acquire five companies that sell spare parts for Japanese commercial trucks.

BAP plans to fund the overall purchase via an equity issue and using existing debt.

Completion is anticipated within a couple of weeks, with \$15M worth of purchase payments deferred for a further 12 months.

Mayne Pharma (MYX)

21% higher, \$183M July - October revenue.

75% higher \$108M gross profit.

Premier Investments (PMV) / Myer Holdings (MYR)

MYR strategy questions anticipated at PMV's AGM today.

MYR's AGM is scheduled for tomorrow.

Immutep Ltd (IMM)

LAG-3 combination patent for treating cancer in hand from the European Patent Office.

Shekel Brainweigh (SBW)

Recently ASX-listed SBW has secured a joint development and marketing agreement with US-headquartered manufacturer Madix. Details lodged this morning.

Quickstep Holdings (QHL)

QHL has moved today's AGM to The Grace Hotel, 77 York St, Sydney, due to the original venue being adversely impacted by the effects of yesterday's rain and storms.

The AGM commences 2pm AEDT.

Resources

Rio Tinto (RIO)

Going ahead with the \$US2.6B development of the WA Pilbara Koodaideri iron ore project, located 35km north west of RIO's Yandicoogina mine.

Remaining project development conditions include WA Government approval.

Norwest Minerals (* NWM)

Explorer scheduled to list **midday** AEDT following a \$6M IPO at 20c per share. 38M quoted securities.

Australian Mines (ASX: AUZ) holds 28.63%.

Meanwhile, across the Atlantic, various figures from the **UK** government, **Bank of England** (BoE) and independent economists were quoted as estimates of the impact on UK GDP of the UK's planned withdrawal from the **European Union** (EU).

The BoE promoted the current draft arrangements as preferable to a no-deal separation, which it claimed could produce an ~10% contraction over five years.

Government economists estimated a 4% reduction in GDP over 15 years, given the current plan is approved with limited changes.

The UK parliament is due to debate the draft deal over five sessions during the next two weeks, Tuesday through Thursday next week, and Monday-Tuesday the following week. Amendments are scheduled for selection the final Tuesday.

In overnight data releases, the second reading of September quarter **US** GDP growth also provided some relief, remaining at 3.5%, the same as the first estimate, against some forecasts of a revision lower.

A government agency-estimated October goods trade deficit was estimated \$US1B

October wholesale inventories rose 0.7%.

October new home sales dropped 8.9% for the month, following a 1% September rise.

The Richmond Fed manufacturing index came in at 14, from 15, and following expectations of 16.

Weekly mortgage applications rose by 5.5%, 30-year rates pulling back by 0.04% to 5.12%.

In **Germany**, a consumer confidence index slipped 0.2 to 10.4.

Tonight in the US, Federal Reserve November policy meeting minutes, October personal income and spending, pending home sales and weekly new unemployment claims are due.

Elsewhere, another public speech is scheduled for **European Central Bank** president Mario Draghi.

Dell, Dollar Tree, HP Inc and Thomas Cook are among companies scheduled to report earnings.

International Consolidated Airlines trades ex-dividend on the FTSE 100.

In overnight corporate news, **Netflix** revealed plans to expand European production by ~33% during 2019.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1227	oz	7	0.6
Silver (NY) (Dec)	14.4	oz	0.2	1.4
Gold (LON)	1221	oz	-2	-0.2
Platinum	822	oz	-9	-1.1
WTI Crude (Jan)	50.3	bbbl	-1.3	-2.5
Brent Crude (Jan)	58.8	bbbl	-1.4	-2.4
Iron Ore (CHN port 62%)	66.4	t	1.2	1.8
Copper (LME,3mth,PM)	6200	t	79	1.3
Nickel	10800	t	25	0.2
Aluminium	1932	t	1	0.1
Lead	1925	t	16	0.8
Zinc	2452	t	17	0.7
Tin	18240	t	-35	-0.2
CBT Wheat (Dec)	5.12	bshl	0.06	1.0

Pre-Open Announcements

Gentrack Group (* GTK)

17.3% higher, \$NZ13.9M full year NPAT. 39% higher, \$NZ104.5M revenue. Flat NZ8.7c, ~NZ3.38c-franked final dividend.

Elders Ltd (* ELD) / Bendigo & Adelaide Bank (BEN)

ELD and BEN subsidiary Rural Bank have negotiated changes to a product and services agreement.

Under the new arrangements, some services provided to Rural Bank by ELD employees will now be handled by staff directly employed by Rural Bank.

ELD estimates the changes will deliver 5% - 10% greater EBIT from its Rural Bank arrangements for the first year operating under the new agreement.

Details lodged post-trade yesterday.

Nanoveu Ltd (NVU)

Nanoimprint-based screen developer scheduled to list 1pm AEDT **tomorrow** following a \$6M IPO at 20c per share.

80.33M quoted securities.

Resources

NTM Gold (* NTM)

Drilling results lodged this morning from across three prospects within the WA far-eastern goldfields Redcliffe gold project.

NTM last traded at 3.8c.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ALL	Full year
	BOQ	AGM
	EHE	AGM
	FNP	AGM
	GTY	AGM
	GTG	AGM
	GTK	Full year
	KAR	AGM
	KCN	AGM
	MYX	AGM
	PMV	AGM
	RFG	AGM
	QHL	AGM
	SFR	AGM
	SHV	AGM
	SPO	AGM
	WHA	AGM
	Tomorrow	BD1
CCL		Investor day
KAR		AGM
MYR		AGM
RES		AGM
Mon (3 Dec)	SCO	AGM
	MTS	Interim
Wed (5 Dec)	TPM	AGM

Commodities Commentary

Oil – prices were pushed and pulled overnight by currency moves, swinging equities sentiment and industry reports.

US government agency the EIA delivered several surprises overnight in its weekly petroleum inventories report.

These included a 3.6MMbbl rise in stored crude, more than 4.5 times expectations.

Distillates defied forecasts of an 857,000bbl draw, rising by 2.6MMbbl.

Petrol stockpiles also came in against predictions, decreasing by 764,000bbl, following forecasts of a 640,000bbl increase.

Crude production again remained steady, at a daily 11.7MMbbl.

Imports increased to ~8.2MMbbl/d. Exports also rose, by 473,000bbl/d to 2.4MMbbl/d.

An OPEC policy meeting remains scheduled for Thursday next week (6 December). OPEC will also meet with non-OPEC nations who have participated in production curb agreements.

Gold – prices swung higher overnight, on a speech by US Federal Reserve chair Jerome Powell, indicating a potential slowdown in rate increases next year.

This pushed the \$US definitively lower, from ~two-week peaks, and Treasuries (government bond) higher.

Federal Reserve November policy minutes, due tonight, may prove less influential than usual, given the Fed's financial stability-type report release last night, coupled with the chair's subsequent comments.

Base metals – currency swings, new industrial action at a Chile copper project, and weak European equities sentiment influenced overnight LME trade.

Among the forecasters, Fitch Solutions has predicted a median \$US14,500/t for 2019, 3.3% lower than its previous prediction.

China's official November manufacturing and services PMIs are anticipated tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7303	-0.0004	-0.05
EUR – USD	1.1367	0.0001	0.01

Australian Data Today

ABS	Private capital expenditure	Sep Q
HIA	New home sales	Oct

US Data Tonight

Federal Reserve policy meeting minutes	Nov
Personal income & spending	Oct
Pending home sales	Oct
Initial jobless claims	23 Nov

Other Overseas Data Today & Tonight

Japan	Retail sales	Oct
--------------	--------------	-----

Trading Halts

Company	Code	Resuming
Ausmex Mining	AMG	29 Nov
Explaurum Ltd	EXU	29 Nov
Fatfish Blockchain	FFG	29 Nov
Newfield Resources	NWF	29 Nov
Ramelius Resources	RMS	29 Nov
Cromwell Property Group	CMW	30 Nov
Carbonxt Group	CG1	30 Nov
Mach7 Technologies	M7T	30 Nov
Minbos Resources	MNB	30 Nov

Suspensions (select)

Company	Code	Since
Birimian Ltd	BGS	15 Nov
Carbon Energy	CNX	28 Nov
Department 13 International	D13	23 Nov
Energy Technologies	EGY	12 Nov
Keybridge Capital	KBC	27 Nov
Planet Gas	PGS	23 Nov
RCR Tomlinson	RCR	14 Nov
Sterling Plantations	SBI	27 Nov
Tag Pacific	TAG	22 Nov
Triangle Energy	TEG	28 Nov
VPCL Ltd	VPC	19 Nov
Zyber Holdings	ZYB	28 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALQ	Today	11	20	2.74
AOD	Today	0.25	0	6.41
GCI	Today	0.86	0	2.03
GZL	Today	10	100	5.14
TNE	Today	8.16	75	1.47
MXT	Tomorrow	1.2	0	5.67
MEC	Mon	1	100	1.98
NBI	Mon	0.88	0	0.87
ALL	Tue	27	100	tbc
AYK	6 Dec	11	100	4.37
AYZ	6 Dec	42	100	3.85
PDL	6 Dec	30	15	6.18
WBA	6 Dec	3	100	1.73
FPH	7 Dec	9.16	0	1.69
JHX	11 Dec	11.01	0	2.68
ECX	13 Dec	8	100	6.45
SEN	13 Dec	0.37	0	0.47

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



UK	BoE consumer credit	Oct
Germany	CPI (prelim)	Nov
Germany	Unemployment	Nov
Euro zone	Business confidence	Nov

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

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.