

Markets

| | | | |
|--------------------------------------|-------|-----|-------------|
| SFE 200 Futures (9.30am AEST) | 6786 | -35 | -0.5 |
| NZX 50 | 10944 | 52 | 0.5 |
| DJIA Futures | 27881 | -14 | -0.1 |
| S&P 500 Futures | 3117 | -2 | -0.1 |
| NASDAQ Futures | 8334 | -7 | -0.1 |

Local Markets Commentary

The Australian market opens mid-week trade with another rate cut in China anticipated by early afternoon, trade figures out of Japan this morning, two key domestic economic indicator reports, and a plethora of high-profile stocks providing AGM updates or earnings.

Regionally today, the **People's Bank of China (PBoC)** is expected to announce a loan prime rate decision **12.30pm AEDT**.

Yesterday, PBoC governor Yi Gang declared the central bank's support for the national economy, via easier credit, through reduced lending rates.

Japan is due to report October **trade** figures **10.50am AEDT**.

Locally today, Westpac and the Melbourne Institute publish a monthly **leading indicators** report.

October **skilled job vacancies** are due from the Department of Employment.

Please see pp3-4 for a select list of companies hosting events or providing earnings.

In overnight commodities trade, **oil** picked up the pace of Monday's fall.

US **gold** futures (December) settled slightly higher for a second consecutive session.

Iron ore (Nymex CFR China, 62% Fe) extended a run of small gains, trading above \$US83.15/t.

LME **copper** swung higher and rallied. **Nickel** continued lower. **Aluminium** turned so.

The **\$A** has surpassed US68.25c this morning after trading at ~US68.05c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|------|-------------|
| Dow Jones | 27934 | -102 | -0.4 |
| S&P 500 | 3120 | -2 | -0.1 |
| NASDAQ | 8571 | 21 | 0.2 |
| FTSE 100 | 7324 | 16 | 0.2 |
| DAX 30 | 13221 | 14 | 0.1 |
| Shanghai Comp | 2934 | 25 | 0.9 |

Overseas Markets Commentary

Major European equities markets trended higher in first-half trade overnight, but were dragged lower when key US indices began to

China – PBoC loan prime rate decision 12.30pm AEDT

Today's Stock Watch
Westpac Banking Corporation (WBC)

AUSTRAC has commenced civil proceedings against WBC, providing WBC with a statement of claim regarding alleged money-laundering and counter-terrorism financing Act breaches.

Aristocrat Leisure Group (ALL)

34c fully-franked final dividend, against 27c a year ago.
28.8% higher, \$698.8M full year NPAT.
25.3% higher, \$4.397B revenue.

ALS Ltd (ALQ)

59.7% higher, \$135.6M interim NPAT.
11.0% higher, \$921.0M revenue.

11.5c, 30%-franked interim dividend, against 11c, 20%-franked a year ago. 4.2c NTA, against 16.3c.

Australian Agricultural Company (AAC)

\$14M interim net loss, against a \$68M loss a year ago.
Teleconference scheduled to commence 10am AEDT.

LiveTiles Ltd (LVT)

Proposing to acquire Switzerland-headquartered intelligent intranet software provider CYCL for an upfront \$19M, \$6.3M of this in cash and \$12.6M worth of LVT shares.

LVT will potentially pay up to \$13.2M in earn-outs, on a 25% cash and 75% shares basis.

Webjet Ltd (WEB) / Lendlease Group (LLC) / Integrated Research (IRI) / Platinum Asset Management (PTM)

Among stocks which have lodged today's AGM materials pre-trade.

Garda Property Group (GDFDA)

Garda Capital Group and Garda Diversified Property Fund are due to commence new ASX trade on open, as the stapled securities of GDFDA.

Trading commences on a deferred settlement basis.

227.64M quoted stapled securities.

Resources
St George Mining (SGQ) / Western Areas (WSA)

Mt Alexander project drilling has delivered thick nickel-copper sulphides intersections at depth. Details lodged this morning.

Energy
Origin Energy (ORG)

Today's investor day presentation lodged pre-trade.



decline early.

The US Federal Reserve New York district president spoke of 'several challenges' to the US economy, and although he pointed to a series of recent rate cuts as likely sufficient to bolster growth, US government bond (treasury) prices rose, sending yields lower.

During second-half US-trade, the US president was reported to have again repeated his intention to increase import taxes on goods from **China**, should China not be willing to agree to a trade deal that he favoured. A new round of tariffs is already scheduled to commence 15 December.

Meanwhile, a US aircraft carrier with support vessels was reported to be travelling through the Straits of Hormuz, a day after the US administration declared it would cease waiving sanctions against a uranium enrichment facility in **Iran**.

In addition, the US defence intelligence agency released a report overnight highlighting Iranian plans to bolster military capacity, these including the purchase of more effective missiles.

In the meantime, the US House of Representatives approved legislation to extend temporary government funding until 20 December.

The Senate must also approve the bill, to avert any partial government services shutdown from midnight (US ET time) tomorrow night.

Granted approval, the US administration is expected to sign off on the funding.

Among overnight data releases, **euro zone** September construction output fell 0.7% following a 0.8% rise in August.

In the **UK**, the CBI industrial trends orders index improved to -26 from -37.

In the **US**, October building permits rose 5% for the month after dropping 2.4% in September.

Housing starts were reported 3.8% higher after a 7.9% September tumble.

Tonight in the **US**, the **Federal Reserve's** October monetary policy meeting minutes are keenly anticipated. Weekly mortgage applications are also due.

Elsewhere, the **European Central Bank** (ECB) is expected to publish a financial stability report.

In the **UK**, markets could possibly react to a television debate between the PM and opposition party leader. This commenced overnight (this morning AEDT) post-UK trade.

Companies scheduled to report earnings later today and tonight include Lowe's, Salesforce.com, Target and United Utilities.

In overnight company news, **Home Depot** and **Kohl's** both issued lower-than-anticipated sales forecasts, Kohl's earnings also disappointing.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|--------------------------|---------------|-------|-------|-------------|
| Gold (NY) (Dec) | 1474.3 | oz | 2.4 | 0.2 |
| Silver (NY) (Dec) | 17.118 | oz | 0.118 | 0.7 |
| Gold (LON) | 1468 | oz | | |
| Platinum | 909 | oz | 16 | 1.8 |
| WTI Crude (Dec) | 55.21 | bbl | -1.84 | -3.2 |

Pre-Open Announcements

SciDev Ltd (* SDV)

FY 2020 year-to-date sales have surpassed by 35% total FY 2019 sales (\$A2.92M).

For the December quarter-to-date, sales have reached \$A1.67M.

Wagners Holding Company (* WGN)

93.4% participation achieved in the \$1.55-per-share entitlement offer, which raised a total \$37.4M, including ~\$22M from the Wagner family.

The \$2.6M shortfall will be taken by underwriter Morgans Corporate.

IPH Ltd (IPH)

Anticipating a \$2M - \$2.5M annualised net benefit from FY 2021 by integrating the IP services business Watermark into the Griffith Hack business. Both IP businesses will consequently operate under the Griffith Hack brand.

Restructuring costs not disclosed.

Sydney Airport (SYD)

October passenger numbers grew 1.6% year-on-year, supported by a 2.3% increase in domestic passengers.

For the year-to-date, the overall passenger tally is up just 0.1%.

Imugene Ltd (IMU)

IMU has appointed Memorial Sloan Kettering Cancer Center thoracic surgeon Prasad S Adusumilli to the company's oncolytic virotherapy scientific advisory board.

KKR Credit Income Fund (* KKC)

Investment trust scheduled to list on the ASX 11am AEDT tomorrow, following a \$925M IPO at \$2.50 per unit.

370M quoted units.

Resources

Medusa Mining (* MML)

MML has decided not to continue with an earn-in agreement with Ellenkay Gold Pty Ltd.

MML made the decision after determining no significant results from drill testing of priority targets within the two projects covered by the proposed earn-in.

Trading Halts

| Company | Code | Resuming |
|--------------------------|------|----------|
| Dotz Nano | DTZ | 20 Nov |
| MetalsTech Ltd | MTC | 20 Nov |
| Meteoric Resources | MEI | 20 Nov |
| Millennium Minerals | MOY | 20 Nov |
| Paygroup Ltd | PYG | 20 Nov |
| Saracen Mineral Holdings | SAR | 20 Nov |



| | | | | |
|---------------------------------|--------------|------|-------|-------------|
| Brent Crude (Jan) | 60.91 | bbbl | -1.53 | -2.5 |
| Iron Ore (NYMEX,CHN,62%) | 83.19 | t | 0.26 | 0.3 |
| Copper (LME,3mth,PM) | 5880 | t | 63 | 1.1 |
| Nickel | 14645 | t | -145 | -1.0 |
| Aluminium | 1736 | t | -7 | -0.4 |
| Lead | 1996 | t | 29 | 1.5 |
| Zinc | 2343 | t | -5 | -0.2 |
| Tin | 15950 | t | -110 | -0.7 |

Commodities Commentary

Oil – prices were pushed lower early overnight, with a key commodities port in Iraq blockaded by civil protests, Norway's October crude production exceeding forecasts, and reports quoting several sources suggesting Russia was unlikely to agree to any further output curbs at the 5-6 December OPEC and OPEC+ meetings.

Further, no new positive comments were reported out of China or the US regarding any near-term phase one trade accord.

WTI futures fell sufficiently to breach a 50-day moving average (\$US55.59/bbl), further bruising sentiment.

A weekly US petroleum inventories report is due tonight from government agency EIA.

Gold – Federal Reserve policy meeting minutes may prove influential tonight, although last week's parliamentary testimony by Fed chair Jerome Powell may have snatched most suspense.

Overnight prices headed lower early but recovered when a Fed regional president asserted the US economy was being challenged, and US government bond yields were again pushed lower.

Base metals – People's Bank of China Yi Gang confirmed yesterday the central bank intended to support the economy by bolstering credit through lower rates.

Among the forecasters, Commerzbank estimated LME copper prices below the 200-day moving average, at ~\$US6021/t, through late November.

For its part, Freeport McMoRan pointed to expectations of increased smelting capacity in China when predicting 2020 copper treatment and refining charges to come in 'well below' recent prices.

Meanwhile in Indonesia, a government minister confirmed an investigation into the likely environmental impacts of battery-grade nickel chemicals production was expected to be essentially complete by year's end.

In supply news, an international zinc shortfall was reported to have fallen to 156,000t from January through September, against 272,000t at 30 September 2018.

A lead deficit was estimated at 83,000t as at 30 September 2019, from 34,000t a year earlier.

An interest rate decision anticipated out of the People's Bank of China today, plus any significant numbers among Japan's October trade statistics, are expected to influence at least some of tonight's trade.

| | | |
|---------------------|-----|--------|
| Artemis Resources | ARV | 21 Nov |
| Empire Energy Group | EEG | 21 Nov |
| Kogi Iron | KFE | 21 Nov |
| Mincor Resources | MCR | 21 Nov |
| Ocean Grown Abalone | OGA | 21 Nov |
| Ragnar Metals | RAG | 21 Nov |
| Strata-X Energy | SXA | 21 Nov |
| Titan Minerals | TTM | 21 Nov |
| Vault Intelligence | VLT | 21 Nov |
| Winchester Energy | WEL | 21 Nov |

Suspensions (select)

| Company | Code | Since |
|-----------------------------|------|--------|
| Alexium International Group | AIX | 31 Oct |
| Austar Gold | AUL | 18 Nov |
| CFOAM Ltd | CFO | 12 Nov |
| Creso Pharma | CPH | 5 Nov |
| CropLogic Ltd | CLI | 19 Nov |
| Highfield Resources | HFR | 19 Nov |
| Invigor Group | IVO | 30 Oct |
| Nzuri Copper | NZC | 19 Nov |
| OBJ Ltd | OBJ | 5 Nov |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|--------------|------------|--------------|-----------|
| DDR | Today | 5 | 100 | 2.39 |
| GCM | Today | 3.7 | 78.37 | 4.46 |
| PEA | Today | 6.5 | 100 | 2.34 |
| IAP | Tomorrow | 3.2 | 0 | 0.00 |
| ZEL | Tomorrow | 15.31 | 0 | 8.06 |
| CAZ | Fri | 0.5 | 0 | 0.00 |
| WHF | Mon (25 Nov) | 10.25 | 100 | 3.78 |

Reports & Events

(select)

| When | Company | Report/Event |
|--------------|------------|--------------|
| Today | ALK | AGM |
| | ALQ | Interim |
| | ALL | Full year |
| | AAC | Interim |
| | AMA | AGM |
| | CUV | AGM |
| | GMG | AGM |
| | IMF | AGM |
| | IGO | AGM |
| | IRI | AGM |
| | LLC | AGM |
| | MIN | AGM |
| | NMT | AGM |

**Exchange Rates**

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|--------------|
| AUD – USD | 0.6824 | -0.0005 | -0.07 |
| EUR – USD | 1.1078 | 0.0000 | 0.00 |

Australian Data Today

| | | |
|-------------------|-------------------|-----|
| Westpac/MelbInst | Leading index | Oct |
| Dept of Employmnt | Skilled vacancies | Oct |

US Data Tonight

| | |
|------------------------------------|-------------|
| Fed Reserve policy meeting minutes | 29 – 30 Oct |
| MBA mortgage applications | 15 Nov |

Other Overseas Data Today & Tonight

| | | |
|------------------|--------------------------------|-------|
| China | PBoC loan prime rate decision | Nov |
| Japan | Trade balance | Oct |
| UK | Productivity | Sep Q |
| Germany | PPI | Oct |
| Euro zone | ECB financial stability review | Nov |

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 625 898, or by email, advice@stateone.com.au

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| | |
|------------|--------------|
| OCC | AGM |
| ORG | Investor day |
| PPC | AGM |
| PTM | AGM |
| SCG | AGM |
| SCP | AGM |
| SKO | Interim |
| SVW | AGM |
| TWR | Full year |
| VRT | AGM |
| WEB | AGM |

Tomorrow

| | |
|-----|---------|
| AFT | Interim |
| BSL | AGM |
| BWX | AGM |
| CCX | AGM |
| GOZ | AGM |
| HSN | AGM |
| IPH | AGM |
| JLG | AGM |
| MRM | AGM |
| NWS | AGM |
| OPT | AGM |
| PLS | AGM |
| QHL | AGM |
| QUB | AGM |
| REX | AGM |
| RSG | AGM |
| SGQ | AGM |
| SPX | AGM |
| WSA | AGM |

Fri

| | |
|-----|-----|
| ARF | AGM |
| CLV | AGM |
| KMD | AGM |
| MEI | AGM |
| MYX | AGM |
| ORE | AGM |
| RMS | AGM |
| RMD | AGM |
| SLR | AGM |
| WHS | AGM |