

Markets

SFE 200 Futures (9.30am AEST)	6639	20	0.3
NZX 50	11083	21	0.2
DJIA Futures	26783	-14	-0.1
S&P 500 Futures	3006	-1	0.0
NASDAQ Futures	7946	-2	0.0

Local Markets Commentary

The Australian market commences today's trade following improved overnight international equities sentiment but amid conflicting speculation regarding the prospects for unresolved geopolitical issues.

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

September quarter reports continue from high-profile stocks and additional large-cap companies are hosting AGMs and providing associated updates.

Please see p4 for a select list.

In overnight commodities trade, **oil** and US **gold** futures (December) continued lower.

Iron ore (Nymex CFR China, 62% Fe) turned to settle slightly down. LME **copper** extended Friday's gain, but more modestly so. **Nickel** swung decidedly lower. **Aluminium** also declined.

The **\$A** was pushed back to ~US68.70c after approaching US68.80c early yesterday evening.

Japan's markets are scheduled to be **closed today**.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26828	57	0.2
S&P 500	3007	21	0.7
NASDAQ	8163	73	0.9
FTSE 100	7164	13	0.2
DAX 30	12748	114	0.9
Shanghai Comp	2940	1	0.1

Overseas Markets Commentary

Risk sentiment returned to major European and US equities markets in varying degrees overnight, amid comments and developments across several simmering geopolitical disputes and controversies, at the start of a key US reporting season week, and as speculation increased ahead of a US Federal Reserve policy meeting next week.

US officials appeared to back away from the previously touted likely signing of the accord announced from the **US-China** trade talks in Washington earlier this month, one declaring the importance that 'everything' be 'right' and the chief US trade representative admitting 'issues' yet to be resolved.

* Industry services listing **midday AEST – ITG ***

Today's Stock Watch
Cochlear Ltd (COH) / McMillan Shakespeare (MMS)

Materials lodged pre-trade for today's AGMs.

Emeco Holdings (EHL)

In response to a media report touting a potential acquisition of BGC Contracting (BGCC), EHL says BGCC has been just one of many opportunities explored recently.

EHL says no investigations are sufficiently advanced to provide any disclosure.

Sky New Zealand (SKT)

Broadcast extension secured with Netball NZ through 2024.

SciDev Ltd (SDV)

Outlaying \$1.9M in cash and shares to acquire mining and water treatment specialist engineering and chemistry firm ProSol Australia.

SDV says the purchase will be completed using \$1.045M cash on hand, plus 1.71M SDV shares at 50c each.

SDV has traded at 47c – 61c over the past five trading sessions.

Intega Group (* ITG)

Cardno (ASX: CDD) industry quality insurance spinoff ITG is scheduled to list on the ASX **midday AEST**.

Trade will commence on a deferred settlement basis.

Normal (T+2) trade is expected to commence 1 November (Friday next week), pending implementation of the demerger scheme 31 October. 444.75M quoted shares.

Resources
Independence Group (IGO)

September quarter activities report lodged pre-trade, highlighting 29% income growth.

Teleconference scheduled to commence 11am AEDT.

Saracen Mineral Holdings (SAR)

Produced a record 96,324oz of gold at a \$A964/oz AISC during the September quarter.

Sold 97,307oz at \$A1916/oz, for \$186.4M revenue.

\$A196.1M cash and equivalents, \$154.5M higher for the quarter.

\$42M - \$45M unaudited September quarter NPAT.

Webcast teleconference scheduled to commence 11am AEDT.

Energy
Whitehaven Coal (WHC)

September quarter managed saleable coal production rose 23% year-on-year to 4.91Mt. Sales grew 14% to 5.55Mt.



Over the weekend however, China's VP Liu He had promoted 'substantial progress in many fields'.

Some commentators pointed to \$US2.4B worth of sanctions still requested by China, for deemed US non-compliance with a WTO tariffs ruling during the previous US administrative period.

The US administration also confirmed it had continued to move troops in northern **Syria** into Iraq during a five-day **Turkey** cease-fire due to conclude later on Tuesday (Wednesday AEDT), but that it was now considering leaving some military support for regional oilfields, in order to deny at least some oil access to groups such as IS.

In the **UK** House of Commons, the speaker disallowed a new debate and vote on the plans approved last week by **European Union** (EU) -UK negotiators governing arrangements for when the UK separates from the EU.

This was in favour of the majority who voted Saturday not to consider a vote on the plans before legislative ratification.

This process would mean amendments could be put and considered, but the government wants last week's plans passed by Thursday, so as the upper house can also vote, before the planned 31 October (Thursday next week) separation.

In scant overnight data releases, **Germany's** September producer prices rose 0.1% for the month after falling 0.5% in August. Compared with September 2018, prices were 0.1% lower.

Government bond yields rose in Germany and also the UK and US.

Tonight in the US, the Richmond Fed manufacturing index and September existing home sales are due.

Elsewhere, **UK** parliamentarians will continue manoeuvres for and against a vote this week on UK-EU separation plans, amid ongoing calls for a second referendum and/or national election.

Companies scheduled to report earnings include: Hasbro, Kimberly Clark, Lockheed Martin, McDonald's, Novartis, Procter & Gamble, Reckitt Benckiser, Snap (post-US trade), Texas Instruments (post-US trade), Thales, UBS, United Technologies and Whirlpool (post-US trade).

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1488.1	oz	-6.0	-0.4
Silver (NY) (Dec)	17.602	oz	0.024	0.1
Gold (LON)	1490	oz		
Platinum	886	oz	-4	-0.5
WTI Crude (Nov)	53.31	bbl	-0.47	-0.9
Brent Crude (Dec)	58.96	bbl	-0.46	-0.8
Iron Ore (NYMEX,CHN,62%)	90.58	t	-0.18	-0.2
Copper (LME,3mth,PM)	5841	t	23	0.4
Nickel	16110	t	-340	-2.1
Aluminium	1726	t	-11	-0.6
Lead	2211	t	4	0.2
Zinc	2468	t	4	0.2
Tin	16800	t	10	0.1

Commodities Commentary

Oil – prices fell to ~two-week lows overnight, this mostly

Pre-Open Announcements

Macquarie Media (MRN) / Nine Entertainment (NEC)

CEO Adam Lang will leave MRN Friday, ahead of the planned 100% integration of MRN operations with those of NEC.

MRN chair Russell Tate will assume MRN executive responsibilities until finalisation of full MRN activity under NEC.

Air New Zealand (AIZ)

Passenger numbers rose 2.0% year-on-year during September. Revenue passenger kilometres grew 4.7%.

Additional statistics lodged this morning.

Mirvac Group (MGR)

September quarter operational update lodged this morning, including 98.4% office occupancy and 99.1% retail occupancy.

Fonterra Shareholders' Fund (FSF)

Fonterra Co-op is raising its 2019-20 forecast farmgate milk price to \$NZ6.55/kgMS - \$NZ7.55/kgMS, from \$NZ6.25/kgMS - \$NZ7.25/kgMS.

Catapult Group International (CAT)

CAT is now selling its wearable technology to more than 100 clients, 91% of these outside Australia.

Details lodged this morning.

Family Zone (FZO)

FZO's tally of contracted school clients has surpassed 1000.

Details lodged this morning.

Transurban Group (TCL)

A new \$A326M five-year debt facility will cover Lane Cove Tunnel existing bank debt with a May 2021 maturity date.

Slater & Gordon (SGH)

SGH is expecting no payment from the settlement of litigation between Slater and Gordon (UK) and Watchstone Group.

Details lodged post-trade yesterday.

Noxopharm Ltd (NOX)

Presenting in Sydney today and Melbourne on Thursday.

Presentations lodged this morning.

Impression Healthcare (IHL)

IHL and Group One Holdings have agreed to terminate a collaboration agreement, announced early August, under which IHL mouthguards were to be marketed across Group One (trading as ONE Championship).

Resources

Gold Road Resources (GOR)

Produced 29,107oz of gold during the September quarter.

Sold 12,461oz at \$A2052/oz.

\$65.3M cash and \$5.8M bullion.

\$9.3M net debt.

Pilbara Minerals (* PLS)

Contemporary Amperex Technology (Hong Kong) has completed its \$A55M, 30c-per-share investment in PLS,



attributed to supply-demand commentary based on geopolitical scenarios.

An industry analyst however, revealed Kuwait was anticipating a late-November – early-December agreement with Saudi Arabia to recommence joint production from fields in a border neutral zone, potentially boosting daily supply by 500,000bbl.

In other industry news, exports from **Norway's** Johan Sverdrup oil field commence this week, an initial 1MMbbl shipment under preparation for transport to China, for SINOPEC's, China International United petroleum & Chemicals Co (UNIPEC).

Meanwhile, under a special licence due for renewal, or not, this month, Chevron will export another shipment of **Venezuelan** oil, as European refiner group Nynas (partly owned by Venezuela's PDVSA) commences restrictions on new cargoes. Nynas can continue taking delivery of stockpiled PDVSA oil until April 2020, and says it is already sourcing crude from other nations, including Australia.

Overnight US petroleum services specialist Halliburton announced a pullback in US shale activity had adversely impacted quarterly revenue, and that the group would cut costs further.

A 285,000bbl/d refinery in New Jersey is in the meantime facing near-term industrial action following the reported breakdown of contract negotiations.

Gold – sentiment across international equities markets improved overnight, detracting from gold interest.

Economic indicators, corporate reports and a European Central Bank policy meeting this week, together with UK-EU, US-China and Turkey-Syria considerations, are expected to swing currencies and precious metals trade through the week.

Base metals – overnight appeared influenced by select US-China commentary, stockpiles, industrial action and some better-than-anticipated data releases.

In operational news, the BHP-operated Escondida *copper* project in Chile is facing a one-day industrial walk-off today, reportedly in support of broader, deadly national protests, in part due to a significant rise in public transport costs. Chile's government has declared, and broadened, a state of emergency.

China's September house prices, reported yesterday, rose 8.4% year-on-year, following an 8.8% August gain.

Japan's September **trade** figures, also released yesterday, included a ¥123B trade deficit following ¥143.5B at the end of August. Exports fell 5.2% year-on-year, following an 8.2% August drop. Imports declined 1.5%, against an 11.9% tumble.

An August all-industry index was calculated flat following a 0.2% July improvement.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6866	-0.0002	-0.02
EUR – USD	1.1150	0.0001	0.00

Australian Data Today

ANZ/RoyMorgan	Consumer sentiment	20 Oct
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yesterday finalising a second, \$35M tranche.

PLS has traded at 28c – 33.5c over the past five trading sessions.

Energy

Bounty Mining (B2Y)

Cook colliery production impacted by a roof fall, which has partially buried a continuous miner (machine).

Update promised.

Central Petroleum (CTP)

Presentation lodged post-trade yesterday, featuring CTP calendar year 2020 exploration plans.

A presentation video is also available.

Paladin Energy (* PDN)

September quarter activities report lodged pre-trade.

\$US40.1M cash and equivalents.

Strike Energy (STX) / Warrego Energy (WGO)

Onshore Perth Basin EP 469 West Erregulla 2 flow-testing is underway.

STX 50% and operator; WGO 50%.

Trading Halts

Company	Code	Resuming
Dropsuite Ltd	DSE	22 Oct
Greenvale Energy	GRV	22 Oct
Millennium Minerals	MOY	22 Oct
Bass Oil	BAS	23 Oct
Cape Lambert Resources	CFE	23 Oct
Costa Group Holdings	CGC	23 Oct
Elixinol Global	EXL	23 Oct
Environmental Clean Technologies	ECT	23 Oct
Kalina Power	KPO	23 Oct
Roots Sustainable Agricultural Technologies	ROO	23 Oct
Vimy Resources	VMY	23 Oct
WiseTech Global	WTC	23 Oct
XCD Energy	XCD	23 Oct
IMEXHS Ltd	IME	24 Oct

Suspensions *(select)*

Company	Code	Since
AuKing Mining	AKN	30 Sep
Family Insights Group	FAM	1 Oct
Force Commodities	4CE	7 Oct
iSignthis Ltd	ISX	2 Oct
Kairos Minerals	KAI	21 Oct
Latin Resources	LRS	16 Oct
New Standard Energy	NSE	14 Oct
ParaZero Ltd	PRZ	18 Oct
Peppermint Innovation	PIL	11 Oct
Troy Resources	TRY	15 Oct

**US Data Tonight**

Richmond Fed manufacturing	Oct
Existing home sales	Sep

Other Overseas Data Today & Tonight

UK	CBI business optimism	Dec Q
UK	CBI industrial trends	Oct
Euro zone	ECB bank lending survey	Sep

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UltraCharge Ltd	UTR	21 Oct
Wattle Health Australia	WHA	2 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GBT	Today	35	100	0.00
ACF	Tomorrow	1	0	2.94
PBP	Thu	2.5	100	0.49
PMV	Fri	37	100	3.44
ASG	28 Oct	3	100	1.14
CLV	29 Oct	1.75	100	0.64
NST	29 Oct	7.5	100	0.60

Reports & Events

(selected)

When	Company	Report/Event
Today	COH	AGM
	IDP	AGM
	IGO	Sep Q (11am AEDT web)
	MMS	AGM
	MGR	Sep Q
	OSH	Sep Q
	SAR	Sep Q
	SUL	AGM
	WHC	Sep Q
Tomorrow	SBM	AGM
Thu	AMP	Sep Q
	APA	AGM
	AD8	AGM
	API	Full year (10.30am AEDT web)
	CWN	AGM
	FMG	Sep Q
	GUD	AGM
	JBH	AGM
	MLX	AGM
	NCM	Sep Q
	QAN	Sep Q
	SXL	AGM
VTG	AGM	
Fri	ADH	AGM
	CAR	AGM
	IAG	AGM
	JHC	AGM
	PAA	AGM
	QAN	AGM
	RMD	Sep Q