

Markets

SFE 200 Futures (9.30am AEST)	6679	33	0.5
NZX 50	10892	39	0.4
DJIA Futures	26823	21	0.1
S&P 500 Futures	3009	3	0.1
NASDAQ Futures	7930	28	0.4

Local Markets Commentary

The Australian market commences today's trade as a plethora of major domestic stocks hosts AGMs and/or reports activities and revenue, ahead of a European Central Bank policy meeting commencing later today, and a host of international PMI updates and high-profile corporate earnings reports tonight.

In overnight commodities trade, **oil** picked up the pace of Tuesday's swing higher.

US **gold** futures (December) turned after settling lower for three consecutive sessions.

Iron ore (Nymex CFR China, 62% Fe) slipped a few cents to below \$US90.50/t.

LME **copper** rallied. **Nickel** continued higher, but modestly so. **Aluminium** turned to record a moderate gain.

The **\$A** rose to ~US68.55c after falling below US68.45c early yesterday evening.

Meanwhile, New Zealand's markets are heading towards a Monday public holiday weekend.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26834	46	0.2
S&P 500	3005	9	0.3
NASDAQ	8120	15	0.2
FTSE 100	7261	48	0.7
DAX 30	12798	44	0.3
Shanghai Comp	2942	-13	-0.4

Overseas Markets Commentary

Trade across major European and US equities markets demonstrated vacillating sentiment overnight amid a slurry of high-profile earnings reports, but several key indices settled at or near session highs.

Among geopolitical developments, the **US** president announced an end to recently-imposed sanctions against **Turkey**, after Turkey announced a permanent cease fire in northern **Syria** and joint regional military patrols with **Russia**.

China was reported in the meantime to have offered an import tax exemption, through to March 2020, for orders of up to 10Mt of US soybeans.

However, US prices remained higher than for soybeans from

Today's Stock Watch
CSG Ltd (CSV)

Recommending a proposed Fuji Xerox acquisition of CSV at 31c-per-share cash, under a scheme of arrangement. CSV has traded at 22.5c – 24c over the past five trading sessions.

GrainCorp Ltd (GNC)

The Australian Competition & Consumer Commission (ACCC) has pushed back by 15 days its decision on GNC's proposed Australian Bulk Liquid Terminals assets sale to ANZ Terminals.

The ACCC now plans to publish a decision 15 November, one day after GNC plans to lodge full year results.

The proposed sale remains subject to Foreign Investment Review Board (FIRB) approval.

Australian Pharmaceutical Industries (API)

14.7% higher, \$55.11M full year NPAT. 0.4% lower, \$4.01B revenue. Flat, 4c fully franked final dividend. 49.1c NTA.

Webcast teleconference scheduled for 10.30am AEDT.

AMP Ltd (AMP)

Overall fall in AUM during the September quarter attributed largely to a weaker \$NZ. Details lodged this morning.

Crown Resorts (CWN)

Today's AGM materials lodged. Investigations questions anticipated.

CIMIC Group (CIM)

2% higher, \$573M January – September NPAT. Revenue stable at ~10.7B. \$826M net cash. Additional statistics contained within a presentation lodged post-trade yesterday.

CIM has also disclosed that Trevor Gerber is resigning as a CIM independent director, effective 31 December, due to his appointment a Vicinity Centres (ASX: VCX) chairman.

The Star Entertainment Group (SGR)

Trading update provided with today's AGM materials.

Kathmandu Holdings (KMD)

Resuming from a trading halt having completed a \$NZ3.08-per-share retail book build for the (retail + institutional) \$NZ145M fully underwritten, \$NZ2.55-per-share entitlement offer.

Resources
Newcrest Mining (NCM)

Produced 512,000oz of gold and 25,000t of copper at an \$899/oz AISC during the September quarter. Compared with the June quarter, gold output was 23% lower, copper production down 14% and the AISC \$179/oz higher.

Fortescue Metals Group (FMG)

Shipped 42.2Mt of iron ore for \$US85/t revenue during the September quarter. \$US3.4B cash. \$US0.5B net debt.



Brazil, and a US broking industry spokesperson reportedly claimed buyers from China were offering US15c/bushel lower than US exporters were asking.

In the **UK**, the PM declared he would call a national election by Christmas should the 31 October deadline for the **UK-European Union (EU)** separation be pushed back to the end of January.

The European Council president had announced he was promoting a deadline pushback to EU leaders, ahead of another EU envoys meeting scheduled for Friday.

Should the UK parliament and those of all other EU members approve the plan put together by UK and EU negotiators last week prior to any new deadline, the separation could again be brought forward, according to EU diplomats.

Overnight **data** releases included a **euro zone** economic confidence index which deteriorated to -7.6 from -6.5.

In the **US**, an August house price index came in 0.2% higher, following a 0.4% July rise.

Weekly mortgage applications slid 11.9%, following a 0.5% rise the previous week. Mean 30-year rates had risen to 4.02% from 3.92%.

In **Germany**, yields for a 10-year government bond auction rose to -0.41% from -0.61%.

Tonight in the **US**, September durable goods orders, new homes sales, a regional manufacturing index and initial October Markit PMI readings are due, together with weekly new unemployment claims.

Elsewhere, the **European Central Bank (ECB)** holds its last policy meeting under president Mario Draghi.

Companies scheduled to report earnings later today and tonight include: Amazon (post-US trade), AstraZeneca, Comcast, Dow Chemical, ENI, Hyundai Motor, Intel (post-US trade), Kia, LG Household, Lloyds Banking, Nokia, Northrop Grumman, Petrobras, Posco, Raytheon, ResMed, Royal Bank of Scotland, Twitter and Visa (post-US trade).

ITV and Rolls-Royce trade ex-dividend on the FTSE 100.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1495.7	oz	8.20	0.6
Silver (NY) (Dec)	17.58	oz	0.08	0.5
Gold (LON)	1485	oz		
Platinum	915	oz	26	2.9
WTI Crude (Dec)	55.97	bbl	1.49	2.7
Brent Crude (Dec)	61.17	bbl	1.47	2.5
Iron Ore (NYMEX,CHN,62%)	90.45	t	-0.08	-0.1
Copper (LME,3mth,PM)	5879	t	58	1.0
Nickel	16600	t	45	0.3
Aluminium	1725	t	7	0.4
Lead	2217	t	15	0.7
Zinc	2474	t	18	0.7
Tin	16595	t	-280	-1.7

Commodities Commentary

Oil – a weekly US petroleum inventories report published

Pre-Open Announcements

Serko Ltd (** SKO)

Interim results and capital raising information lodged this morning.

Helloworld Travel (** HLO)

Lifting FY 2020 EBITDA guidance to \$86M - \$90M, from \$83M - \$87M.

Supportive September quarter statistics lodged pre-trade.

Fluence Corporation (** FLC)

~\$US3M contract secured with a battery-grade lithium carbonate manufacturer in Argentina to treat lithium brine.

Clean Seas Tuna (* CSS)

17% higher year-on-year September quarter sales revenue and volumes.

Additional September quarter statistics lodged this morning.

Webjet Ltd (WEB)

Conference presentation lodged pre-trade.

WEB is presenting in Sydney today.

EML Payments (EML)

Presentation lodged post-trade yesterday.

EML has traded lower the past five sessions.

Hotel Property Investments (HPI)

Chairman Michael Tilley is retiring from the HPI board effective 31 October (Thursday next week).

Mr Tilley has been HPI's chairman since the company's December 2013 ASX listing.

HPI board colleague over this period, John Russell, has been appointed to take over from Mr Tilley.

Mr Russell is a former The Redcape Group CEO and MD.

The HPI listing came out of The Redcape Group.

Resources

Sandfire Resources (* SFR)

September quarter activities report and presentation lodged this morning.

A webcast teleconference is scheduled to commence 1pm AEDT.

Iluka Resources (* ILU)

ILU has appointed former Bechtel group chief audit executive Lynne Saint as an independent non-executive director.

Mt Gibson Iron (MGX)

MGX has appointed recent Mineral Resources (ASX: MIN) Wodgina lithium mine GM Mark Mitchell as COO due to the pending retirement of Scott de Kruijff.



overnight, included a 1.70MMbbl draw on crude stockpiles, in line with an analysts' prediction earlier this week, but following an American Petroleum Institute (API) report late Tuesday that estimated a 4.45MMbbl increase.

The fall followed five weeks of growing stockpiles, and followed increased refinery activity (demand grew 429,000bbl/d), lower imports, and a 435,000bbl/d rise in exports to 3.7MMbbl/d.

Net imports fell by a daily 873,000bbl.

Petrol and distillate stocks also fell, by 3.11MMbbl and 2.7MMbbl respectively.

In the meantime, Russia's energy minister was reported to have pointed out no change to the current production curb agreement had yet been formally proposed ahead of OPEC+ meetings in December, in association with OPEC's scheduled 5-6 December formal get together.

Gold – an overnight gain for gold futures was attributed in part to corporate earnings season and UK-EU separation uncertainty.

High-profile stocks continue to report through the week, and hence toy with select industry inclination, and tonight, international PMI updates could swing international economic growth potential views.

In addition, **European Central Bank** (ECB) statements following the conclusion of tonight's policy meeting, are expected to influence ultimate disposition.

Demand predictions during India's Dawali festival, beginning Friday, are tempered by increases this year in both gold prices and India's gold import tax.

Base metals – overnight traders were presented with a swag of considerations apart from geopolitical developments and a relatively weaker \$US.

The LME as much confirmed an investigation into nickel trading with a request for information in relation to 'unusual' trade over the past week.

Ongoing and broadening protests in Chile prompted Antofagasta to disclose the company's December quarter *copper* production could be by adversely impacted by up to ~3%, representing ~5000t. The group also revealed a 2020 output forecast to 725,000t – 755,000t, from 750,000t – 790,000t for 2019.

For its part, Codelco revealed one mine had closed and activity at one smelter had been significantly curtailed. Codelco industrial action is expected to end today.

This week, the International Copper Study Group predicted a 281,000t copper surplus for 2020, against a 320,000t 2019 deficit.

Zinc was reported to be supported by ~20-year inventory lows.

Earlier this month the International Lead & Zinc Study Group estimated a 106,700t January – July zinc shortfall.

In *aluminium* news, Rio Tinto had earlier yesterday confirmed it was investigating options to return its New Zealand smelter to profitability, Norsk Hydro forecast 2019 international aluminium demand growth would prove flat against 3.1% for 2018, and Tajikistan slashed its 2019 aluminium production growth target by 15% to 5%.

Trading Halts

Company	Code	Resuming
Impression Healthcare	IHL	24 Oct
Orion Minerals	ORN	24 Oct
St George Mining	SGQ	24 Oct
Alta Zinc	AZI	25 Oct
Althea Group Holdings	AGH	25 Oct
Atomos Ltd	AMS	25 Oct
Austral Ltd	ASB	25 Oct
Digital Wine Ventures	DW8	25 Oct
Ironbark Zinc	IBG	25 Oct
Karoon Gas Australia	KAR	25 Oct
TAO Commodities	TAO	25 Oct
Zenith Minerals	ZNC	28 Oct

Suspensions *(select)*

Company	Code	Since
AuKing Mining	AKN	30 Sep
Costa Group Holdings	CGC	23 Oct
Environmental Clean Technologies	ECT	23 Oct
Family Insights Group	FAM	1 Oct
Force Commodities	4CE	7 Oct
iSignthis Ltd	ISX	2 Oct
Kalina Power	KPO	23 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
UltraCharge Ltd	UTR	21 Oct
Wattle Health Australia	WHA	2 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PBP	Today	2.5	100	0.49
PMV	Tomorrow	37	100	3.48
ASG	Mon	3	100	1.17
CLV	Tue	1.75	100	0.65
NST	Tue	7.5	100	0.62
MXT	Thu (31 Oct)	0.88	0	5.47
FNP	1 Nov	3.25	0	0.88

Reports & Events

(selected)

When	Company	Report/Event
Today	AMP	Sep Q
	APA	AGM

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.6852	-0.0002	-0.04
EUR – USD	1.1131	0.0000	0.00

Australian Data Today

ABS	Additional workforce statistics	Sep
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US Data Tonight

Markit PMIs		Oct
Durable goods orders		Sep
New home sales		Sep
Initial jobless claims		19 Oct
Kansas City Fed manufacturing		Oct

Other Overseas Data Today & Tonight

Japan	PMIs (11.30am AEDT)	Oct
Japan	Leading economic index (final)	Aug
UK	Mortgage approvals	Sep
Germany	PMIs (initial)	Oct
Euro zone	PMIs (initial)	Oct

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AD8	AGM
API	Full year (10.30am AEDT web)
CWN	AGM
FMG	Sep Q
GUD	AGM (10am AEDT live webcast)
JBH	AGM
MLX	AGM
NCM	Sep Q
QAN	Sep Q
SFR	Sep Q
SKO	Interim
S32	AGM
SXL	AGM
SGR	AGM
TAH	AGM
VTG	AGM

Tomorrow	ADH	AGM
	CAR	AGM
	IAG	AGM
	JHC	AGM (1.45pm AEDT webcast)
	PAA	AGM
	QAN	AGM
	RMD	Sep Q

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