

Markets

SFE 200 Futures (9.30am AEDT)	6063	9	0.2
NZX 50	12266	66	0.5
DJIA Futures	27735	359	1.3
S&P 500 Futures	3435	74	2.2
NASDAQ Futures	11763	497	4.4

Local Markets Commentary

The Australian market commences today's trade with material domestic data due late morning, ahead of policy meeting determinations from the Bank of England and US Federal Reserve tonight, and with the US presidential vote count remaining too close to call.

US individual State recounts and court-contested outcomes are anticipated.

Locally today, the Australian Bureau of Statistics (ABS) is due to publish September **trade** figures **11.30am** AEDT.

In addition, NAB has reported for the full year and several other large-cap stocks are hosting AGMs and providing updates.

In overnight commodities trade, **oil** extended a string of decisive gains.

US **gold** futures (Dec) were pushed below \$US1900/oz.

LME **copper** and most key base metals continued variously higher.

The **\$A** jumped to ~\$US71.80c after trading at ~\$US70.90c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27848	368	1.3
S&P 500	3443	74	2.2
NASDAQ	11591	430	3.9
FTSE 100	5883	96	1.7
DAX 30	12324	235	2.0
Shanghai Comp	3277	6	0.2

Overseas Markets Commentary

Major European equities markets opened lower but trended higher overnight, amid a batch of mixed key data releases, ahead of the UK entering a four-week lockdown and two key central bank policy meeting outcome statements tonight, following further support assurances from another central bank yesterday, and with the US election vote count underway.

US equities markets headed higher on opening and never looked seriously headed, the tech sector, and also treasuries, well in demand.

The **US** election vote count continued, proving too tight to call early.

Australia – September trade balance – 11.30am AEDT
Today's Stock Watch
National Australia Bank (NAB)

30c fully franked final dividend.

46.7% lower, \$2.559B full year NPAT.

36.6% lower, \$3.710B cash earnings.

1.6% lower, \$17.261B revenue. 11.47% CET1.

Treasury Wine Estates (TWE)

AGM today.

TWE says it has not been advised of any potential embargo on imports of Australian wine.

The China Alcoholic Drinks Association (CADA) has, however, reportedly applied to the Chinese Ministry of Commerce (MOFCOM) that Australian wine imported into China in containers of up to 2L be subject to retrospective tariffs.

TWE is assessing the impact of the request on future client import orders and seeking to support the customers in any new process requirements.

TWE traded ~3.1% lower Monday and yesterday, settling at \$8.67 yesterday after closing out last week at \$9.17.

Scentre Group (SCG)

92% of retailer stores open and trading. Rent income rose \$746M for the four months to 31 October, and tallied \$1.621B for January – October.

Genworth Mortgage Insurance Australia (GWA)

\$24.6M September quarter NPAT, against \$25.1M a year earlier. \$65.4M net loss for the nine months to 30 September, against a \$113.2M profit.

New insurance written grew 22.2% to \$7.8B. September quarter net earned premium rose 4.6% to \$79.7M.

Goodman Group (GMG)

\$51.7B AUM at 30 September. Additional statistics lodged.

Iress Ltd (IRE)

Teleconference scheduled to commence 9.30am AEDT.

Anticipating December quarter revenue growth and improved profitability. September quarter revenue rose 3%.

Teleconference registration link and presentation lodged post-trade yesterday.

Estia Health (EHE)

\$158.9M September quarter revenue. Additional statistics and today's AGM materials also lodged pre-trade.

Westpac Banking Corporation (WBC)

\$750M capital notes offer, at \$100 each, to boost tier 1 capital.

The offer is currently scheduled for 13 – 30 November.

Details and prospectus lodged post-trade yesterday.



Yesterday, a 56.8 **China** services PMI reading pointed to decided continuing expansion.

Bank of Japan (BoJ) policy meeting minutes, coupled with BoJ governor comments confirmed concerns that the recent renewed growth of Covid-19 in the US and Europe, and reimposed containment measures, had raised the downside risks for the international economy and hence individual economies.

BoJ governor Haruhiko Kuroda assured bank policy could and would remain supportive, however.

A 10-year government bond auction in the meantime produced a 0.046% yield, from 0.024%.

Meanwhile, the **UK** prepared itself for a new national lockdown commencing Thursday local time, with retailers and service providers again reporting brisk trade.

Among overnight **data** releases, **euro zone** September producer prices rose 0.3% for the month, against expectations of a 0.5% increase.

Prices were 2.4% lower than for September 2019.

The final October services PMI reading for the euro zone indicated ongoing contraction, falling 1.1 to 46.9, against expectations of a larger decline to 46.2.

Germany's final October services PMI also represented a 1.1-point fall, to 49.5 from 50.6. Forecasters had anticipated a steeper fall into contraction mode, predicting 48.9.

A five-year bond auction in Germany delivered a -0.85% yield, from -0.73%.

In the **UK**, the October services PMI was finalised as a 4.7-point drop to 51.4, undershooting expectations of 52.3.

In the **US**, the ISM's services sector activity index fell to a nonetheless remaining robust 56.6, from 57.8.

The employment and new orders component indices also declined.

The services sector accounts for ~67% of US GDP calculations, meaning each new reading influences GDP predictions.

A private sector jobs report disappointed, indicating 365,000 new positions, against 753,000 for September and following forecasts of 590,000 additional jobs.

September trade statistics included a \$US63.9B trade deficit from a \$US67B revised August shortfall.

Weekly mortgage applications rose 3.8% following a 1.7% increase for the previous week. The average 30-year mortgage rate came in at 3.01% from 3.00%.

Tonight in the **US**, election developments are expected to continue to dominate.

The **US Federal Reserve** is due to publish outcomes from its **policy** meeting early morning (~6am) tomorrow AEDT.

Chair Jerome Powell is expected to host a press conference ~30 minutes later.

US data releases scheduled for tonight include weekly new unemployment claims, and an October job cuts report, each anticipated ahead of tomorrow night's national October employment statistics.

September quarter productivity figures are also anticipated tonight.

Companies scheduled to report earnings later today and tonight

Pre-Open Announcements

Downer EDI (* DOW)

Today's AGM materials lodged pre-trade.

Flight Centre (FLT)

Today's AGM materials lodged pre-trade.

FLT settled at \$12.93 yesterday, after gaining for each of this week's trading sessions to date.

Coles Group (* COL)

Trading conditions commentary anticipated at today's AGM.

Bendigo & Adelaide Bank (* BEN)

\$450M capital notes book-build completed, with the margin set at 3.80 per cent per annum.

Allocation details lodged post-trade yesterday.

Absolute Equity Performance Fund (* AEG)

AEG has signed a non-binding HoA with the fund's investment manager Bennelong Long Short Equity Management (BLSEM) and also Bennelong Market Neutral Fund (BMNF), following BLSEM's proposal in July for AEG to be amalgamated into BMNF, an unlisted investment management scheme.

Details, including conditions, lodged post-trade yesterday.

Synertec Corp (* SOP)

\$900,000 earned in a pilot contaminated drilling mud program with a State-owned enterprise in China.

Esports Mogul (* ESH)

Clash Royale and Brawl Stars integrated in the ESH online tournament service.

Hotel Property Investments (HPI)

HPI chair John Russell is stepping down from his chairman's role at the conclusion of the 18 November AGM.

HPI director Raymond Gunston has been appointed chairman effective at the end of the AGM.

Mr Russell is planning to retire entirely from the HPI board effective 28 February, after having been an HPI director since the company's December 2013 listing.

Eureka Group Holdings (EGH)

EGH has boosted its bank facility from \$60M to \$77.5M, in part in order to fund the acquisition of two independent living seniors' villages in Queensland.

One is in Cairns and the other Hervey Bay.

Funds will also be used to expand the Wynnum village.

The facility is due to expire 31 January 2022.

Duratec Ltd (* DUR)

Asset protection and remediation specialist completed a successful listing yesterday, following a \$52.925M IPO at 50c per share.

Opened at 95c but was pushed back to 58c before settling at 60.5c. 2.44M shares were traded across 369 transactions.

237.44M quoted shares.



include: Alibaba Group, Amcor, ArcelorMittal, Asahi Group, AstraZeneca, Aveva, Barrick Gold, Bristol-Myers Squibb, Commerzbank, Crédit Agricole, Daikin Industries, General Motors, ING, Kobe Steel, Linde, Mitsubishi Corp, News Corp, Nintendo, Regeneron Pharmaceuticals, Sainsbury's, Société Générale, Suzuki Motor, Symantec, T-Mobile, Toyota Motor, Uber and UniCredit.

BP trades ex-dividend on the FTSE 100.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1896.2	oz	-14.2	-0.7
Silver (NY) (Dec)	23.893	oz	-0.44	-1.8
Gold (LON) (3 Nov)	1908	oz		
Platinum	867	oz	-1	-0.1
WTI Crude (NYMEX Dec)	39.15	bbbl	1.49	4.0
Brent Crude (ICE EUR Jan)	41.23	bbbl	1.52	3.8
Iron Ore (NYMEX,CHN,62%) (3 Nov)	116.47	t	-1.22	-1.0
Copper (LME,3mth Ind,PM)	6826	t	15	0.2
Nickel	15435	t	90	0.6
Aluminium	1908	t	15	0.8
Lead	1822	t	3	0.1
Zinc	2589	t	21	0.8
Tin	18100	t	65	0.4

Commodities Commentary

Oil – a weekly US petroleum inventories report, published overnight by government agency the EIA, included an ~8MMbbl draw on crude stocks for the week to 30 October, and a 1.54MMbbl rise in stored petrol.

The crude decline was in part attributed to US Gulf storm disruptions.

Production fell by 600,000bbl/d.

Net national crude imports rose by a daily 560,000bbl.

Overnight Tuesday, post-US trade, a weekly domestic industry report had also estimated an ~8MMbbl drop in crude inventories.

In the meantime, reports claimed Russia and Saudi Arabia had already talked actual figures when considering a change to the OPEC+ agreement for a reduction in production cuts from 1 January.

Gold – prices were pushed and pulled by mixed US data, the wait for key central bank announcements tonight and no early definitive result from US election vote counting.

Currencies swung, the \$US ICE index ultimately rising ~0.385%.

The US Federal Reserve is due to announce outcomes from its policy meeting tonight (early tomorrow AEDT), but this will be post-gold settlement.

The Bank of England however, is scheduled announce policy meeting outcomes prior to Comex futures close.

Base metals – prices swung overnight, as did currencies.

In the meantime, industrial action continued to impact the Candelaria copper operation in Chile after workers rejected a new contract offer from Lundin Mining.

China company Lygend Resources & Technology Co revealed it was pushing back by ~six months the likely commencement of a nickel smelter in Indonesia, to March 2021.

Resources

Peak Minerals (PUA)

Chairman Tom Eadie is planning to retire at the company's AGM.

PUA director Robert Boston has been appointed to take over as non-executive chair.

Hot Chili (HCH)

Non-executive director Michael Anderson has resigned his HCH board position, effective immediately.

Mr Anderson was appointed to the HCH board in 2011.

Castle Minerals (CDT)

Strong support has pushed CDT to boost its targeted \$1M SPP to ~\$1.46M.

Pathfinder Resources (PF1)

Mineral explorer completed its ASX listing yesterday, following a \$6M IPO at 20c per share.

Opened at 17c and reached 19c before settling at 18.5c.

3.66M shares changed hands across 197 transactions.

49.72M securities.

Energy

Santos Ltd (* STO)

New \$US750M syndicated bank loan facility secured after receiving three times oversubscriptions.

STO is using the funds to refinance a debt facility set up to acquire ConocoPhillips assets in northern Australia and Timor-Leste.

STO says it has no material debt maturities until 2024.

Elixir Energy (* EXR)

Nomgon 5S re-drilling has intersected a total 47m of net coal.

Hutul 1S drilling is expected to achieve total depth next week.

Trading Halts

Company	Code	Resuming
Incanex Healthcare	IHL	5 Nov
Ionic Rare Earths	IXR	5 Nov
Iron Road	IRD	5 Nov
Recce Pharmaceuticals	RCE	5 Nov
IXUP Ltd	IXU	6 Nov
Lucapa Diamond Company	LOM	6 Nov
MedAdvisor Ltd	MDR	6 Nov
Red Sky Energy	ROG	6 Nov
Scout Security	SCT	6 Nov
Carbonxt Group	CG1	9 Nov

Suspensions (select)

Company	Code	Since
Buddy Technologies	BUD	30 Oct



Central bank policy support remains in focus with Bank of England policy meeting outcomes due during tonight's LME trade, and US Federal Reserve policy meeting determinations post-settlement.

China's 56.8 Caixin-calculated October services PMI, released yesterday, represented a two-point rise from September's reading.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7179	0.0001	0.02
EUR – USD	1.1726	-0.0001	-0.01

Australian Data Today

ABS	Trade balance	Sep
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US Data Tonight

Federal Reserve policy meeting outcomes	Nov
Initial jobless claims	31 Oct
Challenger job cuts	Oct
Productivity	Sep Q

Other Overseas Data Today & Tonight

Japan	Services PMI (final)	Oct
UK	BoE policy meeting outcomes	Nov
UK	BoE inflation report	Nov
UK	Construction PMI	Oct
UK	New domestic vehicle sales	Oct
Germany	Factory orders	Sep
Germany	Construction PMI	Oct
Euro zone	Retail sales	Sep
Euro zone	Construction PMI	Oct

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Consolidated Financial Holdings	CWL	16 Oct
Cyclone Metals	CLE	19 Oct
Emerge Gaming	EM1	30 Oct
Fremont Petroleum Corporation	FPL	3 Nov
New Energy Minerals	NXE	15 Oct
Resource Generation	RES	26 Oct
Triple Energy	TNP	28 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AGM	Today	178.9	0	5.91
EFF	Today	158.2	0	5.62
MGG	Today	3.58	0	3.50
CSR	Tomorrow	12.5	100	2.01
JHG	Tomorrow	36	0	5.89
WAT	Tomorrow	3	100	1.72
ANZ	Mon	35	100	5.44
JYC	Mon	2.7	100	9.26
NAC	Mon	1.4	100	5.05
NSC	Mon	1.25	100	6.06
API	Wed	2	100	3.65
RMD	Wed	3.88	0	0.56
RND	Wed	10	100	0.00
TBR	Wed	20	100	0.00
WBC	Wed	31	100	4.61

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	AMC	AGM
	ANN	AGM (9am)
	COL	AGM (10.30am)
	CCP	AGM (11am)
	DOW	AGM (11am)
	EHE	AGM (1pm); Sep Q
	FLT	AGM
	GMA	Sep Q
	GMG	Sep Q
	ING	AGM
	JHX	AGM (Fri AEDT)
	NAB	Full year
	NHF	AGM (1pm)
	PAA	AGM
	SCG	Sep Q
TWE	AGM	
Tomorrow	AMC	Sep Q
	CNU	AGM
	MQG	Interim



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	ORI	Full year
	SPK	AGM
Tue	CTP	AGM
	DHG	AGM
	INA	AGM
	JHX	Interim; Sep Q (9am)
	SGM	AGM
	URW	AGM (7pm)