

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6702	45	<b>0.7</b>
<b>NZX 50</b>	10846	45	<b>0.4</b>
<b>DJIA Futures</b>	27388	8	0.0
<b>S&amp;P 500 Futures</b>	3076	0	0.0
<b>NASDAQ Futures</b>	8218	2	0.0

**Local Markets Commentary**

The Australian market opens today's trade with a Reserve Bank of Australia (RBA) policy meeting, a weaker \$A, a Melbourne Cup day holiday in Victoria, and new data due for China today, after positive sentiment continued across major international equities markets overnight.

Post-ASX trade yesterday, 15 of 16 Asia-Pacific nations at the East Asia summit in Bangkok agreed to a 'regional comprehensive economic partnership', formalising free trade rules between the ASEAN members.

India held out, on domestic economic concerns, and a US envoy criticised China's South China Sea stance.

**Locally** today, the RBA will announce outcomes from today's policy meeting at 2.30pm AEDT.

Pre-trade, a weekly **consumer sentiment** reading and AiG's **October services sector** activity index are due.

October new vehicle sales are also expected today.

**Regionally**, Caixin's October services PMI for **China** is expected **12.45pm** AEDT.

In overnight commodities trade, **oil** continued higher

US **gold** futures (December) settled almost flat.

**Iron ore** (Nymex CFR China, 62% Fe) fell below \$US82.50/t.

LME **copper** and **aluminium** rallied. **Nickel** turned and dropped.

The **\$A** has dropped below US68.85c after trading at US69.10c early yesterday evening.

**Japan's** markets trade for the first time this week today.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27462	115	<b>0.4</b>
<b>S&amp;P 500</b>	3078	11	<b>0.4</b>
<b>NASDAQ</b>	8433	47	<b>0.6</b>
<b>FTSE 100</b>	7370	67	<b>0.9</b>
<b>DAX 30</b>	13136	175	<b>1.4</b>
<b>Shanghai Comp</b>	2975	17	<b>0.6</b>

**Overseas Markets Commentary**

Major European and US equities markets again opened higher overnight, subsequently achieving cross-the-board positive settlements for a second consecutive session, this including new

**Australia** – RBA post-policy meeting statement **2.30pm** AEDT

**China** – Caixin services PMI **12.45pm** AEDT

**Melbourne** – public holiday today (and in some other parts of Victoria), due to the Melbourne Cup

**Today's Stock Watch**
**Westpac Banking Corporation (WBC)**

Trading for the first time since releasing full year results pre-trade yesterday.

In the meantime, WBC has completed a fully underwritten \$2B institutional placement at \$25.32 per share.

A \$500M SPP will follow.

WBC traded at \$27.58 - \$29.09 last week.

**Worley Ltd (WOR)**

5.5-year master services agreement secured with Nouryon Chemicals for EPCM services across 20 Nouryon sites in Europe. 50 Nouryon employees have transferred to WOR's Europe business.

**GR Engineering Services (GNG)**

\$24.5M EPC contract secured for Saracen Mineral Holdings' (ASX: SAR) WA Carosue Dam gold project processing facility upgrade.

**Charter Hall Long WALE REIT (CLW)**

Resuming from a trading halt having completed a \$120M institutional placement and \$87M institutional entitlement offer (99.7% take-up), each at \$5.50 per unit. A \$35M retail entitlement offer is scheduled to commence Friday.

CLW traded at ~\$5.67 - ~\$5.887 last week.

**MNF Group (MNF)**

Resuming from a trading halt having completed a \$52.1M institutional placement at \$5.00 per share.

MNF traded at \$5.13 - \$5.31 last week.

**Resources**
**Lynas Corporation (LYC)**

Planning to work collaboratively with government agency MARA Corporation on various projects, including attracting downstream rare earth industries and customers to Malaysia and commercialising NUF residues from the LYC processing facility in Malaysia. MoU signed.

**Energy**
**Beach Energy (BPT) / Cooper Energy (COE)**

Confirming onshore Otway Basin Dombey-1DW1 testing planned for December, to assess gas volumes and reservoir deliverability.

BPT 70% and operator; COE 30%.



record closing peaks for the headline US indices.

Yesterday, China's administration asserted the leaders of the US and China 'kept in touch' regularly by 'various means'.

This followed positive comments from the US commerce secretary late weekend.

In addition, yesterday evening Australian time, the East Asia summit achieved trade pact agreement between 15 of 16 Association of South East Asia Nations (ASEAN) members.

In a World Trade Organisation (WTO) hearing, the European Union presented its case for increased aluminium and steel imports taxes imposed by the US last year to come to an end.

Among overnight **data** releases, the **euro zone's** October manufacturing PMI was finalised at 45.9, a 0.2 improvement on the 45.7 September reading.

**Germany's** final October manufacturing PMI came in at 42.1, also representing an improvement, but remaining firmly in contraction mode following 41.7 for September.

In the **UK**, the October construction PMI was estimated at 44.2, from 43.3 for September.

**US** September factory orders fell 0.6% for the month, following a 0.1% August decline.

The ISM's New York business activity index jumped to 47.7 from 42.8, but as with other key activity indices reported on both sides of the Atlantic overnight, remained in contraction territory.

In the meantime, Chile's central bank reported a national economic activity index associated with ~90% of GDP input had improved 3.0% year-on-year in September, but fallen 0.6% for the month.

**Tonight** in the **US**, September trade figures, ISM's influential services sector activity index, an economic optimism reading and a job openings report are due.

Companies scheduled to report earnings later today and tonight include: Allergan, Asahi Group, Associated British Foods (full year), China Petroleum & Chemical Corp, Imperial Brands (full year), Mylan, Newmont Goldcorp, PetroChina, Toyota Motor, SoftBank Corp and Suzuki Motor.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1511.1</b>	oz	-0.3	<b>-0.0</b>
<b>Silver (NY) (Dec)</b>	<b>18.066</b>	oz	0.014	<b>0.1</b>
<b>Gold (LON)</b>	<b>1511</b>	oz		
<b>Platinum</b>	<b>933</b>	oz	-15	<b>-1.6</b>
<b>WTI Crude (Dec)</b>	<b>56.54</b>	bbl	0.34	<b>0.6</b>
<b>Brent Crude (Jan)</b>	<b>62.13</b>	bbl	0.44	<b>0.7</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>82.45</b>	t	-1.10	<b>-1.3</b>
<b>Copper</b> (LME,3mth,PM)	<b>5892</b>	t	82	<b>1.4</b>
<b>Nickel</b>	<b>16325</b>	t	-450	<b>-2.7</b>
<b>Aluminium</b>	<b>1811</b>	t	56	<b>3.2</b>
<b>Lead</b>	<b>2163</b>	t	0.5	<b>0.0</b>
<b>Zinc</b>	<b>2538</b>	t	51	<b>2.0</b>
<b>Tin</b>	<b>16605</b>	t	80	<b>0.5</b>

## Pre-Open Announcements

### Super Retail Group (\* SUL)

SUL has appointed former Insurance Australia Group (ASX: IAG) acting general counsel and company secretary Rebecca Farrell as general counsel and company secretary, effective 3 February 2020.

Ms Farrell resigned from IAG Friday last week.

### Austal Ltd (\* ASB)

An 11<sup>th</sup> independence-class littoral combat ship, designed and built by ASB, has successfully completed acceptance trials in the Gulf of Mexico.

ASB will deliver the vessel, the future USS *Kansas City*, to the US Navy before year's end.

ASB recouped ~5.6% yesterday, settling at \$4.35.

### Speedcast International (\* SDA)

S&P Global has lowered SDA's issuer credit rating to B- from B, maintaining a negative outlook.

SDA reiterates its debt facilities do not include ratings covenants.

### Meridian Energy (MEZ)

MEZ has appointed MEZ sales and service head Lisa Hannifin as chief customer officer, assuming the role of retail business GM.

### AUB Group (AUB)

AUB has appointed Freya Smith as general counsel and company secretary, taking over from David Franks who has resigned.

## Resources

### Kibaran Resources (\* KNL)

Ongoing testing is indicating KNL's EcoGraf purification process as both effective and eco-friendly, with no adverse gaseous emissions, or aqueous or solid residues recorded.

KNL is proposing to produce battery graphite for lithium-ion batteries.

### Liontown Resources (\* LTR)

Heralding further thick, high-grade intersections from RC and diamond drilling within the WA Kathleen Valley lithium-tantalum project.

Pre-feasibility study work is expected to be completed by year's end.

### Copper Mountain Mining (C6C)

Produced 20.3Mlb of copper equivalent (16.2Mlb copper, 6498oz gold and 57,525oz silver) during the September quarter, at a \$US2.38/lb AISC.

Sold 17Mlb of copper, 6400oz of gold and 57,426oz of silver for \$C62.7M revenue.

\$C36M cash and equivalents.

An audio webcast teleconference was conducted overnight.



## Commodities Commentary

**Oil** – prices continued higher amid general optimism overnight, but also plenty of geopolitical noise, including a positive US commerce secretary's China trade negotiations assessment on Sunday, and varying industry supply-demand speculation.

A weekly media survey suggested US crude stockpiles may have risen further last week, by more than 2.5MMbbl.

A 590,000bbl/d pipeline which delivers heavy crude from Canada to refiners in the US remained shut down, and with no start-up date, following a North Dakota, US spill last week. Daily flow through a 750,00bbl/d connecting pipeline was said to be down by ~100,000bbl.

Iran's oil minister predicted OPEC would further curb production at the scheduled 5 - 6 December meetings.

In the meantime, the US had added several individuals to its Iranian sanctions list on Monday, the 40<sup>th</sup> anniversary of the 'Islamic Revolution' in Iran, prompting Iran to declare it was bolstering uranium enrichment by the use of new centrifuges and that it was working on manufacturing additional centrifuges that could refine uranium at an even greater pace.

Saudi Arabia's Aramco meanwhile lifted its December price for select light oil to customers in Asia.

**Gold** – equities remained in favour overnight and the \$US strengthened, detracting from gold interest.

Key data releases and central bank commentary out of the UK and Australia this week, are expected to keep global economic outlook perceptions fluid and hence add to geopolitical influences on gold trade.

**Base metals** – overnight LME trade was pushed and pulled by a series of contraction-mode PMIs that nonetheless indicated improvement, further speculation and commentary regarding the status of China-US trade relations, relative \$US strength, and new production figures and/or forecasts.

Antofagasta conceded its **Chile copper** output could fall by up to 10,000t this year, due to ongoing civil protests. This was double the forecast reduction offered a couple of weeks ago.

Chile's overall September mining activity was reported by the nation's central bank to have fallen 1.6% year-on-year.

Caixin's October private sector-focused services sector PMI for **China** is due today, and US trade figures tonight, each potentially influencing some of tonight's base metals trade.

China's latest trade figures are expected at the end of the week.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6883	-0.0003	<b>-0.05</b>
<b>EUR – USD</b>	1.1126	-0.0002	<b>-0.02</b>

### Australian Data Today

RBA	Post-policy meeting statement	Nov
ANZ/RoyMorgan	Consumer sentiment	3 Nov
AiG	PSI	Oct

## Energy

### Leigh Creek Energy (\* LCK)

Settled at 20c yesterday, after trading at 23.5c Thursday last week, the day the company released its quarterly activity report.

LCK will host an investor webinar, including a Q&A session, Thursday 11am AEDT.

Access details lodged this morning.

### Otto Energy (OEL)

OEL has appointed Kaitlin Smith as company secretary, effective immediately.

Former OEL company secretary and current CFO David Rich gave notice of his intended resignation from these roles in August.

OEL says it has almost finalised the appointment of a new CFO, to be based in Houston, Texas, US.

### Trading Halts

Company	Code	Resuming
Alcidion Group	ALC	5 Nov
Cirralto Ltd	CRO	5 Nov
EM Vision Medical Devices	EMV	5 Nov
OBJ Ltd	OBJ	5 Nov
Peninsula Energy	PEN	5 Nov
Pointerra Ltd	3DP	5 Nov
Bass Oil	BAS	6 Nov
Diatreme Resources	DRX	6 Nov
Micro-X Ltd	MX1	6 Nov
Novatti Group	NOV	6 Nov

### Suspensions (select)

Company	Code	Since
Alexium International Group	AJX	31 Oct
Creso Pharma	CPH	5 Nov
Horseshoe Metals	HOR	28 Oct
Invigor Group	IVO	30 Oct
Peppermint Innovation	PIL	11 Oct
Troy Resources	TRY	15 Oct
UltraCharge Ltd	UTR	21 Oct
Vanadium Resources	VR8	30 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>BIS</b>	Today	4	100	3.45
<b>NAC</b>	Today	1.35	100	5.65
<b>NSC</b>	Today	1	100	5.37
<b>WLL</b>	Today	21	100	1.60
BKW	Tomorrow	38	100	3.00



VFACTS New vehicle sales Oct

### US Data Tonight

Trade balance	Sep
ISM non-manufacturing	Oct
JOLTS job openings	Sep
IBD/TIPP economic optimism	Nov
Markit services PMI (final)	Oct

### Other Overseas Data Today & Tonight

<b>China</b>	Caixin services PMI	Oct
<b>UK</b>	Services PMI	Oct
<b>UK</b>	New car sales	Oct
<b>Euro zone</b>	Producer prices	Sep

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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BOQ	Tomorrow	31	100	3.74
JMS	Tomorrow	4	0	7.69
RMD	Tomorrow	3.99	0	0.70
OMH	Thu	1	0	3.88
WAT	Thu	3	100	2.38
CSR	Fri	14	50	5.49
JHG	Fri	52.45	0	5.96
JYC	Fri	5	100	7.89

### Reports & Events

(select)

When	Company	Report/Event
<b>Today</b>	<b>AMC</b>	AGM
<b>Tomorrow</b>	BLD	AGM
	CWP	AGM
	CTD	AGM
	EHE	AGM
	PDL	Full year
	PPH	Interim
	VAH	AGM
<b>Thu</b>	BHP	AGM
	DOW	AGM
	FLT	AGM
	JHX	Interim
	LCK	Investor webinar
	MCR	AGM
	NAB	Full year
	SPK	AGM
<b>Fri</b>	ADT	AGM
	AMC	Sep Q
	HIL	AGM
	SUL	Investor day