

Markets

| | | | |
|--------------------------------------|-------|----|------------|
| SFE 200 Futures (9.30am AEST) | 6686 | 19 | 0.3 |
| NZX 50 | 10842 | 0 | 0.0 |
| DJIA Futures | 27418 | -3 | 0.0 |
| S&P 500 Futures | 3071 | -1 | 0.0 |
| NASDAQ Futures | 8211 | 0 | 0.0 |

Local Markets Commentary

The Australian market commences mid-week trade with results and AGM updates from a batch of high-profile companies and a few high-cap stocks trading ex-dividend.

Stocks trading **ex-dividend** today include **BOQ**, **BKW** and **RMD**. Please see p3 for a comprehensive list.

Regionally, monetary policy meeting minutes are due from the **Bank of Japan 10.50am** AEDT.

In overnight commodities trade, **oil** rallied further.

US **gold** futures (December) fell.

LME **copper** continued higher. **Nickel** was pushed yet lower, but at a relatively modest pace. **Aluminium** settled with a slight decline.

The **\$A** fell below US68.90c after trading at ~US69.20c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|-----|-------------|
| Dow Jones | 27493 | 31 | 0.1 |
| S&P 500 | 3075 | -4 | -0.1 |
| NASDAQ | 8435 | 1 | 0.0 |
| FTSE 100 | 7388 | 18 | 0.3 |
| DAX 30 | 13149 | 12 | 0.1 |
| Shanghai Comp | 2992 | 16 | 0.5 |

Overseas Markets Commentary

Choppy trade featured across most major European and US equities markets overnight.

Yesterday, Caixin's China October services PMI had been reported a little lower.

However, late Monday US time, reports emerged the US was considering removing some import taxes set at 15% in September on up to \$US112B worth of goods from China, and potentially pushing back planned 15 December tariffs on another \$US160B worth of imports.

The move was said to be designed to help secure a partial agreement this month, and was also viewed as supporting US holiday season retail trade.

In a swag of overnight **data** releases, **US** September trade figures included a five-month low \$US52.5B deficit, against \$US55B at the end of August.

Today's Stock Watch
Brickworks Ltd (BKW)

Proposing to pay up to \$US48M for US-headquartered Redland Brick. BKW will pay \$US35M upfront and up to \$US13M in conditional deferred payments.

Completion is anticipated by the end of February 2020.

BKW trades ex-dividend (38c) today.

Medibank Private (MPL)

MPL is anticipating claims growth to continue throughout FY 2020 after noting the company's claims provision has fallen \$21M lower than claims.

Teleconference scheduled to commence 10.30am AEDT.

Vicinity Centres (VCX)

Selling two assets for a total \$195.5M, in line with aggregate book values. Revising anticipated FY 2020 funds from operations (FFO) from 17.8c - \$18c to 17.6c - 17.8c.

AGM scheduled for Thursday next week.

Pendal Group (PDL)

23.5% lower, \$154.48M full year NPAT.

12.6% lower, \$514.11M income. 25c 10%-franked final dividend. \$1.30 NTA, against \$1.24.

Pushpay Holdings (PPH)

\$US6.48M interim NPAT, following a \$US4.40M net loss a year ago. 30% higher, \$US57.38M revenue. US7.69c NTA.

\$US22.9M cash and equivalents and short-term deposits.

A teleconference was scheduled to commence 11am NZT.

Boral Ltd (BLD)

Today's AGM materials lodged, including September quarter trade and a FY 2020 outlook.

Estia Health (EHE)

Industry practice comments expected at EHE's AGM today.

Fletcher Building (FBU)

Construction provisions are expected to cover the impact of the New Zealand International Convention Centre site fire. A more detailed update may not be available until February 2020, when FBU releases interim results.

Resources
Lithium Australia (LIT)

LIT 24%-held subsidiary Envirostream Australia has secured a MoU with South Korean company SungEel HiTech, covering the potential sale of LIT recycled battery metals to SungEel.

Energy
Worley Ltd (WOR)

Two-year wells support services and fluids hauling contract extension secured with BP's Alaska North Slope operations.



Exports fell \$US1.8B to \$US206B. Imports came in at \$US258.4B, from \$US262.9B.

ISM's services sector activity index provided a sentiment boost, improving to 54.7 from 52.6.

An IBD/TIPP economic optimism reading rose by 0.3 to 52.9.

A September job openings report estimated 7.024M opportunities against 7.301M in August.

Earlier, the **euro zone's** September producer prices rose by 0.1%, after falling 0.5% in August, and were 1.2% lower against September 2018 prices.

In the **UK**, the October services PMI improved by 0.5 to 50.0, the cut-off between expansion and contraction mode.

October new car sales tumbled 6.7% year-on-year.

Meanwhile, **Chile** lowered its 2019 GDP growth forecast from 2.4% - 2.9% to 1.8% - 2.2%.

Tonight in the **US**, September quarter productivity figures and weekly mortgage applications are due.

Elsewhere, the **UK** government is scheduled to deliver its Autumn budget in parliament, amid feverish campaigning for the 12 December general election campaign.

Companies scheduled to report earnings later today and tonight include: Adidas, AXA, Banco Santander, Baidu (post-US trade), Barrick Gold, BMW, CVS Health, Expedia, Fox Corp, Inpex, Kobe Steel, Marks & Spencer, Mitsubishi Corp, Qualcomm (post-US trade), Rosneft, Société Générale, Softbank, Subaru Corp and Wirecard.

| Commodities | | | | |
|---------------------------------|---------------|-------|--------|-------------|
| COMMODITY | CLOSE | \$US/ | +/- | % |
| Gold (NY) (Dec) | 1483.7 | oz | -27.4 | -1.8 |
| Silver (NY) (Dec) | 17.568 | oz | -0.498 | -2.8 |
| Gold (LON) | 1509 | oz | | |
| Platinum | 927 | oz | -6 | -0.6 |
| WTI Crude (Dec) | 57.23 | bbl | 0.69 | 1.2 |
| Brent Crude (Jan) | 62.96 | bbl | 0.83 | 1.3 |
| Iron Ore (NYMEX,CHN,62%) | 82.85 | t | | |
| Copper (LME,3mth,PM) | 5942 | t | 50 | 0.8 |
| Nickel | 16285 | t | -40 | -0.3 |
| Aluminium | 1809 | t | -2 | -0.1 |
| Lead | 2149 | t | -14 | -0.7 |
| Zinc | 2500 | t | -37 | -1.5 |
| Tin | 16455 | t | 30 | 0.2 |

Commodities Commentary

Oil – OPEC released its annual comprehensive World Oil Outlook report overnight, forecasting OPEC supply would necessarily fall by a daily 1.6MMbbl over five years, in part due to climate change-related initiatives and US production growth.

However OPEC general secretary Mohammad Barkindo asserted the outlook for international demand during 2020 had recently lifted.

Among new forecasts from other sources, **Asia's** 2020 daily demand growth was predicted at 815,000bbl, representing a 100% increase on this year's demand increase.

Pre-Open Announcements

James Hardie Industries (* JHX)

JHX has appointed former 3M executive VP consumer and office business Moe Nozari as an independent non-executive director, effective today.

JHX is scheduled to release interim and September quarter results tomorrow.

Reliance Worldwide Corporation (* RWC)

RWC has appointed Smith Family chair Christine Bartlett as an independent non-executive director, effective today.

Ms Bartlett is also a direct of Mirvac Group (ASX: MGR), Sigma Healthcare (ASX: SIG), TAL and icare.

engage:BDR Ltd (* EN1)

October revenue rose 22% for the month, and 237% year-on-year, to \$A2.02M.

Resources

Mincor Resources (* MCR)

MCR's WA goldfields Cassini resource has been boosted to 1.254Mt @ 4.0% Ni, for 50,400t of nickel.

Details lodged this morning.

DFS outcomes anticipated by 31 March 2020.

Meteoric Resources (* MEI)

Brazil Juruena gold project diamond drilling has delivered further Dona Maria high-grade intersections, and additional Crentes prospect porphyry style gold-copper mineralisation.

Dona Maria mineralisation remains open at depth.

Azumah Resources (AZM)

In association with the Ibaera offer and Ibaera having acquired more than 40% of AZM, director Linton Putland will now not seek re-election as a director at AZM's AGM.

AZM has appointed an Ibaera representative as a director and an additional independent director.

Details lodged post-trade yesterday.

Gold Road Resources (GOR)

Investor presentation lodged post-trade yesterday.

Archer Materials (AXE)

Chasing \$3M in a 13c-per-share SPP.

AXE has traded at 12.5c – 15c over the past five trading sessions.

Trading Halts

| Company | Code | Resuming |
|---------------|------|----------|
| Bass Oil | BAS | 6 Nov |
| Micro-X Ltd | MX1 | 6 Nov |
| Novatti Group | NOV | 6 Nov |
| Total Brain | TTB | 7 Nov |



US trade figures, released overnight, included a September \$US300M oil surplus, the first surplus in at least 41 years.

In September quarter production news, Rosneft, estimated to be responsible for ~4% of Russia's oil output, reported a 1.4% year-on-year fall in oil production to 57.88Mt, this also representing a 0.5% increase on June quarter output.

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

Gold – US-China trade talk optimism, coupled with some better-than-expected US data, boosted the \$US ICE index 0.5%, again damaging gold sentiment overnight, pushing futures well below \$US1500/oz.

One industry analyst predicted a fall to \$US1450/oz would prove a catalyst for buying interest.

Base metals – copper benefited overnight from ongoing China-US trade negotiations optimism and select data releases.

Aluminium's Monday rally had pushed it beyond a technical cut-off for a nine-month downtrend

Caixin's October private sector-focused services sector PMI for **China**, reported yesterday, slipped to 51.1 from 51.3.

US trade figures included improvements in the overall national deficit and the US deficit with China.

In metals-specific demand news, Jinchuan Group said Indonesia's scheduled January 2020 commencement of a *nickel* ore export ban would impact the group, but that its own production and other sources could supply the shortfall.

China reported importing the most nickel and ore concentrate from Indonesia (total 2.5Mt) during September than it had in three years.

China's trade figures are expected Friday.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|--------|------|
| AUD – USD | 0.6895 | 0.0002 | 0.03 |
| EUR – USD | 1.1074 | 0.0001 | 0.01 |

US Data Tonight

| | |
|---------------------------|-------|
| Productivity | Sep Q |
| MBA mortgage applications | 1 Nov |

Other Overseas Data Today & Tonight

| | | |
|------------------|-------------------------|--------|
| Japan | Monetary policy minutes | 31 Oct |
| Japan | Services PMI (final) | Oct |
| UK | Autumn budget | Nov |
| Germany | Factory orders | Sep |
| Germany | Services PMI (final) | Oct |
| Euro zone | Retail services | Sep |
| Euro zone | Services PMI (final) | Oct |

Suspensions *(select)*

| Company | Code | Since |
|-----------------------------|------|--------|
| Alexium International Group | AJX | 31 Oct |
| Cirralto Ltd | CRO | 5 Nov |
| Creso Pharma | CPH | 5 Nov |
| Horseshoe Metals | HOR | 28 Oct |
| Invigor Group | IVO | 30 Oct |
| OBJ Ltd | OBJ | 5 Nov |
| 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 (%) |
|------------|----------|-------------|--------------|-----------|
| BKW | Today | 38 | 100 | 2.99 |
| BOQ | Today | 31 | 100 | 3.70 |
| JMS | Today | 4 | 0 | 7.94 |
| RMD | Today | 3.99 | 0 | 0.70 |
| OMH | Tomorrow | 1 | 0 | 3.81 |
| WAT | Tomorrow | 3 | 100 | 2.37 |
| CSR | Fri | 14 | 50 | 5.59 |
| JHG | Fri | 52.45 | 0 | 5.75 |
| JYC | Fri | 5 | 100 | 7.72 |

Reports & Events

(select)

| When | Company | Report/Event |
|-----------------|------------|------------------|
| Today | BLD | AGM |
| | CWP | AGM |
| | CTD | AGM |
| | EHE | AGM |
| | PDL | Full year |
| | PPH | Interim |
| | VAH | AGM |
| Tomorrow | BHP | AGM |
| | DOW | AGM |
| | FLT | AGM |
| | JHX | Interim; Sep Q |
| | LCK | Investor webinar |
| | MCR | AGM |
| | NAB | Full year |
| | SPK | AGM |
| Fri | ADT | AGM |
| | AMC | Sep Q |
| | HIL | AGM |



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