

Markets

SFE 200 Futures (9.30am AEDT)	5824	26	0.5
NZX 50	8760	8	0.1
DJIA Futures	25095	18	0.1
S&P 500 Futures	2711	0	0.0
NASDAQ Futures	6971	-4	-0.1

Local Markets Commentary

The Australian market commences a new month ahead of new material domestic and regional data, another batch of major domestic stocks reporting and providing updates, and a Bank of England policy meeting and swag of US indicators due tonight.

Overnight international equities trade leads are positive, but commodities trade proved largely negative.

Caixin is scheduled to release its **China** October manufacturing PMI **12.45pm** AEDT.

A manufacturing PMI for **Japan** is due **11.30am** AEDT.

Locally today, AiG releases a manufacturing **PMI** 9.30am AEDT.

A September house price report is also expected this morning.

September's **trade** balance and September quarter import and export prices are due **11.30am** AEDT.

Post-trade, the Reserve Bank of Australia (RBA) publishes October commodity prices.

Among corporate reports today, **NAB** has reported full year results, and **WOW** September sales, each pre-trade.

Several large-cap stocks are hosting AGMs. *Please see pp2-3 for a detailed list.*

In overnight commodities trade, **oil** extended Tuesday's fall.

US (December) **gold** futures and **iron ore** (China port, 62% Fe) fell.

LME **copper** continued this week's decline. **Nickel** swung lower, and **aluminium** continued so.

The **\$A** slipped below US70.80c after trading at US70.85c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25116	241	1.0
S&P 500	2712	29	1.1
NASDAQ	7306	144	2.0
FTSE 100	7128	92	1.3
DAX 30	11448	160	1.4
Shanghai Comp	2603	35	1.4

Overseas Markets Commentary

Major European and US equities markets jumped on opening overnight, gains never looking seriously threatened during end-of-month trade, with some positive US reports also bolstering sentiment.

In addition, the World Bank placed China in the top 50 nations on its ease-of-doing-business list.

Australia – trade balance **11.30am** AEDT

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

* Financial services listing **11am** AEDT – **HGH** *

Today's Stock Watch

National Australia Bank (NAB)

5.1% higher, \$A5.5B full year NPAT. 6% higher, \$19.1B revenue. Cash profit fell 14% to \$5.70B.

99c fully franked final dividend. 10.20% CET1 ratio.

Woolworths Ltd (WOW)

1.9% higher, \$14.85B September quarter sales.

1.8% higher, \$A9.87B food sales.

Big W sales totalled \$902M, up 1.3%.

Freedom Foods Group (FNP)

FNP 10%-held Australian Fresh Milk Holdings (AFMH) is acquiring Coomboona Dairy, Victoria.

AFMH expects to produce 150ML into 2019, becoming the largest dairy producer in Australia.

Ausdrill Ltd (ASL)

ASL's African Underground Mining Services (AUMS), in JV with Rocksure, has secured a five-year \$US375M contract with AngloGold Ashanti's (ASX: AGG) Ghana Obuasi project.

ASL's African Mining Services (AMS), however, has been unsuccessful in securing an extension to its contract with Perseus Mining's (ASX: PRU) Ghana Edikan gold project past year's end.

In addition, ASL has boosted a revolving credit facility by \$A100M to \$A300M.

Barminco acquisition completed.

Fisher & Paykel Healthcare (FPH)

FPH has appointed former Cochlear (ASX: COH) CFO and company secretary Neville Mitchell as an independent non-executive director, effective 12 November (Monday week).

Downer EDI (DOW) / Perpetual Ltd (PPT) / Credit Corp Group (CCP)

Today's AGM speeches lodged pre-trade.

Heartland Group Holdings (* HGH)

Financial services company scheduled to list **11am** AEDT under foreign exempt status. HGH's main listing is on the NZX.

560.1M quoted shares.

Resources

BHP Billiton (BHP)

Proposing to 'buy back' up to \$US10.4B worth of shares, via off-market purchases and a special dividend. Details lodged this morning.

In addition, Moody's has raised BHP's (Ltd and Plc) long-term issuer rating from A3 to A2.

Hosting a shareholder Q&A session **midday** AEDT.

Energy

BHP Billiton (BHP)

\$US10.5B (gross) onshore US oil and gas assets sale completed to BP.

The **US** Federal Reserve revealed proposals to ease regulatory requirements for some banks.

Among a raft of US data releases, a private sector jobs report which estimated 227,000 new jobs for October, against expectations of 180,000. The report however, also included a significant revision of the September jobs tally, from 230,000 to 218,000.

September quarter national employment costs rose 0.8%, following a 0.6% June quarter increase. Wages were calculated 0.9% higher, after rising 0.5% in September.

The Chicago PMI fell by two points to a nonetheless robust 58.4.

The **euro zone's** initial October year-on-year CPI growth reading was estimated at 2.2%, as forecast, up 0.1% for the month.

In **Germany**, September retail sales were reported 0.1% higher for the month, after falling 0.3% in August. Sales dropped 2.6% against September 2017.

Meanwhile, **Turkey's** central bank forecast 23.5% inflation by year's end, due to the magnitude of the lira's depreciation.

Tonight in the US, weekly initial jobless claims and a job cuts report are due, ahead of tomorrow night's release of October employment statistics.

ISM's influential manufacturing sector activity index, September quarter productivity, September construction spending, October vehicle sales and Markit's October PMIs are also due tonight.

Elsewhere, the **Bank of England** (BoE) holds a policy meeting and will release an outcomes statement, ahead of BoE governor Mark Carney's highly-anticipated press conference.

The BoE will also release a new inflation outlook report.

Companies scheduled to reveal earnings or provide updates later today or tonight include: **Apple**, BT, Carlsberg, DowDuPont, Janus Henderson, Kraft Heinz, Motorola, Shire, Starbucks, Sumitomo, Suzuki Motor, Teva Pharmaceutical and Yamaha.

Unilever trades ex-dividend on the FTSE 100.

In overnight corporate news, **Facebook** predicted margin falls would cease from the end of 2019. Costs had risen 50% - 55% this year, and were expected to increase by 40% -50% next year, the company revealed.

Facebook's better-than-anticipated September quarter earnings appeared to boost overall tech sentiment.

Among the vehicle manufacturers, **General Motors** exceeded quarterly expectations and also forecast an accelerated full-year profit.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1215	oz	-10	-0.8
Silver (NY) (Dec)	14.3	oz	-0.18	-1.2
Gold (LON)	1225	oz	-5	-0.4
Platinum	835	oz	1	0.1
WTI Crude (Dec)	65.3	bbbl	-0.9	-1.5
Brent Crude (Dec)	75.5	bbbl	-0.4	-0.6
Iron Ore <small>(CHN port 62%)</small>	75.7	t	-1	-1.3
Copper <small>(LME,3mth,PM)</small>	5992	t	-40	-0.7
Nickel	11500	t	-265	-2.3
Aluminium	1954	t	-13	-0.7

Pre-Open Announcements

Prime Media Group (* PRT)

September quarter advertising revenue fell 9% year-on-year. Anticipating \$15.5M - \$17.5M 1H EBIT.

Clean Seas Seafood (* CSS)

September quarter fresh sales rose 7% year-on-year to 503t. 22% higher, \$10.2M cash receipts. \$16M in cash and undrawn facilities. 3060t live fish biomass.

Recce Pharmaceuticals (RCE)

September quarter updated lodged this morning.

Creso Pharma (* CPH)

Agreement secured with MedDepot Brasil for MedDepot to import and sell CPH's cannaQIX50 pain treatment in Brazil.

Medical Developments International (MVP)

Non-executive director Harry Oxer is planning to retire from the MVP board at the December board meeting. Dr Oxer joined the MVP board in 2006.

Janus Henderson Group (JHG)

Due to report in the UK tonight.

Wiseway Group (* WWG)

Trade (export and import) services provider completed its ASX listing yesterday following a \$6M IPO at 50c per share. Opened at 45c and traded at 40c - 46c before settling at 42c. 7.69M shares changed hands across 618 transactions. 121M quoted shares.

Resources

Mineral Resources (* MIN) / Neometals Ltd (NMT)

WA Mt Marion lithium project resource updated to 71.3Mt @ 1.37% Li₂O.

Energy

Z Energy (* ZEL)

Interim results lodged pre-trade.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	BHP	Webcast Q&A
	CNU	AGM
	CCP	AGM
	CWN	AGM
	DOW	AGM
	NAB	Full year
	PPT	AGM
	SGR	AGM
	VCX	AGM
	WOW	Sep Q
Tomorrow	CSR	Interim
	MAH	AGM
	MQG	Interim
	ORI	Full year
	SPK	AGM
Mon	WBC	Full year

Lead	1924	t	-15	-0.8
Zinc	2493	t	-57	-2.2
Tin	19100	t	25	0.1
CBT Wheat (Dec)	4.96	bshl	-0.04	-0.9

Commodities Commentary

Oil – demand and supply reports dominated overnight trade considerations.

OPEC's October daily production was estimated from a media survey at 33.31MMbbl, 390,000bbl/d higher than for September.

OPEC member Iraq confirmed it was targeting increased capacity to keep markets supplied, but that it considered current prices 'fair'.

Iraq has reportedly exported ~3.5MMbbl/d each of the past two months.

China, Japan and South Korea were estimated to have reduced their crude purchases from Iran to a combined 32-month low in September, but South Korea has requested US leniency, as has another substantial Iranian crude customer, India.

US national security adviser John Bolton declared overnight, that the US did not want its petroleum sanctions against Iran to hurt US-friendly and allied nations, indicating waivers would indeed be in place as the sanctions come into effect at the beginning of next week.

In the meantime, US government agency EIA reported daily 11.346MMbbl domestic production for August, up 416,000bbl/d.

The weekly US petroleum inventories report from the EIA, published overnight, included a 3.2MMbbl rise in stored crude.

Also overnight, trading company Gunvor predicted 2019 oil prices at ~\$US75/bbl, with major producers not wanting to risk demand by pushing prices higher.

Separate survey results forecast 2019 Brent crude at \$US76.88/bbl, and \$US74.48/bbl for 2018. A previous economists and analysts survey had opted for \$US7375/bbl and \$US73.57/bbl respectively.

The 2019 US crude forecast was pushed to \$US70.15/bbl, from \$US67.48/bbl.

During October, Brent crude tumbled 8.8% and WTI 10.9%.

The Brent December contract expired overnight, January prices falling 91c for the session, to \$US75.04/bbl.

Gold – the \$US continued to gain and US equities risk sentiment strengthened for a second consecutive session, pushing overnight gold prices to three-week lows.

In industry news, Norilsk revealed it had doubled its Bystrinsky copper-gold project gold production for the September quarter, against June quarter output.

Base metals – official manufacturing and services PMIs for **China**, reported yesterday, each fell, respectively 0.6 to 50.2, and 1.0 to 53.9.

Also yesterday, **Japan** reported a 1.1% fall in September industrial output, producing a 2.9% year-on-year drop. Following a policy meeting, the Bank of Japan assured rates would remain lower for longer.

Further **\$US** gains damaged some overnight base metals trade, but in addition, for *copper*, Norilsk revealed better-than anticipated September quarter Bystrinsky copper-gold-iron project production. Output rose 91% for the three months, to 8268t.

Iron ore concentrate output quadrupled.

Wed	CBA	AGM
	NWS	Sep Q
	VAH	AGM

Trading Halts

Company	Code	Resuming
Celsius Resources	CLA	1 Nov
Emerald Resources	EMR	1 Nov
New Energy Minerals	NXE	1 Nov
Pursuit Minerals	PUR	1 Nov
BMG Resources	BMG	2 Nov
King River Copper	KRC	2 Nov
Optiscan Imaging	OIL	2 Nov
Rhinomed Ltd	RNO	2 Nov

Suspensions (select)

Company	Code	Since
GBM Gold	GBM	11 Oct
Gulf Manganese Corporation	GMC	19 Oct
Impelus Ltd	IMS	26 Oct
Invictus Energy	IVZ	1 Nov
MMJ Phytotech	MMJ	8 Oct
MRG Metals	MRQ	31 Oct
Pelican Resources	PEL	31 Oct
PLC Financial Solutions	PLC	5 Oct
Updater Inc	UPD	9 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AOD	Today	0.27	0	6.55
NBI	Today	0.88	0	0.42
FNP	Tomorrow	2.75	50	0.99
JYC	Mon	6	100	6.88
NAC	Mon	1.35	100	6.98
NSC	Mon	1.36	100	9.38
BIS	Tue	4	100	4.37
BKW	Wed	36	100	3.20
RMD	Wed	3.66	0	0.92
API	Thu (8 Nov)	4	100	4.90
NAB	Thu	99	100	tbc
WAT	Thu	3	100	2.38



Caixin is due to release its **China** October manufacturing PMI **today**.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7077	0.0005	0.07
EUR – USD	1.1316	0.0001	0.01

Australian Data Today

AiG	PMI	Oct
ABS	Trade balance	Sep
ABS	Export & import prices	Sep Q
CLgc	Residential property prices	Oct
RBA	Commodity price index	Oct

US Data Tonight

ISM manufacturing	Oct
Productivity	Sep Q
Challenger job cuts	Oct
Construction spending	Sep
Initial jobless claims	27 Oct
Markit manufacturing, services PMIs (r)	Oct
Vehicle sales	Oct

Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	Oct
Japan	Manufacturing PMI	Oct
UK	BoE policy statement	Oct
UK	BoE inflation outlook	Oct
UK	Manufacturing PMI	Oct

Need More Information?

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