

Markets

SFE 200 Futures (9.30am AEDT)	5811	-5	-0.1
NZX 50	8815	-21	-0.2
DJIA Futures	25241	0	0.0
S&P 500 Futures	2724	0	0.0
NASDAQ Futures	6980	0	0.0

Local Markets Commentary

The Australian market commences a new week's trade with influential regional reports and key domestic reports today, but geopolitical scenarios playing out through the week, and US Federal Reserve policy outcomes and trade and China inflation figures due late-week.

Tomorrow night's (AEDT) US mid-term elections is producing plenty of potential US policy commentary, based on perceptions of the likely makeup of the US Congress, and as such, polling outcomes are expected to influence at least some market considerations this week

Regionally today, Caixin publishes its **China** October services PMI **12.45pm** AEDT.

The **Bank of Japan** is scheduled to release policy meeting minutes 10.50am. Bank governor Haruhiko Kuroda is also scheduled to speak publicly today.

Locally today, a batch of economic indicators is due ahead of the **Reserve Bank of Australia's** (RBA) policy meeting tomorrow, on Melbourne Cup day (a public holiday in Melbourne and most of Victoria).

AiG publishes its October **services sector** activity index pre-trade.

A weekly capital city residential **property price** index is also due before market-open.

Later this morning, the Melbourne Institute's monthly **inflation** gauge report is anticipated.

The ANZ is scheduled to release a monthly **job advertisements** report **11.30am** AEDT.

In overnight Friday commodities trade, **oil** and **iron ore** (China port, 62% Fe) extended last week's falls. US (December) **gold** futures turned lower.

LME **copper** and **nickel** continued to rally. **Aluminium** extended Thursday's gain more modestly.

The **\$A** was pushed back to ~US72.00c after trading at ~US72.40c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25281	-110	-0.4
S&P 500	2723	-17	-0.6
NASDAQ	7357	-77	-1.0
FTSE 100	7094	-21	-0.3
DAX 30	11519	50	0.4
Shanghai Comp	2676	70	2.7

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

Today's Stock Watch

Westpac Banking Corporation (WBC)

1% higher, \$A8.095B full year NPAT. 2% higher, \$22.133B revenue. Cash profit essentially flat, at \$8.065B. 94c fully franked final dividend. 10.6% CET1. In addition, director Peter Hawkins is planning to retire from the WBC board at the 12 December AGM. Mr Hawkins will remain a member of WBC's Bank of Melbourne advisory board.

Cochlear Ltd (COH)

COH will appeal a judgment, including \$US268.1M worth of damages awarded against the company in a court decision following a patent infringement dispute.

Fonterra Shareholders' Fund (FSF)

Planning to conduct a \$NZ100M bond offer, with a \$50M over-subscription allowance.

WorleyParsons Ltd (WOR)

Five-year EPCM framework agreement secured with Saudi Basic Industries Corporation (SABIC). WOR will help SABIC optimise operating efficiency at five (SABIC) production sites in Europe. In addition, WOR has won a fabrication and construction contract with Tidewater Midstream & Infrastructure for the 100MMcf/d Pipestone sour gas plant, Canada.

Webjet Ltd (WEB)

Proposing to outlay \$US173M for Destinations of the World. In association, WEB will conduct a \$A153M, one-for-nine fully-underwritten entitlement offer at \$11.50 per share. WEB also plans to use \$A102M worth of debt funding and a \$US20M WEB share issue to fund the purchase. The institutional component of the entitlement offer is expected to conclude tomorrow. The retail offer is scheduled for 12 November (Monday next week) - 22 November. WEB traded at \$12.18 - \$13.16 last week. Trading halt called this morning.

James Hardie Industries (JHX)

JHX has appointed former Martin Marietta Materials CFO Anne Lloyd as an independent non-executive director.

CYBG Plc (CYB)

CYB has appointed Geeta Gopalan as an independent non-executive director, effective 1 November (Thursday last week).

Orica Ltd (ORI) / Treasury Wine Estates (TWE)

Morgan Stanley has re-rated ORI as equal-weight, from overweight, and TWE as overweight, from equal-weight.

Smartgroup Corporation (SIQ)

Morgans has placed an 'add' on SIQ, cancelling hold advice.

Energy

Origin Energy (ORG)

Australia Pacific LNG has agreed long-term infrastructure-sharing arrangements with the Shell-operated QCLNG project, and will also take additional gas from the QCLNG project, up to 350PJ.

ORG holds 37.5% of Australia Pacific LNG. ConocoPhillips also 37.5% (operator), and Sinopec 25%.

Overseas Markets Commentary

US equities markets opened higher overnight Friday, but soon headed lower on mixed economic data, corporate earnings and outlook considerations, plus geopolitical scenarios, amid a barrage of commentary and speculation regarding Tuesday's mid-term elections.

Major European indices were dragged lower by US markets in their last two hours of trade.

Official US comments on potential US-China leader talks at a G20 summit this month, including optimism regarding any possible trade deal, varied between the administration's senior economic advisor and US president.

The US president broadcast the final word on Friday, predicting a deal would happen, but not offering a timeframe.

In the meantime, additional US economic sanctions against Iran, in particular for oil trade, were confirmed as commencing.

Apple's underwhelming outlook, released post-Thursday US trade weighed (traded 6.6% lower), as did uncertainty regarding tomorrow night's (AEDT) US mid-term elections.

The \$US rose following the release of the US October employment report, which included 3.1% (US86c/hr) year-on-year wages growth, up 0.2% for the month, and a 3.7% unemployment rate.

250,000 new jobs were created, ~60,000 more than expected.

Among other **US** data releases, the September trade deficit rose 1.3% to \$US54B.

Goods and services exports and imports each rose 1.5%, to \$US212.6B and \$US266.6B respectively.

The goods trade deficit with China was estimated at a record \$US40.2B, up 4.3% for the month.

Meanwhile, September factory orders were reported 0.7% higher for the month.

The ISM's October New York business activity index fell 2.7 points to 69.8.

In the **euro zone**, the final October manufacturing PMI reading was revised 0.1 lower from the initial estimate, to 52.0, against 53.2 for September.

Tonight in the US, the ISM's influential services sector activity index is due, together with Markit's final October services and composite readings.

Companies scheduled to reveal earnings or provide updates later today or tonight include: Avis, Loews, Mylan, Occidental Petroleum, Softbank Group, Subaru Corp, Sysco Corp, Toho Zinc.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1233	oz	-5	-0.4
Silver (NY) (Dec)	14.7	oz	-0.0	-0.2
Gold (LON)	1232	oz	1	0.1
Platinum	867	oz	9	1.0
WTI Crude (Dec)	63.1	bbl	-0.55	-0.9
Brent Crude (Jan)	72.8	bbl	-0.06	-0.1
Iron Ore (CHN port 62%)	74.0	t	-1.3	-1.7
Copper (LME,3mth,PM)	6283	t	193	3.2
Nickel	11930	t	145	1.2
Aluminium	1973	t	7	0.4
Lead	1990	t	37	1.9
Zinc	2553	t	13	0.5

Pre-Open Announcements

Invigor Group (* IVO)

\$520,000 worth of new contracts secured, including with Carlton & United Breweries. Details lodged this morning.

MGM Wireless (* MWR) / Spark New Zealand (SPK)

MWR has secured a supply agreement with SPK, under which SPK will sell MWR's SPACETALK Kids Watch throughout SPK's New Zealand outlets from next week, for \$NZ399 (RRP) each. MGM has shipped 5000 SPACETALK watches to 270 stores across Australia and New Zealand over the past two weeks. Over the first year since launching SPACETALK, MWR has sold 8300 units for \$1.93M revenue.

Resources

Renascor Resources (* RNU)

Royal 1HC Australia has agreed to spend \$1M on Siviour graphite project metallurgical testing, engineering and design work and other activities.

Perseus Mining (* PRU)

A Côte d'Ivoire Yaouré gold project underground mining scoping study has supported the potential for such an operation. Details lodged this morning.

Artemis Resources (* ARV)

Heralding three additional WA Pilbara gold 'finds', from geochemical data and/or rock chip sampling, each within 30km of ARV's Radio Hill project processing facility.

The new targets area at Patterson's Hut, Pipeline and Ruth Well North.

Further, ARV says geochemistry has also indicated gold mineralisation extensions at Nickol River and Silica Hills.

Energy

Cue Energy (* CUE)

Paus Biru-1 has been drilled to an extended total depth of 710m.

Wireline formation testing logging is underway, following gas and reservoir interval indications.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	WBC	Full year
Wed	CBA	AGM
	NWS	Sep Q
	VAH	AGM
Thu	BHP	AGM
	GMG	Q1
	JHX	Q1
	PDL	AGM
	REA	Q1
	SGM	AGM
	TME	AGM
Fri	NAN	AGM
	SFH	AGM

Tin	19100	t	0	0.0
CBT Wheat (Dec)	5.09	bshl	0.01	0.2

Commodities Commentary

Oil – US petroleum and associated finance sanctions against Iran are commencing, with temporary waivers confirmed by India, Iraq South Korea, and Turkey, after the US announced eight waivers had been granted.

This week's China International Import Expo is keenly anticipated by the petroleum sector, in light of changing trade scenarios, and given that China has been a key imported of Iranian crude.

Over the weekend, Zhenhua Oil was reported to be ready to approve a HoA with Iraqi oil marketing company SOMO regarding a likely JV, including guaranteed 2019 crude supplies. Both companies are respectively state-held and/or run.

Zhenhua Oil is also expected to extend a (Saudi) Aramco oil supply deal this week.

A weekly US petroleum drill rig count, released overnight Friday, revealed one fewer operational oil rig.

Gold – Friday's US monthly national employment report pushed the \$US higher.

Industry analysts concede this week's prices are difficult to predict, given the US mid-term elections Tuesday and the US Federal Reserve policy meeting. Policy meeting outcomes will be known early Friday morning AEDT.

Base metals – China-US trade deal optimism reigned early overnight Friday, supporting LME trade.

Caixin's October services PMI for **China** is due today.

China's October trade and inflation figures are keenly anticipated late-week.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7195	0.0007	0.10
EUR – USD	1.1391	-0.0012	-0.10

Australian Data Today

AiG	PSI	Oct
CLgc	Cap city rsdntl prpty prices	2 Nov
MI/TDSec	Inflation gauge	Oct
ANZ	Job advertisements	Oct

US Data Tonight

ISM non-manufacturing (services)	Oct
Markit services PMI (final)	Oct

Other Overseas Data Today & Tonight

China	Caixin services PMI	Oct
Japan	BoJ policy meeting minutes	Oct
UK	Services PMI	Oct
UK	New car sales	Oct
Euro zone	Sentix investor confidence	Nov

Trading Halts

Company	Code	Resuming
Ausmex Mining Group	AMG	5 Nov
Lindian Resources	LIN	5 Nov
MGC Pharmaceuticals	MXC	5 Nov
Oliver's Real Food	OLI	5 Nov
Property Connect Holdings	PCH	5 Nov
Allegiance Coal	AHQ	6 Nov
Australian Whisky Holdings	AWY	6 Nov
Capilano Honey	CZZ	6 Nov
Cellmid Ltd	CDY	6 Nov
Greencross Ltd	GXL	6 Nov
Oilex Ltd	OEX	6 Nov
Strandline Resources	STA	6 Nov
Alt Resources	ARS	7 Nov
Webjet Ltd	WEB	7 Nov

Suspensions (select)

Company	Code	Since
BMG Resources	BMG	2 Nov
Celsius Resources	CLA	1 Nov
Gulf Manganese Corporation	GMC	19 Oct
Impelus Ltd	IMS	26 Oct
Invictus Energy	IVZ	1 Nov
MRG Metals	MRQ	31 Oct
New Energy Minerals	NXE	1 Nov
Optiscan Imaging	OIL	2 Nov
Pelican Resources	PEL	31 Oct
Updater Inc	UPD	9 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
JYC	Today	6	100	6.73
NAC	Today	1.35	100	6.87
NSC	Today	1.36	100	9.13
BIS	Tomorrow	4	100	4.40
BKW	Wed	36	100	3.19
PBP	Wed	5	100	5.38
RMD	Wed	3.66	0	0.92
API	Thu	4	100	4.79
NAB	Thu	99	100	7.85
WAT	Thu	3	100	2.38
JHG	Fri	US36	0	5.41
ANZ	12 Nov	80	100	6.27



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