

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	5905	42	<b>0.7</b>
<b>NZX 50</b>	8916	61	<b>0.7</b>
<b>DJIA Futures</b>	26182	0	0.0
<b>S&amp;P 500 Futures</b>	2817	58	2.1
<b>NASDAQ Futures</b>	7219	202	2.9

## Local Markets Commentary

The Australian market opens with an overnight US equities relief rally, and the US president launching a varied series of post-elections comments, ahead of influential data out of China today and a US Federal Reserve post-policy meeting statement tonight.

The US mid-term elections delivered a swing to a Democrat majority in the House of Representatives, but an increased Republican Senate majority.

**China's October trade balance statistics are scheduled for release 2pm AEDT.**

Since yesterday's ASX trade, China has reported a \$US33.93B fall in October foreign exchange reserves to \$US3.05 trillion, following a \$US22.69B September decline.

In overnight commodities trade, **oil** extended Tuesday's falls, but Brent crude just slightly.

US (December) **gold** futures settled a little higher

**Iron ore** (China port 62% Fe) headed lower.

LME **copper** settled almost flat. **Nickel** was supported to a modest further gain. **Aluminium** rallied.

The **\$A** appeared to mark time after appreciating beyond US72.80c early yesterday evening.

Locally today, **BHP** is hosting an AGM.

**API** and **NAB** trade ex-dividend. *Please see pp2-5 for detailed lists.*

This morning, **New Zealand's** reserve bank has kept the official cash rate at 1.75%, indicating a status quo through 2019.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26180	545	<b>2.1</b>
<b>S&amp;P 500</b>	2814	58	<b>2.1</b>
<b>NASDAQ</b>	7571	195	<b>2.6</b>
<b>FTSE 100</b>	7117	77	<b>1.1</b>
<b>DAX 30</b>	11579	95	<b>0.8</b>
<b>Shanghai Comp</b>	2641	-18	<b>-0.7</b>

## Overseas Markets Commentary

US equities markets opened in rally mode overnight and continued to session-high settlements.

Strong opening gains were also recorded by major European indices, but lacklustre data produced vacillations which constrained closing figures.

US mid-term elections produced a predicted swing to a Democrat majority in the House of Representatives, but an increased Republican Senate majority.

**China – October trade balance 2pm AEDT**

\* Minerals exploration listing 2pm AEDT – **GSM** \*

## Today's Stock Watch

### APA Group (APA)

The proposed \$A11B cash acquisition of APA by a consortium including Hong Kong companies CK Asset Holdings and Power Assets Holdings is under review by the Australian Government, following an adverse 'preliminary view' delivered by the treasurer yesterday.

The Australian Competition and Consumer Commission (ACCC) had previously said it did not oppose the consortium bid, pending select divestments.

### AMP Ltd (AMP)

Chasing \$200M in a notes offer. Details lodged this morning.

### Pendal Group (PDL)

29.5% higher, \$A191.0M full year NPAT. 15.2% higher, \$573.9M income. 30c, 15%-franked final dividend. \$1.24 NTA. \$101.6B FUM.

In addition, PDL has appointed former Blackrock executive and New York-based Christopher Jones as an independent non-executive director.

### Goodman Group (GMG)

\$39.6B assets under management as at 30 September. Anticipating 7% higher FY2019 operating EPS.

GMG's AGM is scheduled for Thursday next week.

### James Hardie Industries (JHX)

29% higher, \$US160.1M interim NPAT. 25% higher, \$US1.296B net sales. US10c interim dividend.

### News Corporation (NWS) / REA Group (REA)

47% higher, \$US128M September quarter net profit. 23% higher, \$US2.52B revenue.

REA September quarter revenue (post broker commissions) rose 17% year-on-year to \$221.9M.

### Xero Ltd (XRO)

\$NZ28.6M interim net loss. 37% higher, \$NZ256.5M revenue. NZ54c NTA.

### SkyCity Entertainment (SKC) / Domino's Pizza Enterprises (DMP)

UBS has cancelled SKC sell advice, in favour of a neutral rating, but placed a sell on DMP.

## Resources

### BHP Billiton (BHP)

Today's AGM speech and presentation lodged pre-trade. Train derailment impact questions anticipated at today's AGM.

In addition, BHP Petroleum is heralding successful applications for two offshore east Canada exploration licences.

### Mineral Resources (MIN)

MIN's first WA Yilgarn Koolyanobbing project iron ore train is on its way to Esperance with 7488t of fines, ahead of anticipated shipment in four weeks.

### Golden State Mining (\* GSM)

Mineral explorer scheduled to list 2pm AEDT following a \$4.56M IPO at 20c per share.

WA gold and lithium assets. 25.6M quoted securities.

Post-European trade, the US attorney-general resigned, 'at the president's request', prompting speculation the move was pushed back weeks earlier until the conclusion of the US elections.

In addition, the planned meeting between the US Secretary of State and North Korean officials tonight in New York was reported to have been cancelled.

In **US** data releases, September consumer credit rose by \$US10.9B, following a \$US22.9B jump in August.

Weekly mortgage applications fell 4% to an almost four-year low, after falling 2.5% the previous week, with some rates quoted at eight-year peaks.

In the **euro zone**, September retail sales were reported stagnant, pushing year-on-year growth to 0.8% from 2.2% in August.

August sales were revised from a 0.2% fall to a 0.3% rise.

**Germany's** September industrial production was reported 0.2% higher for the month, following a 0.1% rise in August - revised from a 0.3% fall.

Year-on-year, industrial output growth came in at 0.8%.

An October construction PMI fell 0.4 to 49.8, the first contraction reading since March.

**Tonight** in the US, the Federal Reserve will conclude a policy meeting and announce outcomes ~6am AEDT tomorrow morning.

Among data releases, weekly new unemployment claims are due.

Companies scheduled to reveal earnings or provide updates later today or tonight include: Activision Blizzard, AstraZeneca, Bridgestone, Burberry, Commerzbank, Hapag-Lloyd, Lenovo, US retailer Macy's, UK supermarket chain (J) Sainsbury, Siemens and Walt Disney.

BP trades ex-dividend on the FTSE 100.

In overnight corporate news, **Kraft Heinz** revealed plans to offload a cheese business in Canada to Italy's **Parmalat**, for \$US1.2B.

**Qualcomm** has reported post-US trade, and could influence some tech sector sentiment tonight.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1228</b>	oz	1	0.1
<b>Silver (NY) (Dec)</b>	14.6	oz	0.1	0.5
<b>Gold (LON)</b>	1232	oz		
<b>Platinum</b>	871	oz	4	0.5
<b>WTI Crude (Dec)</b>	<b>61.7</b>	bbbl	-0.5	-0.9
<b>Brent Crude (Jan)</b>	<b>72.07</b>	bbbl	-0.06	-0.1
<b>Iron Ore</b> (CHN port 62%)	<b>75.3</b>	t	-0.4	-0.6
<b>Copper</b> (LME, 3mth, PM)	<b>6153</b>	t	-5	-0.1
<b>Nickel</b>	11820	t	45	0.4
<b>Aluminium</b>	1985	t	35	1.8
<b>Lead</b>	1928	t	19	1.0
<b>Zinc</b>	2455	t	-46	-1.8
<b>Tin</b>	19050	t	0	0.0
<b>CBT Wheat (Dec)</b>	<b>5.11</b>	bshl	-0.01	-0.2

### Commodities Commentary

**Oil** – Saudi Arabia and Russia were reported to be discussing production pullbacks, ahead of another meeting this coming Sunday to monitor the OPEC-led output agreements and recommend any outlook-based changes.

## Pre-Open Announcements

### Blackmores Ltd (\* BLK)

Heralding an invitation to join the China International Import Expo (CIIE) Enterprise Alliance during this week's CIIE.

### Navitas Ltd (\* NVT)

Non-executive director Rod Jones is retiring from the NVT board, effective immediately, due to the BGH consortium proposal to acquire NVT.

NVT's AGM is scheduled for Thursday next week.

### RCR Tomlinson (\* RCR)

CFO Andrew Phipps has resigned, effective yesterday, due to personal circumstances.

RCR financial controller Andrew Batch has temporarily assumed CFO responsibilities.

### Corporate Travel Management (\* CTD)

Response to VGI Partners lodged this morning, claiming the report 'raises no substantive issues'.

### Webster Ltd (WBA)

Non-executive director John Robinson has resigned, in association with the Bengerang sale which was completed yesterday.

In association, Stahmann Farms CEO Ross Burling has been appointed as a WBA non-executive director.

WBA is using the Bengerang sale proceeds to reduce debt.

### Southern Cross Electrical Engineering (SXE)

\$80M worth of new commercial and transport infrastructure contracts secured in New South Wales.

## Resources

### Moho Resources (MOH)

Explorer completed its ASX listing yesterday following a \$5.3M IPO at 20c per share.

Opened at 16c and traded at 15.5c – 18c before settling at 17c. 1.67M shares changed hands across 62 transactions.

MOH holds gold and nickel assets in WA and Queensland. 32.28M quoted securities.

## Energy

### New Hope Corporation (NHC)

Heralding conditional Queensland Land Court recommendations in support of NHC's New Acland project mining lease and environmental authority amendment applications.

### Real Energy (RLE)

Tamarama 2 and 3 are flowing gas and fracking fluids to surface.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>BHP</b>	AGM
	<b>GMG</b>	Q1
	<b>JHX</b>	Interim; Sep Q
	<b>NWS</b>	Sep Q teleconf
	<b>PDL</b>	Full year
	<b>REA</b>	Sep Q
	<b>RHP</b>	AGM
	<b>SGM</b>	AGM



Meanwhile, weekly US petroleum inventories, as calculated by EIA, included a larger-than-anticipated 5.8MMbbl rise in stored crude, and weekly record production averaging a daily 11.6MMbbl.

**Gold** – traded higher earlier, amid relative \$US weakness, but lost most gains prior to settlement.

Outcomes, including official statement emphases, from the Federal Reserve policy meeting are expected to influence tonight's trade.

In the meantime, a former JP Morgan Chase trader has reportedly agreed with allegations he manipulated CME precious metals prices from 2009 through 2015.

**Base metals** – an early \$US fall supported early LME trade sentiment in general, but with key reports out of China today and tomorrow, a US Federal Reserve policy statement tonight, and a potential tsunami of post-elections international tariffs and sanctions commentary from the US president, some trade was considered restrained.

In *aluminium* news, however, Brazil Federal Court orders will keep Norsk Hydro operating its Alunorte alumina refinery at half capacity, ~3.2Mt, estimated at ~5% of global capacity, excluding China.

In addition, the US was reported to be considering reducing anti-dumping and anti-subsidy taxes on select aluminium products from China, from 198.4% - 280.46%, to 96.3% - 176.2%. No decision is currently expected, however, until at least 20 December.

**China's** October trade figures, due today, will influence some trade tonight.

China October CPI and PPI reports are due tomorrow.

Yesterday, **Japan's** September median cash earnings were reported 1.1% higher year-on-year, following a 0.8% increase in August.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7274	-0.0005	-0.06
<b>EUR – USD</b>	1.1432	-0.0008	-0.07

### US Data Tonight

Federal Reserve policy statement	Nov
Initial jobless claims	3 Nov

### Other Overseas Data Today & Tonight

<b>China</b>	Trade balance	Oct
<i>China</i>	<i>FDI</i>	Oct
<b>Japan</b>	Trade balance	Sep
Japan	Machinery orders	Sep
Japan	Eco watchers survey	Oct
<b>Germany</b>	Trade balance	Sep
<b>Euro zone</b>	EC economic forecasts	Dec Q

### Need More Information?

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	<b>TME</b>	AGM
	<b>XRO</b>	Interim
<b>Tomorrow</b>	NAN SFH	AGM AGM
<b>Mon</b>	ELD	Full year
<b>Tue</b>	BRG CQR NXT IPL	AGM AGM AGM Full year
<b>Wed</b>	AST AOG BIN CPU ECX MPL MGX NSR NCM NEC PGH RHC SWM	Interim AGM AGM AGM Full year AGM AGM AGM AGM AGM AGM AGM AGM
<b>15 Nov</b>	ABP CHC CGC EHL FXL FMG GMG ISD NVT NST PTM SXY SRS WES	AGM AGM AGM AGM AGM AGM AGM AGM AGM AGM AGM AGM AGM AGM

### Trading Halts

Company	Code	Resuming
Altura Mining	AJM	9 Nov
BARD1 Life Sciences	BD1	9 Nov
Salt Lake Potash	SO4	9 Nov
Suda Pharmaceuticals	SUD	9 Nov

### Suspensions (select)

Company	Code	Since
Alt Resources	ARS	7 Nov
Gulf Manganese Corporation	GMC	19 Oct
Impelus Ltd	IMS	26 Oct
Lindian Resources	LIN	5 Nov
MGC Pharmaceuticals	MXC	5 Nov
Pelican Resources	PEL	31 Oct
Updater Inc	UPD	9 Oct

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**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>API</b>	Today	<b>4</b>	100	4.78
<b>NAB</b>	Today	<b>99</b>	100	7.65
<b>WAT</b>	Today	<b>3</b>	100	2.38
CSR	Tomorrow	13	100	8.10
JHG	Tomorrow	50.49	0	5.63
ANZ	Mon	80	100	6.05
MQG	Mon	215	45	4.43
ORI	Mon	31.5	0	2.84
WBC	Tue	94	100	6.92
TLT	Thu (15 Nov)	1.6	0	1.55
KMD	16 Nov	10.07	100	5.04
SOL	16 Nov	33	100	1.88
TWD	16 Nov	16	100	6.77
WAM	16 Nov	7.75	100	6.65