

Markets

SFE 200 Futures (9.30am AEDT)	5904	-9	-0.2
NZX 50	8903	7	0.1
DJIA Futures	26184	-16	-0.1
S&P 500 Futures	2806	-11	-0.4
NASDAQ Futures	7166	-53	-0.7

Local Markets Commentary

The Australian market commences Friday trade ahead of further influential data out of China, and a quarterly economic forecasts update from the Reserve Bank of Australia.

Overnight international commodities and equities trade leads are mixed.

China's October CPI and PPI are expected 12.30pm AEDT.

Locally today, the Reserve Bank of Australia (RBA) publishes a quarterly monetary policy statement, backed by updated forecasts, 11.30am AEDT.

September **housing finance** figures are due at the same time.

CSR and JHG trade ex-dividend. *Please see pp2-4 for detailed lists.*

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

US (December) **gold** futures turned modestly lower.

Iron ore (China port 62% Fe) swung higher.

LME **copper** again settled essentially flat. **Nickel** turned lower.

The **\$A** fell to ~US72.55c after briefly surpassing US72.90c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26191	11	0.0
S&P 500	2807	-7	-0.3
NASDAQ	7531	-40	-0.5
FTSE 100	7141	23	0.3
DAX 30	11527	-52	-0.5
Shanghai Comp	2636	-6	-0.2

Overseas Markets Commentary

Vacillating sentiment was evident across major European and US equities markets overnight.

Earlier, **China's** headline trade figures had surprised with their relative strength, including a 13.2% year-on-year increase in exports to the US.

This, ahead of a scheduled meeting tonight in Washington between US secretary of State Mike Pompeo and Chinese officials, in turn ahead of a proposed meeting between the presidents of China and the US during the G20 leaders' summit later this month.

In a post-policy meeting statement released during US trade, the **US Federal Reserve** noted business investment had slowed from earlier this year, but that consumer spending and a strong jobs market indicated economic strength.

China – CPI and PPI 12.30pm AEDT

RBA – quarterly forecasts update and monetary policy statement 11.30am AEDT

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

\$A1.25B worth of notes offered on a firm basis, at a 3.70%pa margin, following the PERLS XI book-build.

Telstra Corporation (TLS)

TLS CFO Robyn Denholm has been appointed chair of Tesla, taking over from Elon Musk 13 November (Tuesday next week). Ms Denholm has subsequently resigned her TLS position, but will serve a six-month notice period, through to 6 May 2019. Ms Denholm has been a Tesla director since 2014, and will be supported as chair by another Tesla director until she has completed her time with TLS. Mr Musk remains Tesla CEO.

Ramsay Health Care (RHC)

Ramsay Generale de Sante's (RGdS) offer for Capiro AB achieved 98.51% acceptance. RGdS will apply to have Capiro delisted from Nasdaq Stockholm and commence compulsory acquisition.

eCargo Holdings (ECG) / Metcash Ltd (MTS)

ECG has secured a HoA with MTS, to potentially acquire 85% of Metcash Export Services, which includes the China-based Metcash Asia.

In addition, ECG has reached agreement to acquire the balance 55% of Jessica's Suitcase. ECG commenced the acquisition of Jessica's Suitcase in January, appointing founder Jessica Rudd as an ECG non-executive director.

ECG is resuming from a trading halt, having last traded at 13.5c.

Bod Australia (BOD) / Australian Pharmaceutical Industries (API)

BOD has chosen Chemist Warehouse Group to sell MediCabilis and potentially other BOD medicinal cannabis products.

Cochlear Ltd (COH)

Expanding the 'smart hearing alliance' with GN Hearing to include joint R&D and technology sharing. The alliance was formed in 2015.

Domino's Pizza Enterprises (DMP)

Morgans has placed a 'reduce' on DMP, cancelling hold advice.

Lovisa Holdings (LOV)

Morgan Stanley has reassessed LOV as equal-weight, from underweight.

REA Group (REA) / McMillan Shakespeare (MMS)

Macquarie has re-rated REA and MMS as outperform.

Resources

Altura Mining (↓ AJM)

Initial three-year, 70,000tpa WA Pilgangoora lithium project offtake agreement secured with Ganfeng Lithium subsidiary GFL International Co.

AJM last traded at 18c, and is resuming from a trading halt.

Energy

FAR Ltd (↑ FAR)

Offshore The Gambia Samo-1 well deemed 'unsuccessful'.

Outlook risks were described as 'roughly balanced'. The Fed kept rates on hold, at 2.00% - 2.25%, but the statement was interpreted as leading to another 0.25% rise in December.

In the **euro zone**, economic forecasts proved a dampener, citing the UK's planned separation from the European Union (EU), Italy's proposed deficit-building budget and international trade disputes as growth risks.

In the **UK**, debate raged on how close UK and European Union negotiators were to announcing draft separation arrangements.

Speaking in Dublin, **European Central Bank (ECB)** president Mario Draghi warned a no-deal outcome was conceivable.

Meanwhile, **Germany's** September trade surplus was reported to have slipped to €17.6B from €18.2B at the end of August.

Exports fell 0.8% for the month, and imports 0.4%, after respectively rising 0.1% and dropping 2.4% in August.

US weekly new unemployment claims fell by 1000, half the expected tally.

Tonight in the US, October producer prices, September wholesale inventories and an initial November consumer sentiment reading from the University of Michigan are due.

Elsewhere, the **UK** reports a swag of influential data, including September quarter GDP growth.

Companies scheduled to reveal earnings or provide updates later today or tonight include Allianz, ComfortDelGro Corp and Spotify.

In overnight corporate news, **Tesla** announced a new chair appointment. Tesla director and Telstra (ASX: TLS) CFO Robyn Denholm will take over from founder Elon Musk who will remain CEO.

Chip manufacturer **Qualcomm** was pushed more than eight per cent lower after post-Wednesday US trade issuing a weaker-than-anticipated December quarter revenue forecast, in part due to lost **Apple** trade.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1225	oz	-3.6	-0.3
Silver (NY) (Dec)	14.4	oz	-0.15	-1.1
Gold (LON)	1232	oz		
Platinum	861	oz	-10	-1.2
WTI Crude (Dec)	60.7	bbbl	-1.0	-1.7
Brent Crude (Jan)	70.65	bbbl	-1.4	-2.0
Iron Ore (CHN port 62%)	76.3	t	1	1.3
Copper (LME,3mth,PM)	6155	t	2	0.0
Nickel	11780	t	-40	-0.3
Aluminium	1990	t	5	0.3
Lead	2004	t	77	4.0
Zinc	2523	t	68	2.8
Tin	19325	t	275	1.4
CBT Wheat (Dec)	5.08	bshl	-0.03	-0.5

Commodities Commentary

Oil – WTI traded at seven-month lows overnight, industry watchers citing the 180-day sanction waivers granted to eight key **Iranian** crude customers, as **US** production increases, and amid **OPEC** claims of a possible over-supplied market. A meeting scheduled for Sunday in Abu Dhabi is

Pre-Open Announcements

Unibail-Rodamco-Westfield (URW)

URW's €789M (net) sale of the Capital 8 office building in Paris's CBD, to Invesco Real Estate, has been completed.

Adacel Technologies (* ADA)

Expecting interim pre-tax profit to come in 65% - 70% lower than for 1H FY2018.

Full year FY 2019 profit is anticipated 25% - 30% lower than for FY 2018.

Sims Metal Management (* SGM)

Mitsui nominated Hiroyuki Kato as its representative on the SGM board, in association with yesterday's AGM retirement of Tamotsu Sato.

Mr Kato is now an SGM non-independent executive director.

Elders Ltd (ELD)

ELD will host a webcast teleconference commencing 10am AEDT Monday, in association with the planned pre-trade release of full year results.

Access details lodged post-trade yesterday.

DroneShield Ltd (* DRO)

DRO shareholders subscribed for \$1,561,900 worth of shares in the SPP via which DRO planned to raise \$750,000.

DRO accepted all subscriptions, and also completed a \$135,000 top-up placement at the 14c-per-share SPP price.

DRO has traded at 14.5c – 16c for the week to date.

Resources

Alacer Gold Corporation (AQG)

Turkey Ardich gold prospect drilling has returned significant-with and grade intersections from reasonably shallow depths. Assays lodged this morning.

Golden State Mining (GSM)

Mineral explorer completed its ASX listing yesterday following a \$4.56M IPO at 20c per share.

Opened at 17c and rose to 17.5c, its day one settlement price. 50,000 shares were traded across five transactions.

WA gold and lithium assets.

25.6M quoted securities.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	NAN	AGM
	SFH	AGM
Mon	ELD	Full year
Tue	BRG	AGM
	CQR	AGM
	NXT	AGM
	IPL	Full year
Wed	AST	Interim
	AOG	AGM
	BIN	AGM
	CPU	AGM
	ECX	Full year

expected to deliver multiple opinions from OPEC members and those who have participated in OPEC-led production agreements.

Meanwhile, a media report claimed a Saudi Arabia think-tank was investigating likely market effects should OPEC disband.

In trade figures released yesterday, **China's** October crude imports rose 32% year-on-year to 40.8Mt, equivalent to 9.61MMbbl/d, against 9.05MMbbl/d for September.

January – October imports were calculated 8.1% higher, at 377.16Mt (9.06MMbbl/d).

Good margins and stock-piling were cited as major influences on refinery demand, in particular for the smaller refiners.

A weekly US petroleum drill rig count is due tonight.

Gold – the \$US rose early, constraining overnight gold sentiment. The US Federal Reserve's post-policy meeting statement appeared to support views another 0.25% rate rise remained likely for December.

Base metals – **China's** October trade figures, reported yesterday, surprised on the upside.

The nation's trade surplus rose to \$US34.02B from \$US31.69B in September.

Exports came in 15.6% higher year-on-year, following a 14.5% September rise.

Imports increased 21.4%, after rising 14.3% in September.

Copper ore and concentrates imports dropped 18.7% for the month, to 1.57Mt, but this represented a 14.5% increase on October 2017.

Iron ore imports rose 11% year-on-year, to 88.4Mt. For January through October however, iron ore imports came in 0.5% lower at 891.69Mt.

China's October aluminium and aluminium products exports were reported 38% higher year-on-year, at 482,000t, but also at a five-month low.

Also yesterday, **Japan's** September machinery orders were reported 7.0% lower year-on-year, after rising 12.6% in August.

For the month, orders tumbled 18.3%, against a 6.8% August increase.

China's October CPI and PPI are expected **today**.

In select overnight trade, inventories reportedly mostly supported *zinc* and *lead*.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7258	-0.0005	-0.06
EUR – USD	1.1364	-0.0008	-0.07

Australian Data Today

RBA	Policy statement	Dec Q
ABS	Housing finance	Sep

US Data Tonight

PPI	Oct
Wholesale inventories	Sep
Uni of Michigan consumer sentiment (prelim)	Nov

MPL	AGM
MGX	AGM
NSR	AGM
NCM	AGM
NEC	AGM
PGH	AGM
RHC	AGM
SWM	AGM

Thu		
ABP	AGM	
CHC	AGM	
CGC	AGM	
EHL	AGM	
FXL	AGM	
FMG	AGM	
GMG	AGM	
ISD	AGM	
NVT	AGM	
NST	AGM	
PTM	AGM	
SXY	AGM	
SRS	AGM	
WES	AGM	

Trading Halts

Company	Code	Resuming
BARD1 Life Sciences	BD1	9 Nov
Salt Lake Potash	SO4	9 Nov
Suda Pharmaceuticals	SUD	9 Nov
88 Energy	88E	12 Nov
AMA Group	AMA	12 Nov
Arafura Resources	ARU	12 Nov
CV Check	CV1	12 Nov
Energy Technologies	EGY	12 Nov
King Island Scheelite	KIS	12 Nov
McMillan Shakespeare	MMS	12 Nov
Moho Resources	MOH	12 Nov
Odin Metals	ODM	12 Nov
Stonewall Resources	SWJ	12 Nov
Triangle Energy (Global)	TEG	12 Nov

Suspensions (select)

Company	Code	Since
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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CSR	Today	13	100	7.96
JHG	Today	50.49	0	5.59
ANZ	Mon	80	100	5.91
MQG	Mon	215	45	4.35
ORI	Mon	31.5	0	2.81
WBC	Tue	94	100	6.79
TLT	Thu	1.6	0	1.55

**Other Overseas Data Today & Tonight**

China	CPI	Oct
China	PPI	Oct
<i>China</i>	<i>FDI</i>	Oct
UK	GDP	Sep Q
UK	Trade balance	Sep
UK	Industrial production	Sep
UK	Construction output	Sep

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Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

KMD	Fri	10.07	100	5.00
SOL	Fri	33	100	1.85
TWD	Fri	16	100	7.01
WAM	Fri	7.75	100	6.62
CBC	19 Nov	1.6	100	3.31

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