

Markets

SFE 200 Futures (9.30am AEDT)	5803	-51	-0.9
NZX 50	8976	132	1.5
DJIA Futures	25250	-66	-0.3
S&P 500 Futures	2761	-8	-0.3
NASDAQ Futures	7149	-24	-0.3

Local Markets Commentary

The Australian market opens a new week's trade ahead of further data out of China, and with some positive overnight Friday commodities trade.

US equities ultimately rallied but vacillated significantly intra-session, amid ongoing geopolitical developments. Futures are down this morning.

Regionally today, some investment houses are nominating 2pm AEDT for **China's** still anticipated September new lending and foreign direct investment reports.

Locally, a weekly capital city residential property price report is due pre-trade.

In overnight Friday commodities trade, **oil** turned higher, Brent crude just slightly.

US (December) **gold** futures were pushed lower.

Iron ore (China port, 62% Fe) continued to rise.

LME **copper** rallied, **aluminium** swung higher and **nickel** settled slightly lower.

The **\$A** fell below US71.15c after trading at US71.20c early Friday evening, and has fallen further this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25340	287	1.2
S&P 500	2767	39	1.4
NASDAQ	7497	168	2.3
FTSE 100	1996	-11	-0.2
DAX 30	11524	-16	-0.1
Shanghai Comp	2607	23	0.9

Overseas Markets Commentary

Marked choppy, swinging trade featured across major European US equities markets overnight Friday, key US indices ultimately recording a bounce.

Earlier, the US and **China** each confirmed plans for their leaders to meet during the G20 leaders' summit scheduled for late-November, in Buenos Aires.

However, the US president later appeared to react to China's record \$US34.13B September trade surplus with the US, claiming there was more he could yet instigate 'to hurt' China's economy. Currency accusations also simmered.

Equities and commodities traders however, demonstrated some relief at China's September trade figures, reported Friday, in particular a notable rise in the overall value of exports.

Geopolitical news and select domestic political

China – September FDI and lending *potentially 2pm AEDT*

* Security ID company listing **11am AEDT** – **SMX** *

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

CAB has appointed acting CFO and former CBA institutional banking and markets CFO Alan Docherty as the bank's new CFO.

Wesfarmers Ltd (WES)

Coles sales rose 5% year-on-year during the September quarter, to \$A9.8B.

ERM Power (EPW)

Selling the group's US Source Power & Gas business to Direct Energy Business Llc for \$US27M.

Anticipating \$US23M post-tax and other costs

In FY 2019 results, EPW expects to include a \$US6M loss for Source Power & Gas.

EPW's \$A20M share buy-back has been suspended during the sale process, but will resume 26 October.

Fluence Corporation (FLC)

MABR modules sold to US fibreglass composites manufacturer Orenco, to incorporate in a mobile home park wastewater treatment plant.

FLC traded as high a 47c Friday, and settled 8.75% higher for the session, at 43.5c.

Fairfax Media (FXJ)

UBS is recommending FXJ as a 'buy'.

Security Matters (* SMX)

Goods permanent security ID specialist scheduled to list **11am AEDT** following a \$6M IPO at 20c per share.

Kibbutz Ketura holds 20.76% and Degania Business Agricultural Co-operative Society 10.82%. 36M quoted securities.

Resources

Evolution Mining (EVN)

Produced 200,218oz of gold at an \$A885/oz AISC during the September quarter. Sold 196,021oz at \$A1662/oz.

Produced 5866t of copper and sold 5912t at \$A8378/t.

\$A296.8M cash balance. \$A375M bank debt, after paying off \$20M during the September quarter.

Lynas Corporation (LYC)

The Malaysian MP who had claimed she would chair the government's LYC operational review committee has reportedly resigned from the committee.

LYC is seeing to confirm the committee composition.

Atlas Gold (AGO)

Board and management changes lodged this morning, in association with AGO's proposed acquisition by a Hancock Prospecting company.

Hancock Prospecting project development acting head, and former Roy Hill Holdings COO, Sanjiv Manchanda has been appointed AGO CEO, taking over from Cliff Lawrenson.

Energy

Carnarvon Petroleum (CVN)

Heralding Dorado-1 potential following a preliminary assessment of proximal follow-up oil prospects. Statistics lodged this morning.

developments continued through the weekend.

Turkey released a US detainee, prompting some to call a near-term sustainable recovery for the lira.

The US and **Saudi Arabia** swapped threats over the disappearance of a journalist who was last seen entering a Saudi consul building in Turkey.

A regional election in **Germany** favoured far-right and environmentalist candidates against conservatives who are associates of one of the ruling national government parties.

In US administrative news, the president confirmed the possibility that the nation's defence secretary could step down.

Meanwhile in the UK, some questioned plans to release a draft agreement with the European Union (EU) covering possible arrangements for next year's scheduled UK separation from the EU, citing ongoing negotiations regarding matters immigration and finance.

Among mixed overnight Friday data releases, **US** September import prices were reported 0.5% higher for the month, impacted by fuel price increases, but export prices flat.

Each were expected to rise 0.2% following respective 0.4% and 0.2% falls in August.

Year-on-year, the respective figures stood at 3.5% and 2.7% gains.

A University of Michigan initial October consumer sentiment reading came in at 99.0, following forecasts of 100.4 and September's 100.1.

Euro zone August industrial production surprised on the upside, rising 1.0% year-on-year, following a 0.7% decline in July.

In **Germany**, a final September CPI reading confirmed 2.2% (harmonised) year-on-year growth, 0.4% for the month. During August, CPI had remained flat, coming in at 1.9% annual growth.

Meanwhile, **European Central Bank** (ECB) president Mario Draghi described the euro region's underlying inflation outlook as 'gradual', against a previous 'relatively vigorous' assessment.

Tonight in the **US**, September retail sales, a New York region business activity index and August business inventories are due.

Bank of America is among companies expected to report earnings as a new US reporting season warms.

In overnight Friday corporate news, **JPMorgan Chase** and **Citigroup** quarterly profits exceeded expectations, attributed to corporate tax easing. This appeared to support early US trade.

JPMorgan Chase's fixed income trade dropped 10% year-on-year, however, even though overall profit jumped 24%

Wells Fargo settled 1.3% higher, even though adjusted quarterly profit, also reported Friday, undershot forecast.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1222	oz	-6	-0.5
Silver (NY) (Dec)	14.6	oz	0.02	0.1
Gold (LON)	1220	oz	14	1.2
Platinum	836	oz	-3	-0.4
WTI Crude (Nov)	71.3	bbl	0.3	0.5
Brent Crude (Nov)	80.4	bbl	0.1	0.2
Iron Ore (CHN port 62%)	71.7	t	0.4	0.5

Pre-Open Announcements

Michael Hill International (* MHJ)

September quarter continuing operations revenue fell 8.8%.

Same store sales dropped 11%.

Same store sales for Australia tumbled 12.8%.

Wellard Ltd (* WLD)

Croatian shipyard Uljanik has terminated the MV Kelpie livestock carrier build contract.

Telix Pharmaceuticals (* TLX)

Cyclotek will co-manufacture TLX's clear cell renal cell cancer imaging (PET tracer) tracer product Zr-girentuximab (TLX250-CDx).

The new plans extend a TLX agreement already in place with Cyclotek.

Australian Pharmaceutical Industries (API)

Planning to lodge full year (to 31 August) results Thursday pre-trade, and to host an audio webcast briefing scheduled to commence 10.30am AEDT.

Access details lodged post-trade Friday.

Monash Absolute Investment Company (MA1) / Sandon Capital Investments (SNC)

MA1 disputes SNC's version of events as to what has occurred since SNC presented MAI with a preliminary merger proposal Monday last week.

In an update lodged post-trade Friday, MA1 also notes the two groups practise different investment approaches.

Tibeca Global Natural Resources (* TGF)

Investment company completed a successful ASX listing Friday following a \$157.5M IPO at \$2.50 per share.

Opened at \$2.51 and slipped to \$2.50 before settling at \$2.52. 105,163 shares changed hands across 43 transactions.

63M quoted securities.

Resources

Dacian Gold (* DCN)

Produced 29,316oz of WA Mt Morgans gold during the September quarter.

\$A82.1M cash and equivalents. \$A133.5M debt, after paying down \$16.5M during the quarter.

Energy

Strike Energy (STX)

October update lodged in presentation form post-trade Friday.

Peninsula Energy (PEN)

PEN director Evgenij Iorich has resigned due to Pala Investments and other business commitments.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	EVN	Sep Q
	WES	Sep Q
Tomorrow	COH	AGM
	ORA	AGM
	RIO	Sep Q
	SAR	Sep Q



Copper (LME,3mth,PM)	6302	t	60	1.0
Nickel	12655	t	-20	-0.2
Aluminium	2041	t	21	1.0
Lead	2052	t	53	2.6
Zinc	2646	t	40	1.5
Tin	19125	t	-150	-0.8
CBT Wheat (Dec)	5.17	bshl	0.09	1.7

Commodities Commentary

Oil – scant new industry news, but swinging equities and currencies, plus geopolitical developments influenced overnight Friday oil prices.

A US weekly petroleum drill rig count, published overnight Friday, included four additional oil rigs in operation.

Gold – an ultimately higher \$US index, plus late and early-session positive US equities trade, impacted overnight Friday gold sentiment.

During the coming week, US Federal Reserve policy meeting minutes are expected to influence currency, and hence, gold trade.

Historically influential data is due through the week, commencing with retail sales and regional business activity tonight.

Industry analysts have predicted gold price volatility through year's end, pending the outcome of US congressional elections next month and Federal Reserve activity.

Base metals – **China's** September trade figures, reported Friday, included a \$US31.69B (\$US27.89 for August) trade surplus, 14.5% (9.8%) year-on-year rise in exports and 14.3% (19.9%) higher imports.

Overnight Friday *copper* trade was supported by China's overall copper and copper product imports, estimated at a record 521,000t, 24% more than for August.

China is expected by some to report September FDI and new lending today, following predictions for such releases from late last week.

China did publish vehicle sales Friday evening (AEDT), these falling for a third consecutive month.

China's September CPI is expected tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7108	-0.0004	-0.06
EUR – USD	1.1549	0.0007	0.06

Australian Data Today

CLgc	Captl city rsdntl propty prices	12 Oct
------	---------------------------------	--------

US Data Tonight

Retail sales	Sep
Business inventories	Aug
NY Empire State manufacturing	Oct

Other Overseas Data Today & Tonight

China	<i>New lending (2pm AEDT)</i>	Sep
China	<i>FDI (2pm AEDT)</i>	Sep
Japan	Tankan manufacturing index	Oct

Wed	TLS	AGM
	WHC	Sep Q
	BHP	Sep Q
	CGF	Sep Q
	CSL	AGM
	ORG	AGM
	OZL	Sep Q
	SBM	Sep Q
	TAH	AGM
Thu	TRS	AGM
	ANN	AGM
	AZJ	AGM; Sep Q
	API	Full year
	GXY	Sep Q
	ING	AGM
	STO	Sep Q
	SKT	AGM
	S32	Sep Q
Fri	SDF	AGM
	TWE	AGM
	WPL	Sep Q
	ARB	AGM
	EVT	AGM
	SKC	AGM
	SYD	Sep

Trading Halts

Company	Code	Resuming
Animoca Brands Corporation	AB1	15 Oct
Carbonxt Group	CG1	15 Oct
MGM Wireless	MWR	15 Oct
Stonewall Resources	SWJ	15 Oct
CardieX Ltd	CDX	16 Oct
Future Generation Global Investment	FGG	16 Oct
Spectrum Metals	SPX	16 Oct
Venus Metals Corporation	VMC	16 Oct
White Cliff Minerals	WCN	16 Oct

Suspensions *(select)*

Company	Code	Since
American Patriot Oil & Gas	AOW	5 Oct
Aurora Dividend Income Trust	AOD	21 Sep
AVZ Minerals	AVZ	9 Oct
Black Star Petroleum	BSP	21 Sep
buyMyplace.com.au Ltd	BMP	24 Sep
Classic Minerals	CLZ	28 Sep
Crusader Resources	CAS	1 Oct
GBM Gold	GBM	11 Oct
Helix Resources	HLX	12 Oct
Jacka Resources	JKA	21 Sep
MMJ Phytotech	MMJ	8 Oct
MSM Corporation International	MSM	25 Sep
Mustang Resources	MUSDE	11 Oct
PLC Financial Solutions	PLC	5 Oct
Plukka Ltd	PKA	2 Oct
Pure Minerals	PM1	11 Oct
Sprintex Ltd	SIX	28 Sep



Japan	Industrial production (final)	Aug
Germany	Import prices	Aug

Need More Information?

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

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Updater Inc	UPD	9 Oct
Wolf Minerals	WLF	27 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
NZM	Today	1.82	0	11.96
TPM	Today	2	100	0.52
UOS	Today	0.5	0	4.35
APW	Tomorrow	1.07	0	1.57
ASG	Tomorrow	4.8	100	6.57
PL8	Tomorrow	0.5	100	5.64
SSG	Tomorrow	2.4	100	9.33
GOW	Wed	6	100	4.38
KAT	Wed	0.75	100	3.87
NWH	Wed	2	100	1.03
AVG	Thu	1.5	100	2.68
KSC	Thu	2	100	2.43
PIC	Thu	3.3	100	5.64
APL	Fri	5	50	4.42
APLN	Fri	5	50	0.00
NHC	Fri	8	100	3.72