

Markets

SFE 200 Futures (9.30am AEDT)	5911	-12	-0.2
NZX 50	8802	Public Holiday	
DJIA Futures	25329	-99	-0.4
S&P 500 Futures	2755	-12	-0.4
NASDAQ Futures	7069	-38	-0.5

Local Markets Commentary

The Australian market commences a new week's trade amid domestic political turbulence, with new data out of China over the weekend, together with a fall in US equities futures this morning, and following mixed overnight Friday international equities and commodities trade.

Over the weekend, a by-election in the immediate past Australian PM's electorate delivered a notable swing against his political party, sufficient to likely strip the government of its majority and install another independent in parliament.

Also over the weekend, **China's** September new residential property prices were reported 0.9% higher for the month, against a 1.4% August increase. Year-on-year, prices in the 70 major cities surveyed rose 7.9%.

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

Reserve Bank of Australia (RBA) deputy governor Guy Debelle will offer remarks at a Walkley awards business journalism finalists' event in Sydney at **1pm** AEDT.

Dr Debelle is scheduled to speak publicly at two events tomorrow.

In overnight Friday commodities trade, **oil** turned higher.

US (December) **gold** futures settled slightly lower.

Iron ore (China port, 62% Fe) fell modestly. Spot prices reportedly declined 1.1%.

LME **copper** and **nickel** swung higher. **Aluminium** continued to fall.

The **\$A** approached US71.20c after trading at ~US71.10c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25444	65	0.3
S&P 500	2768	-1	-0.0
NASDAQ	7449	-36	-0.5
FTSE 100	7050	23	0.3
DAX 30	11554	-35	-0.3
Shanghai Comp	2550	64	2.6

Overseas Markets Commentary

Vacillating sentiment featured across major European and US equities markets through overnight Friday trade, amid little new economic data, a plethora of international economic growth speculation and ongoing mixed corporate reporting. Earlier on Friday, China's central bank governor and

Australia – RBA deputy governor Guy Debelle is scheduled to speak at a Walkley business journalism event, Sydney, **1pm** AEDT

* Business services listing **midday** AEDT – **STG** *

Today's Stock Watch

Virgin Australia Holdings (VAH)

Expecting \$A100M underlying pre-tax profit for 1H FY 2019, against \$A81.9M a year earlier.

September quarter revenue rose 9.7%, against VAH's anticipated 7% gain. December quarter revenue growth is anticipated at ~10%.

VAH warned the second half of each financial year historically produced softer results than the first half.

Incitec Pivot (IPL)

Gibson Island fertiliser project at risk, due to gas supply uncertainty from 2020.

Event Hospitality & Entertainment (EVT)

Selling the German cinema exhibition business CineStar for an upfront €130M plus up to €91.8M earnout during 2019.

HUB24 Ltd (HUB)

\$9.1B FUM as at 30 September, up 50.5% year-on-year. September quarter net inflows grew 19.3%, to \$638M.

EML Payments (EML)

RBC Capital Markets has re-rated EML as sector perform, from outperform.

Straker Translations (* STG)

Translation services specialist scheduled to list **midday** AEDT following a \$21.2M IPO at \$1.51 per share.

52.59M quoted shares.

Resources

Mineral Resources (MIN) / BCI Minerals (BCI)

MIN is proposing to pay \$35M for BCI's WA Pilbara Kumina iron ore project. MIN will pay \$27M upfront, \$4M on first exports, and \$4M a year following initial exports.

Conditions include third-party approvals and tenement transfers.

Black Rock Mining 9BKT)

Agreement secured to supply up to 170,000t of Tanzania Mahenge project graphite to Heilongjiang Bohao Graphite Company over three years.

Bellevue Gold (BGL)

BGL executive director Stephen Parsons has been appointed MD. BGL lodged September quarter reports post-trade Friday, highlighting the Viago discovery within the Bellevue gold project, and also the project's initial resource estimate.

BGL has updated the Bellevue gold project resource this morning to 2.6Mt @ 12.4g/t Au, for 1.04Moz.

BGL settled at 34c Friday after closing out September at 23c and July at 17.5c.

Energy

Strike Energy (STX) / UIL Energy (UIL)

Planning to execute a recommended takeover offer for UIL.

Under a UIL board-approved proposal, STX will offer 0.485 STX shares for each UIL share. STX trading half called pre-trade.

STX traded at 13.5c – 15.5c last week and UIL at 5c – 6.5c.

administrative officials had assured they retained adequate means to support economic growth.

Commentary regarding the near- and medium-term prospects for several economies, including nonetheless **China, Italy** and **Saudi Arabia** proved in no short supply during overnight Friday trade however.

Bank of England (BoE) governor Mark Carney in the meantime declared the **UK** financial sector was sufficiently prepared for a worse separation from the **European Union** (EU) than what some are anticipating.

In addition, though, Dr Carney offered that, while he was anticipating a 'smooth transition', he continued to be concerned EU preparations remained inadequate.

The UK featured among overnight Friday data releases, public sector borrowing coming in at an 11-year September low of £4.1B, down £0.8B from September 2017.

For the year-to-date, borrowing tallied £19.9B, against £30.6B a year earlier.

In the **US**, September existing home sales were reported 1.6% lower for the month, at the least since November 2015. Year-on-year, sales had dropped 3.4%, but this was mostly attributed to higher mortgage rates and fewer homes available for sale.

Tonight in the US, the Chicago Fed September national activity index is due.

Elsewhere, Germany's **central bank** (Bundesbank) publishes its monthly report.

Companies scheduled to reveal earnings or provide updates later today or tonight include: Halliburton, Hasbro, Kimberly-Clark, Philips Electronics and Ryanair.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1229	oz	-1	-0.1
Silver (NY) (Dec)	14.65	oz	0.05	0.3
Gold (LON)	1228	oz	5	0.4
Platinum	830	oz	5	0.6
WTI Crude (Nov)	69.1	bbbl	0.5	0.7
Brent Crude (Dec)	79.8	bbbl	0.5	0.6
Iron Ore <small>(CHN port 62%)</small>	73.3	t	-0.3	-0.4
Copper <small>(LME, 3mth, PM)</small>	6220	t	63	1.0
Nickel	12450	t	100	0.8
Aluminium	2003	t	-10	-0.5
Lead	1992	t	-10	-0.5
Zinc	2626	t	-57	-2.1
Tin	19170	t	145	0.8
CBT Wheat (Dec)	5.14	bshl	0.01	0.2

Commodities Commentary

Oil – a report out of China Friday revealed domestic refiner demand had risen during September to a record 12.49MMbbl/d.

This helped buoy overall market optimism, despite large remaining near-term production and trade uncertainty, in a large part due to pending early-November US sanctions against **Iran's** oil exports.

Over the weekend the US treasury secretary admonished that anticipated waivers for continued business with Iran were likely to prove more difficult to obtain than historically-granted US waivers, and

Pre-Open Announcements

Cash Converters International (** CCV)

Paying a \$10.6M class action settlement. Details lodged this morning.

Flight Centre (* FLT)

AGM today.

G8 Education (GEM)

Debt refinancing finalised. Details lodged this morning.

Resources

Kingsgate Consolidated (* KCN)

KCN has negotiated with Investec an extension to a loan repayment, until February 2019, and also a \$5M facility limit boost to \$20M.

Galena Mining (* G1A)

Planning to spin out non-core polymetallic base metals exploration projects into newly established company Metal Range.

G1A is seeking to focus on the Abra project, now that satisfactory pre-feasibility has been completed.

Battery Minerals (BAT)

Montepuez graphite project update lodged this morning, highlighting activity on several fronts, including battery anode testing using Monetepuez ore.

QEM Ltd (QEM)

Explorer (formerly Queensland Energy & Minerals) completed its ASX listing Friday following a \$5M IPO at 20c per share.

Opened at 21c, its opening day high, and settled at 18.5c, its day one low.

893,289 shares changed hands across 31 transactions.

34.3M quoted securities.

Energy

Yancoal Australia (* YAL)

Produced an attributable 8970Mt of saleable coal during the September quarter and sold 10.945Mt, respectively 47% and 53% more than for the September quarter 2017.

Yanzhou Coal Mining Company holds 65.46% of YAL.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ARG	AGM
	FLT	AGM
Tomorrow	ALX	Sep Q
	BGA	AGM
	BXB	AGM; Sep Q
	CIM	Sep Q
	IEL	AGM
	MMS	AGM
	NCK	AGM
	SGF	AGM
	SXL	AGM
	WOR	AGM
Wed	AIA	Sep
	BAL	AGM

that one condition would likely be that nations still needing to purchase Iranian crude, would be required to reduce their orders by much greater volumes than expected.

Elsewhere, **Iraq** confirmed it was targeting a daily 7MMbbl oil production rate for its National Oil Company, and 4MMbbl/d of exports.

Meanwhile in the **US**, anticipated new pipeline capacity is expected to produce higher weekly inventory tallies.

A weekly US petroleum rig count, published overnight Friday, revealed an additional four rigs in operation.

Brent crude settled 0.9% lower for the week and WTI down 3.1%.

Gold – an initial September quarter US GDP update, a durable goods update, several public appearances by US Federal Reserve regional presidents, a batch of international PMIs, and a European Central Bank policy meeting and associated press conference, are likely to prove influential on this week's currency, and hence gold, trade.

Overnight Friday gold prices produced positive predictions from analysts for this week's gold moves, mostly based on expectations a 100-day moving average could be breached on the upside.

Base metals – overnight Friday trade was pushed and pulled by skittish equities sentiment, a remaining strong \$US and a swag of new data and official assurances from China.

China's September quarter **GDP** year-on-year growth was reported at 6.5% Friday, against 6.7% for August.

January – September **fixed asset investment** rose 5.4% year-on-year, following 5.3% for January – August.

September **industrial production** rose 5.8% year-on-year, against 6.1%.

Retail sales increased 9.2% following 9.0%.

Over the weekend, China revealed a 0.9% monthly rise (1.4% for August) for September **residential property prices**.

Friday, **Japan** reported a flat September **CPI**, after 0.5% growth during August. Year-on-year CPI growth is at 1.2%, from 1.3% at the end of August.

Among industry news, a report released late-week suggested *nickel* stocks moving from LME-approved warehouses in Asia were not indicating a rise in current demand, but were being placed in new storage, in particular in Europe.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7116	-0.0001	-0.02
EUR – USD	1.1514	-0.0004	-0.04

Australian Data Today

CLgc	Cap city rsdntl propty prices	19 Oct
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US Data Tonight

Chicago Fed national activity index	Sep
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	CDD	AGM
	DXS	AGM
	MHJ	AGM
	NCM	SepQ; Inv day
	SBM	AGM
	SXY	SepQ
	SSM	AGM
	SGP	AGM
	SUL	AGM
Thu	APA	AGM
	BKL	AGM; SepQ
	CWY	AGM
	EPW	AGM
	FMG	SepQ
	GPT	SepQ
	GUD	AGM
	JBH	AGM
	LYC	SepQ
	NST	SepQ
	OGC	SepQ
	QAN	SepQ
	REH	AGM
	REG	AGM
	S32	AGM
	WHC	AGM
Fri	ASB	AGM
	CAR	AGM
	CGF	AGM
	GWA	AGM
	ILU	SepQ
	IAG	AGM
	QAN	AGM
	RSG	AGM

Trading Halts

Company	Code	Resuming
Avenira Ltd	AEV	22 Oct
Bounty Mining	B2Y	22 Oct
Gateway Mining	GML	22 Oct
OtherLevels Holdings	OLV	22 Oct
BPH Energy	BPH	23 Oct
Dampier Group	DAU	23 Oct
Salt Lake Potash	SO4	23 Oct
Secos Group	SES	23 Oct

Suspensions (select)

Company	Code	Since
Classic Minerals	CLZ	28 Sep
Crusader Resources	CAS	1 Oct
GBM Gold	GBM	11 Oct
Gulf Manganese Corporation	GMC	19 Oct
MMJ Phytotech	MMJ	8 Oct
PLC Financial Solutions	PLC	5 Oct
Plukka Ltd	PKA	2 Oct
Sky & Space Global	SAS	19 Oct
Updater Inc	UPD	9 Oct

**Other Overseas Data Today & Tonight**

Japan	All industry activity index	Aug
UK	CBI industrial trends	Oct
Germany	Bundesbank report (monthly)	Oct

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
KPG	Today	1.1	100	3.24
TRA	Today	3.65	0	3.72
SNC	Tomorrow	3.5	100	7.11
ACQ	Wed	3.5	100	5.08
BOQ	Wed	38	100	7.14
IS3	Wed	0.4	0	1.90
REX	Wed	8	100	7.12
FLK	Thu	3.6	100	2.17
RIC	Thu	2.75	100	2.94
PMV	Fri	33	100	3.53
CLV	29 Oct	1.25	100	1.17
CLX	30 Oct	2	100	4.00
SMR	30 Oct	2	0	2.11
UNV	30 Oct	1	0	6.45

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