

Markets

SFE 200 Futures (9.30am AEDT)	5879	-12	-0.2
NZX 50	8746	-57	-0.6
DJIA Futures	25298	4	0.0
S&P 500 Futures	2756	0	0.0
NASDAQ Futures	7155	0	0.0

Local Markets Commentary

The Australian market opens today's trade again following largely indecisive overnight international equities and commodities trade.

Locally today, **Reserve Bank of Australia (RBA)** deputy governor Guy Debelle is scheduled to speak at an ISDA conference and on a panel at a Sibos conference, both in Sydney, **9.35am AEDT** and **3.30pm AEDT** respectively.

Two RBA assistant governors also join the panel at the Sibos conference, Lindsay Boulton (business services) at 12.30pm and Michele Bullock (financial system) at 2pm.

Pre-trade, a weekly consumer confidence reading is due.

Also today, several high-profile companies are expected to provide **updates** as they host **AGMs**. Please see pp3-4 for a detailed list.

In overnight commodities trade, **oil** settled slightly higher.

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

Iron ore (China port, 62% Fe) swung higher following Friday's brief pullback.

LME **copper** and **nickel** gained further. **Aluminium** turned a little higher.

The **\$A** dropped to ~US70.80c after pulling back early yesterday evening to US71.10c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25317	-127	-0.5
S&P 500	2756	-12	-0.4
NASDAQ	7469	20	0.3
FTSE 100	7043	-7	-0.1
DAX 30	11524	-29	-0.3
Shanghai Comp	2655	104	4.1

Overseas Markets Commentary

Early falls and choppy, swinging trade continued across US equities markets overnight, evaporating some earlier resilience manifested by major European indices.

International growth risks, plus broad geopolitical and domestic political issues on both sides of the Atlantic remained forefront, as earnings reporting season continued to influence select US trade.

Yesterday, **China** had notably picked up the pace of Friday's rally, this attributed to assurances of support from various administrators with the power to instigate and oversee various forms of possible stimulus, and following tough talk against the US.

Australia – RBA deputy governor Guy Debelle is scheduled to speak at ISDA and Sibos conferences today, **9.35am** and **3.30pm** (panel participation) AEDT respectively, Sydney. Two RBA assistant governors join the Sibos panel, 12.30pm and 2pm AEDT.

* Coal miner listing **midday** AEDT – **CRN** *

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

Selling the bank's 80% holding in Indonesian life insurance business PT Commonwealth Life for \$A426M.

In association, CBA's PT Bank Commonwealth will secure a 15-year life insurance distribution deal with purchaser FWD Group. CBA expects to realise a \$A140M profit from the sale.

Brambles Ltd (BXB)

September quarter sales revenue grew 6% (constant currency) to \$US1.421B.

Fisher & Paykel Healthcare (FPH) / Asaleo Care (AHY)

FPH has appointed AHY CFO Lyndal York as FPH CFO, commencing March 2019. FPH CFO Tony Barclay retired in May. Acting FPH CFO Andrea Blackie will resume her FPH finance GM role in March.

Meanwhile, **AHY** has appointed interim CEO and former AHY COO Sid Takla as CEO and MD.

WPP AUNZ (WPP)

Anticipating full year EPS to fall by up to 15% (against previous 3% growth guidance), due to net sales which will likely come in up to 2% lower than 2017's \$869.9M.

CEO and MD Michael Connaghan has resigned, effective 31 December.

Nufarm Ltd (NUF)

Completed a 6.2M-share retail entitlement offer shortfall book-build post-trade yesterday at \$5.85 per share, after initially receiving \$A31M worth of applications under the (\$5.85) offer. NUF settled at \$5.65 yesterday, after trading at \$5.615 - \$5.85.

Atlas Arteria (ALX)

September quarter weighted average toll revenue grew 3.4% year-on-year, and traffic numbers by 0.9%.

CFO Mark Goodrick is stepping down after three years in this role and six with ALX, in favour of a new CFO position

Macquarie Infrastructure & Real Assets (MIRA) finance head Bodie ter Kuile has been appointed to take over as ALX CFO.

Former Paris-headquartered CGC CEO Jean-Georges Alcor has been appointed as an independent non-executive director, effective 1 November. Director Richard England is retiring from the ALX board, after nine years, 30 November.

Flight Centre (FLT)

Morgan Stanley has re-rated FLT as overweight, from equal-weight. Morgans has placed FLT on its 'add' list.

Energy

Oil Search (OSH)

Produced 7.53MMboe during the September quarter, 39% more than for the June quarter.

Sales rose 60% to 7.44MMboe and revenue 81%, to \$US474.9M. Production guidance also updated this morning.

Late-weekend, the **US** president had flagged **tax cuts** for middle income earners, with legislation possible before the 6 November mid-term elections, but with scant response to what was viewed as a throwaway comment, the president was forced to yesterday deliver a similar message directly to journalists, but one that conceded no legislation could be approved before the elections.

US-Saudi relations remained under pressure following the death of a journalist early this month inside a Saudi consulate in Turkey, prompting new high-level talks, and also an assurance from Saudi Arabia's energy minister that he intended to keep Saudi oil trade separate from politics.

A threat for the US to withdraw from a longstanding nuclear arms deal, also delivered by the US president over the weekend, drew retaliatory talk from **Russia**.

In **Italy**, Monte dei Peschi bank was reported to be looking for ways to raise capital, as the Italian government confirmed to the European Union (EU) that it had no plans to change its current budget proposal.

In the meantime, the **Bank of Japan** had yesterday published a report warning the nation's financial sector was 'less resilient' to economic shocks than past stress tests had indicated.

On the flip side, the central bank noted 'active lending' remained a feature of the financial system and national economy.

Further, during overnight trade, **UK-EU** difficulties at agreeing on proposals for the UK's extrication from the EU were cited for a notable fall in the British pound and euro (-0.4%) against the \$US.

In scant overnight data releases the **US** Chicago Fed national activity index fell from 0.27 to 0.17 during September.

Germany's central bank's (Bundesbank) monthly report indicated it expected September quarter GDP figures to reveal slowing growth, if not even a 'temporary halt'.

Tonight in the US, a regional manufacturing index is due. In addition, results season warms and a Federal Reserve regional president is scheduled to speak publicly.

Elsewhere, **Bank of England** governor Mark Carney is expected to speak publicly in Toronto, Canada.

In Saudi Arabia, an investment forum commences tonight, but in the lead-up has gained a profile from the names deciding not to attend since the death of a journalist while inside a Saudi consulate in Turkey. Companies scheduled to reveal earnings or provide updates later today or tonight include: 3M, AngloAmerican, Caterpillar, China Construction Bank, Chubb, Lockheed Martin, McDonald's, POSCO, Texas Instruments and Verizon Communications.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1224	oz	-4	-0.3
Silver (NY) (Dec)	14.58	oz	-0.07	-0.4
Gold (LON)	1228	oz		
Platinum	820	oz	-10	-1.2
WTI Crude (Nov)	69.2	bbl	0.05	0.1
Brent Crude (Dec)	79.8	bbl	0.05	0.1
Iron Ore (CHN port 62%)	73.8	t	0.5	0.7
Copper (LME, 3mth, PM)	6242	t	22	0.4
Nickel	12530	t	80	0.6

Pre-Open Announcements

Vonex Ltd (* VN8)

September quarter channel partner numbers grew by 12 to ~70. Additional September quarter highlights lodged this morning.

WorleyParsons Ltd (* WOR)

Additional detail regarding WOR's \$2.9B fundraiser in support of the proposed Jacobs Engineering acquisition is expected at today's AGM.

WOR remains in a trading halt.

Brambles Ltd (* BXB)

AGM scheduled for 2pm AEDT.

Telix Pharmaceuticals (* TLX)

ZIRCON phase III clinical trial recruitment is pending. TLX is treating a product (TLX250) which will effectively image clear cell renal cell cancer

Megaport Ltd (MP1)

September quarter revenue grew 19% during the three months, to \$6.86M. Additional quarterly operational statistics lodged this morning.

Refresh Group (* RGP)

RFG has secured an agreement with Japan-headquartered Eneco Holdings and Eneco Investment, under which Eneco will subscribe for up to \$8.2M worth of RFG shares.

10M shares will be issued at 5c each and, pending shareholder approval, a further ~128.9M at 6c each.

Should the investment completed satisfactorily, RFG will hold exclusive Australia and New Zealand rights to market and distribute Eneco-branded hydrolysed water products and equipment that can produce emulsion fuel.

RFG last traded 3 October, at 4.8c.

Straker Translations (* STG)

Translation services specialist completed a successful ASX listing yesterday following a \$21.2M IPO at \$1.51 per share.

Opened at \$1.75 and traded at \$1.69 - \$1.83 before settling at \$1.71.

600,217 shares were traded across 366 transactions.

52.59M quoted shares.

Resources

Resolute Mining (** RSG)

Produced 55,508oz of gold at a \$A1560/oz AISC during the September quarter.

Sold 61,064oz at \$A1727/oz.

\$A115M cash, bullion and listed investments.

Volt Resources (* VRC)

The VRC board has awarded three tranches of performance rights to CEO Trevor Matthews.

These comprise 15M associated with minimum Tanzania Bunyu graphite project funding to be secured by 31 March 2019, 10M for sales revenue to be achieved by 30 June 2020, and a further 10M for a 15c target share price.

VRC has traded at 1.8c - 2.4c over the past five trading sessions.

OceanaGold Corporation (OGC)

Macraes, New Zealand activity and exploration update lodged post-trade yesterday, highlighting several significant-width, high-grade gold assays from Coronation, Coronation North,



Aluminium	2007	t	4	0.2
Lead	2006	t	14	0.7
Zinc	2656	t	30	1.1
Tin	19225	t	55	0.3
CBT Wheat (Dec)	5.09	bshl	-0.05	-1.1

Commodities Commentary

Oil – **Saudi** commentary on geopolitics, international crude supply and limited capacity to ensure no oil price spikes produced swinging overnight prices.

Saudi Arabia's energy minister again claimed his kingdom would and could raise output to cover international market supply in the face of US sanctions against Iran from 4 November.

The minister insisted domestic production was on its way from 10.7MMbbl/d to 11MMbbl/d and that capacity existed to raise this to 12MMbbl.

However, the minister also noted his kingdom's 'relatively limited' spare capacity.

He cited Libya, Mexico, Nigeria and Venezuela which continue to face issues in maintaining production, and offered that if international supply declined by a daily 3MMbbl, Saudi Arabia would have to use oil reserves in order to try to avoid price spikes.

The comments drew another Iranian denial that covering any Iranian deficit was possible, Iran's oil minister again also insisting that Russia likewise was incapable of making up any deficit.

In corporate news that also drew attention, Halliburton lowered its December quarter profit prediction, pointing out that **US** shale sector growth continued to slow, that producers were cutting spending and that insufficient pipeline infrastructure would likely constrain both spending and production for a while yet.

Meanwhile, WTI November futures are expiring, and traded as low as \$US68.27/bbl overnight.

Gold – overnight trade sentiment was pressured by a \$US index climb.

Base metals – LME *copper* and *nickel* trade benefited overnight from China stimulus optimism.

Inventory updates and outlook commentary also influenced general overnight trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7078	-0.0004	-0.06
EUR – USD	1.1466	0.0002	0.02

Australian Data Today

ANZ/RyMgn	Consumer sentiment	21 Oct
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US Data Tonight

Richmond Fed manufacturing	Oct
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Other Overseas Data Today & Tonight

UK	CBI business optimism	DecQ
Germany	Producer prices	Sep
Euro zone	Consumer confidence	Oct

Deepdell North and Golden Point.

OGC is expected to report for the September quarter late-week.

Energy

AGL Energy (** AGL)

Hosting a Loy Yang power station and coal mine site tour today. Presentations lodged. AGL plans to webcast the delivery of these, from 10.15am AEDT.

Coronado Global Resources (* CRN)

Metallurgical coal miner and exporter scheduled to list **midday** AEDT following a \$774M IPO at \$4.00 per CDI/share.

CRN's mines are located in Queensland and in Virginia, US.

Trading will commence on a conditional and deferred settlement basis. Normal (T+2) trade is expected to commence 29 October (Monday next week).

966.52M quoted securities.

88 Energy (88E)

North Slope, Alaska Icewine project update lodged this morning.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AGL	Site tour
	ALX	Sep Q
	BGA	AGM
	BXB	AGM; Sep Q
	CIM	Sep Q
	IEL	AGM
	MMS	AGM
	NCK	AGM
	SGF	AGM (3pm)
	SXL	AGM
	WOR	AGM (2pm)
	Tomorrow	AIA
BAL		AGM
CDD		AGM
DXS		AGM
MHJ		AGM
NCM		SepQ; Inv day
SBM		AGM
SXY		SepQ
SSM		AGM
SGP		AGM
SUL		AGM
Thu		APA
	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

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	WHC	AGM
Fri	ASB	AGM
	CAR	AGM
	CGF	AGM
	GWA	AGM
	ILU	SepQ
	IAG	AGM
	QAN	AGM
	RSG	AGM

Trading Halts

Company	Code	Resuming
BPH Energy	BPH	23 Oct
Secos Group	SES	23 Oct
Global Geoscience	GSC	24 Oct
ResApp Health	RAP	24 Oct
Strike Energy	STX	24 Oct
WorleyParsons Ltd	WOR	24 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
Updater Inc	UPD	9 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SNC	Today	3.5	100	7.14
ACQ	Tomorrow	3.5	100	5.08
BOQ	Tomorrow	38	100	7.12
IS3	Tomorrow	0.4	0	1.90
REX	Tomorrow	8	100	7.08
FLK	Thu	3.6	100	2.17
RIC	Thu	2.75	100	2.96
PMV	Fri	33	100	3.56
CLV	29 Oct	1.25	100	1.17
CLX	30 Oct	2	100	4.00
SMR	30 Oct	2	0	2.12
UNV	30 Oct	1	0	6.56