

Markets

SFE 200 Futures (9.30am AEDT)	5815	0	0.0
NZX 50	8647	-27	-0.3
DJIA Futures	25236	-8	0.0
S&P 500 Futures	2745	-1	0.0
NASDAQ Futures	7133	-8	-0.1

Local Markets Commentary

The Australian market commences mid-week trade on negative overnight equities and mixed commodities trade leads, and with several high-profile domestic corporate updates in hand.

In overnight commodities trade, **oil** tumbled.

US (December) **gold** futures and other precious metals rallied.

Iron ore (China port, 62% Fe) recorded a second consecutive sessional gain.

LME **copper** and **nickel** turned and fell.

The **\$A** traded within a relatively narrow range after being propelled beyond ~US70.85c early yesterday evening.

Locally today, a September skilled vacancies report is expected.

Also today, several more large-cap stocks hold AGMs and/or report quarterly operational statistics. **BOQ** and **REX** are among stocks trading ex-dividend. Please see pp3 – 5 for detailed lists.

Regionally, Japan's initial October manufacturing PMI estimate (11.30am AEDT) could prove influential if significantly different from September.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25191	-126	-0.5
S&P 500	2741	-15	-0.6
NASDAQ	7438	-31	-0.4
FTSE 100	6955	-88	-1.2
DAX 30	11274	-250	-2.2
Shanghai Comp	2595	-60	-2.3

Overseas Markets Commentary

Major European and US equities markets fell hard early overnight, but key US indices began trending higher before mid-session.

Geopolitical issues continued, reportedly intensifying in Europe, the UK and the Taiwan Strait, sobering data was released on both sides of the Atlantic, and US corporates were reported to be feeling some bite from this year's ratcheting of some trade tariffs.

The European Commission officially rejected Italy's budget draft. This meant that should the budget be approved by the Italian parliament as is, the nation would face regulatory penalties, increasing national debt.

During US trade however, investors appeared in the mood to snap up select stocks at perceived bargain levels.

Among new data releases, a **UK** December quarter

* Product promotions website listing **11am AEDT – PIN ***

Today's Stock Watch

WorleyParsons Ltd (WOR)

Resuming from a trading halt having raised \$1.8B at \$15.56 per share in a 90%-supported institutional entitlement offer, in association with the proposed Jacobs Engineering acquisition. A \$1.1B retail offer is scheduled or 29 October – 7 November. WOR last traded at ~\$16.92.

CIMIC Group (CIM)

13% higher, \$A564M NPAT for the nine months to 30 September. \$1.2B net cash, up \$595M. Confirming \$720M - \$780M 2018 NPAT, pending market conditions. Presentation lodged post-trade yesterday.

Elders Ltd (ELD)

Chairman Hutch Ranck plans to retire at the conclusion of the 13 December AGM. ELD non-executive director Michael Carroll will take over as chairman pending shareholder election at the AGM. Mr Ranck has been an ELD director since June 2008 and chairman for the past four years.

Integrated Research (IRI)

As previously flagged, non-executive chair Steve Killelea will retire from the IRI board, effective 1 November.

Deputy IRI chair Paul Brandling has been appointed to take over from Mr Killelea. IRI has contracted Mr Killelea as a consultant for two years, with remuneration set at \$25,000 per quarter.

GPT Group (GPT)

Forecasting 3.5% full year distribution growth. September quarter update lodged this morning.

Brambles Ltd (BXB) / Stockland (SGP) / The Reject Shop (TRS)

Morgan Stanley has re-rated BXB as equal-weight, from underweight, and SGP and TRS as underweight, from equal-weight.

Atlas Arteria (ALX)

Morgans has removed ALS from its add list, in favour of a hold recommendation.

Dubber Corporation (DUB)

Embedded solution agreement secured with IBM, to combine IBM's Watson AI with DUB's cloud-base call recording.

Resources

Newcrest Mining (NCM)

Produced 548,000oz of gold during the September quarter, 5% more than a year earlier, but 14% lower than for the June quarter 2018. Produced 25,000t of copper, 49% and 24% higher respectively. AISC fell \$120/oz and \$17/oz respectively, to \$778/oz. Realised prices came in at \$US1219/oz for gold and \$US6107/t for copper, against \$US1302/oz and \$US6945/t for the June quarter.

Energy

Senex Energy (SXY)

Produced 281,000boe during the September quarter and sold 270,000boe, at \$114/bbl, for \$25.6M sales revenue. Production grew 4% on the June quarter, but revenue fell 4% on a 1% lower realised oil price. \$57.6M net cash, down 13%.

business optimism index was calculated at -16 from -3 last month.

Germany reported producer prices had risen by 0.5% during September pushing the year-on-year gain to 3.2%.

A consumer confidence reading covering the entire **euro zone** came in at -2.7 from -2.9.

In the **US**, the closely-watched Richmond Fed manufacturing index tumbled from 29 to 15.

Meanwhile, Saudi Arabia heralded an investment conference, boycotted by not a few companies and international government representatives, but nonetheless reported to have delivered \$US50B worth of deals.

Tonight in the US, the Federal Reserve's region-by-region economic summaries are keenly anticipated, within what is known as the 'beige book', ahead of a preliminary national September quarter GDP reading Friday.

August house prices, September new home sales, Markit's initial October PMI estimates and weekly mortgage applications are also due.

In addition, three Federal Reserve officials are scheduled to speak publicly.

In overnight corporate news, **Dyson** revealed it was planning to manufacture electric vehicles, under design in the UK, in Singapore.

Also pre-US trade, **Caterpillar** issued a warning n higher steel import taxed and fright increase, citing an \$40M impact during the September quarter.

In addition, **3M** reduced earnings guidance, citing higher trade taxes and China's slowing economy.

Lockheed Martin provided some relief, boosting full-year sales guidance by \$IS1.4B to \$US53B.

A plethora of companies is scheduled to reveal earnings or provide updates later today or tonight include. These include: Antofagasta, AT&T, Barclays, Barrick Gold, Boeing, Deutsche Bank, Ford Motor, Microsoft, Northrop Grumman, Vale and Visa.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1237	oz	12	1.0
Silver (NY) (Dec)	14.8	oz	0.2	1.2
Gold (LON)	1222	oz		
Platinum	831	oz	11	1.3
WTI Crude (Dec)	66.4	bbl	-2.9	-4.2
Brent Crude (Dec)	76.4	bbl	-3.4	-4.3
Iron Ore (CHN port 62%)	74.3	t	0.5	0.7
Copper (LME, 3mth, PM)	6196	t	-46	-0.7
Nickel	12375	t	-155	-1.2
Aluminium	2001	t	-6	-0.3
Lead	2017	t	11	0.5
Zinc	2669	t	13	0.5
Tin	19300	t	75	0.4
CBT Wheat (Dec)	5.09	bshl	0.01	0.1

Commodities Commentary

Oil – prices dropped as much as 5% in early trade.

In the meantime, Iran continued commentary regarding proposed US petroleum sector sanctions from 4 November, maintaining these would not reduce Iran's oil exports to zero.

A weekly US petroleum inventories report is due from government agency EIA tonight.

Pre-Open Announcements

PINCHme.com Inc (* PIN)

Product sampling and digital promotions site operator scheduled to list on the ASX **11am** AEDT following an ~\$8M IPO at 50c per CDI/\$177.50 per share (355 CDIs per each common stock share). ~117.134M quoted CDIs/329,954 shares. Based in New York, US.

Bellamy's Australia (* BAL) / Service Stream (SSM)

Today's AGM speeches and presentations lodged. Strategic update promised for an investor day prior to year's end.

Bell Financial Group (* BFG)

26% higher, (unaudited) \$169M revenue for the nine months to 30 September. 113% higher, \$27.5M pre-tax profit.

Catapult Group International (* CAT)

CAT scheduled a September quarter and FY 2019 guidance teleconference for 9.30am AEDT today. Figures lodged this morning.

ALS Ltd (ALQ)

Bank debt facilities refinancing completed. Details lodged this morning.

Resources

Mt Gibson Iron (* MGX)

Sold 1.1Mt (wet) of iron ore during the September quarter, 19% more than for the June quarter. Sales revenue totalled \$65M. \$452M cash and liquid investments.

Mineral Resources (* MIN)

WA Wodgina project resource (pegmatite plus tailings) updated to 259.2Mt @ 1.17% Li₂O.

Talga Resources (* TLG)

Heralding capacity results from initial UK testing of TLG's graphene silicon lithium-ion anode. Details lodged this morning.

Silver Lake Resources (SLR)

SLR founding shareholder and director Brian Kennedy has resigned due to business commitments.

Energy

Strike Energy (STX) / UIL Energy (UIL)

STX scheduled a teleconference regarding its proposed and recommended UIL takeover, plus an associated initial \$13M from an 11.5c-per-share capital raising, to commence at 8.30am AEDT. Access details lodged this morning.

STX is resuming from a trading halt having last traded at 14.5c.

Real Energy (* RLE)

Tamarama2 and Tamarama 3 are flowing gas to surface. Details and operational plans lodged this morning.

Sundance Energy (* SEA)

SAE has appointed former Devon Energy Corp executive VP and CFO Thomas L Mitchell as an independent non-executive director.

Cue Energy (* CUE)

Produced 27,270bbl of oil and 383mmcf of gas during the September quarter.

Oil production represented a 9% fall from a year earlier. Gas production was essentially flat.



Gold – propelled to three-month highs intra-session, safe-haven buying boosted by an early equities selloff.

Base metals – international growth concerns, supplemented by corporate trade tax impact claims, damaged overnight sentiment in general.

Meanwhile, LME *copper* inventories were reported at their lowest in 2.5 years.

China's September *alumina* exports were estimated from customs figures at 165,839t, five times more than for August.

PMIs, due today and tonight for Japan, the UK, euro zone and US, could influence some of tonight's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7082	-0.0005	-0.07
EUR – USD	1.1470	-0.0001	-0.01

Australian Data Today

DeptofJobs	Skilled vacancies	Sep
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US Data Tonight

Fed beige book	Oct
FHFA house prices	Aug
New home sales	Sep
Markit PMIs (init)	Oct
MBA mortgage applications	19 Oct

Other Overseas Data Today & Tonight

Japan	PMI manufacturing (init)	Oct
Japan	Leading economic index (rev)	Aug
UK	Mortgage approvals	Sep
Germany	PMIs (init)	Oct
Euro zone	PMIs (init)	Oct

Need More Information?

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Sold 31,025bbl of oil at \$US73.11/bbl and 382mmcf of gas at \$US7.23/Mcf. Oil sales volumes fell 34% year-on-year, mostly attributed to the timing of liftings.

\$20.86M cash. Nil debt.

TerraCom Ltd (* TER)

TER has appointed Mineral Resources (AX: MIN) COO Danny McCarthy as CEO, effective December.

Coronado Global Resources (CRN)

Metallurgical coal miner and exporter completed its ASX listing yesterday following a \$774M IPO at \$4.00 per CDI/share.

Opened at \$3.80 and traded at \$3.49 - \$3.84 before settling at \$3.60.

15M shares were traded across 5972 transactions.

Trading commenced on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence 29 October (Monday next week).

966.52M quoted securities.

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

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AIA	Sep
	BAL	AGM
	CDD	AGM
	DXS	AGM
	MHJ	AGM
	NCM	SepQ; Inv day
	SBM	AGM
	SXY	SepQ
	SSM	AGM
	SGP	AGM
	SUL	AGM
Tomorrow	APA	AGM
	BKL	AGM; SepQ
	CWY	AGM
	EPW	AGM
	FMG	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

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Trading Halts

Company	Code	Resuming
ResApp Health	RAP	24 Oct
IMF Bentham	IMF	25 Oct
Marindi Metals	MZN	25 Oct
Paradigm Biopharmaceuticals	PAR	25 Oct
St George Mining	SGQ	25 Oct

Suspensions *(select)*

Company	Code	Since
BPH Energy	BPH	23 Oct
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
Updater Inc	UPD	9 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ACQ	Today	3.5	100	5.02
BOQ	Today	38	100	7.21
IS3	Today	0.4	0	1.90
REX	Today	8	100	7.10
FLK	Tomorrow	3.6	100	2.16
RIC	Tomorrow	2.75	100	2.92
PMV	Fri	33	100	3.58
CLV	Mon	1.25	100	1.19
CLX	Tue (30 Oct)	2	100	4.00
SMR	Tue	2	0	2.12
UNV	Tue	1	0	6.67