

Markets

SFE 200 Futures (9.25am AEST)	5395	3	0.1
NZX 50	6973	15	0.2
DJIA Futures	18140	6	0.0
S&P 500 Futures	2144	0	0.0
NASDAQ Futures	4905	2	0.0

Local Markets Commentary

The Australian market opens today's trade following decisively positive overnight US equities trade.

In overnight commodities trade, US **gold** futures fell modestly and **oil** turned lower. **Iron ore** resumed a two-week long appreciation. LME **copper** closed slightly lower.

The **\$A** fell to ~US76.10c after trading at ~US76.35c yesterday evening.

Locally today, a weekly consumer sentiment reading is due pre-trade.

Updates are also anticipated from several **high-profile companies** which are holding **AGMs** today. Please see p3.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	18223	77	0.4
S&P 500	2151	10	0.5
NASDAQ	5310	54	1.0
FTSE 100	6986	-34	-0.5
DAX 30	10761	50	0.5
Shanghai Comp	3128	37	1.2

Overseas Markets Commentary

Corporate deals and positive earnings report sentiment buoyed most major European and US equities markets overnight.

In addition, a preliminary October composite PMI for the **euro zone** was reported at 53.7, a 10-month peak, and a 1.1 point improvement on September.

In the **UK** however, an industry trends report calculated a sales orders index at a prickly -17, from -5, and against expectations of -4.

In **US** data releases, the Chicago Fed national activity index improved to -0.14 from -0.72.

A 53.2 Markit initial October manufacturing PMI pleased, representing a 1.7-point stronger result than for September, following a string of disappointing regional business activity and manufacturing indices.

Tonight in the **US**, regional manufacturing, house price and consumer confidence indices are due.

Bank of England governor Mark Carney is speaking in the UK parliament and **European Central Bank** governor Mario Draghi publicly in Berlin.

In addition, the **UK's** September quarter GDP is keenly anticipated.

AT&T, Caterpillar, General Motors, Lockheed Martin, Merck & Co are among companies scheduled to report.

Today's Stock Watch

Tabcorp Holdings (TAH)

AGM today. Address and presentation lodged. Plenty of commentary anticipated on the proposed merger with Tatts Group (TTS), which holds its AGM Thursday.

APN News & Media (APN)

Trading halt called this morning, ahead of the proposed \$268.4M non-conditional acquisition of the balance 50% of the Adshel JV, plus the \$11.6M cash, plus earn-outs, purchase of Conversant Media.

APN will fund the Adshel buy with a debt bridge facility, which will be repaid via a \$72M institutional placement and \$201M five-for-13 entitlement offer, each fully-underwritten and at \$2.45 per share.

\$43M of today's placement will go to UBS, for on-sale. The institutional entitlement offer will be conducted today and tomorrow, and the retail component 2 - 17 November.

Completion of the Adshel deal is anticipated today and the Conversant Media purchase by month's end.

APN traded at \$3.33 - \$3.45 yesterday, and last week as high as \$3.54.

Automotive Holdings Group (AHG)

Confirming the refrigerated logistics business is undergoing a restructure, but is not formally up for sale. This, despite AHG having held preliminary discussions with parties which have expressed interest.

Resources

Resolute Gold (RSG)

Mali Syama gold project deep extension drilling has discovered new high-grade gold, and RSG is declaring one zone a new discovery. Details lodged this morning.

Saracen Mineral Holdings (SAR)

Produced 61,470oz of gold during the September quarter at a \$A1402/oz AISC. Sold 56,636oz at \$A1727/oz, for \$97.8M sales revenue. \$42.5M cash and equivalents. For the June quarter, SRA sold 67,693oz for \$111.6M revenue.

Sayona Mining (SYA)

Appreciated 8.7% yesterday, and this morning has revealed Authier lithium deposit drilling has intersected a 40- thick zone of spodumene mineralisation.

Lithium Australia (LIT)

Lithium pegmatites assaying up to 3.94% Li₂O (rock chips) identified during reconnaissance exploration within the WA Lake Johnston project. Caesium and rubidium also identified.

Energy

Greenpower Energy (GPP)

Unsolicited, indicative proposals received for the OHD fertiliser project, including commercial IP and a distribution licence.

Carnarvon Petroleum (CVN)

WA-435-P JV Phoenix South-2 drilling expected to commence early-November, with the rig due onsite within the next week. Phoenix-1 was declared an oil discovery two years ago. This year, CVN's nearby Roc-1 and Roc-2 have each been deemed gas-condensate discoveries. CVN 20%; Quadrant 80%.

Overnight, **Philips** reported an 18% higher September quarter profit.

Kimberly-Clark (Kleenex, Huggies) leaked some, on reduced sales guidance.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1264	oz	-0.4	-0.3
Silver (NY) (Dec)	17.6	oz	0.1	0.6
Gold (LON)	1266	oz		
Platinum	938	oz	7	0.8
WTI Crude (Dec)	50.5	bbl	-0.4	-0.7
Brent Crude	51.5	bbl	-0.3	-0.6
Iron Ore (Tianjin)	58.7	t	0.3	0.5
Copper (LME)	4638	t	3	0.1
Nickel	10105	t	145	1.5
Aluminium	1631	t	6	0.3
Lead	2022	t	22	1.4
Zinc	2312	t	51	2.2
Tin	19975	t	50	0.3
CBT Wheat (Dec)	4.03	bshl	-0.12	-2.9

Commodities Commentary

Oil – traded lower overnight, following a US Gulf Coast 400,000bbl/d **pipeline** shutdown and reports **Iraq** was refusing to commit to any production easing. In addition, a North Sea 180,000bbl/d operation is due to recommence today or tomorrow following a one-month maintenance shutdown.

The **\$US** at a nine-month peak perhaps was the strongest detractor, however.

Gold – overnight trade hurt by a yet stronger \$US, boosted by some positive **US** corporate activity and an encouraging manufacturing report.

In addition, a key gold-based ETF reported significant exit activity for Friday last week, and Comex full-week data demonstrated a three-week long dumping of longer positions.

Base metals – China's 8% higher September iron ore imports (reported yesterday), the euro zone's resilient October PMI estimate, and some LME warehouse statistics helped support overnight trade. This, despite a robust \$US and weak trade data earlier yesterday out of Japan.

A 1.3-point manufacturing PMI improvement for Japan to 51.7, was well-received, however.

Codelco reduced its price for sales to Europe, constraining *copper* interest on over-supply angst.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7598	-0.0015	-0.20
EUR – USD	1.0873	-0.0008	-0.07

Australian Data Today

ANZ/RoyMgn	Consumer sentiment	23 Oct
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US Data Tonight

S&P/Case-Shiller house prices	Aug
FHFA house price index	Sep
Conf Board consumer confidence	Oct
Richmond Fed manufacturing	Oct

Pre-Open Announcements

Greencross Ltd (* GXL)

AGM today. Address and presentation lodged.

Southern Cross Electrical Engineering (SXE)

Expecting a \$2M underlying NPAT loss for 1H FY 2017, due to slower-than-anticipated work ramp-up. Anticipating a 2H profit however, and a \$4M - \$5M FY 2017 underlying NPAT. AGM today. Presentation and address lodged.

Macmahon Holdings (* MAH)

Shareholder letter lodged post-trade yesterday, highlighting the company's 30 November AGM and acknowledging a difficult lead-up.

Duet Group (DUE)

DUE's DBP (WA Dampier-Bunbury Pipeline) has secured \$500M worth of debt facilities, in order to refinance debt due to mature this year.

UGL Ltd (UGL)

Non-executive director Richard Humphry AO has retired from the UGL board, as flagged in August. Mr Humphry joined the UGL board in 2004.

CFOAM Ltd (* CFO)

Inorganic carbon material developer scheduled to list 11am AEDST tomorrow following a \$9M IPO at 20c per share. Michael Placha holds 12.83%; Touchstone Research Laboratory 9.83%.

VEEM Ltd (* VEE)

Marine engineer scheduled to list 1pm AEDST tomorrow following a \$5M IPO at 50c per share. VEEM Corporation (Miocevich family) holds 61.5%; JP Morgan 6.5%; Pershing 5.75%; National Nominees 5.38%; HSBC 3.88%; UBS 3.67%.

Resources

Australian Vanadium (* AVL)

Pilot vanadium electrolyte plant expected to arrive in WA from the UK within 10 days. Test work is ready to commence, once the facility is installed, using globally-sourced vanadium pentoxide samples.

Energy

Central Petroleum (CTP)

Road show presentation lodged post-trade yesterday.

ADX Energy (* ADX)

Additional Nilde oil field data, combined with a consultancy review, suggest a possible doubling of the oil-in-place resource to ~300MMbbl. Details and farm-out plans lodged this morning.

Trading Halts

Company	Code	Resuming
Carbon Energy	CNX	25 Oct
Equus Mining	EQE	25 Oct
Alto Metals	AME	26 Oct
Antipa Minerals	AZY	26 Oct
BrainChip Holdings	BRN	26 Oct
Clean Seas Tuna	CSS	26 Oct
Cooper Energy	COE	26 Oct
Doray Minerals	DRM	26 Oct
MGM Wireless	MWR	26 Oct

**Other Overseas Data Today & Tonight**

Japan	Economic report	Oct
UK	GDP (prelim)	Sep Q
Germany	IFO business climate	Oct

Need More Information?

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Red Mountain Mining	RMX	26 Oct
Rent.com.au Ltd	RNT	26 Oct
TV2U International	TV2	26 Oct
APN News & Media	APN	27 Oct

Suspensions (selected)

Company	Code	Since
Australian Whisky Holdings	AWY	20 Oct
Cabral Resources	CBS	19 Oct
Cleveland Mining Company	CDG	3 Oct
Enerji Ltd	ERJ	20 Oct
Freshtel Holdings	FRE	6 Oct
Nkwe Platinum	NKP	18 Oct
Omni Market Tide	OMT	19 Oct
Orinoco Gold	OGX	12 Oct
Target Energy	TEX	13 Oct
Tawana Resources	TAW	24 Oct
Transerv Energy	TSV	25 Oct
Tiger Resources	TGS	19 Oct
Unilife Corporation	UNS	30 Sep
Volta Mining	VTM	17 Oct
Wangle Technologies	WGL	18 Oct
Zamia Metals	ZGM	3 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
RIC	Today	2.5	100	3.09
CUP	Tomorrow	2	100	9.47
BOQ	Thu	38	100	6.79
CBL	Thu	~2.83	0	1.83
CLV	Thu	0.5	100	1.15
JYC	Thu	6	100	3.97
AOD	Fri	0.36	94.44	6.20
PMV	Fri	25	100	3.19
FNP	31 Oct	2.25	100	0.84
HVN	31 Oct	17	100	5.71

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ACX	AGM
	BGA	AGM
	BEN	AGM
	DXS	Sep Q
	GXL	AGM
	GUD	AGM
	LOV	AGM
	MMS	AGM
	MGR	Sep Q
	SRX	AGM
	TAH	AGM
	WOR	AGM
Tomorrow	AQG	Sep Q
	BKN	AGM
	DXS	AGM
	EPW	AGM
	IGO	Sep Q
	OEC	AGM

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	SGP	AGM
	WES	Sep Q
Thu	AAD	AGM
	APA	AGM
	BKL	AGM
	BPT	Sep Q
	CGF	AGM
	CWY	AGM
	CTD	AGM
	HGG	Sep Q
	JBH	AGM
	MML	Sep Q
	NAB	Full-year
	NCM	Sep Q
	OGC	Sep Q
	REH	AGM
	SFR	AGM
	SGF	AGM
	SFH	AGM
	SDF	AGM
	TGR	AGM
	TTS	AGM
	UGL	AGM
	WHC	AGM
Fri	AMP	Sep Q
	ASB	AGM
	ASL	AGM
	CAR	AGM
	GWA	AGM
	MQG	Interim
	MGC	AGM
	REG	AGM
	SGR	AGM
	WOW	Sep Q