

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5898</b>	<b>15</b>	<b>0.3</b>
<b>NZX 50</b>	8112	-18	-0.2
<b>DJIA Futures</b>	23389	-14	-0.1
<b>S&amp;P 500 Futures</b>	2565	-3	-0.1
<b>NASDAQ Futures</b>	6075	-5	-0.1

## Local Markets Commentary

The Australian market commences mid-week trade ahead of a quarterly domestic CPI update, amid a swathe of large-cap September quarter reports and AGM updates, and on some positive key commodities leads.

The Australian Bureau of Statistics is due to release September quarter **CPI 11.30am** AEDST.

The **\$A** ultimately trod water overnight after falling below US77.80c early yesterday evening, but is likely to move today, on the CPI report and associated commentary.

In overnight commodities trade, **oil** rallied. **US gold** were pushed lower. **Iron ore** turned higher. **LME copper** continued so and **nickel** rallied further.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>23442</b>	168	<b>0.7</b>
<b>S&amp;P 500</b>	2569	4	<b>0.2</b>
<b>NASDAQ</b>	6598	12	<b>0.2</b>
<b>FTSE 100</b>	7527	2	<b>0.0</b>
<b>DAX 30</b>	13013	10	<b>0.1</b>
<b>Shanghai Comp</b>	3388	8	<b>0.2</b>

## Overseas Markets Commentary

Major European and US equities markets trade again differed overnight, amid closely-watched data releases, ongoing reporting seasons, and speculation regarding the next Federal Reserve chairman and likely European Central Bank plans.

European trade vacillated, but US indices mostly opened higher and largely maintained gains, buoyed by large-cap corporate results, enthusiasm for new index records and the promise of more information, perhaps by the end of the week, on proposed tax changes.

Initial **euro zone** October PMIs came in mixed, the manufacturing index rising 0.5 to 58.6, and the services sector reading falling by 0.9 to 54.9.

In **Germany**, the manufacturing reading was 0.1 lower, at 60.5, and services estimate 0.4 down, to 55.2.

Meanwhile, euro zone **bonds** were sold down ahead of Thursday's European Central Bank (ECB) policy meeting, expected to deliver new information on the bond purchase program.

Markit PMIs for the **US**, indicated increased activity in both the manufacturing and services sectors, initial estimates reported at 54.5 (+2.1) and 55.9 (+0.6) respectively.

**Tonight** in the US, durable goods orders, new home

**Australia** – September quarter CPI due **11.30am** AEDST

\* **Biotech sector listing 11am** AEDST – **CP1** \*

## Today's Stock Watch

### Wesfarmers Ltd (WES)

Total Coles sales revenue fell 0.3% year-on-year during the September quarter, to \$A9.37B. Bunnings Australia and New Zealand sales improved 11.5% to \$2.96B. Sales for the UK and Ireland tumbled 17.5% to \$457M. Kmart recorded a 9% rise to \$1.36B and Target a 6.4% drop to \$602M. Officeworks revenue rose 7.8% to \$497M.

### Qantas Airways (QAN)

September quarter update expected.

### Boral Ltd (BLD)

Raising \$US950M in a two-tranche offer of notes rated Baa2 and BBB by Moody's and S&P respectively. Details lodged this morning.

### Fletcher Building (FBU)

The FBU board has appointed former UGL CEO Ross Taylor as FBU CEO, effective November.

Lowering full-year earnings guidance by 5%. Today's AGM presentation, including operational statistics, lodged this morning. Resuming from a trading halt. Last traded on the ASX at \$7.22.

### CannPal Animal Therapeutics (\* CP1)

Researching, developing and planning to commercialise medical cannabis products for animals. Scheduled to list **11am** AEDST following a \$6M IPO at 20c per share. ~37.55M shares on issue. Top 20 shareholders include Citicorp, CS Third, HSBC, National, Pershing and UBS nominees.

## Resources

### Independence Group (IGO)

Nova nickel and copper production rose 82% and 39% respectively during the September quarter. Produced 3% more Tropicana gold and 10% more Jaguar zinc. Jaguar copper and Long nickel output dropped 53% and 24% respectively. Income rose 28% for the quarter to \$A146.6M. \$A29.1M cash. \$A171.4M debt. Presentation lodged.

### Volt Resources (VRC)

Targeting \$US30M in a bond issue in Tanzania, in support of the Bunyu graphite project. VRC plans to be producing by the end of 2018, at a rate of 20,000tpa.

## Energy

### Wesfarmers Ltd (WES)

Curragh (WES 100%) September quarter metallurgical coal production rose 3.9% for the quarter and 28.7% year-on-year, to 2.12Mt. Steaming coal output fell 12.6% and 10.3% respectively, to 887,000t.

Attributable Bengalla (WES 40%) steaming coal production fell 6.6% for the quarter, but rose 10.3% year-on-year, to 896,000t.

Bengalla production is up 4.1% for the year to date, Curragh steaming output 13.1% and Curragh metallurgical 31.9%.

### Whitehaven Coal (WHC)

September quarter operational statistics anticipated today.

sales, a house price index and weekly mortgage applications are due.

Antofagasta, Boeing, Coca-Cola, GlaxoSmithKline, LG Display and Visa are among companies scheduled to report earnings later today or tonight. Lloyds is due to provide a trading update.

In overnight corporate news, **Caterpillar** was pushed 5% higher on pleasing sales and better-than-anticipated profit, plus a welcome forecasts boost.

**3M** traded ~7% higher on its headline figures.

Likewise, drug developer and marketer **Novartis** fared well.

**McDonald's** revenue fell 10%, but this and earnings headlines met expectations, buoyed by US sales.

**General Motors'** revenue was down 14%, but the manufacturer achieved profit across all divisions for the first time in three years.

**Lockheed Martin's** quarter undershot forecasts, but a lift in earnings guidance appeared to support the stock.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1278</b>	oz	-0.3	<b>-0.2</b>
<b>Silver (NY) (Sep)</b>	17.0	oz	-0.1	<b>-0.7</b>
<b>Gold (LON)</b>	1276	oz	2	<b>0.1</b>
<b>Platinum</b>	921	oz	-2	<b>-0.2</b>
<b>WTI Crude (Nov)</b>	<b>52.5</b>	bbl	0.6	<b>1.1</b>
<b>Brent Crude (Nov)</b>	<b>58.3</b>	bbl	0.9	<b>1.7</b>
<b>Iron Ore (CHN port 62%)</b>	<b>62.4</b>	t	0.4	<b>0.7</b>
<b>Copper</b>	<b>7036</b>	t	32	<b>0.5</b>
<b>Nickel</b>	11995	t	135	<b>1.1</b>
<b>Aluminium</b>	2155	t	18	<b>0.8</b>
<b>Lead</b>	2468	t	-32	<b>-1.3</b>
<b>Zinc</b>	3177	t	48	<b>1.5</b>
<b>Tin</b>	19877	t	202	<b>1.0</b>
<b>CBT Wheat (Dec)</b>	<b>4.38</b>	bshl	0.01	<b>0.2</b>

### Commodities Commentary

**Oil** – WTI crude notably achieved its highest settlement in six months.

Saudi Arabia promoted flexibility and more than one option for the future of the production curb agreement due to expire 31 March 2018, and maintained the nation remained determined to help achieve market balance.

Weekly US petroleum inventories as calculated by government agency EIA are due tonight.

**Gold** – positive US equities sentiment, on corporate results and records contagion, plus heightened US Federal Reserve chair speculation, again compromised gold trade.

While swinging both slightly higher and lower, the \$US remained relatively strong.

**Base metals** – China growth enthusiasm continued following a key day for the National Congress.

Manufacturing PMIs for Japan, the euro zone and US, reported yesterday and overnight, indicated a slowdown for Japan, but increased activity in the euro zone as a whole, and in the US.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7779	-0.0001	<b>-0.01</b>

## Pre-Open Announcements

### CIMIC Group (\* CIM)

September quarter operational statistics expected.

### Greencross Ltd (\* GXL)

CFO Warwick Thresher is proposing to leave GXL by 30 June 2018, in order to move back with his family to the UK.

Today's AGM chairman's speech and CEO presentation lodged.

### Elders Ltd (ELD)

Non-executive director James Jackson is retiring from the ELD board at the conclusion of the company's 14 December AGM.

### John Lyng Group (\* JLG)

Building and restoration services provider scheduled to list 11am AEDST tomorrow following a targeted \$22M IPO at \$1.00 per share. HSBC, JP Morgan, National, RBC and UBS nominees, plus Steadfast Group (ASX: SDF), are included among the top 12 shareholders.

## Resources

### Iron Mountain (\* INM)

September quarter finance report and presentation lodged, as prepared for US regulators (INM trading as NYSE: IRM).

Revenue rose 1.4% year-on-year on a constant \$C basis to \$C966M. Net income rose to \$C24M, from \$C8M. For the year-to-date, net income is at \$C164M, compared with \$C58M a year ago.

### AVZ Minerals (\* AVZ)

Drilling contractor secured for the initial 20,000m of a planned 40,000m diamond and RC drilling program within the Manono lithium project, Democratic Republic of Congo.

Drilling is expected to commence in December.

### Orinoco Gold (OGX)

12.6% OGX shareholder Joseph Pinto has been appointed as an OGX non-executive director.

Mr Pinto is chairman of Tyranna Resources (ASX: TYX) which holds 4.3% of OGX.

AngloGold Ashanti (ASX: AGG) is OGX's top shareholder, with ~16.1%.

## Energy

### Senex Energy (\* SXY)

Produced a net 180,000boe during the September quarter, 6% more than for the June quarter, but 14% less than a year ago.

Revenue rose 29% to \$12.8M, and represented a 28% improvement on the September quarter 2016 due to the average realised oil price rising from \$A53/bbl to \$A80/bbl.

Holding \$109.8M cash, after spending \$28.1M, mostly on the Western Surat gas project.

### Trading Halts

Company	Code	Resuming
Altech Chemicals	ATC	25 Oct
Brain Resource	BRC	25 Oct
DGO Gold	DGO	25 Oct
Echo Resources	EAR	25 Oct
Fremont Petroleum Corp	FPL	25 Oct
Greenpower Energy	GPP	25 Oct
Sheffield Resources	SFX	25 Oct
Sovereign Metals	SVM	25 Oct



**EUR – USD** 1.1770 0.0010 **0.08**

### Australian Data Today

ABS	CPI	Sep Q
DoEmplt	Skilled vacancies	Oct

### US Data Tonight

Durable goods orders	Sep
New home sales	Sep
FHFA house prices	Aug
MBA mortgage applications	20 Oct

### Other Overseas Data Today & Tonight

<b>UK</b>	GDP (initial)	Sep Q
<b>Germany</b>	IFO business climate	Oct

### Need More Information?

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Admedus Ltd	AHZ	26 Oct
Celsius Resources	CLA	26 Oct
Droneshield Ltd	DRO	26 Oct
Fletcher Building	FBU	26 Oct
HotCopper Holdings	HOT	26 Oct
MetalsTech Ltd	MTC	26 Oct
Nufarm Ltd	NUF	27 Oct

### Suspensions (selected)

Company	Code	Since
Arrowhead Resources	AR1	9 Oct
Cudeco Ltd	CDU	28 Sep
Hannans Ltd	HNR	24 Oct
Haoma Mining	HAO	18 Oct
Kinetiko Energy	KKO	5 Oct
Lantern Hotel Group	LTN	2 Oct
Neurotech International	NTI	13 Oct
SIV Asset Management	SAM	10 Oct
Soon Mining	SMG	23 Oct
Stargroup Ltd	STL	19 Oct
UltraCharge Ltd	UTR	18 Oct
XPD Soccer Gear Group	XPD	11 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>AKG</b>	Today	<b>0.5</b>	100	1.37
<b>RIC</b>	Today	<b>2.75</b>	100	2.95
TRA	Tomorrow	~2.32	100	0.00
CLV	Fri	0.75	100	1.94
KAT	Fri	0.5	100	2.68
PMV	Fri	27	100	4.04
AOD	30 Oct	0.33	100	7.86
JYC	30 Oct	6	100	4.06
CLX	31 Oct	1.75	100	3.33
HVN	31 Oct	12	100	6.55

### Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>CIM</b>	Sep Q
	<b>FBU</b>	AGM
	<b>GXL</b>	AGM
	<b>IGO</b>	Sep Q
	<b>QAN</b>	Sep Q
	<b>SXY</b>	AGM
	<b>SGP</b>	AGM; Sep Q
	<b>TGR</b>	AGM
	<b>WES</b>	Sep Q
	<b>WHC</b>	AGM
<b>Tomorrow</b>	ANZ	Full-year
	BAL	AGM
	BKL	AGM
	CWN	AGM
	FMG	Sep Q
	GUD	AGM
	JBH	AGM
	NCM	Sep Q
	NCK	AGM
	OGC	Sep Q



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**Fri**

REH AGM  
 SGR AGM  
 SDF AGM  
 TTS AGM

AMP Sep Q  
 APA AGM  
 ASB AGM  
 CAR AGM  
 GWA AGM  
 JHC AGM  
 MQG Interim  
 QAN AGM  
 REG AGM  
 RMD Sep Q  
 TAH AGM  
 WOR AGM