

Markets

SFE 200 Futures (9.30am AEST)	5878	-11	-0.2
NZX 50	8121	-1	-0.0
DJIA Futures	23300	-1	0.0
S&P 500 Futures	2559	0	0.0
NASDAQ Futures	6062	-3	-0.1

Local Markets Commentary

International equities leads are negative and commodities largely lacklustre as the Australian market opens today's trade.

Again, however, many large-cap stocks are providing updates and holding AGMs and a key economic indicator is due.

In addition, North Korea issued a Pacific Ocean hydrogen bomb test threat early morning (AEDST).

Locally today, September quarter trade prices are due **11.30am** AEDST.

In overnight commodities trade, **WTI crude** swung lower. Brent crude and US **gold** futures settled slightly higher. **Iron ore** (China port, 62% Fe) turned a little lower. LME **copper** pulled back moderately and **nickel** fell.

The **\$A** traded in a narrow range after tumbling below US77.05c early yesterday evening.

This morning, **New Zealand** has reported a greater-than-expected \$NZ1.14B September trade deficit, pushing the 12-month deficit to \$NZ2.9B.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23329	-112	-0.5
S&P 500	2557	-12	-0.5
NASDAQ	6564	-35	-0.5
FTSE 100	7447	-79	-1.1
DAX 30	12953	-60	-0.5
Shanghai Comp	3397	9	0.3

Overseas Markets Commentary

Major European and US equities markets turned lower overnight, amid a myriad of earnings reports, commentary regarding US tax changes, speculation of European Central Bank moves tonight and of the likely appointee to chair the Federal Reserve.

There was much more to consider, however, Pre-trade, Toyota had issued a warning to **UK** negotiators, concerned at the profitability of the company's UK operations and investment plans, should a less-than-optimal trade and tax deal be effected with the European Union.

Pacific trade and security issues were also in mind, **China's** president and Communist Party general secretary Xi Jinping yesterday signalling he was preparing to remain in power for 10 years. Further, a five-member change within the seven-strong politburo standing committee indicated a bolstering of support for his views.

In late-US trade, **North Korea** had vowed to test an even 'stronger' hydrogen bomb in the Pacific

Australia – September quarter trade prices **11.30am** AEDST

RBA – deputy governor Guy Debelle presents the Warren Hogan memorial lecture under the title 'Uncertainty' **6.45pm** AEDST, Sydney

* Building services listing **11am** AEDST – **JLG** *

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ)

12% higher, \$A6.41B full-year NPAT. 18% higher, \$6.94B cash profit. Credit impairments dropped 38% to \$1.2B. Flat, 80c fully-franked final dividend. 10.6% tier 1 capital ratio. \$2.108 EPS.

Considering a buy-back following asset sales.

Qantas Airways (QAN)

September quarter revenue rose 5.1% year-on-year to \$4.19B. Anticipating \$900M - \$950M 1H FY 2018 underlying pre-tax profit, against \$852M for 1H FY 2017.

Isentia Ltd († ISD)

Forecasting \$133M - \$138M FY 18 revenue and \$32M - \$36M EBITDA. September quarter revenue has fallen ~5% year-on-year on mixed trading conditions.

In addition, ISD is proposing to sell the King Content business. Further, ISD has achieved a settlement in Federal Court proceedings brought by ISD against Meltwater.

A teleconference was scheduled to commence 9am AEDST. Access details lodged this morning.

The Star Entertainment Group (SGR)

Revenue is down 12.4% year-on-year for FY 2018-to-date. Normalised revenue has grown 4.0%. Today's AGM speeches and presentation lodged.

Crown Resorts (CWN)

Plenty of regulatory questions anticipated at CWN's AGM in Melbourne today. Presentation and chairman's speech lodged.

Woolworths Ltd (WOW)

The Australian Competition & Consumer Commission (ACCC) is due to announce its decision on WOW's BP service stations plan.

John Lyng Group (* JLG)

Building and restoration services provider scheduled to list **11am** AEDST following a \$95.77M 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

Fortescue Metals Group (FMG)

Shipped 44Mt of iron ore during the September quarter, against 43.8Mt a year ago, and 44.7Mt for the June quarter. \$US12.15/t (wet) C1 cash cost, against \$US13.55/t a year ago and \$US12.16/t for the June quarter. \$US2.3B cash on hand. \$US4.4B gross debt.

Newcrest Mining (NCM)

Produced 523,000oz of gold during the September quarter, down 5.2% for the three months. Copper output rose 28.6% to 17,000t. Achieved a \$US1304/oz realised gold price against an \$US898/oz AISC. Copper was sold at \$US2.89/lb.

Ocean, while issuing another threat to the US.

Earlier in the **Middle East**, Iraqi Kurdistan had offered to suspend its independence push, but Iraq's leaders vowed to continue to fight for Kurdish territory.

Among significant data releases, **UK** September quarter GDP growth was estimated at 0.4% for the three months and 1.5% on an annual basis, slightly above expectations.

US September home sales were reported 18.9% higher, at a 10-year peak.

Durable goods orders also surprised on the upside, rising 2.2%.

A business survey in **Germany** gauged climate, conditions and expectations higher than forecast.

Tonight in the US, weekly new unemployment claims, September pending home sales, wholesale inventories and goods trade balance, plus a regional manufacturing index are due.

The US House of Representatives is also scheduled to vote on a budget plan approved Thursday last week by the US Senate.

The **European Central Bank** (ECB) holds a policy meeting, and will announce keenly anticipated outcomes via an initial statement, followed by a press conference with president Mario Draghi.

On the corporate front, another set of high-profile results is due.

Alphabet, Amazon, Baidu, China Construction Bank, China Eastern Airlines, Ford Motor Co, Hyundai Motor, Intel, LG Electronics, Microsoft, POSCO, Twitter and ZTE are among companies scheduled to report earnings later today or tonight.

In overnight corporate news, mixed results came in for large-cap industrials, consumer, pharmaceutical, finance and mining stocks.

Private equity group **Carlyle** named two CEOs and a second chief investment officer, signalling succession plans were on the move.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1279	oz	0.7	0.1
Silver (NY) (Sep)	17.0	oz	-0.0	-0.1
Gold (LON)	1275	oz	-1	-0.1
Platinum	921	oz	0	0.0
WTI Crude (Nov)	52.2	bbl	-0.3	-0.6
Brent Crude (Nov)	58.4	bbl	0.1	0.2
Iron Ore (CHN port 62%)	62.2	t	-0.2	-0.3
Copper	7010	t	-26	-0.4
Nickel	11865	t	-130	-1.1
Aluminium	2186	t	31	1.4
Lead	2488	t	20	0.8
Zinc	3191	t	14	0.4
Tin	19890	t	115	0.6
CBT Wheat (Dec)	4.36	bshl	-0.03	-0.6

Commodities Commentary

Oil – the EIA's weekly US petroleum inventories report surprised with an 856,000bbl rise for crude, following forecasts of up to a 2.2MMbbl drawdown. Earlier, Iraq's Kurds had offered to suspend an independence push.

Gold – continued lower early, in part due to some stronger-than-expected US economic indicators.

Prices recovered as equities sentiment was revealed decidedly lower, the \$US slipped, and as select US

Pre-Open Announcements

Emeco Holdings (* EHL)

7% higher, \$A31.2M September quarter operating EBITDA. Additional statistics lodged this morning.

Auckland International Airport (* AIA) / Challenger Ltd (* CGF)

Speeches and presentations lodged for today's AGMs.

Aurizon Holdings (* AZJ)

Former MMG COO Marcelo Bastos has been appointed as an AZJ non-executive director, effective 15 November.

Spark Infrastructure (* SKI)

Investor presentations scheduled in north America for tomorrow through Thursday next week.

Presentation lodged post-trade yesterday.

Jumbo Interactive (JIN)

AGM CEO presentation lodged post-trade yesterday.

DigitalX Ltd (DCC)

In response to an ASX price and volume query, DCC suggests road show promotions and media interest may be responsible. DCC has experienced high-volume trade while appreciating 41.2% Monday, dropping 13.5% Tuesday and rising 28.6% yesterday. DCC settled at 9.9c yesterday after closing out last week at 6.3c.

CannPal Animal Therapeutics (* CP1)

Researching, developing and planning to commercialise medical cannabis products for animals. CP1 completed its ASX listing yesterday following a \$6M IPO at 20c per share.

Opened at 19.5c and slipped to 15.5c before settling at 17c. ~3.4M of ~37.55M shares were traded across 138 transactions.

Resources

OceanaGold Corporation (* OGC)

September quarter update expected later today. Webcast teleconference scheduled for post-ASX trade.

Cudoco Ltd (* CDU)

Returning from extended suspended trade having secured an extension for the repayment of a \$HK80M loan from 31 October until 31 December.

In the meantime, CDU is negotiating a longer term financing facility.

CDU last traded at 37c.

Peak Resources (PEK)

Reporting strong interest in the balance ~18.375M share shortfall from the recent rights issue at 4c per share.

PEK raised ~\$1.55M of the potential ~\$2.74M in the offer plus subsequent initial shortfall take-up.

PEK's top shareholder Appian Capital Advisory maintained its 14.06% position. PEK directors also subscribed for their full entitlements.

PEK has traded at 4.4c – 5.3c for the week to date.

Havilah Resources (HAV)

Heralding South Australia Portia gold mine drilling results. Details lodged post-trade yesterday.

Energy

Cue Energy (CUE)

Produced a net 35,697bbl of oil and 464mmcuft of gas during the September quarter, down 25% and 9% respectively for the

government bond yields reached five-year highs.

Base metals – inventories, demand talk, some strong economic data, currency moves, and a general fall in equities sentiment all appeared to influence overnight trade, producing mixed outcomes.

China's September industrial profits and Japan's September CPI growth are due tomorrow, and despite events and data scheduled for tonight, could add some caution to trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7704	0.0005	0.07
EUR – USD	1.1816	0.0012	0.10

Australian Data Today

ABS	Trade prices	Sep Q

US Data Tonight

Initial jobless claims	21 Oct
Pending home sales	Sep
Wholesale inventories	Sep
Trade balance (goods, initial)	Sep
Kansas City Fed manufacturing	Oct

Other Overseas Data Today & Tonight

Germany	GfK consumer confidence	Nov
Euro zone	ECB policy statement	Oct

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three months.

Sales revenue fell 19% to \$6.3M, on \$US46/bbl and \$US7.06 per thousand cubic feet respective average realised prices.

Holding \$11.7M cash. Nil debt.

State One Analyst Comment

Vonex Ltd (NSX: VON)

IPO Subscribe 10c (Speculative)

Vonex is a junior telco, aiming to steal market share from the big boys.

VON is expected to list in two weeks with a minimum \$4M raise, supported by experienced industry players.

Growth potential is huge, even before some highly innovative new products.

The Vonex offer is scheduled to close 31 October (Tuesday next week).

For those considering investment in the Vonex IPO, the more turmoil in the NBN, the more it plays to the benefit of Vonex.

State One executive chairman Alan Hill

Trading Halts

Company	Code	Resuming
Admedus Ltd	AHZ	26 Oct
Celsius Resources	CLA	26 Oct
Droneshield Ltd	DRO	26 Oct
MetalsTech Ltd	MTC	26 Oct
Andromeda Metals	ADN	27 Oct
Inca Minerals	ICG	27 Oct
Nufarm Ltd	NUF	27 Oct
Orion Minerals	ORN	27 Oct
Predictive Discovery	PDI	27 Oct
Stonewall Resources	SWJ	27 Oct
Piedmont Lithium	PLL	30 Oct

Suspensions (selected)

Company	Code	Since
Altech Chemicals	ATC	25 Oct
Arrowhead Resources	AR1	9 Oct
Fremont Petroleum Corp	FPL	25 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

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Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
TRA	Today	~2.32	100	0.00
CLV	Tomorrow	0.75	100	1.85
KAT	Tomorrow	0.5	100	2.67
PMV	Tomorrow	27	100	4.02
AOD	Mon	0.33	100	7.86
JYC	Mon	6	100	4.14
CLX	Tue	1.75	100	3.33
HVN	Tue	12	100	6.65

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AIA	AGM
	ANZ	Full-year
	BAL	AGM
	BKL	AGM
	CGF	AGM
	CWN	AGM
	FMG	Sep Q
	GUD	AGM
	JBH	AGM
	NCM	Sep Q
	NCK	AGM
	OGC	Sep Q
	QAN	Sep Q
	REH	AGM
	SGR	AGM
SDF	AGM	
TTS	AGM	
Tomorrow	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	