

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5921</b>	<b>34</b>	<b>0.6</b>
<b>NZX 50</b>	8099	14	0.2
<b>DJIA Futures</b>	23371	-1	0.0
<b>S&amp;P 500 Futures</b>	2577	-2	-0.1
<b>NASDAQ Futures</b>	6215	0	0.0

## Local Markets Commentary

International influences on Australian market trade this week will include:

- central bank policy decisions in Japan, the UK and US;
- a potential US Federal Reserve chair nominee announcement;
- key economic indicators from China, the euro zone and the US; and
- a major five sessions of northern hemisphere corporate reporting.

In addition, among international political developments, since overnight Friday trade, **Iraq's** Kurdish regional president has stood down.

In the **US**, grand jury investigators have recommended initial charges in an investigation into Russian links to last year's US election, drawing a negative response from US president Donald Trump.

Elsewhere, **Spain's** national government officially dissolved Catalonia's government after the regional government declared independence, seized interim direct rule and called an election for 21 December.

Today's domestic markets trade commences following results and data-led gains for select international equities markets overnight Friday.

Commodities trade proved mixed.

US **gold** futures settled slightly higher. **Oil** rallied further. **Iron ore** (China port, 62% Fe) extended its latest decline. LME **copper**, **nickel** and **aluminium** fell.

The **\$A** appreciated beyond US77.75c after trading below US76.40c early Friday evening.

Locally today, a weekly capital city residential property price report is due pre-trade.

Regionally, **Japan** is expected to release September retail sales.

The Bank of Japan also commences a policy meeting, from which outcomes will be announced tomorrow.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>23434</b>	33	<b>0.1</b>
<b>S&amp;P 500</b>	2581	21	<b>0.8</b>
<b>NASDAQ</b>	6701	144	<b>2.2</b>
<b>FTSE 100</b>	7505	19	<b>0.3</b>
<b>DAX 30</b>	13218	84	<b>0.6</b>
<b>Shanghai Comp</b>	3417	9	<b>0.3</b>

## Overseas Markets Commentary

Major European and US equities markets were mostly buoyed by corporate results and US

Second last trading day of the month

## Today's Stock Watch

### National Australia Bank (NAB)

NAB has settled legal action brought by the Australian Securities & Investments Commission (ASIC) alleging Bank Bill Swap Rate (BSBR) trading breaches.

NAB admitted 12 trading breaches and, in association, licence breaches.

NAB is agreeing to an enforceable undertaking, paying a \$10M penalty, covering ASIC's costs totalling \$20M and donating \$20M to an ASIC-nominated financial consumer protection fund.

The impacts will be accounted for in NAB's 2017 results.

The settlement remains subject to Federal Court approval.

NAB is due to report full-year results Thursday (2 November).

### Macquarie Group (MQG)

Credit Suisse has re-rated MQG as outperform, from neutral.

### IMF Bentham (IMF)

Proposing to conditionally fund class action against the Australian Government's Department of Defence, in relation to alleged contamination caused by foam at the Tindal RAAF base, Northern Territory. IMF says it will use the group's new Australian investment vehicles to fund the case.

### The Hydroponics Company (THC)

THC subsidiary Canndeo has secured a medicinal cannabis licence from the Australian Government's Office of Drug Control, enabling the company to cultivate cannabis plants for medicinal use. THC is awaiting approval of a manufacturing licence.

## Resources

### Pilbara Minerals (PLS)

WA Pilgangoora lithium-tantalum project stage two off-take agreement finalised with Great Wall Motor Company, for 75,000tpa of spodumene concentrate over an initial five years and a potential 15.

In addition, Great Wall can secure a further 75,000tpa if it secures \$US50M worth of stage two expansion funding. Great Wall has completed the \$A28M PLS equity investment, also announced last month.

### Talisman Mining (TLM)

Debt funding of up to \$US20M secured for the WA Monty copper-gold project. Portal and decline construction underway. Initial production targeted by year's end 2018.

### Myanmar Metals (MYL)

Yandal Investments has converted loans and interest worth a total \$2.745M into ~82.5M MYL shares. This has boosted Yandal's MYL holding to ~16%, making Yandal MYL's largest shareholder.

## Energy

### AWE Ltd (AWE)

September quarter activities report anticipated today.

### Sino Gas & Energy (SEH)

\$US100M debt facility secured with Macquarie Bank (ASX: MBL). Development plans for the Sanjiaobei and Linxing PSCs, and September quarter operational statistics lodged this morning. Teleconference scheduled to commence 11am AEDST. Access details also lodged.

economic growth optimism overnight Friday.

**US** September quarter GDP growth surprised on the upside, an initial estimate coming in at 3.0% after 3.1% for the June quarter.

The final October University of Michigan consumer sentiment reading was estimated at 100.7, from 101.1.

**Germany's** September import prices were calculated 0.9% higher for the month and 3% higher year-on-year.

**Tonight** in the US, September personal income and spending and a Texas manufacturing index are due.

Companies scheduled to report earnings today and tonight include: Baoshan Iron & Steel, HSBC, Loews, Mondelez International and PetroChina. Glencore is expected to provide a trading update.

In overnight Friday corporate moves, **Alphabet** (owns Google), **Amazon**, **Intel** and **Microsoft** stocks were propelled higher by results reported post-US Thursday trade, supporting NASDAQ and S&P500 trade in particular.

US department store **JC Penney** traded up to 29% lower on our third quarter and full-year forecasts.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1272</b>	oz	2	0.2
<b>Silver (NY) (Sep)</b>	16.8	oz	-0.1	-0.4
<b>Gold (LON)</b>	1274	oz		
<b>Platinum</b>	915	oz	0	0.0
<b>WTI Crude (Nov)</b>	<b>53.9</b>	bbl	1.3	2.4
<b>Brent Crude (Nov)</b>	<b>60.4</b>	bbl	1.1	1.9
<b>Iron Ore</b> (CHN port 62%)	<b>60.1</b>	t	-1.4	-2.3
<b>Copper</b>	<b>6830</b>	t	-156	-2.2
<b>Nickel</b>	11580	t	-170	-1.4
<b>Aluminium</b>	2168	t	-22	-1.0
<b>Lead</b>	2423	t	-59	-2.4
<b>Zinc</b>	3173	t	-52	-1.6
<b>Tin</b>	19875	t	25	0.1
<b>CBT Wheat (Dec)</b>	<b>4.27</b>	bshl	-0.05	-1.0

### Commodities Commentary

**Oil** – Brent settled above \$US60/bbl for the first time in almost 28 months overnight Friday, with Saudi Arabia confirming it would promote an extension to the OPEC-led production curbs past March 2018.

A weekly US petroleum drill rig count included one additional operational oil rig.

**Gold** – equities in favour and another \$US rally to four-month peaks, further pressured gold trade overnight Friday. Prices settled higher for the session, but lower for the week.

This week's trade is expected to be swayed by policy outcomes from any or all of three central bank policy meetings, the expected presidential nomination of a new chairperson for the US Federal Reserve, and influential international data through to the US monthly employment report Friday.

**Base metals** – \$US strength appeared to damage overnight Friday trade sentiment, ahead of a week filled with potential marked currency swings, on data, results, monetary policy announcements and geopolitical scenarios.

China's September industrial profits (+27.7% year-on-year), Japan's September core CPI growth (+0.7%), and US September quarter GDP (+3.0%), each reported Friday, mostly exceeded

## Pre-Open Announcements

### The GO2 People (\* GO2)

Labour hire and recruitment services specialist scheduled to list 1.30pm AEDST tomorrow following a \$10M IPO at 20c per share.

Top-10 shareholders include JP Morgan Nominees Australia (9.16%), HSBC Custody Nominees (4.24%) and UBS Nominees (1.48%).

62.5M shares on issue.

## Resources

### Tawana Resources (TAW)

Michael Naylor is stepping down as a TAW executive director, and the company's CFO and company secretary, effective COB tomorrow.

Since January 2014, Mr Naylor has been a part-time consultant to TAW, but the company's finance workload has increased due to the development of the Bald Hill lithium and tantalum project.

Consequently, TAW will appoint a full-time CFO. TAW commercial manager and joint company secretary Craig Hasson will be interim CFO until an appointment is finalised.

### European Cobalt (EUC)

London road show presentation lodged this morning. In addition, EUC has lodged further channel sampling assays.

### West African Resources (WAF)

Resource upgrades lodged this morning for the Burkina Faso Sanbrado gold project M1 South and M5 deposits.

Three drilling rigs remain on site at M1 South. Six rigs are expected to be in operation at M5 during November.

### Castillo Copper (CCZ)

Heralding rock chip assays for samples collected from the Cangai copper mine, New South Wales.

## Trading Halts

Company	Code	Resuming
Buddy Platform	BUD	30 Oct
Caeneus Minerals	CAD	30 Oct
Galilee Energy	GLL	30 Oct
Liontown Resources	LTR	30 Oct
BrainChip Holdings	BRN	31 Oct
Hastings Technology Metals	HAS	31 Oct
Novonix Ltd	NVX	31 Oct
SportsHero Ltd	SHO	31 Oct
Vault Intelligence	VLT	31 Oct

## Suspensions (selected)

Company	Code	Since
Arrowhead Resources	AR1	9 Oct
Fremont Petroleum Corp	FPL	25 Oct
Haoma Mining	HAO	18 Oct
Neurotech International	NTI	13 Oct
Orion Minerals	ORN	27 Oct
SIV Asset Management	SAM	10 Oct
Soon Mining	SMG	23 Oct
Stargroup Ltd	STL	19 Oct



expectations.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7672	-0.0004	<b>-0.06</b>
<b>EUR – USD</b>	1.1595	-0.0017	<b>-0.15</b>

**Australian Data Today**

CLogic	Capital city house prices	28 Oct
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**US Data Tonight**

Personal income & spending	Sep
Dallas Fed manufacturing	Oct

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Retail sales	Sep
<b>UK</b>	Consumer credit	Sep
UK	Mortgage approvals	Sep
UK	Nationwide housing prices	Oct
<b>Germany</b>	CPI (prelim)	Oct
Germany	Retail sales	Sep
<b>Euro zone</b>	Business, consumer conf	Oct

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

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XPD Soccer Gear Group XPD 11 Oct

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>AOD</b>	Today	<b>0.33</b>	100	7.80
<b>JYC</b>	Today	<b>6</b>	100	4.09
CLX	Tomorrow	1.75	100	3.18
HVN	Tomorrow	12	100	6.67
D2O	Wed	2.3	75	2.11
FNP	Wed	2.25	100	0.96
BOQ	Thu	46	100	5.71
BPS	Fri	2.25	100	5.56

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>AWE</b>	Sep Q
	<b>RWC</b>	AGM
<b>Tomorrow</b>	AQG	Sep Q
	BPT	Sep Q
	BDR	Sep Q
	BEN	AGM
	CQR	AGM
	GPT	Sep Q
	IFN	Sep Q
	ING	AGM
	ISU	AGM
	ORG	Sep Q
	SYR	Sep Q
	WOW	Sep Q
	<b>Wed</b>	AMC
CSR		Full-year
MYR		Investor day
NHF		AGM
<b>Thu</b>	BLD	AGM
	CCP	AGM
	DOW	AGM
	FXJ	AGM
	NAB	Full-year
	PPT	AGM
	SWM	AGM
	TLS	Investor day