

Markets

SFE 200 Futures (9.25am AEST)	5420	-45	-0.8
NZX 50	7102	-22	-0.3
DJIA Futures	18044	-26	-0.1
S&P 500 Futures	2132	-3	-0.1
NASDAQ Futures	4819	-8	-0.2

Local Markets Commentary

The Australian market opens on decidedly negative US equities and mostly negative commodities leads.

In overnight commodities trade, US **gold** futures and oil turned lower. **Copper** also fell. **Iron ore** extended Monday's gains.

The **\$A** slipped after trading at ~US75.5c yesterday evening.

Locally today, a monthly consumer sentiment report is due, together with a leading employment indicator, June quarter construction sector activity and September debit and credit card transaction statistics.

Regionally, **Japan** releases machine tool orders and August current account details.

China's September trade statistics are anticipated tomorrow.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	18129	-200	-1.1
S&P 500	2137	-27	-1.2
NASDAQ	5247	-82	-1.5
FTSE 100	7071	-27	-0.4
DAX 30	10577	-47	-0.4
Shanghai Comp	3065	17	0.6

Overseas Markets Commentary

US equities markets fell on opening, dragging choppy, swinging major European equities lower, to all close at or near session lows.

US political angst toyed with sentiment, as did a robust \$US following another Federal Reserve regional president proclaiming a rate rise could likely be due before year's end.

A Bank of England policy maker noted the British pound could fall further than it had in recent sessions, and in response to such, the currency was pushed lower against both the \$US and euro.

A **US** a small business optimism index was reported slightly lower for a second consecutive month.

Tonight in the **US**, Federal Reserve September policy meeting minutes are keenly anticipated. An August job opportunities report and weekly mortgage applications are also due.

Domino's Pizza and CSX Corp are due to report results.

Overnight, **Alcoa** reported disappointing earnings and cut revenue guidance, pushing the stock ~11% lower.

Yesterday, **Samsung** suspended production and

* Commercialisation-focused listing **11am AEDST - PVL** *

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

Business Council of Australia (BCA) president and CBA non-executive director Catherine Livingstone AO has been appointed CBA's chairman-elect. Current chairman David Turner is retiring from the CBA board at year's end. Mr Turner will have been CBA's board head for seven years. He was appointed a CBA director in 2010. Ms Livingstone is a former Telstra (ASX: TLS) and CSIRO chairman, and was also Cochlear's (ASX: COH) CEO. She plans to retire her BCA role in November.

Australia & New Zealand Banking Group (ANZ)

Looking for a new chief human resources officer. Susie Babani has resigned, effective 30 November, after nine years in this role.

CSL Ltd (CSL)

AGM today.

Macmahon Holdings (MAH) / Newcrest Mining (NCM)

MAH is promising a 1H FY2017 guidance update once figures are better determined, but is sounding a warning. MAH has chosen to end its work in Calabar, Nigeria at the end of the month, rather than the original 2018 contract end-date. As previously reported, WA Telfer (NCM) project losses continue for MAH.

CIMIC Group (CIM)

CIM's CPB Contractors and alliance partners have achieved contractual close for \$330M worth of work on the WA Roe 8 project. The work comprises the design and construction of a 5km extension to the Roe Highway through south western Perth suburbs. CPB Contractors expects to realise \$235M from the work over three years.

Aurizon Holdings (AZJ)

Final 'access undertaking' in hand from the Queensland Competition Authority, for tariffs and the maximum revenue AZJ can extract from providing and managing access to the central Queensland coal rail transport network. AZJ is due to report for the September quarter and hold the company's AGM Tuesday next week.

Powerhouse Ventures (* PVL)

New Zealand-based commercialisation support specialist scheduled to list 11am AEDST following a \$10M IPO at \$1.07 per share. HSBC Custody Nominees 16.36%.

Resources

BHP Billiton (BHP) / South32 Ltd (S32)

UBS has cancelled BHP and S32 buy recommendations, replacing them with neutral ratings.

Alcoa Inc (AAI) / Alumina Ltd (AWC)

\$US166M September quarter AAI profit, against \$US44M a year ago. Revenue slipped to \$US5.2B, from \$US5.6B.

Lithium Australia (LIT)

The ANSTO Minerals-operated pilot plant using LIT's Sileach process is producing lithium carbonate on a continuous basis as of yesterday, using WA Lepidolite Hill project ore.

sales of Galaxy Note 7 phones.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1256	oz	-4	-0.4
Silver (NY) (Dec)	17.5	oz	-0.2	-1.0
Gold (LON)	1253	oz	-6	-0.5
Platinum	946	oz	-17	-1.8
WTI Crude (Dec)	50.8	bbl	-0.6	-1.1
Iron Ore (Tianjin)	56.5	t	0.7	1.3
Copper (LME)	4812	t	-37	-0.8
Nickel	10425	t	-95	-0.9
Aluminium	1679	t	-12	-0.7
Lead	2048	t	-53	-2.5
Zinc	2250	t	-78	-3.4
Tin	19825	t	-270	-1.3
CBT Wheat (Dec)	4.07	bshl	0.04	0.9

Commodities Commentary

Oil – **OPEC** and major non-OPEC producers are talking market stability while in Istanbul for an energy conference through Thursday.

Overnight, reports emerged that OPEC is looking for a minimum six months agreement.

The International Energy Association's (**IEA**) monthly report admitted no guarantee existed that internationally stockpiled crude, or indeed output, would fall, even if OPEC, with or without non-OPEC producers, negotiated some form of production constraint.

The IEA estimated global supply grew a daily 600,000bbl during September.

Meanwhile, OPEC is due to release its monthly market report tonight.

The (US industry) API weekly stockpiles report is also expected tonight, and EIA inventories tomorrow.

Brent crude settled at \$US52.41/bbl overnight, down 1.4% for the session.

Gold – \$US strength bruised precious metals sentiment overnight, ahead of FOMC September minutes which are expected to influence tonight's trade.

Base metals – a robust \$US hurt overnight trade, but not before *aluminium* traded at two-month peaks.

A proposed mine ramp-up in Peru also helped push *zinc* lower.

Reports again surfaced that *nickel* ore exports could resume from Indonesia.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7547	0.0008	0.10
EUR – USD	1.1056	0.0002	0.02

Australian Data Today

Wstpc/MI	Consumer sentiment	Oct
DoEmplyt	Employment indicator	Oct
ABS	Building, construction activity	JunQ
RBA	Credit, debit card transactions	Sep

Pre-Open Announcements

Ozforex Ltd (OFX)

Company secretary and investor relations head Linda Cox has resigned her company secretary role, effective 28 October. OFX general counsel Freya Smith has been appointed company secretary, effective immediately.

Praemium Ltd (* PPS)

Record September \$A354M Australian business inflow and total £81M (\$140M) international business inflow. £1B FUA.

Admedus Ltd (AHZ)

AHZ legal counsel Maja McGuire has also been appointed company secretary on the previously flagged departure of Stephen Mann.

Resources

Lucapa Diamond Company (* LOM)

The Angola Lulo diamond JV is reporting record September quarter production totalling 8853 carats, up 15% from a year ago. Details lodged this morning.

Sheffield Resources (* SFR)

56.1% ilmenite (TiO₂) achieved by low-temperature roasting during BFS test work using ore from SFR's northern WA Thunderbird mineral sands project.

Chalice Gold (CHN)

Proposing a farm-in to acquire Globex Mining Enterprises' 60% holding in the Nordeau gold project, Quebec, Canada. Details lodged this morning.

Independence Group (IGO)

Forum presentation lodged post-trade yesterday. IGO presented yesterday.

Energy

Origin Energy (* ORG)

The Beetaloo JV is officially reporting Amungee NW-1H (Northern Territory) as a gas discovery. Production testing is underway.

Deep Yellow (* DYL)

Tumas uranium project resource updated to 16.6Mt @ 366ppm U₃O₈, for 13.4Mlb of U₃O₈. This represents a 12% increase in metal content. 62% of the resource qualifies for measured status and 36% indicated.

TTE Petroleum (* TTE)

TTE has a LoI (and \$US20,000 fee) in hand, for Viceroy Petroleum to acquire a 75% working interest in, and operatorship of, the Blue Ridge field, Fort Bend County Texas. TTE retains the balance and an over-riding royalty interest.

State One Analyst Comment

Quickstep Holdings (QHL)

An investor presentation released to ASX yesterday showed just how much progress Quickstep is making in bringing a whole range of carbon fibre reinforced polymers to market.

A most significant development was the improvement in the net asset position from \$1.2M to \$14.2M, following the rights issue, with a closing cash balance of \$7.6M.

The order book at year end stood at \$125M, with a swag of potential new projects, across the auto and aerospace

**US Data Tonight**

MBA mortgage applications	7 Oct
Fed Reserve policy meeting minutes	Sep
JOLTs job openings	Aug

Other Overseas Data Today & Tonight

Japan	Machinery orders	Aug
Japan	Machine tool orders (prelim)	Sep
Japan	Current account	Aug
Euro zone	Industrial production	Aug

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

sectors, under discussion.

We are expecting sustained growth from Quickstep over the next five years.

State One executive chairman Alan Hill

Trading Halts

Company	Code	Resuming
Mount Ridley Mines	MRD	12 Oct
BC Iron	BCI	13 Oct
Exterra Resources	EXC	13 Oct
Kabuni Ltd	KBU	14 Oct

Suspensions (selected)

Company	Code	Since
Cleveland Mining Company	CDG	3 Oct
Cudoco Ltd	CDU	30 Sep
Drake Resources	DRK	23 Sep
Freshtel Holdings	FRE	6 Oct
Orinoco Gold	OGX	12 Oct
Unilife Corporation	UNS	30 Sep
Wolf Minerals	WLF	30 Sep
Zamia Metals	ZGM	3 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
KKT	Today	0.5	100	1.00
CCV	Tomorrow	1	100	8.00
MFF	Tomorrow	1	100	1.12
NUF	Tomorrow	7	0	1.18
NZM	Tomorrow	~2.85	0	4.33
SMX	Tomorrow	3	100	5.96
VELCP	Tomorrow	0.5	100	0.05
VELIN	Tomorrow	5.5	100	7.43
NHC	17 Oct	2	100	2.07
PRO	17 Oct	2	0	4.06
TPM	17 Oct	7.5	100	1.83
WAA	17 Oct	2.5	100	4.20
WAM	17 Oct	7.25	100	5.94
WAX	17 Oct	4.25	100	5.12

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	CSL	AGM
Tomorrow	ILU	Sep Q
	MFG	AGM
	ORA	AGM
	TCL	AGM; Sep stats
Fri	ARB	AGM
17 Oct	PDN	Sep Q
	SXY	Sep Q

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18 Oct	AZJ	AGM; Sep Q
	CGF	Sep Q
	COH	AGM
19 Oct	ANN	AGM
	BAL	AGM
	ORG	AGM
	SBM	Sep Q
	SSM	AGM
	TRS	AGM
	20 Oct	AIA
AMC		AGM
BXB		Sep Q
CIM		Sep Q
CWN		AGM
EVN		Sep Q
FMG		Sep Q
IOF		AGM
LLC		AGM
RIO		Sep Q
S32		Sep Q
SPO		AGM
SXL		AGM
SYD		Sep stats
WPL		Sep Q
21 Oct	BAP	AGM
	EVT	AGM
	HSO	AGM
	IAG	AGM
	JHC	AGM
	MQA	Sep Q
	OZL	Sep Q
	QAN	AGM
	RSG	Sep Q
	SKC	AGM
	STO	Sep Q