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## Morning Market Pulse - For your IPOs only

Mike van Dulken, Head of Research at Accendo Markets, commented to clients this morning:

**FTSE 100 Index called to open +20pts at 7492**, extending its rebound from yesterday's 25 Sept lows of 7444. Bulls likely need a break above 7500 to clear overnight highs and inspire confidence in a rebound towards recent 7555 highs. Bears require a breach of 7475 for another visit of yesterday's lows. **Watch levels: Bullish 7500, Bearish 7475**

**Calls for a positive open** are in spite of an uninspiring Wall St close (USMCA a bit naff-ta?) and a mixed bag in Asia overnight. While oil prices remain strong, supporting Energy names so do does concerns about the state of Italian politics and finances. Note Miners up in Australia overnight (helped by Oil and weaker USD helping commodities) but financials still under pressure.

In corporate news, aside from Aston Martin's IPO (see In Focus), Tesco Q2 UK life-for-like sales +2.5% beat 2.2% consensus but H1 group operating profits (pre-exceptionals) of £933m (+24%), misses £992m consensus (UK £685m [+47%] misses £710m est.); Statutory pre-tax profits +2%; div +67%; On track to reduce costs by £1.5bn; Firmly on track for medium-term ambitions.

Vodafone pays €2.4bn for 5G spectrum licenses in Italy, in an auction totalling €6.55bn. US Tobacco stocks were higher yesterday on news of a surprise FDA inspection into leading US e-cigarette maker Juul, amid concern about underage vaping. Comcast has secured \$40bn borrowing to pay for its acquisition of Sky.

BP forms strategic technology alliance with Norway's Aker in which it owns a 30% stake. Great Portland Estates quarterly combined annual rent +20%, lettings 6.5% ahead of Estimated Rental Value. Topps Tiles expects full year adjusted pre-tax profit marginally ahead of expectations. ITE reports trading significantly ahead of GDP growth and inflation combined.

In focus today will be the Aston Martin IPO, the first UK car maker to list in London since Jaguar in the 1990s. The target valuation of £4.3bn at 1900p/share is towards the lower end of the original 1750-2250p (£4-5bn) range, recently narrowed to 1850-2000p (£4.2-4.5bn). While today's target valuation would put it comfortably in the FTSE250, a 20% pop could see it fall within the crosshairs for FTSE100 blue-chip inclusion.

In terms of data, European PMI Services (8.15-9.30am) and Eurozone Retail Sales (10am) this morning, the former expected to confirm a mix of improvements, declines and stagnation in September (all still growing comfortably) while the latter rebounds from a soft July.

This afternoon, US ADP Employment Change (1.15pm) may regain some of the lost ground in August, although recent divergence means hints about what to expect from Friday's Non-Farm Payrolls may be limited.

US PMI Services (2.45pm) likely fell in September while ISM Non-Manufacturing (3pm) probably held firm (watch sub components jobs, prices) although Oil inventories (3.30pm) may have climbed which, if like last night's API they show a build, could hurt give rise for a pause in the oil rally.

Speakers today include UK Prime Minister May (12.45pm) at the Conservative Party conference where she will be at pains to convince the party (and Brexit) faithful that she has a plan to deliver on a successful UK exit from the EU. Watch GBP This afternoon/evening we have a selection of Fed speakers which could move USD and US equities.

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