

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7282	50	0.7
<b>NZX 50</b>	13063	38	0.3
<b>DJIA Futures</b>	34294	37	0.1
<b>S&amp;P 500 Futures</b>	4362	7	0.2
<b>NASDAQ Futures</b>	14797	32	0.2

**Local Markets Commentary**

The Australian market commences today's trade with public comments already delivered this morning by the Reserve Bank of Australia's (RBA) deputy governor, new material data in hand pre-trade from China and South Korea, an \$A appreciation, and influential data due for Australia and China by early afternoon.

Overnight international equities sentiment proved mixed but generally stronger.

**Locally** today, the Australian Bureau of Statistics (ABS) reports September **workforce** statistics, including jobs created and the unemployment rate, at **11.30am** AEDT.

**RBA** deputy governor Guy Debelle was scheduled to speak from 9am AEDT on *Climate Risks and the Australian Financial System*.

**Regionally** today, inflation is in focus.

**China** is scheduled to release September **CPI** and **producer prices** at **12.30pm** AEDT.

Pre-ASX trade, **South Korea** has reported September **export** and **import prices**, these coming in 20.2% and 26.8% higher year-on-year respectively, following 18.9% and 22.4% August increases.

Post-ASX trade yesterday, **China** reported 1660B yuan worth of **new lending** in September, from 1220B in August, but against expectations of 1790B yuan worth for September.

In overnight commodities trade, oil settled slightly lower.

US **gold** futures jumped, approaching \$US1795/oz.

**Iron ore** (China port CFR, 62% fines) fell further.

No LME price updates were available from IRESS at time of publication.

LME (3mth evening) **copper** reportedly rose ~2% however. **Nickel** was reported to have declined moderately. **Aluminium** reportedly settled little changed.

Comex copper rose 19c to \$US4.52/lb.

The **\$A** appreciated to ~US73.80c after trading at ~US73.60c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34378	-0.53	-0.0
<b>S&amp;P 500</b>	4364	13	0.3
<b>NASDAQ</b>	14572	106	0.7
<b>FTSE 100</b>	7142	12	0.2
<b>DAX 30</b>	15249	103	0.7

**Today's Stock Watch**
**Redbubble Ltd (RBL)**

Webcast teleconference scheduled to commence **10am** AEDT. September quarter gross transactional value (GTV) fell 21% year-on-year, to \$142M. \$109M cash balance. Additional statistics lodged pre-trade.

**Douough Ltd (DOU)**

Agreement secured for Zero Hash to integrate cryptocurrency wallet and trading services into the DOU app. Details lodged this morning.

**HUB24 Ltd (HUB)**

September quarter net inflows tallied \$3B. \$63.2B FUM. \$45.4B FUA.

**Resources**
**Strickland Metals (STK) / Gibb River Diamonds (GIB)**

Heralding Earraheedy Basin high-grade zinc-lead drilling results. Assays lodged pre-trade. STK 80%; GIB 20%.

**Adriatic Metals (ADT) / Sandfire Resources (SFR)**

Resuming from a trading halt with \$US52M conditionally secured in this week's £1.5174 placement in support of Vares silver project development, Bosnia & Herzegovina.

In addition, Orion has conditionally subscribed for \$US50M worth of ADT shares at \$A2.80 each.

Further, top ADT shareholder SFR is selling its ADT holding (~34.6M CDIs).

ADT traded at \$3.02 - \$3.35 on the ASX the five sessions immediately prior to calling the halt.

**Aeris Resources (AIS)**

RC and diamond drilling programs within the NSW Tritton copper – gold project Constellation deposit have returned high-grade copper intersections.

Assays and a conference presentation lodged post-trade yesterday.

**Encounter Resources (ENR) / BHP Group (BHP)**

Northern Territory Elliott copper project farm-in and JV agreement secured with the relevant project area increasing 60% to 7200sq km and BHP required to spend \$A25M (an additional \$3M) for a 75% holding.

**Energy**
**Whitehaven Coal (WHC)**

Produced 5.2Mt run-of-mine coal during the September quarter. Saleable coal output tallied 4.7Mt. Additional statistics lodged pre-trade.



Shanghai Comp 3562 15 0.4

## Overseas Markets Commentary

Trade sentiment diverged across major European, UK and US equities markets overnight, but most key indices ultimately recovered and steadied from early-trade vacillations, amid some material data releases and economic reports on both sides of the Atlantic and as large-caps began reporting September quarter earnings.

Other trader considerations included **China** property developer Evergrande, for which commentary abounded from earlier yesterday, given three weeks' of debt repayment misses.

Also yesterday, China's headline September trade figures had exceeded most forecasts.

Overnight, minutes from the **US Federal Reserve** September monetary policy meeting, revealed varying opinions on the likely timing for rate increases, ~50% of policy committee members foreshadowing by the end of 2022 and at least one not for 'the next couple of years'.

Inflation risks were also further discussed, again with differing views of the likely length of supply chain pressures, but also with additional upside risk on the back of energy supply constraints.

The process of winding back asset purchases was seen as commencing mid-November or mid-December should the committee decide to go ahead with 'tapering' at the 2 – 3 November policy meeting.

Meanwhile, G20 finance ministers and central bank heads meeting in Washington during this week's International Monetary Fund (IMF) and World Bank annual meetings, endorsed an OECD (136-nations) decision in favour of a 15% minimum international corporate tax rate.

The G20 meeting also produced a proposal for the IMF to set up a trust fund holding \$US650B of IMF reserves for granting to a greater range of nations considered vulnerable.

Overnight Tuesday, post-US trade, the US House of Representatives had voted for the temporary \$US480B raising of the US debt limit to \$US28.9 trillion, as approved by the Senate last week.

In overnight **data** releases, **UK** GDP was reported as having increased by 0.4% during August, following a 0.1% July contraction.

Year-on-year, the August GDP represented 6.9% growth.

Average GDP growth for the three months to the end of August came in at 2.9%.

UK August trade statistics included a £3.7B deficit from a £2.9B July shortfall, and against forecasts for a £2.8B new deficit.

Industrial production rose 0.8% in August, twice the forecast rate and following 0.3% July output growth.

Against August 2020, production was up 3.7%.

In the **euro zone**, August industrial production fell 1.6% for the month against a 1.4% July rise, but following expectations of a 1.2% decline.

Against August 2020, output was up 5.1%.

**Germany's** finalised September CPI confirmed a flat result for the

## Pre-Open Announcements

### Auckland International Airport (\* AIA)

August passenger numbers rose 68.4% year-on-year.

A September passenger numbers estimate indicates a 92.2% year-on-year drop.

### Chorus Ltd (CNU)

September quarter operational statistics, highlighting total fibre connections, lodged pre-trade.

## Resources

### Perseus Mining (\* PRU)

Côte d'Ivoire Yaouré mine infill and extension drilling results lodged pre-trade.

### Equinox Resources (\* EQN) / Pathfinder Resources (PF1) / Cazaly Resources (CAZ)

WA Pilbara iron ore explorer and PF1-CAZ spinoff EQN completed a successful ASX listing yesterday, following a \$9M IPO at 20c per share.

Opened at 31.5c and traded at 25c – 32c before settling at 26.5c.

2.453M shares changed hands across 260 transactions.

45M quoted shares.

PF1 held 36.65% on listing. CAZ subsidiary Lockett Fe held 15.71%.

EQN holds the 10.4sq km Hamersley iron ore project (ML47/1450) formerly owned by PF1 (70%) and Lockett Fe (30%).

## Trading Halts

Company	Code	Resuming
Bounty Oil & Gas	BUY	14 Oct
Charger Metals	CHR	14 Oct
Kingwest Resources	KWR	14 Oct
Neurotech International	NTI	14 Oct
Digital Wine Ventures	DW8	15 Oct
Firefly Resources	FFR	15 Oct
Jadar Resources	JDR	15 Oct
Titomic Ltd	TTT	15 Oct
Viagold Rare Earth Resources Holdings	VIA	15 Oct

## Suspensions (selected)

Company	Code	Since
4DS Memory	4DS	12 Oct
Kalina Power	KPO	12 Oct
Murray River Group	MRG	1 Oct
Stemcell United	SCU	29 Sep



month and 4.1% annualised inflation.

In the meantime, a 30-year bond auction notably produced a 0.35% yield from -0.04%.

In the **US**, the September CPI was calculated 0.4% higher for the month against expectations of a new 0.3% increase, the same as for August.

Against September 2020, the figures pointed to 5.4% inflation, against forecasts for 5.3%, again the same annualised rate as for August.

Weekly mortgage applications rose 0.2% after a 6.9% drop the previous week.

Mean average 30-year mortgage rates came in at 3.18% from 3.14%.

A 30-year US bond auction in the meantime delivered a 2.049% yield from 1.910%.

**Tonight** in the US, weekly new unemployment claims and September producer prices are due, together with the Treasury September budget statement.

Companies scheduled to report earnings later today or tonight include: Bank of America, Citigroup, Domino's Pizza Enterprise, Morgan Stanley, United Health, Walgreens Boots Alliance and Wells Fargo.

In overnight corporate news, **Apple** suffered from reports yesterday that semi-conductor shortages could force a pullback in targeted iPhone 13 production.

Investment banking fees supported **JPMorgan Chase** to better-than-forecast September quarter earnings.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1794.7</b>	oz	35.4	<b>2.0</b>
<b>Silver (NY)</b> (Dec)	<b>23.17</b>	oz	0.66	<b>2.9</b>
<b>Gold (LON)</b>	<b>1768</b>	oz		
<b>Platinum</b>	<b>1015</b>	oz	14	<b>1.1</b>
<b>WTI Crude</b> (NYMEX Nov)	<b>80.44</b>	bbl	-0.20	<b>-0.2</b>
<b>Brent Crude</b> (ICE EUR Dec)	<b>83.18</b>	bbl	-0.24	<b>-0.3</b>
<b>Iron Ore</b> (Qingdao) (CHN;62%f)	<b>124.17</b>	t	-4.83	<b>-3.9</b>
<b>Iron Ore</b> (Nymex)	<b>122.29</b>	t	-4.13	<b>-3.4</b>
<b>Copper</b> (LME 3mth Evening, 12 Oct)	<b>9459</b>	t		
<b>Nickel</b>	<b>18976</b>	t		
<b>Aluminium</b>	<b>3065</b>	t		
<b>Lead</b>	<b>2208</b>	t		
<b>Zinc</b>	<b>3263</b>	t		
<b>Tin</b>	<b>36448</b>	t		

### Commodities Commentary

**Oil** – overnight trade was influenced by two international reports and China's September trade figures.

China imported 15.3% less oil in September than for September 2020, this attributed to higher prices and sufficient stockpiles.

January – September imports fell 6.8% to 387.4Mt.

The figures also revealed a scramble to bolster **LNG** and **coal** stocks.

OPEC's monthly oil market report, released overnight, included a

Structural Monitoring Systems	SMN	8 Oct
Wiseway Group	WWG	1 Oct

### Ex-Dividend

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CIW</b>	Today	<b>1.5</b>	100	1.57
<b>D2O</b>	Today	<b>3.1</b>	100	3.91
<b>IPC</b>	Today	<b>6.25</b>	100	0.00
<b>LCE</b>	Today	<b>1.38</b>	100	0.00
HVN	Tomorrow	15	100	3.98
RHP	Tomorrow	13	100	0.60
BCN	Mon	0.13	100	5.88
CDM	Mon	3	100	3.57
KSC	Mon	3.5	100	3.43
PL8	Mon	0.5	100	3.84
TRA	Mon	4.74	85	5.27
WAA	Mon	3	100	5.44
WAM	Mon	7.75	100	6.51
WLE	Mon	3.5	100	4.41
SNC	Tue	2.75	100	4.88
CLT	Wed	0.3	0	0.00

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>ARB</b>	AGM
	<b>CNU</b>	Sep Q
	<b>DUG</b>	AGM
	<b>HUB</b>	Sep Q
	<b>IMD</b>	AGM
	<b>NUH</b>	AGM
	<b>LOV</b>	AGM (4.30pm)
	<b>SRG</b>	AGM
	<b>WHC</b>	Sep Q
<b>Tomorrow</b>	RIO	Sep Q (8.30am)
	TWE	AGM
<b>Mon</b>	TPW	AGM
<b>Tue</b>	DXS	AGM
	EBO	AGM
	FBU	AGM
	IEL	AGM
	SGP	AGM
	TAH	AGM



revised 2021 demand growth forecast, to 5.82MMbbl/d from 5.96MMbbl/d.

In addition, OPEC predicted 2021 demand would come in at 27.8MMbbl/d, 100,000bbl/d more than the previous forecast.

September OPEC member output was estimated at 27.33MMbbl/d, 490,000bbl/d greater than for August.

The International Energy Agency's (EIA) annual *World Energy Outlook* report, also published overnight, promoted quickening the pace of transition to greater clean energy use from fossil fuels.

The EIA's monthly oil market publication is anticipated tonight.

A weekly US petroleum inventories report from US government agency the EIA is also expected tonight.

Overnight post-US trade, the American Petroleum Institute issued a report estimating a 5.213MMbbl build in crude stocks last week.

**Gold** – CPI and GDP updates, together with the minutes from the September US Federal Reserve policy meeting (post-Comex settlement), combined to swing overnight \$US (ICE \$US index - 0.4%) and gold trade.

A jump in Comex futures spawned by a weaker \$US and vacillating equities risk sentiment produced technical stops prior to settlement, constraining earlier price gains.

**Base metals** – overnight trade was influenced by a new production directive from China and China's September trade statistics, plus production impacts from international energy supply and price issues and a \$US pullback.

Nystar revealed it would cut production at three *zinc* smelters in Europe (producing a total 690,000tpa) by as much as 50% due to energy prices.

China has declared steel mills across 28 northern cities must cut 1 January – 15 March 2022 output by 30% from levels for the same period this past year. This appeared to replace expectations of certain cuts by 31 December this year.

Meanwhile, China's January – September iron ore imports were reported yesterday at 841.95Mt, down 3% year-on-year.

September iron ore imports came in at 95.61Mt, down 2% from August's 97.49Mt, and against 108.55Mt for September 2020.

**China's** headline September **trade** figures, reported yesterday, included a \$US66.76B trade surplus from \$US58.33B for August.

Exports rose 28.1% year-on-year, exceeding forecasts for a 21% increase.

Imports grew 17.6%, against expectations of a 21% rise.

China's September *copper* imports were reported higher for the first time in six months.

China's September producer prices are scheduled for release today.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7380	0.0040	0.55
<b>EUR – USD</b>	1.1598	0.0045	0.39

#### Australian Data Today

ABS Workforce (incl jobs, wages, participation, unemployment) Sep



**US Data Tonight**

PPI	Sep
Initial jobless claims	9 Oct
Treasury budget	Sep

**Other Overseas Data Today & Tonight**

<b>China</b>	CPI	Sep
China	PPI	Sep
<b>South Korea</b>	Export & import prices	Sep
<b>Japan</b>	Industrial production (final; 3.30pm AEDT)	Aug
<b>UK</b>	BoE credit conditions	Sep

**Need More Information?**

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