

Markets

SFE 200 Futures (9.30am AEDT)	6203	39	0.6
NZX 50	12429	-4	-0.0
DJIA Futures	28512	104	0.4
S&P 500 Futures	3478	16	0.5
NASDAQ Futures	11880	82	0.7

Local Markets Commentary

The Australian market opens a new week's trade with a batch of influential data due out of China, and post-overnight Friday international equities trade developments on issues influencing international market sentiment last week.

These include renewed hope for a new **US economic support** package, and reports the UK and EU will negotiate later today a possible revision to the UK's controversial proposed 'internal market' legislation.

Since overnight Friday trade, the US president has reiterated preparedness to sign into effect new stimulus before the 3 November election. The Congress House of Representatives speaker has agreed the possibility, pending agreement by Tuesday night. US futures have subsequently turned higher.

In addition, a media report has claimed the European Commission's VP and the UK's cabinet office minister will meet later today to discuss issues prompting an impasse in trade negotiations.

Moody's in the meantime downgraded its credit rating for the UK by one rank to Aa3, citing expected ongoing weaker economic growth due mostly to Covid-19 impacts.

For its part, Standard & Poor's warned it could downgrade ratings for many countries during the next year, including Japan, the UK, US and European Union nations.

Regionally today, China is due to reveal September quarter GDP, January – September fixed asset investment, September industrial production and September retail sales at 1pm AEDT.

Post-ASX trade Friday, China announced September **foreign direct investment** (FDI) that was 5.2% higher than for September 2019, against forecasts of a 3.7% increase.

Japan is due to publish September trade figures 10.50am AEDT.

In mixed Friday overnight commodities trade, **oil** continued to settle lower.

US **gold** futures (August) closed slightly down.

Iron ore (Nymex CFR China, 62% Fe) turned modestly higher, trading above \$US121.10.t

LME **copper** swung lower and **nickel** higher. **Aluminium** extended Friday's gain.

The **\$A** was pushed back to ~US70.75c trading at ~US70.85c early Friday evening.

Earlier this morning, the \$A traded beyond US70.80c again.

China - GDP, fixed asset investment, industrial production and retail sales updates – 1pm AEDT

Today's Stock Watch

Ampol Ltd (ALD)

\$58M September quarter RCOP (exclusive of significant items, against \$79M for the June quarter and following \$154M for the September quarter 2019.

HCOP NPAT estimated at \$129M from a \$597M net loss for the June quarter and \$40M profit for the September quarter 2019. September quarter results include a \$1M forex gain, against a \$15M gain for the June quarter.

CIMIC Group (CIM)

Selling 50% of Thiess for \$A1.7B - \$A1.9B anticipated realised cash. The deal with Elliott Advisors (UK) values Thiess at \$4.3B.

Australian Pharmaceutical Industries (API)

Anticipating \$30M - \$31M underlying NPAT for the full year ending 31 August. Write-downs are likely to total \$43M.

Planning to release full year results Thursday.

Worley Ltd (WOR)

Confirmed as an eligible issuer for the Bank of England's COVID Corporate Financing Facility (CCFF) for a £300M paper program. WOR can participate due to having been deemed to make a 'material contribution' to the UK's economy.

Vection Technologies (VR1)

VR1 has secured a Mindesk distribution agreement with Teamsystem's Nuovamacut Automazione, a key partner of Dassault Systèmes Solidworks in Italy.

Johns Lyng Group (JLG) / Westpac Banking Corporation (WBC)

JLG has secured an agreement with Westpac General Insurance to provide building and restoration services for insurance claims across Australia.

MACA Ltd (MLD)

\$185M open pit mining and crushing and screening contract secured with Fenix Resources' (ASX: FEX) WA Murchison region Iron Ridge project. \$2.9B of work in hand.

Resources

South32 Ltd (S32)

Year-to-date and September quarter production statistics lodged this morning, coal and manganese ore output increasing the most. Net cash grew \$US70M to \$US368M during the September quarter.

Resolute Mining (RSG)

MD and CEO John Welborn has stepped down. RSG has appointed CFO Stuart Gale as interim CEO.

**Overseas Markets**

INDEX	CLOSE	+/-	%
Dow Jones	28606	112	0.4
S&P 500	3484	0.5	0.0
NASDAQ	11671	-42	-0.4
FTSE 100	5920	87	1.5
DAX 30	12909	205	1.6
Shanghai Comp	3336	4	0.1

Overseas Markets Commentary

Major European and US equities markets trade diverged overnight Friday.

European indices opened positive and then trended higher. For key US indices however, sentiment largely waned such that following generally higher openings, settlements came in at or near session lows, amid some concerning data releases, including the national 2020 deficit.

The UK PM in the meantime announced talks with the European Union (EU) to secure trade arrangements when the UK's EU separation transition period expires at year's end were 'over' in their present form.

Both the EU and UK repeated their stance that each other should make the next move if any additional progress were to be made.

A key UK government minister offered that 'the door' remained 'ajar'.

Among **overnight Friday data** releases, **euro zone** August trade figures undershot expectations, the trade surplus falling to €14.7B from €27.9B.

A finalised September CPI reading confirmed 0.1% growth for the month and 0.3% year-on-year deflation.

September new car registrations came in 3.1% higher than for September 2019 after an 18.9% August year-on-year tumble.

In the **US**, September retail sales pleased, improving 1.9% for the month and 5.4% year-on-year, forecasters having anticipated a 0.5% monthly new increase.

For August sales had risen 0.6% and 2.8% respectively.

September industrial production disappointed however, falling 0.6% for the month after a 0.4% August rise and following forecasts of a 0.5% new increase.

Against September 2019, output was down 7.3%.

August business inventories rose 0.3% against a 0.1% July increase.

The University of Michigan's initial October consumer sentiment was estimated at 81.2, from 80.4 at the end of September and against expectations of a slip to 79.

The national September budget deficit was reported at \$US125B following \$US200B for August and against forecasts of a \$US100B shortfall.

For the government's fiscal year to 30 September, the deficit came in at \$US3.132 trillion.

In the meantime, the \$US proved a safe-haven preference again, the ICE \$US index gaining as much as 0.7%.

Pre-Open Announcements**Holista Colltech (* HCT) / Skin Elements (SKN)**

HCT is terminating a terms sheet with SKN, following alleged SKN breaches of several conditions, including agreed orders and payments.

HCT remains in a trading halt, pending a NatShield/Path-Away announcement.

SKN resumed ASX trade Friday, following a lengthy suspension, dropping 56.25% for the session to 3.5c.

Nuheara Ltd (* NUH)

September quarter invoiced sales revenue tallied \$3.5M, exceeding total FY20 revenue by 103%.

Cash receipts rose 18% year-on-year.

NUH received new orders for 2111 units during the quarter, at an average \$417M order sales price.

Aussie Broadband (* ABB)

Telecommunications services and products provider completed an enviable ASX listing Friday, following a \$40M IPO at \$1.00 per share.

Opened at \$1.80 and traded at \$1.745 - \$2.22 before settling at \$1.91.

9.86M shares changed hands across 1974 transactions.

190.34M quoted shares.

Resources**Nexus Minerals (* NXM)**

Heralding significant-width, high-grade shallow intersections from RC drilling within the Wallbrook gold project Templar prospect. Assays lodged this morning.

Pensana Rare Earths (* PM8)

Reporting positive indications from early exploration underway within PM8's Coola project, Angola.

Coola is located adjacent to PM8's Longonjo NdPr project.

E2 Metals (* E2M)

Reporting positive indications from drilling within the Conserrat project Mia and Patricia prospects, and from Emilia follow-up rock chip sampling.

Drilling assays anticipated within three weeks.

Walkabout Resources (* WKT)

Executive chairman Trevor Benson has resigned from WKT, effective immediately, but will continue to assist WKT in the near-term.

Rox Resources (RXL)

4000m air core drilling program underway within RXL's WA Youanmi gold project.

BHP Group (* BHP)

September quarter operational statistics anticipated tomorrow.



Tonight in the **US**, an industry-calculated housing market index is due.

IMF and World Bank group annual meetings conclude tonight, with US Federal Reserve chair Jerome Powell listed to participate in a panel discussion of digital currency.

Elsewhere, **European Central Bank** (ECB) president Christine Lagarde is due to deliver the opening remarks at the ECB's Conference on Monetary Policy.

Companies scheduled to report earnings tonight include: Halliburton, IBM, (Koninklijke) Philips, Logitech and PPG Industries.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1906.4	oz	-2.5	-0.1
Silver (NY) (Dec)	24.405	oz	0.18	0.8
Gold (LON)	1905	oz	13	0.7
Platinum	857	oz	-1	-0.1
WTI Crude (NYMEX Nov)	40.88	bbl	-0.08	-0.2
Brent Crude (ICE EUR Dec)	42.93	bbl	-0.23	-0.5
Iron Ore (NYMEX,CHN,62%)	121.13	t	0.31	0.3
Copper (LME,3mth Ind,PM)	6734	t	-48	-0.7
Nickel	15710	t	270	1.8
Aluminium	1867	t	12	0.7
Lead	1750	t	-32	-1.8
Zinc	2432	t	-10	-0.4
Tin	18320	t	-35	-0.2

Commodities Commentary

Oil – ongoing reports of increasing Covid-19 tallies in developed nations, coupled with tightened restrictions across several regions, in particular in Europe and the UK, again adversely impacted near – medium-term crude and fuel demand outlooks overnight Friday.

This, when a weekly US petroleum drill rig count, published overnight Friday, included 12 additional operational rigs.

Meanwhile, an OPEC+ production agreement monitoring committee meeting is scheduled to commence later today, following a joint technical meeting which looked at production figures and expected demand Thursday last week.

Gold – mixed data releases, a strengthening \$US, no definitive progress from US fiscal stimulus talks, US presidential campaign considerations as final 3 November polling looms, and rising international Covid-19 tallies and associated renewed restrictions toyed with overnight Friday gold interest.

Most influences are expected to continue to swing trade through the new week.

Base metals – overnight Friday sentiment appeared largely impacted by international economic recovery concerns, and an up to 0.7% rise in the ICE \$US index, together with industry and regional demand scenario views for select metals.

Aluminium traded at 17-month peaks on yet lower inventories, Shanghai Futures Exchange-monitored stocks reported at 247,965t from 530,000t in March. September aluminium import figures are keenly anticipated this week.

Energy

Berkeley Energia (BKY)

BKY is watching the progress of proposed amendments to a draft climate change and energy transition bill under consideration by Spain's national parliament.

One, if it became law, could impact BKY activities.

Meanwhile, BKY has been included on the 30-strong IBEX Small Cap index, effective today.

Resuming from a trading halt, having last traded Thursday last week, dropping 13.67% for the session to close at 60c.

Trading Halts

Company	Code	Resuming
Holista CollTech	HCT	19 Oct
Perpetual Resources	PEC	19 Oct
GBM Resources	GBZ	20 Oct
Opthea Ltd	OPT	20 Oct
Resources & Energy Group	REZ	20 Oct
Respiri Ltd	RSH	20 Oct
Scout Security	SCT	20 Oct
Dotz Nano	DTZ	21 Oct
Peak Resources	PEK	21 Oct
YPB Group	YPB	21 Oct
PYC Therapeutics	PYC	22 Oct

Suspensions *(select)*

Company	Code	Since
The Agency Group Australia	AU1	5 Oct
Australia United Mining	AYM	14 Oct
Consolidated Financial Holdings	CWL	16 Oct
Cyclone Metals	CLE	19 Oct
Funtastic Ltd	FUN	5 Oct
Metalicity Ltd	MCT	2 Oct
New Energy Minerals	NXE	15 Oct
Pan Asia Metals	PAM	15 Oct
Pureprofile Ltd	PPL	16 Oct
Quantum Graphite	QGL	2 Oct
Vault Intelligence	VLT	9 Oct
WhiteHawk Ltd	WHK	16 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CDM	Today	2	100	5.00
FGX	Today	2.6	100	2.15
KSC	Today	3	100	1.47
WAA	Today	3	100	2.63
WGB	Today	4	100	1.35
WLE	Today	3.25	100	2.59



Key data releases are due out of both China and Japan today and will likely influence at least some of tonight's trade.

China's releases will include GDP, industrial production, fixed asset investment and retail sales.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7087	0.0010	0.14
EUR – USD	1.1716	-0.0001	-0.01

US Data Tonight

NAHB housing market index	Oct
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Other Overseas Data Today & Tonight

China	GDP	Sep Q
China	Industrial production	Sep
China	Fixed asset investment	Jan-Sep
China	Retail sales	Sep
Japan	Trade balance	Sep
Euro zone	Construction output	Aug

Need More Information?

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ACF	Wed	1.05	100	2.78
SNC	Wed	2.5	100	9.15
PBP	Thu	3	100	2.35
PPC	Fri	1	100	0.45

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	ALD	Sep Q (prelim)
	CL1	AGM
	S32	Sep Q
Tomorrow	BAP	AGM
	BLX	AGM
	BHP	Sep Q
	COH	AGM
	LOV	AGM
	MMS	AGM
	OSL	AGM
	ORG	AGM
	SSM	AGM
	SGP	AGM
	TAH	AGM
TRT	AGM	
Wed	GED	AGM
	MYS	AGM
	ORA	AGM
	TRS	AGM
Thu	APA	AGM
	AIA	AGM
	API	Full year
	BKL	AGM
	CLW	AGM
	CWN	AGM
	HLS	AGM
	MFG	AGM
	SUN	AGM
	SGR	AGM
WEB	AGM	
WHC	AGM	
Fri	DXS	AGM
	GOR	Sep Q (tele 12.30pm)
	IAG	AGM
	QAN	AGM
	WOR	AGM