

Markets

SFE 200 Futures (9.30am AEDT)	7348	68	0.9
NZX 50	13037	-63	-0.5
DJIA Futures	35800	96	0.3
S&P 500 Futures	4609	12	0.3
NASDAQ Futures	15881	42	0.3

Local Markets Commentary

The Australian market opens a new week and month's trade with sub-expectations material data in hand from China over the weekend and new influential China data due early afternoon.

In addition, a major domestic bank has reported full year earnings pre-trade.

Another major domestic banking group trades for the first time since announcing interim results Friday morning, together with a significant capital raising.

Key domestic data has also been published pre-trade, with several additional material domestic economic reports due this morning, ahead of the Reserve Bank of Australia's (RBA) policy meeting tomorrow. Comments from the meeting are perhaps more keenly anticipated than usual, not the least due to a rise in bond yields over the past two trading sessions.

Overnight Friday, international equities trade sentiment proved relatively weak and key commodities trade decidedly mixed.

Locally today, the Australian Bureau of Statistics (ABS) publishes **October lending** figures, including for property, at **11.30am** AEDT.

At the same time, the ANZ is due to release its **October job advertisements** report for Australia.

In addition, CoreLogic will release its **October residential property price** report this morning.

Pre-trade, AiG has released a **50.4** **October manufacturing PMI**, this from 51.2 for September, and following expectations for a pickup in activity to 53.0.

Post-trade, the RBA publishes monthly commodities prices.

Regionally today, **Caixin** is scheduled to release its **October manufacturing PMI for China** at **12.45pm** AEDT.

Over the weekend, China published **official October PMIs** as calculated by the National Bureau of Statistics (NBS).

The **manufacturing PMI** remaining in contractionary territory, at **49.2** from **49.6**. Forecasters had anticipated an improvement to 50.0.

Activity in the **services** sector also appeared to slow, but continued to indicate expansion, the services PMI calculated at **52.4** from **53.2**. A smaller decline to 53.0 had been anticipated.

A final October manufacturing PMI for **Japan**, and an estimate for **South Korea**, are expected 11.30am.

South Korea is scheduled to report **October trade balance** at **11am**.

Japan conducts a 10-year bond auction 2.45pm.

* **Bamboo underwear** listing – **11am** AEDT – **STP** *

* **Financial services** listing – **12.30pm** AEDT – **JDO** *

Today's Stock Watch
Westpac Banking Corporation (WBC)

Conducting a \$3.5B off-market share buy-back over one month commencing 17 November.

In addition, paying a 60c fully franked final dividend from 31c a year ago, and 80c two years ago.

138% higher, \$5.458B full year NPAT. 5% higher, \$21.222B ordinary activities revenue. 105% higher, \$5.352B cash earnings. 12.32% CET1 capital ratio.

Macquarie Group (MQG)

Resuming from a trading halt having completed a \$A1.5B \$A194-per-share institutional placement. A SPP is also planned for 8 – 26 November. On calling the halt, MQG also reported \$A2.032B interim NPAT, essentially flat for the six months, but 107% higher than for 1HFY21. \$7.804B net operating income. \$8.4B capital surplus. \$55.76 NTA from \$48.94. \$2.72, 40%-franked interim dividend, from \$1.35, 40%-franked a year ago.

MQG traded at \$197.11 - \$202.50 last week.

Southern Cross Electrical Engineering (SXE)

SXE subsidiary Heyday has secured an ~100M electrical and communications services design and construction contract with Multiplex for the Western Sydney International (Nancy-Bird Walton) Airport terminal.

Seven West Media (SWM) / Prime Media Group (PRT)

SWM and PRT have agreed for SWM to acquire PRT business and assets for \$A131.88M cash. PRT will distribute available cash to PRT shareholders, ahead of an intended company wind-up. The distribution is estimated at 36c, including a 26c fully franked special dividend, pending ATO determinations.

Resources
IGO Ltd (IGO)

Webcast briefing scheduled to commence **11am** AEDT.

\$A46M September quarter NPAT. \$A189M sales revenue. \$552M cash. No debt.

Produced 3023t of copper and 6889t of WA Nova project nickel at \$A1.99/lb Ni, against 3538t and 7887t respectively, at \$1.28/lb for the June quarter. WA Greenbushes project spodumene output tallied 268,000t at \$A310/t.

Lynas Rare Earths (LYC)

Letter of agreement secured with Japan Australia Rare Earths (JARE), in part covering a further deferment of an LYC interest payment, this time by five months to 31 March, and with no penalty or additional interest.



Over the weekend, **Japan's** general election has likely resulted in the ruling (Liberal Democratic) party retaining a majority, according to preliminary exit poll indications.

In overnight Friday commodities trade, Brent **crude** turned to settle slightly higher. WTI crude closed with a stronger gain.

US **gold** futures fell.

Iron ore (China port CFR, 62% fines) continued dropped further, below \$US107.30/t, ending October ~12% lower for the month.

LME (3mth evening) **copper**, **nickel** and **aluminium** swung lower.

The **\$A** fell to ~US75.15c after declining from ~US75.45c to below US75.35c early Friday evening.

Meanwhile, **G20** leaders met in Rome over the weekend, endorsing their finance ministers' July agreement on a 15 per cent minimum global corporate tax and promoting the need for climate change action towards carbon neutrality.

The **UN's** climate change summit in Glasgow, Scotland commenced overnight and continues today.

NB: Japan's markets will be closed Wednesday this week due to a public holiday.

In Australia, Melbourne observes a public holiday tomorrow, on Melbourne Cup day.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35820	89	0.3
S&P 500	4605	9	0.2
NASDAQ	15498	50	0.3
FTSE 100	7238	-12	-0.2
DAX 30	15689	-8	-0.1
Shanghai Comp	3547	29	0.8

Overseas Markets Commentary

Choppy trade featured across major European, UK and US equities markets overnight Friday, but all key indices settled at or near session highs.

Several material data releases fuelled further central bank monetary policy speculation.

Friday, Japan had reported a 5.4% drop in industrial production for September, following a 3.6% August decline.

Overnight Friday data releases included the **euro zone's** 2.2% preliminary September quarter **GDP** growth reading, which pushed year-on-year GDP growth to 3.7%.

An initial September **CPI** estimate represented 0.8% inflation for the month, following a 0.4% August increase and forecasts for a new 0.5% rise.

Against September 2020, the CPI was up 4.1%.

In **Germany**, the preliminary September quarter GDP growth reading soundly undershot expectations, coming in at 1.8% for the three months, following forecasts for a 2.5% pickup after the June quarter's 1.9% increase.

Year-on-year, GDP was up 2.5%.

The **UK's** September net lending to individuals was calculated at £9.8B from £5B during August.

Pre-Open Announcements

Step One Clothing (* STP)

Bamboo male underwear marketer, retailer and distributor scheduled to list on the ASX **11am** AEDT, following an \$81.3M IPO at \$1.53 per share.

185.34M quoted shares.

Founder Greg Taylor holds 66.36%.

Judo Capital Holdings (* JDO)

SME financial services provider scheduled to list on the ASX **12.30pm** AEDT, following an ~\$657M IPO at mostly \$2.10 per share.

Trading will commence on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence Wednesday.

1.106B quoted shares.

SCA Property Group (* SCP)

Proposing to outlay \$112M for Delacombe Town Centre, Victoria.

Australia & New Zealand Banking Group (* ANZ)

The Commonwealth Director of Public Prosecutions has withdrawn proceedings against ANZ and then treasurer Rick Moscati.

The proceedings were in relation to an equity placement conducted in 2015.

Details lodged post-trade Friday.

Crown Resorts (* CWN)

Fitch Ratings, Moody's Investors Service and S&P Global Ratings have affirmed their CWN ratings.

Negative outlooks remain.

GR Engineering Services (* GNG)

Anticipating \$540M - \$560M FY22 guidance, from previous guidance of \$440M - \$460M.

ResMed Inc (* RMD)

US accounts, as lodged in the US overnight Thursday last week, lodged pre-trade.

RMD announced results to the ASX pre-trade Friday, and added 4.2% for the session, settling at \$37.17.

Auckland International Airport (AIA)

Considering a five-year fixed rate retail bond offer.

Presentation lodged pre-trade.

TPG Telecom (TPG)

TPG has appointed Alumina Ltd (ASX: AWC) CFO Grant Dempsey as CFO, effective February 2022.

Former TPG CFO Stephen Banfield announced his resignation in May, after 20 years with TPG companies.

This has been affected and TPG deputy CFO Sean Crowley is interim CFO from today until Mr Dempsey commences with TPG.



In the **US**, September **personal income** fell 1% but spending was estimated 0.6% higher. Spending was in line with expectations, but income had been expected to rise by 0.2%.

The September quarter wage **cost index** was estimated 1.3% higher for the three months however, following forecasts for a 0.9% increase.

The September **PCE** (personal consumption expenditure) **price index** rose 0.3% for the month, but against September 2020, was up 4.4%.

The final University of Michigan October consumer sentiment estimate represented a 1.1-point fall for the month, to 71.7.

The October Chicago PMI rose to 68.4 from 64.7, following forecasts for a decline to 64.0.

Tonight in the US, the ISM's October manufacturing PMI and September construction spending are due.

Elsewhere, Germany reports September retail sales.

Companies scheduled to report earnings or provide trading updates later today or tonight include Lowes, NXP Semiconductors, Ryanair Holdings and ZoomInfo.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1783.9	oz	-18.70	-1.0
Silver (NY) (Dec)	23.948	oz	-0.17	-0.7
Gold (LON)	1769	oz	-34	-1.9
Platinum	1018	oz	1	0.1
WTI Crude (NYMEX Dec)	83.57	bbl	0.76	0.9
Brent Crude (ICE EUR Dec)	84.38	bbl	0.06	0.1
Iron Ore (Qingdao) (CHN;62% <i>f</i>)	107.28	t	-5.37	-5.0
Iron Ore (Nymex)	105.18	t	-16.76	-15.9
Copper (LME 3mth Evening)	9504	t	-172	-1.8
Nickel	19461	t	-122	-0.6
Aluminium	2718	t	-30	-1.1
Lead	2393	t	-43	-1.8
Zinc	3385	t	7	0.2
Tin	37263	t	1130	3.1

Commodities Commentary

Oil – prices fell in early overnight Friday trade, constrained by a stronger \$US and expectations Russia would soon begin boosting European gas supply. Crude demand had been boosted by power producers looking for alternatives to gas amid shortages and soaring prices.

Ultimately both Brent and WTI crude settled higher, supported by commentary suggesting demand could continue to outstrip supply for some time.

An OPEC+ meeting Thursday this week will keep speculation flowing in the meantime regarding likely supply from later this year.

For its part, Algeria had pointed to market risk Thursday this past week, in suggesting OPEC+ ought not raise production by any more than 400,000bbl/d come December

Overnight Friday, both Exxon Mobil and Chevron mentioned plans to boost US Permian shale activity again after cutting back last

AUB Group (AUB)

Jobkeeper disclosure lodged post-trade Friday.

In addition, AUB has appointed Elizabeth McGregor as joint company secretary, following the resignation from this role by AUB commercial and legal manager Allan Luu.

Huon Aquaculture (HUO)

Trading ex-dividend (12.5c) today.

HUO settled at \$3.85 Friday after closing out the previous week at \$3.59.

IOUpay Ltd (IOU)

\$6.57M September quarter total transaction value (TTV). \$492,124 net transaction revenues.

Merchants tally grew 182% for the three months, to 946. 4806 consumer activated accounts, up 968%.

Creso Pharma (CPH)

\$A1.16M September quarter revenue, up 92% year-on-year. ~12M cash.

Breakdown statistics and commentary lodged post-trade Friday.

Buddy Technologies (BUD)

September quarter report lodged this morning.

Customer revenues fell 18% year-on-year, to \$A6.3M.

Cash receipts rose 39% to \$7.8M.

\$2.1M cash; \$3.8M trade and other receivables.

Inventories and prepayments valued at \$14.4M.

Universal Biosensors (UBI)

January – September results and market update lodged in presentation format post-trade Friday.

RemSense Technologies (* REM)

Technology services, including plant/facility visualisation, specialist scheduled to list on the ASX midday AEDT **tomorrow**, following a \$5M IPO at 20c per share.

~32.9M quoted shares.

Resources

Gascoyne Resources (* GCY) / Westgold Resources (WGX) / Firefly Resources (FFR)

GCY produced 16,744oz of Dalgaranga gold at a \$1976/oz AISC during the September quarter.

Sold 16,759oz at a mean average \$2529/oz.

\$27.7M cash and gold on hand. \$15.9M net cash.

GCY commentary regarding competing WGX and FFR bids also lodged post-trade Friday.

De Grey Mining (* DEG)

September quarter activities report lodged post-trade Friday.

\$36M cash reserves.

Metals X (MLX)

September quarter report lodged pre-trade. \$21.6M cash.

Iluka Resources (ILU)

Jobkeeper disclosure lodged post-trade Friday.



year.

A weekly US petroleum drill rig report published overnight Friday, included one additional operational oil rig.

Brent crude ended October ~7% higher for the month. WTI appreciated ~11.5%.

Gold - a higher \$US, US 10-year bond yield gains, US data indicating the US Federal Reserve could tighten monetary policy soon, and rising euro zone inflation combined to detract from overnight Friday gold interest.

This week's US Federal Reserve meeting is hence expected to influence at least late-week trade.

Reserve Bank of Australia and Bank of England policy meetings Tuesday and overnight Thursday will also keep monetary policy in focus and could produce currency swings.

US jobs figures are among this week's data releases considered most likely to also affect sentiment.

Base metals – reports of additional steel production curbs in Hebei and Shandong provinces pushed overnight Friday prices lower, on anticipated reduced demand for materials needed for production, and also perceived impacts on China's economy.

In addition, a higher \$US dampened overall buying sentiment, amid little indication of end-of-month positioning.

China's official October PMI readings, released over the weekend, undershot expectations for both manufacturing and services sector activity.

Caixin is due to publish its October manufacturing PMI for China today, this too expected to influence some of tonight's trade sentiment.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7519	0.0003	0.03
EUR – USD	1.1560	-0.0002	-0.02

Australian Data Today

AiG	PMI	Oct
CoreLogic	Home price index	Oct
ABS	Lending	Oct
ANZ	Job advertisements	Oct
RBA	Commodities prices	Oct

US Data Tonight

ISM manufacturing PMI	Oct
Construction spending	Sep
Markit manufacturing PMI (initial)	Oct

Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	Oct
Japan	Manufacturing PMI (final)	Oct
South Korea	Trade balance	Oct

Argosy Minerals (AGY)

Argentina Rincon lithium project update, highlighting 45% of construction works completed, lodged pre-trade.

Targeting initial Li₂CO₃ commercial production by mid-2022.

Piedmont Lithium (PLL)

PLL has appointed former Albermarle executive Monique Parker as VP health, safety and environment.

29Metals Ltd (29M)

Financial close achieved for new corporate debt facilities.

Details lodged pre-trade.

Aurum Resources (* AUE) / Aldoro Resources (ARN)

Exploration company and ARN gold-focused spinoff scheduled to list on the ASX 1.30pm AEDT **tomorrow**, following a \$5M IPO at 20c per share.

25M quoted shares.

ARN 16.7%.

Energy

Yancoal Australia (YAL)

YAL has used available cash to make an early \$US500M debt repayment.

Details lodged post-trade Friday.

Sagasco Ltd (SGC)

\$A2.7M pre-royalties (\$A360,500) September quarter revenue from 35,537boe attributable Canada JV production.

June quarter attributable production had tallied 34,815boe.

Xstate Resources (XST)

September quarter attributable Canada JV production rose 69% for the three months, to 42,140boe.

Revenue pre-royalties (\$A396,000) tallied \$A3.2M.

Trading Halts

Company	Code	Resuming
Antisense Therapeutics	ANP	1 Nov
Blackstone Minerals	BSX	1 Nov
Frontier Resources	FNT	1 Nov
Gateway Mining	GML	1 Nov
Global Lithium Resources	GL1	1 Nov
Patrys Ltd	PAB	1 Nov
Resources & Energy Group	REZ	1 Nov
Santana Minerals	SMI	1 Nov
Arizona Lithium	AZL	2 Nov
Australian Potash	APC	2 Nov
Mayfield Childcare	MFD	2 Nov
Pioneer Credit	PNC	2 Nov
Raiden Resources	RDN	2 Nov
SciDev Ltd	SDV	2 Nov
Spacetalk Ltd	SPA	2 Nov
Sprintex Ltd	SIX	2 Nov
Tambourah Metals	TMB	2 Nov



South Korea	Manufacturing PMI	Oct
UK	Manufacturing PMI (final)	Oct
Germany	Retail sales	Sep
Germany	Manufacturing PMI (final)	Oct
Euro zone	Manufacturing PMI (final)	Oct

Need More Information?

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Apollo Minerals	AON	3 Nov
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Suspensions *(selected)*

Company	Code	Since
4DS Memory	4DS	12 Oct
Bioxyne Ltd	BXN	29 Oct
BIR Financial	BIR	28 Oct
European Lithium	EUR	28 Oct
Stemcell United	SCU	29 Oct
Viagold Rare Earth Resources Holdings	VIA	15 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
HUO	Today	12.5	100	0.00
NBI	Today	0.8	0	5.17
BIS	Tomorrow	9	100	2.48
BKW	Tomorrow	40	100	0.88
ACF	Wed	1.15	100	1.63
JHG	Fri	38	0	3.34
ANZ	8 Nov	72	100	3.73
EZZ	9 Nov	0.45	100	0.00
WAT	9 Nov	4	100	1.74

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	IGO	Sep Q (w/cast briefing 11am)
	WPR	AGM
	WBC	Full year
Wed	CWP	AGM
	CLH	AGM
	DMP	AGM
	EMD	AGM
	NZO	AGM
	WOR	AGM
Thu	CCP	AGM
	DHG	AGM
	DOW	AGM
	ING	AGM
	MCR	AGM (4.30pm)
	MYR	AGM
	NHF	AGM
Fri	GLV	AGM
	IDX	AGM
	PDL	Full year



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SPK	AGM