

Markets

SFE 200 Futures (9.30am AEST)	5813	11	0.2
NZX 50	11774	26	0.2
DJIA Futures	27751	87	0.3
S&P 500 Futures	3359	7	0.2
NASDAQ Futures	11431	24	0.2

Local Markets Commentary

The Australian market commences December quarter trade following mixed overnight trade across major international equities and commodities markets, with key new domestic data in hand and again with an appreciating \$A.

Post-US trade, the US Senate has approved legislation covering government funding through 11 December, avoiding a partial shutdown of services from midnight, pending the US president's signature.

Locally today, AiG's September **manufacturing PMI** has been reported at **46.7** from 49.3, indicating ongoing contraction.

The Australian Bureau of Statistics (ABS) releases its **job vacancies** report at 11.30am AEST.

In addition today, CoreLogic publishes **residential property price index** for September.

Post-ASX trade, the Reserve Bank of Australia (RBA) publishes a monthly **commodity price index**.

Regionally today, Tankan indices and a final September manufacturing PMI are due for **Japan**.

Japan will also host a 10-year bond auction.

In overnight commodities trade, WTI **crude** rose, but Brent settled slightly down.

US **gold** futures (December) seesawed moderately lower.

Iron ore (Nymex CFR China, 62% Fe) declined again, but by just US4c/t, closing just beneath \$US124.0/t.

LME **copper** rallied. **Nickel** turned higher. **Aluminium** picked up the pace of Tuesday's fall.

The **\$A** traded at ~US71.15c early yesterday evening.

This morning, the \$A has been bumped to ~US71.70c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27782	329	1.2
S&P 500	3363	28	0.8
NASDAQ	11168	82	0.7
FTSE 100	5866	-31	-0.5
DAX 30	12761	-65	-0.5
Shanghai Comp	3218	-6	-0.2

Australia – September manufacturing PMI – 46.7 from 49.3

Daylight saving commences in the ACT, New South Wales, South Australia, Tasmania and Victoria early **Sunday 4 October**.

From Monday (5 October), ASX trade consequently **commences local time** in:

Western Australia at 7am;
Queensland at 9am; and the
Northern Territory at 8.30am.

Today's Stock Watch
Reliance Worldwide Corporation (RWC)

Net sales in the Americas have grown 22%, 15% and 29% year-on-year respectively for July, August and September (to 25th). APAC region sales have risen 5% and 4% for July and September respectively, but fell 2% during August. EMEA sales fell 4% year-on-year during July, but rose 5% and 24% in August and September. Today's live webcast (8.30am AEST) investor day presentation lodged.

SeaLink Travel Group (SLK)

SLK subsidiary Tower Transit Singapore has secured PT217 contracts to operate Bulim and Sembawang-Yishun public bus services on behalf of the Land Transport Authority of Singapore. SLK was awarded its current Bulim services contract in May 2015.

Paradigm Biopharmaceuticals (PAR)

PAR's Zilosul has demonstrated the ability to reduce osteoarthritis-induced knee pain during a phase three clinical trial. Details, including comprehensive activity breakdown statistics, lodged this morning.

Holista Colltech (HCT)

Three-year agreement secured for US-headquartered Costanzo's Bakery to use HCT's GI Lite bread premix to manufacture a low-GI, all-natural ingredients white bread. During the first year, Costanzo's will buy \$US1.9M worth of GI Lite. Additional details lodged this morning.

Resources
Auris Minerals (AUR) / Sandfire Resources (SFR)

AUR is acquiring SFR's Sams Creek gold project, New Zealand for 102.5M shares at 8c each, and 32.15M options exercisable at 8c each and expiring 30 November. SFR will thereby acquire 19.99% of AUR. Additional consideration is linked to 24-month and 48-month milestones and production payments.

The project currently hosts a JORC-compliant resource calculated at 1Moz gold @ 1.54g/t Au. AUR is resuming trade, having last traded Tuesday last week, at 11.5c.

Overseas Markets Commentary

Major European equities markets again chopped throughout overnight, amid a swag of mixed data releases.

Key **US** indices jumped at open, supported by some encouraging economic indicators, but vacillated during the last two hours of September quarter trade, during a wait for a last-minute Senate vote on **government funding** through to 11 December.

In addition, the US treasury secretary appeared positive on negotiations towards funding legislation that would help offset the Covid-19 impacts on businesses and individuals.

Earlier yesterday, **China's** September PMIs suggested continuing expansion of both services sector and manufacturing activity.

Overnight, **European Central Bank** president Christine Lagarde promoted the need for the ECB to change how it managed inflation, indicating the ECB could enable policy that pushed inflation beyond the current 2% target.

Bank of England economist Andy Haldane ventured UK GDP would recover by 20% during the September quarter and warned against fear and anxiety for the future.

Among a plethora of overnight data releases, the **UK's** June quarter **GDP** was finalised as a 19.8% contraction for the quarter and 21.5% year-on-year shrinkage.

In **Germany**, August **retail sales** rose 3.1% for the month, and were 3.7% higher than for August 2019.

August import prices rose 0.1% for the month, but were 4% lower year-on-year.

The September unemployment rate was estimated at 6.3%.

In **France**, the initial September **CPI** reading represented 0.5% deflation for the month.

Against September 2019 however, prices were 0.1% higher.

August household consumption rose 2.3% for the month, against expectations of a 0.3% decline.

Italy's initial September **CPI** estimate represented 0.6% deflation for the month, also proving 0.5% lower than for September 2019.

In the **US**, June quarter GDP was finalised as a 31.4% contraction, following forecasts of a 33% drop.

A September private sector employment report included the creation of 749,000 jobs following 481,000 for August, and against expectations of 610,000.

The Chicago PMI was reported at 62.4 from 51.2 and against forecasts of 50.8.

August pending home sales rose 8.8% after a 5.9% July increase and following expectations of a new 4% rise.

Weekly mortgage applications dropped 4.8%. Mean 30-year mortgage rates declined to 3.05% from 3.1%.

Tonight in the **US**, ISM's September manufacturing index, August personal income and spending, August construction spending, and Markit's revised September manufacturing index are scheduled for release.

Weekly new unemployment claims and a job cuts report are also due, ahead of national employment statistics tomorrow night.

Elsewhere, finalised manufacturing PMIs are due for the euro

Pre-Open Announcements

DroneShield Ltd (* DRO)

A 'Five Eyes' government agency (ie one from Australia, Canada, New Zealand, the UK or US) specialising in intelligence has ordered \$900,000 worth of DRO's DroneGun Tactical hand-held units.

The sale is conditional on export approvals, but is expected to be filled and paid for from this quarter through the end of March 31.

Envirosuite Ltd (* EVS)

September quarter sales tallied \$14.7M, with 50 contracts renewed.

National Tyre & Wheel (* NTD)

Anticipating \$8.0M - \$8.5M 1H FY21 EBITDA, not including adjustments related to the August acquisition of Tyres4U. \$23.5M cash on hand and \$22.9M net debt at 31 August.

Recce Pharmaceuticals (RCE)

RCE has appointed RCE executive director Michele Dilizia as chief scientific officer.

Ms Dilizia is scheduled to deliver the opening R&D address at the World Anti-Microbial Resistant Congress next week.

The address is entitled *Synthetic Antibiotics: the New Approach the World Needs*.

Ms Dilizia holds 2.14% of RCE.

MyState Ltd (MYS)

Moody's Investor Services has downgraded MYS long-term and short-term issuer ratings, from Baa2 to Baa3 and from P-2 to P-3 respectively.

The MyState Bank long-term issuer rating has been revised from Baa1 to Baa2, but the short-term rating retained at P-2.

Rating outlooks have been revised to stable from 'rating under review'.

YPB Group (YPB)

YPB has secured Optimum Interface Consulting as an agent, with the right to promote and sell YPB product authentication technology to customers in India, for 12% commission.

Serko Ltd (* SKO)

Conducting a \$NZ45M fully underwritten placement and \$NZ10M SPP.

Holds \$NZ33.6M cash, but when 'meaningful revenue generation' will recommence remains 'uncertain'.

Resources

American Pacific Borates (** ABR)

Reporting positive results from independent crop trials using boron-enriched SOP.

Caprice Resources (* CRS)

Northampton base metals project Wheal Fortune prospect RC drilling has delivered some significant-width and high-grade



zone and UK, together with the euro zone's August unemployment rate.

In overnight corporate news, **Royal Dutch Shell** announced up to 9000 job cuts by 2022, in order to remain competitive following this year's drop in demand for petroleum products.

Major US oil refiner **Marathon Petroleum** was reported to have commenced job cuts earlier this week, on its way to reducing the group's workforce by 6% - 12%.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1895.5	oz	-7.70	-0.4
Silver (NY) (Dec)	23.494	oz	-0.95	-3.9
Gold (LON) (29Sep)	1884	oz		
Platinum	884	oz	5	0.6
WTI Crude (NYMEX Nov)	40.22	bbbl	0.93	2.4
Brent Crude (ICE EUR Nov)	40.95	bbbl	-0.08	-0.2
Iron Ore (NYMEX,CHN,62%)	123.98	t	-0.04	-0.0
Copper (LME,3mth Ind,PM)	6681	t	90	1.4
Nickel	14500	t	100	0.7
Aluminium	1768	t	-8	-0.5
Lead	1827	t	-15	-0.8
Zinc	2405	t	-17	-0.7
Tin	17494	t	14	0.1

Commodities Commentary

Oil – Brent and WTI crude prices diverged overnight, WTI buoyed by positive data.

Brent crude traded as low as \$US40.30/bbl, ending September down 9.6% and the September quarter with a 0.5% decline.

WTI fell 5.6% for the month, but gained 2.4% during the quarter.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 1.98MMbbl draw on stored crude.

Petrol stocks rose by 683,000bbl.

Net crude imports fell by 536,000bbl/d.

Post-US trade Tuesday, a weekly industry report had estimated an 831,000bbl fall in US crude stocks.

Overnight, the Brent November futures contract expired.

Brent December futures settled at \$US42.30, US74c higher for the session.

Gold – Comex futures settled lower overnight and for the month (-4.2%), but recorded a 5.2% gain for the September quarter.

A positive US private sector jobs report and a rising \$US pushed and pulled sentiment through overnight trade.

Base metals – China's official September manufacturing and services sector PMIs, reported yesterday, came in at 51.5 and 55.9 respectively, following 51.0 and 55.2 for August.

Caixin's September manufacturing PMI, also published for China yesterday, slipped 0.1 for the month, to 53.0, against expectations of 53.4.

Japan's August construction orders, also reported yesterday (at close of ASX trade), were calculated 28.5% higher than for August 2019. Forecasters expected orders to have fallen 12%.

intersections.

Assays lodged this morning.

CRS is reviewing the project before deciding on further plans.

MRG Metals (* MRQ)

Heralding Mozambique Corridor South HMS project Zulene and Viaria targets infill auger assays.

Proposing to expand air core drilling.

Victory Mines (* VIC)

Chairman Alec Pismiris has resigned from the VIC board, due to other commitments.

VIC has appointed non-executive director David Sanders to take over from Mr Pismiris.

In addition, non-executive director Matthew Blake has been appointed as an executive director.

Jervois Mining (JRV)

Annual 'management discussion and analysis' lodged post-trade yesterday.

Hot Chili (HCH)

Productora resources and reserves lodged post-trade yesterday, revealing essentially no change from 30 June 2019 - 30 June 2020.

Caravel Resources (CVV)

CVV is applying for an additional two exploration licences in Western Australia.

Details lodged post-trade yesterday.

Energy

Elixir Energy (EXR)

EXR has appointed Trans-Tasman Resources co-founder Anna Sloboda as a non-executive director, effective today.

Trading Halts

Company	Code	Resuming
First AU	FAU	1 Oct
MyFiziq Ltd	MYQ	1 Oct
Volt Resources	VRC	1 Oct
OceanaGold Corporation	OGC	2 Oct
ClearVue Technologies	CPV	2 Oct
Fatfish Group	FFG	2 Oct
GWR Group	GWR	2 Oct
iCandy Interactive	ICI	2 Oct
Kazia Therapeutics	KZA	2 Oct
Metalicity Ltd	MCT	2 Oct
Boss Resources	BOE	5 Oct
Ultima Ltd	UUL	5 Oct

Suspensions (select)

Company	Code	Since
Ansila Energy	ANA	7 Sep



A US private sector jobs report also pleased overnight, helping support base metals sentiment.

Among producer news, nickel smelting specialist Indonesia Weda Bay Industrial Park revealed it expected to be able to double nickel capacity during 2021 to 220,000tpa.

Meanwhile, LME copper inventories were calculated to have doubled within a week, to 165,6000t.

China's markets are now closed for a week due to the National Day and Mid-Autumn Festival holiday season known as Golden Week.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7170	0.0039	0.54
EUR – USD	1.1728	-0.0015	-0.13

Australian Data Today

AiG	PMI	Sep
CoreLogic	Residential property price index	Sep
ABS	Job vacancies	Aug
RBA	Commodity price index (4.40pm AEST)	Sep

US Data Tonight

Personal income & spending	Aug
ISM manufacturing	Sep
Initial jobless claims	26 Sep
Challenger job cuts	Sep
Construction spending	Aug
Markit manufacturing PMI	Sep

Other Overseas Data Today & Tonight

Japan	Tankan indices	Q3
Japan	Manufacturing PMI (final)	Sep
UK	Manufacturing PMI (final)	Sep
Germany	Manufacturing PMI (final)	Sep
Euro zone	Manufacturing PMI (final)	Sep
Euro zone	Unemployment	Aug
Euro zone	Producer prices	Aug

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East Energy Resources	EER	18 Sep
FAR Ltd	FAR	14 Sep
Kaiser Reef	KAU	17 Sep
Lifespot Health	LSH	28 Sep
Lincoln Minerals	LML	21 Sep
Mint Payments	MNW	21 Sep
Phoslock Environmental Technologies	PET	21 Sep
Quantify Technology Holdings	QFY	14 Sep
Riedel Resources	RIE	22 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BSA	Today	0.5	100	1.72
IPC	Today	6.25	100	6.04
LCE	Today	1.38	100	3.20
NBI	Today	0.7	0	5.76
XRF	Today	1.4	100	3.03
PFG	Tomorrow	0.25	100	2.53
PRN	Tomorrow	3.5	100	6.11
PTB	Tomorrow	2.5	100	3.50
NCC	Mon	3.5	100	7.36
NCK	Mon	22.5	100	5.28
VEA	Mon	5.94	0	2.13
REH	Tue	6	100	1.55

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