

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7383	41	0.6
<b>NZX 50</b>	13096	30	0.2
<b>DJIA Futures</b>	35326	3	0.0
<b>S&amp;P 500 Futures</b>	4512	0	0.0
<b>NASDAQ Futures</b>	15393	-5	0.0

**Local Markets Commentary**

The Australian market commences mid-week trade with another batch of high-profile domestic stocks hosting AGMs and providing updates, and key domestic and regional economic reports due by early afternoon, ahead of key inflation indicators due out of the euro zone and the UK tonight, together with some large-cap US stock earning reports.

Overnight US equities trade sentiment proved positive.

**Locally** today, the monthly Westpac/Melbourne Institute economic leading indicators report is anticipated at 11am AEDT.

AGM and other corporate updates are also again expected to swing select sector trade. *Please see p5 for a select list of today's events.*

**Regionally** today, Japan is scheduled to publish September trade balance 10.50am AEDT.

The **People's Bank of China** is expected to announce loan prime rates for the next month at 12.30pm.

September **residential property prices** are due for release at the same time.

Late last week, the central bank described the republic's property sector as 'healthy'. This week, China's president has been reported in favour of a new property tax.

In overnight commodities trade, Brent and WTI **crude** prices variously rose.

US **gold** futures turned modestly higher.

**Iron ore** (China port CFR, 62% fines) continued lower, approaching \$US124.00/t.

Meanwhile, thermal coal prices were reported at a record high in China yesterday, but fell overnight as an administrative official spoke of potential intervention to reduce prices to a 'reasonable range'.

LME final price updates were again unavailable from IRESS at time of publication.

LME (3mth evening) **copper, aluminium** and **zinc** reportedly fell, however. **Nickel** was reported to have turned higher.

Comex copper declined US3c/lb to \$US4.70/lb.

The **\$A** was pushed to ~US74.75c after trading at ~US74.65c early yesterday evening.

**\* Brazil mineral exploration listing – 11.30am AEDT – ALV \***

**\* Retail & medical property fund listing – midday AEDT – REP \***

**\* Computer services listing – 1pm AEDT – ATV \***

**Today's Stock Watch**
**Flight Centre Travel Group (FLT)**

Today's AGM materials lodged pre-trade.

**Super Retail Group (SUL)**

Today's AGM materials lodged this morning.

Meanwhile, SUL like-for-like sales have fallen 12% year-on-year for the first 16 weeks of FY22, but are 10% higher than for the same period in FY20.

**Alexium International (ALX)**

September quarter weighted average traffic came in 9.7% higher year-on-year. Toll revenue also grew 9.7%.

Against 2019, year-to-date traffic and revenue are respectively down 10.7% and 7.6%, but against 2020, up 14.0% and 13.8%.

**SRG Global (SRG) / Fortescue Metals Group (FMG)**

SRG Bugarrba PJV has secured a \$25M, five-year port operations and services contract with FMG.

Bugarrba is owned 51% by the Njamai People; SRG 49%.

**Integrated Research (IRI) / Ainsworth Game Technology (AGI)**

Jobkeeper payments summary disclosed post-trade yesterday.

**Resources**
**Evolution Mining (EVN)**

Produced 170,681oz of gold at a \$A1413/oz AISC during the September quarter. Sold 163,046oz at \$A2364/oz.

Sold 6000t of copper at \$A12,867/t.

\$A467.8M bank debt.

**OZ Minerals (OZL)**

Raising FY21 gold output guidance and lowering forecast AISC and C1 cash costs.

Produced 33,794t of copper and 65,832oz of gold, in concentrate at a \$US1.067/lb AISC during the September quarter.

\$188M cash.

**Energy**
**Beach Energy (BPT)**

Produced 5.7MMboe during the September quarter, against 6.77MMboe a year ago.

Sales revenue tallied \$388M from \$361M.

\$43M net cash.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	35457	199	0.6
<b>S&amp;P 500</b>	4520	33	0.7
<b>NASDAQ</b>	15129	107	0.7
<b>FTSE 100</b>	7218	14	0.2
<b>DAX 30</b>	15516	41	0.3
<b>Shanghai Comp</b>	3593	25	0.7

**Overseas Markets Commentary**

Choppy trade featured across several major European, UK and US equities markets overnight, amid mixed corporate news, warnings and earnings, but most key US indices steadied quickly before heading firmly higher.

The US gains were largely attributed to reporting season optimism.

Three US Federal Reserve officials spoke publicly, at a virtual event hosted by the Richmond district Fed, governor Michelle Bowman outlining reasons the US labour market would likely not recover to pre-Covid – 19 levels.

For his part, governor Christopher Waller expressed concern at the likely continuation of rising inflation that, he ventured, could require Fed control, but at the same time supported the view supply and demand issues would ease such that price increases would moderate.

Among overnight data releases, **euro zone** August construction output was estimated 1.6% lower than for August 2020, following expectations of a 2.5% increase.

In the **US**, September building permits fell 1.6%, following forecasts for a 0.9% decline after a 1.2% August rise.

Housing starts dropped 7.7%, against expectations of a 1.8% pullback following a 5.6% August jump.

The September result was attributed mostly to worker and supply constraints.

**Tonight** in the US, the Federal Reserve's district-by-district economic update 'beige book' report is due, together with weekly mortgage applications.

In addition, a 20-year US bond auction is scheduled and four Federal Reserve officials are scheduled to speak publicly.

Elsewhere, the UK reports September CPI and hosts a 10-year treasury gilt auction.

Germany reveals September producer prices and conducts a 10-year bond auction, while a finalised September CPI reading is due for the euro zone.

Companies scheduled to report earnings later today or tonight include: Abbott Labs, Akzo Nobel, ASML, Biogen, CSX, Husqvarna, Nestlé, IBM, PPG Industries, Roche, Tesla and Verizon.

In overnight corporate news, **Johnson & Johnson** was pushed higher on better-than-anticipated quarterly earnings and a full year profit guidance boost.

**Procter & Gamble** suffered however, after sounding a profit warning.

**Danone** also issued a warning, of inflationary pressures through

**Pre-Open Announcements****RAM Essential Services Property Fund (\* REP)**

Commercial retail and medical real estate assets portfolio owner and operator scheduled to list on the ASX **midday** AEDT, following a \$356.93M IPO at \$1.00 per stapled security.

Trading will commence on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence 26 October (Tuesday next week).

~521.08M quoted stapled securities.

**ActivePort Group (\* ATV)**

Computer services specialist scheduled to list on the ASX **1pm** AEDT, following a \$12M IPO at 20c per share.

~90.84M quoted shares.

**FirstWave Cloud Technology (\* FCT)**

An investor webinar and Q&A is scheduled to commence 9am AEDT **tomorrow**.

Resuming from a trading halt with requests from two customers to pause and revise the key terms of their WebProtectDNS contracts.

The two contracts represent a combined \$A4.95M IARR reported in FCT's June quarter update.

FCT says it plans to 'adopt a more conservative view of contract risk'.

Details of each request lodged post-trade yesterday.

FCT plans to lodge its September quarter report pre-trade tomorrow.

FCT last traded at 9.4c, after adding 26% Friday last week and 2.17% Monday.

**Credit Intelligence (CI1)**

CI1's SME buy now-pay later (BNPL) app One Flexi has been launched in Hong Kong and is available in the Apple and Google stores.

**Medlab Clinical (MDC)**

Pharmacare is paying \$1.6M cash, plus a potential \$250,000 earn-out, for MDC's neutraceutical business.

MDC plans to focus on NanaBis and NanoCelle.

**OncoSil Medical (OSL)**

49.9% proxy vote received against the company's remuneration report. The final poll vote resulted in 50.41% against.

OSL recouped 6.8% yesterday, settling at 4.7c after trading as high as 5.1c.

**Redcape Hotel Group (RDC)**

Applications received for 126.5M stapled securities in RDC's off-market buy-back offer.

An associated entitlement offer is due to close tomorrow.



2022.

**Merck** benefited from a report the World Health Organisation (WHO) was seeking to purchase Covid-19 treatments for economically-challenged nations, and that these could include Merck's molnupiravir.

Another Covid-19 treatment under development by **Atea Pharmaceuticals** and **Roche**, produced disappointing interim trial results, pushing these stocks lower.

**Ericsson** flagged reducing business in China following a significant regional sales drop.

**Netflix** quarterly subscription growth, reported post-US trade, and buoyed by *Squid Game*, appeared to please, and will likely influence some of tonight's sentiment.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1770.5</b>	oz	4.8	0.3
<b>Silver (NY)</b> (Dec)	<b>23.877</b>	oz	0.62	2.6
<b>Gold (LON)</b>	<b>1768</b>	oz		
<b>Platinum</b>	<b>1039</b>	oz	9	0.9
<b>WTI Crude</b> (NYMEX Nov)	<b>82.96</b>	bbbl	0.52	0.6
<b>Brent Crude</b> (ICE EUR Dec)	<b>85.08</b>	bbbl	0.75	0.9
<b>Iron Ore</b> (Qingdao) (CHN;62%F)	<b>124.04</b>	t	-0.28	-0.2
<b>Iron Ore</b> (Nymex)	<b>123.30</b>	t	-0.10	-0.1
<b>Copper</b> (LME 3mth Evening, 18 Oct)	<b>10187</b>	t		
<b>Nickel</b>	<b>19997</b>	t		
<b>Aluminium</b>	<b>3166</b>	t		
<b>Lead</b>	<b>2377</b>	t		
<b>Zinc</b>	<b>3695</b>	t		
<b>Tin</b>	<b>37799</b>	t		

### Commodities Commentary

**Oil** – supply deficit views, exacerbated by a drop in northern hemisphere temperatures this past week, pushed prices higher overnight.

WTI traded at seven-year peaks, reaching \$US83.58/bbl.

Petrobras in the meantime, revealed capacity would not be able to match November 'atypical demand' from fuel distributors.

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

Overnight post-US trade, the American Petroleum Institute released a weekly report containing an estimated a 3.294MMbbl crude stocks increase last week.

**Gold** – prices swung overnight, pushed higher by the \$US at three-week lows, before reported profit-taking was cited for a fall in Comex futures from session highs.

Meanwhile, silver notably traded at five-week peaks.

**Base metals** – overnight LME trade was pushed and pulled by administrative announcements out of China, Indonesia and the US, a \$US pullback, ongoing supply speculation in the light of rising energy costs, and profit-taking.

**Copper** reportedly traded at \$US10402.5/t before some reported profit-taking set in.

**Zinc** prices appeared to retreat on reports of (~8%) higher

### Resources

#### Alvo Minerals (\* ALV)

Brazil-focused minerals explorer scheduled to list on the ASX **11.30am** AEDT, following a \$10M IPO at 25c per share. 72.83M quoted shares.

#### Black Earth Minerals (\* BEM)

JV secured with India-headquartered Metachem Manufacturing Company, to develop an expandable graphite facility in India.

The JV plans to supply expandable graphite to potential customers in Europe.

#### Caspin Resources (\* CPN)

Resuming from a trading halt with WA Yarawindah Brook PGE-Ni-Cu project Yarabrook Hill RC drilling results from three holes of an 11-hole program completed 25 August.

Significant intercepts from two holes lodged post-trade yesterday. No significant intercepts were received for the third hole.

CPN last traded Friday last week at \$1.06, after closing out the previous week at 74.5c, and prompting an ASX price and volume query.

#### Tanami Gold (TAM) / Northern Star Resources (NST)

The Central Tanami project 50:50 JV has appointed Joe McDiarmid as GM.

#### Prodigy Gold (PRX)

PRX has terminated a 10-year Oil Pirate project operator agreement, effective immediately, citing 'unremedied breaches'.

The agreement was secured with TRL Tanami (now Davidson Gold) October 2019.

#### Cannon Resources (CNR)

Resuming from a trading halt with commitments in hand for a \$4M, 40c-per-share placement, in support of WA northern goldfields Fisher East nickel project exploration.

CNR traded at 28c – 50c over the five sessions immediately prior to calling the halt.

#### iTech Minerals (\* ITM)

Halloysite-kaolinite explorer scheduled to list on the ASX 11am AEDT **tomorrow**, following a \$7M IPO at 20c per share. ~88.5M quoted shares.

#### Lykos Metals (\* LYK)

Minerals explorer scheduled to list on the ASX 2pm AEDT **tomorrow**, following a \$12M IPO at 30c per share. 61.5M quoted shares; 30M quoted options.

### Energy

#### Yancoal Australia (\* YAL)

YAL's September quarter average realised coal price jumped 53% for the three months to \$A155/t.

YAL produced 16.6Mt ROM coal 16.6Mt during the September



inventories.

Indonesia's president declared the nation needed more investment in onshore processing and spoke of potential new raw commodities exports curbs.

Meanwhile, a US defence department representative promoted boosting domestic *rare earths* mining and processing.

An official from China spoke of the need to moderate coal prices.

The People's Bank of China is due to announce one-year and five-year loan prime rates today. Any commentary also out of the central bank will be keenly assessed.

### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7474	0.0021	0.28
EUR – USD	1.1635	-0.0011	-0.09

### Australian Data Today

Westpac/MelbInstitute	Leading economic index	Oct
-----------------------	------------------------	-----

### US Data Tonight

Fed Reserve beige book	Oct
MBA mortgage applications	15 Oct

### Other Overseas Data Today & Tonight

<b>China</b>	Home prices	Sep
China	Loan prime rates	Oct
<b>Japan</b>	Trade balance	Sep
<b>UK</b>	CPI	Sep
<b>Germany</b>	Producer prices	Sep
<b>Eurozone</b>	CPI (final)	Sep

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

quarter, 10% more than for the June quarter.

Attributable saleable coal output rose 11% to 9.9Mt, and attributable mine production sales by 21% to 10.4Mt.

January – September statistics also lodged post-trade yesterday.

YAL is lowering 2021 attributable saleable coal production from ~39Mt to ~37.5Mt.

Cash operating costs, excluding royalties, are expected to come in at \$A66/t - \$A68/t, from the previously forecast \$A62/t - \$A64/t.

Attributable capex has been lowered from \$A360M - \$A380M to \$A320M - \$A340M.

### Trading Halts

Company	Code	Resuming
Houston We Have	HWH	20 Oct
Trek Metals	TKM	20 Oct
YPB Group	YPB	20 Oct
AD1 Holdings	AD1	21 Oct
Allegiance Coal	AHQ	21 Oct
Aristocrat Leisure	ALL	21 Oct
Centrex Metals	CXM	21 Oct
Peak Minerals	PUA	21 Oct
Prophecy International Holdings	PRO	21 Oct
Zelira Therapeutics	ZLD	21 Oct

### Suspensions *(selected)*

Company	Code	Since
4DS Memory	4DS	12 Oct
Murray River Group	MRG	1 Oct
Stemcell United	SCU	29 Sep
Structural Monitoring Systems	SMN	8 Oct
Viagold Rare Earth Resources Holdings	VIA	15 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CLT</b>	Today	<b>0.3</b>	0	0.00
<b>KPG</b>	Today	<b>1.16</b>	100	1.37
SEC	Tomorrow	2.5	100	3.33
RND	Fri	10	100	6.37
TBR	Fri	20	100	0.00
CLV	Mon	0.5	100	2.11
NHC	Mon	7	100	1.59
SXE	26 Oct	4	100	0.00
CLX	27 Oct	2	100	1.94
BOQ	28 Oct	22	100	3.09
CAF	28 Oct	1	100	7.27
RHI	28 Oct	120	100	0.00

**Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice**

This market opener and its contents always remain the property of State One Stockbroking Ltd (“State One”) and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>ADH</b>	AGM
	<b>ALX</b>	Sep Q
	<b>BPT</b>	Sep Q
	<b>EVN</b>	Sep Q (tele 11am)
	<b>FLT</b>	AGM
	<b>KOV</b>	AGM
	<b>MEZ</b>	Sep
	<b>MYS</b>	AGM
	<b>ORG</b>	AGM
	<b>OZL</b>	Sep Q
	<b>SSM</b>	AGM
	<b>SUL</b>	AGM
	<b>TRS</b>	AGM
<b>Tomorrow</b>	APA	AGM
	AIA	AGM
	CLW	AGM
	CIM	Sep Q
	CWN	AGM
	FCT	Sep Q (webinar 9am)
	HLS	AGM
	MFG	AGM
	ORA	AGM
	PPT	AGM
	STO	Sep Q
	TCL	AGM
	WES	AGM; Sep Q
	WPL	Sep Q
<b>Fri</b>	CWY	AGM
	EQT	AGM
	IAG	AGM
	LYC	Sep Q (w/cast tele 11am)
	MAH	AGM
	MMS	AGM
	SDF	AGM