

Markets

SFE 200 Futures (9.30am AEDT)	7396	12	0.2
NZX 50	13157	43	0.3
DJIA Futures	35456	-21	-0.1
S&P 500 Futures	4525	-3	-0.1
NASDAQ Futures	15352	-25	-0.2

Local Markets Commentary

The Australian market opens today's trade with an overnight \$A appreciation, new material data in hand from South Korea and China pre-trade, and key domestic economic reports due late morning.

International equities sentiment weakened overnight.

Locally today, the NAB September quarter roundup of monthly **business conditions and confidence** is due **11.30am** AEDT.

The Australian Bureau of Statistics releases two publications, also at 11.30am, a jobs and wages report for the week ending 25 September plus additional details regarding the previously-reported September workforce statistics.

At the same time, the RBA reports monthly foreign transactions and official reserve assets.

A further batch of high-profile AGM and September quarter updates is again expected to influence select trade. *Please see p5 for a select list of today's events.*

Regionally today, **South Korea** has reported September **producer prices** pre-trade, these rising 0.2% for the month and 7.5% year-on-year.

Forecasters had anticipated a new 0.7% rise for the month, following a 0.5% August increase.

Post-ASX trade yesterday, **China** reported 19.6% higher year-on-year January – September **foreign direct investment (FDI)**.

January – August FDI was previously reported to have risen 22.3%.

In overnight commodities trade, **oil** extended Tuesday's gains.

US **gold** futures also continued higher.

Iron ore (China port CFR, 62% fines) turned to gain just US3c/t, to remain just above \$US124.00/t.

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

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

Comex copper rose US3c/lb to \$US4.73/lb.

The \$A was propelled to ~US75.15c after trading at US74.90c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35609	152	0.4

* **Halloysite-kaolinite exploration listing – 11am AEDT – ITM ***

* **Battery minerals exploration listing – 2pm AEDT – LYK ***

Today's Stock Watch
Wesfarmers Ltd (WES)

September quarter sales anticipated. AGM today, also.

CIMIC Group (CIM)

\$303M January – September NPAT. 9.2% higher year-on-year, \$10.9B revenue. Presentation lodged pre-trade.

Aristocrat Leisure (ALL)

Resuming from a trading halt proposing to pay £6.80 cash-per-share for online gambling software and content specialist Playtech, in an agreed offer that values Playtech at \$A5B.

In association, ALL has raised \$A895M in a \$A41.85-per-share institutional entitlement offer, and a \$A47.10 book-build. A \$405M retail entitlement offer is scheduled for 25 October – 8 November. ALL will also use \$A1.1B worth of existing cash, plus a new \$US2.05B term loan to fund the purchase. ALL traded at \$43.915 - \$46.32 last week, prior to calling the halt.

Quickstep Holdings (QHL)

Strategic supply agreement secured with Swoop Aero, with an initial \$1.5M order. In addition, QHL plans to subscribe for \$2M worth of Kookaburra Aerospace convertible notes. Details lodged pre-trade.

Healius Ltd (HLS)

Reporting \$689.9M September quarter revenue ahead of today's AGM. AGM materials also lodged pre-trade.

Resources
Apollo Consolidated (AOP) / Gold Road Resources (GOR) / Ramelius Resources (RMS)

GOR has launched its flagged 56c-per-share off-market takeover offer for AOP. AOP has traded at 44c – 53c over the company's past five trading sessions. RMS, another AOP suitor, produced 65,856oz of gold at a \$A1445/oz AISC during the September quarter. \$A273.9M cash and gold.

Iluka Resources (ILU)

Produced 135.3Mt of zircon, rutile and synthetic rutile during the September quarter. \$210.2M mineral sands revenue.

Energy
Woodside Petroleum (WPL)

Produced 22.2MMboe during the September quarter. Sales revenue tallied \$1.53B, at \$A59/bbl.

Santos Ltd (STO)

Record \$US1.14B September quarter revenue.



S&P 500	4536	17	0.4
NASDAQ	15122	-7	-0.1
FTSE 100	7223	6	0.1
DAX 30	15523	7	0.1
Shanghai Comp	3587	-6	-0.2

Overseas Markets Commentary

Vacillating trade featured across major European, UK and US equities markets overnight, amid further earnings reports out of large-cap companies on both sides of the Atlantic and with inflation was in focus, courtesy of numerous economic reports.

Earlier yesterday, China's 3.8% September year-on-year house prices increase undershot expectations.

The US Federal Reserve's district-by-district economic update 'beige book' report, released in late US trade, revealed a significant number of companies had been able to pass on cost increases to customers due to strong demand, and that wage increases to attract and keep workers, were ongoing.

Overall, the Fed concluded modest to moderate economic growth across most districts and a generally positive outlook, even as optimism was described as 'more cautious'.

In overnight data releases, the **UK's** September **CPI** growth was estimated at 0.3% for the month and 3.1% against September 2020.

The CPI had risen 0.7% in August and the September reading was forecast to rise by 0.4%.

A finalised September **CPI** reading for the **euro zone** confirmed a 0.5% increase for the month and 3.4% annualised growth.

Germany's September **producer prices** rose 2.3% for the month, following a 1.5% August increase and forecasts for a 0.8% new rise.

Against September 2020, prices were up 14.2%.

Russia also reported September **producer prices**, these defying expectations of a 0.9% rise, instead falling 1% following August's 1.5% increase.

Against September 2020, prices were up 26.3%.

In the **US**, in addition to the Fed's beige book report, weekly mortgage applications dropped 6.3% following a 0.2% increase the previous week.

Mean average 30-year mortgage rates were calculated at 3.23% from 3.18%.

Meanwhile, a 20-year **US bond** auction delivered a 2.100% yield from 1.795% previously.

Earlier, a 10-year **treasury gilt** auction in the **UK** produced a **1.144%** yield against 0.740% previously.

In **Germany**, a 10-year **bond** auction resulted in a **-0.16%** yield from -0.22%.

Also overnight, Bitcoin traded at a new record peak.

In Covid-19 developments, daily cases in the UK continued to be reported on the rise as the government announced procurement of two anti-viral treatments, the US FDA approved Covid-19 Moderna and Johnson & Johnson vaccination booster shots, Russia reported a record number of Covid-19 – related deaths, and New York City announced it would require public sector

Pre-Open Announcements

AMP Ltd (* AMP)

Flat, \$A131.2B Australian wealth management assets under management for the September quarter.

Crown Resorts (* CWN)

AGM today.

Post-trade yesterday, CWN revealed Steve McCann's appointment as MD and CEO had become effective yesterday, on the receipt of all regulatory approvals.

Domino's Pizza Enterprises (* DMP)

Europe investor day presentation lodged post-trade yesterday. DMP presented and hosted a Q&A yesterday evening (AEDT).

Flight Centre Travel Group (* FLT)

\$A400M unsecured convertible notes offer, in support of debt repayment and company growth. \$A393M net proceeds anticipated.

FLT will apply for the notes to be listed on the Singapore Exchange Securities Trading (SGX-ST) official list.

Additional details lodged post-trade yesterday and pre-trade today.

Endeavour Group (* EDV)

As previously announced, EDV intended to appoint Anne Brennan as an independent non-executive director, effective 22 October (Friday this week), pending regulatory approvals.

Not all regulatory approvals are in hand to enable the appointment to become effective from Friday.

EDV says it will continue to 'work with the regulators to obtain those approvals'.

Smartpay Holdings (* SMP)

Unaudited September quarter statistics lodged post-trade yesterday, commentary highlighting the impact of Covid-19 – related lockdowns in New South Wales and Victoria.

Revenue fell 9% for the three months to \$10.027M.

Total transaction value dropped 15% to \$507.89M.

Pureprofile Ltd (* PPL)

59% September quarter revenue growth.

Elmo Software (* ELO)

52% September quarter revenue growth.

Lifestyle Communities (LIC)

Community operations head Simon Goninon has resigned in order to be able to work nearer family.

Employee incentive scheme and director remuneration also lodged post-trade yesterday.

Orbital Corporation (OEC)

Investor update regarding a contract win and \$A6.5M entitlement issue scheduled to commence **1pm** AEDT.

Access details lodged post-trade yesterday.

workers to be vaccinated.

Tonight in the US, weekly initial jobless claims, September existing home sales, the Philadelphia Fed manufacturing index and the Conference Board's September leading economic index are due.

Companies scheduled to report earnings later today or tonight include: American Airlines, AT & T, Atlas Copco, Barclays, Dow Inc, Freeport-McMoRan, Hermes International, Intel, L'Oréal, Mattel, PayPal Holdings, SAP, Snap, Unilever and Volvo.

In overnight corporate news, Covid-19 test sales prompted **Abbott Laboratories** to raise its full year profit forecast.

Tesla reported a \$US1.6B September quarter net profit and better-than-anticipated \$US13.76B revenue post-US trade.

Meanwhile **PayPal Holdings** was reported to be offering \$US45B for **Pinterest**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1784.9	oz	14.4	0.8
Silver (NY) (Dec)	24.447	oz	0.57	2.4
Gold (LON)	1780	oz		
Platinum	1048	oz	9	0.9
WTI Crude (NYMEX Nov)	83.87	bbbl	0.91	1.1
Brent Crude (ICE EUR Dec)	85.82	bbbl	0.74	0.9
Iron Ore (Qingdao) (CHN;62%F)	124.07	t	0.03	0.0
Iron Ore (Nymex)	123.49	t	0.19	0.2
Copper (LME 3mth Evening, 19 Oct)	10150	t		
Nickel	20050	t		
Aluminium	3112	t		
Lead	2376	t		
Zinc	3508	t		
Tin	37710	t		

Commodities Commentary

Oil – indications of immediate-term demand bolstered prices further overnight, Brent crude settling at its highest in ~three years.

A weekly US petroleum inventories report, published overnight by US government agency the EIA, included a 431,000bbbl draw on crude stocks and 5.368MMbbbl drop in stored petrol.

Petrol production rose by 455,000bbbl/d, but stocks at the end of the week, estimated at 217.7MMbbbl, represented the least since November 2019.

Net crude imports fell 715,000bbbl/d.

Overnight Tuesday post-US trade, the American Petroleum Institute has released a weekly report containing an estimated a 3.294MMbbbl rise for crude stocks last week.

The WTI November delivery contract expired overnight, the December contract adding 98c for the session to close at \$US83.42/bbl.

Gold – supply shortages and logistics constraints not seen easing in the short-term, plus several overnight economic data releases measuring inflation, supported views of longer-than-anticipated elevated inflation, pushing gold and silver prices higher overnight.

Base metals – overnight LME trade was pushed and pulled by

RAM Essential Services Property Fund (* REP)

Commercial retail and medical real estate assets portfolio owner and operator completed its ASX listing yesterday, following a \$356.93M IPO at \$1.00 per stapled security.

Opened at \$1.05 and slipped to \$1.015 before settling at \$1.02.

~12.21M shares changed hands across 1406 transactions.

Trading commenced 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 completed its ASX listing yesterday, following a \$12M IPO at 20c per share.

Opened at 19.5c and traded at 19c – 20.5c before settling back at 19.5c.

~4.78M shares changed hands across 295 transactions.

~90.84M quoted shares.

Resources

iTech Minerals (* ITM)

Halloysite-kaolinite explorer scheduled to list on the ASX **11am** AEDT, 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, following a \$12M IPO at 20c per share.

61.5M quoted shares; 30M quoted options.

Acquiring three battery metals projects in Bosnia-Herzegovina.

Rio Tinto (RIO)

Emissions reduction commitment statement plus investor seminar presentation lodged post-trade yesterday. RIO presented virtually from London yesterday evening (AEDT).

Perseus Mining (* PRU)

Produced a record 112,786oz of gold at a \$US966/oz AISC during the September quarter.

Sold 107,650oz at \$US1655/oz.

Mt Gibson Iron (* MGX)

Sold 400,000t of WA Koolan Island and 100,000t of WA mid-west Shine project iron ore during the September quarter.

\$250M cash and investments.

BC Minerals (* BCI)

WA Mardie salt and potash project FID in hand.

Debt and equity funding plans yet to be finalised.

Galena Mining (G1A)

G1A has appointed former Bank of America Merrill Lynch Australian Natural Resources team head Neville Gardiner as a non-executive director.

G1A co-founding director Jonathan Downes is retiring from the



several material data releases, including overnight inflation indicators, inventory updates and plans by China to further constrain prices.

Cash *copper* prices remained at a premium to three-month deliveries, but premiums were down to ~\$US155/t versus ~\$US1100/t earlier this week.

Meanwhile, the LME revealed plans to change some copper trade lending and delivery rules.

Yesterday, **China** reported 3.8% higher year-on-year September home prices against forecasts for a 4.0% rise.

Meanwhile, the People's Bank of China retained status quo for one-year (3.85%) and five-year (4.65%) loan prime rates yesterday.

Japan's September trade statistics, lodged post-trade yesterday, included a ¥622.8B deficit from a ¥637.2B August deficit. Forecasters had anticipated a ¥500B September shortfall.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7517	0.0021	0.28
EUR – USD	1.1652	0.0000	0.00

Australian Data Today

NAB	Business conditions & confidence	Sep Q
ABS	Weekly payroll jobs & wages	25 Sep
ABS	Workforce (additional detail)	Sep
RBA	Forex transactions; official reserve assets	Sep

US Data Tonight

Initial jobless claims	16 Oct
Philadelphia Fed manufacturing index	Oct
Conference Board leading index	Sep
Existing home sales	Sep

Other Overseas Data Today & Tonight

South Korea	PPI	Sep
UK	Public sector borrowing	Sep
UK	CBI industrial trends orders	Oct
UK	CBI business optimism	Dec Q
Germany	GfK consumer confidence	Oct
Eurozone	Consumer confidence	Oct

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G1A board at the 29 October AGM.

Alvo Minerals (* ALV)

Brazil-focused minerals explorer completed an enviable ASX listing yesterday, following a \$10M IPO at 25c per share.

Opened at 37c and traded at 35.5c – 41c, settling at 41c.

5.2M shares changed hands across 503 transactions.

72.83M quoted shares.

Salt Lake Potash (SO4)

Voluntary administrators appointed, followed by receivers and managers.

Post-trade yesterday, the ASX also lodged a query letter sent to SO4 2 August 2021.

Trading Halts

Company	Code	Resuming
AD1 Holdings	AD1	21 Oct
Allegiance Coal	AHQ	21 Oct
Centrex Metals	CXM	21 Oct
Peak Minerals	PUA	21 Oct
ALE Property Group	LEP	22 Oct
Ambertech Ltd	AMO	22 Oct
De Grey Mining	DEG	22 Oct
Lithium Australia	LIT	22 Oct
Thomson Resources	TMZ	22 Oct
Top Shelf International Holdings	TSI	22 Oct
A-cap Energy	ACB	25 Oct

Suspensions (selected)

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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SEC	Today	2.5	100	3.40
RND	Tomorrow	10	100	6.37
TBR	Tomorrow	20	100	0.00
CLV	Mon	0.5	100	2.01
JMS	Mon	0.5	0	12.93
NHC	Mon	7	100	1.67
SXE	Tue	4	100	0.00
CLX	Tue	2	100	1.94
BOQ	28 Oct	22	100	3.11
CAF	28 Oct	1	100	7.27
RHI	28 Oct	120	100	0.00



ASG	29 Oct	7	100	0.87
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Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	AMP	Sep Q
	APA	AGM
	AIA	AGM
	CLW	AGM
	CIM	Sep Q
	CWN	AGM
	FCT	Sep Q (webinar 9am)
	HLS	AGM
	ILU	Sep Q
	MFG	AGM
	MGX	Sep Q
	ORA	AGM
	PPT	AGM
	PRU	Sep Q
	RMS	Sep Q
	STO	Sep Q
TCL	AGM	
WES	AGM; Sep Q	
WPL	Sep Q	
Tomorrow	CWY	AGM
	EQT	AGM
	IAG	AGM
	LYC	Sep Q (w/cast tele 11am)
	MAH	AGM
	MMS	AGM
	SDF	AGM
Mon	ARG	AGM
	NCK	AGM
Tue	BGA	AGM
	OSH	Sep Q
	PNI	AGM
	PNV	AGM
	RBL	AGM
	REG	AGM
	SLK	AGM
	SXE	AGM