

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7389	2	0.0
<b>NZX 50</b>	13112	-14	-0.1
<b>DJIA Futures</b>	35455	-25	-0.1
<b>S&amp;P 500 Futures</b>	4531	-11	-0.2
<b>NASDAQ Futures</b>	15398	-81	-0.5

**Local Markets Commentary**

The Australian market commences Friday trade with early morning inflation comments in hand from Reserve Bank of Australia (RBA) governor Philip Lowe, and an overnight \$A depreciation, ahead of material data for Japan this morning and a batch of PMI updates tonight.

Overnight international equities sentiment proved mixed.

**Locally** today, RBA governor Philip Lowe was scheduled to participate virtually in a panel discussion at a *Central Bank Independence, Mandates and Policies* conference in Chile, 6am AEDT.

The governor reportedly offered wages growth was the key to whether inflation remained elevated in Australia.

Also pre-trade, Markit released its initial October PMIs.

AGM and September quarter reporting season continues in the meantime. *Please see p4 for a select list of today's anticipated reports.*

**Regionally** today, **Japan** releases the national September **CPI** reading at **10.30am** AEDT.

Initial October **PMI** estimates for Japan are expected **11.30am**.

Meanwhile, **New Zealand's** markets will be closed **Monday** due to a public holiday.

In overnight commodities trade, **oil** swung lower.

US **gold** futures also turned to record a decline.

**Iron ore** (China port CFR, 62% fines) dropped beneath \$US117.00/t.

Last night's LME final price updates were unavailable from IRESS at time of publication.

LME (3mth evening) **copper** and other key base metals were reported lower, however.

Comex copper settled US18c lower, at \$US4.56/lb.

The **\$A** fell to ~US74.65c after trading at ~US74.85c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	35603	-6	-0.0
<b>S&amp;P 500</b>	4550	14	0.3
<b>NASDAQ</b>	15216	94	0.6
<b>FTSE 100</b>	7190	-33	-0.5
<b>DAX 30</b>	15473	-50	-0.3
<b>Shanghai Comp</b>	3595	8	0.2

**Today's Stock Watch**
**Qantas Airways (QAN)**

Planning to launch a new Sydney – Delhi service early December.

In addition, QAN is expecting to resume Sydney flights to Bangkok, Fiji, Johannesburg, Phuket and Singapore earlier than anticipated.

Consequently QAN will return more employees and craft to service earlier than anticipated, during December.

**Insurance Australia Group (IAG)**

Reporting mid single-digit gross written premium (GWP) growth for the September quarter.

Continuing to predict low single-digit gross GWP FY22 growth. Today's AGM materials also lodged pre-trade.

**Cardno Ltd (CDD)**

Proposing to sell the group's Americas and Asia Pacific consulting divisions for a combined \$US500M cash, pending shareholder approval at a 6 December EGM.

CDD plans to distribute most of the proceeds to CDD shareholders, by way of a capital return and unfranked dividend. CDD proposes to use some of the proceeds to pay off external debt, and to retain ~\$A64M cash of the proceeds for company development. CDD says major (~55.9%) CDD shareholder Crescent Capital Partners intends to support the proposal in the absence of anything superior.

**Swick Mining (SWK) / DDH1 Ltd (DDH)**

SWK and DDH have agreed a scheme implementation following an indicative proposal earlier this month for DDH to acquire SWK.

DDH is offering 0.297 shares for each SWK share, valuing SWK at \$115M.

Associated Oreplore demerger plans also included pre-trade.

**Resources**
**Lynas Rare Earths (LYC)**

Produced 3166t of REO during the September quarter, from 3778t for the June quarter. \$A121.6M September quarter sales revenue, from \$185.9M. \$667.3M cash balance.

LYC has traded higher the past six sessions, settling at \$7.44 yesterday and trading as high as \$7.66 Wednesday.

**Piedmont Lithium (PLL)**

US Carolina lithium project resource updated to 44.2Mt @ 1.08Li<sub>2</sub>O%, for 475,000t of Li<sub>2</sub>O.

**Consolidated Zinc (CZL)**

Off-take agreement in hand for 100% of Plomosas zinc concentrates for 2022. Option to extend the purchases to December 2023 also agreed.



## Overseas Markets Commentary

Sentiment diverged across major European, UK and US equities markets overnight, a batch of disappointing economic indicators and renewed looming uncertainty mostly outweighing corporate earnings season optimism.

In the US, the NASDAQ and the S&P 500 proved the exception the S&P recording a new record peak and the NASDAQ benefiting from Tesla and Microsoft support.

Yesterday, China property development group Evergrande potential default commentary abounded, following reports the proposed sale of a services unit would not be going ahead.

Also from late Wednesday, Democrats were reporting large compromises between members on a planned \$3.5 trillion spending package, so that at least some key spending could be approved by year's end. Listed compromises mostly involved social infrastructure spending, but also a plan to push the utilities sector towards greater renewable fuels use.

Overnight, the Bank of England's recently appointed chief economist Huw Pill predicted a potential 5% domestic inflation rate within the next few months.

In addition, the UK and eastern Europe continued to report significant new Covid-19 spread, prompting warnings. Latvia imposed a new lockdown as Estonia and Romania also considered renewed restrictions after Russia had recommended earlier this week that non-essential workers stay home for a week.

For its part, China also reintroduced some strict Covid-19 containment restrictions across at least five provinces.

Among largely sobering overnight data releases, the **euro zone** reported a -4.8 initial October consumer confidence estimate, from September's -4.0, this nonetheless proving better than feared. Forecasters had predicted -6.0.

The **UK's** September public sector net borrowing came in at £21.8B against forecasts for £24.4B and following £16.8B for August.

The CBI October industrial trends orders index tumbled to nine from 22, following forecasts for a smaller decline to 19.

Meanwhile, a CBI December quarter business confidence index plunged to two from 27, against expectations of 15.

In the **US**, weekly new unemployment claims tallied a 19-month low 290,000, from 296,000 the previous week. Forecasters had anticipated 295,000 new claims.

The Philadelphia Fed manufacturing index dropped to 23.8 from 30.7, against expectations of 25.

The Conference Board's September leading economic index also undershot expectations, coming in at 0.2% from August's 0.8% increase and against predictions for 0.5%.

September existing home sales jumped 7% for the month however, following forecasts for a 1.2% rise following August's 2% fall.

**Tonight** in the US, Markit's preliminary October PMIs are due.

Elsewhere, the UK reports September retail sales. Initial October PMI readings are also due for the UK and euro zone.

Companies scheduled to report earnings later today or tonight

## Pre-Open Announcements

### EROAD Ltd (\* ERD)

Launching the Clarity Solo dashcam at the American Trucking Association MC&E show in Tennessee, US this weekend.

ERD has traded lower the past three sessions, settling at \$4.89 yesterday after closing out last week at \$5.26.

### Transurban Group (\* TCL)

25.74% (proxy and poll) vote recorded against the (THL and TIL) remuneration report recorded at yesterday's AGM.

### GWA Group (GWA)

\$180M syndicated banking facility extended to mature October 2024.

A \$40M facility was recently extended until October 2022.

### Sigma Healthcare (SIG)

SIG has appointed Kara McGowan as general counsel and company secretary, effective yesterday.

### IOOF Holdings (IFL)

Proposing to change the group's name to Insignia Financial, pending shareholder approval at the 25 November AGM.

## Resources

### Lykos Metals (\* LYK)

Minerals explorer completed a stellar ASX listing yesterday, following a \$12M IPO at 20c per share.

Opened at 33c and traded at 29.5c – 36c before settling at 32c. 4.83M shares changed hands across 599 transactions.

61.5M quoted shares; 30M quoted options.

Acquiring three battery metals projects in Bosnia-Herzegovina.

### Copper Mountain Mining Corporation (C6C)

C6C has appointed former KoBold Metals VP exploration and previous Teck Resources GM exploration Patrick Redmond as senior VP exploration, effective 1 November.

### Matador Mining (MZZ)

Presentation lodged post-trade yesterday.

### South Harz Potash (SHP)

Investor presentation lodged post-trade yesterday.

### QX Resources (QXR)

Initial WA Pilbara Turner River lithium project field inspection summary lodged post-trade yesterday.

### Lithium Power International (LPI)

LPI founding director and former acting chairman Reccared (Ricky) Fertig has resigned from the LPI board, in favour of business interests in South Africa.

Mr Fertig remains a LPI substantial shareholder.

### iTech Minerals (\* ITM)

South Australia Eyre Peninsula Halloysite-kaolinite explorer completed a successful ASX listing yesterday, following a \$7M IPO at 20c per share.



include: American Express, Honeywell, Hyundai Steel, Industrial Bank of Korea, Reliance Industries, Schlumberger and Tokyo Steel Manufacturing.

### Commodities

COMMODITY	CLOSE	\$/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1781.9</b>	oz	-3.00	<b>-0.2</b>
<b>Silver (NY)</b> (Dec)	<b>24.167</b>	oz	-0.28	<b>-1.1</b>
<b>Gold (LON)</b>	<b>1778</b>	oz		
<b>Platinum</b>	<b>1048</b>	oz	0	0.0
<b>WTI Crude</b> (NYMEX Dec)	<b>82.50</b>	bbbl	-0.92	<b>-1.1</b>
<b>Brent Crude</b> (ICE EUR Dec)	<b>84.61</b>	bbbl	-1.21	<b>-1.4</b>
<b>Iron Ore</b> (Qingdao) (CHN;62%f)	<b>116.93</b>	t	-7.14	<b>-6.1</b>
<b>Iron Ore</b> (Nymex)	<b>122.89</b>	t	-0.60	<b>-0.5</b>
<b>Copper</b> (LME 3mth Evening, 20 Oct)	<b>10193</b>	t		
<b>Nickel</b>	<b>20975</b>	t		
<b>Aluminium</b>	<b>3072</b>	t		
<b>Lead</b>	<b>2324</b>	t		
<b>Zinc</b>	<b>3566</b>	t		
<b>Tin</b>	<b>38300</b>	t		

### Commodities Commentary

**Oil** – lower coal and gas prices, taking away some demand for crude as an alternative power generation fuel, plus a forecast of relatively warmer and drier US winter weather swung prices lower overnight.

A weekly US petroleum drill rig report is due tonight.

**Gold** – prices appeared mostly pushed and pulled overnight by mixed US economic indicators and a strengthening \$US.

**Base metals** – inventories, weather disruptions, \$US moves and economic control assurances out of China appeared the main influences on overnight LME trade.

Speculation grew on *nickel* supply, in part due to adverse weather in the Philippines predicted to impact nickel production.

Meanwhile, Shandong Fangyuan Nonferrous Metals Group was reported to have restarted a 300,000tpa *copper* smelter.

Freeport McMoRan predicted copper supply shortages unless more mining was enabled.

Yesterday, **South Korea** reported September producer prices, up 0.2% for the month and 7.5% higher than for September 2020.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7467	-0.0040	<b>-0.54</b>
<b>EUR – USD</b>	1.1625	-0.0027	<b>-0.23</b>

### Australian Data Today

Markit PMIs (initial) Oct

### US Data Tonight

Markit PMIs (preliminary) Oct

Opened at 22.5c and traded at 21c – 23.5c before settling at 22c.

6.449M shares changed hands across 808 transactions.  
~88.5M quoted shares.

### Energy

#### Strike Energy (\* STX)

September quarter activities report lodged pre-trade.

#### Buru Energy (BRU)

BRU natural hydrogen and associated helium exploration subsidiary 2H Resources update lodged post-trade yesterday.

### Trading Halts

Company	Code	Resuming
De Grey Mining	DEG	22 Oct
Thomson Resources	TMZ	22 Oct
Top Shelf International Holdings	TSI	22 Oct
A-cap Energy	ACB	25 Oct
Avenira Ltd	AEV	25 Oct
Critical Resources	CRR	25 Oct
Flexiroam Ltd	FRX	25 Oct
Moho Resources	MOH	25 Oct
Sprintex Ltd	SIX	25 Oct

### Suspensions (selected)

Company	Code	Since
4DS Memory	4DS	12 Oct
AD1 Holdings	AD1	21 Oct
Murray River Group	MRG	1 Oct
Viagold Rare Earth Resources Holdings	VIA	15 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>RND</b>	Today	<b>10</b>	100	6.21
<b>TBR</b>	Today	<b>20</b>	100	0.00
CLV	Mon	0.5	100	1.88
JMS	Mon	0.5	0	12.13
NHC	Mon	7	100	1.70
SXE	Tue	4	100	0.00
CLX	Tue	2	100	1.94
BOQ	Thu	22	100	3.14
CAF	Thu	1	100	7.41
RHI	Thu	120	100	0.00
ASG	Fri (29 Oct)	7	100	0.87

**Other Overseas Data Today & Tonight**

<b>Japan</b>	CPI	Sep
Japan	PMIs (initial)	Oct
<b>UK</b>	Retail sales	Sep
UK	PMIs (initial)	Oct
UK	GfK consumer confidence (10am AEDT)	Oct
<b>Germany</b>	PMIs (initial)	Oct
<b>Eurozone</b>	PMIs (initial)	Oct

**Need More Information?**

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**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>CWY</b>	AGM
	<b>EQT</b>	AGM
	<b>HLO</b>	Sep Q
	<b>IAG</b>	AGM
	<b>LYC</b>	Sep Q (w/cast tele 11am)
	<b>MAH</b>	AGM
	<b>MMS</b>	AGM
	<b>ORE</b>	Sep Q
	<b>SDF</b>	AGM
	<b>STX</b>	Sep Q
<b>Mon</b>	ARG	AGM
	NCK	AGM
<b>Tue</b>	BGA	AGM
	OSH	Sep Q
	PNI	AGM
	PNV	AGM
	RBL	AGM
	REG	AGM
	SLK	AGM
<b>Wed</b>	SXE	AGM
	AIM	Investor day (8.30am)
	BKL	AGM
	CNU	AGM
	CDA	AGM
	CGS	AGM
	NSR	AGM
	NWL	AGM
	SBM	AGM (2pm)
	WHC	AGM
WOW	AGM; Sep Q sales	