

Markets

SFE 200 Futures (9.30am AEDT)	6020	-24	-0.4
NZX 50	12246	-6	-0.1
DJIA Futures	27196	-169	-0.6
S&P 500 Futures	3360	-23	-0.7
NASDAQ Futures	11521	-67	-0.6

Local Markets Commentary

The Australian market commences mid-week trade with material domestic data due late morning and new commentary in hand from the Reserve Bank of Australia (RBA) following vacillating overnight trade across key international equities markets ~a week out from final polling in the US presidential election.

US futures are lower this morning.

Post-ASX trade yesterday, RBA assistant governor Michele Bullock warned, ahead of new RBA forecasts due next week, that domestic economic recovery from the impacts of Covid-19 would prove 'unpredictable and uneven'.

Challenges for households and businesses would likely impact the banking sector although no bank failures were anticipated, Ms Bullock assured.

Locally today, the Australian Bureau of Statistics (ABS) reports September quarter **CPI 11.30am AEDT**.

In overnight commodities trade, **oil** bounced.

US **gold** futures (August) also settled with a gain.

Iron ore (Nymex CFR China, 62% Fe) continued slightly lower, trading below \$US120.65/t.

LME **copper** and **nickel** turned to record respective modest and rally-mode gains. **Aluminium** settled yet lower, but slightly.

The **\$A** was pushed above US71.35c earlier this morning, after falling beneath US71.25c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27463	-222	-0.8
S&P 500	3391	-10	-0.3
NASDAQ	11431	72	0.6
FTSE 100	5729	-63	-1.1
DAX 30	12064	-114	-0.9
Shanghai Comp	3254	3	0.1

Overseas Markets Commentary

Major European and US equities markets sentiment mostly waned early overnight but all key indices chopped and swung through their respective trading sessions.

Corporate earnings and deal-making, mixed data releases, US presidential election campaigning, initial reaction to the

Australia – September quarter CPI - 11.30am AEDT
*** Minerals exploration listing 10.30am AEDT – COD ***
Today's Stock Watch
Australia & New Zealand Banking Group (ANZ)

Notable items tallying \$528M post-tax will adversely impact ANZ's 2H FY20 cash profit. These are expected to reduce CET1 by 0.05%.

Detailed breakdown figures lodged post-trade yesterday.

ANZ is scheduled to report full year results tomorrow.

Coles Group (COL)

September quarter sales revenue rose 10.5% (10.4% on a comparable basis) year-on-year, to \$9.6B.

Comparable sales rose 6.4% for the first four weeks of the December quarter.

RPMGlobal Holdings (RUL)

Proposing to acquire Canada-headquartered SaaS and inventory optimisation specialist IMAFS for an initial \$C1.3M plus conditional payment of \$C200,000 - \$C700,000. RUL says funding will come from cash reserves.

Clinovel Pharmaceuticals (CUV)

CUV's afamelanotide (Scenesse) will be trialled in patients suffering acute stroke in a pilot phase two clinical study.

Afterpay Ltd (APT)

September quarter underlying sales rose 115% year-on-year to \$4.1B. For the three months, sales grew 9%.

Bendigo & Adelaide Bank (BEN)

New \$350N capital notes offer, to fund the redemption of convertible preference shares.

Vocus Group (VOC)

Today's AGM materials lodged pre-trade.

Resources
Sandfire Resources (SFR)

Proposing a \$10M exploration spend to earn up to an initial 51% of the CBH Resources Endeavor base metal mind and associated exploration tenements near Cobar, NSW.

Additional details lodged post-trade yesterday for earning up to 100%.

In addition, SFR has lodged feasibility outcomes for the 85%-held Montana, US Black Butte Johnny Lee copper project.

Coda Minerals (* COD)

Mineral explorer scheduled to list **10.30am AEDT** following a 48.5M IPO at 30c per share. 69.7M quoted shares.

Angang Group Hong Kong holds 13.92%.



confirmation of the US president's choice to fill a Supreme Court position, and US fiscal support negotiations provided traders with plenty to consider.

The US administration effectively doused any expectations of agreement on a Covid-19 – related economic relief plan this week, the president promising 'the best stimulus package' after the presidential election (official polling day is 3 November).

The previous evening, Democratic House of Representatives speaker Nancy Pelosi singled out Covid-19 testing funds as a sticking point.

In the meantime, person-to-person talks resumed in London aimed at a U -European Union (EU) agreement relations, including for trade and security, from when the transition period for the UK's EU separation expires 31 December.

Among overnight **data** releases, **euro zone** September household and business lending were reported respectively 3.1% and 7.1% higher year-on-year.

In the **UK**, a CBI distributive trades index plunged to -23 against 11 for September and following forecasts of a dive to -6.

In the **US**, September durable goods orders rose 1.9% for the month, following a 0.4% August increase and expectations of a new gain of the same magnitude.

The Richmond Fed manufacturing index improved eight points to 29, against expectations of a fall to 15.1.

FHFA and Case-Shiller August residential property price indices rose 1.5% and 1.1% respectively for the month, and 8% and 5.2% year-on-year.

The Conference Board's October consumer confidence reading slipped to 100.9 from 101.3, following forecasts of 101.5.

Tonight in the **US**, September wholesale inventories and weekly mortgage applications are due.

Elsewhere, Germany hosts a 10-year bond auction.

Companies scheduled to report earnings later today and tonight include: Automatic Data Processing, Baidu, Boeing, Carlsberg, China Petroleum & Chemical Corp, Credit Suisse, Daewoo Engineering, eBay, Etsy, Everbright, Deutsche Bank, Fiat Chrysler, Ford Motor, General Electric, Gilead Sciences, GlaxoSmithKline, Heineken, Hitachi, Lundin Mining, Mastercard, Mitsui, Komatsu, Nomura, Petrobras, Pinterest, Sony, Vale and Visa.

In overnight corporate news, **HSBC** pre-tax profit (\$US3.07B) proved not as dire as feared, and the bank announced it was considering paying a 2020 dividend.

BP posted a September quarter underlying replacement cost profit that was \$US2.2B lower than for the September quarter 2019, but which followed a \$US6.7B June quarter 2020 loss and said it was planning to keep paying dividends.

Later, chip manufacturer **Advanced Micro Devices** (AMD) announced it was outlaying \$US35B for competitor **Xilinx**.

In addition, AMD reported better-than-anticipated September quarter earnings.

Post-US trade, **Microsoft** has reported September quarter sales and earnings that surpassed expectations.

Post-UK trade, **Mercedes-Benz** revealed it planned to boost its **Aston Martin Lagonda** holding, in tranches, from 5% to 20%.

Earlier, Aston Marin had reported a £29M September quarter pre-

Pre-Open Announcements

ResMed Inc (* RMD)

Bank of America has upgraded RMD NYSE stock from underperform to neutral.

Strategic Elements (* SOR)

Pooled development fund SOR was propelled 130.77% higher for the session yesterday, settling at 15c following phenomenal volume trade for the company and after trading at 21.5c intra-session.

SOR had announced pre-trade a collaboration agreement to develop a self-charging battery.

SOR subsidiary Australian Advanced Materials will develop the technology under collaboration with the University of New South Wales and the CSIRO.

Post-trade yesterday, SOR provided a September quarter update, including information on the nanocube memory ink development underpinning the new collaborative project.

In addition, SOR outlined progress by subsidiary Stealth Technologies in developing an autonomous security vehicle (ASV) under collaboration with Honeywell, and targeting the international global perimeter security market.

The initial robotic security vehicle is under development also in collaboration with Western Australia's Department of Justice for use at the Eastern Goldfields regional prison, Kalgoorlie-Boulder.

Credit Clear (CCR)

Receivables management fintech specialist completed a successful ASX listing yesterday following a \$15M IPO at 35c per share.

Opened at 48c and traded at 44c – 52c before settling at 46c.

18.126M shares changed hands across 2988 transactions.

158.38M quoted shares.

The Citadel Group (CGL)

If a special dividend is declared, this is likely to be up to 20c per share, rather than the previously flagged 15c.

Schrole Group (SCL)

SCL has appointed Spookfish co-founding director and former NearMap (ASX: NEA) COO Guy Perkins as a non-executive director.

Resources

Galaxy Resources (GXY)

September quarter operational statistics lodged this morning.

Adriatic Metals (* ADT)

Agreements secured for \$US28M worth of finance support, comprising: a \$US20M convertible debentures private placement to Queen's road Capital Investment; and a £6.2M share placement to the European Bank for Reconstruction & Development at £1.175 per share.



tax loss against a £43M profit a year earlier.

LVMH and **Tiffany** revealed they were talking prices again regarding a proposed LVMH purchase of Tiffany, initially disclosed November 2019.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1911.9	oz	6.2	0.3
Silver (NY) (Dec)	24.57	oz	0.15	0.6
Gold (LON) (Oct 26)	1898	oz		
Platinum	874	oz	8	0.9
WTI Crude (NYMEX Dec)	39.57	bbbl	1.01	2.6
Brent Crude (ICE EUR Dec)	41.20	bbbl	0.74	1.8
Iron Ore (NYMEX,CHN,62%)	120.63	t	-0.12	-0.1
Copper (LME,3mth Ind,PM)	6794	t	21	0.3
Nickel	15905	t	310	2.0
Aluminium	1820	t	-3	-0.1
Lead	1779	t	-2	-0.1
Zinc	2545	t	5	0.2
Tin	18072	t	22	0.1

Commodities Commentary

Oil – tropical storm Zeta’s US Gulf coast approach had forced the shutdown of ~50% of offshore oil output by overnight, with the storm expected to strike, as a hurricane, Wednesday US time.

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

Post-overnight US trade, an industry group (API) published a report which included a 4.58MMbbl rise in crude stocks for the week to 23 October.

Gold – Comex futures settled modestly higher overnight following two consecutive essentially flat settlements.

A weaker \$US supported sentiment, as did increased talk of a possible contested US presidential election.

Further, the US administration effectively ruled out near-term new stimulus and Covid-19 containment measures and diagnoses continued to concern.

Base metals – caution appeared to impact overnight LME trading volumes, but a turn higher for *copper* was attributed to some bargain-buying, and LME warehouse tallies favoured *nickel*.

Meanwhile, a commentary watch continued for the Communist Party plenary session in China, in particular for any indications a new five-year plan under consideration would favour base metals.

Overnight in the US, the president officially removed tariffs on raw *aluminium* imports from Canada.

Among yesterday’s data releases, **China’s** January - September industrial profits were reported 2.4% lower than a year earlier, following a 4.4% year-on-year January - August drop.

South Korea’s initial September quarter GDP estimate, also revealed yesterday, grew 1.9% for the three months. Against the September quarter 2019, GDP was 1.3% lower.

Details lodged post-trade yesterday.

ADT is resuming from a trading halt having traded on the ASX at \$1.83 - \$2.10 over the five sessions immediately prior to calling the halt.

Metalsearch Ltd (MSE)

Heralding the production of commercial-grade zeolite Type A by the University of Queensland.

Details lodged this morning.

Megado Gold (* MEG)

Explorer completed a successful ASX listing yesterday following a \$6M IPO at 20c per share.

Opened at 25c and traded at 23.5c – 28.5c before settling at 25.5c.

4.596M shares were traded across 376 transactions.

39.25M quoted shares.

Altura Mining (AJM)

Voluntary administrators appointed by first-ranked secured creditor BNY Trust Company.

Receivers and managers were appointed Monday.

Energy

Carnarvon Petroleum (* CVN)

The CVN board recommends shareholders vote against Nero Resources Fund’s board nominee Douglas Jendry as a CVN director.

Trading Halts

Company	Code	Resuming
Dampier Gold	DAU	28 Oct
E2 Metals	E2M	28 Oct
K2fly Ltd	K2F	28 Oct
OpenLearning Ltd	OLL	28 Oct
Protean Energy	POW	28 Oct
Trimantium GrowthOps	TGO	28 Oct
Liontown Resources	LTR	29 Oct
McPherson’s Ltd	MCP	29 Oct
Red Mountain Mining	RMX	29 Oct
Sultan Resources	SLZ	29 Oct
Toro Energy	TOE	29 Oct
VRX Silica	VRX	29 Oct
White Cliff Minerals	WCN	29 Oct
Hawkstone Mining	HWK	30 Oct

Suspensions (select)

Company	Code	Since
Cauldron Energy	CXU	27 Oct
Consolidated Financial Holdings	CWL	16 Oct
Cyclone Metals	CLE	19 Oct
MetalsTech Ltd	MTC	27 Oct

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7115	-0.0014	-0.19
EUR – USD	1.1771	-0.0025	-0.21

Australian Data Today

ABS	CPI	Sep Q
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US Data Tonight

Wholesale inventories	Sep
MBA mortgage applications	23 Oct

Need More Information?

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New Energy Minerals	NXE	15 Oct
Resource Generation	RES	26 Oct
Vault Intelligence	VLT	9 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GCI	Tomorrow	0.74	0	4.42
PCI	Tomorrow	0.31	0	3.73
QRI	Tomorrow	0.83	0	6.33
RFT	Tomorrow	0.1	100	0.00
MOT	Fri	0.88	0	tbc
MXT	Fri	0.74	0	tbc
NBI	2 Nov	~0.696	0	5.54
BIS	3 Nov	5	100	2.76
BOQ	4 Nov	12	100	4.76
WAT	6 Nov	3	100	1.71
JYC	9 Nov	2.7	100	10.03
NAC	9 Nov	1.4	100	4.98
NSC	9 Nov	1.25	100	6.02

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	CDA	AGM
	COL	Sep Q
	EQT	AGM
	NSR	AGM
	NCM	Sep Q
	SBM	AGM
	SDF	AGM
	SUL	AGM
	TGR	AGM
VOC	AGM	
Tomorrow	ANZ	Full year
	CGF	AGM
	FMG	Sep Q
	IAP	Interim (w/cast tele 5pm)
	JHG	Sep Q
	JBH	AGM
	JIN	AGM
	MOZ	AGM
	MYR	AGM
	PNI	AGM
	RWC	AGM
	S32	AGM (2pm)
	TGG	AGM
Fri	ASB	AGM

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CAR	AGM
DUG	AGM (9am)
EML	AGM
GWA	AGM
HUO	AGM
IDX	AGM
JHC	AGM
RAP	Sep Q
SXL	AGM
SPT	AGM
VRL	AGM