

Markets

SFE 200 Futures (9.30am AEDT)	7380	-40	-0.5
NZX 50	12965	-55	-0.4
DJIA Futures	35435	46	0.1
S&P 500 Futures	4551	6	0.1
NASDAQ Futures	15608	21	0.1

Local Markets Commentary

The Australian market commences today's trade with a plethora of high-profile domestic stocks providing September quarter or AGM updates, material domestic data due late morning, and Reserve Bank of Australia (RBA) officials providing outlooks and policy views to national parliamentarians, ahead of influential, bellwether stock earnings reports from both sides of the Atlantic tonight.

Overnight international equities sentiment ultimately proved mostly negative.

Locally today, the Australian Bureau of Statistics (ABS) reports September quarter **export and import prices at 11.30am AEDT**.

In addition, **RBA** deputy governor Guy Debelle and assistant governor financial systems Michele Bullock will meet virtually with the Australian Government Senate estimates committee from **10.40am AEDT**.

The discussions will be broadcast live on the Parliament of Australia website.

Stocks trading **ex-dividend** today include **BOQ** and **RHI**. *Please see p4 for a detailed ex-dividends list.*

Regionally today, the **Bank of Japan** convenes a **policy** meeting from which outcomes are expected **2pm AEDT**, together with the release of a quarterly **outlook** report.

September retail sales are anticipated 10.50am.

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

US **gold** futures turned higher.

Iron ore (China port CFR, 62% fines) seesawed lower, below \$US119.90/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 reportedly dropped however, **copper** by ~2%, **nickel** as much as ~3% and **aluminium** by ~5.5%.

Comex copper declined US10c/lb, to \$US4.39/lb.

The **\$A** appreciated to ~US75.20c after falling to ~US74.90c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35491	-266	-0.7
S&P 500	4552	-23	-0.5

Today's Stock Watch
Australia & New Zealand Banking Group (ANZ)

72c fully franked final dividend, from 35c a year ago.

72% higher, \$A6.16B full year NPAT.

1% lower, \$17.42B continuing operations operating income.

69% higher, \$6.18B cash profit.

Coles Group (COL)

\$9.756B September quarter sales, up 1.0% in comparable terms for the year, and 11.4% against the September quarter 2019. Breakdown statistics also lodged.

Australian Pharmaceutical Industries (API)

Flat 2c fully franked final dividend.

\$1.15M full year NPAT from a \$7.11M net loss a year ago.

4% lower, \$4.00B revenue. 13c NTA, against 13.3c.

JB Hi-Fi (JBH)

September quarter Australia and New Zealand comparable sales fell 7.9% and 6.4% respectively year-on-year, but were respectively 17.3% higher and 8.8% lower than for the September quarter 2019. The Good Guys sales fell 6.1% year-on-year, but were 22.9% higher than for two years ago.

AGM today.

Boral Ltd (BLD)

Today's AGM materials, including adverse September quarter lockdown impacts commentary, lodged pre-trade.

Resources
Fortescue Metals Group (FMG)

Shipped 45.6Mt of iron ore during the September quarter, 8% fewer tonnes than for the June quarter. \$US15.25/t C1 cost. \$US118/t revenue. \$US175M net debt.

Newcrest Mining (NCM)

Produced 396,214oz of gold and 24,527t of copper at a \$1270/oz AISC during the September quarter.

Realised gold and copper prices came in at \$1722/oz and 9348/t against \$1780/oz and \$9744/t for the June quarter.

During the June quarter, NCM had produced 542,332oz of gold and 38,370t of copper at a \$799/oz AISC.

Sandfire Resources (SFR)

Webcast teleconference scheduled to commence 1pm AEDT.

Produced 15,946t of copper and 7515oz of gold, in concentrate during the September quarter, at a \$US1.13/lb C1 cost. \$405.5M cash on hand.

Mincor Resources (MCR)

First nickel concentrate anticipated during the June quarter 2022, rather than by the end of 2021, due to labour shortages in Western Australia. October update lodged pre-trade.



NASDAQ	15236	0.1	0.0
FTSE 100	7253	-24	-0.3
DAX 30	15706	-51	-0.3
Shanghai Comp	3562	-35	-1.0

Overseas Markets Commentary

Overnight trade across major European, UK and US equities markets indicated competing considerations and even broader market jitters, investors reacting to a cocktail of inflation indicators, falling metals prices, central bank commentary, economic forecasts and a plethora of influential corporate earnings reports.

US trade chopped and swung less than European, but key US indices nonetheless settled at session lows.

Yesterday, administrators in **China** announced coal production provinces had been instructed to investigate possible coal hoarding and to 'regulate' illegal storage sites, in an attempt to better control prices.

In association, four teams had been established to monitor spot coal prices at key ports.

Also yesterday, China had reported slowing industrial profits. For January – September, profits were estimated 44.7% higher year-on-year, this exceeding predictions of 40.0%. January – August profits had been estimated 49.5% higher than for January – August 2020.

Earlier yesterday, **New Zealand** had released a \$N22.2B imports and exports gap for September, the largest recorded national monthly trade deficit.

Overnight, the **Bank of Canada** retained its key policy interest rate of 0.25% in the face of numerous economists anticipating an increase, but announced a slowing of monthly government bond purchases.

The central bank offered rates would rise however, and while indicating this could be by mid-2022, hesitated to firmly fix a timeline, citing the unique challenges of effectively reopening an economy.

The bank also warned inflation was likely to stay higher for longer than initially expected, due to the magnitude of energy price increases, logistics problems and a bounce in travel-related costs.

2022 inflation would likely run at 3.4% rather than the 2.4% previously forecast.

Earlier, **UK** chancellor Rishi Sunak delivered the Autumn **budget**, this including confirmation of a 50% business tax cut for the hospitality, leisure and retail sectors in England for 2022-23.

Previously planned fuel tax increases were scrapped due to the recent jump in prices at fuel outlets.

The chancellor ventured the UK economy would grow at a more rapid pace than previously anticipated – 6.5% for 2021 and 6.0% in 2022.

He also announced the OBR (UK Office for Budget Responsibility) was forecasting average 4% inflation through 2022.

Meanwhile, Mr Sunak confirmed the minimum ('national living wage') would be boosted 6.6% to £9.50 per hour for workers 23 years of age and above.

In the **US**, Democrat parliamentarians continued to debate how to

Pre-Open Announcements

Unibail Rodamco Westfield (* URW)

September quarter operating statistics, including improving rent collection and tenant sales, lodged pre-trade.

PointsBet Holdings (* PBH)

A webcast teleconference was scheduled to commence **9.30am** AEDT.

September quarter operational statistics lodged pre-trade.

Delorean Corporation (* DEL) / Brickworks Ltd (BKW)

DEL has secured an MoU with BKW 100% subsidiary Brickworks Building Products (BBP), under which the companies propose a feasibility study into building and operating bioenergy facilities converting waste to green gas and electricity for BBP operations, initially at NSW brick production sites.

Additional details lodged post-trade yesterday.

Irongate Group (* IAP) / 360 Capital Group (TGP) / 360 Capital REIT (TOT)

IAP is rejecting an unsolicited indicative \$A1.6047-per-stapled-security takeover proposal announced from TGP earlier this month.

IAP says its 30 September net asset value is \$1.61.

TOT and 360 Capital Ig Pty Ltd each hold 12.84% of IAP; TGP holds 6.27%.

IAP has traded at \$1.565 - \$1.595 for the week to date.

In addition post-trade yesterday, IAP reported a \$A109.3M interim NPAT. \$54.04M revenue.

Paying a 4.53c interim distribution. \$1.55 NTA.

Presentation also lodged post-trade yesterday.

Jayride Group (JAY)

September quarter net revenue rose 40% for the three months, to \$487,000.

Booked passenger trips rose 38% to 64,900.

\$6.7M net cash.

Additional statistics lodged post-trade yesterday.

Vita Life Sciences (VLS)

Conference presentation lodged post-trade yesterday.

3P Learning (3PL)

Conference presentation lodged post-trade yesterday.

Fleetwood Ltd (FWD)

Jobkeeper disclosure lodged post-trade yesterday.

Resources

Medusa Mining (* MML)

Paying a 2c dividend and trading ex-dividend 4 November (Thursday next week).

In addition, non-executive director and former MML CFO Roy Daniel plans to retire from the MML board effective 28 February 2022, after 17 years with the company.

Today's AGM materials lodged this morning.



alter a proposed social infrastructure and climate change support **spending** package, so as to achieve the best chance of approval when presented in parliament.

In **Covid-19** developments, China continued to report rising diagnoses, particularly in border regions, and imposed tougher containment measures in one key Yunnan province transit city.

In Europe, Belgium was preparing to reintroduce a range of containment-related restrictions from Friday.

Among overnight **data** releases, **Germany's** September import prices rose 1.3% for the month following a 1.4% August increase and forecasts for a new 1.2% rise.

Against September 2020, prices were up 17.7%.

The GfK November consumer confidence reading for Germany soundly defied expectations of -1.0, jumping to 0.9 from October's 0.4.

This represented the highest reading in 19 months.

A 15-year German bond auction meanwhile notably delivered a 0.02% yield from -0.06%.

France reported September producer prices, these increasing by 1.7% during the month to come in 11.6% higher than for September 2020. Forecasters had envisaged a 0.6% monthly rise.

Euro zone lending to businesses and households during September rose 2.1% and 4.1% respectively, year-on-year, against expectations for 1.2% and 4.3% increases.

In the **US**, September durable goods orders came in 0.4% lower for the month after rising 1.3% in August.

Forecasters had anticipated a larger fall, of 0.8%.

Excluding the defence sector, orders dropped by 2%.

Excluding the transport sector, orders rose by 0.4%.

September wholesale inventories rose 1.1%, soundly exceeding expectations of a 0.5% increase.

Weekly mortgage applications rose 0.3% after tumbling 6.3% the previous week.

Mean average 20-year mortgage rates were calculated at 3.3% from 3.23% the previous week.

Tonight in the US, the first estimate (of three) of September quarter GDP growth is keenly anticipated.

Weekly new unemployment claims are also due, together with September pending home sales and the Kansas City Fed October manufacturing index.

Elsewhere, the **European Central Bank** (ECB) holds a policy meeting, announces outcomes and hosts a press conference. Timelines for altering asset purchases and/or an emergency funding scheme are the most keenly anticipated.

In addition, Germany releases an initial September CPI estimate.

Companies scheduled to report earnings or provide trading updates later today or tonight include: Airbus, **Amazon**, Anheuser Busch, **Apple**, Atlassian, Carlsberg, Caterpillar, Comcast, Dassault Systemes, Fuji Electric, Gilead Sciences, Hino Motors, Kia Motors, Komatsu, Linde, Lloyds, Mastercard, Merck & Co, Mitsubishi Electric, Newmont, Nokia, Northrop Grumman, Panasonic, PetroChina, Posco, ResMed, Royal Dutch Shell, Sanofi, Shopify, Starbucks, Takeda Pharmaceutical and Volkswagen.

In overnight corporate news, **Coca-Cola** and **McDonald's** benefited from forecast-beating September quarter figures

Chase Mining Corp (CML)

Option agreement signed to acquire Queensland-focused private exploration company Prophet Resources.

Details revealed post-trade yesterday.

In association, CML has secured commitments for a \$1M, 1.6c-per-share private placement.

A \$1M SPP at the same price is also scheduled, for 1 – 15 November.

In addition, CML has agreed an earn-in and JV plan with another unlisted explorer, Auburn Resources.

Under the agreement, CML can earn up to 90% of 1680sq km worth of southern Queensland tenements collectively known as the Hawkwood project.

CML is chasing Ni-Cu-Co-PGE sulphides.

CML is returning from a trading halt, having traded at 1.7c – 1.8c the five sessions immediately prior to calling the halt.

Arafura Resources (ARU)

Conference presentation lodged post-trade yesterday.

ARU presented in the Northern Territory yesterday.

Caeneus Minerals (CAD)

Pleading ignorance in response to an ASX query.

CAD closed out last week at 1.8c, adding 0.2c Monday but then dropping as low as 1.2c yesterday before settling at 1.4c.

Star Minerals (* SMS)

Gold explorer completed a successful ASX listing yesterday, following a \$5M IPO at 20c per CDI.

Opened at 20c and slipped to 19.5c before settling at 21.5c.

1.21M shares changed hands across 108 transactions.

SMS options (SMSO) opened at 0.4c and traded as high as 1.5c, their day one settlement price.

41,000 options were traded across three trades.

26.25M quoted shares; 12.5M quoted options.

Two projects, one with an existing resource and formerly held by Bryah Resources (ASX: BYH), in WA.

Energy

Karoon Energy (* KAR)

A webcast briefing was scheduled to commence **9.30am** AEDT.

Produced 1.28MMbbl of Brazil Bauna field oil during the September quarter.

Sold 1.04MMbbl, at \$US68.00/bbl, from \$US65.31/bbl for the June quarter, for \$US70.7M revenue.

\$US175M cash and equivalents.

Stanmore Resources (* SMR)

Produced a record 924,000t of ROM coal during the September quarter, 55% more than for the June quarter and 41% more than for the September quarter 2020.

Saleable coal tallied 653,000t, up 72% for the three months and 26% year-on-year.

Sold 723,000t of coal, the highest quarterly sales volume since the March quarter 2019.



announced pre-US trade, Coca-Cola again also boosting its full year forecast, and McDonald's adding to the list of companies benefiting from passing higher costs onto customers willing to bear these.

Ford Motor results and commentary were keenly anticipated post-US trade. Profit came in larger than anticipated and the manufacturer raised its full year guidance.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1798.8	oz	5.40	0.3
Silver (NY) (Dec)	24.188	oz	0.10	0.4
Gold (LON)	1786	oz		
Platinum	1009	oz	-17	-1.7
WTI Crude (NYMEX Dec)	82.66	bbbl	-1.99	-2.4
Brent Crude (ICE EUR Dec)	84.58	bbbl	-1.82	-2.1
Iron Ore (Qingdao) (CHN;62% <i>f</i>)	119.86	t	-2.44	-2.0
Iron Ore (Nymex)	122.36	t	-0.11	-0.1
Copper (LME 3mth Evening) (26 Oct)	9796	t		
Nickel	20119	t		
Aluminium	2830	t		
Lead	2436	t		
Zinc	3428	t		
Tin	37657	t		

Commodities Commentary

Oil – overnight trade appeared influenced by reported and anticipated fuel inventories and speculation regarding a broadening Covid-19 spike from the northern hemisphere Autumn rise in cases through the winter, hence constraining demand.

Russia's president Vladimir Putin announced he had instructed Gazprom to boost European natural gas stores, once it had completed doing so for Russia. Mr Putin and Gazprom ventured this could commence anytime from 8 November (Monday week), Gazprom offering domestic stocks would have reached the planned 72.6 billion cubic metres by then.

In the meantime, a weekly US petroleum inventories report published overnight by government agency the EIA, included a 4.267MMbbl rise in stored crude, following forecasts for a 1.9MMbbl increase.

Petrol stocks were calculated to have fallen by 1.994MMbbl for the week, however.

Petrol production was estimated 12,000bbl/d higher than the previous week.

Heating oil stocks declined by 31,000 and distillate inventories fell 432,000bbl.

Refineries were estimated to have used an additional 58,000bbl/d of crude.

Net crude imports rose by a daily 702,000bbl.

Among the forecasters, Credit Suisse predicted Brent crude would likely be tested at \$US86.74/bbl, but offered a rise to a cap of \$US88.95 - \$US90.00, this accompanied by a proviso that a breakthrough could push prices to \$US100/bbl.

Post-US trade Tuesday, the American Petroleum Institute had released a weekly report which included an estimated

Trading Halts

Company	Code	Resuming
Auroch Minerals	AOU	28 Oct
BIR Financial	BIR	28 Oct
Centrex Metals	CXM	28 Oct
European Lithium	EUR	28 Oct
West African Resources	WAF	28 Oct
Bioxyne Ltd	BXN	29 Oct
ECS Botanics Holdings	ECS	29 Oct
Korab Resources	KOR	29 Oct
Mighty Craft	MCL	29 Oct
Pacific Nickel Mines	PNM	29 Oct
Prospect Resources	PSC	29 Oct
Sky Metals	SKY	29 Oct
Vulcan Energy Resources	VUL	29 Oct

Suspensions (selected)

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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BOQ	Today	22	100	3.11
CAF	Today	1	100	6.90
GCI	Today	0.75	0	4.52
PCI	Today	0.32	0	3.34
QRI	Today	0.78	0	5.93
RHI	Today	120	100	0.00
TCF	Today	3	0	3.10
ASG	Tomorrow	7	100	0.85
KKC	Tomorrow	1	0	4.67
MOT	Tomorrow	0.89	0	6.46
MXT	Tomorrow	0.68	0	4.15
PGG	Tomorrow	0.68	0	4.70
HUO	Mon	12.5	100	0.00
NBI	Mon	0.8	0	5.19
BIS	Tue	9	100	2.44
BKW	Tue	40	100	0.87
ACF	Wed	1.15	100	1.61

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	AIZ	AGM



2.318MMbbl US crude stocks build for last week.

Gold – a \$US pullback, reduced US 10-year bond yields, Bank of Canada post-policy meeting comments and a drop in equities sentiment favoured overnight gold interest, ultimately pushing Comex futures towards \$US1800/oz.

The Bank of Japan and European Central Bank hold policy meetings, and announce outcomes, today and tonight respectively.

In addition, an initial US September quarter GDP estimate and preliminary September CPI reading for Germany, are expected to influence tonight's sentiment.

Base metals – LME trade sentiment was pushed and pulled overnight by new data, regulatory measures and reports of broadening Covid-19 concern all out of China yesterday, a weaker \$US and supply and demand talk.

China's announcement yesterday of provincial investigations into illegal coal hoarding dragged coal prices lower, in turn pushing aluminium prices in China to two-month lows. In association, four teams were also monitoring spot coal prices at key ports.

Russia's Rusal in the meantime estimated a 1.1Mt aluminium deficit for January – September, against a 2.2Mt surplus for January – September 2020.

For their part industry stakeholders participating in a media survey revealed that they anticipated a 396,000t aluminium deficit mid-2022 against an estimated 893,000t shortfall for 2021.

On-warrant aluminium stocks in LME-registered warehouses were reported at 621,150t, their least since 2019.

In Shanghai Futures Exchange-monitored warehouses however, aluminium stocks were reported at 269,582t, the most since early July.

A shortage of *magnesium*, used in aluminium alloy production, has been reported sufficient to potentially impact supply versus demand for lightweight aluminium for vehicles and cans.

China's January - September industrial profits, also reported yesterday, rose 44.7% against the same period for 2020. January – August profits had been estimated 49.5% higher year-on-year. The new figures had been forecast to show a slowing to 40.0% growth.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7516	-0.0010	-0.13
EUR – USD	1.1605	0.0001	0.01

Australian Data Today

ABS	Export and import prices	Sep Q
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US Data Tonight

GDP	Sep Q
Pending home sales	Sep
Kansas City Fed manufacturing index	Sep
Initial jobless claims	23 Oct

ABB	AGM
ANZ	Full year
API	Full year
BLD	AGM
CGF	AGM
COD	Investor briefing (2pm)
COL	Sep Q sales
CTD	AGM
DTL	AGM (3pm)
FMG	Sep Q
IGO	Sep Q
JBH	AGM
JHG	Sep Q
JIN	AGM
MMS	Sep Q
MVP	AGM
MML	AGM
NCM	Sep Q
PAN	Sep Q
REH	AGM
RWC	AGM
SFR	Sep Q
SKT	AGM
S32	AGM (3pm)
SGR	AGM
SYR	Sep Q
TGR	AGM
URW	Sep Q

Tomorrow		
CAR	AGM	
CBO	AGM	
GUD	AGM	
GWA	AGM	
LOT	AGM	
MQG	Interim	
ORG	AGM	
PWH	AGM (midday)	
RMD	Sep Q (NB: o/night Thurs in the US)	
SKC	AGM	
TGP	AGM	



Other Overseas Data Today & Tonight

Japan	BoJ policy meeting outcomes	28 Oct
Japan	BoJ outlook	Dec Q
Japan	Retail sales	Sep
UK	Domestic vehicle production	Sep
Germany	CPI (prelim)	Sep
Germany	Unemployment	Oct
Euro zone	ECB policy meeting outcomes	28 Oct
Euro zone	Consumer confidence (final)	Oct

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