

## Markets

<b>SFE 200 Futures</b> (9.30am AEDT)	7176	-68	-0.9
<b>NZX 50</b>	13227	-111	-0.8
<b>DJIA Futures</b>	33913	43	0.1
<b>S&amp;P 500 Futures</b>	4299	8	0.2
<b>NASDAQ Futures</b>	14509	47	0.3

## Local Markets Commentary

The Australian market commences today's trade with the Reserve Bank of Australia (RBA) convening a policy meeting from which outcomes will be known before close of trade, and a batch of key domestic economic and regional indicator reports due before then, ahead of some key data out of the US tonight.

Overnight international equities trade sentiment proved broadly negative.

Also overnight, Taiwan has warned that China has continued past the weekend to send dozens of aircraft across Taiwan's air defence zone.

**Locally today, the RBA announces policy meeting outcomes 2.30pm AEDT.**

Pre-trade, the AiG has released a **53.4** September **construction sector activity** index, representing a return to **expansion** mode from the contractionary 38.4 estimated for August. An improvement had been anticipated, but only to a remaining contractionary 45.6.

The Australian Bureau of Statistics (ABS) is scheduled to release August **trade balance** and a finalised August retail sales report, containing additional information, **11.30am AEDT**.

At the same time, the ANZ monthly **job advertisements** report is anticipated.

The Melbourne Institute is also expected to publish its monthly **inflation gauge** report today.

Stocks trading **ex-dividend** today include **BWX, PRN** and **SGM**. Please see p3 for a detailed ex-dividends list.

**Regionally today, South Korea** reports September CPI on the ASX open.

A finalised September services PMI is due for **Japan 11.30am AEDT**.

Japan also hosts a 10-year bond auction today.

In overnight commodities trade, **oil** rallied further.

US **gold** futures recorded another gain.

**Iron ore** (China port CFR, 62% fines) turned higher.

LME (3mth evening) prices have been unavailable this morning, but please see p3 for intra-session commentary.

The **\$A** was propelled to ~US72.90c after trading at ~US72.65c early yesterday evening.

**China's markets remain closed today through Thursday due to the National Day holiday season.**

## Today's Stock Watch

### Qantas Airways (QAN)

QAN has extended a partnership with Emirates for an additional five years. The airlines will continue to share networks and rewards seats.

### Air New Zealand (AIZ)

August passenger numbers rose 43.9% year-on-year to 503,000.

For the financial year-to-date, passenger numbers rose 51.0%.

### Synlait Milk (SM1)

SM1-branded homogenised milk launched under the name Synlait Swappa Bottle. Q&A lodged pre-trade.

### Australian Foundation Investment Company (AFI)

Today's AGM materials lodged pre-trade.

### Infratil Ltd (IFT)

Outlaying £120M - £130M for a 40% holding in London data centre business Kao Data. Details lodged this morning.

### Contact Energy (CEN)

Two 10-year renewable electricity supply deals secured, with Pan Pac Forest Products and Oji Fibre Solutions.

### NZME Ltd (NZM)

Anticipating \$NZ63M - \$NZ67M full year 2021 EBITDA, from \$NZ67.3M for 2020.

### Opthea Ltd (OPT)

OPT-302 European phase three clinical trial patient recruitment underway.

### K2fly Ltd (K2F)

Five-year, \$A3.44M ground disturbance management product contract secured with Rio Tinto (ASX: RIO).

## Resources

### Western Areas (WSA)

First development ore produced from the Leinster, WA Cosmos operation Odysseus nickel mine. Conference presentation also lodged pre-trade.

### Catalyst Metals (CYL)

Tasmania Henty gold project resource estimated at 2.5Mt @ 4.5g/t Au, for 357,400oz of gold.

### PepinNini Minerals (PNN)

South Australia Eyre peninsula kaolin project tenement granted as EL 6677 Yeelanna.

## Energy

### Deep Yellow (DYL)

121% increase for the Namibia Tumas project ore reserve to 89.9Mt @ 345ppm U<sub>3</sub>O<sub>8</sub> for 68.4Mlb of U<sub>3</sub>O<sub>8</sub>.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34003	-324	-0.9
<b>S&amp;P 500</b>	4300	-57	-1.3
<b>NASDAQ</b>	14255	-311	-2.1
<b>FTSE 100</b>	7011	-16	-0.2
<b>DAX 30</b>	15037	-120	-0.8
<b>Shanghai Comp</b>	3568	Public	Holiday

**Overseas Markets Commentary**

Overnight trade across most major European, UK and US equities markets featured marked turns lower and/or choppy trade.

Reports had emerged major commodity traders were in receipt of numerous broker and exchange demands to deposit funds to cover exposure to rising fuel costs, in particular gas.

In addition, LNG suppliers were reportedly requesting letters of credit from customers.

Further, manufacturing operation reductions or temporary closures were touted for Europe during the coming winter.

In the US, the president endorsed the treasury secretary's comments last week, that the US was at risk of an unprecedented default should parliamentarians not agree to raise the government's debt ceiling within a couple of weeks.

Late US trade, the chief US trade representative vowed to renew negotiations with China, but also to push towards further change.

Earlier yesterday, Hong Kong Stock Exchange Evergrande Group trade was halted ahead of a Evergrande-flagged 'major transaction' announcement, prompting both default and rescue speculation.

State media subsequently reported Hopson Development, for which trade had also been halted, would purchase 50% of Evergrande's property management division for ~\$US5B.

Also yesterday, Japan's new PM formally commenced in office, and called a parliamentary election for 31 October.

Among scant overnight **data** releases, the Sentix **euro zone** September investor sentiment index fell to 16.9 from 19.6, soundly defying expectations of a smaller decline to 19.0.

In the **US**, August factory orders were calculated 1.2% higher, following a 0.7% July rise and forecasts for another increase of a similar magnitude.

**Tonight** in the US, the ISM's September non-manufacturing index is keenly anticipated, together with August trade figures and an October economic optimism index. A final services PMI is also due from Markit.

Elsewhere, the euro zone releases August producer prices.

Companies scheduled to publish earnings or provide an update later today and tonight include Greggs and PepsiCo.

In overnight corporate news, an international **Facebook** outage, in addition to earlier 'whistleblower' allegations, pushed the stock lower, and appeared to influence sentiment towards other large ICT companies.

**Pre-Open Announcements****Breville Group (BRG)**

New employment contract secured with CEO and MD Jim Clayton.

Details lodged pre-trade.

**Adbri Ltd (ABC)**

ABC has appointed CEO Nick Miller also as MD, effective today.

**Quickstep Holdings (\* QHL)**

QHL has appointed former Ludowici CFO Stephen Gaffney as CFO, effective 25 October.

Current CFO Alan Tilley has resigned in favour of a new opportunity and will remain with QHL until 26 October.

**Mobilicom Ltd (MOB)**

Investor briefing and Q&A scheduled for 3pm AEDT.

Access details lodged post-trade yesterday.

**Resources****De Grey Mining (\* DEG)**

Mallina gold project scoping study presentation lodged pre-trade.

**PolarX Ltd (\* PXX)**

Declaring a new copper find within the Alaska Range copper project Caribou Dome region following diamond drilling.

Assays pending and follow-up drilling planned.

**Castillo Copper (\* CCZ)**

Heralding Big One Deposit drilling results.

Assays and interpretation lodged this morning.

**Tulla Resources (TUL) / Pantoro Ltd (PNR)**

TUL gained 12.5% yesterday, settling at 45c, after PNR lodged additional high-grade results from WA Norseman gold project JV drilling, pre-trade.

TUL lodged the same results post-trade yesterday, after PNR had settled flat for the session, at 20.5c.

TUL and PNR each hold 50% of the Norseman gold project.

**Trading Halts**

Company	Code	Resuming
Adavale Resources	ADD	5 Oct
Tietto Minerals	TIE	5 Oct
Trigg Mining	TMG	5 Oct
Woomera Mining	WML	5 Oct
Atomo Diagnostics	AT1	6 Oct
Aura Energy	AEE	7 Oct
Wide Open Agriculture	WOA	7 Oct

**Commodities.**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1767.6</b>	oz	9.2	0.5
<b>Silver (NY)</b> (Dec)	<b>22.64</b>	oz	0.1	0.4
<b>Gold (LON)</b>	<b>1757</b>	oz		
<b>Platinum</b>	<b>964</b>	oz	-7	-0.7
<b>WTI Crude</b> (NYMEX Nov)	<b>77.62</b>	bbbl	1.74	2.3
<b>Brent Crude</b> (ICE EUR Dec)	<b>81.26</b>	bbbl	1.98	2.5
<b>Iron Ore</b> (Qingdao) (CHN;62%F)	<b>117.12</b>	t	1.33	1.1
<b>Iron Ore</b> (Nymex)	<b>117.76</b>	t	2.00	1.7
<b>Copper</b> (LME 3mth evening; 1 Oct)	<b>9128</b>	t		
<b>Nickel</b>	<b>17965</b>	t		
<b>Aluminium</b>	<b>2849</b>	t		
<b>Lead</b>	<b>2140</b>	t		
<b>Zinc</b>	<b>2983</b>	t		
<b>Tin</b>	<b>33780</b>	t		

**Commodities Commentary**

**Oil** – Energy ministers for OPEC+ members met overnight, retaining status quo for output quotas, and sending oil prices to ~three-year peaks.

The OPEC+ decision means output will continue to rise by 400,000bbl/d each month each month through to April 2022.

**Gold** – falling equities sentiment and a weaker \$US supported overnight gold interest, Comex futures approaching \$US1770/oz.

Some safe-haven buying was also reported, this attributed to US Congress difficulties in debating proposed spending bills in addition to debt ceiling legislation.

**Base metals** – overnight trade appeared influenced by a mix of broader risk-off equities sentiment, currency moves, the absence of traders from China and South Korea (due to holidays) and currency moves.

**Aluminium** reportedly approached 13-year highs intra-session, in a large part due to energy use cuts in China.

Yesterday, BHP (ASX: BHP) had confirmed a *nickel* supply agreement to a Toyota-Panasonic JV aiming to produce batteries for the electric vehicle market.

Meanwhile, satellite surveillance reports indicated overall international *copper* smelting had picked up during September, but declined in China and the US.

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**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7291	0.0020	0.28
<b>EUR – USD</b>	1.1619	0.0023	0.20

**Australian Data Today**

AiG	PCI	Sep
ABS	Trade balance	Aug

**Suspensions** (selected)

Company	Code	Since
Murray River Group	MRG	1 Oct
Stemcell United	SCU	29 Sep
Wiseway Group	WWG	1 Oct

**Ex-Dividend**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>BWX</b>	Today	<b>3.1</b>	100	0.21
<b>CAM</b>	Today	<b>1.52</b>	100	4.97
<b>GNP</b>	Today	<b>1.8</b>	100	0.00
<b>NCC</b>	Today	<b>3.75</b>	100	6.42
<b>PRN</b>	Today	<b>2</b>	0	4.22
<b>SGM</b>	Today	<b>30</b>	50	0.94
ARB	Thu	39	100	1.45
MAH	Thu	0.35	20	3.33
RIC	Thu	2	100	0.00
FPC	Fri	4.5	100	2.44
MFF	Fri	3.5	100	2.01
TNK	Fri	24	100	6.25
VRT	Fri	12	100	2.08

**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>AFI</b>	AGM
	<b>BBN</b>	AGM
	<b>MIR</b>	AGM
	<b>PBH</b>	AGM
<b>Tomorrow</b>	MEZ	AGM
<b>Thu</b>	AMH	AGM
	DJW	AGM
	MAD	AGM



ABS	Retail sales (final; additional info)	Aug
ANZ	Job advertisements	Sep
Melb Institute	Inflation gauge	Sep

### US Data Tonight

ISM non-manufacturing		Sep
Trade balance		Aug
IBD/TIPP economic optimism		Oct
Markit services PMI (final)		Sep

### Other Overseas Data Today & Tonight

<b>South Korea</b>	CPI	Sep
<b>Japan</b>	Services PMI (final)	Sep
<b>UK</b>	New domestic vehicle sales	Sep
UK	Services PMI (final)	Sep
<b>Germany</b>	New domestic vehicle registrations	Sep
Germany	Services PMI (final)	Sep
<b>Euro zone</b>	Producer prices	Aug
Euro zone	Services PMI (final)	Sep

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