

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7210	33	0.5
<b>NZX 50</b>	13129	-37	-0.3
<b>DJIA Futures</b>	34349	58	0.2
<b>S&amp;P 500 Futures</b>	4363	9	0.2
<b>NASDAQ Futures</b>	14802	43	0.3

**Local Markets Commentary**

The Australian market commences today's trade with new material domestic data in hand and optimism surrounding an anticipated resolution to US debt ceiling concerns.

**Locally** pre-trade, the AiG has released a **45.7** September **services PMI**, from 45.6 for August.

Forecasters had anticipated improved activity, with the PMI expected to rise to 49.8, despite extended Covid-19 – related lockdowns in eastern Australia.

Also today, at 11.30am AEDT, the **Reserve Bank of Australia (RBA)** publishes September card transactions.

At the same time, the Australian Bureau of Statistics (ABS) releases a jobs and wages report for the week ending 11 September.

Meanwhile **ARB, MAH** and **RIC** trade **ex-dividend** today. *Please see p3 for a detailed ex-dividend list.*

**Regionally** today, **Bank of Japan** governor Haruhiko Kuroda is scheduled to speak publicly at midday AEDT.

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

US **gold** futures traded slightly higher.

**Iron ore** (China port CFR, 62% fines) also turned to record a slight gain.

Updated LME (3mth evening, *IRESS*) prices again appear unavailable at time of publication.

**Copper** and **aluminium** reportedly fell ~1%, however. **Nickel** reportedly also declined but by ~0.2%.

The **\$A** rose to ~US72.70c after falling beneath US72.30c early yesterday evening.

*China's markets remain closed today during the last day of the National Day holiday season.*

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34417	102	0.3
<b>S&amp;P 500</b>	4364	18	0.4
<b>NASDAQ</b>	14502	68	0.5
<b>FTSE 100</b>	6996	-81	-1.2
<b>DAX 30</b>	14973	-221	-1.5
<b>Shanghai Comp</b>	3568	Public	Holiday

**\* Gold exploration listing – 1pm AEDT – E79 \***

**Today's Stock Watch**
**Wesfarmers Ltd (WES) / Australian Pharmaceutical Industries (API) / Washington H Soul Pattinson (SOL) / Sigma Healthcare (SIG)**

WES has acquired 19.3% of API, from SOL, amid due diligence in relation to plans to acquire API under a \$1.55-per-share scheme of arrangement.

SIG also approached API last month with an indicative takeover proposal.

**Openpay Group (OPY)**

\$US271.4M secured revolving receivables warehouse facility negotiated with Goldman Sachs and Atalaya Capital Management. Details lodged pre-trade.

**Collins Foods (CKF)**

Franchise agreement secured with Yum! Brands' KFC Europe, for CKF to be KFC's corporate franchisee in the Netherlands.

**Suncorp Group (SUN)**

SUN has appointed recent IG Group executive director and chief commercial officer Bridget Messer as chief risk officer.

**Southern Cross Electrical Engineering (SXE)**

~\$30M worth of commercial sector contracts recently secured in New South Wales and the ACT. Details lodged pre-trade.

In addition, SXE has appointed former UGL and Downer (ASX: DOW) senior officer Geoff Baudains to the newly created position of CEO SCEE electrical.

**Calix Ltd (CXL)**

LEILAC project final output report summary lodged this morning.

The project was a pilot of the CXL CO2-capture technology for cement and lime and was conducted at a facility in Belgium.

**ASX Ltd (ASX)**

September activity report, highlighting \$10.7B worth of capital raisings, lodged this morning.

**Resources**
**Kin Mining (KIN) / St Barbara (SBM)**

KIN has rejected a 16c-per-share indicative takeover offer from SBM.

In addition, KIN is chasing \$13M in an entitlement offer to support WA north eastern goldfields Cardinia gold project exploration.

Entitlement offer details, including price, are yet to be finalised.

KIN has traded at 9.5c – 11c the past five trading sessions.



## Overseas Markets Commentary

Major European, UK and US equities markets headed lower on opening overnight, European and UK sentiment never looking seriously like recovering.

In the US however, major indices trended higher during second half trade after the Senate minority leader was reported to be willing to back an extension of the national debt ceiling through November, and the president revealed he would accept a reduced overall spend in legislation covering proposed 10-year infrastructure outlay.

A scheduled debt ceiling vote in the US Senate was postponed, for Democrats to consider the reported switch by the Senate minority leader.

Inflation and monetary policy moves were also in focus.

Overnight, Russia's president Vladimir Putin assured Russia was willing to help stabilise the natural gas market and was boosting supplies to Europe.

Despite Gazprom having earlier this week vowed to prioritise supplying the domestic market, the president's comments were viewed as supportive of a stabilisation of prices, in particular for European Union (EU) nations.

The EU imports 90% of its gas requirements, and traditionally does so mostly from Norway and Russia.

Earlier yesterday, the Reserve Bank of New Zealand doubled its cash rate to 0.50% as expected, with indications of further moves higher, in part to cool the domestic property market.

Also yesterday, South Korea reported 0.5% inflation for September, following a 0.6% August CPI increase.

Against September 2020, inflation was up 2.5%.

In geopolitical developments, post-US trade Tuesday, the US president revealed he had discussed Taiwan with China, following recent allegations of large numbers of Chinese military aircraft traversing Taiwan's defence air space, and claimed China's president had vowed compliance with a 'Taiwan agreement'.

The said agreement aims for a peaceful determination of Taiwan's future.

Taiwan maintains it is an independent nation, but China claims it as its own territory.

Taiwan in the meantime continued to bemoan the level of threat from China.

Among overnight **data** releases, August **euro zone** retail sales were reported 0.3% higher for the month after dropping 2.6% during July.

Sales were on par with those for August 2020.

The September construction PMI rose 0.5 to the 50.0 expansionary/contractionary cut-off.

In **Germany**, August factory orders dropped 7.7% for the month following a 4.9% July jump, and soundly outpacing an anticipated 1.6% decline.

The nation's September construction PMI rose 2.5 points, but to a nonetheless remaining contractionary 47.1.

The **UK's** September construction sector activity index fell 2.6 points to 52.6.

## Pre-Open Announcements

### PARKD Ltd (\* PKD)

PKD has registered PARKD Construction as a building contractor subsidiary in Western Australia.

In addition, PKD has appointed former John Holland Northern Territory GM Simon Amos as PKD MM construction.

### Skyfii Ltd (SKF)

\$1.6M worth of new contracts secured across Europe, the Middle East and Africa (EMEA).

Details lodged pre-trade.

### Mercury NZ (MCY)

A string of Tararua wind farm 3 turbines is out of service, and likely to remain so for weeks, following a fire on one turbine.

### Jayride Group (JAY)

September quarter net revenue grew 40% for the three months.

Booked passenger trips rose 38%.

### Bigtincan Holdings (BTH)

BTH has appointed former Microsoft, Telstra (ASX: TLS) and Virgin Australia (ASX: VAH) executive Inese Kingsmill and Farouk Hussein as non-executive directors, effective yesterday.

Mr Hussein is a partner of substantial BTH shareholder SQN Investors.

BTH has traded lower the past four sessions, settling at \$1.145 yesterday.

## Resources

### E79 Gold Mines (\* E79)

Exploration company scheduled to list on the ASX **1pm** AEDT, following a \$7M IPO at 20c per share.

50.78M quoted shares.

### Southern Hemisphere Mining (SUH)

Commissioned flowsheet analysis has identified potential alternative products from SUH's Los Pumas manganese project, Chile, by altering processes involved in producing to planned high purity manganese sulphate monohydrate (HPMSM) for the electric vehicle industry.

### Future Metals (FME)

Broker briefing webinar presentation lodged post-trade yesterday.

FME will be presenting **12.30pm** AEDT today.

Access details and address for submitting questions lodged post-trade yesterday.

### Balkan Mining & Minerals (BMM)

Corporate presentation lodged pre-trade.

### Besra Gold (\* BEZ)

Exploration company scheduled to list on the ASX **3pm** AEDT **tomorrow**, following a \$A10.044M IPO at 20c per share.



Meanwhile, **Russia** reported a 0.6% rise in September CPI for the month, following 0.2% for August and expectations for a similar new increase.

The figures represented 7.4% annual inflation.

In the **US**, a September private sector employment report included 568,000 new jobs from 340,000 reported for August and following forecasts for 415,000 additional positions.

This spawned further speculation of likely US Federal Reserve moves at its November policy meeting.

Weekly mortgage applications tumbled 6.9% after falling 1.1% the previous week.

Mean average 30-year mortgage rates were calculated at 3.14% from 3.00%.

**Tonight** in the US, weekly new unemployment claims are keenly anticipated, together with September job cuts and August consumer credit change reports.

Elsewhere, the European Central Bank (ECB) releases the minutes of the September policy meeting.

Companies scheduled to publish earnings or provide an update later today and tonight include Conagra Brands, EasyJet and Nomura.

In overnight corporate news, **General Motors** and **General Electric** announced plans, under an MoU, to jointly consider how best to access rare earths supplies and associated minerals needed to manufacture electric vehicles and renewable energy equipment.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1761.8</b>	oz	0.90	<b>0.1</b>
<b>Silver (NY)</b> (Dec)	<b>22.532</b>	oz	-0.08	<b>-0.3</b>
<b>Gold (LON)</b>	<b>1753</b>	oz		
<b>Platinum</b>	<b>982</b>	oz	26	<b>2.7</b>
<b>WTI Crude</b> (NYMEX Nov)	<b>77.43</b>	bbbl	-1.50	<b>-1.9</b>
<b>Brent Crude</b> (ICE EUR Dec)	<b>81.08</b>	bbbl	1.48	<b>-1.8</b>
<b>Iron Ore</b> (Qingdao) (CHN;62% <i>f</i> )	<b>116.71</b>	t	0.13	<b>0.1</b>
<b>Iron Ore</b> (Nymex)	<b>117.68</b>	t	-0.17	<b>-0.1</b>
<b>Copper</b> (LME 3mth Official, 5 Oct)	<b>9090</b>	t		
<b>Nickel</b>	<b>17810</b>	t		
<b>Aluminium</b>	<b>2912</b>	t		
<b>Lead</b>	<b>2154</b>	t		
<b>Zinc</b>	<b>3024</b>	t		
<b>Tin</b>	<b>35175</b>	t		

### Commodities Commentary

**Oil** – prices swung overnight.

Brent crude traded as high as \$US83.47/bbl and WTI at \$US79.78/bbl prior to new data out of the US, and statements from the US energy secretary indicating the US was prepared to release additional supply from strategic reserves and/or could temporarily stop crude exports in an attempt to stabilise prices.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 2.35MMbbl increase in crude stocks and a 3.26MMbbl rise for petrol stocks.

Crude output rose by 200,000bbl/d to 11.3MMbbl/d, this largely

171.85M quoted shares/units/CDIs.  
East Malaysia Bau goldfield focus.

### Trading Halts

Company	Code	Resuming
Aura Energy	AEE	7 Oct
Navarre Minerals	NML	7 Oct
Pure Foods Tasmania	PFT	7 Oct
Security Matters	SMX	7 Oct
Titan Minerals	TTM	7 Oct
Lumos Diagnostics Holdings	LDX	8 Oct
Metal Hawk	MHK	8 Oct
Red Dirt Metals	RDT	8 Oct
Regal Investment Fund	RF1	8 Oct
Structural Monitoring Systems	SMN	8 Oct

### 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>ARB</b>	Today	<b>39</b>	100	1.49
<b>MAH</b>	Today	<b>0.35</b>	20	3.33
<b>RIC</b>	Today	<b>2</b>	100	0.00
FPC	Tomorrow	4.5	100	2.42
MFF	Tomorrow	3.5	100	2.05
TNK	Tomorrow	24	100	6.25
VRT	Tomorrow	12	100	2.13
DGH	Mon	2.25	0	3.69
FGG	Mon	3	100	1.26
WAX	Mon	4.95	100	5.55
WMA	Mon	2	100	0.96
WMI	Mon	8	100	3.37
REH	Tue	12	100	0.68
GOW	Wed	4	100	1.95
CIW	Thu (14 Oct)	1.5	100	1.60
D2O	Thu	3.1	100	4.01
IPC	Thu	6.25	100	0.00
LCE	Thu	1.38	100	0.00
HVN	Fri (15 Oct)	15	100	7.79



attributed to additional offshore operations ramping production following recent Gulf hurricane activity.

Net crude imports rose by 1.39MMbbl/d. Petrol production was reported to have fallen by 523,000bbl/d.

Meanwhile, crude oil was seen to be gushing from a Marathon Petroleum refinery storage tank in the Houston, Texas region.

**Gold** – a slight overnight gain for Comex futures was mostly attributed to lower US treasury yields.

In the meantime, India was reported to have imported 91t of gold during September, against 12Mt a year earlier. The jump was mostly attributed to domestic jewellers taking advantage of lower gold prices and a stronger rupee.

**Base metals** – uncertainty regarding the impact of debt turmoil within China’s property development market was reported as a major continuing influence on LME trade.

Caixin is scheduled to release a September services PMI for China tomorrow.

*China’s markets will remain closed today during the last day of the National Day holiday season.*

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7277	0.0019	0.26
<b>EUR – USD</b>	1.1556	-0.0029	-0.25

### Australian Data Today

AiG	Services PMI	Sep
RBA	Card transactions	Sep
ABS	Payroll jobs & wages	11 Sep

### US Data Tonight

Challenger job cuts	Sep
Initial jobless claims	2 Oct
Consumer credit	Aug

### Other Overseas Data Today & Tonight

<b>Japan</b>	Leading economic index (prelim; 4pm AEDT)	Aug
<b>UK</b>	BBA mortgage rate	Sep
<b>Germany</b>	Industrial production	Aug
<b>Euro zone</b>	ECB monetary policy minutes	Sep

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

## Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>AMH</b>	AGM
	<b>ASX</b>	September
	<b>DJW</b>	AGM
	<b>MAD</b>	AGM
<b>Tue</b>	AZI	AGM
	CSL	AGM
	TLS	AGM
<b>Wed</b>	CBA	AGM
	BOQ	Full year
	CGF	Sep Q
	SXL	AGM
<b>Thu (14 Oct)</b>	ARB	AGM
	DUG	AGM
	IMD	AGM
	NUH	AGM
	LOV	AGM (4.30pm)
	SRG	AGM
<b>Fri (15 Oct)</b>	RIO	Sep Q (8.30am)
	TWE	AGM

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