

Markets

SFE 200 Futures (9.30am AEDT)	7261	33	0.5
NZX 50	13138	33	0.3
DJIA Futures	34663	25	0.1
S&P 500 Futures	4392	2	0.0
NASDAQ Futures	14888	7	0.0

Local Markets Commentary

The Australian market opens Friday trade amid heightened domestic Covid-19 management tensions, with an overnight \$A appreciation, and a material report from the Reserve Bank of Australia (RBA) and influential data for China each due early afternoon, ahead of material data out of the US tonight.

Meanwhile, a scheduled debt ceiling vote in the US Senate, postponed overnight Wednesday, was anticipated post-US trade overnight, but four hours' of debate was scheduled and some have ventured an outcome was not assured even by close of US trade tonight.

Locally today, the RBA publishes its six-monthly financial stability review, 12.30pm AEDT.

The Australian Bureau of Statistics (ABS) publishes **additional information** for the August **building approvals** report released last month, 11.30am AEDT.

Post-ASX trade, the RBA releases monthly official reserve assets.

Stocks trading **ex-dividend** today include **VRT**. *Please see pp3-4 for a detailed ex-dividend list.*

Regionally today, Caixin is scheduled to release a September services PMI for China, 12.45pm AEDT.

Post-ASX trade yesterday, China announced \$US3.210 trillion worth of foreign reserves for the end of September, in line with expectations, and from \$US3.232 trillion for August.

This morning, **Japan** reports August **household spending** and cash earnings.

Also today, **India's** reserve bank is expected to announce outcomes of a policy meeting at 3.30pm AEDT.

In overnight commodities trade, **oil** turned higher.

US **gold** futures seesawed slightly lower.

Iron ore (China port CFR, 62% fines) rose modestly to surpass \$US117.00/t.

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

Copper and other key base metals were reported to have rallied, however.

The **\$A** rose to ~US73.10c after trading at ~US73.00c early yesterday evening.

*** Gold exploration listing – 3pm AEDT – BEZ ***

Today's Stock Watch
Woolworths Group (WOW)

WOW has provisionally settled a class action relating to underpaying some salaries.

Conditions include discontinuation of the class action, Court approval of the proposed settlement and any further compensation to be determined on a Federal Court basis relating to ongoing Fair Work Ombudsman (FWO) proceedings. The FWO proceedings commenced in June.

In addition to a general remediation update, WOW has revealed it no longer holds appropriate records to determine some possible underpayments.

WOW will accordingly make an ex-gratia payment to relevant employees. Details lodged pre-trade.

Metcash Ltd (MTS)

MTS has appointed Massmart Wholesale CEO and senior VP Doug Jones to take over from current MTS CEO Jeff Adams who, as previously flagged, is planning to retire.

Mr Jones will join MTS 1 February while Mr Adams remains with MTS for a transition period.

Cirralto Ltd (CRO)

CRO has outlaid \$A1.1M to upgrade the Spenda payment system commercially released in May.

The release of the Spenda upgrade coincides with the integration of the Invigo lending services system.

Propell Holdings (PHL)

Agreement secured whereby omnichannel payments specialist Square will integrate ecommerce payments into the PHL system.

Cynata Therapeutics (CYP)

The Data Safety Monitoring Board (DSMB) has recommenced CYP's MEND clinical trial involving patients with acute respiratory distress syndrome (ARDS) be continued unchanged.

Starpharma Holdings (SPL)

Viraleze distribution agreement secured with Italy's Admenta.

Resources
Wildcat Resources (WC8)

Heralding indications from WA Red Panda lithium/caesium/tantalum target RC drilling.

Energy
Energy Resources of Australia (ERA) / Rio Tinto (RIO)

Northern Territory Ranger uranium project cost and schedule overruns 'will be material'.

**Overseas Markets**

INDEX	CLOSE	+/-	%
Dow Jones	34755	338	1.0
S&P 500	4400	36	0.8
NASDAQ	14654	152	1.1
FTSE 100	7078	82	1.2
DAX 30	15251	278	1.9
Shanghai Comp	3568	Public	Holiday

Overseas Markets Commentary

Major European, UK and US equities markets jumped on opening overnight, the positive sentiment mostly attributed to optimism the US Congress would approve a temporary \$US480B debt ceiling lift and hence avoid default later this month.

Geopolitical relations, inflation expectations and central bank monetary policy likely moves also remained under consideration.

Following assurances from Russia's president the previous day, the International Energy Agency (IEA) promoted Russia's capacity to significantly raise its **gas supply** to Europe, to ease current supply and prices angst.

Post-US trade Wednesday, reports emerged that **China's** president Xi Jinping and **US** president Joe Biden were planning to get together virtually before year's end.

The **European Central Bank** (ECB) published the minutes of the September policy meeting, these revealing the policy setters had discussed reducing by further than anticipated asset purchases under the Pandemic Emergency Purchase Program (PEPP).

In addition, board members also questioned the adequacy of inflation projection models given the uncertainties impacting prices and employment scenarios.

Overnight, at a transatlantic central bankers' forum, one of these members confirmed the ECB's medium-term outlook for inflation was viewed as needing to be continually monitored.

At the same forum, the president of the US Federal Reserve district (Cleveland) co-hosting the event promoted Covid-19 – related factors as the main reasons for higher inflation, and hence expectations that growth would subside.

In overnight **data** releases, **Germany's** August industrial production was reported 4% lower for the month, against a 1.3% July increase and following forecasts for a 0.6% pull back. The drop was largely attributed to supply issues.

Meanwhile in **France**, a 10-year bond auction delivered a 0.15% yield from -0.05% previously.

In the **US**, weekly new unemployment claims tallied 326,000, against forecasts of 348,000, and from 364,000 the previous week.

A September job cuts report estimated 17,895 fewer jobs for the month following 15,723 reported for August. Forecasters had anticipated just 16,000 new cuts.

August consumer credit grew by \$US14.38B, against expectations for an \$US18B increase following July's \$US17.2B rise.

Tonight in the US, September employment figures are due, together with the August wholesale inventories.

Elsewhere, the **Bank of England** publishes a quarterly economic

Pre-Open Announcements**Sims Ltd (* SGM)**

SGM has appointed former BHP executive Victoria Binns as an independent non-executive director, effective today.

Director Jim Thompson is planning to retire from the SGM board at the conclusion of the 10 November AGM.

Cromwell Property Group (CMW)

CMW has appointed CEO Jonathan Callaghan also as MD, effective yesterday.

Identitii Ltd (ID8)

ID8 co-founder Nick Armstrong has resigned from the ID8 board, in favour of focusing on his new venture capital company Brick Lane Ventures.

EML Payments (EML)

The Central Bank of Ireland is continuing to register concern at the material growth policy of Irish-regulated EML subsidiary PFS Card Services (Ireland) and is seeking certain limits to be applied to some programs.

Details lodged post-trade yesterday.

Cadence Capital (CDM)

CDM has pointed out what the company considers as factual inaccuracies in a media article published yesterday regarding CDM and a company in which it has invested.

CDM settled 5.5% lower for the session yesterday, at \$1.03.

Resources**Besra Gold (* BEZ)**

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

171.85M quoted shares/units/CDIs.

East Malaysia Bau goldfield focus.

Red Hill Iron (* RHI)

Paying a \$1.20 fully franked special dividend from some of the proceeds from the sale of the company's 40% holding in the Red Hill iron ore JV.

RHI will trade ex-dividend 28 October.

Mount Gibson Iron (* MGX)

Resources calculated at 30 June at 67.4Mt @ 61.7% Fe, from 69.4Mt @ 61.7% Fe a year earlier.

Reserves estimated at 20.3Mt @ 64.5% Fe, from 18.7Mt @ 65.2% Fe.

Most reserves are accounted for by Koolan Island.

Catalyst Metals (CYL)

CYL is planning to appoint former Cutfield Freeman & Co director James Champion de Crespigny as a non-executive director, effective from the 12 November AGM.

In addition, CYL will secure Mr de Crespigny as a consultant on a commercial daily rate.

Meanwhile, Gary Schwab is planning to retire from the CYL



bulletin. Germany releases August trade figures.

In overnight corporate news, **Royal Dutch Shell** warned of a possible \$US400M adverse earnings impact from the August US Gulf Hurricane Ida, but on the flip-side is anticipating boosted cash flows from natural gas price escalations.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1759.2	oz	-2.60	-0.1
Silver (NY) (Dec)	22.66	oz	0.13	0.6
Gold (LON)	1760	oz		
Platinum	976	oz	-6	-0.6
WTI Crude (NYMEX Nov)	78.30	bbl	0.87	1.1
Brent Crude (ICE EUR Dec)	81.95	bbl	0.87	1.1
Iron Ore (Qingdao) (CHN;62% <i>f</i>)	117.02	t	0.31	0.3
Iron Ore (Nymex)	118.10	t	0.42	0.4
Copper (LME 3mth Evening, 6 Oct)	9041	t		
Nickel	18062	t		
Aluminium	2892	t		
Lead	2151	t		
Zinc	3015	t		
Tin	35135	t		

Commodities Commentary

Oil – overnight prices appeared supported by optimism regarding a potential US debt ceiling resolution and on news the US and China would likely resume high-level talks before the end of the year.

A weekly US petroleum drill rig report is due tonight.

Gold – prices appeared mostly pushed and pulled overnight by improved equities sentiment and new jobs-related US data, ahead of tonight's US monthly employment statistics.

These are expected to swing some sentiment, in relation to how they could impact a November US Federal Reserve decision.

Base metals – broad positive sentiment as demonstrated in equities trade, inventory updates and industry news appeared the major considerations in overnight LME trade.

For its part, the International Copper Study Group (ISCG) forecast a 2021 42,000t global *copper* deficit, and 2022 328,000t surplus.

In the meantime in Peru, a community group revealed plans for an indefinite blockade on a significant mining supplies and export transport route.

The route has been blocked since Wednesday, but operator of the regional Antapaccay copper operation, Glencore, revealed it would not progress plans this year or next for the development of the Coroccohuayco project. The protestors are particularly against a new project, citing environment damage from the existing operation.

Among anticipated data releases, Caixin is due to publish a September services PMI for **China** today. This could influence some of tonight's sentiment, together with increased trade volumes, due to China having concluded a week long holiday period.

board at the conclusion of the AGM.

Mr Schwab has been an independent non-executive CYL director for 11 years.

E79 Gold Mines (* E79)

Exploration company completed a successful ASX listing yesterday, following a \$7M IPO at 20c per share.

Opened at 25c and traded at 24.5c – 27.5c before settling back at 25c.

1.48M shares were traded across 168 transactions.

50.78M quoted shares.

Recharge Metals (* REC)

Mineral exploration company scheduled to list on the ASX 2pm AEDT **Monday**, following a \$5M IPO at 20c per share.

~31M quoted shares.

Three copper-based projects, one each in the WA Murchison, West Kimberley and wheatbelt regions.

Trading Halts

Company	Code	Resuming
Lumos Diagnostics Holdings	LDX	8 Oct
Metal Hawk	MHK	8 Oct
Structural Monitoring Systems	SMN	8 Oct
Alchemy Resources	ALY	11 Oct
New Talisman Gold Mines	NTL	11 Oct
Seafarms Group	SFG	11 Oct
Vanadium Resources	VR8	11 Oct

Suspensions (selected)

Company	Code	Since
Murray River Group	MRG	1 Oct
Security Matters	SMX	7 Oct
Stemcell United	SCU	29 Sep
Wiseway Group	WWG	1 Oct

Ex-Dividend

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FPC	Today	4.5	100	2.41
MFF	Today	3.5	100	2.03
TNK	Today	24	100	6.27
VRT	Today	12	100	2.08
DGH	Mon	2.25	0	3.72
FGG	Mon	3	100	1.27
WAX	Mon	4.95	100	5.50
WMA	Mon	2	100	0.97
WMI	Mon	8	100	3.27
REH	Tue	12	100	0.34
GOW	Wed	4	100	1.94

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7315	0.0035	0.48
EUR – USD	1.1558	0.0002	0.02

Australian Data Today

RBA	Financial stability review	Oct
ABS	Building approvals (additional info)	Sep
RBA	Official reserve assets (4.30pm AEDT)	Sep

US Data Tonight

Workforce (incl jobs, wages, participation, unemployment rate)	Sep
Wholesale inventories	Sep

Other Overseas Data Today & Tonight

China	Caixin services PMI	Sep
Japan	Household spending; cash earnings	Aug
Japan	Eco watchers survey (4pm AEDT)	Sep
UK	BoE bulletin	Dec Q
Germany	Trade balance	Aug

Need More Information?

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CIW	Thu	1.5	100	1.60
D2O	Thu	3.1	100	4.04
IPC	Thu	6.25	100	0.00
LCE	Thu	1.38	100	0.00
HVN	Fri (15 Oct)	15	100	7.72

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Tue	AZJ	AGM
	CSL	AGM
	TLS	AGM
Wed	CBA	AGM
	BOQ	Full year
	CGF	Sep Q
	SXL	AGM
Thu	ARB	AGM
	DUG	AGM
	IMD	AGM
	NUH	AGM
	LOV	AGM (4.30pm)
	SRG	AGM
Fri (15 Oct)	RIO	Sep Q (8.30am)
	TWE	AGM