

Markets

SFE 200 Futures (9.30am AEDT)	6104	19	0.3
NZX 50	12254	18	0.2
DJIA Futures	28458	148	0.5
S&P 500 Futures	3454	17	0.5
NASDAQ Futures	11580	42	0.4

Local Markets Commentary

Australian shares were looking up on the ASX, taking its cue from Wall Street which closed on the cusp of almost five-week highs overnight.

The New York Stock Exchange was buoyed by comments made by US President Donald Trump that stimulus relief package talks, which he had suspended earlier in the week, could be back on the table.

Nevertheless, Democratic Party House Speaker Nancy Pelosi diluted much of the sentiment later in the day by saying that the opposition were not interested in any relief measures short of a complete package.

The **Bank of America** lifted its fourth quarter forecast for iron ore prices by 10% to US\$110 a tonne, suggesting a strong market for the metal.

Supported by stronger Chinese demand data, the bank also increased its year end forecast for iron ore by US\$5 to US\$90 a tonne.

The bank retained its buy recommendation for **BHP, Rio Tinto** and **Vale** with shipments of iron ore rising globally, led by higher exports out of Brazil.

Iron ore did the heavy lifting for Western Australia, which was able to collect a record \$8.45 billion in royalties through the teeth of the COVID-19 pandemic and declare a budget surplus this week. An additional \$8.29 in royalties is forecast for 20-21.

The State Treasury said it is expecting iron ore prices to average US\$90 a tonne this year, before softening to US\$64 a tonne from FY22.

Treasury also forecast that unemployment would average 8% in the current financial year.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28417	+112	0.4
S&P 500	3444	+25	0.7
NASDAQ	11412	+48	0.4
FTSE 100	5978	+31	0.5
DAX 30	13042	+113	0.8
Shanghai Comp	3218	-6	0.2

Overseas Markets Commentary
Today's Stock Watch
Crown Resorts (CWN)

Gambling tycoon James Packer invites the NSW casino inquiry commissioner to cape shareholdings in Crown Resorts and admits he may be forced to sell his stake in the business for it to secure a licence to operate a new Sydney casino.

AMP Bank (AMP)

Bendigo and Adelaide Bank are reported to be interested in buying troubled AMP Bank, but would need to launch an equity raising to finance the acquisition.

Resources

Copper gained 0.2% to \$3.04/pound, it's highest in over three weeks.

Newcrest Mining (NCM)

Newcrest Mining has approved stage two expansion of the Cadia mine in New South Wales and also approved a Lihir recovery improvement project. Capital costs have been estimated at \$175m for Cadia stage 2, \$5million less than estimates made in October 2019.

Mount Gibson (MGX)

MGX has declared proved and probable ore reserves of 2.8 tonnes grading 59.4% Fe at its planned Shire Iron Ore Project, located 375km northeast of Perth.

Castillo Copper (CCZ)

CCZ has finalised necessary logistics with key stakeholders for a drilling campaign at the Mt Oxide Project to commence in mid-October.

AUSGOLD (AUC)

Releases drilling results at its 100% owned Katanning Gold Project in Western Australia's south-west showing increasing broad zone of higher mineralisation and further identified target zones.

Energy

Oil futures rose 3.1% on the back of Gulf of Mexico producers shutting in 1.7 million barrels a day of production and battening down the hatches ahead of the



US stocks soared to almost five weeks high on speculation that government will have to provide more stimulus into the American economy.

The **S&P 500** was up 0.8% at close with energy, utilities and financials the big gainers. Nevertheless, the market was closely eyeing Hurricane Delta encroaching on the coast of Louisiana.

The **Dow Jones** rose 0.4% to 28,421, the index's highest close in five weeks and the Nasdaq gained 0.4% to 11,550.

The **Stoxx Europe 600** was also resilient and climbed 0.8% to 368.31. Airlines were the driver for European shares in tandem with optimism regarding a successful treatment for the COVID-19 pandemic.

Regeneron Pharmaceuticals rose after President Donald Trump described the company's antibody cocktail as the key to his rapid recovery from the Coronavirus and exit from hospital.

Eaton Vance Corp stock surged after the investment firm agreed to a takeover by **Morgan Stanley**. The NYSE was in a bullish mood with the markets now leaning towards a Joe Biden victory in the United States election that appears to be calming volatility.

In London **Rolls Royce** posted its best five-day performance on record.

Germany's 10-year yield fell three basis points to -0.52, representing the biggest fall in over two weeks.

In Japan the yen was trading at 106 per dollar, the currencies weakest level in almost one month.

Reports by **UBS** and **PwC** revealed that the wealth of global billionaires hit record highs in the midst of the COVID-19 pandemic, with share price rallies and tech and healthcare stocks boosting the world's wealthiest past the US\$10 trillion barrier.

The report, covering 2000 billionaires representing 98% of the world's total wealth, found that the super-rich grew their value by more than a quarter in the early weeks of the pandemic, soaring to US\$10.2 trillion in July.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1896.9	oz	+6.1	0.3
Silver (NY) (Dec)	23.99	oz	+0.1	0.3
Platinum	868	oz	+0.3	0.0
WTI Crude (NYMEX Nov)	41.23	bbl	+1.2	3.2
Brent Crude (ICE EUR Dec)	43.38	bbl	+1.39	3.3
Iron Ore (NYMEX,CHN,62%)	121.90	t	+0.07	0.1
Copper (LME,3mth Ind,PM)	6569	t	+60	0.9
Nickel	14570	t	-72	0.5
Aluminium	1783	t	+18	1.0
Lead	1777	t	18	1.0

Commodities Commentary

Oil – India, the third largest consumer of oil in the world, saw an increase of 2.1% for the fuel in September compared to the year prior due to urban commuters preferring to use their own cars to avoid infection risks posed by COVID-19.

In the United States, by comparison, Americans in their cars drove 14.9 billion interstate miles in the last week of September, which was almost a billion miles less than over the same period in 2019.

storm set to batter Louisiana today. West Texas Intermediate Crude soared 3.2% to \$41.26 a barrel, its highest in almost three weeks. Brent Crude futures rose 2.1% to US\$42.88.

Warrego Energy (WGO)

Warrego Energy has entered into a trading halt ahead of a capital raising after concluding a deal with Strike Energy to develop the West Erregulla gas field in the Perth Basin. The company is reportedly out to raise up to \$30 million to fund its share of the joint development of the gas field and gas processing facility.

Strike Energy (STX)

The Perth Basin focused energy company has secured \$28 million from Macquarie Bank to cover appraisal drilling and long term-leads for phase 1 development of the West Erregulla plant.

Pre-Open Announcements

Over the Wire Holdings (OTW)

OTW has announced a share purchase plan with the record date to be registered for participation as a shareholder set for 1 October 2020.

Trading Halts

Company	Code	Resuming
DGR Global	DGR	12 Oct
Frontier Digital Ventures	FDV	12 Oct
AD1 Holdings	AD1	13 Oct
Element 25	E25	13 Oct
Magnum Mining & Exploration	MGU	14 Oct

Suspensions *(select)*

Company	Code	Since
The Agency Group Australia	AU1	5 Oct
East Energy Resources	EER	18 Sep
Estrella Resources	ESR	7 Oct
FAR Ltd	FAR	14 Sep
Fatfish Group	FFG	2 Oct
Funtastic Ltd	FUN	5 Oct
Kaiser Reef	KAU	17 Sep
Lincoln Minerals	LML	21 Sep
Metalicity Ltd	MCT	2 Oct
Phoslock Environmental Technologies	PET	21 Sep
Quantum Graphite	QGL	2 Oct

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7173	0.0035	0.5
EUR – USD	1.1764	0.0002	0.00

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Riedel Resources RIE 22 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DGH	Today	2.25	0	4.20
HVN	Today	18	100	4.43
MFF	Today	3	100	1.71
TRA	Today	3.64	85	6.54
FGG	Mon	2	100	1.12
WAX	Mon	4.9	100	3.20
WMI	Mon	6	100	1.82
GOW	Tue	3	100	6.60
BKW	Wed	39	100	2.90
MAH	Wed	0.35	30	3.00
PPK	Wed	1	100	0.54