

Markets

SFE 200 Futures (9.30am AEST)	6687	5	0.1
NZX 50	10909	-17	-0.2
DJIA Futures	26953	52	0.2
S&P 500 Futures	2985	6	0.2
NASDAQ Futures	7785	15	0.2

Local Markets Commentary

The Australian market commences December quarter trade with China's markets closed for a week, largely negative overnight commodities trade leads, a Reserve Bank of Australia (**RBA**) policy meeting and subsequent rates announcement this afternoon, and several material domestic reports due this morning.

In addition, RBA governor Philip Lowe will speak tonight at an RBA board and business sector dinner in Melbourne, 7.20pm AEST.

Dr Lowe is expected to expand on the post-policy meeting statement, which is due **2.30pm** AEST.

Today's domestic **data** releases include an AiG **manufacturing** activity index and CoreLogic September capital city **residential property prices**, pre-trade.

11.30am AEST, the Australian Bureau of Statistics (ABS) is due to report August **building approvals**.

Regionally, today marks the 70th anniversary of the founding of The People's Republic of **China**.

Among regional data releases, **Japan's** Tankan survey, a final September manufacturing PMI and employment statistics are anticipated this morning.

In overnight commodities trade, **oil** dropped.

US **gold** futures (December) fell, settling below \$US1473/oz.

Iron ore (Nymex CFR China, 62% Fe) recouped US2c/t.

LME **copper** swung lower. **Nickel** and **aluminium** picked up the pace of Friday's declines.

The **\$A** effectively marked time after falling to ~US67.50c early yesterday evening.

China's markets are closed from today through 7 October, due to the Autumn festival holiday season which includes China's National Day (today).

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26917	97	0.4
S&P 500	2977	15	0.5
NASDAQ	7999	60	0.8
FTSE 100	7408	-18	-0.2
DAX 30	12428	47	0.4
Shanghai Comp	2905	-27	-0.9

RBA – post-policy meeting statement - 2.30pm AEST

RBA – governor Philip Lowe will speak at an RBA board and business community dinner, Melbourne, 7.20pm AEST

*** Maintenance services listing 11am AEST – MAD ***

Today's Stock Watch
Kathmandu Holdings (KMD)

Planning to outlay \$A350M (SNZ368M) for Rip Curl, pending shareholder approval at an 18 October meeting in Sydney.

KMD will issue \$A31M (\$NZ32M) worth of KMD shares to the Rip Curl founders and CEO.

In association, KMD will conduct a \$NZ145M (\$A138M) one-for-four entitlement offer, at \$NZ2.55-per-share (\$A2.37), 4 – 21 October.

The balance \$A220M (\$NZ231M) funding for the proposed purchase will come from new secured debt facilities.

Teleconference scheduled to commence 10am AEST.

Access details lodged this morning.

KMD has traded on the ASX at \$A2.71 - \$A2.90 over the past five sessions. Trading halt called this morning.

Suncorp Group (SUN)

Selling 90% of Australia and New Zealand smash repair business Capital S.M.A.R.T. Group to AMA Group for \$420M 100% enterprise value.

In association, SUN is selling ACM Parts to AMA for \$20M cash. Completion is anticipated by month's end.

NeuroScientific Biopharmaceuticals (NSB)

In vivo (anaesthetised rabbits) pre-clinical trial data indicates EmtinB can penetrate the retina and optic nerve of a rabbit eye with no side effects.

NSB is targeting the use of EmtinB as a glaucoma treatment.

Fluence Corporation (FLC)

Initial China contract executed for an FLC SUBRE wastewater treatment facility, which meets a higher stringent wastewater standard. Details lodged this morning.

Phoslock Environmental Technologies (PET)

Contract secured to apply PET's Phoslock product a 3362ha lake in the Yangtze River Basin, central China.

Resources
Galan Lithium (GLN)

Argentina Candelas lithium brine project initial resource, from the Candelas North zone, is estimated at 685,000t lithium carbonate equivalent @ 672mg/L Li.

The indicated portion measured 684,850t @ 672mg/L Li.



Overseas Markets Commentary

Major European and US equities markets mostly trended higher overnight to settle near session highs, but not so the UK's FTSE.

Weekend comments out of China provided some encouragement to traders, the People's Bank of China assuring it would ensure liquidity, and the vice commerce minister promoting China's desire for 'a calm and rational attitude' in trade negotiations with the US.

Reports also emerged the UK PM would this week, and as early as tonight, deliver to European Union (EU) leaders an updated plan for arrangements governing the UK's planned 31 October separation from the EU.

This was said to include an effectively borderless 'economic zone' across all of Ireland.

Overnight **data** releases included **Germany's** initial September CPI reading which came in at nil growth for the month against 0.2% August deflation.

Annual September CPI growth came in at 1.2%.

The nation's August retail sales heartened, rising 0.5% during the month, following a 0.8% July fall. Sales were 3.2% higher than for August 2018.

A **euro zone** August unemployment reading declined 0.1% to 7.4%.

Earlier in the **UK**, June quarter GDP was confirmed as representing a 0.2% contraction for the quarter. Year-on-year however, GDP grew 1.3%, following an earlier 1.2% estimate.

In the **US**, the September Chicago PMI dropped to a contractionary mode 47.1 from 50.4 in August.

The Dallas Fed manufacturing index fell to 1.5 from 2.7, although this had been expected to tumble into negative territory.

Tonight in the **US**, ISM's September manufacturing sector activity index, Markit's final September manufacturing PMI reading, and August construction spending are due.

Elsewhere, a euro zone CPI reading, plus manufacturing PMIs for the region and the UK, could also prove influential.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1472.9	oz	-33.5	-2.2
Silver (NY) (Dec)	16.998	oz	-0.654	-3.7
Gold (LON)	1490	oz		
Platinum	880	oz	-48	-5.2
WTI Crude (Nov)	54.07	bbbl	-1.84	-3.3
Brent Crude (Nov)	60.78	bbbl	-1.13	-1.8
Iron Ore (NYMEX,CHN,62%)	92.91	t	0.02	0.0
Copper (LME,3mth,PM)	5713	t	-50	-0.9
Nickel	17085	t	-135	-0.8
Aluminium	1721	t	-16	-0.9
Lead	2127	t	50	2.4
Zinc	2367	t	61	2.7
Tin	15900	t	-260	-1.6

Pre-Open Announcements

Mader Group (* MAD)

Resources sector maintenance services provider scheduled to list **11am** AEST following a \$49.84M IPO at \$1.00 per share. 200M quoted shares.

CIMIC Group (* CIM)

CIM's CPB Contractors has secured a \$761M design and construct contract for the second stage of the Monash Freeway upgrade, Melbourne.

Construction is expected to commence early 2020 and to conclude by the end of 2022.

In addition, CIM has refinanced a cash facility, due to mature 2020, into a \$1.9B facility with four- and five-year tranche maturities.

Benitec Biopharma (* BLT)

Conducting a \$US2.25M American Depositary Shares (ADS) offering at US70c per ADS, in support of product development and general corporate purposes.

BLT has traded at 5.3c – 7c over the past five session, adding 22.8% yesterday to settle at 7c.

Opthea Ltd (* OPT)

\$A14.6M R&D tax credit in hand from the Australian Tax Office (ATO).

iSignthis Ltd (* ISX)

Paydentity actual annualised growth-per-transaction-value (GPTV) has risen further, exceeding \$A1.9B in September.

AJ Lucas Group (AJL)

AJL debt provider OCP Asia is allowing AJL a deferment on paying down debt principal to \$US20M, together with pro-rata 30 September – 25 October accrued interest.

AJL is seeking to refinance the loan note facility under a new package with new lenders.

AJL settled at 10.5c yesterday after closing out August at 14c, and the June quarter at 8c.

GARDA Diversified Property Fund (GDF)

GDF has settled the acquisition of two Brisbane industrial properties for a combined \$41.0M.

Resources

Cardinal Resources (CDV)

Pre-feasibility outcomes for CDV's Namdini gold project, Ghana are anticipated by month's end.

Previously, CDV has expected to release the study report by 30 September (yesterday).

CDV has traded lower the past four sessions, yesterday settling at 42.5c.

Altura Mining (AJM)

\$26.71M full year net loss, following a \$12.82M loss a year earlier.



Commodities Commentary

Oil – prices were pushed decidedly lower during overnight end-of-quarter trade.

A media report, including a claim from Saudi state-owned Saudi Aramco that production capacity had returned to pre-September 14 oil facilities attack levels, appeared the major influence.

WTI crude subsequently ended the September quarter 7.5% lower. Brent dropped 8.7%, despite recovering 0.6% during September.

Comments from Saudi Arabia, reported late-weekend, but recorded last week, regarding keeping watch on perceived threats from Iran were also in focus, ahead of further anticipated commentary from the US.

A further media report covered updated 2019 price predictions from economist and analysts.

The overall mean forecast for Brent crude came in at \$US65.19/bbl, from \$US64.76/bbl, predicted in August.

The new \$57.96/bbl WTI forecast followed a \$US57.90/bbl nomination in August.

The Brent November contract expired at the end of last night's trade.

Gold – a stronger \$US and improved US equities sentiment bruised overnight end-of-September quarter gold sentiment.

This pushed prices beneath \$US1500/oz, triggering further selling.

Key economic indicators, yet to come from the US this week, are expected to swing currency and hence gold trade. These include manufacturing, services and employment figures.

Base metals – end-of-quarter and China 'Golden Week' positioning, plus new data, a strengthening \$US and new production figures combined to influence overnight base metals trade.

China's manufacturing (49.8, from 49.5 for August) and services (53.7; 53.8) **PMIs**, as calculated by the National Bureau of Statistics (NBS), and a manufacturing one from Caixin (51.4; 50.4), were all reported yesterday, the manufacturing indices exceeding expectations.

Some analysts were keen to point out China's official manufacturing PMI has indicated contraction for five consecutive months, however.

Japan's August industrial production, reported yesterday, fell 1.2% for the month, and tumbled 4.7% against August 2018's output. July 2019 output had improved 1.3% for the month, and was 0.7% higher than a year earlier.

August retail sales in Japan grew 2% year-on-year, against a 2% July drop. Sales were 4.8% higher for the month, following a 2.3% July stumble.

In the meantime **Chile** revealed the nation's manufacturing sector activity had pulled back 1.5% during August, largely due to falling food production.

Overall mining output rose 5.3% year-on-year however, attributed to improved grades and notably low production for August 2018.

Copper production rose 11% year-on-year, to 517.902t.

A rise in **lithium** carbonate output was reported as the main

\$39.40M revenue against \$1.165M.

\$9.51M cash and equivalents.

Company activity subsequent to the financial year also lodged post-trade yesterday.

Metals Australia (MLS)

Heralding Quebec, Canada Lac Rainy graphite project drilling which has identified a high-grade mineralised zone near surface.

MLS says diamond drilling within one hole ended in graphite mineralisation.

Details lodged this morning.

Apollo Consolidated (AOP)

WA Lake Rebecca gold project drilling has returned significant-width intersections at relatively shallow depths.

Details lodged this morning.

Energy

Winchester Energy (WEL)

Comprehensive Texas, US Permian Basin update lodged this morning, highlighting Arledge 16#2 flow testing and White Hat 20#5 near-term production.

WEL 100% working interest.

WEL regained 7.35% Friday last week and 4.11% yesterday, settling at 7.6c.

Trading Halts

Company	Code	Resuming
Actinogen Medical	ACW	1 Oct
Aurora Labs	A3D	1 Oct
AMA Group	AMA	2 Oct
Bounty Mining	B2Y	2 Oct
Field Solutions Holdings	FSG	2 Oct
Phylogica Ltd	PYC	2 Oct
Roots Sustainable Agricultural Technologies	ROO	2 Oct
Sensora Ltd	SE1	2 Oct
Superior Lake Resources	SUP	2 Oct
UUV Aquabotix	UUV	2 Oct
Wattle Health Australia	WHA	2 Oct
4DS Memory	4DS	3 Oct
Kathmandu Holdings	KMD	4 Oct

Suspensions *(select)*

Company	Code	Since
Ark Mines	AHK	25 Sep
AuKing Mining	AKN	30 Sep
Buxton Resources	BUX	30 Sep
Creso Pharma	CPH	18 Sep
Dampier Gold	DAU	24 Sep
European Cobalt	EUC	24 Sep
EVE Investments	EVE	30 Sep



reason non-metallic production increased by 18%.

December quarter trade commences tonight, but with likely reduced volumes, due to China's holidays, 1 – 7 October, these later today and tonight including celebrations for the 70th anniversary of the founding of the People's Republic of China.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6751	0.0000	0.00
EUR – USD	1.0900	0.0000	0.00

Australian Data Today

RBA	Policy meeting outcomes	Oct
AiG	PMI (manufacturing)	Sep
CoreLogic	Capital city residential property prices	Sep
ABS	Building approvals	Aug
RBA	Commodity prices (4.30pm AEST)	Sep

US Data Tonight

ISM manufacturing	Sep
Markit manufacturing (final)	Sep
Construction spending	Aug

Other Overseas Data Today & Tonight

Japan	Tankan survey (manufacturing, services; sm,lge)	Sep Q
Japan	Manufacturing PMI (final)	Sep
Japan	Employment	Sep
UK	Manufacturing PMI	Sep
Germany	Manufacturing PMI (final)	Sep
Euro zone	CPI (initial)	Sep
Euro zone	Manufacturing PMI (final)	Sep

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G Medical Innovations Holdings	GMV	10 Sep
GR Engineering Services	GNG	24 Sep
Hexagon Resources	HXG	25 Sep
Red Mountain Mining	RMX	26 Sep
Stonehorse Energy	SHE	18 Sep
Syntonic Ltd	SYT	10 Sep
Thred Ltd	THD	26 Sep
Torian Resources	TNR	24 Sep
Transcendence Technologies	TTL	24 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ED1	Today	3	100	12.94
ICS	Today	4.5	0	5.20
IPC	Today	6.25	100	5.68
LCE	Today	1.38	100	3.06
NBI	Today	0.9	0	5.38
AKG	Tomorrow	2.37	100	3.38
CLH	Tomorrow	4.1	100	6.20
PIC	Tomorrow	3.4	100	6.04
AIA	Thu	10.64	0	2.42
ARB	Thu	21	100	1.99
CAM	Thu	1.25	100	5.32
EOL	Thu	3	0	0.00
SGM	Thu	19	100	5.10
VRT	Thu	12	100	2.70
XRF	Thu	1	100	1.20
WAA	Fri	2.95	100	5.18
WAX	Fri	4.85	100	6.44
WMI	Fri	4.5	100	2.99

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