

Markets

SFE 200 Futures (9.25am AEST)	5458	8	0.2
NZX 50	7150	-14	-0.3
DJIA Futures	18197	40	0.2
S&P 500 Futures	2152	6	0.3
NASDAQ Futures	4870	11	0.2

Local Markets Commentary

The Australian market opens on new news and data out of China, a ratings warning for Australia, mostly negative international equities and mixed commodities leads, and as US presidential candidates meet for a second debate.

Over the weekend, **China** announced several regulatory changes, including an easing of foreign investment rules while reporting a 4.5% increase in January - August foreign direct investment, to \$US85.9B.

Caixin also reported a 51.8 September composite **PMI** for China, down 0.4 from August, and a 0.2 lower services PMI, of 52.0.

China's markets reopen after a week-long close today, together with the expected release of September lending figures (new yuan loans).

In the meantime, Standard & Poor's has described Australia's foreign debt as 'extreme' and warned of a ratings downgrade.

In overnight Friday commodities trade, US **gold** futures settled slightly lower. **Oil** fell. **Copper** swung higher. Iron ore slipped a little further.

The **\$A** approached US75.90c after trading at ~US75.70c early Friday evening. This morning, the \$A briefly traded above US76.0c again.

Locally today, the RBA is scheduled to publish September foreign reserves, post-trade.

Japan's markets will remain **closed today** due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	18240	-28	-0.2
S&P 500	2154	-7	-0.3
NASDAQ	5292	-14	-0.3
FTSE 100	7044	44	0.6
DAX 30	10491	-78	-0.7
Shanghai Comp	3005	Public	Holiday

Overseas Markets Commentary

Mainland European and US equities markets chopped overnight Friday, trading lower most of the time before settling so. The FTSE was the notable exception.

The **US** September employment report estimated 156,000 new jobs had been created, and that unemployment had risen 0.1% to 5.0%. Each figure missed expectations.

August consumer credit rose to \$US25.9B from \$US17B in July.

August wholesale inventories fell 0.2%, double the

Today's Stock Watch

Virgin Australia Holdings (VAH)

Issuing \$US350M worth of unsecured notes.

Insurance Australia Group (IAG)

\$300M off-market share buy-back priced at \$5.5127. Shareholders could tender their stock at inclusive 4% - 14% discounts to the VWAP price. IAG traded at \$5.52 - \$5.59 Friday, closing at \$5.53.

Bendigo & Adelaide Bank (BEN)

SPP opening today and continuing through 21 October.

Sirtex Medical (SRX)

Positive RESIRT (renal cell cancer treatment) pilot clinical study efficacy and safety data presented at an oncology congress in Europe over the weekend.

Dominos Pizza Enterprises (DMP)

Presentation-format commentary lodged together with DMP's annual report. Separate website access details also lodged this morning.

Emefcy Ltd (↓ EMC)

Distribution and deployment agreement secured with Beijing Sinorichen Environmental Protection Corp, for EMC's wastewater treatments.

LBT Innovations (LBT)

An LBT JV with Hettich AG, Clever Culture Systems, has secured US FDA Class II medical advice approval for the APAS plate reader.

UGL Ltd (↓ UGL)

Deutsche Bank is recommending UGL as a 'buy'.

Magellan Financial (MFG)

Credit Suisse has re-rated MFG as outperform, from neutral.

Bank of Queensland (↑ BOQ) / Investa Office Fund (↑ IOF)

UBS has placed 'sell's on BOQ and IOF.

National Australia Bank (NAB)

CEO Andrew Thorburn is scheduled to speak at a QUT business leaders' forum.

Resources

TNG Ltd (↓ TNG)

Vanadium electrolyte production achieved using TNG's Northern Territory Mount Peake project vanadium pentoxide. Details lodged this morning.

Talga Resources (TLG)

Heralding stability and efficiency results from larger-scale testing of TLG graphit in lithium-ion batteries at the University of Warwick, UK.

Energy

BHP Billiton (BHP)

Energy sector-focused investor briefing anticipated.

Origin Energy (ORG)

Australia Pacific LNG exports underway from train #2. ORG upstream operator, 37.5%; ConocoPhillips 37.5%; Sinopec 25%.

initial estimate.

In **Germany**, August industrial production pleased, improving 2.5% for the month, against expectations of a 0.8% rise.

It was a different story in the **UK**, August industrial output falling 0.4%, mainly on shutdowns in the oil sector.

Tonight in the **US**, no significant national economic reports are scheduled for release.

Overnight Friday, France's **TOTAL** confirmed it was offloading a chemicals business, for \$US3.2B, to **The Carlyle Group**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1252	oz	-1	-0.1
Silver (NY) (Dec)	17.6	oz	0.2	1.3
Gold (LON)	1259	oz	4	0.3
Platinum	966	oz	4	0.4
WTI Crude (Dec)	49.8	bbl	-0.6	-1.3
Iron Ore (Tianjin)	54.4	t	-0.1	-0.2
Copper (LME)	4778	t	22	0.5
Nickel	10200	t	-55	-0.5
Aluminium	1675	t	-2	-0.1
Lead	2077	t	23	1.1
Zinc	2324	t	1	0.0
Tin	20000	t	-95	-0.4
CBT Wheat (Dec)	3.95	bshl	-0.01	-0.3

Commodities Commentary

Oil – OPEC and major **non-OPEC** producers commenced discussions regarding potential curbs, Saturday, in Istanbul. These are scheduled to continue until Thursday.

Baker Hughes reported three more oil rigs were operational in the US, suggesting activity had increased over a total consecutive six weeks.

Brent crude fell 1.1% Friday, to \$US51.93/bbl.

Gold – futures swung, ultimately settling slightly lower, after trading as high as \$US1267.6/oz intra-session. Trade is expected mostly this week to swing on US rate rise commentary.

Base metals – a softer \$US helped support overnight Friday trade. Some also noted slower-than-usual LME warehouse arrivals but this could well change this week.

The Philippines also confirmed not all mining operations listed 'at risk' would necessary be suspended or shut down. Nickel projects have featured on each list to date.

Tonight's trade could be impacted by the resumption of China's markets, following a week of holidays. Over the weekend, Caixin has published falls for both its September services and composite PMI estimates for China. Friday, **China's** foreign reserves undershot expectations.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7596	-0.0013	-0.17
EUR – USD	1.1194	0.0016	0.14

Australian Data Today

RBA	Foreign reserves	Sep
-----	------------------	-----

Pre-Open Announcements

Crowd Mobile (* CM8)

Two-year agreement secured with Viacom International Media Networks, for the collaborative potential development of new apps. Details lodged this morning.

Factor Therapeutics (* FTT)

30-day review underway following the lodgement of an amended investigational new drug application with the US FDA. FTT has provided analysis certificates for materials to be used in a Phase II trial of the company's proposed leg vein ulcer treatment, currently dubbed VF-001.

Austin Engineering (ANG)

Former Chesterfeld Australia CEO Peter Forsyth appointed ANG CEO, effective Wednesday this week. Mr Forsyth is also a former Caterpillar senior executive.

Resources

Gold Road Resources (* GOR)

YAM14 prospect initial resource drilling completed. Significant assays lodged this morning. GOR is targeting a boost to the Gruyere gold project, located 8km from YAM14. A Gruyere feasibility study is expected to be completed by year's end, but will not include the YAM14 results.

Australian Vanadium (* AVL)

Heralding results from a new WA Gabanintha vanadium project concept study. AVL says it is sufficiently confident to commence roast-leach metallurgical testing, resource update and permitting requirements preparation and a detailed mining study.

Trading Halts

Company	Code	Resuming
Dragon Energy	DLE	10 Oct
Global Geoscience	GSC	10 Oct
De Grey Mining	DEG	11 Oct
Inca Minerals	ICG	11 Oct
MMJ PhytoTech	MMJ	11 Oct

Suspensions (selected)

Company	Code	Since
Cleveland Mining Company	CDG	3 Oct
Cudoco Ltd	CDU	30 Sep
Drake Resources	DRK	23 Sep
Freshtel Holdings	FRE	6 Oct
Oakajee Corporation	OKJ	12 Sep
Realm Resources	RRP	13 Sep
Unilife Corporation	UNS	30 Sep
Wolf Minerals	WLF	30 Sep
Zamia Metals	ZGM	3 Oct
Zyber Holdings	ZYB	6 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ALF	Today	5	100	6.64

**Overseas Data Today & Tonight**

China	New yuan loans	Sep
Germany	Trade balance	Aug
Germany	Industrial production	Aug
Euro zone	Sentix investor confidence	Oct

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 morning note and its contents at all times 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 5.00of the companies mentioned herein.

BCN	Today	0.25	0	0.00
FGX	Today	2	100	3.43
REH	Today	65	100	2.07
ORL	Tomorrow	3	100	4.00
UOS	Tomorrow	0.5	0	5.13
KKT	Wed	0.5	100	1.00
CCV	Thu	1	100	8.57
MFF	Thu	1	100	1.14
NUF	Thu	7	0	1.17
NZM	Thu	~2.85	0	4.20
SMX	Thu	3	100	5.97
VELCP	Thu	0.5	100	0.05
VELIN	Thu	5.5	100	7.43

Reports & Events

(selected scheduled)

When	Company	Report/Event
Tomorrow	ERA	Sep Q
	TLS	AGM
Wed	CSL	AGM
Thu	ILU	Sep Q
	MFG	AGM
	ORA	AGM
	TCL	AGM; Sep stats
Fri	ARB	AGM