

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6591	-32	<b>-0.5</b>
<b>NZX 50</b>	11078	52	<b>0.5</b>
<b>DJIA Futures</b>	26773	27	0.1
<b>S&amp;P 500 Futures</b>	2969	3	0.1
<b>NASDAQ Futures</b>	7866	8	0.1

**Local Markets Commentary**

The Australian market opens today's trade with:

- the US threatening additional tariffs against goods from China 15 December should no trade deal be agreed;
- US sanctions and tariffs announced against Turkey;
- Reserve Bank of Australia (RBA) policy meeting minutes due late morning;
- further material data scheduled for release out of China early afternoon; and
- heightened international concern at the potential of conflict in Syria;
- ahead of key US corporate reports tonight.

**China** is scheduled to release September **CPI** and **producer prices 12.30pm** AEDT.

**Locally** today, the **RBA** publishes the minutes of its October policy meeting, **11.30am** AEDT.

A weekly consumer sentiment reading is due pre-trade.

**ORA** and **TLS** convene AGMs today.

In overnight commodities trade, **oil** turned and fell.

US **gold** futures (December) seesawed higher.

**Iron ore** (Nymex CFR China, 62% Fe) extended Friday's move lower.

Meanwhile, China's September iron ore imports have been revealed 4.8% higher for the month, at 99.36Mt, against 93.47Mt for September 2018.

LME **copper** rose. **Nickel** dropped. **Aluminium** continued to decline.

The **\$A** rose towards US67.80c after trading at US67.65c early yesterday evening, but could swing today.

In addition, Japan's markets will be trading for the first time this week, and hence potentially reacting to developments from late Friday last week.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26787	-29	<b>-0.1</b>
<b>S&amp;P 500</b>	2966	-4	<b>-0.1</b>
<b>NASDAQ</b>	8049	-8	<b>-0.1</b>
<b>FTSE 100</b>	7213	-34	<b>-0.5</b>
<b>DAX 30</b>	12487	-25	<b>-0.2</b>
<b>Shanghai Comp</b>	3008	34	<b>1.2</b>

**China – September CPI and PPI – 12.30pm AEDT**

**Australia - RBA policy meeting minutes 11.30am AEDT**

**Today's Stock Watch**
**Telstra Corporation (TLS)**

Today's AGM chairman's address lodged.

**Immutep Ltd (IMM)**

Heralding efficacy and safety levels demonstrated in a clinical trial of TACTI-mel as a treatment for metastatic melanoma.

**Southern Cross Austereo (SCA)**

September quarter revenues fell 8.5% year-on-year.

Anticipating \$60M - \$68M interim EBITDA.

**NRW Holdings (NWH) / BHP Group (BHP)**

NRW's Golding Contractors have secured a \$35M civil works contract with the BHP Mitsubishi Alliance (BMA) Queensland Blackwater mine.

Work is expected to be completed in January 2021.

**MACA Ltd (MLD) / Fortescue Metals Group (FMG)**

\$26M earthworks, access and infrastructure contract secured with the FMG-Formosa Steel Iron Bridge magnetite project, WA Pilbara region.

**Resources**
**Golden West Resources (GWR) / Blackham Resources (BLK)**

GWR has secured a JV agreement with BLK, covering the development and mining of GWR's Wiluna West gold project, Western Australia, and the processing of Wiluna West ore at BLK's regional Matilda project facility.

GWR will retain 35% of the project and be responsible for this ratio of mining and processing costs and be attributed 35% of production.

Additional details lodged post-trade yesterday.

**Newcrest Mining (NCM)**

The NCM board has approved the initial two stages of the NSW Cadia expansion project. Combined capex is estimated at \$865M, with payback expected within 7.6 years.

**Evolution Mining (EVN)**

Produced 191,967oz of gold at an \$A1018/oz AISC during the September quarter.

Expecting a \$A50/oz higher, \$A940/oz - \$A990/oz FY 20 ASIC than previously anticipated, due to royalties, mine planning and by-product credits.

**Sagon Resources (SG1)**

Initial WA Cummins Range rare earths project resource calculated at 13Mt @ 1.13% TREO.



## Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight, during a Columbus Day government and bank holiday in the US and a public holiday in Canada.

There was plenty to consider, including the realisation of little definitive detail out of the China-US trade talks, growing international concern at the potential broadening of conflict in Syria, the US president threatening near-term sanctions against Turkey, and seemingly lowered EU-UK expectations for this week, ahead of influential US corporate reporting tonight and the recommencement of US Federal Reserve debt purchases.

For its part, **China** requested to clarify before month's end what had been verbally agreed with the US late last week, before a potential paper sign-off on the 'phase one' accord.

In addition, earlier yesterday, China's September international trade figures revealed a further weakening in exports and imports.

In monetary policy developments, the **US Federal Reserve** had followed up chairman Jerome Powell's earlier-month revelation the central bank would boost reserves and bolster overnight cash availability, announcing late Friday that monetary policy council (FOMC) members had approved the monthly purchase of \$US60B worth of US Treasury bills (government bonds), from as early as tonight.

The Fed also announced the new purchase program, in conjunction with broadening repurchasing operations, would extend at least until the end of March 2020.

Mr Powell had assured in public speeches within the past two weeks that the additional measures did not represent a change in monetary policy, but rather were 'technical' responses to current demand.

Last month, this demand had forced a string of substantial overnight Fed cash injections.

In scant overnight data releases, the **euro zone's** August industrial production rose 0.4% for the month following a 0.4% July decline.

Year-on-year, output was down 2.8%.

**Tonight** in the **US**, the New York Fed's regional manufacturing index is due.

Companies scheduled to report for the September quarter include: Bank of America, BlackRock, Charles Schwab, Citigroup, CSX, Goldman Sachs, Johnson & Johnson, JPMorgan, Morgan Stanley, Rio Tinto, UnitedHealth and Wells Fargo.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1497.6</b>	oz	8.9	<b>0.6</b>
<b>Silver (NY)</b> (Dec)	17.71	oz	0.166	<b>1.0</b>
<b>Gold (LON)</b>	1479	oz		
<b>Platinum</b>	891	oz	-3	<b>-0.3</b>
<b>WTI Crude</b> (Nov)	<b>53.59</b>	bbl	-1.11	<b>-2.0</b>
<b>Brent Crude</b> (Dec)	<b>59.35</b>	bbl	-1.16	<b>-1.9</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	92.23	t	-0.63	<b>-0.7</b>
<b>Copper</b> (LME,3mth,PM)	<b>5819</b>	t	47	<b>0.8</b>
<b>Nickel</b>	17145	t	-555	<b>-3.1</b>

## Pre-Open Announcements

### Meridian Energy (\* MEZ)

September operating report lodged this morning, including 17.3% higher year-on-year New Zealand retail sales volumes, and 1.3% higher national electricity demand.

### ArchTIS Ltd (AR9)

15-month agreement secured with the Australian Criminal Intelligence Commission (ACIC) for ACIC to use AR9's Kojensi Gov product in support of secure collaboration across ACIC sites and associates.

The agreement is for an initial 150 users and up to 200 hours of services.

### Kleos Space (KSS)

US subsidiary established to integrate and sell KSS maritime intelligence, surveillance and reconnaissance (ISR) data to US defence and security departments, in addition to industry users. KSS has appointed former US Department of Defense senior executive Karyn Hayes-Ryan as subsidiary director.

### Adveritas Ltd (AV1)

Strategy update lodged this morning in presentation format.

### Temple & Webster (TPW)

CEO Mark Coulter has sold 150,000 TPW shares.

Mr Coulter retains interests in ~10M TPW securities.

### Home Consortium (HMC)

Stapled securities comprising one share each of HCL (Home Consortium) and HCDL (Home Consortium Developments) commenced ASX trade yesterday under the code HMC, following the issue of the stapled securities at \$3.35 each.

Opened at \$3.64 and traded at \$3.59 - \$3.75 before settling at \$3.75.

Trade commenced on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence Friday. ~197.81M quoted stapled securities.

## Resources

### Syrah Resources (SYR)

Anticipating \$A55.8M 28 October, from the convertible note issue to AustralianSuper.

### Pilbara Minerals (PLS)

PLS's \$20M, 30c-per-share SPP attracted \$A27.3M worth of applications.

PLS has traded at 30c – 32.5c over the past five trading sessions.

### Talga Resources (TLG)

Northern Sweden Vittangi graphite project Niska graphite deposits initial indicated resource estimated at 4.6Mt @ 25.8% graphite (Cg).

This boosts TLG resources in Sweden to 52.7Mt, containing 9.3Mt graphite.



Aluminium	1721	t	-3	-0.2
Lead	2137	t	-42	-2.0
Zinc	2412	t	12	0.5
Tin	16550	t	70	0.4

### Commodities Commentary

**Oil** – the lack of detail from late last week’s acclaimed verbal trade accord between the US and China, and China’s request for more talks before agreeing to even the ‘phase one’ pact on paper, proved a dampener on overnight trade.

In the meantime, **Saudi Arabia** rejected allegations it had been involved in a reported attack on an **Iranian** tanker while travelling off Jeddah on Friday.

This, while **Russia’s** president commenced an official visit to Saudi Arabia.

In other news, US data was reported to indicate **South Korea** had imported ~twice the amount of **US** crude during September than it had a year earlier.

**Gold** – a fall in US-China trade pact optimism, together with the **US Federal Reserve’s** late-Friday announcement that it would commence a \$US60B/month treasuries purchase program, helped push Comex futures higher overnight.

Reclaiming a \$US1500/oz settlement proved elusive however.

Material international data releases through the week, together with several fluid geopolitical scenarios, are expected to keep precious metals sentiment dynamic.

**Base metals** – data out of **China**, China-US trade relations, and currency swings pushed and pulled overnight prices.

China’s September trade figures, reported yesterday, included a \$US39.65B trade surplus, following \$US34.83B at the end of August.

Imports dropped 8.5% year-on-year, following a 5.6% August fall.

Exports fell 3.2% after declining 1% in August.

Among specific imports, China’s unwrought **copper** imports were revealed 10.15% higher for the month, at 445,000t, the most since February, but 14.6% lower than for September 2018.

Copper concentrate imports dropped 12.9% for the month, to 1.581Mt.

China’s September unwrought **aluminium** exports fell 6.7% for the month, and 14.2% year-on-year, at 435,000t, this mostly attributed to temporary smelter closures.

China’s vehicle sales were also reported yesterday, coming in 5.2% lower, after falling 6.9% in August.

September producer prices and CPI growth are due for release today.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6777	0.0000	0.00
<b>EUR – USD</b>	1.1027	0.0001	0.01

### Australian Data Today

RBA	Policy meeting minutes	1 Oct
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### AVZ Minerals (AVZ)

The Manono lithium and tin project resource has been estimated at 400Mt @ 1.65% Li<sub>2</sub>O, 715ppm Sn, 34ppm Ta, 0.96% Fe<sub>2</sub>O and 0.29% P<sub>2</sub>O<sub>5</sub>.  
107Mt qualify for measured status.

### Trading Halts

Company	Code	Resuming
Retail Food Group	RFG	15 Oct
Troy Resources	TRY	15 Oct
360 Capital Total Return Fund	TOT	16 Oct
Alligator Energy	AGE	16 Oct
Andromeda Metals	ADN	16 Oct
AusQuest Ltd	AQD	16 Oct
Krakatoa Resources	KTA	16 Oct
Latin Resources	LRS	16 Oct
Navarre Minerals	NML	16 Oct
Nvoi Ltd	NVO	16 Oct
OpenDNA Ltd	OPN	16 Oct
PPK Group	PPK	16 Oct
Predictive Discovery	PDI	16 Oct

### Suspensions (select)

Company	Code	Since
Ark Mines	AHK	25 Sep
Artemis Resources	ARV	14 Oct
AuKing Mining	AKN	30 Sep
European Cobalt	EUC	24 Sep
Family Insights Group	FAM	1 Oct
Force Commodities	4CE	7 Oct
iSignthis Ltd	ISX	2 Oct
New Standard Energy	NSE	14 Oct
Peppermint Innovation	PIL	11 Oct
Thred Ltd	THD	26 Sep
Transcendence Technologies	TTL	24 Sep
Wattle Health Australia	WHA	2 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CVF</b>	Today	<b>5</b>	100	1.86
GNE	Tomorrow	7.87	0	2.37
PL8	Tomorrow	0.5	100	5.15
AVG	Thu	2	100	2.86
IMD	Thu	2	100	1.50
RIC	Thu	2.75	100	4.05
VLW	Thu	31	100	3.40
WAM	Thu	7.75	100	6.65
CDM	Fri	2	100	3.75



ANZ/Roy Morgan Consumer sentiment 13 Oct

**US Data Tonight**

NY Fed (Empire State) manufacturing Oct

**Other Overseas Data Today & Tonight**

<b>China</b>	CPI	Sep
China	PPI	Sep
<b>Japan</b>	Industrial production (final; 3.30pm AEDT)	Aug
<b>UK</b>	Average earnings	Aug
UK	Unemployment claims	Sep
UK	ILO unemployment	Aug
<b>Germany</b>	ZEW economic sentiment	Oct
<b>Euro zone</b>	ZEW expectations	Oct

**Need More Information?**

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**Reports & Events**

(selected)

When	Company	Report/Event
<b>Today</b>	<b>ORA</b>	AGM
	<b>TLS</b>	AGM
<b>Tomorrow</b>	CBA	AGM
	ORG	AGM
	OZL	Sep Q
	RIO	Sep Q (pre-trade)
	TWE	AGM
<b>Thu</b>	BOQ	Full year (10.30am web)
	BHP Group	Sep Q (pre-trade)
	BHP Plc	AGM (LON)
	IMD	AGM
	ING	AGM
	NST	Sep Q (9.30 tele)
	STO	Sep Q
	SGF	AGM
	SKC	AGM
	SDF	AGM
WPL	Sep Q	
<b>Fri</b>	SKT	AGM