

**Markets**

Market	Value	Change	% Change
<b>SFE 200 Futures</b> (9.30am AEDT)	6148	-55	<b>-0.9</b>
<b>NZX 50</b>	12456	3	<b>0.0</b>
<b>DJIA Futures</b>	28587	2	<b>0.0</b>
<b>S&amp;P 500 Futures</b>	3504	-1	<b>0.0</b>
<b>NASDAQ Futures</b>	12092	-2	<b>0.0</b>

**Local Markets Commentary**

The Australian market opens mid-week trade with several domestic large-cap stocks hosting AGMs, new data in hand from China and key domestic economic reports due by late morning.

Post-ASX trade yesterday, **China** reported 12.8% year-on-year growth in September vehicle sales, against 11.6% for August and following forecasts of a 10.5% rise.

**Locally today**, a monthly **consumer confidence** report is due from Westpac and the Melbourne Institute 10.30am AEDT.

A September **new home sales** report is also anticipated, from the HIA this morning.

In addition, AGM updates are particularly keenly anticipated from **AZI, BHP** and **CSL**.

Also today, **BKW** is among stocks trading **ex-dividend**. *Please see p3 for a detailed list.*

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

US **gold** futures (August) turned and fell.

**Iron ore** (Nymex CFR China, 62% Fe) extended Monday's decline, trading below \$US122.45/t.

China's September iron ore imports in the meantime were yesterday estimated 8.2% higher for the month, at 108.55Mt, and 11% higher for January-September, at 868Mt.

LME **copper** and other key base metals mostly traded variously lower overnight.

The **\$A** fell to ~US71.60c trading at US72.00c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	28680	-158	<b>-0.6</b>
<b>S&amp;P 500</b>	3512	-22	<b>-0.6</b>
<b>NASDAQ</b>	11864	-12	<b>-0.1</b>
<b>FTSE 100</b>	5970	-32	<b>-0.5</b>
<b>DAX 30</b>	13019	-119	<b>-0.9</b>
<b>Shanghai Comp</b>	3360	1	<b>0.0</b>

**Overseas Markets Commentary**

Choppy trade featured across major European and US equities markets overnight, amid a swag of mixed data reports, international economic growth and select industry forecasts,

**Today's Stock Watch**
**Bank of Queensland (BOQ)**

61% lower, \$115M full year NPAT. Flat, \$1.1B revenue. 12c fully franked final dividend.

In addition, BOQ is selling St Andrew's Insurance for \$23M to Farmcove Investment Holdings.

**CSL Ltd (CSL)**

Today's AGM materials lodged.

**Sonic Healthcare (SHL)**

September quarter revenue grew 29% year-on-year to \$A2.144B. EBITDA rose 71% to \$580M.

In addition, the Australian Government has extended SHL's Covid-19 residential aged care rapid collection and testing pathology services contract to March 2021.

**CIMIC Group (CIM)**

CIM's Thiess has secured a \$110M Caval Ridge, Queensland mining services contract extension with the BHP Mitsubishi Alliance.

**James Hardie Industries (JHX)**

Anticipating 12% 2Q FY net sales growth of \$US735M - \$US740M. Also raising some full year guidance. Details lodged this morning. Teleconference commencing **midday** AEDT.

**New Zealand Coastal Seafoods (NZS)**

SupaMilkBaba (NZ) is expecting not to be able to purchase the agreed minimum 100t of frozen Ling Maw over the first 12 months.

To date, SupaMilkBaba has been able to place three orders, worth a total \$NZ225,000.

The majority of orders, however, had been expected, to be delivered for the 2021 Lunar New Year in China.

NZS is resuming from a trading halt, having last traded at 4.4c.

**Resources**
**BHP Group (BHP)**

AGM today. In the meantime, BHP has appointed non-executive BHP director Susan Kilsby as a BHP Group Plc senior independent director, effective tomorrow, in association with the retirement of director Shriti Vadera at the conclusion of the group's AGMs.

**Energy**
**Warrego Energy (WGO)**

Resuming from a trading halt with \$32M from a 21c-per-share two-tranche placement. Details lodged this morning.

WGO is also planning a \$4M SPP.

WGO traded at 23.5c - 26c in the five sessions immediately prior to calling the halt.

large-cap US corporate earnings reports, Apple's product unveiling event, the commencement of Amazon's Prime Day retail frenzy and ongoing US political developments.

In addition, Johnson & Johnson reported yesterday that it had had to pause a Covid-19 vaccine development trial, due to a recipient illness.

Yesterday, China had reported strong September imports, together with continuing exports growth.

Early yesterday evening, the International Monetary Fund (IMF) released a new **World Economic Outlook** which included a revised 4.4% international contraction for 2020.

The IMF attributed the better-than-anticipated result to widespread and significant government and central bank stimulus support.

The IMF's global GDP forecast for 2021 was also revised, but this time lower, to 5.2% growth.

The IMF concluded the current forecasts carried 'sizable' risk for proving too optimistic, due to continuing Covid-19 spread.

Meanwhile, the US Senate judiciary committee continued a four-day confirmation hearing for the new Supreme Court nominee.

The US administration and key parliamentarians failed to disclose any definitive progress details regarding stimulus package talks, appearing to dampen some sentiment.

The **People's Bank of China** in the meantime was revealed to have issued 10M yuan (~\$US1.5M) worth of digital currency, to 50,000 individuals, in a lottery conducted in Shenzhen.

The plan was designed to better test digital currency electronic payment, for which the central bank plans a launch by year's end.

Among overnight data releases, **UK** unemployment claims grew by 28,000 in September following a 39,500 August increase and expectations of 72,000 additional claims.

The August unemployment rate came in at 4.5% from 4.1% for July and following forecasts of 4.2%.

Average August earnings rose 0.8%, excluding bonuses, following 0.2% July growth and expectations of a 0.5% increase.

Including bonuses, earnings were estimated flat for the month following a 1% July fall.

July employment numbers fell by 153,000 following a 12,000 June decline.

In the **euro zone**, ZEW's October economic sentiment index fell to 52.3 from 73.9, against forecasts of a decline to 60.

The ZEW economic sentiment index for **Germany** dropped to 56.1 from 77.4.

The current conditions component represented an improvement, albeit to -59.5 from -66.2.

Meanwhile, Germany's September CPI was confirmed as representing 0.2% deflation for both the month and against September 2019.

In the **US**, the September CPI rate was reported 0.2% and 1.4% higher, respectively for the month and year-on-year.

August's CPI growth rate had been estimated at 0.4%.

A US small business optimism index jumped to 55.2 from 45, defying forecasts of a slip to 43.

**Tonight** in the **US**, September producer prices and weekly

## Pre-Open Announcements

### Lendlease Group (LLC)

LLC is the lead contractor for a construction project at which a fatal incident occurred yesterday, at Curtin University's primary campus in suburban Perth.

### PayGroup Ltd (\* PYG)

New three-year contract, with an estimated \$120,000 TCV, secured with Volvo Group Singapore. Details lodged this morning.

### MMJ Group Holdings (MMJ)

30 September investment portfolio report lodged post-trade yesterday.

MMJ jumped 30.4% on relatively high volume yesterday, settling at 12c after trading as high as 13.5c intra-session.

### isentia Group (ISD)

Three-year \$46.5M senior debt facility secured with the Commonwealth Bank of Australia (ASX: CBA).

### Finbar Group (FRI)

A FRI-Ventrade JV has won a competitive tender to acquire 5335sqm of development land (opposite Queens Gardens) in Hay St, East Perth from the Government of Western Australia.

The developed value of the property is estimated at \$200M, against the JV's \$16M undeveloped purchase price.

Resuming from a trading halt, having last traded at 62.5c.

## Resources

### Macarthur Minerals (MIO)

Resuming from suspended trade with firm commitments totalling ~\$A6.25M for a 55c-per-share private placement.

In addition, MIO has secured a \$A20M standby equity finance facility under a controlled placement agreement.

Additional details, including fees, lodged post-trade yesterday.

MIO traded at 55c – 68c the five sessions immediately prior to the halt in trade.

## Trading Halts

Company	Code	Resuming
Australia United Mining	AYM	14 Oct
Blackstone Minerals	BSX	14 Oct
Fenix Resources	FEX	14 Oct
Krakatoa Resources	KTA	14 Oct
Mount Ridley Mines	MRD	14 Oct
MyFiziq Ltd	MYQ	14 Oct
Prospect Resources	PSC	14 Oct
United Networks	UNL	14 Oct
Volt Resources	VRC	14 Oct
Actinogen Medical	ACW	15 Oct
Boadicea Resources	BOA	15 Oct



mortgage applications are due.

Also tonight, the IMF and World Bank group continue virtual annual meetings.

In addition, Germany is due to conduct a 30-year bond auction.

Companies scheduled to report earnings tonight include: Alcoa, ASOS, Bank of America, Goldman Sachs, Infosys, United Airlines, UnitedHealth and Wells Fargo.

In overnight corporate news, **Apple** Inc's product launch did not disappoint, with a 'mini iPhone 12, all iPhone 12s to operate on 5G networks, new handling and component features and an improved smart speaker.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1894.6</b>	oz	-34.8	<b>-1.8</b>
<b>Silver (NY)</b> (Dec)	<b>24.129</b>	oz	-1.14	<b>-4.5</b>
<b>Gold (LON)</b> (12 Oct)	<b>1926</b>	oz		
<b>Platinum</b>	<b>861</b>	oz	-7	<b>-0.8</b>
<b>WTI Crude</b> (NYMEX Nov)	<b>40.20</b>	bbl	0.77	<b>2.0</b>
<b>Brent Crude</b> (ICE EUR Dec)	<b>42.45</b>	bbl	0.73	<b>1.8</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>122.43</b>	t	-0.83	<b>-0.7</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>6689</b>	t	-52	<b>-0.8</b>
<b>Nickel</b>	<b>15015</b>	t	-165	<b>-1.1</b>
<b>Aluminium</b>	<b>1853</b>	t	-3	<b>-0.1</b>
<b>Lead</b>	<b>1805</b>	t	-33	<b>-1.8</b>
<b>Zinc</b>	<b>2412</b>	t	-38	<b>-1.6</b>
<b>Tin</b>	<b>18255</b>	t	10	<b>0.1</b>

### Commodities Commentary

**Oil** – traders were faced with plenty to consider overnight, including China's September oil imports which tallied 11.8Mmmbbl/d, 5.5% higher for the month and 17.5% higher than for September 2019.

The **International Energy Agency's** (IEA) *World Energy Outlook* report, published overnight, included a prediction that overall international energy demand would not recover from the Covid-19 outbreak for at least three years.

The IEA also notably ventured that oil demand growth would continue to rise until 2030, but decline thereafter.

In addition, the agency promoted solar as underpinning electricity markets.

The IEA published two sets of overall and breakdown forecasts based on 'stated policies' and 'delayed recovery' scenarios.

**OPEC's** monthly oil report, also published overnight, included a 96.84MMmmbbl/d demand forecast for 2021, a daily 80,000bbl lower than last month's 2021 prediction.

OPEC also reported members produced 24.11MMmmbbl/d in September, down 50,000bbl/d for the month.

Meanwhile, the UAE claimed OPEC+ output agreement signatories would continue to reduce production cuts from January 2021.

The IEA's October oil report is anticipated tonight.

US government agency the EIA ventured US shale output would drop by a daily 123,000bbl during November, to 7.69MMmmbbl/d.

**Gold** – no definitive news on progress in US stimulus talks, and a

Cokal Ltd	CKA	15 Oct
Digital Wine Ventures	DW8	15 Oct
New Energy Minerals	NXE	15 Oct
Pan Asia Metals	PAM	15 Oct
Pursuit Minerals	PUR	15 Oct
Alterity Therapeutics	ATH	16 Oct
Esports Mogul	ESH	16 Oct

### Suspensions *(select)*

Company	Code	Since
The Agency Group Australia	AU1	5 Oct
DGR Global	DGR	12 Oct
Funtastic Ltd	FUN	5 Oct
Lincoln Minerals	LML	21 Sep
Metalicity Ltd	MCT	2 Oct
Phoslock Environmental Technologies	PET	21 Sep
Quantum Graphite	QGL	2 Oct
Vault Intelligence	VLT	9 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>BKW</b>	Today	<b>39</b>	100	2.92
<b>MAH</b>	Today	<b>0.35</b>	30	1.00
<b>PPK</b>	Today	<b>1</b>	100	0.51
AVG	Tomorrow	2.7	62.96	3.92
D2O	Tomorrow	2.9	100	2.03
PL8	Tomorrow	0.4	100	4.98
TGA	Fri	7.5	100	0.00
CDM	Mon	2	100	5.00
FGX	Mon	2.6	100	2.18
KSC	Mon	3	100	1.47
WAA	Mon	3	100	2.68
WGB	Mon	4	100	1.36
WLE	Mon	3.25	100	2.62

### Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>AFI</b>	AGM
	<b>AZJ</b>	AGM (3pm)
	<b>BHP</b>	AGM
	<b>CWY</b>	AGM
	<b>CSL</b>	AGM
<b>Tomorrow</b>	ARB	AGM
	AD8	AGM
	CLQ	AGM
	IMD	AGM



strengthening \$US (ICE \$US +0.5% on safe-haven demand) hurt overnight gold sentiment, pushing Comex futures beneath \$US1900/oz.

**Base metals** – pushed and pulled overnight by data, supply scenarios, a stronger \$US and disappointing Covid-19 vaccine development news.

Among the *copper* producers, Lundin Mining was reported to be planning to meet with a workers' union again later today regarding the Chile Candelaria operation, at which industrial action commenced last week.

Meanwhile, **China's** January-September copper imports were reported 41% higher than a year earlier, at 4.99Mt.

China's headline September trade figures, published yesterday, came in mixed.

These included a drop in the trade surplus from \$US58.93B to \$US37B, against expectations for a rise to \$US60B.

Exports rose 9.9% year-on-year following a 9.5% August increase and forecasts of 9% new growth.

Imports increased by 13.2% year-on-year after falling by 2.1% in August and against forecasts of a 0.5% rise.

In other news, Alcoa's planned Spain smelter output easing again supported some *aluminium* sentiment.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7160	-0.0049	<b>-0.68</b>
<b>EUR – USD</b>	1.1744	-0.0068	<b>-0.58</b>

#### Australian Data Today

Wstpc/MInst	Consumer confidence	Oct
HIA	New home sales	Sep

#### US Data Tonight

Producer prices	Sep
MBA mortgage applications	9 Oct

#### Other Overseas Data Today & Tonight

<b>Japan</b>	Industrial production (final; 3.30pm AEDT)	Aug
<b>Euro zone</b>	Industrial production	Aug

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	PPT	AGM
	PYC	Update (tele midday)
	S32	AGM
	TCL	AGM
<b>Fri</b>	ILU	AGM
	RIO	AGM (8.30am)
	SKC	AGM

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