

Markets

SFE 200 Futures (9.30am AEDT)	7416	30	0.4
NZX 50	13093	Public	Holiday
DJIA Futures	35488	-69	-0.2
S&P 500 Futures	4528	-8	-0.2
NASDAQ Futures	15318	-23	-0.2

Local Markets Commentary

The Australian market opens a new week's trade amid global geopolitical, economic and Covid-19 containment uncertainty, ahead of some key international earnings reports tonight.

Overnight Friday international equities and commodities trade sentiment proved mixed.

Locally today, AGM and September quarter reporting season continues.

National climate change policy commentary, including various views of implications for different sectors, is expected ahead of the UN policy change summit in Scotland, Glasgow commencing 31 October.

NHC is among stocks trading ex-dividend today. *Please see p4 for a detailed ex-dividends list.*

Regionally today, speculation regarding future prospects for major China property developer Evergrande and broader sector activity, is expected to continue, following another property tax announcement out of China over the weekend.

New Zealand's markets are **closed today** due to a public holiday.

In overnight Friday commodities trade, **oil** seesawed higher.

US **gold** futures also turned to record a gain.

Iron ore (China port CFR, 62% fines) swung upwards, also, but not of the same magnitude as Thursday's drop.

LME (3mth evening) **copper, nickel** and **aluminium** continued to fall.

The **\$A** dropped to US74.64c after trading at US75.05c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35677	74	0.2
S&P 500	4545	-5	-0.1
NASDAQ	15090	-125	-0.8
FTSE 100	7205	14	0.2
DAX 30	15543	70	0.5
Shanghai Comp	3583	-12	-0.3

Overseas Markets Commentary

Major European, UK and US equities markets featured various levels of chop overnight Friday, traders assessing several key data

*** Minerals exploration listing – 11am AEDT – EMS ***

Today's Stock Watch
Telstra Corporation (TLS)

As previously flagged, TLS and the Australian Government have confirmed the planned acquisition of the South Pacific Digicel business, for an agreed \$US1.6B initial purchase price, plus up to \$US250M in performance-related payments.

TLS is paying \$US270M of the upfront price and will own and operate the business.

Completion is anticipated within six months.

Over the Wire Holdings (OTW) / Aussie Broadband (ABB)

OTW confirmed on market-close Friday that it had been considering an unsolicited indicative \$5.75-per-share cash-pus-scrip takeover proposal received from ABB 14 October.

In response to media reports, ABB confirmed on ASX open Friday that it had approached OTW, forcing OTW to call a trading halt. ABB recouped 5.13% Friday, settling at \$4.92.

Iress Ltd (IRE)

Chief commercial officer Michael Blomfield has resigned, effective immediately, for health reasons.

Chief communications and marketing officer Coran Lill has also resigned, in favour of time with family overseas, but will remain with IRE until at least the end of the year.

IRE chief client solutions officer Simon New has been appointed to take over from Mr Blomfield.

IRE communications head Kelly Fisk will be acting chief communications and marketing officer.

Bio-Gen Technology (BGT)

Licensing and development agreement secured with Evergreen Garden Care for the planned development of new pest control products for Australia, the European Union, New Zealand and the UK. Details lodged this morning.

Resources
St Barbara (SBM)

Produced 67,000oz of gold at a \$A1492/oz AISC during the September quarter. Sold 58,000oz at \$A2408/oz.

June quarter comparable production figures were reported as 83,000oz at a \$A1623/oz AISC. \$A42M cash at bank.

Energy
Origin Energy (ORG)

Selling 10% of Australia Pacific LNG for \$2.12B, to EIG. ORG will retain 27.5% and remain upstream operator. ConocoPhillips holds 37.5% and Sinopec 25%. FY22 guidance for ORG's Australia Pacific LNG cash flow remains unchanged.



releases, in addition to the implications of new comments out of the US Federal Reserve, and reacting to varying high-profile earnings reports.

Further, earlier Friday, Chinese property developer Evergrande had been reported to have paid off some interest on a debt, effectively staving off a default on that debt.

Overnight Friday, **US Federal Reserve** chair Jerome Powell confirmed during an online conference, that the central bank was 'on track' to commence reducing the pace of monthly asset purchases.

The chair also reiterated elevated inflation was likely to continue through into 2022, longer than initially anticipated this time adding the central bank would monitor the risk of consumers becoming set on expecting inflation increases and could need to implement appropriate policy change.

Further, the bank considered full US employment could be achieved during 2022, Mr Powell offered, but he also spoke of patience in allowing the domestic labour market 'to heal'.

He also warned of settling on any particular economic scenario, in that domestic Covid-19 cases could again jump, echoing concerns in Germany expressed by outgoing chancellor Angela Merkel.

The \$US, which had traded lower, was temporarily pushed higher following the comments.

In a swag of overnight Friday data releases, the **euro zone's** initial October PMIs declined variously.

The manufacturing PMI slipped by 0.1 to a nonetheless robust 58.5.

The services index was estimated at 54.7, from 56.4 for September, and following forecasts for 55.5.

In **Germany**, the manufacturing PMI slipped from 58.4 to 58.2.

The services index dropped 3.8 points to 52.4.

The **UK's** September retail sales fell 0.2% for the month, following a 0.6% August fall and soundly defying expectations for a 0.5% improvement.

Against September 2020, sales were down 1.3%.

The preliminary October PMIs defied expectations, the manufacturing index rising to 57.7 from 57.1 and the services index jumping to 58.0 from 55.4.

Forecasters had anticipated 55.9 and 54.7 respectively.

In the **US**, Markit's preliminary October PMIs varied, the services PMI calculated 3.3 points higher, at 58.2, and the manufacturing index falling 1.5 to 59.2 following expectations of a smaller decline to 60.4.

The treasury's September budget statement included the smallest monthly deficit since January 2020, \$62B following August's \$US171B shortfall and forecasts for a new \$US-90B deficit.

Tonight in the US, the Chicago Fed September national activity and the Dallas Fed October manufacturing indices are due. The September national budget statement has also been scheduled for release.

Elsewhere, a business climate index is due for Germany.

Companies scheduled to report earnings later today or tonight include: Banco Santander, **Facebook**, HSBC, Kimberly-Clark, LG Chemicals, SK Gas, Southern Copper Corp, T-Mobile and Yunnan Aluminium.

Pre-Open Announcements

AusNet Services (* AST) /APA Group (* APA)

AST and APA have granted each other due diligence in association with APA's indicative takeover proposal for AST. APA's proposal continues to compete with one from Brookfield.

Raiz Invest (RZI)

RZI has appointed former EQT Holdings executive (ASX: EQT) Harvey Kalman as non-executive chair, effective immediately.

Keypath Education International (KED)

September quarter revenue grew 40.8% year-on-year to \$US30.4M.
\$US63.9M cash.

Tyro Payments (TYR)

Total transaction value (TTV) for the year-to-date is up 24%, at \$8.313B.

For 1 – 22 October, TTV tallied \$1.785B.

Austal Ltd (ASB)

ASB has delivered a 13th Guardian class patrol boat to the Australian Department of Defence.

The vessel has been gifted to the PNG defence force.

Imugene Ltd (IMU)

September quarter report lodged post-trade Friday.
\$112.2M cash.

\$5.4M R&D expenditure.

Boom Logistics (BOL)

BOL has appointed recent Orica (ASX: ORA) WA JVs acting general counsel and company secretary, and previous BlueScope Steel (ASX BSL) senior legal counsel Reuben David as general counsel and company secretary, effective 10 January.

This follows the resignation of Malcolm Ross as BOL general counsel and company secretary, in favour of a new role in another industry.

BOL has appointed BOL CFO Andrew Bendall as interim company secretary.

Credit Clear (CCR)

Christine Christian has resigned from the CCR board.

GQG Partners Inc (* GQG)

Investment management company scheduled to list on the ASX 12.30pm AEDT **tomorrow**, following an ~\$1.19B IPO at \$2.00 per CDI.

2.95B quoted CDIs.

Trading will commence on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence 29 October.

Resources

Eastern Metals (* EMS)

Base and precious metals explorer scheduled to list on the ASX



In overnight Friday and weekend corporate news, **American Express** was supported higher after releasing better-than-anticipated quarterly profit.

Intel dropped more than 10%, after reporting lower-than-expected quarterly sales post-US trade Thursday, and warning of the ongoing impact of chip shortages.

Also post-Thursday trade, **Snap** had cited supply and worker constraints as adverse impacts on advertising, this spawning an ~25% stock price drop overnight Friday, and also falls for major advertising-independent communications companies.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1796.3	oz	14.40	0.8
Silver (NY) (Dec)	24.449	oz	0.28	1.2
Gold (LON)	1808	oz		
Platinum	1037	oz	-11	-1.1
WTI Crude (NYMEX Dec)	83.76	bbbl	1.26	1.5
Brent Crude (ICE EUR Dec)	85.53	bbbl	0.92	1.1
Iron Ore (Qingdao) (CHN;62% <i>f</i>)	119.52	t	2.59	2.2
Iron Ore (Nymex)	122.5	t	-0.39	-0.3
Copper (LME 3mth Evening)	9712	t	-129	-1.3
Nickel	19765	t	-186	-0.9
Aluminium	2869	t	-43	-1.5
Lead	2436	t	30	1.3
Zinc	3452	t	19	0.6
Tin	37490	t	115	0.3

Commodities Commentary

Oil – conflicting considerations pushed and pulled prices overnight Friday, views of at least short-term tight supply ultimately prevailing.

Warnings broadened of potential further adverse economic impacts from Covid-19, should increasing case numbers in China, Europe, the UK and the US continue through the northern winter.

A weekly US petroleum drill rig report, published overnight Friday, included two fewer oil rigs in operation, bringing the tally to 443.

Gold – Comex futures traded at six-week highs, above \$US1800/oz overnight Friday, peaking at \$US1815.5/oz intra-session.

Some of the swing was attributed to comments from US Federal Reserve chair Jerome Powell. Prices are expected to remain volatile on plenty of additional international major **central bank** commentary anticipated in the coming week, including out of the European Central Bank and Bank of Japan, which convene policy meetings. The Bank of Canada's meeting is expected to attract more than usual attention this week.

GDP and **CPI** updates are among a batch of influential international data releases that could also swing trade sentiment this week.

Further, large **communications/tech** stocks are scheduled to report earnings in the US.

Base metals – currency swings, falling China coal prices, competing supply and demand views, and end-of-week positioning appeared the major influences on overnight Friday LME trade.

11am AEDT, following a \$6M IPO at 20c per share. 35.6M quoted shares.

Poseidon Nickel (* POS)

WA Black Swan project Gold Swan initial resource anticipated this week.

Meanwhile, Silver Swan Tundra Mute deposit diamond drilling has returned some high-grade nickel intersections. Assays lodged pre-trade.

Dacian Gold (* DCN)

Heralding WA Mt Morgans gold project drilling results from below the Heffernans and Ganymede pits.

Assays lodged pre-trade.

Chalice Mining (CHN)

September quarter activities report lodged pre-trade.

\$81.3M cash.

GWR Group (GWR)

Planning to keep WA C4 iron ore mine operations suspended for a further 14 days.

Firefinch Ltd (FFX)

Chasing \$25M in a 58c-per-share SPP in support of exploration plans. FFX traded at 61.5c – 68.5c last week.

Castillo Copper (CCZ)

Zambia Luanshya copper project IP surveying and interpretation has identified up to 14 drill targets.

Podium Minerals (POD)

POD has secured an underwriter for the planned \$2M SPP.

POD will pay a 6% underwriting fee, plus 2% lead manager fee should any subscriptions over \$2M be accepted.

Wiluna Mining (WMC)

Non-executive director Sara Kelly has resigned, effective 31 October.

Lotus Resources (LOT)

In response to a series of questions from the ASX, LOT has lodged additional information regarding the 14 October announcement of the Livingstonia uranium project acquisition.

Arizona Lithium (AZL)

In response to an ASX query, AZL is pointing to lithium carbonate price increases and the company's recent return to focusing on lithium, in particular the Big Sandy project, Arizona, US, as possible reasons for last week's AZL trade.

AZL settled at 8c Friday after appreciating 21.15%, 6.35% and 19.4% respectively Wednesday, Thursday and Friday.

AZL had closed out the previous week at 4.9c.

Energy

Paladin Energy (* PDN)

September quarter reports lodged pre-trade.

\$US40.5M cash and equivalents; nil corporate debt.

Dorimus Plc (* DOR)

The Isle of Wight Council has refused consent for appraisal and



More of the same is anticipated this week, given China's property tax on Saturday, indicating economic policy considerations were likely to continue in the near-term, and influential economic data releases scheduled for major trading nations.

Friday, **Japan** reported September CPI, the figures representing 0.4% inflation for the month and 0.2% on an annualised basis.

Japan had recorded 0.2% deflation for August, and forecasters had anticipated deflation to continue for September, at 0.1%.

In addition, Friday, Japan's initial October manufacturing PMI was reported at 53.0, surprising on the upside from 51.5 for September, and following forecasts for a small decline 51.3.

The services PMI was calculated at an expansionary 50.7, from September's contractionary 47.8, and against expectation of 49.0.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7466	0.0002	0.03
EUR – USD	1.1642	-0.0005	-0.04

US Data Tonight

Chicago Fed national activity index	Sept
Dallas Fed manufacturing index	Oct
Budget statement	Sep

Other Overseas Data Today & Tonight

Japan	Leading economic index (final)	Aug
Germany	IFO business climate	Oct

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testing of the PEDL 3331UK JV Arreton oil and gas find. DOR 5% participating interest.

Buru Energy (BRU)

WA Canning Basin drilling update lodged pre-trade.

Trading Halts

Company	Code	Resuming
Critical Resources	CRR	25 Oct
Moho Resources	MOH	25 Oct
Sprintex Ltd	SIX	25 Oct
identitii Ltd	ID8	26 Oct
Kingston Resources	KSN	26 Oct
Metal Bank	MBK	26 Oct

Suspensions (selected)

Company	Code	Since
4DS Memory	4DS	12 Oct
AD1 Holdings	AD1	21 Oct
Murray River Group	MRG	1 Oct
Viagold Rare Earth Resources Holdings	VIA	15 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CLV	Today	0.5	100	1.90
JMS	Today	0.5	0	12.65
NHC	Today	7	100	1.70
SXE	Tomorrow	4	100	0.00
CLX	Tomorrow	2	100	1.95
BOQ	Thu	22	100	3.15
CAF	Thu	1	100	7.27
RHI	Thu	120	100	0.00
ASG	Fri	7	100	0.84

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	ADN	Sep Q
	ARG	AGM
	CHN	Sep Q
	KED	Sep Q
	MDR	Sep Q
	NCK	AGM
	PDN	Sep Q
	SBM	Sep Q
Tomorrow	BGA	AGM
	OSH	Sep Q



	PNI	AGM
	PNV	AGM
	RBL	AGM
	REG	AGM
	SLK	AGM
	SXE	AGM
Wed	AIM	Investor day (8.30am)
	BKL	AGM
	CNU	AGM
	CDA	AGM
	CGS	AGM
	NSR	AGM
	NWL	AGM
	SBM	AGM (2pm)
	WHC	AGM
	WOW	AGM; Sep Q sales
Thu	AIZ	AGM
	ABB	AGM
	ANZ	Full year
	API	Full year
	BLD	AGM
	CGF	AGM
	COD	Investor briefing (2pm)
	COL	Sep Q sales
	CTD	AGM
	DTL	AGM (3pm)
	FMG	Sep Q
	IGO	Sep Q
	JBH	AGM
	JHG	Sep Q
	JIN	AGM
	MMS	Sep Q
	MVP	AGM
	NCM	Sep Q
	REH	AGM
	RWC	AGM
	SKT	AGM
	S32	AGM (3pm)
	SGR	AGM
	SYR	Sep Q
	TGR	AGM
Fri	CAR	AGM
	GUD	AGM
	GWA	AGM
	LOT	AGM
	MQG	Interim
	ORG	AGM
	PWH	AGM (midday)



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SKC	AGM
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