

Markets

SFE 200 Futures (9.30am AEST)	5951	21	0.4
NZX 50	11657	-140	-1.2
DJIA Futures	27122	79	0.3
S&P 500 Futures	3296	9	0.3
NASDAQ Futures	11159	22	0.2

Local Markets Commentary

The Australian market opens a new week's trade and the last few days of September quarter trade, with new data in hand from China, where markets will shut down for a week from 1 October (Thursday this week).

In overnight Friday trade, US equities markets were pushed decisively higher, but not so most key commodities.

Yesterday, **China** reported January - August industrial profits had fallen 4.4% from the same period during 2019, following an 8.1% drop for January - July, and against forecasts for a 4.7% January-August decline.

Also over the weekend deadly military conflict erupted between Azerbaijan and Armenia, raising concerns regarding regional petroleum activity and broader Middle East and European alliances.

Locally today, no major data releases are due, but plenty of commentary is anticipated ahead of next week's national budget update on the same day as a Reserve Bank of Australia policy meeting.

Also today, **IMD** and **NWH** trade ex-dividend, ahead of a plethora of property stocks tomorrow. *Please see pp3-4 for details.*

In overnight Friday commodities trade, **oil** turned to record a slight decline.

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

Iron ore (Nymex CFR China, 62% Fe) continued its current descent, but just slightly, ending just above \$US123.80/t.

LME **copper** and **nickel** extended last week's falls. **Aluminium** settled essentially flat.

The **\$A** was pushed below US70.50c after trading at US70.75c early Friday evening.

Earlier this morning, the \$A traded at ~\$US70.30c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27174	359	1.3
S&P 500	3298	52	1.6
NASDAQ	10914	241	2.3
FTSE 100	5843	20	0.3
DAX 30	12469	-137	-1.1
Shanghai Comp	3219	-4	-0.1

Today – public holiday in Western Australia

Today's Stock Watch
Synlait Milk (SM1)

Finalising a long-term packaged products supply agreement with an additional multinational customer.

This is expected to lift earnings from FY 2023.

Also this morning, SM1 has reported 9.0% lower, \$NZ75.21M full year NPAT, and 27% higher, \$NZ1.30B revenue.

A teleconference was scheduled to commence 9am AEST.

The a2 Milk Company (A2M)

Anticipating \$NZ725M - \$NZ775M 1H FY 2021 revenue, and \$NZ1.8B - \$NZ1.9B for FY 2021.

The FY 2021 EBITDA margin is expected to come in at ~31%.

PointsBet Holdings (PBH)

PBH has secured an agreement to be the official sportsbook partner of the Indianapolis Colts NFL franchise, flowing a similar deal with the Chicago Bears. Details lodged this morning.

In addition, PointsBet Illinois has commenced retail sports betting, taking its first retail bet at the Hawthorne Race Course after commencing online activity earlier in September.

Boral Ltd (BLD) / Seven Group Holdings (SVW)

BLD has appointed Rob Sindel and Deborah O'Toole as independent non-executive directors, and SVW MD and CEO Ryan Stokes and SVW CFO Richard Richards as nominees of SVW.

Mr Sindel is a former CSR Ltd (ASX: CSR) MD and CEO and the current Orora (ASX: ORA) chair.

Ms O'Toole is a former CFO of Aurizon Holdings (ASX: AZJ), MIM Holdings and Queensland Cotton, and current director of Alumina Ltd (ASX: AWC) and Sims Metal Management (ASX: SGM).

Directors Eileen Doyle and John Marlay are planning to retire from the BLD board at the 2020 AGM.

Iress Ltd (IRE) / OneVue Holdings (OVH)

IRE has boosted its recommended cash offer for OVH by 3c to 43c-per-share. OVH shareholders are due to vote on the proposed scheme 9 October.

Energy
Warrego Energy (WGO) / Alumina Ltd (AWC)

WGO has secured a 155PJ West Erregulla gas supply contract with Alcoa Inc.

The agreement commences 1 January 2024, pending a West Erregulla FID, anticipated by 31 March 2021.



Overseas Markets Commentary

Overnight Friday trade across major European equities markets, and during early US activity, confirmed continuing jitters, but key US indices also soon demonstrated ultimate optimism.

The US Democrats promoted proposed legislation to provide more the \$US2 trillion worth of additional support to businesses and individuals, this prompting speculation of at least one vote this week and also warnings that nothing definitive could be guaranteed prior to the US presidential election.

Meanwhile, the \$US remained in demand as traders digested some varying rates-timeline opinions among US Federal Reserve regional presidents.

In overnight Friday **data** releases, **euro zone** lending to households and businesses during August grew 3% and 7.1% year-on-year respectively.

In the **UK**, August public sector borrowing tallied £35.9B, the most for any August to date (since 1993), and the third highest tally on record.

For April through August, the first five months of the UK financial year, borrowing totalled £173.7B, against £146.9B for the same period in 2019.

August domestic vehicle production dropped 44.6% year-on-year after a 20.8% July fall and forecasts of a new 10% decline.

In the **US**, August durable goods orders rose 0.4% for the month, following an 11.7% July jump, and against expectations of a new 2% gain.

The August estimate, while defying forecasters, represented a fourth consecutive monthly gain.

Tonight in the US, the Dallas Fed manufacturing index is due.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1866.3	oz	-10.6	-0.6
Silver (NY) (Dec)	23.093	oz	-0.10	-0.4
Gold (LON) (24 Sep)	1862	oz		
Platinum	841	oz	-2	-0.2
WTI Crude (NYMEX Nov)	40.25	bbf	-0.06	-0.2
Brent Crude (ICE EUR Nov)	41.92	bbf	-0.02	-0.1
Iron Ore (NYMEX,CHN,62%)	123.81	t	-0.16	-0.1
Copper (LME,3mth Ind,PM)	6545	t	-23	-0.3
Nickel	14330	t	-35	-0.2
Aluminium	1758	t	9	0.5
Lead	1837	t	-28	-1.5
Zinc	2378	t	-27	-1.1
Tin	16960	t	-505	-2.9

Commodities Commentary

Oil – another \$US appreciation overnight Friday, some promotion of the US Democrats latest proposal for legislation to ensure up to \$US2.2 trillion worth of additional fiscal support during the Covid-19 economic recovery period, new international industry data, and positioning heading towards the

Pre-Open Announcements

Janison Education Group (* JAN)

Anticipating 32% - 40% year-on-year growth in 1H FY 21 revenue, to \$15M - \$16M.

September quarter revenue grew 50% year-on-year.

EBITDA jumped 400% to \$1.4M.

AGM scheduled for Thursday this week, 9am AEST.

WAM Leaders (WLE)

\$53M better off following the recent SPP which attracted applications from ~3600 shareholders.

DUG Technology (DUG)

DUG is reducing the size of its board from eight to six.

In association, DUG chief technology officer and executive director Phil Schwan and DUG consultant and director Charles Ramsden are each relinquishing their DUG directorships.

AGM scheduled for 30 October.

Omni Bridgeway (OBL)

OBL has lodged an appeal against a WA Supreme Court decision in favour of property developer Westgem.

Resources

Ramelius Resources (* RMS)

Updated resources and reserves lodged this morning.

EcoGraf Ltd (* EGR)

6.7ha sited secured in a southern Perth suburbia coastal industrial area for EGR's planned 20,000tpa battery graphite manufacturing facility.

Pensana Rare Earths (* PM8)

Angola's sovereign wealth fund Fundo Soberano de Angola is conditionally subscribing for ~\$US8.6M worth of PM8 shares, in support of the Longonjo rare earth project.

The fund will subscribe for 13.5M PM8 shares at 50.21p each (~A91c), tallying pending admission to the London Stock Exchange main market.

The fund already holds 17.7% of PM8 and is consequently boosting this to 23.1%.

Mt Burgess Mining (* MTB)

MTB has secured arrangements for Botswana-resident geologists to access the Kihabe-Nxuu polymetallic project site. The geologists will collect drill core for additional metallurgical bulk test work using ore from the Nxuu deposit.

MTB says initial sensor sorter X-ray test work delivered 'encouraging' results.

The bulk sensor sorter X-ray test work will be conducted in Perth, Western Australia.

Vertical milling bulk test work will also be conducted in South Africa.

Core Lithium (CXO)

Heralding Northern Territory Bynoe gold project Covidicus



end of the September quarter pushed and pulled oil prices overnight Friday.

Since then, deadly military conflict has erupted between **Azerbaijan** and Armenia, raising concerns about energy security in the region, and broader regional alliances.

Also over the weekend, OPEC's secretary general revealed to G20 energy ministers that the organisation expected OECD oil stocks to tally significantly above the five-year average during the September quarter, but to fall to ~123MMbbl above the average during the December quarter.

Russia's energy minister also spoke at the select G20 energy ministers' forum urging all producers to help stabilise oil markets.

In the meantime, Russia revealed it expected to be producing 560Mt (11.2MMbbl/d) in 2023, from the anticipated 507.4Mt for this year.

Meanwhile, Russia's economy ministry has lowered predicted 2020 and 2023 oil exports to 225Mt and 266.2Mt respectively, against 269.2Mt recorded for 2019.

Friday, India's oil refineries were reported to have used 26% less crude during August than a year earlier, the largest year-on-year drop in the past four months.

Iran was estimated to have boosted September-to-date production, based on tanker movements.

In addition, Libya was again reported to be loading export crude for the first time in months, as Shell confirmed it had booked its Libya terminal first tanker since January.

WTI crude traded as low as \$US39.71/bbl Friday but recovered sufficiently to cap the week's fall to ~2.1%. Brent settled 2.9% lower for the week.

A weekly US petroleum drill rig count, published overnight Friday, included four additional operating oil rigs, bringing that tally to 183.

Gold – Comex gold futures settled 4.9% lower for the week amid a swag of investor considerations covering monetary policy, renewed talk of politicians determined to provide additional US fiscal support sooner rather than later, the US presidential election, China-US and UK-EU relations, plus Covid-19 persistence concerns, in particular across the UK and Europe.

Similar influences, including an initial presidential campaign debate between the two contenders, are anticipated across this week's trade, in addition to end-of-quarter positioning.

Key data releases this week, including a final June quarter GDP reading for the US, US monthly jobs figures, plus ISM US PMIs and China PMIs, are expected to keep sentiment fluid.

Base metals – further \$US appreciation overnight Friday constrained LME prices.

In addition to some key new economic indicators due out of **China** from the **weekend**, and during **this week**, base metals traders were waiting for confirmation out of the **October** plenary session in China of plans for additional economic growth support and related promised policy reform.

September quarter trade this week also marks the end of trade across China's markets for a week during the National Day and Mid-Autumn festival **holiday period**.

West prospect high-grade rock chip assays and visible gold. Details lodged this morning.

GWR Group (GWR)

Updates lodged post-trade Friday for the Wiluna West gold project and Wiluna West C4 iron ore project.

Energy

New Zealand Oil & Gas (NZO)

Commenced ASX trade Friday as a foreign exempt listing.

164.43M quoted shares.

10,700 shares changed hands at 75c, across nine transactions.

Trading Halts

Company	Code	Resuming
Australian Leaders Fund	ALF	28 Sep
Emu NL	EMU	28 Sep
Lifespot Health	LSH	28 Sep
New Age Exploration	NAE	28 Sep
Scorpion Minerals	SCN	28 Sep
BlackEarth Minerals	BEM	29 Sep
Blue Star Helium	BNL	29 Sep
Carawine Resources	CWX	29 Sep
Suvo Strategic Minerals	SUV	29 Sep
Vital Metals	VML	29 Sep
Tanga Resources	TRL	30 Sep
First AU	FAU	1 Oct
Nanollose Ltd	NC6	1 Oct

Suspensions *(select)*

Company	Code	Since
Ansila Energy	ANA	7 Sep
Auris Minerals	AUR	25 Sep
East Energy Resources	EER	18 Sep
FAR Ltd	FAR	14 Sep
Kaiser Reef	KAU	17 Sep
Lincoln Minerals	LML	21 Sep
Mint Payments	MNW	21 Sep
Phoslock Environmental Technologies	PET	21 Sep
Piedmont Lithium	PLL	22 Sep
Quantify Technology Holdings	QFY	14 Sep
Riedel Resources	RIE	22 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
IMD	Today	0.7	100	1.75
NWH	Today	4	100	2.16
ADI	Tomorrow	4.3	0	6.35
AOF	Tomorrow	3.75	0	6.91

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7041	0.0013	0.18
EUR – USD	1.1633	-0.0002	-0.02

US Data Tonight

Dallas Fed manufacturing	Sep
--------------------------	-----

Other Overseas Data Today & Tonight

Japan	Leading economic index (final)	Jul
--------------	--------------------------------	-----

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 market opener and its contents always 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 of the companies mentioned herein.

AQR	Tomorrow	5.47	0	5.58
ARF	Tomorrow	3.63	0	5.05
AVN	Tomorrow	4	0	5.02
CIP	Tomorrow	4.25	0	5.80
CLW	Tomorrow	7.2	0	5.47
CMW	Tomorrow	1.88	0	8.24
CMWE	Tomorrow	1.88	0	0.00
COF	Tomorrow	4.13	0	8.36
CQE	Tomorrow	3.75	0	5.67
ECF	Tomorrow	2.5	0	4.98
EOL	Tomorrow	3.5	0	0.71
GCI	Tomorrow	0.71	0	4.52
GDF	Tomorrow	1.8	0	6.65
KKC	Tomorrow	2.5	0	1.48
KLA	Tomorrow	14.45	0	0.68
MEZ	Tomorrow	9.97	0	3.38
PCI	Tomorrow	0.3	0	4.07
QRI	Tomorrow	0.8	0	6.73
RDC	Tomorrow	1.83	0	5.16
RFF	Tomorrow	2.82	0	4.52
TGP	Tomorrow	1	0	4.71
TOT	Tomorrow	1.5	0	10.00