

Markets

SFE 200 Futures (9.30am AEDT)	5853	67	1.2
NZX 50	11844	22	0.2
DJIA Futures	27718	153	0.6
S&P 500 Futures	3358	19	0.6
NASDAQ Futures	11314	80	0.7

Local Markets Commentary

The Australian market opens a new week's trade with several international developments since overnight Friday mixed equities and commodities markets trade, including:

- expanded US presidential election campaign complexity following the US president's Covid-19 hospitalisation;
- a UK threat to walk from EU-UK negotiations regarding relations from the end-of-year expiry of the UK-EU separation transition;
- Paris placed on Covid-19 high-alert, with toughened restrictions to be imposed from tomorrow;
- an emergency health team recommendation that Ireland return to full lockdown to contain Covid-19; and
- a UK PM warning of a 'bumpy' UK winter, due to Covid-19.

Meanwhile, four Australian states and territories are observing public holidays today.

In addition, China's markets remain closed through Wednesday.

Locally today, the NAB September business confidence report is due at 10.30am AEST.

The Melbourne Institute is scheduled to release its September inflation gauge 11am.

Each report, and others to come tomorrow morning, will be particularly noted, given the Reserve Bank of Australia's (RBA) policy meeting tomorrow, which will announce outcomes just a few hours ahead of the Australian government's national budget delivery.

Regionally today, a final September services PMI is due for Japan this morning, ahead of another public address by Bank of Japan governor Haruhiko Kuroda post-ASX trade.

In overnight Friday commodities trade, oil tumbled further.

US gold futures (December) turned lower.

Iron ore (Nymex CFR China, 62% Fe) extended its current decline, but remained above \$US120.55/t.

LME copper rebounded. Aluminium also swung higher, but not so nickel.

The \$A traded at US71.50c early Friday evening.

Earlier this morning, the \$A was pushed to ~US71.70c.

Australia – regular ASX trade and settlement

Public holidays - ACT, NSW, Queensland and South Australia

Daylight saving commenced in the ACT, New South Wales, South Australia, Tasmania and Victoria yesterday.

From today, ASX trade consequently commences local time in:

Western Australia at 7am;

Queensland at 9am; and the

Northern Territory at 8.30am.

Today's Stock Watch

Fonterra Shareholders' Fund (FSF)

Fonterra Co-op is selling its China farm operations for a total \$NZ555M, in favour of reducing debt and focusing on the New Zealand market.

Vection Technologies (VR1)

VR1 has been accepted into the Facebook 'independent software vendor' (ISV) program.

In addition, VR1 is launching Mindesk 2020.4, enabling network multi-user VR CAD for Rhino 6 and Solidworks 2019/2020 users.

PYC Therapeutics (PYC)

PYC has filed for IP protection covering a new drug designed to potentially treat diabetic retinopathy and age-related macular degeneration. Details lodged this morning.

Seek Ltd (SEK)

SEK has appointed Linda Kristjanson AO as a non-executive director, effective Friday this week.

Nick Scali (NCK)

Trading ex-dividend (22.5c) today.

Resources

Pensana Rare Earths (PM8)

PM8 has produced NdPr-rich mixed rare earth carbonate (MREC) during test work using Longonjo project ore. BFS update promised by 31 October.

S2 Resources (S2R)

Planning to acquire up to 70% of the WA Meekatharra region 790sq km Jillewarra gold and base metals project S2R is issuing 5M shares to Jillewarra's private owner(s) and can earn 51% with a \$5M exploration spend over five years. Further details lodged this morning.

In addition, S2R has appointed Matthew Keane as CEO, effective November, following the appointment of former CEO Mark Bennett as S2R executive chair.

**Overseas Markets**

INDEX	CLOSE	+/-	%
Dow Jones	27683	-134	-0.5
S&P 500	3348	-32	-1.0
NASDAQ	11075	-251	-2.2
FTSE 100	5902	23	0.4
DAX 30	12689	-42	-0.3
Shanghai Comp	3218	Public	Holiday

Overseas Markets Commentary

Major European and US equities markets fell on opening overnight Friday, the NASDAQ and S&P suffering the most from large tech stocks falling out of favour.

Other indices, while mostly not recovering from the early negative sentiment, notably settled at or near session highs.

News earlier Friday (late Thursday US time) of the US president testing positive for Covid-19 had propelled US presidential election certain higher internationally.

In addition, expectations for progress this week towards agreeing further US fiscal support were viewed as having proved largely over-optimistic.

Meanwhile, the UK and EU agreed weekend talks between the UK PM and European Commission president Ursula von der Leyen following the EC's announcement Thursday that it would commence legal action over the UK's plans to break the UK-EU separation agreement signed earlier this year.

Among overnight Friday data releases, the **euro zone's** preliminary September CPI estimate of 0.1% growth proved a relief following August's 0.4% deflation.

Against September 2019 however, the region's CPI had fallen 0.3%.

In the **US**, September employment figures came in mixed, the 661,000 jobs estimated to having been created during the month, undershooting expectations of 915,000, following 1.489M reported for August.

The unemployment rate dropped to 7.9% from 8.4%, however.

The participation rate pulled back to 61.4%, from 61.7%.

Average earnings came in 4.7% higher than for September 2019 and 0.1% higher for the month.

The 80.4 final University of Michigan consumer sentiment estimate for September represented a 6.3-point appreciation for the month.

The ISM's September New York business activity index also pleased on the upside, estimated at a decidedly expansionary 56.1, from a contractionary 42.9 for August and expectations of a further fall to 42.0.

August factory orders rose 0.7% for the month after a 6.5% July jump and against expectations of a new 1.2% gain.

The new increase represented a fourth consecutive monthly rise, however.

Tonight in the **US**, the ISM's influential services sector activity index for September, and Markit's final September services PMI are due.

Pre-Open Announcements**Access Innovation Holdings (* AIM)**

Reporting strong 1Q FY21 demand for captioning services, prompting AIM to confirm expectations of \$A43.8M FY21 revenue.

Aim is presenting an update to a Queensland conference Wednesday this week.

Family Zone Cyber Safety (FZO)

\$8.7M cash at 30 September, after collections totalling a record \$4.4M.

Additional statistics lodged this morning.

iCandy Interactive (ICI)

ICI has decided to no longer investigate a potential co-operative agreement with ICI shareholder Abelco Investments Group's RightBridge Ventures.

Gentrack Group (GTK)

GTK has appointed former 2degrees CEO and chair Stewart Sherriff as a non-executive director, effective today.

Leigh Warren has resigned as a GTK director, after joining the GTK board in 2012.

Dough Ltd (* DOU)

The former ZipTel is expected to be reinstated to official ASX quotation on tomorrow's ASX open, following a \$6M fundraiser at 3c per share.

The Digital Bakery holds 31.89%.

304.85M quoted shares.

Resources**Nexus Minerals (* NXM)**

Heralding significant-width and high-grade assays from RC drilling within the WA Wallbrook gold project Templar prospect.

Los Cerros (* LCL) / AngloGold Ashanti (AGG)

LCL plans to issue 10.48M shares and 15.43M options to AGG for AGG's share in the Chuscal JV, giving LCL full ownership.

Details lodged this morning.

Legend Mining (* LEG)

Heralding massive nickel-copper sulphides results and observations from RC drilling within the WA Fraser Range Rockford project Mawson prospect.

Matador Mining (MZZ)

MZZ has appointed former Beadell Resources CEO and MD Nicole Adshead-Bell as non-executive director.

Orabanda Mining (OBM)

~55.45M shares will be released from escrow Friday.

Tombador Iron (* TI1)

The former RESA Group is expected to be reinstated to official ASX quotation on ASX open tomorrow after raising \$15M at



The services sector accounts for ~67% of US GDP component calculations.

Elsewhere, consumer confidence and retail sales updates are due for the euro zone, plus final September services sector PMIs are due for the euro zone and UK.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1907.6	oz	-8.7	-0.5
Silver (NY) (Dec)	24.029	oz	-0.23	-0.9
Gold (LON)	1903	oz	1.1	0.1
Platinum	872	oz	-19	-2.2
WTI Crude (NYMEX Nov)	37.05	bbl	-1.67	-4.3
Brent Crude (ICE EUR Dec)	39.27	bbl	-1.66	-4.1
Iron Ore (NYMEX,CHN,62%)	120.60	t	-0.83	-0.7
Copper (LME,3mth Ind,PM)	6571	t	217	3.4
Nickel	14320	t	-55	-0.4
Aluminium	1765	t	28	1.6
Lead	1775	t	-26	-1.4
Zinc	2319	t	-9	-0.4
Tin	17850	t	430	2.5

Commodities Commentary

Oil – supply considerations, plus US presidential election and potential new fiscal support uncertainty appeared the major influences pushing overnight prices decidedly lower for a second consecutive session.

Libya's export crude ramping was estimated to increase further this coming week, pending no new industry-disruptive civil unrest, with the recommencement of operations at an additional three terminals.

In Norway, offshore oil worker industrial action was predicted to affect a daily 330,000boe output this coming week, should the unrest spread across six-seven additional fields.

Initial wages-related strike action commenced at the Johan Sverdrup oil field 30 September (Wednesday last week), but operator Equinor announced 470,000boe daily output had been maintained.

The situation is viewed as fluid, with two worker unions having achieved wage agreements, and a smaller association yet to do so.

A weekly US petroleum drill rig count released overnight Friday, included six additional operating oil rigs.

Brent crude closed 7.4% lower for the week and WTI down 8%.

Gold – overnight Friday prices swung, US futures ultimately settling lower, after being pushed to one-week peaks immediately following reports the US president and his wife had tested positive for Covid-19, despite a \$US appreciation also.

September US employment figures, revealed overnight Friday, were viewed as perhaps supporting efforts to achieve near-term additional Covid-19 compensatory economic support in the US.

Base metals – trade sentiment swung overnight Friday, reduced volumes nonetheless proving larger than anticipated, given China's Golden Week holiday season.

In early trade, copper reached seven-week lows (\$US6269/t),

2.5c per share.

Colomi Singapore holds 50.75%.

753.25M quoted shares.

Energy

Carnarvon Petroleum (* CVN)

CVN has appointed Debra Bakker as a non-executive director, effective today.

Trading Halts

Company	Code	Resuming
AML3D Ltd	AL3	5 Oct
Funtastic Ltd	FUN	5 Oct
Nova Minerals	NVA	5 Oct
Purifloh Ltd	PO3	5 Oct
Renegade Exploration	RNX	5 Oct
The Agency Group Australia	AU1	5 Oct
Eagle Mountain Mining	EM2	6 Oct
Select Harvests	SHV	6 Oct
Black Rock Mining	BKT	7 Oct
CresoPharma Ltd	CPH	7 Oct
Simple Solutions	SIS	8 Oct
Twenty Seven Co	TSC	8 Oct
Wide Open Agriculture	WOA	8 Oct

Suspensions (select)

Company	Code	Since
East Energy Resources	EER	18 Sep
FAR Ltd	FAR	14 Sep
Fatfish Group	FFG	2 Oct
Kaiser Reef	KAU	17 Sep
Lincoln Minerals	LML	21 Sep
Metalicity Ltd	MCT	2 Oct
Mint Payments	MNW	21 Sep
MyFiziq Ltd	MYQ	1 Oct
Phoslock Environmental Technologies	PET	21 Sep
Quantum Graphite	QGL	2 Oct
Riedel Resources	RIE	22 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
NCC	Today	3.5	100	7.40
NCK	Today	22.5	100	5.33
VEA	Today	5.94	0	2.17
REH	Tomorrow	6	100	1.53
ICS	Wed	4.5	0	2.53
SXE	Wed	3	100	0.00
ARB	Thu	39.5	100	0.73



before being pushed higher, this in part attributed to a partly-disappointing September US employment report perhaps supporting a renewed push for agreement on US fiscal support legislation.

News of the US president having been diagnosed with Covid-19 initially also pushed the \$US higher, dampening demand from traders needing to purchase with other currencies.

Aluminium construction, packaging and transport sector products from the United Arab Emirates (UAE) and Bahrain were reportedly expected to receive US import tax exemptions.

Meanwhile, aluminium stocks at LME-registered warehouses were reported at 1.45Mt, their least since 18 May.

Among the producers, Nippon steel group affiliate Nittetsu Mining revealed it anticipated 2H FY2021 *refined copper* output to come in in line year-on-year, at 24,775t.

Vale in the meantime, disclosed it was talking with Tesla regarding *nickel* supply from Vale's operations in Canada.

China's markets are closed for 'Golden Week' through Wednesday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7164	0.0001	0.02
EUR – USD	1.1712	-0.0003	-0.03

Australian Data Today

NAB	Business confidence	Sep
Melbourne Institute	Inflation gauge	Sep

US Data Tonight

ISM non-manufacturing	Sep
Markit services PMI (final)	Sep

Other Overseas Data Today & Tonight

Japan	Services PMI (final)	Sep
UK	New domestic vehicle sales	Sep
UK	Services PMI (final)	Sep
Germany	Services PMI (final)	Sep
Euro zone	Sentix investor confidence	Oct
Euro zone	Retail sales	Aug
Euro zone	Services PMI (final)	Sep

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CAM	Thu	1.13	100	6.18
GNG	Thu	4	0	3.57
PIA	Thu	2.5	100	5.11
DGH	Fri	2.25	0	4.04
HVN	Fri	18	100	4.64
MFF	Fri	3	100	1.73
TRA	Fri	3.64	85	6.54

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Tomorrow	BBN	AGM
	SAR	AGM
Wed	AGL	AGM
	BHP	Q&A webcast (midday)
Thu	AMH	AGM
	BXB	AGM
	DJW	AGM
	TCL	AGM

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