

Markets

SFE 200 Futures (9.30am AEDT)	7459	22	0.3
NZX 50	13092	18	0.1
DJIA Futures	36215	0	0.0
S&P 500 Futures	4690	0	0.0
NASDAQ Futures	16352	0	0.0

Local Markets Commentary

The Australian market opens a new week's trade with influential data in hand from China over the weekend, two major domestic banking groups trading ex-dividend, and significant domestic M&A announcements, ahead of a plethora of commentary out of the US Federal Reserve tonight.

Overnight Friday US equities trade leads are positive.

Since overnight Friday trade, the US House of Representatives has passed (228 v 206) legislation supporting significant (~\$US 1 trillion) infrastructure spending, following months of wrangling and negotiations.

Separate social infrastructure spending initiatives remain outstanding and will require approval for a current planned additional \$US1.75 trillion worth of funding.

Locally today, the Reserve Bank of Australia (RBA) reports monthly **retail payments**, including card transactions and fees, 11.30am AEDT.

Also today, **ANZ** and **MQG** trade **ex-dividend**. *Please see p5 for a detailed ex-dividends list.*

Regionally today, the **Bank of Japan** publishes the *Summary of Opinions* from its October policy meeting.

China's October **trade** statistics, **reported over the weekend**, included an \$US84.54B trade **surplus**, against forecasts for \$US65.55B following September's \$US66.76B.

Exports were estimated 27.1% higher than for October 2020, following forecasts for 24.5% and September's 28.1% reported year-on-year increase.

Imports rose 20.6%, undershooting expectations for a 26% climb, following a 17.6% year-on-year increase for September.

China also reported **foreign exchange reserves**, these rising to \$US3.218 trillion from \$US3.201 trillion at the end of September, and against expectations of an essentially on-par \$US3.2 trillion.

Also over the weekend, China's Evergrande was reported to be due to make a last-minute 'grace' payment on a debt. This followed concerns over a smaller property developer, whose shares were suspended from Hong Kong trade on Friday.

In overnight Friday commodities trade, **oil** recorded decisive gains. US **gold** futures continued to rally.

Iron ore (China port CFR, 62% fines) dropped on news of further northern China steel manufacturing constraints.

Over the weekend, China's October iron ore imports were reported 4.2% lower for the month and down 14.2% year-on-year.

*** Online hotel booking listing – 11am AEDT – SDR ***

Today's Stock Watch
Sydney Airport (SYD)

SYD has agreed to an \$8.75 cash per stapled security scheme takeover proposal from Sydney Aviation Alliance Pty Ltd. ~15% SYD security holder UniSuper intends to transfer its holding for an equivalent interest in the alliance consortium. SYD traded at \$8.17 - \$8.30 on the ASX last week.

Wesfarmers Ltd (WES) / Australian Pharmaceutical Industries (API)

WES and API have agreed a scheme proposal whereby WES will pay \$1.55 for each API share it does not already own. WES holds 19.3% of API, after acquiring 95.1M API shares early October. API traded at \$1.475 - \$1.53 last week.

nib Holdings (NHF)

NHF is proposing to pay ~\$A43M to acquire Kiwi Insurance. Additional details lodged this morning. Targeting completion during early 2022.

Paragon Care (PGC) / Quantum Health Group (QTM)

Planning to merge under a 0.243 PGC shares – for- each QTM share scheme proposal.

Apologetics and presentation lodged this morning. PGC traded at 28.5c – 30.5c last week, and QTM at 6.9c – 7.6c.

Cedar Woods Properties (CWP)

Outlaying \$49.5M for an 86ha development site in the NW Perth suburb of Eglinton.

CWP proposes to develop 1200 lots, from which it expects to receive earnings over 11 years from FY24.

Energy
BHP Group (BHP) / Stanmore Resources (SMR)

BHP is selling the group's 80% interest in the BHP Mitsui Coal JV, Queensland for up to \$US1.35B.

Purchaser, SMR subsidiary Stanmore SMC Holdings, will pay \$US1.1M cash on completion, a further \$US1M cash six months later, and up to \$US150M in a 2024 earn-out.

Senex Energy (SXY)

Proposing to outlay \$80M for two Australia Pacific LNG (APLNG)-held undeveloped gas fields PL 209 and PL 445, located adjacent to the Atlas field.

SXY expects this to boost the company's Atlas production to 30PJ/year in 2024.

SXY will initially pay \$50M, with \$30M contingent on satisfactory environmental approvals.

Funds will come from existing cash and debt facilities and from an acquisition bridge facility.



LME (3mth evening) **copper** and **nickel** turned variously higher. **Aluminium** also settled with a gain, but essentially little changed. The **\$A** rose to ~US74.00c, after falling below US73.80c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	36328	204	0.6
S&P 500	4698	17	0.4
NASDAQ	15972	31	0.2
FTSE 100	7304	24	0.3
DAX 30	16054	25	0.2
Shanghai Comp	3492	-35	-1.0

Overseas Markets Commentary

Major European, UK and US equities markets mostly headed higher early overnight Friday, but ensuing chop and/or swings underscored tentative sentiment amid material data releases and corporate quarterly reporting season.

Headline **US** October **employment** statistics exceeded expectations, the number of jobs created estimated at 531,000, contrasting with September's 312,000 additional jobs, and following forecasts for a new 400,000 increase.

The unemployment rate fell to 4.6% from 4.8%.

The participation rate remained flat, at 61.6%, however, against expectations for an improvement to 61.8%.

Hourly earnings were calculated 0.4% higher for the month, in line with forecasts following a 0.6% September rise.

Against October 2020, earnings were up 4.9%.

In Covid-19 developments, **Pfizer** revealed that, in late-stage test results, the oral anti-viral it had developed to treat Covid-19 demonstrated 89% efficacy in preventing severe symptoms.

This buoyed hopes of sooner-than-anticipated broader international Covid-19 management, and hence economic progress.

In overnight Friday **data** releases, **euro zone** September retail sales were reported 0.3% lower for the month, following a 1% rise for August and expectations for a new 0.5% increase.

Compared with September 2020, sales were up 2.5%.

The October construction PMI rose by 1.2 to 51.2, against forecasts for a 0.2-point increase.

Germany's September industrial production disappointed, falling 1.1% for the month after dropping 3.5% during August, and following forecasts for a 0.9% September increase.

The October construction PMI for Germany rose by 0.6 but remained in contraction territory, at 47.7. Forecasters had anticipated 49.1.

In the **UK**, an October residential property price index put home prices 8.1% higher year-on-year, after rising 0.9% for the month and 1.7% in September.

In the **US**, in addition to October employment figures, September consumer credit increased by \$US29.91B.

Forecasters had been anticipating a \$US15.4B increase following

Pre-Open Announcements

Macquarie Group (* MQG)

Trading ex-dividend (\$2.72) today.

SPP also opening today, and expected to continue to 26 November.

AMP Ltd (* AMP)

Moody's has retained its AMP Bank rating at Baa2 but lowered ratings for AMP Group Holdings and AMP Group Finance Services from Baa2 to Baa3.

In addition, Moody's has lowered the AMP Group and AMP Bank outlooks to negative, in part due to the fact the demerger of the private markets business in 1H 22 will result in 'a smaller capital and earnings base'.

Platinum Asset Management (* PTM)

\$21.579B FUM at 30 September, from \$22.826B at the end of August.

Auckland International Airport (* AIA)

\$NZ100M five-year fixed-rate bond offer opening today.

AIA will accept up to \$NZ50M in over-subscriptions, and expects the bonds to be quoted on the NZX debt market.

FBR Ltd (* FBR)

A MoU with the Kingdom of Saudi Arabia's Ministry of Housing has been discontinued, due to the targeted building of 50,000 homes during 2022, using FBR's Hadrian X system, appearing to be unfeasible.

This is in part due to Covid-19 containment restrictions.

FBR and the ministry are looking to replace the MoU with a 'more suitable' agreement with revised targets.

FBR traded 8.33% lower Thursday last week and 4.55% lower Friday, settling at 4.2c after trading as high as 6c mid-week.

News Corporation (NWS)

September quarter results, as lodged in the US overnight Thursday last week, lodged with the ASX pre-trade.

NWS traded as high as \$35.04 on the ASX Friday, and ultimately added 6.9% for the session, settling at \$33.90, after lodging the results pre-trade.

Irongate Group (IAP)

IAP is selling 24 Wormald Street, Symonston, ACT for \$36M, 18% above book value.

IAP paid \$29.75M for the property in March 2019.

A 13 December settlement is anticipated.

James Hardie Industries (JHX)

Non-executive JHX director David Harrison has retired from the JHX board, effective Friday (5 November).

Veris Ltd (VRS) / Fortescue Metals Group (FMG)

Subsidiary Veris Australia has secured a \$2M contract for a concentrate and return water pipeline associated with the WA Pilbara FMG-Formosa Steel IB Iron Bridge magnetite JV project.



August's \$US13.76B rise.

Tonight in the US, an October consumer inflation expectations report is due.

In addition, seven **US Federal Reserve** officials, including chair Jerome Powell, are scheduled to speak publicly.

Companies scheduled to report earnings or provide trading updates later today or tonight include: AMC Entertainment, Isuzu Motors, Noritake, PayPal, Softbank Group, Sumitomo Metal Mining, Tencent Music, Toshiba Tec and Yamaha Motor.

In overnight Friday and weekend corporate news, **Berkshire Hathaway** revealed 70% of the group's equity investments portfolio was concentrated around four stocks. For the record, and against Warren Buffett's warning of quarterly gains or losses being 'usually meaningless', the quarterly investment return on the equity investments came in at \$3.8B.

The group's net income was reported 66% lower, at \$US10.3B, with holdings in cash and equivalents boosted to \$US149.2B.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1816.8	oz	23.3	1.3
Silver (NY) (Dec)	24.157	oz	0.25	1.0
Gold (LON)	1802	oz		
Platinum	1032	oz	8	0.8
WTI Crude (NYMEX Dec)	81.27	bbl	2.46	3.1
Brent Crude (ICE EUR Jan)	82.74	bbl	2.20	2.7
Iron Ore (Qingdao) (CHN;62%Fe)	93.14	t	-6.96	-7.5
Iron Ore (Nymex)	94.43	t	-2.74	-2.9
Copper (LME 3mth Evening)	9506	t	75	0.8
Nickel	19422	t	290	1.5
Aluminium	2557	t	2	0.1
Lead	2352	t	4	0.2
Zinc	3225	t	-13	-0.4
Tin	37030	t	583	1.6

Commodities Commentary

Oil – overnight Friday trade appeared mostly influenced by demand-outweighing-supply views.

US data proved supportive, and no new stock bolstering announcements were reported out of China or the US following the OPEC+ decision to remain with December output plans rather than lift production further.

Brent crude nonetheless settled ~2% lower for the week, and WTI down ~2.7%.

A weekly US petroleum drill rig report, released overnight Friday, included the addition of six operational oil rigs, bringing the tally to 450.

China's October trade figures, reported over the weekend, are expected to influence some sentiment tonight, crude imports reported lower, at 37.8Mt (8.9MMbbl/d), the fall mostly attributed to higher prices.

This was equivalent to 8.9MMbbl/d, from 9.99MMbbl/d for September and 10.02MMbbl/d for October 2020.

China's January – October crude imports were estimated 7.2% lower than for the same period last year, at 425.06Mt

The contract has been awarded by MPC Kinetic.

Active Port Group (ATV)

Heralding a new feature for the group's graphics processing units (GPU) software.

Mastermyne Group (MYE)

MYE has completed the acquisition of PYBAR Mining Services. Final consideration details lodged pre-trade.

Digital Wine Ventures (DW8)

The recent DW8 5.6c-per-share SPP raised \$1.775M. This followed a \$12.625M placement at the same price. DW8 traded at 5.0c – 5.6c last week, settling for the week at 5.0c.

City Chic Collective (CCX)

Jobkeeper payments disclosure lodged post-trade Friday.

IVE Group (IGL)

Jobkeeper payments disclosure lodged post-trade Friday.

MoneyMe Ltd (MME)

Jobkeeper payments disclosure lodged post-trade Friday.

Southern Cross Electrical Engineering (SXE)

Jobkeeper payments disclosure lodged post-trade Friday.

Elders Ltd (ELD)

~3.16M shares are due for release from voluntary escrow 13 November.

SiteMinder Ltd (* SDR)

Online hotel booking site and services provider scheduled to list on the ASX 11am AEDT, following a \$627M IPO at \$5.06 per share.

Trading will commence on a conditional and deferred settlement basis.

269.36M quoted shares.

Resources

Carawine Resources (* CWX) / IGO Ltd (IGO)

WA Fraser Range JV Red Bull tenement diamond drilling updated lodged pre-trade.

The Red Bull tenement is located 30km south of IGO's wholly-owned Nova project.

IGO 70% JV interest; CWX 30%.

CWX presentation also lodged this morning.

Lucapa Diamond Company (* LOM)

Angola Lulo JV LO28 (pre-crush) bulk sample processing has delivered eight Type IIa diamonds among 13 stones recovered.

Catalyst Metals (* CYL)

Tasmania Henty gold project update, including high-grade and/or significant width drilling assays, lodged this morning.

Four drill rigs in operation. An underground rig will also commence drilling soon.

Calidus Resources (* CAI)

WA Pilbara Blue Spec gold project drilling has returned several



(10.21MMbbl/d).

October Gas (LNG and piped natural gas) imports rose 24.6% year-on-year to 9.38Mt.

China's October refined oil product exports were calculated at 3.95Mt, 31.8% lower than for October 2020.

China's independent refiners have reportedly been allocated a combined 14.89Mt crude import quota for November-December, and the largest refiner, Zhejiang Petroleum Petrochemical Corp a 12Mt quota.

Also since overnight Friday trade, the US president has announced the US had ways to 'figuratively and literally' deal with other OPEC+ not boosting production beyond previous plans.

Gold – US October headline employment figures surprised on the upside overnight Friday, but Comex gold futures gained for a third consecutive session, as treasury yields dropped by 0.123%, and the \$US pulled back.

In part, this was attributed to the participation rate, which failed to improve, and hence supported the US Fed's expectations of needing to sit pat with rates for some time yet.

US inflation figures are among data releases expected to swing some sentiment this week. China CPI and PPI, plus UK GDP readings, are also among key data releases that could influence general sentiment.

Following last week's vacillations, Comex futures came in 1.8% higher for the five sessions.

Base metals – overnight Friday trade continued to be influenced in part by commentary on China coal output, LME *aluminium* trading at three-month lows early. Currency moves, mostly supportive of a continuing strong \$US in early trade, also impacted some sentiment.

In addition, overnight Friday, speculation continued as to Russia removing export tariffs for aluminium, pushing physical prices lower in Europe and the US.

Further, some caution was noted ahead of **China's October trade** statistics, which have been reported over the weekend.

These included an ~\$US20B better-than-expected increase in the trade surplus, to \$US84.54B, but necessarily calculated in part on lower-than-anticipated imports which indicated lower demand.

Copper (unwrought) imports were estimated at 410,541t against 406,016t for September. Against October 2020 however, copper imports were down 33.6%, and for January – October, the estimated 4.43Mt of copper imports represented a 21% drop.

Copper concentrate imports tallied 1.8Mt, 6.3% more than for October 2020, but from 2.1Mt for September.

China's **iron ore** imports were calculated at 91.61Mt, down 4.2% for the month, from 95.61Mt for September.

Iron ore imports were 14.2% lower than for October 2020.

January – October iron ore imports tallied 933.48Mt, 4.2% lower than for January – October 2020.

October **steel** exports were reported at 4.5Mt, 8.5% lower for the month, and 11.4% higher than for October 2020.

Steel imports dropped 10% for the month, to 1.13Mt. October 2020 imports had been reported at 1.93Mt.

China's October **aluminium** (unwrought and products) exports were reported at 479,599t, 14.5% higher than for October 2020, but from 491,985t for September.

high-grade intersections.

Assays lodged this morning.

In addition, CAI is reporting 'multiple occurrences of visible gold'.

Blue Spec East prospect drilling planned to commence by year's end. The prospect is located ~300m along strike of the Blue Spec resource.

Arizona Lithium (* AZL)

AZL has staked an additional 96 claims, hence boosting the New Mexico Lordsburg lithium brine project land holding to 15.54sq km across 192 claims.

Red 5 (RED)

WA King of the Hills gold project construction and development update lodged pre-trade.

Kirkland Lake Gold (KLA)

KLA has lodged an upgraded Fosterville drilling assay this morning.

The result was initially reported 30 August.

Panoramic Resources (PAN)

Jobkeeper payments disclosure lodged post-trade Friday.

Liontown Resources (LTR)

Jobkeeper payments disclosure lodged post-trade Friday.

Castle Minerals (CDT)

Pleading ignorance in response to an ASX query regarding CDT trade on Friday.

CDT traded as high as 2.8c and settled at 2.6c, 36.84% higher for the session, after closing out Thursday's trade at 1.9c and each of the previous two weeks' trade at 1.8c.

122.4M shares were traded on Friday, across 794M transactions.

Metalicity Ltd (MTC) / Nex Metals Explorations (NME)

MCT has extended its off-market takeover offer for NME until 6 December.

Hamelin Gold (* HMG) / Encounter Resources (ENR)

Explorer and ENR spin-off HMG completed its ASX listing Friday, following a \$10M IPO at 20c per share.

Opened at 19c and traded as high as 19.5c before settling at its day one low of 18c.

1.24M shares changed hands across 76 transactions.

110M quoted shares.

ENR MD Will Robinson is HMG non-executive chair.

ENR executive director Peter Bewick is HMG MD.

Silver Lake Resources (ASX: SLR) held 10.0% on listing. Gold Fields subsidiary St Ives Gold Mining Company also held 10.0%.

Trading Halts

Company	Code	Resuming
Amplia Therapeutics	ATX	8 Nov
Aurora Labs	A3D	8 Nov

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7398	-0.0003	-0.04
EUR – USD	1.1564	-0.0003	-0.02

Australian Data Today

RBA	Retail payments (incl card transactions)	Sep
-----	--	-----

US Data Tonight

Consumer inflation expectations	Oct
---------------------------------	-----

Other Overseas Data Today & Tonight

Japan	BoJ summary of opinions	28 Oct
Japan	Leading economic index (prelim)	Sep
Euro zone	Sentix investor confidence	Nov

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Strickland Metals	STK	8 Nov
Corella Resources	CR9	9 Nov
Okapi Resources	OKR	9 Nov
SenSen Networks	SNS	9 Nov
TNG Ltd	TNG	9 Nov
TZ Ltd	TZL	9 Nov
Chalice Mining	CHN	10 Nov

Suspensions *(selected)*

Company	Code	Since
BIR Financial	BIR	28 Oct
Intra Energy Corporation	IEC	3 Nov
Viagold Rare Earth Resources Holdings	VIA	15 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ANZ	Today	72	100	3.65
MQG	Today	272	40	2.32
CSR	Tomorrow	13.5	100	3.65
EZZ	Tomorrow	0.45	100	0.00
WAT	Tomorrow	4	100	1.76
NAC	Wed	1.6	100	4.73
NSC	Wed	1.25	100	5.32
RMD	Wed	3.91	0	0.42
API	Thu	2	100	2.36
MGH	Fri	3	100	0.44
SSR	Fri	5	0	0.63

Reports & Events*(selected; all times AEDT)*

When	Company	Report/Event
Today	GBR	AGM
	PGY	Webinar (11am)
Tomorrow	AVH	Sep Q (o/night Mon US; tele 8.30am AEDT)
	BEN	AGM
	BLU	AGM
	FMG	AGM (6pm)
	JHX	Interim; Sep Q
	MGH	AGM
	MNF	AGM (4.30pm)
	NAB	Full year
	SWM	AGM
Wed	AMC	AGM
	AUB	AGM
	BPT	AGM
	COL	AGM



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.

	CEN	AGM
	MRM	AGM
	MGX	AGM (1.30pm)
	NCM	AGM
	NXM	AGM
	PPH	Interim (tele 9am)
	SSG	AGM
	SGM	AGM
	VCX	AGM
Thu	A3D	AGM (1pm)
	ANN	AGM
	AST	Interim
	ASB	AGM (5pm)
	BHP (Ltd)	AGM (4pm)
	BRG	AGM
	CHC	AGM (2.30pm)
	CPU	AGM
	COE	AGM
	EHE	AGM (1pm)
	GDI	AGM
	INA	AGM
	NEA	AGM
	NSB	AGM
	NEC	AGM
	ORI	Full year
	QUB	AGM
	REA	AGM
	XRO	Interim
	ZIM	AGM (8.30pm)
Fri	ABY	AGM (1pm)
	CPO	AGM
	LLC	AGM
	MZZ	AGM
	TI1	AGM