

**Markets**

|                                      |       |     |      |
|--------------------------------------|-------|-----|------|
| <b>SFE 200 Futures</b> (9.30am AEDT) | 7273  | -4  | -0.1 |
| <b>NZX 50</b>                        | 13107 | 20  | 0.2  |
| <b>DJIA Futures</b>                  | 34577 | -49 | -0.1 |
| <b>S&amp;P 500 Futures</b>           | 4372  | -11 | -0.3 |
| <b>NASDAQ Futures</b>                | 14761 | -47 | -0.3 |

**Local Markets Commentary**

The Australian market opens a new week's trade with no major economic data releases due today or tonight, but with continuing regional geopolitical concerns, ongoing domestic Covid-19 management debate, and rising international energy and fuel costs in focus, amid broader inflation fears and a federal US holiday in the US.

US equities and commodities futures markets will trade tonight, however.

**Locally** today, no major economic indicators are scheduled for release.

In overnight Friday commodities trade, **oil** extended Thursday's gain.

US **gold** futures settled slightly lower for a second consecutive session.

**Iron ore** (China port CFR, 62% fines) rallied beyond \$US123.35/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** were pushed higher, nickel prices propelled beyond \$US19,210/t.

The **\$A** was pushed to ~US73.10c after trading at US72.95c early Friday evening.

**Overseas Markets**

| INDEX                | CLOSE | +/- | %    |
|----------------------|-------|-----|------|
| <b>Dow Jones</b>     | 34746 | -9  | -0.0 |
| <b>S&amp;P 500</b>   | 4391  | -8  | -0.2 |
| <b>NASDAQ</b>        | 14580 | -74 | -0.5 |
| <b>FTSE 100</b>      | 7096  | 18  | 0.3  |
| <b>DAX 30</b>        | 15206 | -45 | -0.3 |
| <b>Shanghai Comp</b> | 3592  | 24  | 0.7  |

**Overseas Markets Commentary**

Marked choppy trade featured across most major European, UK and US equities markets overnight Friday, energy, fuel and food supply and associated inflation fears appearing to unsettle markets early.

Plenty of other considerations kept sentiment fitful, however.

Post-US trade Thursday, the **US** Senate had approved a lift in the debt ceiling that would ensure government funding until early December, but the stop-gap nature of the outcome fuelled further angst regarding large spending bills in the meantime and whether issues could be resolved within two months.

**\* Copper-focused exploration listing – 2pm AEDT – REC \***

**Today's Stock Watch**
**Insurance Australia Group (IAG) / Suncorp Group (SUN)**

IAG is reviewing the Federal Court's business interruption test case determination delivered Friday, ahead of a potential full court appeal hearing in November.

In addition, IAG will consider the determination against the IAG business interruption provision, announced November 2020, and is promising any relevant update.

SUN is also reviewing the judgment and its relevant provision.

**The Star Entertainment Group (SGR)**

SGR has labelled certain recent media report statements as 'misleading', but will address allegations with State and Federal regulators and authorities. A regular review of the Star Sydney continues under Adam Bel SC.

**Australian Pharmaceutical Industries (API)**

Anticipating \$28M FY21 EBIT and \$70M underlying EBIT.

In addition, API plans to defend a class action filed in the Supreme Court Victoria regarding Priceline Pharmacy franchises.

**SkyCity Entertainment Group (SKC)**

Chair Rob Campbell plans to retire from the SKC board early 2022. Mr Campbell has been a SKC director since June 2017.

**Dough Ltd (DOU)**

DOU's total customer tally grew 53% during the September quarter to 55.321. FUM rose 11% to \$4.5M.

**Resources**
**Prospect Resources (PSC)**

Zimbabwe Arcadia lithium project staged optimised feasibility study outcomes lodged pre-trade.

Breakdown statistics lodged for the initial four years and also for years five through 20. PSC holds 87% of the project.

**Infinity Lithium Corporation (INF)**

Favourable San José lithium project JV court decision regarding rehabilitation and restoration plans.

**Australian Potash (APC)**

Australian certified organic (ACO) certification in hand for Lake Wells project K-Brite potassium sulphate.

**Energy**
**Ampol Ltd (ALD) / Z Energy (ZEL)**

ALD proposes to acquire ZEL under an agreed \$NZ3.78 cash-per-share scheme of arrangement, in addition to ZEL paying its planned NZ5c-per-share interim dividend.

ZEL traded on the ASX at \$A3.20 - \$A3.28 last week.



In addition, US September employment figures, which included the creation of 190,000 when forecasters had anticipated 500,000, proved initially unsettling.

Further, the **Bank of England** (BoE) published a quarterly economic bulletin, this containing a warning the UK remained 'vulnerable to financial shocks' and more so than most other developed nations.

BoE governor Andrew Bailey ventured above-target (2%) inflation had become 'concerning' and that it would need management to prevent a permanently high inflation rate.

Friday afternoon, (AEST) **India's reserve bank** had retained status quo policy and general forecasts, but conceded inflation, while impacted by select factors, required monitoring.

Earlier Friday, a September services PMI for **China** as calculated by Caixin, represented a 6.7-point jump for the month to an expansion mode 53.4.

Among overnight Friday **data** releases, **Germany** reported a €10.7B August trade surplus, against forecasts for €14.4B and from €17.9B for July.

Seasonally adjusted, exports fell 1.2% for the month after a 0.6% July rise.

Imports rose 3.5% following forecasts for a 1.8% increase after dropping 3.6% during July.

In the **US**, in addition to the September jobs tally, other workforce figures included a 0.4% unemployment rate decline to 4.8%.

The participation rate was calculated at 61.6%, from 61.7% for August, and following forecasts for 61.8%.

Average hourly earnings rose by 0.4% for the month.

Against September 2020, earnings were up 4.6%.

Also in the US, August wholesale inventories were reported 1.2% higher for the month, in line with expectations, and following a 0.6% July increase.

**Tonight** in the US, no major economic indicators are scheduled for release due to the Columbus Day federal holiday.

In overnight Friday and weekend corporate news, **Kraft Heinz** warned of rising food costs.

**NB: US equities and commodities futures markets trade as normal tonight, during the Columbus Day federal holiday. Bond markets will be closed.**

| Commodities                          |               |       |       |             |
|--------------------------------------|---------------|-------|-------|-------------|
| COMMODITY                            | CLOSE         | \$US/ | +/-   | %           |
| <b>Gold (NY)</b> (Dec)               | <b>1757.4</b> | oz    | -1.80 | <b>-0.1</b> |
| <b>Silver (NY)</b> (Dec)             | <b>22.705</b> | oz    | 0.05  | <b>0.2</b>  |
| <b>Gold (LON)</b>                    | <b>1773</b>   | oz    |       |             |
| <b>Platinum</b>                      | <b>1021</b>   | oz    | 45    | <b>4.6</b>  |
| <b>WTI Crude</b> (NYMEX Nov)         | <b>79.14</b>  | bbf   | 0.84  | <b>1.1</b>  |
| <b>Brent Crude</b> (ICE EUR Dec)     | <b>82.75</b>  | bbf   | 0.80  | <b>1.0</b>  |
| <b>Iron Ore</b> (Qingdao) (CHN;62%f) | <b>123.38</b> | t     | 6.36  | <b>5.4</b>  |
| <b>Iron Ore</b> (Nymex)              | <b>122.86</b> | t     | 4.76  | <b>4.0</b>  |
| <b>Copper</b> (LME 3mth Evening)     | <b>9356</b>   | t     | 81    | <b>0.9</b>  |
| <b>Nickel</b>                        | <b>19212</b>  | t     | 957   | <b>5.2</b>  |
| <b>Aluminium</b>                     | <b>2961</b>   | t     | 21    | <b>0.7</b>  |
| <b>Lead</b>                          | <b>2217</b>   | t     | 45    | <b>2.1</b>  |

## Pre-Open Announcements

### Platinum Asset Management (\* PTM)

\$22.826B FUM at 30 September against \$23.244B at the end of August.

Transactions included a \$99M redemption by one institutional client.

### Corporate Travel Management (CTD)

CTD has appointed former LHIA super senior legal officer Shelley Sorrenson as chief legal officer and company secretary, effective 22 November.

Anne Tucker, CTD's most recent chief legal officer and company secretary has resigned, effective Friday.

CTD CFO Cale Bennett has taken on the interim company secretary role until Ms Sorrenson's commencement.

### REA Group (REA)

Independent non-executive director Kathleen Conlon plan to retire from the REA board at the 11 November AGM.

Ms Conlon has been a REA director since 2007.

### CIMIC Group (CIM)

\$135M worth of new contracts recently secured by CIM's UGL. Details lodged this morning.

### CleanTeQ Water (CNQ)

CNQ has appointed Robyn McLeod as a non-executive director, effective today.

Ms McLeod is a board member for Melbourne Water, Monash Health and VicWater.

She is a former senior Victorian public service officer and former Independent Commissioner for Water Security for South Australia.

### Serko Ltd (SKO)

Confirming CFO Shane Sampson commences with SKO today. SKO appointed Mr Sampson, former Pushpay Holdings (ASX: PPH) CFO and also previous NZX CFO as SKO CFO in July.

### Summerset Group Holdings (SNZ)

September quarter sales lodged pre-trade.

### Medlab Clinical (MDC)

US 16-year patent in hand covering the use of MDC's Orotate as a treatment for depression.

### Acrux Ltd (ACR)

The ACR prilocaine 2.5% and lidocaine 2.5% cream licensing agreement with Harris Pharmaceutical has been mutually terminated due to Harris filing for Chapter 11 bankruptcy in the US.

### 8VI Holdings (8VI)

The total users tally at the end of the September quarter represented 88% year-on-year growth.

The number of subscribers rose 54% year-on-year.

### EZZ Life Science Holdings (EZZ)

CEO and executive director Luis Fernando Rodriguez Bravo



|      |       |   |     |     |
|------|-------|---|-----|-----|
| Zinc | 3152  | t | 103 | 3.4 |
| Tin  | 36125 | t | 870 | 2.5 |

### Commodities Commentary

**Oil** – prices continued higher overnight Friday, rising gas prices prompting speculation on the amount of increased crude demand to come from the power generation industry and manufacturers, among others, in the search for a cheaper alternative to gas-fuelled power and heating.

Analyst predictions of the magnitude of the substitution varied greatly.

In the meantime however, WTI crude traded as high as \$US80.11/bbl and settled at its highest price in almost seven years.

Brent and WTI closed with an almost 4% gain for the week and ~25% higher than in late August.

US petrol futures notably closed out the week ~96% higher than a year earlier.

A weekly US petroleum drill rig report, published overnight Friday, included five additional operational oil rigs, taking the oil rig tally to 433 and the overall count for in-service rigs to 533.

**Gold** – prices moved higher overnight Friday on headline figures out of the US September employment report. These were primarily viewed in relation to how they could impact a November US Federal Reserve decision, initially bolstering views asset purchase easing could be pushed back.

Key CPI updates, the release of US Federal Reserve September policy meeting minutes and the commencement of September quarter reporting season for major US stocks are expected to influence some of this week's sentiment.

**Base metals** – overnight Friday LME trade was again influenced by how select international regional gas and coal shortages and associated high energy prices, and by consequence higher crude and fuel costs, might influence metals production and processing, and for how long.

In output and export news, Chile reported exporting \$US4.157B worth of *copper* during September, higher prices meaning the value of copper exports against September 2020 was up 18.5%.

Meanwhile, Zijing Mining Group revealed it was outlaying \$C918.7M for Canadian company Neo *Lithium* Corp.

Caixin's **53.4** September **services PMI** for **China**, published Friday, represented a decisive return to expansion mode, from August's contractionary 46.7. Forecasters had been anticipated an improvement to 49.0, which would have indicated ongoing contraction.

China's September trade figures, anticipated mid-week, are expected to influence second-half week metals trade.

China's power and energy use management will also remain in focus.

#### Exchange Rates

| CURRENCIES | LAST   | +/-     | %     |
|------------|--------|---------|-------|
| AUD – USD  | 0.7306 | -0.0003 | -0.04 |
| EUR – USD  | 1.1570 | -0.0006 | -0.05 |

has resigned, effective Friday.

EZZ COO and executive director Mark Qin has been appointed interim CEO.

### Resources

#### Recharge Metals (\* REC)

Mineral exploration company scheduled to list on the ASX 2pm AEDT, following a \$5M IPO at 20c per share.

~31M quoted shares.

Three copper-based projects, one each in the WA Murchison, West Kimberley and wheatbelt regions.

#### Danakali Ltd (\* DNK)

DNK has appointed former DNK COO, CEO and non-executive director Paul Donaldson as a DNK non-executive director again, effective today.

Independent non-executive director John Fitzgerald has resigned from the DNK board.

#### Twenty Seven Co (TSC)

Heralding NSW Trident project initial rock chip sampling which, on visual observation, indicates numerous lithium bearing pegmatites.

In addition, TSC has completed a small rock chip sampling program across historical copper workings with the project area.

Assays anticipated in four – six weeks.

#### Firebird Metals (FRB)

Reporting positive ore sorting test work using ore from the WA east Pilbara Oakover manganese project.

In addition, assays from initial RC drilling are anticipated by year's end.

#### New Talisman Gold Mines (NTL)

NTL has appointed independent NTL director John Upperton as chairman.

In addition, NTL has appointed Calum Kerr Mckenzie as an independent director.

NTL CEO Matthew Hill resigned from the NTL board last week.

Company secretary Jane Bell resigned her NTL position last week, but will remain with NTL during a transition period.

#### OreCorp Ltd (ORR)

ORR has appointed Henk Diederichs as COO, a newly created role within the company.

Mr Diederichs is a former ORR VP project development.

Recently he has been Allied Gold Corp senior VP operations.

#### Besra Gold (\* BEZ)

Exploration company completed its ASX listing Friday, following a \$A10.044M IPO at 20c per share.

Opened at 21.5c and traded at 20c -22c before settling at 20.5c.

1.72M shares changed hands across 82 transactions.

171.85M quoted shares/units/CDIs.

East Malaysia Bau goldfield focus.

**Overseas Data Today & Tonight**

|              |                                |     |
|--------------|--------------------------------|-----|
| <b>Japan</b> | Machine tool orders (5pm AEDT) | Sep |
|--------------|--------------------------------|-----|

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

**Diablo Resources (\* DBO) / Arizona Lithium (AZL, formerly Hawkstone Mining [HWK])**

AZL (formerly Hawkstone Mining) spinoff and gold and copper-gold exploration company DBO is scheduled to list on the ASX midday AEDT **tomorrow**, following a \$6.5M IPO at 20c per share.

72.5M quoted shares.

Gold and copper-gold projects located in Idaho, Nevada and Utah, US.

AZL (which has only traded on the ASX as AZL since Thursday last week) is focusing on the Arizona, US Big Sandy lithium project.

**Minerals 260 (\* MI6) / Liantown Resources (LTR)**

LTR spinoff and explorer MI6 is scheduled to list on the ASX 1pm AEDT **tomorrow**, following a \$30M IPO at 50c per share.

220M quoted shares.

Targeting gold, PGE, nickel and copper mineralisation within Western Australia.

**Energy****Warrego Energy (\* WGO) / Strike Energy (STX)**

WA onshore Perth Basin EP 469 West Erregulla 2C contingent resources have been independently certified at 128PJ of (gross) gas.

Proved plus probable (2P) reserves within the Kingia reservoir have been estimated at 300PJ of gas.

WGO 50%; STX 50% and operator.

**Trading Halts**

| Company                 | Code | Resuming |
|-------------------------|------|----------|
| Alchemy Resources       | ALY  | 11 Oct   |
| Seafarms Group          | SFG  | 11 Oct   |
| Vanadium Resources      | VR8  | 11 Oct   |
| 4DS Memory              | 4DS  | 12 Oct   |
| Antilles Gold           | AAU  | 12 Oct   |
| Kalina Power            | KPO  | 12 Oct   |
| Norwood Systems         | NOR  | 12 Oct   |
| Nova Minerals           | NVA  | 12 Oct   |
| Recce Pharmaceuticals   | RCE  | 12 Oct   |
| Suvo Strategic Minerals | SUV  | 12 Oct   |

**Suspensions (selected)**

| Company                       | Code | Since  |
|-------------------------------|------|--------|
| Murray River Group            | MRG  | 1 Oct  |
| Security Matters              | SMX  | 7 Oct  |
| Stemcell United               | SCU  | 29 Sep |
| Structural Monitoring Systems | SMN  | 8 Oct  |
| Wiseway Group                 | WWG  | 1 Oct  |

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**Ex-Dividend**

| Code       | Ex-Div   | Div (c)     | Franking (%) | Yield (%) |
|------------|----------|-------------|--------------|-----------|
| <b>DGH</b> | Today    | <b>2.25</b> | 0            | 3.69      |
| <b>FGG</b> | Today    | <b>3</b>    | 100          | 1.28      |
| <b>WAX</b> | Today    | <b>4.95</b> | 100          | 5.52      |
| <b>WMA</b> | Today    | <b>2</b>    | 100          | 0.95      |
| <b>WMI</b> | Today    | <b>8</b>    | 100          | 3.20      |
| REH        | Tomorrow | 12          | 100          | 0.34      |
| GOW        | Wed      | 4           | 100          | 1.94      |
| CIW        | Thu      | 1.5         | 100          | 1.60      |
| D2O        | Thu      | 3.1         | 100          | 4.10      |
| IPC        | Thu      | 6.25        | 100          | 0.00      |
| LCE        | Thu      | 1.38        | 100          | 0.00      |
| HVN        | Fri      | 15          | 100          | 7.62      |

**Reports & Events**

(selected; all times AEDT)

| When            | Company    | Report/Event   |
|-----------------|------------|----------------|
| <b>Today</b>    | <b>VEA</b> | AGM            |
| <b>Tomorrow</b> | AZJ        | AGM            |
|                 | CSL        | AGM            |
|                 | TLS        | AGM            |
| <b>Wed</b>      | CBA        | AGM            |
|                 | BOQ        | Full year      |
|                 | CGF        | Sep Q          |
|                 | SXL        | AGM            |
| <b>Thu</b>      | ARB        | AGM            |
|                 | DUG        | AGM            |
|                 | IMD        | AGM            |
|                 | NUH        | AGM            |
|                 | LOV        | AGM (4.30pm)   |
|                 | SRG        | AGM            |
| <b>Fri</b>      | RIO        | Sep Q (8.30am) |
|                 | TWE        | AGM            |