

Markets

SFE 200 Futures (9.30am AEDT)	6091	-5	-0.1
NZX 50	12349	68	0.6
DJIA Futures	28499	-19	-0.1
S&P 500 Futures	3471	-2	-0.1
NASDAQ Futures	11741	16	0.1

Local Markets Commentary

The Australian market opens a new week's trade ahead of a week of commentary out of the International Monetary Fund/World Bank annual meetings, the commencement of a new US corporate reporting season, and a new swag of data out of China across several days, following positive overnight Friday US equities sentiment.

In addition, the US presidential election campaign will remain in central focus.

Since overnight Friday international trade, the US administration and House Speaker have confirmed no resolution from renewed fiscal support talks, but indicated negotiations would continue.

Overnight, the US administration has promoted a new proposal, for legislation to utilise unused previously-allocated business loan program funds.

Also over the weekend, the second US presidential candidate debate, scheduled for Thursday, has been cancelled, the US president has claimed full recovery from Covid-19, and the US administration has declared the US president is no longer Covid-19 contagious.

Meanwhile, Covid-19 spread and further lockdown warnings have increased across the UK and Europe.

Locally today, no major data releases are scheduled for publication.

Regionally, **China's** September foreign direct investment and vehicle sales updates are expected anytime from today.

In overnight Friday commodities trade, **oil** was pushed lower.

US **gold** futures (August) gained, trading beyond \$US 1925/oz.

Iron ore (Nymex CFR China, 62% Fe) again settled higher, approaching \$US123.50/t.

LME **copper** and most key base metals rallied between 1.3% and 3.7%.

The **\$A** appreciated to ~US72.40c after trading at US71.90c early Friday evening.

Earlier this morning, the \$A fell to ~US72.20c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28567	161	0.6
S&P 500	3447	30	0.9
NASDAQ	11580	159	1.4

Today's Stock Watch
CSR Ltd (CSR)

Selling 8.6ha of additional Horsley Park, Sydney land for \$84.3M.

Orica Ltd (ORI)

Anticipating ~\$600M full year EBIT.

Post-tax significant items (costs) are expected to tally \$130M.

Vection Technologies (VRT)

VRT's Dell-powered virtual reality product VRONE has been launched internationally via Dell and JMC Group.

Creso Pharma (CPH)

Second, \$A295,000 cannaQIX order in hand from Lupin subsidiary Pharma Dynamics South Africa.

MGC Pharmaceuticals (MXC)

MGC has shipped its first Mercury Pharma line products, including high THC formulations, directly to patients in Brazil, under a supply and distribution agreement with ONIX.

Event Hospitality & Entertainment Group (EVT)

The potential purchaser of EVT's German cinema exhibition operation Cinestart has sought to renegotiate the terms of the transaction, and to pause the condition of the divestment of six sites as directed by the German Federal Cartel Office.

Resources
Northern Star Resources (NST) / Saracen Mineral Holdings (SAR)

Diggers & Dealers – associated KCGM site visit presentation lodged post-trade Friday.

Mt Gibson Iron (MGX)

Sold 1.4Mt (wet) of iron ore during the September quarter, comprising 50% Koolan Island high-grade fines, and 50% Mid-West WA low-grade material.

\$445M cash and liquid investments.

De Grey Mining (DEG)

Heralding significant-width, high-grade intersections from WA Pilbara Hemi gold project Falcon prospect RC drilling.

Assays lodged, plus results from air core and diamond drilling.

Centaurus Metals (CTM)

High-grade and shallow mineralisation intersected during step-out and in-fill drilling across three deposits within the Brazil Jaguar nickel sulphide project. Assays, plus a Diggers & Dealers presentation, lodged this morning.

Pensana Rare Earths (PM8)

Study commissioned into establishing a rare earth oxide production facility in the UK, using ore from the Angola Longonjo project.



FTSE 100	6017	39	0.7
DAX 30	13051	9	0.1
Shanghai Comp	3272	54	1.7

Overseas Markets Commentary

Positive sentiment featured across key US equities markets overnight Friday trade, amid reports of renewed US administration willingness to negotiate potential fiscal support with Congress, with the secretary of state proposing a new \$US1.8 trillion package.

Sentiment vacillated variously through major European equities trade, with record numbers of daily Covid-19 cases again reported and a Covid-related state of emergency declared for Madrid.

Earlier Friday, Caixin's September services PMI for China exceeded forecasts and again represented expansionary mode.

Among overnight Friday **data** releases, the **UK's** August trade surplus fell to £1.4B from £1.7B.

August GDP rose 2.1% for the month, but was 9.3% lower than for August 2019.

Average GDP growth for the three months to 31 August came in at 8.0%, following a 6.8% drop for the three months to 31 July.

August industrial production improved 0.3% for the month, against a 5.2% July jump and following forecasts of a new 2.7% gain.

Output was 6.4% lower than for August 2019.

In the **US**, August wholesale inventories were reported 0.4% higher for the month, following a 0.2% July decline, and against expectations of a 0.5% rise.

Tonight in the **US**, no major data releases are scheduled amid the **Columbus Day** federal holiday.

Markets (except for bonds) will trade as normal, but some caution is anticipated, ahead of the commencement in earnest of **third quarter reporting season** tomorrow night.

In addition, **Apple** Inc is scheduled to release new iPhones overnight in the US tomorrow (early AEDT Wednesday), with this expected to influence general tech sentiment.

In weekend corporate news, the US reportedly awarded \$US486M to **AstraZeneca** to secure the development and supply of 100,000 doses of a Covid-19 antibody treatment that the US administration wants to make available to older Covid-19 patients.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1926.2	oz	31.1	1.6
Silver (NY) (Dec)	25.108	oz	1.23	5.2
Gold (LON)	1923	oz	36	1.9
Platinum	885	oz	27	3.1
WTI Crude (NYMEX Nov)	40.60	bbbl	-0.59	-1.4
Brent Crude (ICE EUR Dec)	42.85	bbbl	-0.49	-1.1
Iron Ore (NYMEX,CHN,62%)	123.49	t	1.03	0.8
Copper (LME,3mth Ind,PM)	6764	t	89	1.3
Nickel	15185	t	545	3.7
Aluminium	1848	t	44	2.4
Lead	1816	t	25	1.4

Pre-Open Announcements

Swick Mining Services (SWK)

SWK has appointed former Little World Beverages CEO Jason Marinko as MD of the company's mineral technology business Oreplore.

Acrux Ltd (ACR)

Exclusive sales, marketing and distribution agreement secured with Dash Pharmaceuticals for a pipeline ACR generic product, pending US FDA approval.

The product is being developed to compete with one that generated \$US30M worth of US sales in the year to 31 March.

Contact Energy (CEN)

CEN September operational statistics lodged this morning, including flat year-on-year mass market electricity and gas sales totalling 398GWh, and 725GWh of contracted wholesale electricity sales, against 712GWh.

Clinovel Pharmaceuticals (CUV)

Conference presentation lodged post-trade Friday.

CUV presented Friday.

AdAlta Ltd (AD1)

Presenting at the BIO Investor Forum, to be held digitally tomorrow through Thursday.

1AD added 17.3% Friday, following relatively high-volume trade, trading as high as 18.5c and settling at 15.25c, after closing out the previous week at 11c.

Seven West Media (SWM)

Pleading ignorance to an ASX price and volume query.

SWM added ~17.4% higher Friday, settling at 13.5c after closing out the previous week at 10.5c.

PYC Therapeutics (PYC)

Promising an update Thursday, plus a teleconference commencing midday AEDT that day.

Registration link lodged post-trade Friday.

Resources

Meteoric Resources (* MEI)

Further high-grade assays lodged this morning from Juruena project Cretes and Dona Maria drilling.

Terrain Minerals (* TMX)

Describing as 'exciting' Smokebush gold project maiden RC drilling results.

Monza prospect assays lodged this morning.

3D Resources (* DDD) / Cazaly Resources (* CAZ)

DDD is selling its 80% holding in the WA Pilbara Halls Creek JV copper project, to JV partner CAZ, for an initial \$250,000 cash plus \$250,000 on production.

Additional details lodged this morning.

First Graphene (FGR)

Founding MD Craig McGuckin is planning to retire in three



Zinc	2425	t	45	1.9
Tin	18235	t	98	0.5

Commodities Commentary

Oil – since Friday night trade, Libya’s National Oil Corporation has lifted force majeure for the Sharara oil field, indicating near-term production and exports confidence.

In addition, US Gulf of Mexico onshore and offshore petroleum sector operations have reported remobilisation activity.

Prices fell overnight Friday in part from the end of 10 days of industrial action which had shut in six offshore Norway oil fields.

Among other considerations, hurricane Delta headed through the US Gulf of Mexico towards the Louisiana coast, following the shutdown of an estimated 92% of Gulf oil, and 62% of natural gas, production .

Damage was yet to be assessed, and onshore support activity and processing facilities were expected to be impacted from Saturday due to a storm surge, Category 2 winds and extraordinary rainfall.

Meanwhile, ongoing reports of increasing daily Covid-19 cases in various regions impacted oil and refined fuel demand outlooks.

In addition, a media survey estimated OPEC members had boosted crude production by a daily 160,000bbl during September.

Prices also swung Friday, on renewed US fiscal support negotiations following the US administration’s new \$US1.8 trillion proposal, followed by new doubts about whether any legislation could be effected before the 3 November presidential election.

A weekly US petroleum drill rig count, published overnight Friday, including four additional operating oil rigs, pushing that tally to 193.

Tomorrow night, OPEC publishes its monthly oil report.

The International Energy Agency’s (IEA) October oil report is scheduled for release Wednesday.

Gold – reports of renewed negotiations towards legislated additional US fiscal stimulus, and a weakening \$US, supported overnight Friday gold sentiment.

A cocktail of anticipated trade influences across the new week includes:

- US presidential campaign developments;
- Covid-19 containment views;
- a new US corporate reporting season;
- an impending UK-EU negotiations deadline, an imposing schedule of US Federal Reserve, International Monetary Fund (IMF) and European Central Bank (ECB) public commentary; and
- material data releases out of China and the US.

Base metals – new data for China, a weaker \$US, renewed US fiscal support optimism, and the reopening of China’s markets following a holiday week, appeared to support overnight LME trade.

In addition, *copper* supply was again in focus, with industrial action commencing at Lundin Mining’s Candelaria copper project, Chile, and other talks at Chile copper projects needing to be resolved by year’s end.

Meanwhile, contract negotiations were expected to continue at the BHP-operated Escondida operation (Chile) after an offer was

months.

Trading Halts

Company	Code	Resuming
DGR Global	DGR	12 Oct
Frontier Digital Ventures	FDV	12 Oct
Galium Lithium	GLN	12 Oct
Hot Chili	HCH	12 Oct
AD1 Holdings	AD1	13 Oct
Azure Minerals	AZS	13 Oct
Carnavale Resources	CAV	13 Oct
Castle Minerals	CDT	13 Oct
Element 25	E25	13 Oct
Manhattan Corporation	MHC	13 Oct
Beam Communications Holdings	BCC	14 Oct
Magnum Mining & Exploration	MGU	14 Oct
Raiden Resources	RDN	15 Oct
Warrego Energy	WGO	15 Oct

Suspensions *(select)*

Company	Code	Since
The Agency Group Australia	AU1	5 Oct
East Energy Resources	EER	18 Sep
Funtastic Ltd	FUN	5 Oct
Kaiser Reef	KAU	17 Sep
Lincoln Minerals	LML	21 Sep
Macarthur Minerals	MIO	12 Oct
Metalicity Ltd	MCT	2 Oct
Phoslock Environmental Technologies	PET	21 Sep
Quantum Graphite	QGL	2 Oct
Riedel Resources	RIE	22 Sep
Vault Intelligence	VLT	9 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FGG	Today	2	100	1.12
WAX	Today	4.9	100	3.22
WMI	Today	6	100	1.81
BOA	Tomorrow	8	0	0.00
GOW	Tomorrow	3	100	6.62
BKW	Wed	39	100	2.87
MAH	Wed	0.35	30	3.06
PPK	Wed	1	100	0.51
AVG	Thu	2.7	62.96	3.81
D2O	Thu	2.9	100	2.04



reportedly rejected Friday.

Caixin's September services PMI for **China**, published Friday, came in at 54.8 from 54.0 for August, following forecasts of 53.

Influential data out of China this week is expected to influence some trade, but broader international demand-supply will also be kept in focus by Covid-19 developments across several continents.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7230	-0.0010	-0.14
EUR – USD	1.1816	-0.0016	-0.13

Overseas Data Today & Tonight

China	<i>Foreign Direct Investment (FDI)</i>	Jan - Sep
<i>China</i>	<i>New vehicle sales</i>	Sep
Japan	Bank lending	Sep
Japan	Producer prices	Sep
Japan	Machinery orders	Aug

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.

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	CEN	Sep ops update
	MGX	Sep Q
	ORI	Full year update
Tomorrow	CBA	AGM
	EBO	AGM
	SKT	AGM
	ST1	AGM
	TLS	AGM
Wed	AFI	AGM
	AZJ	AGM (3pm)
	BHP	AGM
	CWY	AGM
	CSL	AGM
Thu	ARB	AGM
	AD8	AGM
	CLQ	AGM
	IMD	AGM
	PPT	AGM
	PYC	Update (tele midday)
	S32	AGM
TCL	AGM	
Fri	ILU	AGM
	RIO	AGM (8.30am)
	SKC	AGM