

Markets

SFE 200 Futures (9.30am AEDT)	7237	-27	-0.4
NZX 50	12994	-25	-0.2
DJIA Futures	34364	-12	0.0
S&P 500 Futures	4348	-3	-0.1
NASDAQ Futures	14688	-12	-0.1

Local Markets Commentary

The Australian market commences today's trade with a continuing stronger \$A, ahead of key domestic and regional economic reports, and following negative overnight US equities sentiment.

Locally, the NAB monthly **business conditions and expectations** survey report is expected **11.30am AEDT**.

Regionally today, **Japan** is scheduled to report **September producer prices** and bank lending **10.50am AEDT**.

The **Bank of Korea** is due to announce the outcomes of today's monetary policy meeting **midday**, after boosting its base interest rate by 0.25% to 0.75% in August.

This afternoon, Japan conducts a **30-year bond auction**.

In overnight commodities trade, **oil** continued higher.

US **gold** futures again settled slightly lower.

Iron ore (China port CFR, 62% fines) rallied further, beyond \$US135.00/t.

No LME price updates were available from IRESS at time of publication.

LME (3mth evening) **copper** reportedly added ~1.8% to Friday's settlement, however. **Nickel** was reported to have declined ~0.7%. **Aluminium** reportedly closed ~3% higher, after trading as high as \$US3072.5/t.

Comex copper rose US9c/lb to \$US4.37/lb.

The **\$A** rose to ~US73.45c after trading at ~US73.40c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	34496	-250	-0.7
S&P 500	4361	-30	-0.7
NASDAQ	14486	-93	-0.6
FTSE 100	7147	51	0.7
DAX 30	15199	-7	-0.1
Shanghai Comp	3592	-0.46	-0.0

Overseas Markets Commentary

Sentiment varied across major European, UK and US equities markets overnight, amid a plethora of energy supply and cost commentary, broadening industrial and food supply concerns, and associated inflation and monetary policy speculation, during a

* US-focused **mineral exploration** listing – **midday AEDT – DBO** *

* WA-focused **mineral exploration** listing – **1pm AEDT – MI6** *

Today's Stock Watch
Commonwealth Bank of Australia (CBA)

Final remedial action plan independent review report lodged pre-trade.

AMP Ltd (AMP)

AMP has appointed Providential Financial chair Patrick Snowball as AMP Capital Private Markets chair designate, and former Deutsche Asset Management Australia chair Andrew Fay as deputy chair designate.

Telstra Corporation (TLS)

Today's AGM materials lodged pre-trade.

CSL Ltd (CSL)

Today's AGM materials lodged pre-trade.

Comprehensive R&D investor briefing scheduled for 19 October (Tuesday next week).

Air New Zealand (AIZ)

New Zealand government cargo flights support five-month extension secured until 31 March.

DDH1 Ltd (DDH) / Swick Mining Services (SWK)

Proposing, under a DDH indicative proposal, to merge their drilling businesses, with SWK shareholders owning ~19.7% of the resulting entity. DDH proposes to offer 0.2970 DDH shares for each SWK share, valuing the SWK drilling business at \$115M (35c per share). DDH has traded at \$1.11 - \$1.24 over the past five sessions and SWK at 26.5c – 27c.

Resources
Newcrest Mining (NCM)

The NCM board has endorsed the British Columbia, Canada Red Chris Block Cave gold and copper project PFS, and approved subsequent feasibility studies.

Macro Block 1 feasibility outcomes are expected during second-half FY23. NCM holds 70% and is project operator.

Comprehensive PFS statistics lodged pre-trade.

Aurelia Metals (AMI)

Heralding copper-gold intersections from NSW Great Cobar deposit extensional drilling, plus Kairos, Dargues, and Federation project drilling results. Assays lodged pre-trade.

Energy
Energy Resources of Australia (ERA) / Rio Tinto (RIO)

ERA September quarter activities report lodged pre-trade, highlighting ongoing Northern Territory Ranger project rehabilitation.

federal government holiday in the US.

Choppy trade again featured in Europe, the UK's FTSE 100 trended higher in second half trade to settle at session highs, and key US indices headed lower following early gains, ultimately closing at or near session lows.

In quieter US trade, the \$US attracted some safe-haven interest and remained near one-year peaks.

Over the weekend, Goldman Sachs had released reduced US GDP forecasts. For 2021, the group now expects 5.6% growth, from the previous 5.7% forecast, and for 2022, a 4% advance, from 4.4%.

Goldman Sachs cited longer-than-previously-anticipated Covid-19 adverse impacts and a decline in fiscal support.

In scant overnight/late-Monday (AEDT) data releases, Japan reported a 71.9% year-on-year increase in September machine tool orders. Forecasters had anticipated an 80% improvement.

There were no major data releases in the US due to the Columbus Day federal holiday.

Tonight in the US, a business optimism index, August job openings report and consumer inflation expectations are due.

A 10-year US treasury note auction is also scheduled.

Elsewhere, September wholesale prices are due for Germany.

In overnight corporate news, **Merck & Co** formally applied for US emergency approval for its oral antiviral drug, designed as a Covid-19 treatment.

AstraZeneca reported that its twin antibody treatment AZD7442 had demonstrated in trials the ability to reduce deterioration risk in early-term Covid-19 patients.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1755.7	oz	-1.70	-0.1
Silver (NY) (Dec)	22.665	oz	-0.04	-0.2
Gold (LON) (8 Oct)	1773	oz		
Platinum	1001	oz	-20	-2.0
WTI Crude (NYMEX Nov)	80.52	bbl	1.17	1.5
Brent Crude (ICE EUR Dec)	83.65	bbl	1.26	1.5
Iron Ore (Qingdao) (CHN;62% <i>f</i>)	135.03	t	11.65	9.4
Iron Ore (Nymex)	130.24	t	7.38	6.0
Copper (LME 3mth Evening, 8 Oct)	9356	t		
Nickel	19212	t		
Aluminium	2961	t		
Lead	2217	t		
Zinc	3152	t		
Tin	36125	t		

Commodities Commentary

Oil – prices continued to gain overnight, Brent crude trading as high as \$US84.60/bbl, an ~three-year peak, and WTI at \$US82.18/bbl, an ~seven-year high.

Meanwhile, the US administration continued to promote its view that oil producing nations could 'do more' to alleviate supply and price concerns.

Analysts estimated elevated natural gas prices and coal shortages

Pre-Open Announcements

Family Zone Cyber (* FZO)

September quarter contract values tallied \$5.9M on an annual basis.

Additional September quarter statistics lodged pre-trade.

Reece Ltd (* REH)

Trades ex-dividend (12c) today.

REH settled at \$17.73 yesterday after closing out the September quarter at \$19.13.

Brickworks Ltd (* BKW)

Forum presentation lodged post-trade yesterday.

BKW is presenting today.

People Infrastructure (PPE)

PPE has appointed US-headquartered RPS Australia Asia Pacific CEO Ross Thompson as CEO.

Mr Thompson will commence with PPE 25 October.

PPE has traded higher the past four sessions, settling at \$4.25 yesterday after adding 19c (4.68%) for the session.

ikeGPS Group (IKE)

\$1.6M contract extension secured with a communications customer in mid-west US.

Details lodged pre-trade.

COG Financial Services (COG)

Expecting \$4.7M Q1 FY22 NPATA.

Resources

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, 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, following a \$30M IPO at 50c per share.

220M quoted shares.

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

Hannans Ltd (HNR)

Conducting a fully underwritten \$5.5M, 2.5c-per-share rights issue, in support of the potential commercialisation of lithium-ion battery recycling in Denmark, Finland, Norway and Sweden.

Neometals (ASX: NMT) will subscribe for \$1.8M worth of rights

could lift electricity generation demand for oil by up to 750,000bbl/d.

Gold – overnight trade was impacted by a buoyant \$US at ~one-year highs, varying inflation and monetary policy predictions and the US federal government holiday.

Material international data releases and US Federal Reserve policy meeting minutes are expected to also drive sentiment for the remainder of the week.

Base metals – China’s power and energy use management, remained in focus overnight.

Together with reports of growing power shortages in India, and power costs in the Netherlands prompting an aluminium producer there to suspend production, this pushed LME *aluminium* prices to 13-year peaks.

On the flip side, some warned of falling demand in China and pointed to seemingly adequate inventory figures.

Among other demand commentary, producer Codelco offered it had not yet noticed any fall in demand for *copper* and was expecting to produce up to 3% more copper during 2021 than initially anticipated.

Reports emerged however, that Codelco was seeking to sell copper into Europe during 2022 at prices not seen for seven-years. China’s September trade figures, expected tomorrow, are expected to influence second-half week metals trade and potentially produce some caution tonight. Producer prices, due Thursday, are also keenly anticipated.

In addition, some volatility is anticipated this week, due to reactions to metals sector stakeholders participating in LME week in London.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7352	0.0034	0.46
EUR – USD	1.1552	-0.0020	-0.17

Australian Data Today

NAB	Business conditions & expectations	Sep
-----	------------------------------------	-----

US Data Tonight

NFIB business optimism	Sep
JOLTS job openings	Aug
Consumer inflation expectations	Sep

Other Overseas Data Today & Tonight

Japan	Producer prices	Sep
Japan	Bank lending	Sep
South Korea	Bank of Korea policy meeting outcomes	12 Oct
UK	Unemployment claims	Sep
UK	Unemployment	Aug
UK	Average earnings	Aug

issue shares to maintain its 33% HNR shareholding.

HNR is resuming from a trading halt after trading as high as 3.3c Friday last week following the announcement of an MoU covering the recycling plans.

HNR subsequently settled at 2.9c Friday, gaining 26.09% for the session.

Ramelius Resources (RMS) / Westar Resources (WSR)

WA goldfields Mt Finnerty gold project RC drilling program underway.

RMS is proposing to earn up to 75% of the project.

Auteco Minerals (AUT)

Forum presentation scheduled for 10.05am AEDT **today**.

Registration details lodged post-trade yesterday.

Prodigy Gold (PRX)

PRX interim executive chair Matt Briggs has resigned, effective at the conclusion of a three-month notice period.

As previously flagged, Mr Briggs plans to step down from the interim chair role at the AGM or whenever a new chair has been appointed.

Recharge Metals (REC)

Mineral exploration company completed its ASX listing yesterday, following a \$5M IPO at 20c per share.

Opened at 18.5c and traded at 16.5c – 19.5c before settling back at 18.5c.

~2.53M shares changed hands across 151 transactions.

~31M quoted shares.

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

Energy

Buru Energy (BRU)

No oil has been recovered from WA Canning Basin Currajong 1 swab testing.

A Currajong 1 review will include the significance of a hydrogen zone encountered.

Meanwhile, a 70,000bbl loading of Ungani oil is expected to be completed today.

Rafael 1 drilling update also lodged post-ASX trade yesterday.

Ungani 8 drilling will follow Rafael 1 completion.

Grand Gulf Energy (GGE)

Keith Martens has joined the GGE board as MD.

GGE director Chris Bath has resigned from the GGE board, effective yesterday.

Trading Halts

Company	Code	Resuming
4DS Memory	4DS	12 Oct
Antilles Gold	AAU	12 Oct
Kalina Power	KPO	12 Oct
Norwood Systems	NOR	12 Oct
Recce Pharmaceuticals	RCE	12 Oct



Germany	Wholesale prices	Sep
Germany	ZEW economic sentiment index	Oct
Germany	ZEW current conditions	Oct
Euro zone	ZEW economic sentiment index	Oct

Need More Information?

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

Suvo Strategic Minerals	SUV	12 Oct
Australasian Gold	A8G	13 Oct
First Au	FAU	13 Oct
Gascoyne Resources	GCY	13 Oct
Holista Colltech	HCT	13 Oct
Pantera Minerals	PFE	13 Oct
Predictive Discovery	PDI	13 Oct
PVW Resources	PVW	13 Oct
Wellfully Ltd	WFL	13 Oct

Suspensions *(selected)*

Company	Code	Since
Murray River Group	MRG	1 Oct
Seafarms Group	SFG	11 Oct
Security Matters	SMX	7 Oct
Stemcell United	SCU	29 Sep
Structural Monitoring Systems	SMN	8 Oct
Wiseway Group	WWG	1 Oct

Ex-Dividend

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
REH	Today	12	100	0.34
GOW	Tomorrow	4	100	1.94
CIW	Thu	1.5	100	1.59
D2O	Thu	3.1	100	4.01
IPC	Thu	6.25	100	0.00
LCE	Thu	1.38	100	0.00
HVN	Fri	15	100	3.99

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	AZJ	AGM
	CSL	AGM
	ERA	Sep Q
	FZO	Sep Q
	LEG	Sep Q
	TLS	AGM
Tomorrow	CBA	AGM
	BOQ	Full year
	CGF	Sep Q
	SXL	AGM
Thu	ARB	AGM
	DUG	AGM
	IMD	AGM
	NUH	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.

	LOV	AGM (4.30pm)
	SRG	AGM
Fri	RIO	Sep Q (8.30am)
	TWE	AGM