

**Markets**

<b>SFE 200 Futures</b> (9.30am AEDT)	7261	14	0.2
<b>NZX 50</b>	13031	35	0.3
<b>DJIA Futures</b>	34206	-54	-0.2
<b>S&amp;P 500 Futures</b>	4330	-11	-0.3
<b>NASDAQ Futures</b>	14606	-48	-0.3

**Local Markets Commentary**

The Australian market opens mid-week trade with new domestic and regional data post-yesterday's close, a key domestic economic report due this morning, and influential figures out of China this afternoon.

Overnight international equities sentiment proved negative.

**Locally** post-ASX trade yesterday, HIA revealed **new home sales** had risen 2.3% during September, following a 5.8% August increase and against expectations of a 2.0% fall.

**Today**, Westpac and the Melbourne Institute publish their monthly **consumer sentiment** report, **10.30am** AEDT.

In addition, the Australian Bureau of Statistics releases additional information regarding June building activity, at **11.30am**.

**Regionally** today, **China** is expected to report September **trade balance** and associated figures at **2pm** AEDT.

Post-ASX trade yesterday, China's September **vehicle sales** were reported 19.6% lower than for September 2020. Forecasters had anticipated a 15% drop.

In **Japan**, October Tankan indices are anticipated this morning, on the ASX open.

In overnight commodities trade, Brent **crude** turned modestly lower. WTI continued higher, but slightly so.

US **gold** futures also settled with a slight gain.

**Iron ore** (China port CFR, 62% fines) swung lower, beneath \$US130/t.

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

LME (3mth evening) **copper** reportedly fell ~1.0%, however. **Nickel** was reported to have extended Monday's fall by ~0.7%.

**Aluminium** reportedly continued to rise, but by a slight ~0.2%.

Comex copper declined 0.9% to \$US4.26/lb.

The **\$A** fell below US73.55c after approaching US73.70c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34378	-118	-0.3
<b>S&amp;P 500</b>	4351	-11	-0.2
<b>NASDAQ</b>	14466	-20	-0.1
<b>FTSE 100</b>	7130	-17	-0.2
<b>DAX 30</b>	15147	-52	-0.3

**\* WA Pilbara iron ore exploration listing – 1pm AEDT – EQN \***

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

Today's AGM materials lodged pre-trade.

**Bank of Queensland (BOQ)**

22c fully franked final dividend from 12c a year ago. 221% higher, \$369M full year NPAT. 14% higher, \$1.253B revenue.

In addition, BOQ has appointed recent AMP (ASX: AMP) chief risk officer and former ANZ Bank NZ CEO Jenny Fagg as a non-executive director. Director John Lorimer plans to retire from the BOQ board at this year's AGM.

**Challenger Ltd (CGF)**

AUM rose 3% to \$113B during the September quarter.

FUM grew 2%.

Additional statistics and commentary lodged pre-trade.

**Transurban Group (TCL)**

The recent retail entitlement offer 28.6M share shortfall book-build attracted a \$13.30 price, against the \$13.00 offer price. The retail offer ultimately raised ~\$1.068B.

**360 Capital Group (TGP)**

TGP is selling its balance 39.1% FibreconX holding, plus 50% of the 360 Capital FibreconX Trust management rights, for a total \$26.7M, representing a 177% IRR.

TGP expects to hold \$95M cash following settlement.

**Lovisa Holdings (LOV)**

MD and CEO Shane Fallscheer has decided to step down after heading the company since 2010. LOV has consequently appointed recent Clarks chairman and CEO Victor Herrero as CEO. Mr Fasslcheer will remain with LOV during a transition period. He will cease being MD, effective tomorrow, enabling LOV to appoint Mr Herrero as an LOV director from then.

**The Star Entertainment Group (SGR)**

SGR is again refuting media allegations, this time that KPMG reports prepared in 2018 'were kept secret and not adequately acted on'. Details, including results of the most recent regular independent review, lodged post-trade yesterday. SGR has traded lower the past four sessions, as low as \$3.14 yesterday, before settling at \$3.21.

**Resources**
**Red River Resources (RVR)**

Produced a record 4411t of Thalanga copper concentrate during the September quarter, 8% more than a year earlier, and 24% more than for the June quarter. Lead and zinc concentrate output tallied 1984t and 7539t respectively.

RVR also produced 1179oz of Hillgrove gold.



Shanghai Comp 3547 -45 -1.3

## Overseas Markets Commentary

Major European, UK and US equities markets traded lower for most of their respective sessions overnight, but vacillations pointed to a cocktail of trader considerations.

In Germany, E.ON suspended new natural gas supply contracts for residential customers, citing procurement costs, and joining two other but smaller energy supply firms which had reportedly cancelled hundreds of new contracts earlier this month.

Yesterday, China property developer Evergrande was reported to have missed another scheduled round of debt payments, the third failure to deliver payments in as many weeks.

As foreshadowed last week, the International Monetary Fund (IMF) reduced its 2021 global GDP growth forecast by 0.1% to 5.9%, but announced significantly greater revisions to forecasts for individual nations.

The IMF's *World Economic Outlook* report included a forecast of 6% 2021 GDP growth for the US, down from 7% (July forecast), citing supply constraints, and raised the euro zone growth prediction from 4.6% to 5.0%.

Supply chain jams, higher prices and Covid-19 variants against inequitable vaccination availability featured among international risks listed by the IMF.

In also cutting forecasts for Germany, Japan and the UK, the IMF noted an overall increased risk for economic prospects, but described the divergence between some nations as both 'dangerous' and of 'major concern'.

The IMF predicted 4.9% inflation for developing and emerging nations mid-2022, against a retreat to 2.0% for advanced economies by then.

For the near-term however, the IMF determined that in general inflation risks were 'skewed to the upside' while growth risks were 'tilted to the downside'.

In association, the IMF warned of tricky times for central banks in deciding on any policy change.

Earlier yesterday, the **Bank of Korea** had retained its key interest rate at 0.75%, but indicated a potential increase by year's end, after raising the rate by 0.25% in August.

Also overnight, the US House of Representatives prepared to vote on the temporary \$US480B raising of the US debt limit to \$US28.9 trillion, as approved by the Senate last week.

Among overnight **data** releases, a ZEW economic sentiment index for the **euro zone** plunged 10.1 points to 21.0 following forecasts for a larger decline to 20.0.

The same index for **Germany** dropped 4.2 points to 22.3 following forecasts for a fall to 22.6, the sub-component conditions index tumbling 10.3 points to 21.0

Germany's September wholesale prices rose 0.8% for the month, following a 0.5% August increase.

Against September 2020, prices were up 13.2%.

In the **UK**, unemployment claims fell by 51,100 during September.

The August unemployment rate was calculated 0.1% lower, at 4.5%.

## Pre-Open Announcements

### Bubs Australia (\* BUB)

Total gross revenue rose 45% during the September quarter, to \$18.5M. \$28.3M cash reserves.  
Additional statistics lodged pre-trade.

### Michael Hill International (\* MHJ)

September quarter same store sales (\$A102.2M) came in 15.5% higher than for the September quarter last year.  
All store sales (\$A107.6M) were down 10%, due to a 20% net loss of trading days against the September quarter 2020.  
Breakdown statistics lodged for Australia, Canada and New Zealand post-trade yesterday.

### Centuria Office REIT (\* COF)

September quarter operating statistics and guidance confirmation lodged pre-trade.

### GUD Holdings (\* GUD)

Conference presentation lodged post-trade yesterday.  
GUD is presenting today.

### Select Harvests (\* SHV)

Conference presentation lodged post-trade yesterday.  
SHV is presenting today.

### Plato Income Maximiser (PL8)

Paying three full franked 0.5c dividends, one each this month, November and December.  
This means the total dividends planned for the December quarter will be 11.5% greater than for the September quarter.

### Sovereign Cloud Holdings (SOV)

\$10.6M cash on hand at 30 September.  
\$1.06M revenue achieved during the September quarter, 43% more than for the June quarter.  
Additional statistics lodged post-trade yesterday.

## Resources

### Equinox Resources (\* EQN) / Pathfinder Resources (PF1) /Cazaly Resources (CAZ)

WA Pilbara iron ore explorer and PF1-CAZ spinoff EQN is scheduled to list on the ASX **1pm** AEDT, following a \$9M IPO at 20c per share.

45M quoted shares.

PF1 holds 36.65%. CAZ subsidiary Lockett Fe holds 15.71%.

EQN holds the 10.4sq km Hamersley iron ore project (ML47/1450) formerly owned by PF1 (70%) and Lockett Fe (30%).

### PVW Resources (\* PVW)

Heralding WA Tanami project Killi Killi East and Watts Rise prospects high-grade rare earth rock chip sampling assays.

### Poseidon Nickel (\* POS)

MoU secured with Pure Battery Technologies (PBT) to assess



Average earnings (excluding bonuses) were reported to have risen 6% during August, in line with expectations and following a 6.8% July increase.

The figures prompted supported views of a sooner-rather-than-later rate rise by the Bank of England.

Meanwhile, previous Bank of England governor and now UN climate envoy Mark Carney spoke of the need for the finance industry to step up at the Glasgow climate change conference.

In the **US**, a business optimism index slipped one point to 99.1, following forecasts for 100.0.

A September consumer inflation expectations report calculated 5.3% expected inflation growth among survey participants, in line with forecasts and up 0.1% from August.

An August job openings report estimated 10.439M opportunities from 11.098M in July, and against forecasts for 10.8M.

The rate of workers leaving jobs rose to 2.9% from 2.7% in July, this mostly attributed to employees fearing contracting Covid-19 at work.

In the meantime, a US 10-year treasury note auction produced a 1.548% yield from 1.338% previously.

Yesterday afternoon (AEDT), **Japan** conducted a 30-year bond auction which delivered a 0.702% yield from 0.653%.

**Tonight** in the US, minutes from the Federal Reserve September monetary policy meeting and a September CPI reading are keenly anticipated.

Weekly mortgage applications are also due.

Elsewhere, the UK updates GDP growth and reports August trade and industrial production figures.

In addition, Germany hosts a 30-year bond auction.

Companies scheduled to report earnings later today or tonight include: Blackrock, Delta Airlines, Goldman Sachs, Infosys, JPMorgan Chase, Sakata Seed Corp and Wipro.

### Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1759.3</b>	oz	3.6	<b>0.2</b>
<b>Silver (NY)</b> (Dec)	<b>22.514</b>	oz	-0.15	<b>-0.7</b>
<b>Gold (LON)</b>	<b>1758</b>	oz		
<b>Platinum</b>	<b>1001</b>	oz	0	0.0
<b>WTI Crude</b> (NYMEX Nov)	<b>80.64</b>	bbbl	0.12	<b>0.1</b>
<b>Brent Crude</b> (ICE EUR Dec)	<b>83.42</b>	bbbl	-0.23	<b>-0.3</b>
<b>Iron Ore</b> (Qingdao) (CHN;62% <i>f</i> )	<b>129.00</b>	t	-6.03	<b>-4.7</b>
<b>Iron Ore</b> (Nymex)	<b>126.42</b>	t	-3.82	<b>-3.0</b>
<b>Copper</b> (LME 3mth Evening, 11 Oct)	<b>9537</b>	t		
<b>Nickel</b>	<b>19113</b>	t		
<b>Aluminium</b>	<b>3061</b>	t		
<b>Lead</b>	<b>2225</b>	t		
<b>Zinc</b>	<b>3230</b>	t		
<b>Tin</b>	<b>36361</b>	t		

### Commodities Commentary

**Oil** – general economic recovery fears, associated with energy supply and prices, and further fuelled by the International Monetary Fund's *World Economic Outlook* release, constrained

the potential for PBT to use POS Black Swan and/or Lake Johnston proposed nickel concentrate output.

PBT plans to build and operate a battery material refinery in Kalgoorlie, Western Australia.

### Pantoro Ltd (PNR)

WA Norseman gold project processing facility approvals in hand, enabling construction to commence.

### Copper Mountain Mining Corp (\* C6C)

Queensland Mt Isa region Cameron copper project drilling across three targets has delivered several significant-width intersections.

Assays lodged post-trade yesterday.

### Turaco Gold (\* TCG)

Heralding a Côte d'Ivoire gold discovery following Eburnea gold project Satama permit auger drilling.

Details, including shallow, high-grade gold assays from across 4.5km of strike, lodged pre-trade.

### De Grey Mining (DEG)

Withnell, Calvert and Gillies RC drilling results and commentary lodged pre-trade.

In addition, Geemas prospect air core drilling is underway as of this week.

### Perseus Mining (PRU)

Ghana Edikan gold project Nkosuo prospect drilling results lodged pre-trade.

Initial Nkosuo resource anticipated by 31 March 2022.

### Catalyst Metals (CYL)

Produced 6775oz of gold at a \$1621/oz C1 cash cost during the September quarter. Revenue tallied \$15.7M.

Details, including the quarterly ASIC, to be included in the September quarter activities report to be released later this month.

### Calidus Resources (CAI)

Scheduled to present at a conference tomorrow, when the presentation will be made available.

### Thomson Resources (TMZ)

Conference presentation lodged post-trade yesterday.

TMZ will be presenting at two international virtual conferences, scheduled for this week and next.

### Castile Resources (CST)

Investor presentation and drilling plans lodged post-trade yesterday.

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

AZL (formerly Hawkstone Mining) spinoff and gold and copper-gold exploration company DBO completed its ASX listing yesterday, following a \$6.5M IPO at 20c per share.

Opened at 20c and traded at 17c – 20.75c before settling at 17c.

~5.51M shares changed hands across 525 transactions.

72.5M quoted shares.



overnight crude prices.

Prices swung intra-session however, Brent crude trading at \$US82.72/bbl - \$US84.23/bbl and WTI at \$US79.47/bbl - \$US81.62/bbl.

OPEC's monthly oil market report is scheduled for release tonight.

In addition tonight, the International Energy Agency (EIA) is expected to publish its annual *World Energy Outlook* report.

The EIA's monthly oil market publication is anticipated tomorrow night.

A weekly US petroleum inventories report from US government agency the EIA is not anticipated until tomorrow night.

**Gold** – overnight prices appeared mostly pushed and pulled by new growth and risk forecasts contained in the International Monetary Fund's *World Economic Outlook* release, and a stronger \$US (ICE \$US +0.2%).

**Base metals** – overnight trade was influenced by supply and demand indications, a stronger \$US and a broad focus on international economic growth recovery.

Among the supply and demand forecasters, the International Lead & Zinc Study Group offered both the lead and zinc markets would be slightly oversupplied for 2021 through 2022.

Meanwhile, Yangshan *copper* import premiums were reported at \$US130/t, not seen since 2014.

The LME three-month cash copper premium was reported at \$US70/t, the most since 2015.

Inventories for copper in both China and LME-registered warehouses were again reported lower.

**China's** September **trade** figures, due today, are expected to influence at least some of tonight's trade. Producer prices, due tomorrow, are also keenly anticipated.

Yesterday, Japan reported a 0.3% rise in producer prices during September.

Against September 2020, prices were up 6.3%.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7349	0.0001	0.02
<b>EUR – USD</b>	1.1533	-0.0024	-0.20

### Australian Data Today

Westpac/Melb Inst	Consumer sentiment	Oct
ABS	Building activity (addtl info)	Jun

### US Data Tonight

Federal Reserve policy meeting minutes	Sep
CPI	Sep
MBA mortgage applications	8 Oct

### Other Overseas Data Today & Tonight

<b>China</b>	Trade balance	Sep
<b>Japan</b>	Tankan indices	Oct

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

AZL is focusing on the Arizona, US Big Sandy lithium project.

### Minerals 260 (MI6) / Liontown Resources (LTR)

LTR spinoff and explorer MI6 completed a successful ASX listing yesterday, following a \$30M IPO at 50c per share.

Opened at 74.5c and traded at 60c – 75c before settling at 60c. 16.54M shares changed hands across 3104 transactions.

220M quoted shares.

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

### Trading Halts

Company	Code	Resuming
First Au	FAU	13 Oct
Gascoyne Resources	GCY	13 Oct
Wellfully Ltd	WFL	13 Oct
Bounty Oil & Gas	BUY	14 Oct
Charger Metals	CHR	14 Oct
Kingwest Resources	KWR	14 Oct
Lodestar Minerals	LSR	14 Oct
Neurotech International	NTI	14 Oct
Viagold Rare Earth Resources Holdings	VIA	15 Oct

### Suspensions (selected)

Company	Code	Since
4DS Memory	4DS	12 Oct
Kalina Power	KPO	12 Oct
Murray River Group	MRG	1 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 (%)
<b>GOW</b>	Today	4	100	1.92
CIW	Tomorrow	1.5	100	1.59
D2O	Tomorrow	3.1	100	4.15
IPC	Tomorrow	6.25	100	0.00
LCE	Tomorrow	1.38	100	0.00
HVN	Fri	15	100	4.04
RHP	Fri	13	43.07	0.60





Japan	Machinery orders	Aug
UK	GDP	Aug
UK	Trade balance	Aug
UK	Industrial production	Aug
Germany	CPI (final)	Sep
Euro zone	Industrial production	Aug

**Need More Information?**

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**Reports & Events**

(selected; all times AEDT)

When	Company	Report/Event
<b>Today</b>	<b>CBA</b>	AGM
	<b>BOQ</b>	Full year
	<b>BUB</b>	Sep Q
	<b>CGF</b>	Sep Q
	<b>SXL</b>	AGM
<b>Tomorrow</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