

Markets

| | | | |
|--------------------------------------|-------|-----|-------------|
| SFE 200 Futures (9.30am AEDT) | 6186 | -13 | -0.2 |
| NZX 50 | 12457 | -30 | -0.2 |
| DJIA Futures | 28395 | 0 | 0.0 |
| S&P 500 Futures | 3477 | 2 | 0.0 |
| NASDAQ Futures | 11892 | 18 | 0.2 |

Local Markets Commentary

The Australian market opens Friday trade with today's national cabinet meeting cancelled, no major domestic or regional data releases, and the two US presidential candidates due to televise separate 'town hall' (Q&A) events from 11am AEDT.

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

US **gold** futures (August) settled slightly higher.

Iron ore (Nymex CFR China, 62% Fe) continued this week's decline.

LME **copper** picked up the pace of Wednesday's gain. **Nickel** turned lower. **Aluminium** swung higher.

The **\$A** fell to ~US70.80c early yesterday evening.

Earlier this morning, the **\$A** approached US71.00c.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|------|-------------|
| Dow Jones | 28494 | -20 | -0.1 |
| S&P 500 | 3483 | -5 | -0.2 |
| NASDAQ | 11714 | -54 | -0.5 |
| FTSE 100 | 5833 | -103 | -1.7 |
| DAX 30 | 12704 | -324 | -2.5 |
| Shanghai Comp | 3332 | -9 | -0.3 |

Overseas Markets Commentary

Major European equities markets dropped on opening overnight, amid ongoing announcements of new Covid-19 containment restrictions across many regions, including London and Paris, coupled with some disappointing sales and outlook figures in high-profile corporate earnings reports.

Underscoring concerns, the European Central Bank president described the euro zone as remaining 'in the long grass for the moment', and the European Commissioner left a keenly anticipated European Council meeting due to a positive Covid-19 test for a staff member.

The **World Health Organisation** (WHO) in the meantime, revealed a clinical trial hosted by the WHO found remdesivir delivered no 'substantial' positive impact on survival prospects for patients suffering from severe Covid-19.

Across the Atlantic, key US indices also fell on opening, but trended higher in second-half trade to settle near session peaks,

* Telecoms listing 11am AEDT – ABB *

Today's Stock Watch
GUD Holdings (GUD)

September quarter sales are estimated 14% higher than for the September quarter 2019.

Refraining from providing any half-year or full-year guidance, however.

Boral Ltd (BLD) / Seven Group Holdings (SVW)

Chair Kathryn Fagg will stand for re-election at this year's AGM but will retire in 2021 following other board renewal.

In addition, 19.98% BLD shareholder SVW is withdrawing its nomination of SVW CFO Richard Richards as a BLD director.

Beacon Lighting (BLX)

24.3% higher year-on-year September quarter sales.

Online sales grew 156.0%.

\$8.4M September quarter underlying NPAT.

Kazia Therapeutics (KZA)

Agreement secured for KZA to participate in the GBM AGILE study in glioblastoma, ahead of a potential registration for KZA's paxalisib.

Aussie Broadband (* ABB)

Telecommunications services and products provider scheduled to list on the ASX **11am** AEDT following a \$40M IPO at \$1.00 per share.

190.34M quoted shares.

Resources
Rio Tinto (RIO)

WA Pilbara iron ore shipments are estimated flat for January – September, at 241.7Mt. Production increased 2% to 247.4Mt. IOC iron ore pellets and concentrate fell 4% to 7.7Mt.

Bauxite output for the same period rose 7% to 42.8Mt and aluminium production declined 1% to 2.365Mt.

Declines were mostly due to Covid-19 containment restrictions and reduced demand.

A teleconference was scheduled to commence 8.30am AEDT.

Azure Minerals (AZS)

Heralding additional WA Pilbara Andover project nickel-copper sulphide mineralisation. AZS 60%; Creasy Group 40%.

Energy
New Hope Corporation (NHC)

A restructure means up to 75% of corporate office employees will be redundant by the end of November.

NHC has offered voluntary redundancies, in association with New Acland approvals uncertainty.



after the US president said he was prepared to raise the administration's **fiscal stimulus** proposal, under negotiation with key parliamentarians, beyond \$US1.8 trillion.

The Democrats are pushing for a \$US2.2 trillion package under House of Representatives speaker Nancy Pelosi, but the Republican Senate majority leader Mitch McConnell, who has fought against the Democrat plan, also rejected the notion of an increased offer from US administrators.

US investors were also faced with some material data releases, but further, were awaiting separate town hall events (televised Q&As) to be hosted in the evening (11am AEDT today) by the two candidates vying to be US president.

In addition, Covid-19 diagnosis tallies were reported at record levels in some US States.

In other developments, the UK's chief negotiator expressed disappointment at the wording of an European Union (EU) missive seeking to extend **UK-EU** talks into next week, in an effort to achieve agreement on key terms for relations from year's end, when the UK's EU separation transition period expires.

Among **overnight data** releases, **US** weekly new unemployment claims disappointed, rising to 898,000 from 845,000 the previous week.

September import and export prices were estimated 0.3% and 0.6% higher for the month respectively, and 1.1% and 1.8% lower against September 2019.

The NY Fed (Empire State) manufacturing index dropped to 10.5 from 17.

On the flip side, the Philadelphia Fed manufacturing index jumped to 32.3 from 15, following forecasts of a decline to 13.

Tonight in the **US**, retail sales, industrial production, wholesale inventories and a University of Michigan consumer sentiment initial October reading are due.

Elsewhere, the UK PM's deadline for substantial progress on an agreement to govern **EU-UK** trade relations is expected to be reviewed tonight, at the conclusion of a two-day European Council meeting.

IMF and World Bank group annual meetings continue in the meantime, through Monday.

Companies scheduled to report earnings tonight include: Bank of NY Mellon, Honeywell, Reliance Industries, Sandvik and Schlumberger.

| Commodities | | | | |
|----------------------------------|---------------|-------|-------|------|
| COMMODITY | CLOSE | \$US/ | +/- | % |
| Gold (NY) (Dec) | 1908.9 | oz | 1.6 | 0.1 |
| Silver (NY) (Dec) | 24.224 | oz | -0.17 | -0.7 |
| Gold (LON) (14 Oct) | 1910 | oz | | |
| Platinum | 858 | oz | 2 | 0.2 |
| WTI Crude (NYMEX Nov) | 40.96 | bbbl | -0.08 | -0.2 |
| Brent Crude (ICE EUR Dec) | 43.16 | bbbl | -0.16 | -0.4 |
| Iron Ore (NYMEX,CHN,62%) | 121.13 | t | -0.35 | -0.3 |
| Copper (LME,3mth Ind,PM) | 6785 | t | 66 | 1.0 |
| Nickel | 15445 | t | -85 | -0.6 |
| Aluminium | 1855 | t | 8 | 0.4 |
| Lead | 1782 | t | -3 | -0.2 |

Pre-Open Announcements

SkyCity Entertainment Group (SKC)

Operational update for various venues and projects anticipated at today's AGM, scheduled to commence 11am AEDT.

MyFiziq Ltd (MYQ)

Heralding funding and payments inflow for the week. Details, in addition to the capital raising, lodged this morning.

Investec Australia Property Fund (IAP)

Proposed internal management terms agreed, and declared by an independent expert as fair and reasonable.

Pending unit holder approval of plans next month, IAP will pay Investec Group \$40M. This payment will come from an existing debt facility.

Redbubble Group (RBL)

RBL has lodged the transcript of yesterday's Q1 trading update conference call.

RBL appreciated 11.46% during high-volume trade yesterday, settling at \$5.35 after trading as high as \$6.02 intra-session.

RBL closed out last week at \$4.10 and for the week to date has recorded strong rallies for three of four sessions.

QuickFee Ltd (QFE)

QFE's \$2.5M, 50c-per-share SPP attracted applications worth a total \$3.3M from 263 shareholders.

Applications have been accordingly scaled back.

QFE has traded at 48.5c – 53.5c for the week to date.

United Networks (UNL)

266.55M UNL shares are due to be released from voluntary escrow post-trade 21 October (Wednesday next week).

Resources

Western Areas (WSA)

Craig Readhead is retiring from the WSA board at the conclusion of this year's AGM.

In association, WSA has appointed corporate lawyer Yasmin Broughton as an independent non-executive director, effective yesterday.

BHP Group (* BHP)

September quarter operational statistics anticipated Tuesday next week (20 October).

Trading Halts

| Company | Code | Resuming |
|-----------------------|------|----------|
| Alterity Therapeutics | ATH | 16 Oct |
| Pureprofile Ltd | PPL | 16 Oct |
| WhiteHawk Ltd | WHK | 16 Oct |
| Dubber Corporation | DUB | 19 Oct |



| | | | | |
|-------------|--------------|---|----|-----|
| Zinc | 2442 | t | 19 | 0.8 |
| Tin | 18355 | t | 35 | 0.2 |

Commodities Commentary

Oil – tighter Covid-19 containment restrictions across Europe and the UK, plus ongoing reports of increasing daily positive diagnosis tallies, impacted economic recovery and hence near-term crude demand views overnight.

In addition, the \$US strengthened.

Also under consideration was the US government agency the EIA's weekly US petroleum inventories report, published overnight, this including a 3.82MMbbl fall in stored crude, 1.63MMbbl draw on petrol stocks and 7.24MMbbl drop in the overall distillate (including distillate and heating oil) tally.

The figures were mostly attributed to the effects of Hurricane Delta, from which ~24% of offshore oil production was estimated to remain shut-in.

Overall US crude production was reported 500,000bbl/d lower for the week, at 10.5MMbbl/d.

Net crude imports dropped to 78,000bbl/d.

Meanwhile, some OPEC+ members were reportedly unhappy with production cuts achieved by some who had 'over-produced' previously and who had subsequently agreed to boost their cuts as compensation.

This, with a monitoring committee meeting scheduled for Monday, and the OPEC secretary general confirming demand was not picking up as quickly as anticipated earlier this year.

An OPEC policy meeting and OPEC+ meetings are scheduled for 30 November – 1 December.

A weekly US petroleum drill rig count is due tonight.

Gold – prices headed lower early overnight but were ultimately pushed a little higher for the session.

This, with the \$US ICE index up 0.5%.

Most of the recovery was attributed by market watchers to dip-buying.

Base metals – copper prices swung intrasession overnight, trading as low as \$US6668/t amid a strengthening \$US and following key data out of China

Overall sentiment was pushed and pulled by new data and the prospects of more, supply-demand indications, and industry news, in addition to Covid-19 and US presidential election campaign developments.

The International Nickel Study Group predicted a 117,000t surplus for 2020 and 68,000t more supply than demand in 2021.

Copper smelter Aurubis in the meantime revealed it would pay a \$US96/t premium above LME prices during 2021, the same as for 2020.

Among new data releases, China's September producer prices reported yesterday, came in 2.1% lower than for September 2019, against expectations of a 1.8% year-on-year decline.

CPI, also released yesterday, was reported as 0.2% growth for the month, in line with expectations, and 1.7% year-on-year.

Key data releases are due out of both China and Japan Monday and this could produce some caution during tonight's trade.

China's releases will include GDP, industrial production, fixed asset

| | | |
|---------------------|-----|--------|
| Holista CollTech | HCT | 19 Oct |
| Perpetual Resources | PEC | 19 Oct |
| GBM Resources | GBZ | 20 Oct |
| Respiri Ltd | RSH | 20 Oct |
| Dotz Nano | DTZ | 21 Oct |
| Peak Resources | PEK | 21 Oct |
| YPB Group | YPB | 21 Oct |

Suspensions (select)

| Company | Code | Since |
|----------------------------|------|--------|
| The Agency Group Australia | AU1 | 5 Oct |
| Australia United Mining | AYM | 14 Oct |
| Funtastic Ltd | FUN | 5 Oct |
| Metalicity Ltd | MCT | 2 Oct |
| New Energy Minerals | NXE | 15 Oct |
| Pan Asia Metals | PAM | 15 Oct |
| Quantum Graphite | QGL | 2 Oct |
| Vault Intelligence | VLT | 9 Oct |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|--------|------------|--------------|-----------|
| TGA | Today | 7.5 | 100 | 0.00 |
| CDM | Mon | 2 | 100 | 4.97 |
| FGX | Mon | 2.6 | 100 | 2.16 |
| KSC | Mon | 3 | 100 | 1.47 |
| WAA | Mon | 3 | 100 | 2.61 |
| WGB | Mon | 4 | 100 | 1.36 |
| WLE | Mon | 3.25 | 100 | 2.57 |
| ACF | Wed | 1.05 | 100 | 2.78 |
| SNC | Wed | 2.5 | 100 | 9.40 |
| PBP | Thu | 3 | 100 | 2.32 |
| PPC | Fri | 1 | 100 | 0.45 |

Reports & Events

(selected; all times AEDT)

| When | Company | Report/Event |
|--------------|------------|----------------|
| Today | ILU | AGM |
| | RIO | Sep Q (8.30am) |
| | SKC | AGM (11am) |
| Mon | CL1 | AGM |
| Tue | BAP | AGM |
| | BLX | AGM |
| | BHP | Sep Q |
| | COH | AGM |
| | LOV | AGM |
| | MMS | AGM |



investment and retail sales.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|--------------|
| AUD – USD | 0.7092 | -0.0070 | -0.97 |
| EUR – USD | 1.1708 | -0.0038 | -0.32 |

US Data Tonight

| | |
|---------------------------|-----|
| Retail sales | Sep |
| Industrial production | Sep |
| Business inventories | Aug |
| Uni of Michigan (initial) | Oct |

Other Overseas Data Today & Tonight

| | | |
|------------------|-----------------------|-----|
| Euro zone | Trade balance | Aug |
| Euro zone | CPI (final) | Sep |
| Euro zone | New car registrations | 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

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| | | |
|------------|-----|-----|
| | OSL | AGM |
| | ORG | AGM |
| | SSM | AGM |
| | SGP | AGM |
| | TAH | AGM |
| | TRT | AGM |
| Wed | GED | AGM |
| | MYS | AGM |
| | ORA | AGM |
| | TRS | AGM |
| Thu | APA | AGM |
| | AIA | AGM |
| | BKL | AGM |
| | CLW | AGM |
| | CWN | AGM |
| | HLS | AGM |
| | MFG | AGM |
| | SUN | AGM |
| | SGR | AGM |
| | WEB | AGM |
| | WHC | AGM |
| Fri | DXS | AGM |
| | IAG | AGM |
| | QAN | AGM |
| | WOR | AGM |