

Markets

SFE 200 Futures (9.30am AEST)	5941	44	0.8
NZX 50	11803	33	0.3
DJIA Futures	28012	-15	-0.1
S&P 500 Futures	3401	-4	-0.1
NASDAQ Futures	11430	-34	-0.3

Local Markets Commentary

The Australian market opens mid-week trade with key domestic and regional reports due, ahead of much-anticipated statements from the US Federal Reserve tonight following the conclusion of the final policy meeting prior to the 3 November US presidential election polling day.

Locally today, Westpac and the Melbourne Institute publish their monthly **leading index** report **10.30am** AEST.

A HIA August **new home sales** report is also anticipated, on ASX opening.

Regionally today, Japan is scheduled to report **August trade balance** 9.50am AEST.

Also today, the **New Zealand** government is scheduled to deliver a **fiscal update** today, ahead of June quarter GDP tomorrow.

In overnight commodities trade, **oil** turned and rallied.

US **gold** futures (December) extended Monday's gain, but slightly.

Iron ore (Nymex CFR China, 62% Fe) swung lower, to settle at ~\$US128.00/t.

LME **copper**, **nickel** and **aluminium** also turned, closing modestly lower.

The **\$A** fell to a little below US72.80c after trading at ~US73.25c early yesterday evening.

Earlier today, the **\$A** was pushed beyond US73.00c again.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27996	2	0.0
S&P 500	3401	18	0.5
NASDAQ	11190	134	1.2
FTSE 100	6106	79	1.3
DAX 30	13218	24	0.2
Shanghai Comp	3296	17	0.5

Overseas Markets Commentary

Sentiment vacillated across several major European and US equities markets overnight, traders faced with plenty to consider, ahead of outcomes from three key central bank policy meetings from tonight through tomorrow night.

The **US** and **China** each reacted to a World Trade Organisation

Today's Stock Watch
QBE Insurance Group (QBE)

Mixed ruling from a UK Financial Conduct Authority business interruption policy claims test case in the High Court of England and Wales.

New associated claims estimates lodged this morning.

Tabcorp Holdings (TAH)

\$102M initially raised in the recent \$3.25-per-share retail entitlement offer which realised ~44% participation.

A retail shortfall book-build conducted post-trade yesterday, at \$3.31 per share, boosted the retail raising to ~\$230M gross.

TAH has traded at \$3.38 - \$3.61 the past five trading sessions.

Emeco Holdings (EHL)

EHL has refinanced \$US180M worth of 2022 notes, with new notes maturing 2024. EHL intends to repay the balance \$US142M of 2022 notes 15 October.

Decmil Group (DCG) / Fortescue Metals Group (FMG)

DCG has secured a \$41M infrastructure works contract for the WA Pilbara FMG-Formosa Steel Iron Bridge magnetite project. Construction commences this month and is due for completion by May 2021.

Rhythm Biosciences (RHY)

RHY has technically validated two adjunct biomarkers for ColoSTAT, in addition to the key lead biomarker.

Two additional biomarkers are in the final stage of validation.

Meridian Energy (MEZ)

August operating statistics lodged this morning, including total inflows at 92% of historical average and 7.5% higher year-on-year retail sales volumes.

Sales grew across all customer segments.

Auckland International Airport (AIA)

70.8% year-on-year drop in July passenger numbers, international passenger numbers diving 94.7%, and domestic falling by 39.2%.

August passenger numbers are estimated to have tumbled 85.1%, with total domestic passengers down 71.7%.

Digital Wine Ventures (DW8)

Update lodged this morning regarding the roll out of a network of temperature-controlled warehouses across five Australian capital cities over the next six months.

Resources
Australian Vanadium (AVL)

MOU targeting an offtake agreement with Gui Zhou Collect Energy Century Science & Technology Co, for vanadium pentoxide from the Gabanintha project.



(WTO) ruling that import tariffs the US imposed on select goods from China in 2018 did not comply with international trade rules.

The US, which can appeal the panel decision, maintained the WTO falls short in not being able to provide ‘remedies’ for conduct such as ‘China’s harmful technology practices’.

China’s commerce ministry appealed to the US to retain multilateral trade, while suspending US poultry imports from a second US facility, citing Covid-19 diagnoses among workers.

For its part the US Justice Department forewarned of a ‘charges and arrests’ announcement tonight in relation to an alleged ‘computer intrusion campaign tied to the Chinese government’.

The US administration in the meantime hosted a White House function to officially recognise new ‘normalised’ diplomatic relations brokered between **Bahrain** and **Israel** and the **UAE** and **Israel**.

Meanwhile, **US** parliamentarians continued to wrestle over proposals for new Covid-19 – associated **economic relief** funding, the House of Representatives speaker claiming Democrats would consider pushing back the October recess to achieve agreement.

Earlier, the **Asian Development Bank** (ADB) predicted the combined economies of the 45-nation strong ‘developing Asia’ would fall by 0.7% this year, representing the first fall in ~60 years.

The ADB forecast India’s GDP to contract by 9%, Fiji’s by 19.5% and the Maldives’ by 20.5%.

China’s GDP would likely grow 1.8% during 2020 and by 7.7% during 2021, the ADB ventured.

Notably, India’s GDP was expected to recover by 8% in 2021.

Among overnight **data** releases, the **UK’s** August unemployment claims rose by 73,700 following a 69,900 rise for July, and against expectations of a 51,000 increase.

July average earnings, excluding bonuses, rose 0.2%, but including these, fell 1.0%.

The July unemployment rate rose to 4.1%, as expected, from 3.9%.

Assurances from the chancellor appeared to also soothe.

In **Germany**, the ZEW economic sentiment index jumped to 77.4 from 71.5, following forecasts of a fall to 69.

The current conditions index also improved, albeit to -66.2 from -81.3, but this also exceeded expectations.

The overall **euro zone’s** ZEW economic sentiment reading came in at 73.9 from 64.0.

In the **US**, the NY Fed (Empire State) manufacturing index came in at 17 from 3.7.

August industrial production was estimated to have risen by 0.4% for the month, following forecasts of a 1% increase.

Year-on-year, output was down 7.7%.

August import and export prices rose 0.9% and 0.5% respectively following 1.2% and 0.9% July gains.

Against August 2019, prices were down 1.4% and 2.8% respectively.

In the meantime, a 20-year bond auction delivered a 1.213% yield from 1.185%.

Pre-Open Announcements

Spark New Zealand (SPK)

FY21 – FY23 strategy update lodged this morning.

Trading ex-dividend (11.36c) tomorrow.

Kazia Therapeutics (KZA)

KZA’s presentation, delivered (virtually) at the HC Wainwright investment conference 7am AEST, lodged post-trade yesterday.

Access Innovation Holdings (AIM)

Live and recorded captioning and translation specialist completed its ASX listing yesterday following a \$65.5M IPO at \$1.23 per share.

Opened at \$1.49 and traded at \$1.26 - \$1.51 before settling at \$1.285.

12.75M shares changed hands across 4524 transactions

144.38M quoted shares.

Resources

DevEx Resources (DEV)

Planning to earn up to 80% of the NSW Cobar Basin Wilga Downs gold-base metals project.

Details lodged this morning.

Cohiba Minerals (CHK)

CHK has earned 80% of the Olympic Domain tenements, South Australia, completing a \$1.5M exploration spend.

Redbank Copper (RCP)

RCP was reinstated to official ASX trade yesterday following an extended suspension.

Opened at 5c and traded at 4.8c - 7.7c before settling at 6.8c.

28.19M shares were traded across 715 transactions.

Energy

Montem Resources (MR1)

Coal-focused explorer and producer completed its ASX listing yesterday following an \$8M IPO at 25c per share.

Opened at 32c and slipped to 25c where the stock settled.

1.93M shares were traded across 172 transactions.

159.51M quoted shares.

Trading Halts

Company	Code	Resuming
Alterra Ltd	1AG	16 Sep
BCI Minerals	BCI	16 Sep
Celsius Resources	CLA	16 Sep
Consolidated Zinc	CZL	16 Sep
Firefly Resources	FFR	16 Sep
Inca Minerals	ICG	16 Sep
Peak Resources	PEK	16 Sep
DGO Gold	DGO	17 Sep
Eastern Iron	EFE	17 Sep



Tonight in the US, the **US Federal Reserve** announces outcomes from its policy meeting (early tomorrow AEST).

In addition, August retail sales, July business inventories, a home builders' sentiment reading and weekly mortgage applications are due.

Elsewhere, the euro zone reports July trade figures and the UK August CPI.

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

In overnight corporate news, **Apple** Inc's much-anticipated product launch included a personal fitness subscription, two additional smartwatch ranges and another iPad featuring a new chip-making process.

An Apple trading update also appeared to boost general tech sentiment.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1966.2	oz	2.5	0.1
Silver (NY) (Dec)	27.464	oz	0.11	0.4
Gold (LON) (14 Sep)	1959	oz		
Platinum	963	oz	15	1.5
WTI Crude (NYMEX Oct)	38.28	bbbl	1.02	2.7
Brent Crude (ICE EUR Nov)	40.53	bbbl	0.92	2.3
Iron Ore (NYMEX,CHN,62%)	128.01	t	-0.85	-0.7
Copper (LME,3mth Ind,PM)	6765	t	-17	-0.3
Nickel	15215	t	-50	-0.3
Aluminium	1795	t	-5	-0.3
Lead	1910	t	-12	-0.7
Zinc	2504	t	25	1.0
Tin	18225	t	70	0.4

Commodities Commentary

Oil – the International Energy Agency's (IEA) monthly report, published overnight, included a new 91.7Mmmbbl/d forecast for 2020 demand, down 8.4MMmmbbl/d for the year.

Meanwhile, a US Gulf of Mexico hurricane continued to head towards the Louisiana coast, accompanied by forecasts of 'catastrophic flooding'.

Regional industry shutdowns were estimated to have impacted ~27% of regional offshore oil output and put at least two large oil refineries largely offline.

A weekly US petroleum inventories report is due from government agency the EIA tonight.

Post-overnight US trade an industry report included an estimated 9.52MMmmbbl fall in national crude stocks.

Tomorrow night, the OPEC+ monitoring committee is scheduled to meet virtually.

Gold – overnight trade appeared cautious, ahead of key commentary and reports yet to come this week.

The US Federal Reserve's policy meeting outcomes statement and subsequent press conference early tomorrow AEST is expected to influence some of tonight's sentiment.

Tomorrow, the Bank of Japan also convenes a policy meeting, and tomorrow night, the Bank of England.

Fe Ltd	FEL	17 Sep
Ironbark Zinc	IBG	17 Sep
Jupiter Energy	JPR	17 Sep
Kaiser Reef	KAU	17 Sep
Vintage Energy	VEN	17 Sep
Sipa Resources	SRI	18 Sep
MetalsTech Ltd	MTC	21 Sep

Suspensions *(select)*

Company	Code	Since
Ansila Energy	ANA	7 Sep
FAR Ltd	FAR	14 Sep
Faster Enterprises	FE8	2 Sep
Intiger Group	IAM	1 Sep
Quantify Technology Holdings	QFY	14 Sep
Velocity Property Group	VP7	7 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CGC	Today	4	100	0.59
SNL	Today	9	100	1.33
5GN	Tomorrow	1	100	0.60
AHX	Tomorrow	1.2	100	2.52
AKG	Tomorrow	1.36	100	12.45
AMI	Tomorrow	1	100	0.00
CIW	Tomorrow	1	100	4.46
EGG	Tomorrow	3.5	100	3.47
EMB	Tomorrow	20	100	3.48
JYC	Tomorrow	5	100	6.51
OZL	Tomorrow	8	100	1.01
PAC	Tomorrow	25	100	1.67
PWH	Tomorrow	4	100	0.41
RXP	Tomorrow	2.5	100	2.38
SPK	Tomorrow	11.36	0	5.01
SVW	Tomorrow	21	100	1.18
WSA	Tomorrow	1	100	0.43
AMP	Fri	10	100	0.00
BSE	Fri	3.5	0	0.00
QUB	Fri	2.3	100	2.13



Meanwhile, key data and US presidential election campaigning are also expected to influence trader considerations.

Base metals – China’s January - August fixed asset investment (-0.3%), August industrial production (+5.6% year-on-year) and August retail sales (+0.5%), reported yesterday, generally surpassed expectations.

This supported early LME sentiment, but indicative prices for most metals closed lower for the session.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7299	0.0010	0.14
EUR – USD	1.1847	-0.0019	-0.16

Australian Data Today

Wstpc/Melb Inst	Leading index	Sep
HIA	New home sales	Aug

US Data Tonight

Federal Reserve policy statement	16 Sep
Retail sales	Aug
Business inventories	Jul
NAHB housing market index	Sep
MBA mortgage applications	11 Sep

Other Overseas Data Today & Tonight

New Zealand	Fiscal update	Sep
Japan	Trade balance	Aug
UK	CPI	Aug
Euro zone	Trade balance	Jul

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