

Markets

SFE 200 Futures (9.30am AEST)	7179	-114	-1.6
NZX 50	13223	-53	-0.4
DJIA Futures	33773	51	0.2
S&P 500 Futures	4306	9	0.2
NASDAQ Futures	14718	35	0.2

Local Markets Commentary

The Australian market commences December quarter trade on a Friday, again with several influential domestic and regional economic data reports due, ahead of Reserve Bank of Australia (RBA) policy meeting Tuesday next week, and a batch of material international economic indicators tonight.

Overnight international equities trade leads proved negative. End-of-quarter commodities trade proved mixed.

Locally today, AiG has reported a 51.2 September manufacturing PMI, from 51.6 for August.

The Australian Bureau of Statistics (ABS) publishes the August **lending indicators** (including for housing) report at **11.30am AEST**.

A September **home price** report is also anticipated from CoreLogic this morning.

Post-ASX trade, the RBA releases its monthly **commodity prices** report.

The PM also hosts a national cabinet meeting today from which an update on Covid-19 containment plans is anticipated.

Meanwhile, **NCK** is among stocks trading **ex-dividend** today. *Please see p4 for a detailed ex-dividends list.*

Regionally today, South Korea is scheduled to report September **trade figures** on ASX open.

The **Bank of Japan** releases quarterly **Tankan** indices and a policy meeting **summary of opinions** report just prior to ASX open.

In overnight commodities trade, Brent **crude** settled slightly lower and WTI modestly higher.

US **gold** futures turned and rallied.

Iron ore (China port CFR, 62% fines) continued to rise ahead of a week-long National Day holiday season.

LME **copper** and other key base metals fell.

The **\$A** approached US72.30c, after trading at ~US72.05c early yesterday evening.

China's markets are closed today and scheduled to remain so through Thursday next week due to the National Day holiday season.

In Australia, the ACT, New South Wales, Queensland and South Australia will observe Monday public holidays.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	33844	-547	-1.6

*** NSW-focused minerals explorer listing – 11.30am AEST – WC1 ***

Monday (4 October) – ASX trade & settlement as normal
 Public holidays in the ACT, NSW, QLD and South Australia

Daylight saving commences in the ACT, New South Wales, South Australia, Tasmania and Victoria early **Sunday (3 October)**.

From Monday (4 October), ASX trade consequently commences local time in:

Western Australia at 7am;
Queensland at 9am; and the
Northern Territory at 8.30am.

Today's Stock Watch

Ramsay Health Care (RHC)

Elective surgery restrictions in Greater Sydney, Melbourne and Perth, plus NSW/Queensland border restrictions and regional isolation orders, will impact FY22 results variously. RHC has revealed however, that a 90-day restriction of elective surgery in Victoria during 2020 adversely impacted FY21 EBIT by \$70M, and that the seven RHC Greater Sydney hospitals under current restrictions collectively represent, by size, the equivalent of RHC's hospitals in Victoria.

Virgin Money UK (VUK)

Anticipating £145M worth of restructuring charges to be booked in FY21 accounts, due to a focus on accelerating the group's digital strategy. Changes include 31 store closures due to a customer shift favouring digital and mobile channels, with an associated £25M December quarter restructuring charge. Infrastructure and office hubs will also be repurposed to suit reduced anticipated office space requirements. The December quarter charge in relation to this is anticipated to tally £20M.

Mosaic Brands (MOZ)

Exercising an option to purchase the balance 49.9% of EziBuy for \$11M. MOZ paid \$1 for the initial 50.1%. Anticipating a subsequent doubling of annual online sales to \$218M.

Credit Intelligence (CI1)

Personal buy now – pay later (BNPL) online shopping platform launched in Hong Kong. Details lodged pre-trade.

MSL Solutions (MSL)

Acquiring hospitality PoS specialist OrderMate for \$5.5M cash plus \$2M worth of MSL shares. SPP also, in association with an acquisition-related Taubman Capital convertible note.



S&P 500	4308	-52	-1.2
NASDAQ	14449	-64	-0.4
FTSE 100	7086	-22	-0.3
DAX 30	15261	-105	-0.7
Shanghai Comp	3568	32	0.9

Overseas Markets Commentary

Major European, UK and US equities markets mostly opened higher overnight, but sentiment subsequently waned across all key indices.

New **US funding** was assured from midnight tonight, when the new fiscal year commences, until 3 December, under (65 v 35) Senate and (254 v 175) House of Representatives votes.

The House of Representatives then prepared to vote on the proposed \$US1 trillion infrastructure package.

Late-Wednesday (US time), the House of Representatives had voted to suspend Treasury's debt limit (a previous two-year suspension had expired in July).

US **Federal Reserve** chair Jerome Powell and US treasury secretary Janet Yellen met with the House of Representatives financial services committee, comments from the Fed chair including the US was 'far from full employment' and that it was difficult to predict when supply bottlenecks would resolve sufficiently for inflation to start coming down.

For her part, Ms Yellen again described any failure by the Congress to raise the **debt ceiling** as 'a catastrophe', delivering an impaired international credit profile and likely recession.

Ms Yellen warned that even a last-minute debt resolution would likely produce a stock market sell-off and push rates higher.

Her views were backed by S&P Global Markets, which described the likely effect on financial markets of any default as 'severe and extraordinary'.

In response to other committee questioning, the Fed chair offered the central bank did not intend to ban cryptocurrencies.

The European Central Bank (ECB)-hosted central bankers' forum continued with **Bank of Japan** governor Haruhiko Kuroda reiterating (yesterday evening AEST) that the bank would continue with monetary stimulus until the 2% inflation target was sustainably reached, despite any fiscal or regulatory change following the upcoming national election.

In overnight **data** releases, the **UK** finalised June quarter GDP growth at 5.5%, following forecasts for 4.8% and against the 1.4% March quarter contraction.

August domestic vehicle production was calculated 27% lower than for August 2020, this mostly attributed to suspended production due to parts shortages.

Germany's preliminary CPI reading for September came in flat for the month, as for August.

Against September 2020, inflation was up 4.1%, in line with expectations.

The September unemployment rate was reported unchanged, at 5.5%, with 30,000 fewer claims than for August.

Euro zone August unemployment was estimated at 7.5% from July's 7.6%.

In the **US**, the final June quarter GDP reading represented 6.7%

Pre-Open Announcements

Pro Medicus (* PME)

\$A40M, seven-year Visage 7 supply contract secured with Novant Health.

Race Oncology (* RAC)

Covid-19 – related restrictions in NSW have slowed some Zantrene pre-clinical and clinical programs.

Progress details and plans lodged post-trade yesterday.

Australian Family Lawyers (* AFL)

\$3.2M FY22 year-to-date revenue, 136% more than a year earlier.

August revenue tallied the most for any AFL month's trade.

Associated investor presentation, containing additional statistics, lodged post-trade yesterday.

Tesserent Ltd (TNT)

Investor update presentation lodged post-trade yesterday.

Shriro Holdings (SHM)

SHM has appointed banking, finance and investment specialist Kim Slater as an independent director, effective today.

Palla Pharma (PAL)

Investor update lodged in presentation format post-trade yesterday.

Australian Dairy Nutritionals Group (AHF)

Debt-free following the settlement of the sale of the Missens Road, Ecklin South and using the proceeds to repay a finance facility.

Resources

West Cobar Metals (* WC1)

Exploration company WC1 is scheduled to list on the ASX **11.30am** AEST, following a \$5.5M IPO at 20c per share.

29.25M quoted shares.

Holds four exploration projects in the NSW Cobar region, prospective for copper, gold, silver and lead.

Mount Gibson Iron (** MGX)

Planning to suspend mid-west WA Shine iron ore operations after a late-October shipment.

Koolan Island operations are continuing.

Promising an update with the September quarter report later this month.

Vimy Resources (* VMY)

WA regulatory approval in hand for the planned Mulga Rock project mining proposal, including a mine closure plan.

'Substantial' early works program expected to be completed by 16 December.

Evolution Mining (* EVN)

NSW regulatory approval in hand for the planned underground



growth for the three months, following 6.3% for the March quarter.

Weekly new unemployment claims tallied 362,000, following 351,000 the previous week. Forecasters had anticipated 335,000 new claims.

The Chicago September PMI fell 2.1 points to 64.7, following forecasts for a smaller decline to 66.0.

Tonight in the US, the ISM's September manufacturing index, August income and spending, the PCE price index and August construction spending reports are due, together with a final reading of September consumer confidence, as calculated by the University of Michigan.

Elsewhere, the euro zone releases a preliminary September CPI reading.

Commodities.

COMMODITY	CLOSE	\$/	+/-	%
Gold (NY) (Dec)	1722.9	oz	34.1	2.0
Silver (NY) (Dec)	22.05	oz	0.56	2.6
Gold (LON)	1737	oz		
Platinum	962	oz	13	1.4
WTI Crude (NYMEX Nov)	75.03	bbbl	0.20	0.3
Brent Crude (ICE EUR Nov)	78.52	bbbl	-0.12	-0.2
Iron Ore (Qingdao) (CHN;62%f)	119.23	t	5.10	4.5
Iron Ore (Nymex)	119.65	t	-0.05	-0.0
Copper (LME 3mth evening)	9156	t	-112	-1.2
Nickel	18346	t	-221	-1.2
Aluminium	2911	t	-33	-1.1
Lead	2144	t	-30	-1.4
Zinc	3053	t	-26	-0.8
Tin	35725	t	-353	-1.0

Commodities Commentary

Oil – OPEC+ members are scheduled to meet Monday to discuss output levels, with overnight reports quoting anonymous sources suggesting a further increase in output was under consideration.

This follows the OPEC+ joint technical committee paring back its 2022 surplus forecast from 1.6MMbbl/d to 1.4MMbbl/d.

Other reports indicated a near-term lift in demand from China.

Meanwhile, both Brent and WTI crude prices mostly recovered from early \$US1/bbl falls, the declines attributed mostly to a further \$US rise.

A monthly report out of US government agency the EIA overnight estimated 11.307MMbbl/d US crude output, this representing a daily 31,000bbl increase for the month.

Tonight in the US, a weekly petroleum drill rig report is due.

Gold – overnight price gains were attributed to US Federal Reserve chair and treasury secretary comments, economic data and short-covering.

Additional key data is due tonight, together with the outcome of debate on the proposed infrastructure funding packing.

Base metals – overnight end-of-quarter LME trade appeared influenced by a mix of data, \$US strength and supply and demand views.

development at the NSW Cowal gold project.

Nickel Mines (* NIC)

NIC has moved to 80% ownership of the under-development Angel nickel project, Indonesia, having paid \$US210M for the new additional 30%.

AngloGold Ashanti (* AGG)

Ghana Obuasi gold project underground mining is expected to recommence mid-month, following a deadly incident in May.

Run-of-mine stockpiles will be replenished.

Gold production (using underground ore) will likely resume January 2022.

4000tpa full mining rate anticipated by 30 June 2022.

Lunnon Metals (LM8)

WA Kambalda nickel project East Cooee prospect RC drilling has returned some significant-width and/or high-grade intersections.

Assays and plans lodged pre-trade.

Hot Chili (HCH)

Resources and reserves update lodged post-trade yesterday.

Wiluna Mining Company (WMC)

WMC has appointed experienced mining and oil and gas executive Lisa Mitchell as an independent non-executive director.

WMC COO and executive operations director Neil Meadows is stepping down from the WMC board today in favour of focusing solely on operations and planning and less on corporate activities.

Forrestania Resources (* FRS) / Firefly Resources (FFR) / Gascoyne Resources (GCY)

Exploration company FRS completed an enviable ASX listing yesterday, following a \$5M IPO at 20c per share.

Opened at 36c and traded at 27c – 39c before settling at 28.5c. 11.98M shares changed hands across 1396 trades.

28.05M quoted shares.

FRS holds the formerly FFR-owned WA Forrestania lithium, gold and nickel project, in addition to the Southern Cross and Leonora gold projects.

FFR held 12.25% on listing.

Mitre Mining Corporation (* MMC)

Explorer completed a successful ASX listing yesterday, following a \$5M IPO at 20c per share.

Opened at 26c and traded at 24.5c – 28.5c before settling at 25.5c.

5.88M shares changed hands across 648 transactions.

27.085M quoted shares.

Targeting gold, base metals and lithium near Batemans Bay, southern NSW coast.



Yesterday, China was reported to have raised annual *rare earths* output quotas by ~20% to 168,000t for 2021.

The overall smelting and separation quota was raised by a similar ratio to 162,000t.

Meanwhile, Chile revealed August national *copper* production fell 4.6% year-on-year, to 466,928t.

Among new data releases, **China's** official September PMIs reported yesterday, came in mixed against expectations.

The manufacturing PMI fell by 0.5 to a contractionary 49.6, following forecasts for a 0.3-point rise to 50.4.

The services sector activity index was reported as an expansionary 53.2 from August's contraction-mode 47.5. The new reading followed forecasts for a smaller increase to 50.0.

Caixin's China September manufacturing PMI, also released yesterday, almost matched expectations, calculated at 50.0 from 49.2, against forecasts for a 0.7-point rise to 49.9.

Japan reported industrial production and retail sales yesterday, these dropping 3.2% and 4.1% respectively for the month, following a 1.5% July output fall and 1.0% July retail sales improvement.

*China's markets are closed from **today** through Thursday next week due to the National Day holiday season. This is expected to contain LME trading volumes from tonight through most of next week.*

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7228	0.0024	0.33
EUR – USD	1.1576	-0.0020	-0.17

Australian Data Today

AiG	Manufacturing index	Sep
ABS	Lending indicators	Aug
CoreLogic	Home price index	Sep
RBA	Commodity prices (4.30pm AEST)	Aug

US Data Tonight

Personal income and spending	Aug
ISM manufacturing	Sep
Construction spending	Aug
PCE price index	Aug
Uni of Michigan consumer sentiment (final)	Sep

Other Overseas Data Today & Tonight

Japan	Tankan indices	Sep Q
Japan	BoJ policy meeting summary of opinions	Sep
Japan	Manufacturing PMI (final)	Sep
Japan	Consumer confidence (3pm AEST)	Sep
South Korea	Trade balance	Sep
UK	Manufacturing PMI (final)	Sep

Trading Halts

Company	Code	Resuming
Aeeris Ltd	AER	1 Oct
Brightstar Resources	BTR	1 Oct
Mount Gibson Iron	MGX	1 Oct
Experience Co	EXP	4 Oct
MSL Solutions	MSL	4 Oct
Sandon Capital Investments	SNC	4 Oct
Sayona Mining	SYA	4 Oct
Tamaska Oil & Gas	TMK	4 Oct
Vimy Resources	VMY	4 Oct
Wiseway Group	WWG	4 Oct
XTEK Ltd	XTE	4 Oct

Suspensions (selected)

Company	Code	Since
Hannans Ltd	HNR	29 Sep
Murray River Group	MRG	1 Oct
Stemcell United	SCU	29 Sep
Wiseway Group	WWG	1 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
EDC	Today	2	0	7.57
NBI	Today	0.8	0	5.14
NCK	Today	25	100	5.50
SST	Today	11.69	0	2.51
BSA	Mon	0.5	100	3.45
BWX	Tue	3.1	100	0.21
CAM	Tue	1.52	100	4.95
GNP	Tue	1.8	100	0.00
NCC	Tue	3.75	100	6.42
PRN	Tue	2	0	8.54
SGM	Tue	30	50	0.90
ARB	Thu	39	100	1.40
MAH	Thu	0.35	20	3.25
RIC	Thu	2	100	0.00
FPC	Fri	4.5	100	2.43
MFF	Fri	3.5	100	2.03
TNK	Fri	24	100	6.25
VRT	Fri	12	100	2.03

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Tue	AFI	AGM



Germany	Retail sales	Aug
Germany	Manufacturing PMI (final)	Sep
Euro zone	CPI (preliminary)	Sep
Euro zone	Manufacturing PMI (final)	Sep

	BBN	AGM
	MIR	AGM
	PBH	AGM
Wed	MEZ	AGM

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