

Markets

SFE 200 Futures (9.30am AEDT)	6175	-45	-0.7
NZX 50	12394	9	0.1
DJIA Futures	28195	95	0.3
S&P 500 Futures	3438	15	0.5
NASDAQ Futures	11710	60	0.5

Local Markets Commentary

The Australian market commences today's trade with Reserve Bank of Australia (RBA) policy in focus, a batch of large-cap domestic stocks hosting AGMs and providing updates, several domestic quarterly reports, including from BHP, and new data and an interest rates update due out of China early afternoon.

Overnight, international equities sentiment proved negative. Key commodities trade remained mixed.

Locally today, **RBA** assistant governor (financial markets) Christopher Kent is due to participate in an IFR Australia webinar **10am AEDT**.

In addition, the **RBA** publishes **6 October policy meeting minutes** at **11.30am AEDT**, which are expected to confirm discussions regarding a potential rate cut by year's end.

The Australian Bureau of Statistics (ABS) will release a **jobs and wages** report for the week to 3 October at the same time.

Also today, a weekly **consumer sentiment** reading is due pre-trade.

Regionally today, **China** is expected to reveal September **residential property price** figures and one-year and five-year **monthly loan prime rates 12.30pm AEDT**.

In overnight commodities trade, **oil** continued lower, Brent once again recording the larger fall.

US **gold** futures (August) turned modestly higher.

Iron ore (Nymex CFR China, 62% Fe) continued to gain, trading above \$US121.50/t.

LME **copper** swung higher. **Nickel** turned to settle slightly lower. **Aluminium** fell.

The **\$A** has traded at ~US70.65c this morning after approaching US71.00c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28195	-411	-1.4
S&P 500	3427	-57	-1.6
NASDAQ	11479	-193	-1.7
FTSE 100	5885	-35	-0.6
DAX 30	12855	-54	-0.4
Shanghai Comp	3313	-24	-0.7

Australia – RBA 6 October policy meeting minutes – 11.30 AEDT

RBA assistant governor financial markets Christopher Kent also participating in a webinar from **10am AEDT**

Today's Stock Watch
CSL Ltd (CSL)

Today's annual investor R&D briefing materials lodged pre-trade, including progress on potential Covid-19 vaccines and treatments.

Cochlear Ltd (COH)

Cochlear implant (constant currency) revenue fell 6% year-on-year. Implant unit volume sales fell by 14%, with emerging markets volumes down 40%.

Acoustic revenue fell 11%. Services revenue came in 14% lower.

Perpetual Ltd (PPT)

FUM (by Perpetual Investments) grew 2% during the September quarter, to \$29.0B.

Perpetual Private FUA also rose 2%, to \$14.6B.

Perpetual Corporate Trust FUA fell 1%, to \$927.8B.

Investor day scheduled for 9 December.

Tabcorp Holdings (TAH)

Today's AGM materials lodged pre-trade.

Addresses will be webcast live from 10am AEDT.

BrainChip Holdings (BRN)

September quarter operational update lodged this morning.

\$US17.6M cash.

Resources
BHP Group (BHP)

Produced 8% more iron ore (66Mt) during the September quarter than a year earlier.

Petroleum production fell 9% to 27MMboe and energy coal output by 17%, to 5Mt.

Nickel output grew 3% to 22,000t.

Copper production declined 4%, to 413,000t.

Conditional unchanged guidance figures also lodged this morning.

Lake Resources (LKE)

LKE Kachi project brines have been used to produce 99.97% lithium carbonate, via lithium chloride manufactured at a Lilac Solutions pilot plant.

Energy
Origin Energy (ORG)

Today's AGM materials lodged pre-trade.



Overseas Markets Commentary

Major European and US equities markets opened variously higher overnight, but sentiment across all indices declined from early trade

International economic recovery outlooks and support policies were firmly in focus, even apart from potential new US stimulus, for which negotiations and timetables appeared to remain fluid.

Earlier yesterday, **China** had released a batch of influential economic indicators, with one of these, enviable September quarter GDP growth, nonetheless undershooting forecasts.

Late weekend, **Bank of England** of governor Andrew Bailey warned UK economic growth could likely remain below expectations, noting policy considerations were continuing amid ‘an unprecedented level of economic uncertainty’.

At the same economic policy makers’ and bankers’ online event, the **International Monetary Fund (IMF)** added to growing calls to consider the burgeoning debt levels of the world’s poorer nations.

IMF MD Kristalina Georgieva promoted prompt debt restructuring, following other calls last week for some debt to be cancelled by G20 creditors.

Overnight, **European Central Bank (ECB)** president Christine Lagarde described the EU’s €750B recovery fund as ‘a response to an extraordinary situation’, but suggested contributing nations ought discuss possibly retaining it as a permanent measure.

In the meantime, reports indicated key **EU-UK** negotiations could resume this week, following an overnight video call between the chief negotiators for the UK and EU.

The European Commission’s VP and the UK’s cabinet office minister were also reportedly meeting to discuss issues leading to last week’s impasse in talks, particularly trade negotiations, aimed at governing relations once the UK’s EU separation transition period ends.

In scant overnight **data** releases, **euro zone** August construction output was calculated 0.9% lower than for August 2019, following a 3.4% July year-on-year decline and forecasts of a 4.4% drop for August.

In the **US**, the NAHB housing market index rose by two points to 85, against expectations of a flat result.

Tonight in the **US**, September housing starts and building permits, plus the October Philadelphia Fed manufacturing index are due.

Companies scheduled to report earnings later today and tonight include: Lockheed Martin, Netflix, Procter and Gamble, Raytheon Technologies, Texas Instruments and UBS.

Operational updates are anticipated from BHP, Danone and Reckitt Benckiser.

In overnight corporate news, **ConocoPhillips** revealed it was paying \$US9.7B for shale specialist **Concho Resources**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1911.7	oz	5.3	0.3
Silver (NY) (Dec)	24.698	oz	0.29	1.2
Gold (LON) (16 Oct)	1905	oz		

Pre-Open Announcements

Sunland Group (* SDG)

Strategic review outcomes lodged this morning, including offloading projects not yet under development.

AusCann Group Holdings (AC8)

CFO Quentin Megson has resigned and will leave AC8 after completing a three-month notice period.

If needed thereafter, AC8 will contract Mr Megson’s services on a part-time basis.

Retail Food Group (RFG) / Fonterra Shareholders’ Fund (FSF)

RFG’s sale of subsidiary Dairy Country to Fonterra Brands (Australia) settled yesterday.

Redflex Holdings (RDF)

September quarter total contract value (TCV) tallied \$323.9M against \$322M at 30 June.

Additional statistics lodged post-trade yesterday.

Resources

Perseus Mining (* PRU)

September quarter operational statistics lodged this morning.

Castile Resources (* CST)

Heralding Rover 1 prospect initial drilling results.

Select assays lodged this morning.

Piedmont Lithium (PLL)

Planning an American Depositary Shares (ADS) offering.

Details lodged this morning.

Essential Metals (* ESS)

Heralding recovery and concentrate grade results of preliminary metallurgical test work using Dome North lithium samples.

A first-pass test work program is expected to be completed by month’s end.

GBM Resources (* GBZ) / Aeris Resources (* AIS)

GBZ is planning to acquire the Yandan gold project via the purchase of Straits Gold from AIS.

GBZ will pay ~\$A3M in the form of 22.22M GBZ shares at 13.5c each.

In addition, AIS is subscribing or \$A1M worth of additional GBZ shares, to be escrowed for 12 months.

The acquisition plans are subject to GBZ shareholder approval at the 20 November AGM.

Thursday this week, GBZ shareholders will vote on a proposed \$A5.4M placement, comprising 40M shares at 13.5c each.

GBZ is resuming from a trading halt, having traded at 13c – 15.5c the five trading sessions immediately prior to calling the halt.

Ardiden Ltd (ADV)

ADV is pointing to a series of recent company updates,



Platinum	852	oz	-5	-0.6
WTI Crude (NYMEX Nov)	40.83	bbl	-0.05	-0.1
Brent Crude (ICE EUR Dec)	42.62	bbl	-0.31	-0.7
Iron Ore (NYMEX,CHN,62%)	121.53	t	0.40	0.3
Copper (LME,3mth Ind,PM)	6777	t	44	0.7
Nickel	15670	t	-15	-0.1
Aluminium	1846	t	-22	-1.2
Lead	1759	t	9	0.5
Zinc	2486	t	54	2.2
Tin	18615	t	295	1.6

Commodities Commentary

Oil – an overnight OPEC+ monitoring committee resulted in a statement whereby the group would continue to support market stability by maintaining the current production cuts agreement, which includes a further 2MMbbl/d reduction from 1 January.

Among the forecasters, Bank of America proffered \$US44/bbl and \$US40/bbl respective mean Brent and WTI prices for 2020, following by \$US50/bbl and \$US47/bbl next year.

Meanwhile, additional dour international Covid-19 diagnoses figures were released.

The WTI November contract expires on tonight's settlement.

Gold – a weaker \$US (ICE \$US down 0.3% - 0.4%) helped support overnight gold sentiment.

US political and stimulus developments, EU-UK negotiations, Covid-19 views and some key data yet to come this week are expected to swing prices.

Base metals – overnight LME trade was influenced by a \$US pullback, and data which translated at least temporarily into demand for select metals.

China's plethora of data releases yesterday proved mixed, but at the same time comparatively admirable.

2.7% September quarter GDP growth followed 11.7% for the June quarter, and undershot expectations of 3.3%.

In addition, GDP growth against the September quarter 2019 came in at an enviable 4.9%, following forecasts of 5.1%.

China's January – September fixed asset investment rose 0.8% after falling 0.3% for January – August, and followed forecasts of a 0.7% increase.

September industrial production grew 6.9% year-on-year, following 5.6% in August, also well surpassing forecasts of 5.7%.

September retail sales were reported 3.3% higher year-on-year, against July's 0.5% rise, and expectations of a new 1.7% gain.

In addition, Japan reported mixed September trade figures yesterday, but the headline trade surplus rose to ¥675B from ¥248.6B.

Meanwhile, commentary surrounding ongoing growth in stainless steel production in both Indonesia and China helped boost *nickel* prices to 11-month peaks intra-session.

Copper benefited in part from Lundin Mining's announcement that it would suspend operations at the Chile Candelaria copper project from later today, due to ongoing contract disputes.

The project produced 111,400t of copper last year, so is not Chile's largest. Other and larger operations however, are also negotiating contracts in difficult environments.

including a conference presentation, in response to an ASX price and volume query.

ADV appreciated 38.2% yesterday, settling at 4.7c following relatively high-volume trade.

Tuesday last week, ADV added 30.77%, also during comparatively high-volume trade.

ADV closed out September at 2.5c.

Iluka Resources (* ILU)

ILU's scheme arrangement demerger of Deterra Royalties will result in Deterra Royalties Ltd added to the S&P/ASX 200.

This will be at a zero price, and prior to ASX open Friday this week (23 October), with no associated S&P/ASX 200 stock deletion.

Energy

Yancoal Australia (* YAL)

September quarter ROM coal production grew 15% from a year earlier, to 17.9Mt.

Attributable saleable coal output rose 21%, to 10.2Mt.

The average realised price dropped 20% over the three months, to \$A70/t.

Prices recovered some late in the quarter, but YAL is uncertain they will keep rising towards the end of the calendar year.

January-September production reached 29.2Mt, 77% of YAL's targeted 2020 production.

88 Energy (88E)

Charlie-1 appraisal well results are being integrated into a new Alaska North Slope Project Icewine resource estimate, independently calculated and expected within weeks.

Trading Halts

Company	Code	Resuming
Respiri Ltd	RSH	20 Oct
Scout Security	SCT	20 Oct
Antara Lifesciences	ANR	21 Oct
Clean Seas Seafood	CSS	21 Oct
Estrella Resources	ESR	21 Oct
Jervois Mining	JRV	21 Oct
Marenica Energy	MEY	21 Oct
Peak Resources	PEK	21 Oct
Suvo Strategic Minerals	SUV	21 Oct
Tombador Iron	TI1	21 Oct
Valor Resources	VAL	21 Oct
Yandal Resources	YRL	21 Oct
YPB Group	YPB	21 Oct
PYC Therapeutics	PYC	22 Oct
Euro Manganese	EMN	23 Oct
Jayride Group	JAY	23 Oct
TNT Mines	TIN	23 Oct

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7065	-0.0017	-0.24
EUR – USD	1.1770	0.0047	0.40

Australian Data Today

ANZ/RoyMgn	Consumer sentiment	16 Oct
ABS	Jobs and wages	3 Oct
RBA	Policy meeting minutes	6 Oct

US Data Tonight

Housing starts	Sep
Building permits	Sep
Philadelphia Fed manufacturing	Oct

Other Overseas Data Today & Tonight

China	House price index	Sep
China	Loan prime rates (one-year & five-year)	Oct
Germany	PPI	Sep

Need More Information?

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Suspensions *(select)*

Company	Code	Since
The Agency Group Australia	AU1	5 Oct
Australia United Mining	AYM	14 Oct
Consolidated Financial Holdings	CWL	16 Oct
Cyclone Metals	CLE	19 Oct
Funtastic Ltd	FUN	5 Oct
New Energy Minerals	NXE	15 Oct
Quantum Graphite	QGL	2 Oct
Vault Intelligence	VLT	9 Oct
WhiteHawk Ltd	WHK	16 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ACF	Tomorrow	1.05	100	2.70
SNC	Tomorrow	2.5	100	9.15
PBP	Thu	3	100	2.24
PPC	Fri	1	100	0.47
CLV	27 Oct	2.5	100	0.86
RFT	29 Oct	0.1	100	0.00

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	BAP	AGM
	BLX	AGM
	BHP	Sep Q
	BRN	Sep Q (9am)
	COH	AGM; Sep Q update
	CSL	Investor briefing
	IEL	AGM
	LOV	AGM
	MMS	AGM
	OSL	AGM
	ORG	AGM
	PPT	Sep Q
	PRU	Sep Q
	SSM	AGM
	SGP	AGM
Tomorrow	GED	AGM
	MYS	AGM
	ORA	AGM
	TRS	AGM
Thu	APA	AGM



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	AIA	AGM
	API	Full year
	BKL	AGM
	CLW	AGM
	CWN	AGM
	HLS	AGM
	MFG	AGM
	SUN	AGM
	SGR	AGM
	WEB	AGM
	WHC	AGM
Fri	DXS	AGM
	GOR	Sep Q (tele 12.30pm)
	IAG	AGM
	QAN	AGM
	WOR	AGM