

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6498	35	<b>0.5</b>
<b>NZX 50</b>	10924	103	<b>1.0</b>
<b>DJIA Futures</b>	26158	-22	-0.1
<b>S&amp;P 500 Futures</b>	2909	-3	-0.1
<b>NASDAQ Futures</b>	7649	-10	-0.1

## Local Markets Commentary

The Australian market opens Friday trade with a much anticipated Reserve Bank of Australia (RBA) report due this morning, and additional material domestic data and an RBA executive speech today, ahead of influential data out of the US tonight, following the release of further weak international economic indicators overnight.

**Locally** today the RBA publishes a six-monthly **financial stability** review, with new risk assessments, **11.30am AEST**.

The Australian Bureau of Statistics (ABS) releases **August retail sales** also at 11.30am AEST.

In addition, **August new home sales** are anticipated, 11am AEST.

**1.20pm AEST**, RBA assistant governor Luci Ellis is scheduled to speak to the Ai Group in Geelong.

In overnight commodities trade, WTI **crude** settled lower for an eighth consecutive session. Brent crude turned to close just US2c/bbl higher for the session.

US **gold** futures (December) extended Wednesday's rally, but at a moderate pace.

LME **copper** swung lower. **Nickel** extended its current rally. **Aluminium** seesawed modestly higher.

The **\$A** appreciated to ~US67.40c after rising to ~US67.25c early yesterday evening.

**China's markets** remain closed due today through Monday (inclusive) due to public holidays.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26201	122	<b>0.5</b>
<b>S&amp;P 500</b>	2911	23	<b>0.8</b>
<b>NASDAQ</b>	7872	87	<b>1.1</b>
<b>FTSE 100</b>	7078	-45	<b>-0.6</b>
<b>DAX 30</b>	11925	Public	Holiday
<b>Shanghai Comp</b>	2905	Public	Holiday

## Overseas Markets Commentary

European and US equities trade diverged overnight, US markets dropping on data that surprised on the downside, but then recovering to settle higher. Germany's markets were closed due to a public holiday.

Comments from at least two US Federal Reserve officials, speaking

**Australia – August retail sales– 11.30am AEST**

**RBA – financial stability review – 11.30am AEST**

**RBA – assistant governor (economic) Luci Ellis is due to speak at an Ai Group event 1.20pm AEST, Geelong**

**Daylight saving** commences in the ACT, New South Wales, South Australia, Tasmania and Victoria early **Sunday 6 October**.

**From Monday (7 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

### Kathmandu Holdings (KMD)

KMD is trading for the first time today since announcing the proposed \$NZ368M acquisition of Rip Curl.

In the meantime, KMD has completed the institutional component of a \$NZ145M, \$NZ2.55-per-share (\$A2.37) entitlement offer, the book-build price reaching \$NZ3.06/share. The retail offer is scheduled for today through 21 October. KMD last traded on the ASX at \$2.79.

### Althea Group Holdings (AGH)

A record 462 new patients were prescribed AGH medicinal cannabis products during September, pushing the total number of patients having been prescribed these products to 2329.

In addition, growth is expected to continue, due to the New South Wales government easing regulations regarding such prescriptions.

### BetMakers Technology Group (BET)

BET subsidiary Global Betting Services has secured an agreement with GVC Holdings (owns Ladbrokes), to establish an international racing partnership and to utilise BET's technology and wagering products in Australia and other markets.

### ResApp Health (RAP)

RAP has been selected to join the 12-week Startup Creosphere Digital Health Program in Munich.

### GetSwift Ltd (GSW)

Agreement secured with US Special Operations Forces and intelligence agencies training, evaluation, and logistics support specialist US, Florida-based Patriot Defense Group

### Adelaide Brighton (ABC)

ABC has appointed former Gaz de France UK MD, and current AWC, CWY and IFN director, Emma Stein as an independent, non-executive director. Director Arlene Tansey is retiring.



publicly overnight, appeared to buoy expectations of accommodative US policy.

In addition, the US president had in the meantime repeated expectations of US-China trade talks in the US later this coming week.

Meanwhile, more **UK** government members, than in votes under the previous PM, indicated support for the current PM's proposal for arrangements governing the UK separation from **European Union (EU)**.

EU leaders however, suggested more concessions would be needed from the UK before the EU could collectively agree.

Overnight data releases again proving largely disappointing included the **(US)** ISM's services sector activity index, which dropped 3.8 points during September, to 52.6.

The services sector index is considered of greater importance than the manufacturing reading, as the services sector traditionally contributes ~67% of GDP growth.

August factory orders were calculated 0.1% lower for the month following a 1.4% July rise.

A September job cuts report included 41,557 planned layoffs, against 53,480 for August.

Weekly new unemployment claims rose by 4000 to 219,000, in part attributed to industrial action at General Motors.

A **UK** final September services PMI reading which confirmed a slip into contraction mode, with a 49.5 estimate following 50.6 in August.

The services sector activity index for the **euro zone** was finalised lower than the anticipated 52.0, at 51.6 from 53.5 for August.

The region's August retail sales rose 0.3% for the month however, after a 0.5% July fall. Against August 2018, sales were 2.1% higher.

Euro zone August producer prices fell 0.5% for the month and were 0.8% lower than a year earlier. For July, prices had picked up 0.1%.

**Germany's** services PMI dropped below expectations, to 51.4 from August's 54.8.

**Tonight** in the **US**, September jobs market statistics are keenly anticipated, together with the August trade balance and associated figures.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1513.8</b>	oz	5.9	0.4
<b>Silver (NY) (Dec)</b>	17.676	oz	-0.007	-0.0
<b>Gold (LON)</b>	1493	oz		
<b>Platinum</b>	888	oz	2	0.2
<b>WTI Crude (Nov)</b>	<b>52.45</b>	bbl	-0.19	-0.4
<b>Brent Crude (Dec)</b>	<b>57.71</b>	bbl	0.02	0.0
<b>Iron Ore (NYMEX,CHN,62%)</b>	92.26	t		
<b>Copper (LME,3mth,PM)</b>	<b>5657</b>	t	-37	-0.7
<b>Nickel</b>	17635	t	125	0.7
<b>Aluminium</b>	1717	t	5	0.3
<b>Lead</b>	2126	t	26	1.3
<b>Zinc</b>	2286	t	-15	-0.7
<b>Tin</b>	16475	t	-75	-0.5

## Pre-Open Announcements

### Sunland Group (\* SDG)

Conducting a \$A50M, five-year unsecured 7.55% fixed-rate notes offer.

### Swick Mining Services (\* SWK)

SWK has appointed former BHP Group (ASX: BHP) VP technology Alan Bye as an independent, non-executive director. In association, Phillip Lockyer will retire at the 8 November SWK AGM.

SWK says it will continue to review board composition.

### Evans Dixon (ED1)

Alan Dixon is stepping down from executive responsibilities, effective 31 October.

He will remain with ED1 as a non-executive director, without taking director fees.

Mr Dixon has recently been on extended leave from ED1, for personal reasons, after resigning as MD and CEO in June.

### Impression Healthcare (IHL)

Update anticipated at today's AGM.

## Resources

### Neometals Ltd (\* NMT)

MoU secured with the Institute of Multipurpose Utilization of Mineral Resources (IMUMR) Chinese Academy of Geological Sciences for the potential joint development of NMT's Barrambie titanium-vanadium project, Western Australia.

Details lodged this morning.

### St George Mining (\* SGQ) / Western Areas (\* WSA)

Heralding nickel-copper sulphides indications from initial deep drilling within the Mt Alexander project Investigators Prospect, WA goldfields.

### OceanaGold Corporation (\* OGC)

New Zealand Macraes gold project Golden Point drilling has returned several significant width and/or high-grade intersections. Assays lodged post-trade yesterday.

### Metalicity Ltd (MCT)

A new investor is subscribing for \$203,063 worth of MCT shares at 0.6c per share.

MCT has traded at 0.55c – 0.6c over the past week.

### MetalsTech Ltd (MTC)

\$C1.57M Quebec Tax Department refunds in hand, and another \$C193,149 expected.

### Kingsrose Mining (KRM)

Non-executive director Grant Mills has resigned from the KRM board, effective 30 November, in favour of personal business interests.

### Trigg Mining (TMG)

Potash explorer completed its ASX listing yesterday, following a



## Commodities Commentary

### Oil – prices swung overnight.

Saudi Arabia's energy minister announced that the kingdom's production capacity had reached 11.3MMbbl/d, effectively meaning full production had been restored following the mid-September attack on key oil operations.

In addition, the minister claimed Saudi Arabia was capable of meeting 'any future challenges'.

Sentiment was also dented by **economic indicators** which again heightened international growth, and hence oil demand, fears.

In particular, a much weaker-than-expected US services sector activity index (ISM) moved WTI sentiment, but prices recovered some prior to settlement, in part due to expectations the US Federal Reserve would remain supportive at its October policy meeting.

A weekly US petroleum drill rig count is due tonight.

**Gold** – while remaining relatively strong, the ICE \$US index slipped 0.2% overnight, this adding to gold trade considerations, following the release of additional below-expectations economic indicators.

US September jobs and August trade figures are expected to influence at least part of tonight's trade.

**Base metals** – disheartening data releases, supportive central bank officials' comments, *copper* warehousing and much thinner than usual volumes influenced overnight LME trade.

Meanwhile, Japan's Nippon Steel Corp announced operations one of the two Kimitsu Steel Works facilities would remain suspended until January, due to damage from a September typhoon.

However, other facilities were expected to pick up the slack, so that customers could receive regular supplies, Nippon maintained.

Vietnam announced it would add anti-dumping taxes to select *aluminium* products from China, as it had earlier this year to steel products.

Overnight, markets in China, Germany and South Korea were closed. China's markets will remain closed through Monday's trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6743	0.0002	0.03
<b>EUR – USD</b>	1.0974	0.0010	0.09

### Australian Data Today

RBA	Financial stability review	Biannual
ABS	Retail sales	Aug
HIA	New home sales	Aug

\$4.5M IPO at 20c per share.

Opened at 20c and fell to 12c, during a general market sell-off, before settling at 14c.

~1M shares changed hands across 115 transactions.

39M quoted shares. 19.04M quoted options.

Mike Ralston non-executive chair; Keren Paterson MD.

## Energy

### TerraCom Ltd (\* TER)

Underwriter secured for the establishment of a \$72M rehabilitation bonding facility for TER's Blair Athol Mine, Queensland.

\$45M cash backing is required for the facility.

### Trading Halts

Company	Code	Resuming
Otto Energy	OEL	4 Oct
BidEnergy Ltd	BID	7 Oct
Big Star Energy	BNL	7 Oct
Force Commodities	4CE	7 Oct
MedAdvisor Ltd	MDR	7 Oct
Veriluma Ltd	VRI	7 Oct

### Suspensions (select)

Company	Code	Since
Ark Mines	AHK	25 Sep
ADX Energy	ADX	3 Oct
AuKing Mining	AKN	30 Sep
Bounty Mining	B2Y	3 Oct
Creso Pharma	CPH	18 Sep
Dampier Gold	DAU	24 Sep
European Cobalt	EUC	24 Sep
EVE Investments	EVE	30 Sep
Family Insights Group	FAM	1 Oct
Hexagon Resources	HXG	25 Sep
iSignthis Ltd	ISX	2 Oct
Thred Ltd	THD	26 Sep
Torian Resources	TNR	24 Sep
Transcendence Technologies	TTL	24 Sep
Wattle Health Australia	WHA	2 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>WAA</b>	Today	<b>2.95</b>	100	5.18
<b>WAX</b>	Today	<b>4.85</b>	100	6.36
<b>WMI</b>	Today	<b>4.5</b>	100	2.97
EDC	Mon	1.93	100	7.20
NCC	Mon	3.5	100	6.65
NCK	Mon	20	100	3.47

**US Data Tonight**

Employment (incl jobs created, wages growth)	Sep
Trade balance	Aug

**Other Overseas Data Today & Tonight**

<b>Germany</b>	Construction PMI	Sep
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**Need More Information?**

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ASL	Tue	3.5	100	2.33
REH	Tue	14.25	100	1.90
RHP	Tue	2	100	0.75
SSG	Tue	2.5	80	7.21
GOW	Wed	5	100	4.78
NBL	Wed	5.5	100	3.11
DGH	Thu	3	54.49	3.00
GNG	Thu	2	0	10.71
HVN	Thu	21	100	6.51
FGG	Fri	1.5	100	0.79
FGX	Fri	2.4	100	4.04
MAH	Fri	0.5	30	0.00
MFF	Fri	2	100	0.95
OPC	Fri	3.6	100	0.00
WGB	Fri	2	100	0.00
WLE	Fri	3	100	4.36