

Markets

SFE 200 Futures (9.30am AEDT)	5952	26	0.4
NZX 50	11984	85	0.7
DJIA Futures	28032	37	0.1
S&P 500 Futures	3396	3	0.1
NASDAQ Futures	11486	17	0.1

Local Markets Commentary

The Australian market commences today's trade with a Reserve Bank of Australia (RBA) policy meeting from which outcomes will be divulged 2.30pm, and material economic data due late morning, ahead of the official national budget delivery this evening.

This will be followed tonight by a speech from the US Federal Reserve chair and key US data.

Domestic budget expectations are expected to buoy select sentiment today.

Overnight, international equities trade also benefited from potential fiscal support in the US and the US president's plans to leave hospital.

Locally today, the RBA's post-policy meeting announcement is keenly anticipated 2.30pm AEDT.

The Australian government's national budget will be delivered 7.30pm AEDT.

Prior to these two events, the Australian Bureau of Statistics (ABS) publishes **August trade** statistics **11.30am AEST**.

The ANZ monthly **job advertisements** report is also scheduled for release then.

Pre-trade, AiG's September **construction sector activity** index has been reported at 45.2, indicating ongoing contraction mode, but against 37.9 for August.

A weekly **consumer sentiment** reading is also due pre-trade.

Regionally today, **Japan** conducts a 30-year bond auction.

Meanwhile, **China's** markets remain closed through tomorrow.

In overnight commodities trade, **oil** rebounded.

US **gold** futures (December) also swung higher.

Iron ore (Nymex CFR China, 62% Fe) turned also to record a gain, trading above \$US120.00/t.

LME **copper** was pushed lower, but **nickel** and **aluminium** recorded decisive gains.

The \$A appreciated beyond US71.75c early yesterday evening.

This morning, the \$A has traded above US71.85c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28149	466	1.7
S&P 500	3409	60	1.8
NASDAQ	11332	257	2.3

Australia – RBA policy meeting outcomes – 2.30pm AEDT

National Budget – this evening

Today's Stock Watch
Insurance Australia Group (IAG)

\$138M gross payment settlement agreed for class action initiated by Johnson Winter & Slattery against IAG subsidiaries Swann Insurance and Insurance Australia.

IAG expects the post-tax net impact to be ~\$50M.

Air New Zealand (AIZ)

CFO Jeff McDowall is planning to leave AIZ 'toward the middle of 2021'.

In addition, AIZ has established a new executive position, that of chief customer and sales officer, and has appointed Leanne Geraghty to this role. Ms Geraghty is AIZ's GM airports.

COSOL Ltd (COS)

COS has appointed COS board advisor Ben Buckley as a director and as MD, effective today.

In addition, COS is planning to acquire Denver, US-headquartered managed services IT, software and professional services company AddOns Inc.

Consideration comprises \$US1.5M cash and ~4.27M COS shares, plus an earnout of up to \$US1.75M cash.

Telix Pharmaceuticals (TLX)

US FDA orphan drug designation in hand for TLX's proposed imaging agent for glioma brain tumours.

WhiteHawk Ltd (WHK)

\$US1.5M one-year cyber sub-contractor contract option renewal awarded by a US government department.

The initial contract was awarded in 2017.

MotorCycle Holdings (MTO)

Anticipating \$20M 1H FY21 underlying EBITDA.

Reece Ltd (REH)

Trading ex-dividend (6c) today. REH appreciated 2.8% (37c) yesterday, settling at \$13.55.

Resources
Northern Star Resources (NST) / Saracen Mineral Holdings (SAR)

NST and SAR are planning an agreed merger, as equals, under a 0.3763 NST share for one SAR share scheme of arrangement via which NST will acquire 100% of SAR.

Pending conditions, SAR will also pay a special fully franked A3.8c-per-share dividend.

A webcast SAR and NST teleconference was scheduled to commence 8am AEDT.

Today's SAR AGM materials have also been lodged pre-trade.



FTSE 100	5931	28	0.5
DAX 30	12828	139	1.1
Shanghai Comp	3218	Public	Holiday

Overseas Markets Commentary

US equities markets opened higher overnight, sentiment never looking threatened and key indices settling at or near session highs.

Major European equities markets chopped some, but gains were maintained on subsequent decisively positive US trade.

In the **US**, the president revealed plans to leave hospital in the evening (today AEDT), amid renewed optimism for potential Covid-19 treatments being trialed in hospitals.

In addition, the US treasury secretary and House of Representatives speaker announced progress towards agreed proposed legislation that would release more funds to support businesses and individuals and partially compensate for the effects of Covid-19. Talks are scheduled to continue tonight.

Improved risk sentiment meant appetite for haven holdings such as the \$US pulled back, the ICE \$US index falling by ~0.4%.

In overnight data releases, the Sentix investor confidence (six-month economic outlook) index for the **euro zone** declined to -8.3 from -8.0, following forecasts of -9.3.

Euro zone August retail sales were estimated 3.7% higher than for August 2019 and 4.4% higher for the month, each figure well exceeding expectations.

The region's final September services PMI of 48.0 indicated a return to contraction mode following August's 50.5.

In **Germany**, the September services PMI was finalised as a 1.9-point fall to 50.6.

The services PMIs for France and Italy contributed to the overall regional contraction-mode reading, coming in finally at 47.5 (from 51.5) and 48.8 (from 47.1).

August retail sales for France pleased however, growing 6.2% for the month and 3% year-on-year.

In the **UK**, September new car sales were estimated to be 4.4% lower than for September 2019, following a 5.8% August year-on-year drop.

The final and robust 56.1 September services PMI represented a 2.7-point fall.

In the **US**, the ISM's September services sector activity index came in at 57.8 from 56.9 for August, the new orders and employment components each also growing.

Markit's final September services PMI was confirmed at 54.6.

Tonight in the **US**, **Federal Reserve** chair Jerome Powell is scheduled to address the National Association for Business Economics.

In addition, a US September job openings report and August trade figures are due.

Elsewhere, **European Central Bank** (ECB) president Christine Lagarde is scheduled to speak publicly.

In overnight corporate news, **Exxon Mobil** announced plans for additional job cuts, this time up to 1600 across Europe, within affiliates.

Pre-Open Announcements

Dough Ltd (* DOU)

The former ZipTel is expected to be reinstated to official ASX quotation on ASX open, following a \$6M fundraiser at 3c per share.

The Digital Bakery holds 31.89%.

304.85M quoted shares.

Resources

Bardoc Gold (* BDC)

BDC drilling has delivered a new high-grade Bardoc gold project mineralised extension, located 600m north of the planned Zoroastrian underground mine.

Kingsrose Mining (KRM)

MD Karen O'Neill has resigned, effective 31 December.

In addition, co-founding director John Morris has resigned from the KRM board, effective immediately.

Further, Peter Lester intends to retire from the KRM board at the 19 November AGM.

KRM recorded relatively large volume trade yesterday, while trading between 3.6c and 3.8c, settling at 3.8c.

KRM settled at 3.8c four of five sessions last week.

Tombador Iron (* TI1)

The former RESA Group is expected to be reinstated to official ASX quotation on ASX open after raising \$15M at 2.5c per share.

Colomi Singapore holds 50.75%. 753.25M quoted shares.

Siren Gold (* SNG)

Gold explorer and project developer scheduled to list on the ASX midday AEDT **tomorrow** following a \$10M IPO at 25c per share.

58.71M quoted units.

Trading Halts

Company	Code	Resuming
Eagle Mountain Mining	EM2	6 Oct
Select Harvests	SHV	6 Oct
CresoPharma Ltd	CPH	7 Oct
Estrella Resources	ESR	7 Oct
Simble Solutions	SIS	8 Oct
Twenty Seven Co	TSC	8 Oct
Wide Open Agriculture	WOA	8 Oct

Suspensions *(select)*

Company	Code	Since
The Agency Group Australia	AU1	5 Oct

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1920.1	oz	12.5	0.7
Silver (NY) (Dec)	24.56	oz	0.53	2.2
Gold (LON) (2 Oct)	1903	oz		
Platinum	891	oz	19	2.2
WTI Crude (NYMEX Nov)	39.22	bbl	2.17	5.9
Brent Crude (ICE EUR Dec)	41.29	bbl	2.02	5.1
Iron Ore (NYMEX,CHN,62%)	121.03	t	0.43	0.4
Copper (LME,3mth Ind,PM)	6529	t	-34	-0.5
Nickel	14550	t	220	1.5
Aluminium	1765	t	16	0.9
Lead	1759	t	-14	-0.8
Zinc	2331	t	12	0.5
Tin	18070	t	270	1.5

Commodities Commentary

Oil – prices bounced from Friday’s tumble, the US president announcing he planned to leave hospital, the US administration and key politicians confirming intent to achieve sufficient agreement to offer additional fiscal support to US individuals and businesses, and the \$US trading lower.

Norway confirmed industrial action within the oil and gas sector had spread to impact six offshore fields and likely cut output by 8% (~330,000boe/d, 60% of this estimated to be natural gas).

Libya’s renewed daily production in the meantime was claimed to have reached 290,000bbl.

Meanwhile, amid warnings of another tropical storm forecast to reach the Gulf of Mexico as a hurricane by early Wednesday (US time), regional producers again commenced offshore evacuations.

Gold – overnight gold sentiment benefited from a weaker \$US and reported progress on potential new US fiscal support.

Public statements from the US Federal Reserve chair and European Central Bank (ECB) president could swing some trade tonight.

Base metals – a \$US pull back proved insufficient to support overnight LME copper trade amid rising inventories and mixed international economic indicators.

In production news, Chile’s August copper output was reported to have come in 481,700t greater than for August 2019, at 481,700t.

China’s markets are closed for ‘Golden Week’ through tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7187	0.0018	0.25
EUR – USD	1.1786	0.0073	0.62

Australian Data Today

RBA	Post-policy meeting statement	6 Oct
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East Energy Resources	EER	18 Sep
FAR Ltd	FAR	14 Sep
Fatfish Group	FFG	2 Oct
Funtastic Ltd	FUN	5 Oct
Kaiser Reef	KAU	17 Sep
Lincoln Minerals	LML	21 Sep
Metalicity Ltd	MCT	2 Oct
Mint Payments	MNW	21 Sep
MyFiziq Ltd	MYQ	1 Oct
Phoslock Environmental Technologies	PET	21 Sep
Quantum Graphite	QGL	2 Oct
Riedel Resources	RIE	22 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
REH	Today	6	100	1.48
ICS	Tomorrow	4.5	0	2.64
SXE	Tomorrow	3	100	0.00
ARB	Thu	39.5	100	0.00
CAM	Thu	1.13	100	4.44
GNG	Thu	4	0	3.33
PIA	Thu	2.5	100	5.04
DGH	Fri	2.25	0	4.12
HVN	Fri	18	100	4.52
MFF	Fri	3	100	1.73
TRA	Fri	3.64	85	6.54

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	BBN	AGM
	SAR	AGM
Tomorrow	AGL	AGM
	BHP	Q&A webcast (midday)
Thu	AMH	AGM
	BXB	AGM
	DJW	AGM
	TCL	AGM



ANZ/RoyMgn	Consumer sentiment	4 Oct
AiG	PCI	Sep
ABS	Trade balance	Aug
ANZ	Job advertisements	Sep

US Data Tonight

JOLTS job openings		Sep
Trade balance		Aug

Other Overseas Data Today & Tonight

UK	Retail sales	Aug
UK	Construction PMI	Sep
Germany	Factory orders	Aug
Germany	Construction PMI	Sep
Euro zone	Construction PMI	Sep

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