

**Markets**

|                                      |       |    |     |
|--------------------------------------|-------|----|-----|
| <b>SFE 200 Futures</b> (9.30am AEST) | 6963  | 79 | 1.1 |
| <b>NZX 50</b>                        | 11772 | 14 | 0.1 |
| <b>DJIA Futures</b>                  | 32258 | 94 | 0.3 |
| <b>S&amp;P 500 Futures</b>           | 4080  | 12 | 0.3 |
| <b>NASDAQ Futures</b>                | 12636 | 44 | 0.3 |

**Local Markets Commentary**

The Australian market opens a new week's trade following generally positive overnight Friday international equities and commodities trade and with further fresh China data in hand.

US equities markets recorded decisive gains overnight Friday.

**Locally** today, no major economic reports are scheduled for release.

Stocks trading **ex-dividend** today include **CNU, DSK, HUB,** and **PRU**. Please see p4 for a detailed ex-dividends list.

**Regionally** post-ASX trade Friday, **China** released August **new lending** figures, these tallying 1250B yuan, following 679B for July and forecasts for 1100B worth of August new lending.

In addition, China reported 32.1% year-on-year growth in August **vehicle sales**, essentially in line with expectations.

China's markets are **closed today**, due to a public holiday.

In mostly positive overnight Friday commodities trade, **oil** rose sharply, Brent crude settling beyond \$US92.5/bbl.

US **gold** futures turned higher, closing above \$US1725/oz.

**Iron ore** (Nymex CFR China, 62% Fe) was propelled beyond \$100.0/t.

LME (3mth evening) **copper, nickel** and **aluminium** variously extended Friday's gains, nickel by more than 5.5%.

The **\$A** declined to ~US68.35c after trading at ~US68.75c early Friday evening.

**Overseas Markets**

| INDEX                | CLOSE | +/- | %   |
|----------------------|-------|-----|-----|
| <b>Dow Jones</b>     | 32152 | 377 | 1.2 |
| <b>S&amp;P 500</b>   | 4067  | 61  | 1.5 |
| <b>NASDAQ</b>        | 12112 | 250 | 2.1 |
| <b>FTSE 100</b>      | 7351  | 89  | 1.2 |
| <b>DAX 30</b>        | 13088 | 184 | 1.4 |
| <b>Shanghai Comp</b> | 3262  | 26  | 0.8 |

**Overseas Markets Commentary**

Major European, UK and US equities markets opened higher overnight Friday, sentiment never looking to wane seriously throughout respective trading sessions.

The tech sector and other stocks associated with economic growth proved in favour.

**Today's Stock Watch**
**Atlas Arteria (ALX)**

Confirming participation in a competitive sale process for the Chicago Skyway toll road.

**Virgin Money UK (VUK)**

VUK has appointed Sara Weller CBE as a non-executive director, effective 3 October, representing Virgin Enterprises. Ms Weller is a BT Group non-executive director, and former Lloyds Banking and United Utilities director.

**Resources**
**Industrial Minerals (IND)**

MoU secured with Shandong Hongbote Solar Technology Co for the potential supply of up to 600,000tpa WA Stockyard project silica sand.

Conditions include satisfactory definitive metallurgical testing. A second-stage under the MoU includes plans for the construction of a JV silica processing facility in China.

IND has traded higher eight of the past nine trading sessions, settling at 42.5c Friday.

**TechGen Metals (TG1)**

Maiden RC drilling within the NSW John Bull project has delivered a new find. Assays lodged this morning.

**Korab Resources (KOR)**

Reviewing all available data and reports for the greater Batchelor project, in light of the potential for Batchelor to host lithium and rare earth oxides.

Meanwhile, an exploration licence which covers 172sq km of the project has been renewed.

**Tesoro Gold (TSO)**

Heralding Chile El Zorro gold project Calderillas target surface mapping and sampling results.

In addition, TSO has added ~2.4sq km to the project via the ~\$A9000 acquisition of two concessions.

**Navarre Minerals (NML)**

Northern Queensland Mt Carlton project Telstra Hill and Mt Carlton United deposits drilling has delivered additional high-grade and/or significant gold, silver and/or copper intersections. Assays lodged pre-trade.

**Anax Metals (ANX) / Develop Global (DVP)**

The WA Pilbara Whim Creek project Salt Creek deposit contained copper resource has increased by 99% and the contained zinc resource by 22%.

Overall resource tonnes have grown by ~80%.

Details lodged pre-trade.



This was mostly attributed to US Federal Reserve comments indicating that interest rates would need to continue higher, but at a time when the US economy was viewed as sufficiently buoyant, and that a medium – term slowing of the pace of interest rate increases was envisioned due to the central bank’s determination to deal with inflationary pressures.

This seemed to ease both inflation and recession fears.

The (ICE) \$US index was pushed ~0.5% lower as the euro rose.

An emergency euro zone energy ministers summit produced a request for the European Commission to prepare a draft proposal including a cap on petroleum production revenues, plus regulations covering a potential allocation of emergency funding to power companies and other funds to households and businesses.

The proposals would then be debated by energy ministers and final plans negotiated, possibly by month’s end.

No unanimous support was achieved for a previously touted proposal to cap prices for all imported gas.

Also overnight Friday, the Bank of England pushed back this Thursday’s scheduled policy meeting by one week, due to the death of Queen Elizabeth and subsequently declared mourning period.

Earlier Friday, **China** reported 0.1% **deflation** for August, surprising following 0.5% July CPI growth and forecasts for a new 0.4% increase.

The annual inflation rate came in at 2.5%.

Among overnight Friday **data** releases, **Russia’s** August CPI figures represented 0.5% **deflation** for the month and 14.3% inflation on an annualised basis. Inflation had declined by 0.4% during July.

Meanwhile, Russia’s June quarter GDP was finalised 4.1% lower than for the June quarter 2021.

In the **US**, July wholesale inventories were reported 0.6% higher for the month, against expectations of a 0.8% increase and following a 1.8% June climb.

**Tonight** in the US, an August consumer inflation expectations report is due.

In addition, the US conducts a 10-year note auction.

Elsewhere, UK GDP is anticipated together with trade and industrial production statistics.

| Commodities                            |        |       |      |      |
|--|--------|-------|------|------|
| COMMODITY                              | CLOSE  | \$US/ | +/-  | %    |
| <b>Gold (NY)</b> (Dec)                 | 1728.6 | oz    | 8.40 | 0.5  |
| <b>Silver (NY)</b> (Dec)               | 18.77  | oz    | 0.33 | 1.8  |
| <b>Platinum</b>                        | 878    | oz    | -2   | -0.2 |
| <b>WTI Crude</b> (NYMEX Oct)           | 86.79  | bbl   | 3.25 | 3.9  |
| <b>Brent Crude</b> (ICE EUR Nov)       | 92.84  | bbl   | 3.69 | 4.1  |
| <b>Iron Ore</b> (NYMEX CHN port;62%Fe) | 100.21 | t     | 3.02 | 3.1  |
| <b>Copper</b> (LME 3mth Evening)       | 7845   | t     | 49   | 0.6  |
| <b>Nickel</b>                          | 23016  | t     | 1245 | 5.7  |
| <b>Aluminium</b>                       | 2287   | t     | 20   | 0.9  |
| <b>Lead</b>                            | 1916   | t     | 36   | 1.9  |
| <b>Zinc</b>                            | 3165   | t     | 41   | 1.3  |
| <b>Tin</b>                             | 21158  | t     | -178 | -0.8 |

## Pre-Open Announcements

### Austal Ltd (ASB)

Settlement achieved with the Australian Securities & Investments Commission (ASIC) regarding littoral combat ship program disclosures prior to 4 July 2016.

ASIC is applying to the Federal Court for a declaration of one contravention during 16 June 2016 – 3 July 2016 and ASB is agreeing to this and to a \$650,000 penalty.

### Shine Justice (SHJ)

The class action by SHJ on behalf of shareholders against Johnson & Johnson and mesh implants manufacturer Ethicon has produced an agreement for the payment of a total \$A300M covering damages, costs and interest.

Administration of individual claims is expected to take several years.

### Synlait Milk (SM1) / The a2 Milk Company (A2M)

State Administration for Market Regulation (SAMR) licence renewal in hand enabling SM1 to keep manufacturing A2M’s Chinese – labelled infant formula until 21 February 2023.

SM1 is also seeking re-registration under new food safety legislation.

### Healthia Ltd (\* HLA)

Resuming trade having completed an ~\$10M, \$1.47-per-share institutional entitlement offer.

A retail offer is scheduled for 15 – 30 September.

HLA traded at \$1.4964 - ~\$1.796 over the five sessions prior to calling a trading halt.

### Genesis Energy (GNE)

GNE has appointed Christchurch International Executive chief executive Malcolm Johns as chief executive, effective 13 March 2023.

GNE chief customer officer Tracey Hickman will be interim GNE chief executive from 14 October, when the current chief executive Marc England leaves as previously flagged.

### Shaver Shop Group (SSG)

Conference presentation lodged post-trade Friday.

SSG was scheduled to present Saturday.

## Resources

### Belararox Ltd (\* BRX)

Belara project RC drilling has returned numerous high-grade zinc intersections. Assays lodged pre-trade.

In addition, drilling has indicated high-grade mineralisation continues down-dip and along strike to the north of Belara.

Diamond core resource drilling has confirmed additional high-grade mineralisation closer to surface across a 300m strike.

### Lithium Energy (LEL)

Argentina Solaroz lithium brine project maiden drilling underway.



## Commodities Commentary

**Oil** – China’s extension of the Chengdu lockdown was outweighed overnight Friday by a combination of: the week’s supply cut threats out of Russia; OPEC’s early-week decision to cut the overall output target from October; US Department of Energy claims that new releases from strategic reserves, other than what were announced earlier this year, were not currently under consideration; and a weaker \$US advantage for many buyers.

A weekly US petroleum drill rig report, published overnight Friday, included the tally of operational oil rigs falling by five.

Potential **US** rail sector industrial action will be watched **this week**, due to the daily riling of significant quantities of oil and petroleum products.

**Gold** – the \$US turned lower Friday, this supporting overnight Friday gold sentiment.

In addition, a report promoting a potential US sovereign debt crisis and the European Central Bank president’s overnight Thursday concession of a GDP contraction risk for 2023, reportedly buoyed some gold-as-a safe - haven sentiment.

UK and US inflation updates are keenly anticipated **this week** and are again expected to influence central bank speculation and currency trade, and hence some gold trade.

**Base metals** – new data out of China, a weaker \$US, and broader positive overall sentiment helped push most base metals higher overnight Friday.

Also overnight Friday, media reports emerged speculating early on possible outcomes from the National Congress for China’s Communist Party, scheduled for ~mid-October, also pointing out key regulatory and government personnel were due to step down by early 2023.

**China’s** August **CPI** and **PPI** estimates, released Friday, included 0.1% **deflation** for the month and a 2.5% annualised inflation rate.

Producer prices were calculated 2.3% higher than for August 2021, against expectations for 3.1%.

A batch of influential data is due out of China late **this week**.

### Exchange Rates

| CURRENCIES       | LAST   | +/-    | %    |
|------------------|--------|--------|------|
| <b>AUD – USD</b> | 0.6849 | 0.0012 | 0.18 |
| <b>EUR – USD</b> | 1.0073 | 0.0025 | 0.25 |

### US Data Tonight

|                                 |     |
|---------------------------------|-----|
| Consumer inflation expectations | Aug |
|---------------------------------|-----|

### Other Overseas Data Today & Tonight

|              |                                |     |
|--------------|--------------------------------|-----|
| <b>Japan</b> | Machine tool orders (4pm AEST) | Aug |
| <b>UK</b>    | GDP                            | Jul |
| UK           | Trade balance                  | Jul |
| UK           | Industrial production          | Jul |
| UK           | NIESR GDP tracker              | Aug |

### Liontown Resources (LTR)

WA Kathleen Valley lithium project 95MW hybrid power generation facility contract awarded.

### Altech Chemicals (ATC)

Altech Saxony, Germany silumina anodes project update lodged pre-trade.

Meanwhile, ATC has hosted a site visit by Germany’s chancellor and State ministers.

In addition, ATC has been invited to present the project and its technology to Germany’s federal government.

### Tyranna Resources (TYX)

Confirming plans to commence Angola Namibe lithium project drilling next month. Details lodged this morning. TYX 80%.

### Sheffield Resources (SFX)

WA Kimberley region Thunderbird mineral sands project construction updated lodged pre-trade.

Continuing to target initial production during the March quarter 2024. SFX 50%.

### Classic Minerals (CLZ)

Traded as high as 6.4c Friday before settling at 3.5c, 118.75% higher for the session.

CLZ had resumed from suspension having secured conditional agreement for Goldvalley Brown Stone to provide up to \$10M in funds for Kat Gap gold project development, Western Australia.

Goldvalley and CLZ have agreed to share net profits from output on a 30:70 basis.

Conditions include satisfactory due diligence.

### Midas Minerals (MM1)

MM1 is presenting at a virtual conference tomorrow.

Registration link for the 4.30pm AEST presentation lodged post-trade Friday.

### Australasian Metals (A8G)

A8G is presenting at a virtual conference Wednesday.

Registration link for the 3pm AEST presentation lodged this morning.

## Energy

### MC Mining (MCM)

In response to an ASX price and volume query, MCM points to recent positive announcements and elevated hard coking coal prices as possible reasons for Wednesday – Thursday trade.

MCM added 33.3% Wednesday and 25% Thursday before calling a trading halt on receipt of the ASX query.

MCM is resuming trade having last traded at 50c.

MCM had closed out the previous week at 30.5c.

### Trading Halts

| Company         | Code | Resuming |
|-----------------|------|----------|
| Antipa Minerals | AZY  | 12 Sep   |

**Need More Information?**

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|                      |     |        |
|----------------------|-----|--------|
| Heavy Minerals       | HVY | 12 Sep |
| Rarex Ltd            | REE | 12 Sep |
| Alma Metals          | ALM | 13 Sep |
| Kingfisher Mining    | KFM | 13 Sep |
| Rincon Resources     | RCR | 13 Sep |
| Synertec Corporation | SOP | 13 Sep |

**Suspensions** *(selected)*

| Company                | Code | Since  |
|------------------------|------|--------|
| AusCann Group Holdings | AC8  | 1 Sep  |
| BWX Ltd                | BWX  | 29 Aug |
| Doriemus Plc           | DOR  | 8 Sep  |
| DXN Ltd                | DXN  | 9 Sep  |
| Invigor Group          | IVO  | 25 Aug |
| Rafaella Resources     | RFR  | 7 Sep  |
| TEK-Ocean Group        | T3K  | 22 Aug |

**Ex-Dividends**

| Code       | Ex-Div   | Div (c)     | Franking (%) | Yield (%) |
|------------|----------|-------------|--------------|-----------|
| <b>CNU</b> | Today    | <b>16.1</b> | 0            | 3.83      |
| <b>DSK</b> | Today    | <b>10</b>   | 100          | 9.66      |
| <b>DUR</b> | Today    | <b>1.5</b>  | 100          | 4.71      |
| <b>DVR</b> | Today    | <b>3.5</b>  | 100          | 3.77      |
| <b>HUB</b> | Today    | <b>12.5</b> | 100          | 0.56      |
| <b>JYC</b> | Today    | <b>10.5</b> | 100          | 5.13      |
| <b>LSF</b> | Today    | <b>4.5</b>  | 100          | 2.79      |
| <b>MTO</b> | Today    | <b>8</b>    | 100          | 5.19      |
| <b>PGC</b> | Today    | <b>0.6</b>  | 100          | 3.90      |
| <b>PRU</b> | Today    | <b>1.64</b> | 0            | 0.53      |
| <b>SND</b> | Today    | <b>2</b>    | 100          | 1.69      |
| FOS        | Tomorrow | 0.5         | 100          | 0.00      |
| GRR        | Tomorrow | 2           | 100          | 14.20     |
| IGL        | Tomorrow | 8           | 100          | 6.77      |
| ING        | Tomorrow | 0.5         | 100          | 6.22      |
| NWS        | Tomorrow | 10.09       | 0            | 0.77      |
| NWSLV      | Tomorrow | 10.09       | 0            | 0.77      |
| OCL        | Tomorrow | 6           | 0            | 0.61      |
| PSI        | Tomorrow | 7.5         | 60           | 2.22      |
| TPG        | Tomorrow | 9           | 100          | 3.20      |
| BRG        | Wed      | 15          | 100          | 1.39      |
| CAF        | Wed      | 1           | 100          | 5.36      |
| CGC        | Wed      | 4           | 100          | 3.46      |
| GC1        | Wed      | 2           | 0            | 5.20      |
| LOV        | Wed      | 37          | 30           | 2.32      |
| MCY        | Wed      | 10.87       | 0            | 3.17      |
| MGH        | Wed      | 3.5         | 100          | 1.29      |
| NZM        | Wed      | 2.7         | 0            | 6.60      |
| PPM        | Wed      | 5.4         | 100          | 5.81      |