

Markets

SFE 200 Futures (9.30am AEST)	6850	-159	-2.3
NZX 50	11622	-141	-1.2
DJIA Futures	31139	36	0.1
S&P 500 Futures	3936	5	0.1
NASDAQ Futures	12049	13	0.1

Local Markets Commentary

The Australian market will fall on opening. US equities markets dropped overnight. The \$A also tumbled. **Locally** today, no major economic reports are due for release. Meanwhile, national cabinet meets virtually and is expected to decide on the continuation of some support payments while Covid management restrictions remain in place. Large-cap and high-profile stocks trading **ex-dividend** today include **BRG, CGC, LOV, MGH** and **PPM**. *Please see pp3-4 for a detailed ex-dividends list.* **Regionally** today, Tankan indices and machinery orders for **Japan** were scheduled for release pre-ASX trade. In overnight commodities trade, **oil** turned to settle lower. US **gold** futures fell beneath \$US1720/oz. **Iron ore** (Nymex CFR China, 62% Fe) closed essentially flat, adding just US2c/t. LME (3mth evening) **copper** and **nickel** swung lower. **Aluminium** turned higher. The **\$A** slumped to ~US67.30c after trading at ~US69.05c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31105	-1276	-3.9
S&P 500	3933	-178	-4.3
NASDAQ	11634	-633	-5.2
FTSE 100	7386	-87	-1.2
DAX 30	13189	-213	-1.6
Shanghai Comp	3264	2	0.1

Overseas Markets Commentary

Major European and UK markets initially traded a little higher overnight, but turned sharply in early second-half trade, settling at or near session lows. US equities markets dropped on opening, ultimately tumbling the most in a session for ~27 months. All sentiment was bruised by a US inflation update. The **US August CPI** estimate raised expectations of a significant rate increase from next week's Federal Reserve policy meeting. The figures represented 0.1% inflation growth for the month

Today's Stock Watch
Aspen Group (APZ)

Resuming from a trading halt having completed a \$36.34M fully underwritten institutional placement, at \$1.58 per security.

A \$3M SPP at the same price is scheduled for 20 September – 4 October.

APZ traded at \$1.60 - \$1.725 over the past five sessions immediately prior to calling the halt.

James Hardie Industries (JHX)

Investor Day (day 2) presentation lodged post-trade yesterday. The investor day was hosted in New York, commencing overnight.

JHX traded at \$34.33 - \$35.60 on the ASX yesterday, settling 1.7% higher for the session after the initial investor day in New York overnight Monday. JHX closed out last week at \$34.05.

Matrix Composites & Engineering (MCE)

MCE has secured a joint development agreement with Rio Tinto (ASX: RIO) covering a trial replacement of steel conveyor components at RIO operations.

Under the agreement, RIO is contributing to the development, at MCE's southern Perth suburbs facility, of an alternative replacement that will be fully recyclable, corrosion-free, relatively light-weight and also cost-effective.

Resources
Rio Tinto (RIO)

Planning to establish a JV with China Baowu Steel Group Co to develop the WA Pilbara Western Range iron ore project.

RIO is initially contributing \$1.3B for its 54% share and Baowu Steel \$0.7B for 46%.

Western Range production capacity is estimated at 25Mtpa.

Lake Resources (LKE)

An Argentina Kachi project pilot plant milestones dispute with Lilac Solutions Inc may lead to arbitration and LKE exercising an option for buy back rights.

DFS continuing.

Energy
Energy World Corporation (EWC)

A long-term contract for the sale of power from the EWC Sengkang gas-fired power facility into the South Sulawesi grid expired overnight Monday.

EWC is considering several options and anticipates receiving revenue from previously supplied power until mid-November.



against expectations for 0.2% deflation, following a flat July result.

The new reading brought the annualised inflation rate down from 8.5% to 8.3%, but a larger decline to 8.1% had been anticipated.

Earlier yesterday, Japan reported producer prices rose just 0.2% during August (after a 0.7% July increase) but were 9.0% higher than for August 2021.

In other overnight data releases, **Germany's** August inflation growth was finalised, as anticipated, at 0.3% for the month and 7.9% on an annualised basis.

The ZEW September economic sentiment index for Germany came in at -61.9 from -55.3 in August and against expectations for a smaller decline to -59.0.

The current conditions component index dropped to -60.5 from -47.6.

For the **euro zone** overall, the September economic sentiment index deteriorated to -60.7 from -54.9, following forecasts for -56.5.

UK unemployment claims rose by 6300 during August after dropping by 10,500 during July. Forecasters had anticipated a further decline by ~4000.

Average earnings for the three months to the end of July were in the meantime estimated, excluding bonuses, as having risen by 5.5% against expectations for a 5.1% increase.

The unemployment rate was reported as having fallen by 0.2%, to 3.6%, over the same three months.

In the **US**, in addition to the August CPI reading, a small business optimism index lifted to 91.8 from 89.9, following forecasts for 91.1.

An economic optimism index in the meantime rose to 44.7 from 38.1. A much slighter improvement to 38.4 had been expected.

The August budget statement included a \$US220B deficit, against forecasts for a \$US250B shortfall, following July's \$US211B deficit.

Meanwhile, a 30-year bond auction produced a 3.511% yield from 3.106%.

Tonight in the US, August producer prices are due, together with weekly mortgage applications and mortgage rates.

Elsewhere, the UK reports August CPI and the euro zone conducts a 30-year bond auction.

In overnight corporate news, **Twitter** shareholders approved Elon Musk's initial \$US44B buyout offer.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1717.4	oz	-23.2	-1.4
Silver (NY) (Dec)	19.49	oz	-0.37	-1.9
Platinum	880	oz	-26	-3.0
WTI Crude (NYMEX Oct)	87.31	bbbl	-0.47	-0.5
Brent Crude (ICE EUR Nov)	93.17	bbbl	-0.83	-0.9
Iron Ore (NYMEX CHN port;62%Fe)	101.43	t	0.02	0.0
Copper (LME 3mth Evening)	7856	t	-84	-1.1
Nickel	24294	t	-299	-1.2
Aluminium	2313	t	30	1.3
Lead	1952	t	4	0.2
Zinc	3224	t	30	0.9
Tin	21377	t	-80	-0.4

Pre-Open Announcements

Auckland International Airport (AIA)

July passenger numbers rose 41% for the month to 1.16M.

Breakdown figures, plus August estimates, lodged this morning.

ALS Ltd (ALQ)

ALS has traded higher the past four sessions, trading as high as \$12.50 yesterday, investor day, before settling 3.16% higher for the session at \$12.42.

Actinogen Medical (ACW)

Xanamem clinical development program update, including information on biomarkers, lodged in presentation format post-trade yesterday.

ACW is developing Xanamem as a potential Alzheimer's disease treatment and expects to release some phase two study results by the end of October.

Resources

Dreadnought Resources (DRE)

DRE has appointed the company's third largest shareholder Philip Crutchfield KC as a non-executive director, effective yesterday.

Mr Crutchfield is a barrister specialising in commercial law and is a director of three other ASX-listed resources companies.

Paul Payne has stepped down from the DRE board, but will provide ongoing consulting services to the company.

Duketon Mining (DKM)

Investor presentation lodged post-trade yesterday.

DKM added 8.47% yesterday, settling at 32c.

Saturn Metals (STN)

Conference presentation lodged post-trade yesterday, after lodging encouraging WA goldfields Apollo Hill gold project Hercules prospect drilling results pre-trade.

STN settled 3.57% higher for the session, at 29c.

Nelson Resources (NES)

In response to an ASX price query, NES points to a significant drilling program which commenced early August and for which the time line included completion within ~six weeks.

NES confirms an initial batch of assay results has not yet been reviewed or interpreted, as it was received Thursday last week while the exploration manager was in the field.

NES says it anticipates assays to arrive across the next three-four weeks and will announce results when all assays have been collated, reviewed and interpreted.

NES traded as high as 2.1c yesterday before settling at 1.8c, 28.57% higher for session.

NES closed out last week at 1.2c, 9.09% higher for the session and on Monday settled 16.67% higher, at 1.4c.



Commodities Commentary

Oil – prices swung overnight, ultimately pushed lower by a stronger-than-anticipated US August inflation rate. The new reading fuelled interest rate rise expectations at next week's US Federal Reserve policy meeting, dampening demand views and pushing the \$US higher intra-session.

In addition, travel within China over the past weekend, during the mid-Autumn festival, was reported lower than normal, in part due to Covid containment restrictions.

OPEC's monthly market report, published overnight, included no change in anticipated GDP growth for 2022 and 2023, and also none in forecasts for 2022 and 2023 oil demand growth.

Saudi Arabia reported lifting its August output by 236,000bbl/d against July, to ~11MMbbl/d, against the Kingdom's stated 12MMbbl/d capacity.

Brent crude traded at \$US91.05/bbl - \$US95.53 for the session and WTI at \$US85.06/bbl - \$US89.31/bbl.

The International Energy Agency's (IEA) monthly report is anticipated **tonight**.

A weekly US petroleum inventories report is also due from government agency the EIA.

Overnight, post-US trade, the American Petroleum Institute (API) published a weekly report which included an estimated 6.035MMbbl increase in US crude stocks last week.

Gold – US CPI figures for August came in stronger than anticipated overnight, propelling the \$US and US bond yields higher, hence detracting from gold interest.

Base metals – LME base metals trade was impacted intra-session by the US CPI announcement and a subsequent \$US appreciation.

Aluminium prices were supported by expectations for yet lower supply, following reports that electrolytic aluminium producers in Yunnan, China were subject to power restrictions this week.

Zinc has also been recently supported by production pullbacks.

China is due to publish August fixed asset investment, industrial production, retail sales and residential property price updates Friday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6735	-0.0138	-2.00
EUR – USD	0.9973	-0.0166	-1.63

US Data Tonight

PPI	Aug
MBA mortgage applications	9 Sep

Other Overseas Data Today & Tonight

Japan	Industrial production (final; 2.30pm)	Jul
Japan	Machinery orders	Jul
Japan	Tankan indices	Sep

Trading Halts

Company	Code	Resuming
Power Minerals	PNN	14 Sep
Structural Monitoring Systems	SMN	14 Sep
Dotz Nano	DTZ	15 Sep
Lithium Energy	LEL	15 Sep
TechGen Metals	TG1	15 Sep
Whitebark Energy	WBE	15 Sep
Atlas Arteria	ALX	19 Sep

Suspensions (selected)

Company	Code	Since
AusCann Group Holdings	AC8	1 Sep
BWX Ltd	BWX	29 Aug
Doriemus Plc	DOR	8 Sep
Invigor Group	IVO	25 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BRG	Today	15	100	1.31
CAF	Today	1	100	5.08
CGC	Today	4	100	3.38
GC1	Today	2	0	5.12
LOV	Today	37	30	2.23
MCY	Today	10.87	0	3.15
MGH	Today	3.5	100	1.29
NZM	Today	2.7	0	4.16
PPM	Today	5.4	100	5.71
29M	Tomorrow	2	100	0.00
ABA	Tomorrow	21	100	3.43
BST	Tomorrow	12	100	4.51
CTE	Tomorrow	1	0	0.00
DDH	Tomorrow	2.65	100	5.21
DTL	Tomorrow	10.65	100	2.62
EGH	Tomorrow	0.63	0	1.09
EPY	Tomorrow	1.8	100	5.74
EQT	Tomorrow	49	100	1.81
FBU	Tomorrow	19.89	0	3.33
IGO	Tomorrow	5	100	0.33
PGR	Tomorrow	5	100	5.99
PL8	Tomorrow	0.55	100	5.23
PWH	Tomorrow	8.5	100	0.95
REG	Tomorrow	2.32	50	4.41
RMS	Tomorrow	1	100	0.00
S32	Tomorrow	24.62	100	2.77
SPK	Tomorrow	11.23	0	4.91
SVW	Tomorrow	23	100	2.42



UK	CPI	Aug
UK	PPI	Aug
Euro zone	Industrial production	Jul

Need More Information?

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WQG	Tomorrow	3	100	4.30
AHC	Fri	0.3	100	0.00
ARA	Fri	0.75	100	0.38
CAR	Fri	24.5	100	2.13
CAU	Fri	1	100	0.00
PPC	Fri	4	100	4.11
SNL	Fri	20	100	2.24
EGG	Mon	6.5	100	3.27
IPG	Mon	3.7	100	0.00
QUB	Mon	4.0	100	2.25
SSM	Mon	1	100	0.00