

Markets

SFE 200 Futures (9.30am AEDT)	6660	-102	-1.5
NZX 50	10784	-84	-0.8
DJIA Futures	29778	70	0.2
S&P 500 Futures	3609	12	0.3
NASDAQ Futures	10792	48	0.5

Local Markets Commentary

The Australian market commences a new week's trade with an \$A depreciation to ~US62.15c, and the potential release of influential China data, following weekend geopolitical developments including speculation regarding UK government leadership, and promotion by China of reunification with Hong Kong and potentially also with Taiwan.

US equities markets turned soundly lower overnight Friday.

Since overnight Friday trade, the Bank of England governor has described initial discussions with the newly appointed UK chancellor as 'a meeting of minds'.

For his part, the chancellor warned of difficult 'across the board' decisions, foreshadowing tax increases and spending cuts.

Further, he confirmed tax and spending plans would be outlined 31 October, ahead of the next Bank of England policy meeting.

Also over the weekend, China's president opened a new five-yearly national congress of the Communist Party of China, declaring Hong Kong control had been achieved and that China was prepared to 'take all necessary measures' as it aimed also to 'resolve' the 'Taiwan issue'.

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

Meanwhile, insurance companies are bracing for another deluge of eastern Australia flood-related claims.

Regionally today, China's September **trade** figures have been tentatively rescheduled (from Friday) for release.

In overnight Friday commodities trade, **oil** swung sharply lower.

US **gold** futures fell beneath \$US1650/oz.

Iron ore (Nymex CFR China, 62% Fe) turned higher, approaching \$US95.95/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** were each pushed lower, nickel by ~3.0%.

The **\$A** fell to US62.00c after trading at ~US62.90c - ~US63.20c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	29635	-404	-1.3
S&P 500	3583	-87	-2.4
NASDAQ	10321	-328	-3.1
FTSE 100	6859	9	0.1
DAX 30	12438	82	0.7

Today's Stock Watch
News Corporation (NWS)

NWS committee established to assess a potential merger with Fox Corporation.

Stockland (SGP)

Market update and September quarter report released ahead of today's AGM.

Metcash Ltd (MTS)

Investor day update, including trading performance for 23 weeks to 9 October, lodged pre-trade.

CSL Ltd (CSL)

Vifor market briefing webcast commencing **10am** AEDT. Presentation lodged.

Endeavour Group (EDV)

September quarter group sales tallied \$3.028B against \$2.936B for the September quarter 2021. Retail sales fell 6.2% to \$2.490B. A teleconference commenced 9am AEDT.

Costa Group Holdings (CGC)

Teleconference commenced 9.30am AEDT. Anticipating marginal full year EBITDA-S growth.

Adbri Ltd (ABC)

Adverse earnings impacts continue. Anticipating \$75M - \$85M full year underlying post-tax net profit (excluding property and significant items). CEO and MD Nick Miller is stepping down from his ABC roles.

Mark Irwin will commence as interim CEO tomorrow.

Woolworths Group (WOW)

Post-trade Friday, WOW reported a MyDeal data breach via which customer data was accessed.

For ~1.2M of the ~2.2M affected MyDeal customers, email addresses only were exposed.

Additional data has been accessed for the other 1M customers, but no passwords or payment details are involved. In addition to payment information, MyDeal does not store drivers licence or passport details. WOW completed its acquisition of ~80% of MyDeal.com.au 23 September.

APA Group (APA)

Potentially outlaying \$773M for Basslink.

Resources
IGO Ltd (IGO)

Mourning the passing of MD and CEO Peter Bradford. IGO COO Matt Dusci has been appointed acting CEO.

Consolidated Zinc (CZL)

Mexico Plomosas project zinc concentrate supply agreement secured with Industrias Penoles, covering 100% of output.



Shanghai Comp

3072

56

1.8

Overseas Markets Commentary

Major European and UK equities markets opened higher overnight Friday but ensuing vacillating trade resulted in a significant forfeiture of varying session highs.

Early trade across US equities markets also proved positive but risk sentiment soon waned.

The Bank of England had been due to conclude an emergency bond purchase program initiated in response to adverse market reactions to the new UK government's September mini-budget by the UK government.

Attention turned however to the UK PM, who revealed she had asked the chancellor to step down, appointed a new one, and abandoned retaining a 19% corporate tax rate in favour of 25%, a rate she previously said she could not countenance under her economic growth vision.

Over recent weeks, the PM had asserted this vision required the fast-peddalling approach apparent in the budget release, delivered before the (economic watch dog) Office for Budget Responsibility could calculate the traditional accompanying debt forecasts.

Friday's tax decision was considered a second significant one belying the PM's vision, on which she had vied vigorously for selection as the replacement for former PM Boris Johnson, quickly prompting broad speculation of another change in leadership.

Earlier Friday, **China** announced 0.3% inflation growth for September following 0.1% deflation for August.

On an annualised basis, China's inflation was running at 2.8% in September.

Producer prices did not appreciate as much as anticipated however, rising 0.9% year-on-year against forecasts for a 1.5% increase and following a 2.3% August year-on-year climb.

In **overnight Friday data** releases, **Germany** reported a 1.6% increase in wholesale prices for September, against expectations of a 0.9% rise.

Against September 2021, prices were up 19.9%.

In the **euro zone**, the August trade deficit was estimated much larger than anticipated, at €50.9B.

Economists had anticipated a €37B deficit following a €34B July shortfall.

In the **US**, September retail sales undershot expectations, coming in flat for the month, against forecasts for a 0.2% rise following August's 0.4% increase.

Against September 2021, sales were up 8.2%, however.

Import and export prices were calculated 1.2% and 0.8% lower for the month respectively, and 6% higher and 9.5% lower year-on-year.

Business inventories were reported to have swelled by 0.8% during August, double the rate anticipated after growing by 0.5% in July.

The initial 59.8 October consumer sentiment reading, as calculated by the University of Michigan, represented a 1.2-point improvement, defying predictions for a 0.3-point decline.

The inflation expectations component index notably rose from 4.7% to 5.1%, against expectations of remaining stable at 4.7%.

Pre-Open Announcements**Insurance Australia Group (** IAG)**

Planning an on-market share buy-back of up to \$350M.

Pending market conditions, IAG expects to commence the buy-back early next month.

IAG has reduced its net business interruption provision to \$615M from \$975M in association with the High Court denying special leave to appeal a Federal Court February second business interruption test case decision.

Monadelphous Group (MND)**

Chair John Rubino is retiring from the MND board at the conclusion of the 22 November AGM. Mr Rubino joined the MND board January 1991 as MD and has been executive chair since 2003. MND MD Rob Velletri will succeed Mr Rubino as executive chair. Mr Velletri has been MND's MD for ~19 years. MND has appointed MND executive GM maintenance and industrial services Zoran Bebic as MD, effective from the conclusion of the AGM. In addition, MND non-executive director Peter Dempsey plans to retire from the MND board 22 November.

Telix Pharmaceuticals (TLX)**

China's National Medical Products Administration (NMPA) Centre for Drug Evaluation (CDE) has approved the investigational new drug application regarding the TLX591-CDx PET prostate cancer imaging phase III study.

In addition, TLX has secured a collaborative development and reseller agreement secured with GE Healthcare to supply two investigational PET imaging radiotracers to GE for use in third party R&D.

Patrys Ltd (* PAB)

A pre-clinical study has shown PAT-DX3 can cross the blood brain barrier in healthy animals.

Synlait Milk (SM1)

Two executive appointments lodged this morning.

Catalano Seafoods (CSF)

A CSF supply agreement with Coles Group (ASX: COL) has expanded such that CSF will also supply to Coles Local, commencing with a Coles Local store in the Perth, WA suburb of South Perth.

COG Financial Services (COG)

\$6.1M (unaudited) September quarter NPATA against \$4.7M for the September quarter 2021.

Spheria Emerging Companies (SEC)

Paying a 2.1c September quarter fully franked dividend.

IVE Group (IGL)

IGL raised ~\$1.3M in the company's recent \$2.25-per-share SPP. IGL traded at \$2.12 - \$2.25 last week.

Antisense Therapeutics (ANP)

ANP non-executive director Gary Pace will retire from the ANP



Tonight in the US, the September budget statement and October New York Fed Empire State manufacturing index are due.

In overnight Friday and weekend corporate news, earnings reports from financial stocks came in mixed.

Citigroup's September quarter earnings exceeded expectations, but investment banking revenue dropped and operating expenses increased.

Net income interest income reportedly supported **Wells Fargo** revenue, but the group revealed ~\$US800M in credit reserves and ultimately reported lower than expected earnings.

For its part, **JPMorgan Chase** declared \$US1B worth of potential bad loan cover, improved income from higher rates, and overall better-than-anticipated earnings.

Companies listed to report earnings include: Bank of America, Bank of New York Mellon, Charles Schwab and Sandvik. Rio Tinto is expected to release the group's September quarter operational report post-trade.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Dec)	1648.9	oz	-28.1	-1.7
Silver (COMEX 5000 Dec)	18.07	oz	-0.85	-4.7
Platinum	898	oz	0	0.0
WTI Crude (NYMEX Nov)	85.61	bbbl	-3.50	-3.9
Brent Crude (ICE EUR Dec)	91.63	bbbl	-2.94	-3.1
Iron Ore (NYMEX CHN port;62%Fe)	95.93	t	0.53	0.6
Copper (LME 3mth Evening)	7529	t	-34	-0.5
Nickel	21782	t	-655	-2.9
Aluminium	2305	t	-53	-2.3
Lead	2038	t	-4	-0.2
Zinc	2940	t	40	1.4
Tin	19945	t	-165	-0.8
Coal (ICE-GC Newcastle; IRESS)	397		-8	-2.0
Wheat (CBT Dec; IRESS)	861		-31	-3.5

Commodities Commentary

Oil – prices swung overnight Friday before settling decidedly lower for the session and delivering a 6.4% drop for Brent crude for week and 7.6% tumble for WTI.

The \$US was propelled ~0.8% higher, this attributed in part to a new reading indicating resilient US consumer sentiment which the US Federal Reserve was considered likely support for its intention to push rates higher to control rising inflation.

In addition, renewed Covid management measures, introduced last week as a result of new cases detected in several key financial, manufacturing and port cities, following the previous week's national day holiday season, raised fears of decreased demand.

Global recession fears also persisted following reports from high-profile international financial and petroleum organisations which all contained risk warnings.

A weekly US petroleum drill rig report, published overnight Friday, included the addition of eight operational oil rigs.

Gold – a decided move higher for the \$US index, and generally

board at the conclusion of the 17 November AGM. Dr Pace was appointed as an ANP director in 2015.

Resources

Ragusa Minerals (* RAS)

Updated Northern Territory lithium project exploration activities mining management plan approved, enabling drilling across an additional three tenements.

Sheffield Resources (* SFX)

September quarter activities report lodged pre-trade. \$27.6M cash balance.

Essential Metals (ESS)

ESS CFO and company secretary Carl Travaglini has resigned from his ESS roles.

ESS has appointed former Resolute Mining (ASX: RSG) CFO and company secretary Greg Fitzgerald as company secretary.

Resources (BUS)

Manganese and rare earths explorer completed a successful ASX listing Thursday last week, following a \$5M IPO at 20c per share.

Opened at 24c and slipped to 22c where the company settled for day one.

Friday, the company was pushed higher on opening and settled day two at 25c.

One manganese and two rare earths projects in the Northern Territory and one rare earths project in Western Australia.

Alec Pismiris executive chairman.

Trading Halts

Company	Code	Resuming
Aldoro Resources	ARN	17 Oct
Astron Corporation	ATR	17 Oct
Medibank Private	MPL	17 Oct
Pacific Nickel Mines	PNM	17 Oct
Radiopharm Theranostics	RAD	17 Oct
Wooboard Technologies	WOO	17 Oct
Findi Ltd	FND	18 Oct
Insurance Australia Group	IAG	18 Oct
Minbos Resources	MNB	18 Oct
Invictus Energy	IVZ	19 Oct

Suspensions (selected)

Company	Code	Since
1 st Group	1ST	12 Oct
Candy Club Holdings	CLB	11 Oct
Cann Global	CGB	23 Sep
EBR Systems	EBR	14 Oct
Protean Energy	POW	11 Oct



reduced risk sentiment adversely impacted overnight Friday gold interest.

Some market watchers attributed a price push to session lows to a new US consumer confidence reading.

Base metals – overnight Friday sentiment was pushed and pulled by data releases, a stronger \$US and varying supply versus demand scenarios against broad recession warnings.

As the London Metals Exchange (LME) continued through a three-week discussion process to assess whether to ban warehouse storage of *aluminium* from Russia, reports emerged speculation regarding Russian companies drip-feeding the LME ingot material.

Also during the week, the US administration announced possible new sanctions impacting aluminium imports into the US.

China's September producer prices and the September CPI, reported Friday, came in respectively lower and higher than anticipated.

The anticipated September **trade** figures have been rescheduled for release today and hence will influence at least some of tonight's trade.

Tomorrow, China is expected to publish September quarter **GDP** and September **industrial production, fixed asset investment** and **retail sales** updates.

Further in China, the five-yearly **National Congress** of the Chinese Communist Party commenced yesterday and is expected to continue through the week, with plans for any new stimulus measures perhaps the most eagerly anticipated.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6214	-0.0114	-1.81
EUR – USD	0.9730	0.0009	0.09

US Data Tonight

New York Fed Empire State manufacturing	Oct
Budget statement	Sep

Other Overseas Data Today & Tonight

China	Trade balance	Sep
Japan	Industrial production (final; 3.30pm AEDT)	Aug
Japan	Tertiary industry index	Aug
UK	Rightmove house prices	Oct

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Seafarms Group	SFG	30 Sep
Toro Energy	TOE	28 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CDM	Today	4	100	6.83
CDO	Today	7.5	100	3.06
FGX	Today	3.25	100	5.06
WAA	Today	3	100	7.02
WAM	Today	7.75	100	8.40
WMA	Today	2	100	1.85
KSC	Tomorrow	5	100	3.67
WLS	Tomorrow	4.82	100	0.00
SEC	Wed	2.1	100	tbc
KPG	Thu	0.4	100	1.20
SNC	Fri	2.75	100	7.43

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	ALK	Sep Q
	CGC	Trading update (tele 9.30am)
	CSL	Briefing (Vifor)
	EDV	Sep Q (tele 9am)
	FGR	AGM
	SFX	Sep Q
	SGP	AGM; Sep Q
Tomorrow	BXB	AGM
	COH	AGM
	EDV	AGM
	IEL	AGM
	RIO	Sep Q (8.30am)
	TWE	AGM
Wed	ACL	AGM
	APA	AGM
	BAP	AGM
	BHP	Sep Q
	MP1	Sep Q
	MYS	AGM
	NST	Sep Q
	ORG	AGM
	SSM	AGM
	TRS	AGM
	Thu	AIA
ARU		AGM
BKL		AGM



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	BML	AGM
	CGF	Sep Q
	CLW	AGM
	EQT	AGM
	HLS	AGM
	MFG	AGM
	MP1	Sep Q
	ORA	AGM
	PAN	AGM
	PPT	AGM
	PBH	AGM
	SFR	Sep Q (tele 1pm)
	STO	Sep Q
	SDF	AGM
	SYR	Sep Q
	TCL	AGM
	WDS	Sep Q
	ZIM	AGM
Fri	ADH	AGM
	ABB	AGM
	BSL	ESG investor briefing
	CWY	AGM
	EVT	AGM
	IAG	AGM
	KOV	AGM
	MAH	AGM
	MP1	AGM
	SXG	AGM
	WOR	AGM