

Markets

| | | | |
|--------------------------------------|-------|-----|------|
| SFE 200 Futures (9.30am AEST) | 7302 | -68 | -0.9 |
| NZX 50 | 13161 | -74 | -0.6 |
| DJIA Futures | 34380 | -82 | -0.2 |
| S&P 500 Futures | 4416 | -6 | -0.1 |
| NASDAQ Futures | 15326 | 0 | 0.0 |

Local Markets Commentary

The Australian market commences a new week's trade with an \$A depreciation, further weakness across international equities trade overnight Friday, a continued focus on key commodity price moves, and several regional markets closed for public holidays, amid broadening geopolitical ferment for Australia.

In overnight Friday commodities trade, both WTI and Brent crude declined.

US gold futures continued lower, but modestly.

Iron ore (China port CFR, 62% fines) tumbled further. Nymex futures turned higher, however.

LME copper and nickel extended Thursday's turn lower.

Aluminium swung slightly higher.

The \$A dropped below US72.85c after trading at ~US73.15c early Friday evening. This morning, the \$A has traded below US72.65c.

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

The S&P/ASX quarterly indices rebalance is effected at ASX open, however. *Please see pp5-6 for details.*

Markets in China, Japan and South Korea are closed today due to public holidays. China's and South Korea's markets will be closed tomorrow, also. Markets in South Korea will remain closed Wednesday.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|------|------|
| Dow Jones | 34585 | -166 | -0.5 |
| S&P 500 | 4433 | -41 | -0.9 |
| NASDAQ | 15044 | -138 | -0.9 |
| FTSE 100 | 6964 | -64 | -0.9 |
| DAX 30 | 15490 | -162 | -1.0 |
| Shanghai Comp | 3614 | 7 | 0.2 |

Overseas Markets Commentary

Sentiment across major European, UK and US equities markets mostly deteriorated from early trade overnight Friday, amid some disappointing data releases, spawning further speculation of likely timelines for any central bank policy moves.

Also overnight Friday, US FDA scientific advisors voted against recommending Pfizer's plan for a third Covid-19 vaccination in the US, except for those aged 65 and over, or otherwise deemed at

*** Offshore WA iron ore listing – midday AEST – PLG ***

S&P/ASX indices rebalance – on market open today

Please see pp5-6 for details

Today's Stock Watch
ALE Property Group (LEP) / Charter Hall Long WALE REIT (CLW)

A CLW consortium is proposing to acquire LEP via a scheme of arrangement whereby LEP security holders will receive the equivalent of \$5.68 per security, comprising \$3.673 cash and 0.408 CLW securities per LEP security.

LEP traded at \$4.70 - \$4.83 last week and CLW at \$5.22 - \$5.35.

In addition, CLW says it has acquired two industrial properties, one each in Brisbane and Sydney, for a combined \$67M.

archTIS (AR9) / Cipherpoint Ltd (CPT)

AR9 is acquiring select CPT assets, including software division customers, technology and European operations.

Consideration comprises \$1.4M cash, plus a further contacts-related \$1M, payable in AR9 shares.

Etherstack Plc (ESK)

Initial \$US420,000 software licence and equipment contract secured with AT&T.

K2fly Ltd (K2F)

Five-year, \$A2.85M contract secured with Sibanye-Stillwater, to supply K2F's tailings management solution to 38 tailings facilities.

Resources
Nickel Mines (NIC)

NIC says it has determined that comments from Indonesia's investment minister Friday last week regarding a possible export tax on nickel products grading <70% nickel were made to promote downstream investment.

Further, they were made without prior consultation with Indonesia's Ministry of Energy & Natural Resources and other relevant government ministries.

Energy
Karoon Energy (KAR)

\$US4.4M full year NPAT from a \$US86.1M net loss a year earlier. \$US170.8M oil sales revenue.

\$US133.2M cash and equivalents.

92 Energy (92E)

Saskatchewan Gemini project drilling has intersected basement-hosted uranium mineralisation from ~190M vertically below surface. Mineralisation remains open. Northern hemisphere winter follow-up drilling planned.



significant risk, under a US administration booster inoculation proposal.

In late overnight Friday trade, France announced the withdrawal of its ambassadors from Australia and the US, after protesting the Australia-US-UK agreement for Australia to purchase US nuclear-powered submarines despite an existing contract and program underway whereby France would supply new submarines to Australia.

Among overnight Friday data releases, final August CPI figures for the **euro zone** confirmed 0.4% inflation for the month, and a 3.0% annual increase, in line with expectations.

July construction output came in 3.3% higher than for July 2020, also largely matching forecasts.

Meanwhile, August retail sales in the **UK** were calculated 0.9% lower for the month after dropping 2.8% in July. Forecasters were anticipating a 0.7% August rise.

Against August 2020, sales were flat.

Excluding fuel, August sales fell 1.2% for the month and were 0.9% lower than for August 2020.

In the **US**, the initial 71.0 estimate for the University of Michigan's consumer September sentiment reading represented a 0.7-point improvement, following expectations for an up to 1.7-point rise.

The current conditions component index fell to 77.1 from 78.5.

The inflation expectations index rose 0.1% to 4.7%.

Tonight in the US, a home builders' housing market index is due.

Also tonight, US home builder Lennar is expected to provide an earnings update.

Elsewhere, Germany reports August producer prices.

Commodities.

| COMMODITY | CLOSE | \$/ | +/- | % |
|---|---------------|------|-------|-------------|
| Gold (NY) (Dec) | 1751.4 | oz | -5.30 | -0.3 |
| Silver (NY) (Dec) | 22.34 | oz | -0.45 | -2.0 |
| Gold (LON) | 1756 | oz | | |
| Platinum | 934 | oz | 8 | 0.9 |
| WTI Crude (NYMEX Oct) | 71.97 | bbbl | -0.64 | -0.9 |
| Brent Crude (ICE EUR Nov) | 75.34 | bbbl | -0.33 | -0.4 |
| Iron Ore (Qingdao) (CHN;62% <i>f</i>) | 101.95 | t | -5.26 | -5.2 |
| Iron Ore (Nymex) | 123.00 | t | 3.04 | 2.5 |
| Copper (LME Ind) | 9314 | t | -53 | -0.6 |
| Nickel | 19366 | t | -37 | -0.2 |
| Aluminium | 2887 | t | 6 | 0.2 |
| Lead | 2182 | t | -27 | -1.2 |
| Zinc | 3089 | t | 6 | 0.2 |
| Tin | 34265 | t | 175 | 0.5 |

Commodities Commentary

Oil – supply and demand considerations were reported as the major influences on overnight Friday trade.

A weekly US petroleum drill rig report, published overnight Friday, included 10 additional operational oil rigs, as the US Gulf industry continued to pick up from Hurricane Ida and the subsequent Hurricane Nicholas.

Gold – \$US strength and monetary policy speculation impacted

Pre-Open Announcements

Waypoint REIT (WPR)

Upgrading targeted FY21 distributable EPS from 15.72c to 15.72c – 15.80c.

Raising \$200M in a seven-year, 2.4% unsecured notes offer.

Zelira Therapeutics (ZLD)

IM Cannabis Corp German subsidiary Adjupharm will distribute ALD's insomnia treatment Zenivol in Germany under an exclusive distribution agreement covering a minimum \$A4M worth of orders over five years plus first rights to negotiate other European markets.

Matrix Composites & Engineering (MCE)

MCE has secured a \$4.2M drilling riser buoyancy upgrade contract with Transocean.

Pointerra Ltd (3DP)

3DP has secured three additional contracts worth a combined \$A2.1M. Details lodged this morning.

Way 2 Vat (* W2V)

W2V VAT reclamation specialist completed an enviable ASX listing Friday, following a \$7M IPO at 20c per share.

Opened at 38c and traded at 31c – 39.5c before settling at 31.5c.

24.07M shares changed hands across 2229 transactions.

137.66M quoted shares.

SSH Group (* SSH)

Safety and personnel services company completed a successful ASX listing Friday, following a \$6.25M IPO at 20c per share.

Opened at 26c and traded at 25c – 29.5c before settling back at 26c.

8.8M shares changed hands across 781 transactions.

36.76M quoted shares.

Afterpay Ltd (APT)

Amanda Street is continuing to act as APT company secretary, with former APT company secretary Natalie McKaig having left APT Friday.

Resources

Pearl Gull Iron (* PLG)

Offshore WA Cockatoo Island iron ore explorer and project developer scheduled to list on the ASX **midday** AEST, following a \$4M IPO at 20c per share (plus free attaching option).

~53.89M quoted shares.

Cockatoo Iron NL holds 43.24%.

Encounter Resources (** ENR)

Pending 22 October shareholder approval, ENR has confirmed the pre-flagged proposal to demerge subsidiary Hamelin Gold and to list Hamelin on the ASX, with ENR shareholders to receive one Hamelin share for every 5.217 ENR shares in an in-specie distribution.



overnight Friday trade.

The US Federal Reserve policy meeting (outcomes overnight Wednesday US time) is deemed the largest influence on gold sentiment this week, pending geopolitical developments.

In addition, Bank of England policy meeting outcomes and statements will be closely assessed overnight Thursday.

Bank of Japan and People's Bank of China policy meetings, and minutes of the Reserve Bank of Australia 7 September policy meeting, could also add to central bank-related currency, commodities and equities trade considerations this week.

Base metals – prices swung overnight Friday, reverse repo operations by the People's Bank of China, which effectively injected 100B yuan, initially reportedly supporting some trade.

An *aluminium* buyer from Japan was in the meantime reported to be paying up to 19% more for December quarter deliveries than for the September quarter.

In other aluminium news, Chinalco's Yunnan Aluminium confirmed 2021 production would likely fall by ~18% (~500,000t) due to industry output curbs.

Reports of additional production restrictions, in northern China, also circulated Friday.

Markets in **China, Japan, and South Korea** will remain closed today, due to public holidays. China's and South Korea's markets will also not trade tomorrow. Further, South Korea's will remain closed Wednesday.

Hence, some anticipated lighter-than-normal trade volumes could produce early through mid-week volatility.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|--------------|
| AUD – USD | 0.7264 | -0.0019 | -0.26 |
| EUR – USD | 1.1727 | 0.0000 | 0.00 |

US Data Tonight

| | |
|---------------------------|-----|
| NAHB housing market index | Sep |
|---------------------------|-----|

Other Overseas Data Today & Tonight

| | | |
|----------------|-----------------|-----|
| Germany | Producer prices | Aug |
|----------------|-----------------|-----|

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

The IPO will chase \$12M at 20c per share, with 25M shares offered on a pro-rata priority basis to ENR shareholders.

Hamelin holds the West Tanami gold project.

ENR MD Will Robinson has been appointed Hamelin non-executive chair; ENR exploration director Peter Bewick is Hamelin MD.

Former Zip Co (now Dough) chair Philip Crutchfield is a Hamelin non-executive director.

Gold Road Resources (ASX: GOR) former discovery and growth executive director Justin Osborne is an independent non-executive Hamelin director.

Legend Mining (LEG)

WA Rockford project Octagonal prospect diamond drilling has intersected nickel-copper sulphides.

Magnus prospect diamond drilling has confirmed host rocks that are prospective for nickel-copper mineralisation.

TNT Mines (TIN) / Ora Banda Mining (OBM)

TIN has completed satisfactory legal, financial and technical due diligence, and will proceed with the acquisition of Mt Ida Gold and its namesake project from OBM.

Elevate Uranium (EL8)

Announcing a WA Oobagooma uranium project exploration target based on geological modelling and historical drill results.

No drilling has been completed since 1983.

Element 25 (E25)

Eight-year innovation patent granted for E25's rapid atmospheric manganese extraction process.

E25 is testing the extraction of manganese from run-of-mine concentrate from the company's WA Butcherbird manganese project, and has previously reported up to 97% Mn recoveries.

Ardea Resources (ARL)

The shareholder meeting to consider the proposed spinoff of WA goldfields region gold assets into Kalgoorlie Gold Mining has been scheduled for 25 October.

ARL proposes an in-specie distribution, and to list Kalgoorlie Gold on the ASX via a \$12M IPO at 20c per share.

Prospectus lodged pre-trade.

Vulcan Energy Resources (VUL)

VUL has appointed former Mercedes-Benz and Daimler communications specialist Beate Holzwarth as chief communications officer, effective 1 October (Friday next week).

Ms Holzwarth lives in the Upper Rhine Valley, Germany.

In addition, VUL has appointed Jessica Bukowski as public and investor relations manager.

Ms Bukowski formerly held a senior media and corporate affairs role with Fortescue Metals Group (ASX: FMG) and is a previous adviser to former Australian PM Kevin Rudd.

Ms Bukowski will remain located in Australia.

Bulletin Resources (BNR)

\$3.63M better off (pre-costs) follow the recent (\$2.69M) rights issue, a subsequent \$900,000 placement at the same 4.5c-per-



share price, due to strong demand, and a \$45,000 options issue.

BNR traded at 7.2c – 9.5c last week.

Energy

Oilex Ltd (OEX)

Planning to relinquish UK exploration licence P2446.

India Cambay field update also lodged pre-trade.

Argonaut Resources (ARE)

Details of ARE's Cummins uranium exploration project, South Australia lodged pre-trade.

ARE is planning to list Orpheus Minerals, which holds the company's Northern Territory and South Australian uranium exploration licences, on the ASX by year's end.

Central Petroleum (CTP) / New Zealand Oil & Gas (NZO)

All third party approvals are in hand for NZO's planned purchase of three CTP producing assets located in the Northern Territory Amadeus Basin.

Completion is scheduled for 1 October (Friday next week).

Trading Halts

| Company | Code | Resuming |
|--------------------|------|----------|
| Comet Resources | CRL | 20 Sep |
| Sunshine Gold | SHN | 20 Sep |
| Centrex Metals | CXM | 21 Sep |
| Epsilon Healthcare | EPN | 21 Sep |
| Noronex Ltd | NRX | 21 Sep |
| TerraCom Ltd | TER | 21 Sep |
| Vango Mining | VAN | 21 Sep |

Suspensions *(selected)*

| Company | Code | Since |
|----------------|------|--------|
| A-Cap Energy | ACB | 17 Sep |
| AIC Mines | A1M | 25 Aug |
| Fe Ltd | FEL | 17 Sep |
| Troy Resources | TRY | 1 Sep |
| Zeus Resources | ZEU | 6 Sep |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|----------|--------------|--------------|-----------|
| BGP | Today | 11.12 | 0 | 4.50 |
| DUR | Today | 1.5 | 100 | 0.00 |
| FEX | Today | 5.25 | 100 | 0.00 |
| KPG | Tomorrow | 0.80 | 100 | 1.61 |
| MLT | Tomorrow | 37 | 100 | 1.92 |
| QUB | Tomorrow | 3.5 | 100 | 1.42 |
| ABC | Wed | 5.5 | 100 | 3.45 |
| COG | Wed | 6 | 100 | 1.93 |
| EGG | Wed | 4.4 | 100 | 4.64 |



| | | | | |
|-----|-----|-------|-----|------|
| RYD | Wed | 4 | 100 | 1.70 |
| APE | Thu | 28.4 | 100 | 1.54 |
| CAF | Thu | 1 | 100 | 3.70 |
| CAJ | Thu | 0.5 | 100 | 2.47 |
| CCV | Thu | 1 | 100 | 3.70 |
| COH | Thu | 140 | 0 | 0.48 |
| CUP | Thu | 1.5 | 100 | 2.78 |
| EMB | Thu | 20 | 100 | 1.60 |
| GNE | Thu | 8.21 | 0 | 2.36 |
| LAU | Thu | 0.5 | 0 | 4.59 |
| LYL | Thu | 15 | 100 | 3.19 |
| MYE | Thu | 2.25 | 100 | 5.05 |
| NWH | Thu | 5 | 100 | 4.37 |
| SHJ | Thu | 3.25 | 0 | 1.59 |
| SWK | Thu | 1 | 100 | 2.54 |
| VLS | Thu | 2.75 | 100 | 3.48 |
| BFL | Fri | 12.92 | 0 | 0.00 |

Reports & Events

(selected; all times AEST)

| When | Company | Report/Event |
|-----------------|------------|--------------|
| Today | KAR | Full year |
| Tomorrow | CLV | Full year |
| | SIG | Interim |
| Wed | AGL | AGM |
| Thu | BKW | Full year |
| | SOL | Full year |
| | SUN | AGM |

S&P/ASX Indices Re-balance

The following changes will be effected as trading opens today ...

S&P/ASX 50

Out: A2M, AGL, ALD

In: RMD, TAH

S&P/ASX 100

Out: BLD, BPT

In: VUK

S&P/ASX 200

Out: GEM, NWH, NXL, WGX

In: LIC, PNI, SLK, TYR

S&P/ ASX 300

Out: ALK, AVH, BUB, HUM, IRI, JMS, MLD, MVP, SM1

In: ASM, BET, DUB, HDN, IMU, JLG, LTR, NVX, PDN, PPK, STX, SZL, VUL

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S&P/ASX All Technology

In: HPG, NOV, ONE

Out: SMP