

Markets

SFE 200 Futures (9.30am AEST)	7304	2	0.0
NZX 50	13273	14	0.1
DJIA Futures	34719	45	0.1
S&P 500 Futures	4448	3	0.1
NASDAQ Futures	15304	-14	-0.1

Local Markets Commentary

The Australian market commences a new week's trade heading towards the end of the September quarter with geopolitical relations firmly in focus.

Since overnight Friday trade, China has reportedly released two detained Canadians following the release and arrival home of Huawei executive Meng Wanzhou.

Meanwhile, a broadening expanse of local governments in China was reported to have established custodian accounts for Evergrande housing property developments.

Germany completed its national election, indications still pointing to an anticipated tight result, but with the Social Democrats appearing keen to announce victory ahead of an official declaration.

Meanwhile, one third of retail fuel outlets in the UK reportedly have little or no fuel to offer, due to a shortage of road transport drivers.

Overnight Friday international equities trade demonstrated weak risk sentiment.

In overnight Friday commodities trade, **oil** extended its current run.

US **gold** futures turned to settle slightly higher.

Iron ore (China port CFR, 62% fines) seesawed back to a gain.

LME **copper** rallied. **Nickel** closed a little higher. **Aluminium** turned lower.

The **\$A** declined further, to ~US72.60c, after falling beneath US72.70c early Friday evening.

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

Large-cap domestic stocks trading **ex-dividend** today include: **GOR** and **IMD**. Please see pp4-5 for a detailed ex-dividends list.

Regionally today, **China** is expected to report August **industrial profits 11.30am** AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	34798	33	0.1
S&P 500	4455	7	0.2
NASDAQ	15048	-4	-0.0
FTSE 100	7051	-27	-0.4
DAX 30	15532	-112	-0.7

*** Cancer diagnostics tools developer listing – 11am AEST – PEB ***

Western Australia – public holiday today

Today's Stock Watch
Australian Pharmaceutical Industries (API) / Sigma Healthcare (SIG) / Wesfarmers Ltd (WES)

SIG has approached API with a conditional indicative takeover proposal, consideration comprising 2.05 SIG shares plus 35c cash for each API share.

API favours the SIG proposal against the WES one announced mid-September, and has granted SIG due diligence.

API traded at \$1.46 - \$1.50 last week, and SIG at 59c - 64.5c.

Synlait Milk (SM1)

SM1 has appointed Miraka CEO Grant Watson as CEO, effective early 2022.

In association, chair Graeme Milne will not retire, as previously flagged, at SM1's 1 December AGM, but retain his position until Mr Watson commences with SM1 and then remain with SM1 as a board advisor for one year.

This morning, SM1 has reported a \$NZ28.5M full year net loss, against a \$NZ74.3M net profit a year earlier. Revenue rose 5% to \$NZ1.367B. \$NZ2.93 NTA from \$NZ2.76. \$NZ479.4M net debt. SM1 expects to return to profitability in FY 22, supported by ~\$NZ17M from the Synlait Auckland property sale and leaseback.

Unibail Rodamco Westfield (URW)

URW NV interim results as released to Euronext (in accordance with European Union regulations) overnight Friday lodged pre-trade.

€209.4M net loss (attributable to owners and including non-recurring activities) against a €1.22B net loss for 1H 2020.

Otherwise, a €144.7M net operating loss, against a €643.2M net loss a year earlier. Dividends remain suspended.

Resources
Sandfire Resources (SFR)

Resuming from a trading halt having completed a fully underwritten \$A285M institutional placement and \$A641M fully underwritten institutional entitlement offer, each at \$5.40 per share, in support of the planned \$US1.865B (\$A2.572B) acquisition of Minas De Aguas Teñidas (MATSA).

A fully underwritten \$322M retail entitlement offer is scheduled for 30 September - 13 October.

MATSA holds three underground mining operations and a 4.7Mtpa processing facility which produces 100,000tpa - 120,000tpa of copper equivalent (CuEq).

SFR traded at \$5.86 - \$6.58 over the five sessions immediately prior to calling the halt.



Shanghai Comp 3613 -29 -0.8

Overseas Markets Commentary

Most major European, UK and US equities markets fell on opening or in early trade overnight Friday, US indices subsequently demonstrating the most buoyant of generally shaky sentiment.

There was plenty to consider.

Evergrande bondholders in the US were reported to have been left waiting for an interest payment anticipated Thursday, meaning a 30-year grace period had effectively commenced, ahead of another \$A65M worth of debt due to be paid out this week.

Meanwhile, the US was reported to be near releasing Huawei financial executive Meng Wanzhou after being detained in Canada since 2018.

Late Friday (AEST), the People's Bank of China confirmed **cryptocurrencies** were not considered legal tender within the republic, declaring foreign exchange-provided cryptocurrency services to the mainland would also be considered illegal and that activities would be blocked.

Earlier Friday, **Japan** reported 0.2% **deflation** for August following 0.2% July inflation.

Year-on-year, the August result represented 0.4% deflation, and excluding energy and food, came in 0.5% lower for the year.

Also early Friday, the **UK** GfK September **consumer confidence** index came in at -13 from -8 for August, defying expectations for a status quo result.

Meanwhile, **Germany** was heading into a national election weekend following opinion polling that pointed to a close result.

US Federal Reserve chairman Jerome Powell again spoke publicly at a Fed-hosted listening event, but prepared remarks delivered no new insights to comments following the conclusion of the Fed's monetary policy meeting two days' previous.

The chair and additional Federal Reserve officials heard overnight Friday from representatives of various small business and community sectors across the US, these outlining current conditions and issues including debt, supply chain disruptions, constrained consumer capacity, employee availability, forced employment change and child care.

Among overnight Friday data releases, an IFO business climate index for **Germany** slipped to 98.8 from 99.6, the current conditions component index falling one point to 100.4 and the expectations sub-index declining from 97.8 to 97.3.

In the **UK**, the CBI distributive trades index plummeted to 11 from 60, following expectations of a 25% drop to 45.

In the **US** however, August new home sales surprised on the upside, reported 1.5% higher, following a 6.4% July jump, and expectations of a milder 0.5% new increase.

Tonight in the US, August durable goods orders and the Dallas Fed (Texas region) manufacturing index are due.

Commodities.

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1751.7	oz	1.9	0.1

Pre-Open Announcements

Charter Hall Long WALE REIT (* CLW)

Outlaying \$21M worth of scrip for a purpose-built Toyota distribution centre, Larapinta (outer suburban Brisbane), Queensland. Toyota holds a remaining 6.6-year lease, with a five-year renewal option.

CLW will issue \$17M worth of securities at \$4.70 each and assume \$4M worth of debt in the vendor trust. CLW will then refinance the debt on completion of the acquisition.

ImpediMed Ltd (* IPD)

SOZO heart failure program initiated with the inaugural program established at the Advocate Health Care Heart Institute, Chicago, US.

Details lodged pre-trade.

Silex Systems (* SLX)

Resuming from a trading halt having raised \$33M in a \$1.27-per-share placement, mostly in support of the SLX uranium enrichment pilot demonstration project

A \$7M \$1.31-per-share SPP is also planned.

SLX traded at \$1.44 - \$1.82 over the five sessions immediately prior to calling the halt.

Pushpay Holdings (* PPH)

PPH has appointed dLocal COO Sumita Pandit and Sixth Street senior advisor John M Connolly as directors, effective today.

Ms Pandit was formerly JP Morgan's fintech investment head. Sixth Street is PPH's largest shareholder (17.21%).

Fleetwood Corporation (* FWD)

\$32M modular buildings contract secured with the planned 'Centre for National Resilience' quarantine facility in Melbourne.

Advanced Human Imaging (AHI)

Update lodged post-trade Friday clarifying delays with the integration of AHI's CompleteScan into an application developed by Singapore-headquartered Nexus Vita.

AHI has received an initial \$US50,000 of the agreed \$US500,000 to be paid by Nexus Vita for the integration.

Pacific Edge (* PEB)

Cancer diagnostics tools developer PEB will commence ASX trade **11am** AEST after being granted ASX foreign exempt listing status.

729.2M quoted shares.

PEB's home exchange is the New Zealand Stock Exchange (main board).

Li-S Energy (* LIS) / PPK Group (PPK)

Lithium-sulphur battery technology developer, and PPK spinoff, LIS is scheduled to list on the ASX 11am AEST **tomorrow**, following a \$34M IPO at 85c per share.

150.14M quoted shares/units.



Silver (NY) (Dec)	22.43	oz	-0.25	-1.1
Gold (LON)	1747	oz		
Platinum	976	oz	-8	-0.8
WTI Crude (NYMEX Nov)	73.98	bbl	0.68	0.9
Brent Crude (ICE EUR Nov)	78.09	bbl	0.84	1.1
Iron Ore (Qingdao) (CHN;62%F)	111.33	t	2.66	2.4
Iron Ore (Nymex)	120.45	t	-0.35	-0.3
Copper (LME Ind)	9334	t	58	0.6
Nickel	19394	t	36	0.2
Aluminium	2917	t	-33	-1.1
Lead	2156	t	35	1.6
Zinc	3130	t	36	1.2
Tin	36819	t	1109	3.1

Commodities Commentary

Oil – disrupted supply versus anticipated demand views supported Brent to its highest settlement since October 2018 overnight Friday.

Meanwhile, Venezuela and Iran were reported to have agreed to crude-condensate export swaps. Both nations' petroleum trade remains subject to US sanctions.

A weekly US petroleum drill rig report, published overnight Friday, included an additional 10 oil rigs in operation.

OPEC+ energy ministers are scheduled to meet 4 October (Monday next week), this expected to provide plenty of demand and supply speculation during the week.

Gold – weak risk sentiment across international equities trade overnight Friday appeared the main factor in supporting Comex futures to a slight sessional gain.

US Fed chair Jerome Powell and other Fed officials heard of conditions faced by small business and community sector representatives across the US, indicating supply constraints and inflation concerns were likely to remain in focus for some time yet.

Parliamentary testimony by the Fed chair and US treasury Janet Yellen, plus CPI, GDP and PMI updates are considered likely to keep gold sentiment fluid this week, together with any significant Evergrande developments and US debt ceiling debate.

Base metals – overnight Friday trade appeared influenced by a mix of continued news of regulatory and Covid-19 restrictions in China, warehouse inventories, and economic data releases.

Tin traded at record peaks on supply concerns amid low stock levels.

China's August industrial profits are anticipated today.

Japan's September initial **PMI** readings, reported Friday, came in mixed against expectations, the services index remaining in contraction territory, but nonetheless rising 4.5 points to 47.4, and the manufacturing activity index falling 1.5 points to 51.2.

August **CPI** figures represented deflation, both for the month (-0.2%) and year-on-year (-0.4%).

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7260	-0.0001	-0.02
EUR – USD	1.1719	-0.0002	-0.01

PPK holds 45.43%.

Resources

Bardoc Gold (* BDC)

Review of the development strategy for the WA goldfields Bardoc gold project underway.

Base Resources (* BSE)

The revamped DFS for BSE's Toliara project, Madagascar has boosted material statistics.

Details lodged this morning.

Celsius Resources (* CLA)

94% mean average copper and 79% gold recoveries indicated by initial metallurgical test work using CLA Philippines MCB copper-gold project ore.

Additional statistics lodged pre-trade.

Argosy Minerals (* AGY)

Planning to connect the Argentina Rincon lithium project directly to an adjacent 208MWp Altiplano 200 solar power plant, operated by Neoen.

Mount Ridley Mines (MRD)

Commitments in hand for a \$1.744M placement at 0.4c per share.

Funds are earmarked for Mount Ridley rare earths project exploration.

MRD will pay a 6% fee in scrip to lead manager RM Corporate Finance, a related entity of MRD director Guy Le Page.

MRD traded at 0.4c – 0.6c last week.

Dalaroo Metals (* DAL)

Exploration company scheduled to list on the ASX 11.30am AEST **tomorrow**, following a \$5M IPO at 20c per share.

27.2M quoted shares.

Koonenberry Gold (* KNB)

Explorer and project developer scheduled to list on the ASX 12.30pm AEST **tomorrow**, following an \$8M IPO at 20c per share.

~73.55M quoted shares.

Energy

Norwest Energy (* NWE)

Perth Basin Lockyer Deep-1 gas well completion has been delayed. Additional costs are not expected to exceed \$A5M.

December quarter reservoir testing is still expected.

Additional details lodged pre-trade.

Z Energy (* ZEL) / Ampol Ltd (ALD)

The initial four-week exclusive due diligence and negotiation period, following the announcement of ALD's indicative \$3.78-per-share proposal to acquire ZEL, has been extended by two weeks.

ZEL traded at \$3.22 - \$3.37 last week.

**US Data Tonight**

Durable goods orders	Aug
Dallas Fed manufacturing index	Sep

Other Overseas Data Today & Tonight

China	Industrial profits	Aug
Japan	Leading economic index (final; 3pm AEST)	Jul
Euro zone	Household & business lending	Aug

Need More Information?

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Trading Halts

Company	Code	Resuming
Armour Energy	AJQ	27 Sep
DC Two	DC2	27 Sep
Engage:BDR Ltd	EN1	27 Sep
High Peak Royalties	HPR	27 Sep
Resource Base	RBX	27 Sep
92 Energy	92E	28 Sep
Cannindah Resources	CAE	28 Sep
Eagle Mountain Mining	EM2	28 Sep
Invex Therapeutics	IXC	28 Sep
Tesserent Ltd	TNT	28 Sep
Threat Protect Australia	TPS	28 Sep
Ultima United	UUL	29 Sep

Suspensions (selected)

Company	Code	Since
Zeus Resources	ZEU	6 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GOR	Today	0.5	100	1.23
IMD	Today	1.8	100	0.72
KLA	Tomorrow	21.25	0	1.33
PIC	Tomorrow	2.8	100	4.24
ADI	Wed	4.33	0	4.89
AOF	Wed	3.8	0	6.38
AQR	Wed	5.72	0	6.19
ARF	Wed	3.95	0	3.45
BOL	Wed	1	0	2.70
CIP	Wed	4.33	0	4.51
CLW	Wed	7.62	0	5.86
COF	Wed	3.8	0	6.54
CQE	Wed	5.72	0	4.23
CWP	Wed	3.95	100	3.17
CYG	Wed	3	100	0.00
EOL	Wed	6	0	0.64
FSF	Wed	12.34	0	2.03
GCI	Wed	0.74	0	4.55
GDF	Wed	1.8	0	4.68
LEP	Wed	5.5	0	3.85
MEZ	Wed	10.48	0	3.03
RFF	Wed	2.93	0	4.14
TCF	Wed	3	0	2.53
TGP	Wed	1.5	100	5.13
TOT	Wed	1.5	100	6.70
VIP	Wed	0.05	0	4.39



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WPR	Wed	3.95	0	5.73
CII	Thu	1	100	1.67
COS	Thu	1	100	0.77
GVF	Thu	3.3	100	4.78
PBP	Thu	3	100	2.35
PTB	Thu	5	100	2.51
XRF	Thu	2	100	2.09
EDC	Fri	2	0	7.57
NCK	Fri	25	100	5.49
SST	Fri	11.69	0	2.51

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	SM1	Full year (tele 8am)
Wed	ASX	AGM