

Markets

SFE 200 Futures (9.30am AEDT)	7253	36	0.5
NZX 50	13226	26	0.2
DJIA Futures	34233	50	0.2
S&P 500 Futures	4338	4	0.1
NASDAQ Futures	14670	15	0.1

Local Markets Commentary

The Australian market opens mid-week trade ahead of keenly anticipated monetary policy decisions for New Zealand today and key economic reports out of the euro zone and US tonight, following an overnight bounce in international equities trade sentiment.

Locally today, the **Reserve Bank of Australia (RBA)** is scheduled to releases its monthly 'chart pack' featuring macroeconomic and financial market trends at 12.30pm AEDT.

Regionally today, the **Reserve Bank of New Zealand** is convening a policy meeting from which outcomes are due **midday** AEDT.

South Korea releases a rescheduled (due to Monday's public holiday) **September CPI** as the **ASX** opens.

In overnight commodities trade, **oil** rallied further.

US **gold** futures turned lower.

Iron ore (China port CFR, 62% fines) also declined, amid thin China holiday season trade.

Updated LME (3mth evening, *IRESS*) prices again appear unavailable, but **copper** reportedly fell by almost 2%, and **nickel** by ~0.6%.

The **\$A** rose to ~US72.90c after trading at ~US72.80c early yesterday evening.

China's markets remain closed today and tomorrow due to the National Day holiday season.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	34315	312	0.9
S&P 500	4346	45	1.1
NASDAQ	14434	178	1.3
FTSE 100	7077	66	0.9
DAX 30	15194	158	1.1
Shanghai Comp	3568	Public	Holiday

Overseas Markets Commentary

Positive risk sentiment returned to major European, UK and US equities markets from early overnight trade.

Moody's Investors Service offered it was retaining a stable outlook for its US Aaa rating as it was confident Congress would raise the debt ceiling so that the nation would not default.

Today's Stock Watch
The a2 Milk Company (A2M)

A2M says it will defend a shareholder class action filed in Victoria's Supreme Court in relation to alleged non-disclosure.

Fisher & Paykel Healthcare (FPH)

Launching a full-face mask for sleep apnoea.

Aroa Biosurgery (ARX)

Unaudited \$NZ17M interim revenue, up 108% year-on-year, and 38% higher for the six months.

An investor webinar was scheduled to commence 9am AEDT.

Xref Ltd (XRF)

September quarter sales rose 126% year-on-year, to \$5.4M. Revenue rose 77% to \$3.9M.

Magellan Financial Group (MFG)

\$A113.30B FUM at 30 September, from \$A117.955B at the end of August.

Resources
Pilbara Minerals (PLS)

WA Pilgangoora lithium project reserves updated to 1.9Mt of contained lithium oxide.

Breakdown statistics lodged this morning.

Hyperion Metals (HYM)

Titanium, zircon and rare earth minerals project initial resource estimated at 431Mt @ 2.2% total heavy minerals (THM), for 9.5Mt of THM.

7.1Mt high-grade THM core.

QMinas Ltd (QML)

Resuming from a trading halt with high-grade copper, gold, silver, zinc and lead results from Queensland Mt Chalmers drilling.

QML last traded at 37.5c.

Rox Resources (RXL) / Venus Metals (VMC)

Heralding metallurgical test work using WA Youanmi gold project JV Youanmi Deeps ore.

RXL 70% and manager; VMC 30%.

Kingwest Resources (KWR)

Establishing a mining and processing JV with FMR Investments for the WA Menzies gold project.

Targeting the resumption of Yunndaga deposit underground mining.

Energy
East Energy Resources (EER)

Blackall coal project concept study underway to assess a range of strategic production options.

In Covid-19 developments, broadening containment options were in focus.

AstraZeneca revealed it was seeking emergency use approval for an antibody injection designed to improve Covid-19 prevention in people with weakened immune systems and who hence did not benefit as much from Covid-19 vaccinations.

Meanwhile, the European Medicines Agency (EMA) offered it was considering a rolling review of Merck's molnupiravir oral antiviral treatment.

For its part, Johnson & Johnson confirmed it was seeking US emergency use approval for a booster shot for its single-dose Covid-19 vaccine.

Ahead of next week's new *World Economic Outlook* release, International Monetary Fund (IMF) MD Kristalina Georgieva said the fund was predicting global 2021 GDP growth would come in slightly lower than the previously forecast 6.0%, at the same time urging increased Covid-19 vaccine availability for developing nations.

In overnight **data** releases, August producer prices for the **euro zone** were reported 1.1% higher for the month following a 2.5% July increase and forecasts for a new 1.6% rise.

Against August 2020, prices were up 13.4%.

The euro zone September services PMI in the meantime was finalised at 56.4 from 59 for August.

In **Germany**, the 56.2 finalised September services PMI represented a 4.6-point fall for the month.

September new domestic vehicle registrations came in 25.7% lower than a year earlier, against forecasts for a 14% decline.

The **UK's** September new domestic vehicle sales were estimated 34.4% lower than for September 2020, also following expectations of a 14% fall.

The September services PMI was finalised at 55.4 from 55.0 for August.

In the **US**, the ISM's September non-manufacturing index encouraged, rising to 61.9 from 61.7. Forecasters had anticipated a pullback to 60.4.

The prices subcomponent index rose 2.1 points to 77.5.

The employment component index declined from 53.7 to 53.0.

US August trade figures included a \$US73.3B deficit from a \$US70.3B July shortfall and following expectations for a \$US70.8B new deficit.

The October IBD/TIPP economic optimism index fell 1.7 points to 46.8, defying forecasts of a 1.5-point improvement to 50.0.

A 54.9 final Markit September services PMI represented a 0.2-point decline for the month against an expected 0.7-point fall.

Yesterday afternoon, a 10-year bond auction in **Japan** delivered a 0.049% yield from 0.023% previously.

Tonight in the US, a September private sector employment report is due, together with weekly mortgage applications.

Elsewhere, Germany reports factory orders and the euro zone retail sales. Russia is due to release a September CPI estimate.

Companies scheduled to publish earnings or provide an update later today and tonight include Aeon, Constellations Brands, Levi Strauss and Tesco.

In overnight corporate news, **PepsiCo** benefited from lifting

Pre-Open Announcements

Race Oncology (* RAC)

Fifth US patent in hand for RAC's Zantrene cancer treatment.

Imugene Ltd (IMU)

Investor presentation lodged post-trade yesterday.

Resources

Volt Resources (* VRC)

Reporting major gold anomalies within the Konsolon and Nzima permits.

Marvel Gold (MVL)

Tabakorole gold project webinar scheduled to commence midday AEDT (9am AWST) **tomorrow**.

Questions may be submitted.

The deadline and address for this was lodged with webinar access details post-trade yesterday.

MVL lodged a Tabakorole resource estimate pre-trade yesterday.

E79 Gold Mines (* E79)

Exploration company scheduled to list on the ASX 1pm AEDT **tomorrow**, following a \$7M IPO at 20c per share.

50.78M quoted shares.

Energy

Stanmore Resources (* SMR)

Changes to the terms of a finance facility associated with the Millennium and Mavis Downs mine acquisition lodged post-trade yesterday.

SMR traded as high as \$1.15 yesterday, before settling 15.79%, higher for the sessions, at \$1.10.

SMR closed out August at 76c and September at 92c.

Trading Halts

Company	Code	Resuming
Aura Energy	AEE	7 Oct
Navarre Minerals	NML	7 Oct
Pure Foods Tasmania	PFT	7 Oct
Security Matters	SMX	7 Oct
Titan Minerals	TTM	7 Oct

Suspensions (selected)

Company	Code	Since
Murray River Group	MRG	1 Oct
Stemcell United	SCU	29 Sep
Wiseway Group	WWG	1 Oct



predicted full year revenue, but added to company warnings of supply shortages and likely associated price increases.

Meanwhile, a record number of ships was reported waiting off Newport, California following the weekend oil spill.

Commodities.

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1760.9	oz	-6.70	-0.4
Silver (NY) (Dec)	22.608	oz	-0.04	-0.2
Gold (LON)	1755	oz		
Platinum	956	oz	-8	-0.8
WTI Crude (NYMEX Nov)	78.93	bbbl	1.31	1.7
Brent Crude (ICE EUR Dec)	82.56	bbbl	1.30	1.6
Iron Ore (Qingdao) (CHN;62% <i>f</i>)	116.58	t	-0.54	-0.5
Iron Ore (Nymex)	117.85	t	0.09	0.1
Copper (LME 3mth evening)	9084	t		
Nickel	17810	t		
Aluminium	2911	t		
Lead	2152	t		
Zinc	3022	t		
Tin	35125	t		

Commodities Commentary

Oil – prices were pushed yet higher overnight, despite a rising \$US, but following the OPEC+ decision Monday to retain the current 400,000bbbl/d monthly easing of output curbs through to at least April 2022.

Brent crude traded at three-year peaks, as high as \$US83.13/bbl intra-session.

WTI traded as high as \$US79.48/bbl, the most in almost seven years.

Meanwhile, trader Vitol was reported to have secured its first oil supply deal with Russia's Rosneft since 2013.

This follows deals for Vitol/Mercantile & Maritime and Trafigura this year to acquire a combined 15% holding in Vostok Oil from Rosneft. The Vitol/Mercantile & Maritime 5% stake is yet to be finalised.

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

Overnight post-US trade, the American Petroleum Institute has released a weekly report which includes an estimated 951,000bbl increase for US crude stocks last week.

Gold – improved risk sentiment across equities trade, combined with a stronger \$US (\$US index ~0.16% higher), damaged overnight gold interest.

Apart from geopolitical considerations, a US private sector jobs report could swing some trade tonight.

Base metals – overnight LME trade considerations included inventories, reports of further missed debt repayments within China's property sector in recent days, but also by a strengthening \$US.

In the meantime, government officials in Peru claimed an agreement had been secured with MMG's Las Bambas copper operation and the local community to avoid roadblocks that impacted production and hence Peru's economy.

Ex-Dividend

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ARB	Tomorrow	39	100	1.45
MAH	Tomorrow	0.35	20	3.33
RIC	Tomorrow	2	100	0.00
FPC	Fri	4.5	100	2.44
MFF	Fri	3.5	100	2.03
TNK	Fri	24	100	6.27
VRT	Fri	12	100	2.12
DGH	Mon	2.25	0	3.78
FGG	Mon	3	100	1.25
WAX	Mon	4.95	100	5.52
WMA	Mon	2	100	0.97
WMI	Mon	8	100	3.35
REH	Tue	12	100	0.67
GOW	Wed (13 Oct)	4	100	1.97
CIW	Thu (14 Oct)	1.5	100	1.63
D2O	Thu	3.1	100	4.07
IPC	Thu	6.25	100	0.00
LCE	Thu	1.38	100	0.00
HVN	Fri (15 Oct)	15	100	7.87

Reports & Events

(selected; all times AEDT)

When	Company	Report/Event
Today	MEZ	AGM
Tomorrow	AMH	AGM
	DJW	AGM
	MAD	AGM
Tue (12 Oct)	AZJ	AGM
	CSL	AGM
	TLS	AGM
Wed (13 Oct)	CBA	AGM
	BOQ	Full year
	CGF	Sep Q
	SXL	AGM
14 Oct	ARB	AGM
	DUG	AGM
	IMD	AGM
	NUH	AGM
	LOV	AGM (4.30pm)
	SRG	AGM
15 Oct	RIO	Sep Q (8.30am)



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Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7293	0.0028	0.38
EUR – USD	1.1599	0.0005	0.04

Australian Data Today

RBA	Chart pack (data from 3 Sep)	Oct
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US Data Tonight

ADP private employment change	Sep
MBA mortgage applications	1 Oct

Other Overseas Data Today & Tonight

South Korea	CPI	Sep
New Zealand	RBNZ monetary policy	6 Oct
UK	Construction PMI	Sep
Germany	Factory orders	Aug
Germany	Construction PMI	Sep
Euro zone	Retail sales	Aug
Euro zone	Construction PMI	Sep

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