

Markets

| | | | |
|--------------------------------------|-------|-----|------|
| SFE 200 Futures (9.30am AEDT) | 6753 | -29 | -0.4 |
| NZX 50 | 10862 | 15 | 0.1 |
| DJIA Futures | 30684 | 108 | 0.4 |
| S&P 500 Futures | 3756 | 23 | 0.6 |
| NASDAQ Futures | 11316 | 117 | 1.0 |

Local Markets Commentary

The Australian market commences mid-week trade with the \$A trading beyond US63.10c, another batch of high-profile domestic company quarterly reports and/or AGMs, and material domestic economic indicator reports due, ahead of key economic reports out of the US and UK tonight.

US equities markets settled higher again overnight.

Locally today, Westpac and the Melbourne Institute are due to publish their monthly **leading economic index** report at 10.30am AEDT.

At 11.30am, the Australian Bureau of Statistics (ABS) is listed to release a final **building activity** report covering the June quarter.

Regionally today, no major economic reports are anticipated.

China's September quarter **GDP** growth, and September updates for **industrial production**, **fixed asset investment** and **retail sales**, scheduled for release yesterday, have been tentatively rescheduled for early next week, together with September **trade** statistics, listed for publication Friday last week.

In overnight commodities trade, **oil** was pushed lower.

US **gold** futures swung moderately lower, but closed above \$1655.0/oz.

Iron ore (Nymex CFR China, 62% Fe) turned modestly higher, settling just beyond \$US95.2/t.

LME (3mth evening) **copper** and **aluminium** were reportedly each trading ~1.7% lower at 1600 GMT. **Nickel** was reportedly trading with an ~1.5% gain.

Last night's LME final price updates were unavailable from IRESS at time of publication. These are expected to become available via IRESS at 10.30am AEDT.

The \$A appreciated to ~US63.10c after trading at US62.80c - US62.99c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|-----|------|
| Dow Jones | 30524 | 338 | 1.1 |
| S&P 500 | 3720 | 42 | 1.1 |
| NASDAQ | 10772 | 97 | 0.9 |
| FTSE 100 | 6937 | 17 | 0.2 |
| DAX 30 | 12766 | 117 | 0.9 |
| Shanghai Comp | 3081 | -4 | -0.1 |

Today's Stock Watch
APA Group (APA)

APA has secured a Deed of Company Arrangement to acquire Basslink (receivers, managers and administrators appointed), including Basslink Telecoms, for \$773M.

Proceeds will be used to repay creditors, including APA, whose senior secured debt in Basslink (via the March 2022 acquisition of Basslink borrowing entity Nexus Australia Management), plus interest, tallies \$648M. AGM today.

The Reject Shop (TRS)

Today's AGM materials lodged pre-trade.

EML Payments (EML)

Conference presentation lodged pre-trade. EML will also provide a product demonstration with today's presentation.

Resources
BHP Group (BHP)

September quarter iron ore output rose 3% year-on-year and 1% for the quarter, to 65.1Mt. Nickel output rose 16% and 10% respectively. Copper production rose 9% and dropped 11% respectively. Metallurgical coal output fell respectively 1% and 19%. Energy coal production dropped 38% and 33%. Retaining FY23 production and cost guidance.

Northern Star Resources (NST)

Produced 369,000oz of gold during the September quarter. \$A1788/oz AISC. \$A473M cash and bullion; \$A173M net cash. Maintaining FY23 output and AISC guidance.

Minrex Resources (MRR)

WA east Pilbara Sisters lithium project first-pass RC drilling has intersected numerous stacked pegmatites sheets. Details and commentary lodged post-trade yesterday. MRR has settled lower or flat the past six sessions, closing at 5.1c yesterday.

Azure Minerals (AZS)

Heralding further positive WA Pilbara Andover project rock sampling lithium results. Assays lodged pre-trade.

Energy
Beach Energy (BPT)

September quarter output fell 8% for the three months, to 5.2MMboe. This was in part due to Cooper Basin flooding. Sales revenue declined 20% to \$405M. Sales volumes fell, in addition to and oil and gas prices.

Whitehaven Coal (WHC)

September quarter managed ROM production dropped 37% for the three months. Record, \$A581/t average realised coal price from \$A514/t for the June quarter. \$1.93B net cash.

Overseas Markets Commentary

Major European, UK and US equities markets headed higher on opening overnight, sentiment benefiting from some better-than-anticipated headline figures in large-cap earnings reports and relief at fiscal policy change in the UK.

Risk tolerance waned some however, some choppy trade ensuing and all key indices closing below session highs.

The UK PM conceded a desire to fast-pedal economic growth plans had resulted in mistaken decisions and apologised for this.

In geopolitical developments, Iran reportedly vowed to support Russia with missile and drone shipments, and NATO to supply anti-drone systems to Ukraine.

Among overnight **data** releases, the Sentix October economic sentiment index for the **euro zone** improved, albeit to -59.7 from -60.7. Economists had predicted -62.3.

Also in the euro zone, September new domestic vehicle registrations were reported 9.6% higher than for September 2021, following forecasts for a 5.6% increase.

The Sentix October economic index for **Germany** improved to -59.2 from -61.9. Forecasters had anticipated a further deterioration, to -63.4.

The current conditions component index deteriorated decidedly, coming in at -72.2 from -60.5.

Meanwhile the **UK** treasury hosted a 30-year gilt auction which notably produced a 4.409% yield from 2.360%.

Earlier yesterday, Japan conducted a 20-year government bond auction which resulted in a 1.123% yield from 0.894%.

In the **US**, September industrial production improved by 0.4% for the month following expectations of a 0.1% decline, as recorded for August.

Against September 2021, industrial output was up 5.3%.

A home builders' housing market index fell to 38 from 46, against forecasts for a slight improvement to 47.

Tonight in the US, the Federal Reserve's district-by-district economic roundup report is due, together with September building permits and housing starts, and weekly mortgage applications and rates.

In addition, the US hosts a 20-year bond offer.

Elsewhere, inflation readings feature, with a UK September CPI reading, euro zone finalised September CPI estimate and September inflation rate for Canada all due.

Further, the UK treasury conducts a 10-year gilt offer.

Companies listed to report earnings include: Abbott Laboratories, Antofagasta, ASML, ASOS, Atlas Copco, Deliveroo, IBM, Nestlé, Procter & Gamble, Prologis and Tesla.

In overnight corporate news, **Goldman Sachs**, **Lockheed Martin** and **Netflix** results variously pleased, ultimately supporting overall equities confidence, during and post-trade.

Goldman Sachs profit dropped 43% however, prompting a restructure.

Pre-Open Announcements

Imugene Ltd (* IMU)

Five-year partnership agreed with Institut Mérieux subsidiary ABL, for ABL to manufacture IMU's oncolytic virus for metastatic advanced solid tumours (MAST) clinical studies, specifically designed to evaluate the safety and efficacy of cancer-killing virus CF33-hNIS (vaxinia).

Next Science (NXS)

Launching topical collagen products having achieved licensing and accreditation by US Medicare as a Florida durable medical equipment provider.

Dropsuite Ltd (DSE)

Today's investor day presentation lodged pre-trade.

Auckland International Airport (AIA)

Considering hosting a fixed rate, May 2028-maturity bond offer. Expecting to provide more information next week.

Insurance Australia Group (IAG)

Video of FAQs and other AGM resources, including a questions submission guide and how-to-vote during the AGM, lodged post-trade yesterday.

IAG is scheduled to host its AGM Friday.

DW8 Ltd (DW8)

Conference presentation lodged post-trade yesterday.

iCollege Ltd (ICT)

Pending 18 November AGM shareholder approval, ICT plans a 1:5 basis share consolidation.

The acquisition of RedHill Education boosted ICT's issued shares tally to ~1.095B.

Resources

Encounter Resources (* ENR)

A technical review has identified new Northern Territory Sandover lithium targets. Details lodged this morning.

Talga Group (* TLG)

ISO 14001 environmental management systems accreditation in hand for the northern Sweden electric vehicle anode facility.

Black Cat Syndicate (BC8)

WA Coyote gold project RC drilling has returned several shallow, high-grade intersections.

Assays lodged pre-trade.

Tyranna Resources (TYX)

105M shares are due to be released from escrow 25 October (Tuesday next week).

Energy

Devex Resources (* DEV)

Northern Territory Nabarlek uranium project drilling has

**Commodities**

| COMMODITY | CLOSE | \$US/ | +/- | % |
|---|--------|-------|-------|-------------|
| Gold (COMEX 100 Dec) | 1655.8 | oz | -8.20 | -0.5 |
| Silver (COMEX 5000 Dec) | 18.60 | oz | -0.12 | -0.6 |
| Platinum | 906 | oz | -8 | -0.9 |
| WTI Crude (NYMEX Nov) | 82.82 | bbl | -2.64 | -3.1 |
| Brent Crude (ICE EUR Dec) | 90.03 | bbl | -1.59 | -1.7 |
| Iron Ore (NYMEX CHN port;62%Fe) | 95.21 | t | 0.28 | 0.39 |
| Copper (LME 3mth Evening) (17 Oct) | 7560 | t | | |
| Nickel | 21535 | t | | |
| Aluminium | 2229 | t | | |
| Lead | 2026 | t | | |
| Zinc | 2866 | t | | |
| Tin | 19648 | t | | |
| Coal (ICE-GC Newcastle; IRESS) | 392.15 | | -0.35 | -0.1 |
| Wheat (CBT Dec; IRESS) | 851.25 | | -9.75 | -1.1 |

Commodities Commentary

Oil – China demand fears, coupled with expectations of higher US output, pushed prices lower overnight.

China failed to release on schedule key economic figures, including September quarter GDP, yesterday, while not yet having published September trade figures, initially listed for release Friday last week.

In addition, ongoing commentary regarding China's National Congress, including vows to adhere to Covid containment policy, underscored uncertainties impacting economic growth prospects for China.

The previous session, US government agency EIA forecast record Permian Basin output for November.

A US weekly petroleum inventories report is anticipated tonight from the EIA.

Overnight post-US trade, the American Petroleum Institute (API) published a weekly report which included an estimated 1.27MMbbl fall in US crude stocks last week.

Gold – a \$US appreciation damaged overnight gold interest.

Tonight's US Fed district-by-district economic assessment (beige book), plus a UK CPI update will ensure central bank policy and likely interest rate levels remain major trade considerations.

Base metals – general early overnight trade sentiment was influenced by a higher \$US and concerns at China's economic growth prospects.

Aluminium reportedly fell again due to growing stockpiles.

China's September quarter **GDP** growth, and September updates for **industrial production**, **fixed asset investment** and **retail sales**, were scheduled for release yesterday. However, these, together with September **trade** statistics, listed for publication Friday last week, have been tentatively rescheduled for early next week, following the conclusion of the National Congress.

Meanwhile, further key announcements and indications are also anticipated from the continuing National Congress.

returned significant width and high-grade intersections. Assays lodged this morning.

Trading Halts

| Company | Code | Resuming |
|-----------------------------|------|----------|
| AuKing Mining | AKN | 19 Oct |
| Campify Holdings | CHL | 19 Oct |
| Duke Exploration | DEX | 19 Oct |
| Frontier Energy | FHE | 19 Oct |
| Lithium Energy | LEL | 19 Oct |
| Peppermint Innovation | PIL | 19 Oct |
| Resource Mining Corporation | RMI | 19 Oct |
| Atomos Ltd | AMS | 20 Oct |
| C29 Metals | C29 | 20 Oct |
| Pharmaxis Ltd | PXS | 20 Oct |
| Theta Gold Mines | TGM | 20 Oct |
| TNG Ltd | TNG | 20 Oct |
| Wellnex life | WNX | 20 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 |
| Radiopharm Theranostics | RAD | 17 Oct |
| Seafarms Group | SFG | 30 Sep |
| Toro Energy | TOE | 28 Sep |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|----------|------------|--------------|-----------|
| SEC | Today | 2.1 | 100 | 5.05 |
| KPG | Tomorrow | 0.4 | 100 | 1.20 |
| PL8 | Tomorrow | 0.55 | 100 | 5.36 |
| SNC | Fri | 2.75 | 100 | 7.75 |
| NHC | Mon | 56 | 100 | 3.47 |
| CLV | 25 Oct | 1 | 100 | 0.87 |
| MMS | 26 Oct | 74 | 100 | 2.50 |
| ACF | 27 Oct | 1.5 | 60 | 4.43 |
| BOQ | 27 Oct | 24 | 100 | 5.71 |
| GNP | 27 Oct | 1.8 | 100 | 0.00 |
| ASG | 31 Oct | 9 | 100 | 6.80 |

**Exchange Rates**

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|--------------|
| AUD – USD | 0.6313 | -0.0010 | -0.16 |
| EUR – USD | 0.9863 | 0.0005 | 0.05 |

Australian Data Today

| | | |
|-----------------------------|---------------------------|------|
| Westpac/Melbourne Institute | Leading economic index | Sep |
| ABS | Building activity (final) | SepQ |

US Data Tonight

| | |
|--|-------|
| Fed Reserve beige book (district-by-district economic roundup) | Oct |
| Housing starts | Sep |
| Building permits | Sep |
| MBA mortgage applications; rates | 14Oct |

Other Overseas Data Today & Tonight

| | | |
|------------------|---------------------|-----|
| UK | CPI | Sep |
| UK | Producer prices | Sep |
| Euro zone | CPI (final) | Sep |
| Euro zone | Construction output | Aug |
| Russia | Producer prices | Sep |

Need More Information?

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

Reports & Events

(selected; all times AEDT)

| When | Company | Report/Event |
|-----------------|------------|--------------------------------------|
| Today | ACL | AGM |
| | APA | AGM |
| | BAP | AGM |
| | BPT | Sep Q |
| | BHP | Sep Q (o/night; briefing 8.30am Wed) |
| | CHL | Trading update (tele 11am) |
| | DSE | Investor day |
| | MP1 | Sep Q (w/cast 10.30am) |
| | MYS | AGM |
| | NST | Sep Q |
| | ORG | AGM |
| | SSM | AGM |
| | TRS | AGM |
| WHC | Sep Q | |
| Tomorrow | AIA | AGM |
| | ARU | AGM |
| | BKL | AGM |
| | BML | AGM |
| | CGF | Sep Q |
| | CLW | AGM |
| | EQT | AGM |
| | HLS | AGM |
| | MFG | AGM |
| | 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 |



| | |
|-----|-----|
| SXL | AGM |
| WOR | AGM |

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