WEEK 24

STORIES TO READ FROM FNArena

Friday, 13 June 2025

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Rudi's View: Amcor, GQG, IPH, Data#3 & Qualitas

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AUSTRALIA

The Market In Numbers - 7 Jun 2025

The Market In Numbers: Look under the bonnet and what do you see?

For most investors, whatever goes on in financial markets is experienced through their own portfolio and personal matters of interest.

The below detailed overview in raw numbers and calculations might assist with assessing trends and currents that might not be apparent from daily volatility and movements.

All index data are ex dividends. Commodities are in USD.

Australia & NZ

Index	07 Jun 2025	Week To Date	Month To Date (Jun)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
NZ50	12563.480	1.16%	1.16%	2.39%	-4.17%	7.22%
All Ordinaries	8741.90	0.94%	0.94%	8.55%	3.82%	9.09%
S&P ASX 200	8515.70	0.96%	0.96%	8.57%	4.37%	9.63%
S&P ASX 300	8446.40	0.95%	0.95%	8.54%	4.29%	9.58%
Communication Services	1833.80	0.56%	0.56%	12.91%	12.68%	22.16%
Consumer Discretionary	4084.90	0.09%	0.09%	8.39%	4.44%	16.33%
Consumer Staples	12399.40	-0.04%	-0.04%	6.34%	5.35%	0.17%
Energy	8099.40	1.77%	1.77%	2.01%	-6.07%	-19.26%
Financials	9315.60	1.95%	1.95%	11.92%	8.14%	21.66%
Health Care	41484.30	-1.35%	-1.35%	2.36%	-7.58%	-6.26%
Industrials	8392.60	1.25%	1.25%	8.15%	9.76%	23.21%
Info Technology	2908.10	0.98%	0.98%	28.68%	6.10%	24.20%
Materials	16470.80	0.63%	0.63%	3.10%	2.14%	-2.41%
Real Estate	3932.70	1.42%	1.42%	12.84%	4.55%	10.37%
Utilities	9214.20	-0.52%	-0.52%	1.71%	2.01%	-0.76%
A-REITs	1806.60	1.55%	1.55%	13.42%	5.13%	11.22%
All Technology Index	4003.20	0.05%	0.05%	20.62%	5.20%	27.58%
Banks	3949.90	2.01%	2.01%	12.56%	9.52%	23.62%
Gold Index	12690.50	-0.56%	-0.56%	15.56%	50.65%	72.49%
Metals & Mining	5464.30	0.31%	0.31%	3.53%	3.97%	-1.55%

The World

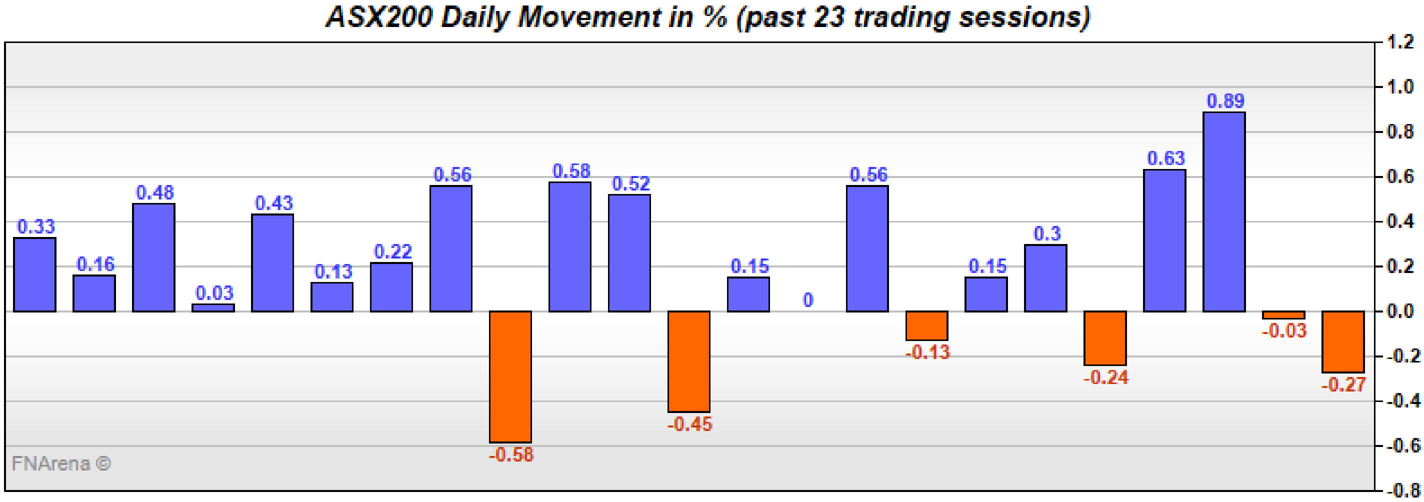
Index	07 Jun 2025	Week To Date	Month To Date (Jun)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
FTSE100	8837.91	0.75%	0.75%	2.97%	8.14%	8.25%
DAX30	24304.46	1.28%	1.28%	9.66%	22.08%	33.28%
Hang Seng	23792.54	2.16%	2.16%	2.91%	18.61%	34.28%
Nikkei 225	37741.61	-0.59%	-0.59%	5.96%	-5.40%	-4.65%
DJIA	42762.87	1.17%	1.17%	1.81%	0.51%	9.32%
S&P500	6000.36	1.50%	1.50%	6.92%	2.02%	9.89%
Nasdaq Comp	19529.95	2.18%	2.18%	12.89%	1.13%	10.14%

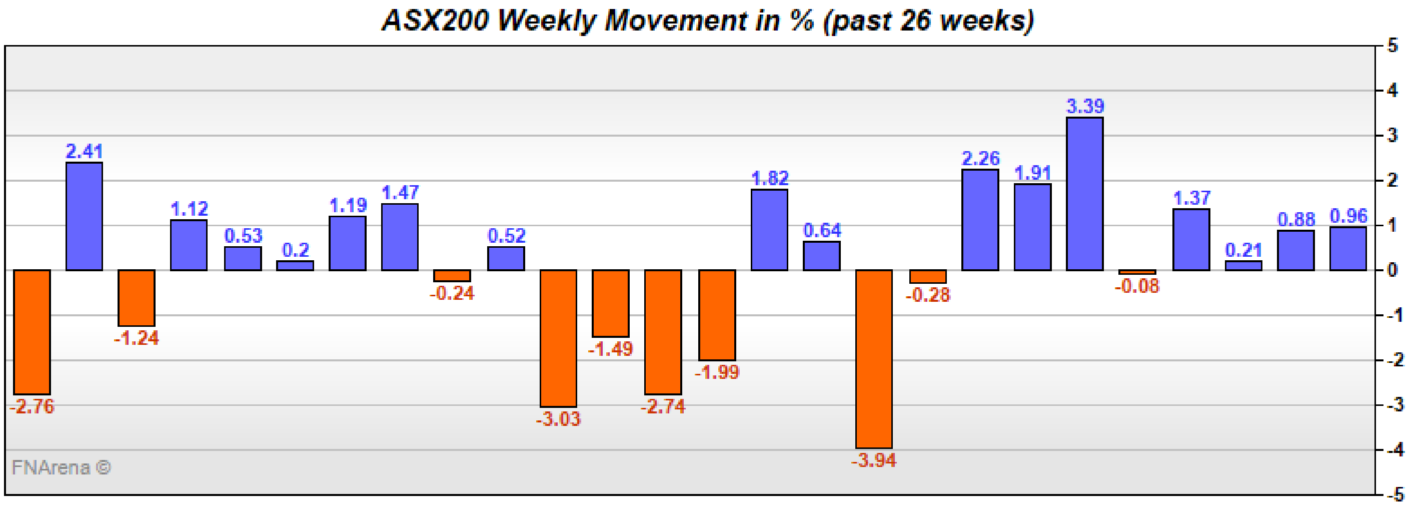
Metals & Minerals

Index	07 Jun 2025	Week To Date	Month To Date (Jun)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
Gold (oz)	3376.50	1.04%	1.04%	7.99%	28.54%	44.42%
Silver (oz)	35.80	7.06%	7.06%	2.34%	18.46%	22.40%
Copper (lb)	4.9117	5.17%	5.17%	-4.67%	19.90%	13.34%
Aluminium (lb)	1.1249	1.18%	1.18%	-2.01%	-1.59%	0.04%
Nickel (lb)	6.9351	1.19%	1.19%	-4.64%	-2.94%	-10.84%
Zinc (lb)	1.2201	0.54%	0.54%	-5.06%	-9.71%	-7.99%
Uranium (lb) weekly	72.00	0.00%	0.00%	12.50%	0.00%	-13.51%
Iron Ore (t)	95.70	-3.60%	-3.60%	-7.78%	-7.84%	-10.15%

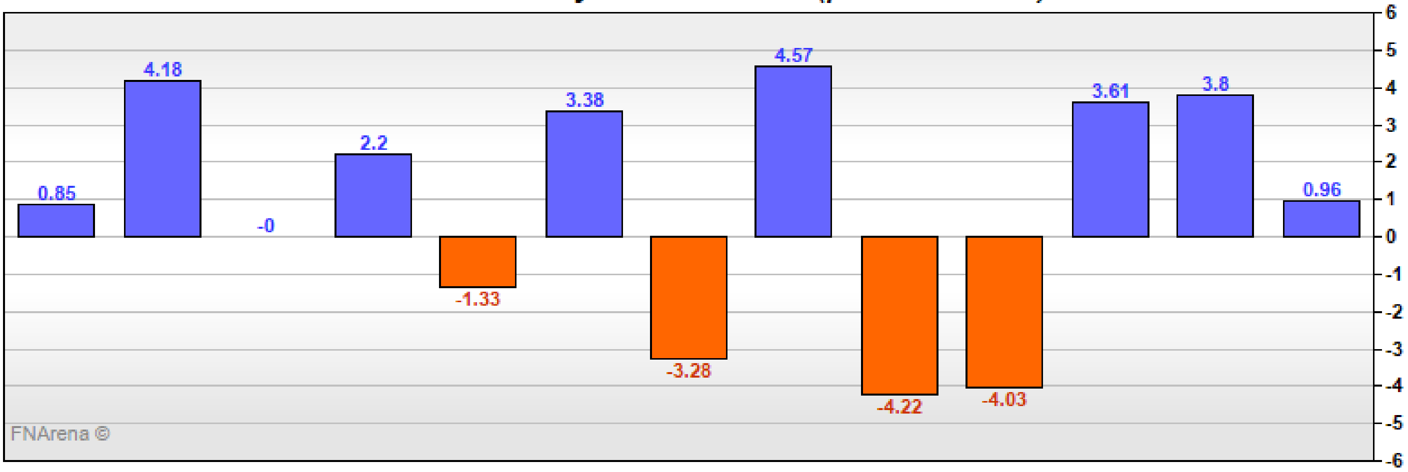
Energy

Index	07 Jun 2025	Week To Date	Month To Date (Jun)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
West Texas Crude	63.26	3.84%	3.84%	-8.79%	-8.95%	-22.72%
Brent Crude	65.24	2.98%	2.98%	-10.34%	-10.09%	-23.64%

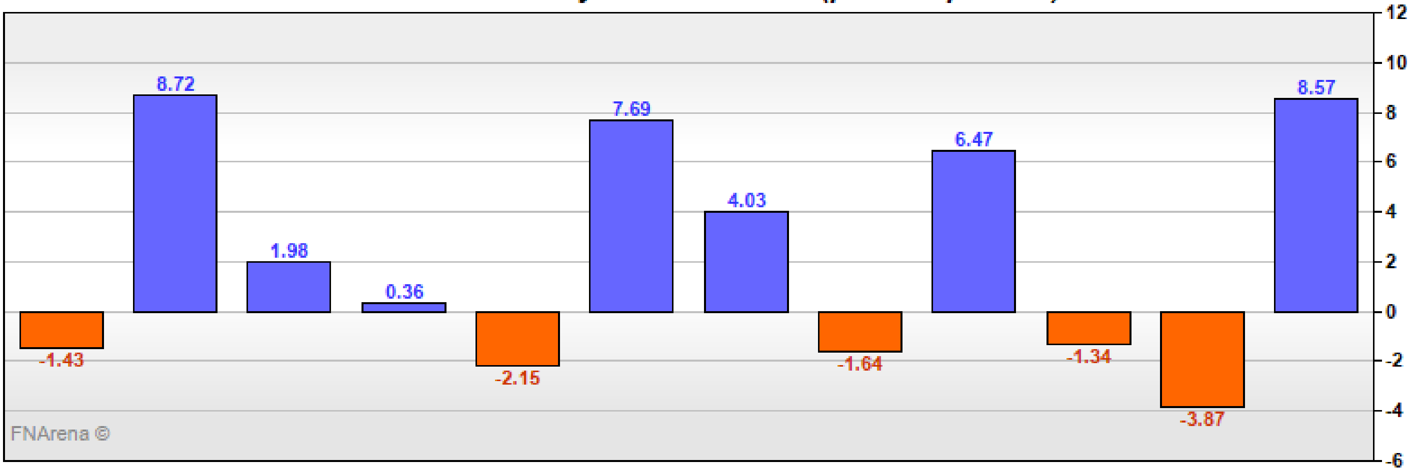




ASX200 Monthly Movement in % (past 13 months)



ASX200 Quarterly Movement in % (past 12 quarters)



The composition of above rankings and calculations is fully automated, based on raw data. Investors are advised to find context, interpretation and background elsewhere.

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AUSTRALIA

Geopolitical Hedging A Boon For CommBank

How CommBank became the poster stock for tactical asset allocation in a world of rising geopolitical risks and weaponisation of capital flows and the US dollar.

-CommBank shares look excessively inflated, so why are US investors buying it?
-CBA shares now represent more than 11% of the ASX200 index
-Tactical allocation does not always align with stand-alone valuation

By Danielle Ecuyer

Domestic versus foreign investors

It's hardly a surprise when brokers and fund managers are expressing disbelief at the remarkable rise in the CommBank ((CBA)) share price to an all time high of $182 before the long weekend. The price has risen around 30% since October 30, 2024, and is up from $120 a year ago.

This increase comes at a time when the bank's valuation had already seemed stretched, and its prospective dividend yield compressed. The stock currently trades around 29x FY26 price-to-earnings (forecast), with a prospective circa 2.8% dividend yield and an FNArena consensus target price of $109.248.

Australia's highest-valued bank has now replaced the Big Australian, BHP Group, as the largest index constituent locally, representing circa 11.5% of the ASX200.

While Australian super funds were purchasing shares in CommBank throughout 2024, US-based funds have now seemingly taken over the reins in 2025, further propelling the bank's stellar share price (and valuation).

For domestic retail and institutional investors, buying shares in what is now considered the world's most expensive bank might appear as sheer recklessness, especially when assessed against a stand-alone valuation. However, from the perspective of overseas investors, several reasons can be identified as to why Australia's largest bank, and now the largest stock by market capitalisation in the S&P/ASX200, has become a prospect for capital inflows.

Much of the investment decision-making can be traced to how large international institutions allocate capital based on a risk-adjusted return for their investors. For example, consider a major US-based fund, which recently acquired $1bn worth of CommBank shares. The person in charge of asset allocation behind such a purchase arguably took a broader, top-down view of global markets, with a particular focus on the rising uncertainty and volatility in US assets.

The rationale behind this decision lays in a growing concern over the direction of US assets, including equities, the dollar, and treasury yields. Many institutional investors are questioning whether these assets have become increasingly risky, given geopolitical uncertainty as the US Administration flexes both its muscles around trade and capital incentives.

In this context, asset allocators are reported as shifting their focus, not just to individual US stocks, but to broader trends in global markets such as the re-arming of Europe and Japanese deregulation.

Is a weaker US dollar changing capital flows?

Several macro-economic factors have contributed to this shifting investment landscape. For one, there are concerns over global geopolitics, including wars, supply chains, and the unwinding of the global free market.

Tariffs raise the prospect of US inflation, plus a shrinking immigrant workforce too is contributing to economic uncertainty in the US. The Los Angeles riots, which protest the forced deportation of alleged illegal immigrant workers, are just one example of how domestic issues in the US could have a more far-reaching impact on investor sentiment.

Perhaps even more critically, questions about tariffs and their potential effects on the US economy are exacerbating worries over the country's ability to service its fiscal deficit.

A particular concern for investors is the uncertainty surrounding the US dollar, which has been under pressure in recent months. The volatility surrounding the dollar has prompted many foreign investors to seek ways to hedge against this risk.

As a former colleague from my institutional broking days in London pointed out recently, "How much of a discount (i.e., US dollar or equity valuation) will offshore investors demand to hold US assets under a more uncertain and volatile backdrop?"

Morgan Stanley has framed this view similarly, stating the differential between US dollar assets and yields reflects "how much more additional compensation investors are demanding to maintain dollar exposure as a proxy for multiple uncertainties around tariffs, inflation, US growth, and fiscal policy including the much-debated '**One Big Beautiful Bill**.'"

This bill proposes, among other things, a controversial tax hike on foreign individuals and companies whose tax policies the US considers discriminatory. Section 899 of this bill, titled *"Enforcement of Remedies Against Unfair Foreign Taxes"*, aims to increase tax rates on these entities, which could have profound consequences for foreign investors, including sovereign wealth funds, pension funds, and even retail investors with US investments.

The growing concerns over Section 899 and the potential tax impacts have led to a rising global disquiet. If enacted, foreign investors could react by reducing, halting, or selling their direct US investment exposure. This would likely create significant ripple effects on US jobs and economic growth, with major implications for Australian companies and their investors too.

The Financial Times has reported dozens of executives are heading to Washington this week to lobby against the bill, underscoring the stakes involved for global investors.

Last week, Oxford Economics noted a broader shift in investor preferences away from US dollar-denominated assets. This shift reflects concerns about the long-term viability of holding US dollar assets, particularly considering rising geopolitical risks and economic uncertainty.

While the notion of the US dollar's demise is likely exaggerated, multiple market commentators and sell-side strategists have started **questioning the US exceptionalism theme**.

Global asset allocators seek out total returns

Returning to the perspective of overseas asset allocators, their strategic decisions are largely shaped by a broader set of considerations.

These investors are making large tactical calls on global equity markets, and currency is one of the most critical elements in such decisions. Changes in currency values can have cascading effects across various asset classes, making it crucial to forecast the relative performance of domestic currencies.

In the same way as Australian investors have benefited from a rising US dollar to boost their total returns from US equities, they may now be seeking to diversify their exposure to a weakening US dollar.

US investors are equally seeking assets that can offer a hedge against the potential risks in US assets.

This is where CommBank comes into the picture. The bank's relative capital/balance sheet strength, its position in a politically stable country, and its exposure to Australia's potentially expanding economy boosted by a declining interest rate environment, make it a safe and attractive option on a relative basis for foreign investors.

Moreover, CommBank's share liquidity and corporate quality provide a safer, more reliable investment compared to more volatile assets, such as commodity exposed resource companies with exposure to China.

Valuation, while important, is less of a concern in this context. As an asset allocator, the primary focus is on ensuring positive risk-adjusted returns.

In the case of CommBank, this means despite its lofty valuation, the investment makes sense when considering a broader strategic, probabilistic calculation. The focus here is on total return, factoring in the USD-to-AUD exchange rate, rather than just share price or dividend yield.

For example, the trade-weighted US dollar has declined -6.2% calendar year to date, a top-decile decline since 2000, Morgan Stanley explains.

The investment bank is flagging further US dollar weakness and if, for example, it declined another -5%, a US investor who had bought non-USD denominated assets at the start of 2025 would have gained over 10% in USD terms before any capital appreciation or dividend yield pick-up.

While the case for owning CommBank shares might not be as clear cut, the example emphasises the point that investment diversification is as much about the currency as it is about the performance of the shares in their domiciled market.

Given the performance of UK and European banks this year, it is likely asset allocators like those US funds investing in CommBank, are buying other high-quality banks outside the US, suggesting a global thematic tilt to the financial sector.

In summary, while domestic investors might balk at buying into Australia's largest bank at a time when its valuation appears extremely elevated, the story might look fundamentally more attractive for foreign investors.

Their decisions are shaped by broader, macro-economic factors, uncertainty around US assets, the risks associated with a volatile dollar, and the urge for diversification into more stable, politically secure assets.

Ultimately, CommBank offers a way to navigate global uncertainties while maintaining strong risk-adjusted returns, even if its valuation --in isolation-- might suggest otherwise.

The author's SMSF owns Commbank shares. The views expressed in this article are solely the author's based on a former career as an Institutional Equity adviser in London.

AUSTRALIA

Plenty Of US Headaches For Treasury Wine

Treasury Wine Estates has downgraded FY25 guidance and revealed the loss of a major distributor in California. With a new CEO arriving in October, the company has plenty of uncertainties to deal with for the year(s) ahead.

-Treasury Wine Estates downgrades FY25 guidance
-Sales of lower-end wines continue to weaken
-Loss of a major US distributor
-New CEO takes the helm in October

By Greg Peel

Treasury Wine Estates ((TWE)) last week downgraded FY25 earnings guidance to $770m from a prior "approximately $780m", a downgrade which served only to meet already downgraded consensus forecasts. However, the update did raise some concerns.

Driving the downgrade were lower US shipments and demand for the company's "Premium" (ie cheap) segment wines under US$15, specifically the 19 Crimes brand, which has been experiencing accelerated revenue declines. At Treasury Wines' first half result release in February management downgraded guidance to $780m from a prior $780-810m.

Efforts to rebuild demand have been ineffective. Stability in 19 Crimes in the US is management's first priority, yet appears difficult to UBS, although undemanding comparable numbers from a year ago should become a positive. 19 Crimes comprises less than 15% of Americas earnings.

The cost of living is also biting in the US particularly at the lower end. The "Luxury" segment --wines over US$20-- remains the price point that continues to outperform, yet broader sluggishness in US consumer spending is also extending to this price point, UBS notes, exacerbated by slowing international tourism, which is a factor impacting on Californian wine demand.

California is the largest state by population and consumes more wine than any other state. US$20-plus wine (Penfolds) is a key price point for Treasury Wine, comprising more than 70% of earnings, and hence a bigger concern for FY26.

Morgans highlights in a short period of time, Penfolds has returned to being the number one luxury wine brand in China and is playing a key role in leading the revival of Treasury's luxury wine category.

Pleasingly, notes UBS, synergies from the recent Daou acquisition, previously upgraded from US$20m to US$35m by end-FY26, provide significant support to Americas earnings, as does Daou performance (still gaining market share), although ex-Daou Americas earnings are forecast to fall in FY26.

Trump's tariffs, whatever that outcome may prove to be, will only serve to increase pressure on US consumers.

<u>More Trouble in California</u>

At the update, Treasury Wine announced it has been advised by its main US distributor, Republic National Distributing Co, that it will be ceasing operations in California in September 2025. As at the end of the first half, RNDC California accounted for some 25% of Treasury Americas' net sales revenue, Macquarie notes, or around 10% of Group net sales revenue.

RNDC appears to have exited California due to the loss of the distribution rights for the products of Kentucky-based distiller Brown-Forman, whose flagship brand is Jack Daniels. It also lost those distribution rights for Brown-Forman products in another twelve US states, which Ord Minnett suggests raises questions about its continued presence in those markets.

Management at Treasury noted it has effectively managed distributor changes in the past, and is currently evaluating alternative distribution agreements for the state of California. The company's distribution relationship with RNDC spans across another 24 states, and will remain, management has assured, despite the changes in California.

While Citi estimates the impact to FY26 sales is likely to be immaterial, noting distributor transitions are not uncommon, the broker thinks there is still near-term risk given the materiality of RNDC California's contribution to sales, and RNDC's future with Treasury Wines in other states potentially is incrementally less certain given recent events including Brown-Forman ending its agreement with the company.

RNDC was Treasury Wines' largest distributor. Jarden sees the company as likely to go to one of its other three main distributors --with BreakThru the largest-- which should limit the impact, albeit there will likely be some. Alternatively, a change in distributor may turn around what has been an underperforming state.

In Morgans' view, this changeover is likely to have a short-term impact on Treasury Wines' FY26 sales but at a time when its Premium sales are under pressure. This broker notes a change of distributor in the first half caused some disruption to US sales, though they recovered in the second quarter.

UBS agrees the company is likely to switch to an existing distributor, noting existing relationships with BreakThru, but there is risk around a loss of promotional slots and hence this is a key focus.

<u>Undervaluation?</u>

Jarden sees Treasury Wine as fundamentally undervalued for four reasons.

Firstly, Penfolds: Represents more than 60% of earnings and more than 70% of value, and is trading at an implied PE multiple of less 9x versus global peers at over 13x. Secondly, pricing is to firm in China to May, with the government's stimulus a positive.

Thirdly is the opportunity of a sale or de-merger of the Premium Brands segment, as was the case with the sale of Constellation Brands' portfolio to The Wine Group, albeit this has already been explored.

Finally, Jarden calculates Treasury Wines' net tangible asset valuation is around $3.00 per share, however, this undervalues the company's luxury inventory and land. Grossing this up could drive an adjusted NTA of more than $8.00 per share on Jarden's calculation.

The challenge, in this broker's view, is a catalyst with decisive action by the company to realise portfolio value and clarity on strategy. This will likely be a key mandate for Treasury Wines' new CEO (another risk).

In Jarden's view, concerns are priced in but stability is needed, which will take time. Jarden has downgraded to Overweight from Buy, lowering its target to $10.60 from $13.90.

Morgans notes the state of the US and Chinese economies, tariff uncertainty, weak consumer demand, declining alcohol consumption due to health concerns, the surprise resignation of the CEO, and falling out of the MSCI index have all weighed heavily on Treasury Wines' share price, which has fallen -33% in FY25 to date when the ASX100 has risen 9%, and has the seen the short position in the stock rise to 8.7%.

The company clearly isn't immune to macro-economic and industry headwinds. Morgans also recognises a change in CEO has increased the uncertainty surrounding Treasury Wines' future direction and financial targets, but believes the stock has been oversold.

It is now trading below the levels when the Chinese tariffs were announced and there was material earnings uncertainty, below its real replacement value and on the cheapest trading multiples Morgans can remember. The company owns and operates some of the world's best vineyards, wine production assets and luxury wine brands including the iconic Penfolds brand.

Morgans continues to rate Treasury Wine Estates a Buy and has a price target of $11.06, down from $13.43.

UBS also retains Buy (amidst earnings downgrades) as it believes the risk/reward remains attractive following share price underperformance and, more broadly, the global opportunity in Penfolds including China and luxury reposition in the Americas. UBS cuts its target to $12.00 from $14.00.

Given uncertainty around the US outlook, and securing a new distribution agreement in California, Macquarie awaits greater comfort on group strategy following the upcoming management transition. Macquarie retains Neutral and its $8.90 target.

In Ord Minnett's view, forming partnerships with strong distribution groups will be at the top of the agenda for the incoming CEO when he takes over in October. Post the update, Ord Minnett has made no changes to earnings estimates, maintaining a Hold recommendation and a target price of $9.50.

Citi sees incrementally more risk to Treasury Wines' FY26 earnings, particularly due to the loss of the distributor in California. Citi has a Neutral rating and $8.68 target, down from $10.50.

COMMODITIES

Material Matters: Oil, Gold, Copper, And More

A glance through the latest expert views and predictions about commodities: crude oil; gold; copper; iron ore; uranium; lithium.

By Greg Peel

Crude Oil

For the past two years, global benchmark Brent crude oil has traded in a tight range with the two-year US Treasury yield, Morgan Stanley notes, which has behaved like a proxy for US growth and investors' expectations for Fed monetary policy.

The positive correlation between oil prices and US growth expectations reflects the deep market skepticism currently weighing on crude oil prices.

Amid greater-than-ample supply, the market has focused on signals tracking real-time growth expectations for the US, the world's largest consumer of oil, and demand from China, the world's second largest consumer, which remains below trend given persistent economic softness.

The Brent crude oil forward curve, which tracks future price expectations, paints a similar picture, with the level of prices expected in the next couple years resetting sharply lower over the past few months, with just a modest rebound expected beginning in 2026.

OPEC-Plus had been cutting production capacity since late 2022 to support prices and counter demand weakness in China and Europe, along with increased non-OPEC production.

OPEC-Plus has reduced capacity by a "hefty" -1.7 million barrels per day (mb/d), but non- OPEC countries have more than offset that decline with a 2.4 mb/d boost, with the US driving over half of that increase, incentivised by relatively lower breakeven costs.

Historically, OPEC's spare capacity has served as the quickly available "shock absorber" in cases of supply disruptions or demand spikes. This recent buildup in spare capacity has dampened crude oil's price response to rising geopolitical risk, in a similar manner to the dynamic observed during the US' invasion of Iraq in 2003, when oil prices did not spike given high spare capacity.

Now OPEC-Plus has pivoted to boosting production.

When priced in gold terms, Brent crude oil trades at one of its lowest levels in nearly 100 years outside of the covid era, Morgan Stanley points out, reflecting deep skepticism amid elevated OPEC spare capacity and strong non-OPEC production. As a result, oil is trading like a cyclical, dominated by tariff-driven uncertainty and softness in China's economy.

These factors have dampened oil's traditional response as a geopolitical hedge. Morgan Stanley expects an oil market surplus by the fourth quarter that increases into 2026, with the Brent oil price falling to the mid-US$50s per barrel by the first half of 2026.

<u>Gold</u>

Gold's recent rally, driven largely by trade uncertainty, is losing steam now US-China trade tension has become less ominous. ANZ Bank analysts believe a strong catalyst would be required to push prices beyond their recent record high.

Heightened global trade uncertainty has been driving gold's rise toward US$3,500/oz. While noise around US tariffs persists, ANZ believes the market will gradually become desensitised to new announcements. As this occurs, macro-economic data are likely to take over as the primary catalyst.

Market expectations of the level of US tariffs have settled at 10-15%, which is still historically high. The impact of the higher tariffs on US imports is beginning to filter through to economic growth and inflation data, raising the risk of stagflation.

ANZ expects the Fed to resume interest rate cuts in the September quarter, with a total of -75 basis points of easing anticipated in this cycle. While the inverse relationship between gold and interest rates broke down during the rate-hiking phase, ANZ believes renewed rate cuts will support gold.

In addition, structural concerns particularly mounting US debt and the resulting erosion of confidence in US assets will enhance gold's appeal as a risk diversifier. This dynamic is also expected to sustain central bank purchases and institutional investment.

Central bank gold buying is likely to remain robust though the analysts do not see this contributing to overall growth in demand for gold, rather, investment flows will be the next major driver of price appreciation, with current lean positioning evidence there is room for increased exposure.

In the short term, the gold price is likely to consolidate before staging another rally toward US$3,600/oz by year end, on ANZ's projection. Longer term, the analysts expect gold to peak later in 2025, followed by a gradual decline in 2026 as economic growth prospects improve and global trade uncertainty diminishes.

A rapid breakthrough in trade negotiations or a significant improvement in the US economic outlook are key downside risks to this view.

RBC Capital has increased its 2025/26 gold forecasts to US$3,163/oz (+5% vs prior) and US$3,489/oz (+12% vs prior), respectively. RBC's outlook is for range-bound gold prices in the second half of 2025 versus current prices of circa US$3,350/oz (+28% year to date), but further upside is expected over 2026.

RBC maintains a positive view on the gold mining sector, given attractive valuations and improving capital allocation trends. RBC has included among its global list of preferred gold names Bellevue Gold ((BGL)) and Westgold Resources ((WGX)).

Copper

Copper is up 11% year to date to circa US$4.37/lb, RBC Capital notes, as flows of metal into the US ahead of a potential copper tariff (matching existing steel and aluminium tariffs) have left other markets tight. The year started with strong demand meeting strong supply, while both have shown signs of weakening recently.

Chinese copper demand was up 4.5% in the March quarter as manufacturing was strong ahead of potential tariffs, although May purchasing managers' indices (PMI) showed a contraction, which underscores the near term risks from the trade war. The backdrop for demand can improve if trade tensions ease but obviously, notes RBC, that remains the biggest "if".

The supply side has also shown signs of faltering with the recent outage at Ivanhoe Mines' Kamoa-Kakula project in Central Africa and Chile's copper commission reducing its 2025 supply growth estimate to 3.0% from 4.6%. Putting these together, RBC sees potential for a deficit market in the second half of 2025, which can support higher prices; although the near term economic outlook remains clouded by trade tensions.

In a recent commodity update, RBC increased its 2025 copper price estimate to US$4.31/lb from US$4.10/lb and maintained a 2026 estimate of US$4.50/lb and US$5.00/lb from 2027-2029 and $4.00/lb long term from 2030.

RBC cites only two preferred global copper plays, one of which is Capstone Copper ((CSC)).

Other Minerals

RBC Capital has revised down its 2025 iron ore forecast by -1% to US$97/t as supply disruptions dissipate and impacts of Chinese stimulus and steel reform are digested. RBC forecasts a decline in global demand, anchored by Chinese real estate sector headwinds. RBC maintains 2026-2029 forecasts and makes no change to long-term forecasts for iron ore of US$75/t.

RBC cites only two preferred global iron ore plays, one of which is Champion Iron ((CIA)).

The recent sector update sees growing uranium demand from significant nuclear capacity expansion, and expects the supply response could be challenged. RBC recently revised its long-term price forecast to US$100/lb post-2035 to incentivise new production necessary to meet rising demand.

RBC reduced its 2025 lithium chemical forecasts slightly (carbonate prices -3% versus prior, hydroxide -5%), namely on better-than-expected supply, owing to a restart of Chinese battery giant CATL's lepidolite production, increasing Chilean supply, and weaker demand. RBC maintains its 2026-2029 prices and makes no change to long-term forecasts.

RBC's preferred lithium equity exposure is Pilbara Minerals ((PLS)).

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FYI

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What to Pay Attention to in the ASX Today

Staying informed doesn't mean reading everything. It means knowing which updates are worth your attention.

Company Announcements

Earnings results, profit forecasts, mergers, acquisitions, and leadership changes can all impact a company's share price. These announcements are released regularly and offer a snapshot of businesses' performance.

Economic News

RBA interest rate decisions, unemployment figures and consumer confidence data also influence the market. These indicators shape broader investor sentiment and can lead to sharp moves across sectors.

Sector Performance

It's often helpful to look at how entire industries are performing. Are energy stocks on the rise? Is there a pullback in tech? These trends can guide your decisions about when to buy, hold, or adjust your portfolio.

The Best Ways to Stay Informed in Australia

Many investors use a mix of tools and platforms to stay on top of the market. Here are some of the most trusted options:

Dedicated Financial News Platforms

There are platforms tailored specifically to Australian investors that offer curated updates on the ASX today. These sources don't just repeat headlines. They explain market movements, break down sector shifts and highlight the companies making news.

Some even offer daily summaries that help you understand the market's direction before the trading day begins. For those who want more than just raw data, a platform likeFNArena is well worth bookmarking.

The ASX Website

The official ASX website is a great place for company announcements and market data. It's reliable, up to date and provides detailed information straight from listed businesses. While it may not offer analysis, it's an important resource for checking the facts.

Trading Platforms

Brokers offer real-time market feeds, news alerts and watchlists. These platforms are ideal for tracking the shares you own or plan to buy. They also include access to research tools and market insights.

Financial Podcasts and Newsletters

If you prefer audio, Australian finance podcasts often offer short, sharp daily recaps. You can also subscribe to weekly newsletters for commentary on key movements, economic updates and investment themes.

Choosing Reliable Sources

Not all investment news is created with the same care. While social media may offer opinions, it's better to rely on sources with a proven track record in financial journalism and analysis.

The best options combine real-time market information with broader context. These platforms help you understand not just what is happening, but why it matters.

For investors who want to keep pace with the ASX and stay informed with well-researched content, it's helpful to visit platforms that focus specifically on the Australian market and offer both data and interpretation.

One such resource that many investors return to daily offers just that: a clear breakdown of what's moving and why, alongside expert insights you won't find in general news outlets.

Building a Daily Routine

To make staying informed easy and sustainable, try setting a 10-minute routine each morning. This could include:

-Reviewing key ASX announcements or earnings reports

-Reading a short daily market summary

-Checking how sectors are trending

-Noting any economic data scheduled for release

By creating a simple habit, you avoid information overload and stay focused on what really matters.

Summary Table: Trusted Ways to Track the ASX Today

Resource	Benefit
Financial news platforms	ASX-focused insights, company updates and market trends
Official ASX website	Company announcements, market data
Australian trading platforms	Real-time stock tracking and personalised alerts
Daily podcasts and newsletters	Easy-to-digest summaries and investor commentary

Final Thoughts

Keeping up with the ASX daily changes doesn't have to be complicated. It simply takes the right mix of reliable sources, a bit of daily discipline and access to news that's focused on the Australian market.

For investors looking to stay informed and confident in their decisions, it helps to rely on platforms that do more than just deliver headlines. A trusted resource with expert commentary, daily breakdowns from FNArena that give real-time updates, is your best companion in navigating the stock market.

Find out why FNArena subscribers like the service so much: "Your Feedback (Thank You)" - Warning this story contains unashamedly positive feedback on the service provided.

FNArena is proud about its track record and past achievements: Ten Years On

RUDI'S VIEWS

Rudi's View: The AI Promise Is Broadening

By Rudi Filapek-Vandyck, Editor

The race to become the world's largest company by market capitalisation is now decided by day-to-day share price fluctuations between Microsoft and Nvidia, two of the leading global beneficiaries of our modern day revolution that is AI.

In Australia, companies with direct exposure to the global infrastructure built to support AI and its further development have equally enjoyed plenty of investor interest. Think Goodman Group ((GMG)), but also NextDC ((NXT)), Infratil ((IFT)), Macquarie Technology ((MAQ)) and DigiCo Infrastructure REIT ((DGT)).

Equally noteworthy: judging from recent company announcements, AI is getting ready to step outside of the realm of infrastructure and machine learning development and into the wider corporate world where operational inefficiencies are waiting to be identified and addressed through new tech tools and applications.

Increasingly, Australian companies are becoming active participators with the term AI starting to appear regularly in corporate briefings with financial analysts and in press releases.

AI Announcements Are Multiplying

CommBank ((CBA)), the world's largest bank and number one index constituent locally, has employed over 2000 AI models processing 157 billion data points daily to make circa 55 million decisions; all aimed to enhance the customer experience through personalised and responsive banking services.

Financial services provider Insignia Financial ((IFL)) is hoping implementing generative AI in its call centres and elsewhere through its network can assist with the relaunch of the MLC brand as well as reduce costs by 2030.

Australia's largest telecommunications services provider, Telstra ((TLS)), is equally counting on an improved customer experience and lower costs. Telstra is planning to reduce its workforce by 2030 with AI expected to feature prominently in customer engagement, billing and IT in the broadest sense possible.

Reborn retailer Myer too is expecting to achieve an improved online shopping experience for customers, while the integration of AI should also provide Myer's teams with better insights into customer behaviour, thus assisting with strategic decision-making.

AI For Miners

The promise of more operational efficiency and improved customer servicing doesn't stop with service providers and manufacturers; mining and energy companies want their slice of the action too.

Barrick Gold has deployed an AI-powered exploration system at the Reko Diq copper-gold project in Pakistan in partnership with Fleet Space Technologies. The same Fleet Space is also assisting Rio Tinto ((RIO)) with 3-D mapping of the Rincon lithium project in Argentina.

Mid-tier iron ore producer Champion Iron ((CIA)) has teamed up with Caterpillar for the deployment of an AI-based automated drilling system at its Canadian Bloom Lake mine, with electric drills either remotely controlled or fully autonomous, handling the entire process from drilling through to ore hauling and milling.

Closer to home, Fortescue ((FMG)) has taken on the goal of developing the world's first fully integrated autonomous haulage system for zero-emissions trucks.

The BHP Experience

To get a better feel and deeper insights into the importance for and deployment of AI inside the mining industry, FNArena spoke with **BHP** ((BHP)) **Chief Technical Officer, Johan van Jaarsveld** who was quick to explain the Big Australian has been applying AI for a number of years already.

It wasn't even called AI at that time and mostly referred to as machine learning. Hence, the technology itself is not genuinely new to BHP. What is new is the high performance compute that has now been added, making problem solving a lot quicker.

Van Jaarsveld explains the practical advantage through one of BHP's mining operations consisting of, say, 60 trucks and five loaders. When one of the loaders breaks down, the question on the ground arises as to where should trucks load instead to achieve the most optimised outcome.

Previously, answering that question would take hours to solve on a standard computer while, ideally, the answer should be known in eight minutes or so. This has now become possible and it is but one example as to why the application of machine learning technologies, now called AI, are becoming more common across the industry.

From an operational perspective, applying AI is now generating more tangible and relevant outcomes.

Escondida Delivering On Promise

Probably the most tangible example, as far as BHP is concerned, is the fact that AI has allowed to extract an additional US$200m of copper annually from the world's largest copper mine, **Escondida**, located in Chile's Atacama Desert.

Mine operator BHP owns 57.5% of Escondida, with other stakeholders Rio Tinto and Jeco, a Japanese consortium, owning respectively 30% and 12.5%.

Escondida consistently produces over one million tonnes of copper earch year, representing circa 5% of global supplies. As Van Jaarsveld explains, the implementation of AI at the concentrator is now allowing for real time optimisations of the control system, resulting in increased copper recovery, and thus in improved output.

Another touted achievement is some three billion litres of water have been saved from the Escondida operation since FY22.

Such tangible outcomes have increased confidence inside BHP there is opportunity through scaling the best of AI applications across the entire, vast value chain of the miner's global network of assets and operations.

A Dedicated AI Team

The miner's international workforce includes 6000 engineers spread across the world, of which the technology team makes up about one third. A dedicated digital team has been separated from the latter to concentrate on AI and on advancing its implementations. As this involves a cornucopia in various requirements, the digital team works in close conjunction with the technology team.

There are currently around **200 existing AI applications** spread throughout the miner's businesses and supply chain. According to the Chief Technical Officer, indications are some "really good" results can be achieved, ultimately leading to increased profitability, as has been the outcome at Escondida.

Safety of the workforce remains management's number one priority, but this does not exclude AI implementations from achieving tangible results. BHP's operation at **Mining Area C** has already delivered the evidence behind that statement.

Traditionally, whenever trains are loaded to transport iron ore to the port, people had to walk along the full length of each train to check for spillage on the tracks. These days AI is watching CCTV camera feeds with the ability to stop the loading whenever spillage is detected. This happens within seconds.

Not only is there no longer a need for people checking on the ground, AI has reduced total downtime by an estimated -50%. In practical terms, this means BHP can ship more tonnes. ASX-listed Deterra Royalties ((DRR)) receives quarterly royalty payments calculated as 1.232% of revenues in AUD from specific tenements within Mining Area C.

AI has equally generated benefit by identifying copper deposits where human geologists had failed to detect it. Two discoveries have been made in Australia and the US when machine learning models were scanning old data and found correlations impossible to identify with human eyes. Subsequent drilling confirmed the highly probable deposits were there.

BHP owns plenty of old geological data. Who knows what else might still be discovered that had been missed or overlooked in the past?

A Broad Innovation Drive

Time for a small side-step. From the innovation team comes the so-called *muon topography*, an approach to use cosmic-ray particles to look deep below the earth's surface. This technique can be used in combination with AI to map ore bodies faster and more accurately than before.

Van Jaarsveld explains there's a constant flux of these particles hitting the earth and some can travel deeply below the surface. He compares it with taking an X-ray via measuring what particles hit a detector versus particles that appear on the earth's surface.

There's a lot of image analysing and machine learning processing required to extract usable insights from these data, but he thinks it's "a pretty cool idea".

BHP is open to work with external expertise in partnerships where it sees complementary capabilities. While the goal is to scale AI relatively quickly throughout the entire organisation, since 2020 it also has its own venture capital unit, **BHP Ventures**, launched by Van Jaarsveld in his prior role as Chief Development Officer.

BHP Ventures invests in emerging companies and new technologies that might assist mining companies with enhancing sustainability practices and decarbonisation efforts. The portfolio consists of areas including low-carbon steelmaking, carbon capture and removal, as well as water treatment and renewable energy solutions, spread over more than 20 different early-stage companies.

BHP recently announced the establishment of its first **industry AI hub in Singapore**, where a small team will work together with Enterprise Singapore, and in partnership with AI Singapore, to jointly explore and develop new AI capabilities.

According to AI Singapore, AI Innovation Director Laurence Liew, by strategically deploying AI solutions to enhance decision-making processes, optimise resource allocation, and improve predictive maintenance capabilities, BHP is not just improving operational efficiency - they are fundamentally reshaping how mining operations can be made smarter, safer, and more sustainable.

As a major producer of iron ore, copper and metallurgical coal, and of potash, scheduled to commence in late 2026 at its Jansen project in Canada, and possibly of nickel again too, BHP's business and outlook will always remain at the mercy of the global economy and fluctuations in the pricing of its products.

While it remains early days, AI is showing the potential for a safer and more efficient business, which should ultimately work to the benefit of shareholders via a relatively higher-valued share price, both in the good and the not so great times.

Insights and experiences to date are but the tip of the proverbial AI iceberg with corporate management teams across the globe today exploring what can possibly be achieved when AI is successfully implemented inside their organisation.

Goes without saying: while the promise looks attractive, success is not guaranteed, but the rewards can be tangible and significant, both for businesses and for investors.

<u>**Model Portfolios, Best Buys & Conviction Calls**</u>

This section appears from now on every Thursday morning in a separate update on the website. See **Rudi's Views** for the archive going back to 2006 (not a typo).

<u>**FNArena Subscription**</u>

A subscription to FNArena (6 or 12 months) comes with an archive of Special Reports (21 since 2006); examples below.

(This story was written on Monday, 10th June 2025. It was published on the day in the form of an email to paying subscribers, and again on Wednesday as a story on the website).

(Do note that, in line with all my analyses, appearances and presentations, all of the above names and calculations are provided for educational purposes only. Investors should always consult with their licensed investment advisor first, before making any decisions. All views are mine and not by association FNArena's see disclaimer on the website.

In addition, since FNArena runs a Model Portfolio based upon my research on All-Weather Performers it is more than likely that stocks mentioned are included in this Model Portfolio. For all questions about this: contact us via the direct messaging system on the website).

RUDI'S VIEWS

Rudi's View: Amcor, GQG, IPH, Data#3 & Qualitas

By Rudi Filapek-Vandyck, Editor

Defensive stocks look fully valued, argue equity market **strategists at Bell Potter**, but as is so often the case, there are always laggards that might now represent better value.

Oh. Did I give away the conclusion from Bell Potter's latest strategy update already?

I'll keep it short then. Bell Potter suggests Telstra ((TLS)), Transurban ((TCL)) and the supermarket operators have already enjoyed most of the re-rating that should be expected, with Coles Group ((COL)) preferred over Woolworths Group ((WOW)).

The suggestion is investors looking for defensive exposure in their portfolio should now be considering Amcor ((AMC)) instead, or APA Group ((APA)), or Treasury Wine Estates ((TWE)). The latter is seen as representing "an attractive opportunity" despite recent earnings downgrades.

Generally speaking, the strategists are of the view we have now moved past the peak in tariffs uncertainty, and the outlook should only improve from here onwards, making "expensive defensives" a less attractive option.

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Equally noteworthy: **Citi's US strategists** recently raised their year-end S&P500 target to 6,300. Their colleagues in Europe have set a year-end Stoxx 600 target of 570, implying similar, low-single-digit upside.

Within the European market, the preference is for beaten up Cyclicality. Catalysts in favour of continued rerating include: visibility on US trade policy, delayed implementation of Section 899, ongoing ECB rate cuts, and macro data improvements.

Citi's portfolio **suggestions in Europe** are Overweight in Tech, Travel and Leisure, Autos and Real Estate, as well as in traditional Defensives (Health Care, Personal Care). Most preferred countries are the UK, France and Germany.

Over in the USA, the preference is with IT, Health Care, Communication Services, and Financials. Energy has been downgraded to a Neutral exposure, while Consumer Discretionary, Industrials, Consumer Staples, and Materials all remain inside the Underweight basket.

Also, Citi's so-called Bear Market Checklist suggests there's currently no bear market in sight, nowhere.

Offsetting Citi's liking for cyclicals, **UBS** is not. UBS sees weakening economic momentum ahead and the next rate cut by the Federal Reserve not due until the September meeting.

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Strategy update by **Longview Economics**: *"We recommend beginning to rebuild a modest tactical overweight in US equities (having moved NEUTRAL in May).*

"In particular, in the absence of clear, across the board SELL signals from our models, we expect US/global equities to move higher in H2 2025.

"While the US economy is slowing, the evidence points to a soft landing in the US (rather than recession).

"With that, global central banks are cutting interest rates rapidly, which should drive a cyclical re-acceleration in the global economy (on a 12 month view)."

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Stock pickers at **Morgan Stanley** have highlighted seven **smaller cap companies** in Australia that are **non-consensus** ("left field") but with a meaningful chance of achieving a positive return for investors willing to look through the current fog that is hanging over them.

Stocks selected:

-Gentrack ((GTK))
-Flight Centre ((FLT))
-IPH Ltd ((IPH))
-Generation Development Group ((GDG))
-Data#3 ((DTL))
-McMillan Shakespeare ((MMS))
-Smartgroup Corp ((SIQ))

As reported in last week's edition, analysts at **Citi** have identified eight **small and mid-cap ideas** that provide investors with exposure to companies with high growth through disruptive strategies, and largely removed from "US tariff noise".

-Beacon Lighting ((BLX))
-Ingenia Communities ((INA))
-Megaport ((MP1))
-Nick Scali ((NCK))
-Superloop ((SLC))
-Temple & Webster ((TPW))
-The a2 Milk Co ((A2M))
-Tuas Ltd ((TUA))

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Jarden's monthly update on **Emerging Companies** (i.e. smaller caps) showcases 16 stock picks in Australia; unchanged from the update in May. The following seven have been highlighted as representing the potential highest return, ranked in order of total shareholder return:

-GQG Partners ((GQG))
-Qualitas ((QAL))
-Dicker Data ((DDR))
-Universal Store Holdings ((UNI))
-EVT Ltd ((EVT))
-SiteMinder ((SDR))
-Temple & Webster ((TPW))

Apart from their order of appearance, nothing has changed to that selection. In contrast, the other ten have seen a number of changes:

-Arena REIT ((ARF))
-Genesis Energy ((GNE))
-Harvey Norman ((HVN))
-Integral Diagnostics ((IDX))
-Karoon Energy ((KAR))
-Michael Hill ((MHJ))
-Pepper Money ((PPM))
-Symal Group ((SYL))
-Vault Minerals ((VAU))

Since the May update, Symal Group has been added, while Jumbo Interactive ((JIN)) has been removed.

Best Buys & Conviction Calls

Crestone's Best Sector Ideas:

-Ampol ((ALD))
-APA Group ((APA))
-Aristocrat Leisure ((ALL))
-Beach Energy ((BPT))
-Brambles ((BXB))
-Cochlear ((COH))
-CSL ((CSL))
-Goodman Group ((GMG))
-IGO Ltd ((IGO))
-James Hardie Industries ((JHX))
-Lottery Corp ((TLC))
-Macquarie Group ((MQG))
-Metcash ((MTS))
-Monadelphous Group ((MND))
-REA Group ((REA))
-ResMed ((RMD))
-Suncorp Group ((SUN))
-Xero ((XRO))

Crestone's selection for **sustainable income**:

-Amcor ((AMC))
-Ampol ((ALD))
-ANZ Bank ((ANZ))
-APA Group ((APA))
-Atlas Arteria ((ALX))
-Beach Energy ((BPT))
-BHP Group ((BHP))
-Car Group ((CAR))
-Coles Group ((COL))
-Dalrymple Bay Infrastructure ((DBI))
-Iress ((IRE))
-Lottery Corp ((TLC))
-Macquarie Group ((MQG))
-Metcash ((MTS))
-Mirvac Group ((MGR))
-Pro Medicus ((PME))
-QBE Insurance ((QBE))
-RAM Essential Services ((REP))
-ResMed ((RMD))
-Suncorp Group ((SUN))
-Tabcorp Holdings ((TAH))
-Telstra Group ((TLS))

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Four ASX-listed companies feature on **Goldman Sachs' Conviction Buy** list for the APAC region:

-Iluka Resources ((ILU))
-NextDC ((NXT))
-ResMed ((RMD))
-Worley ((WOR))

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Morgan Stanley's Macro+ Focus List in Australia is currently made up of:

-Aristocrat Leisure ((ALL))
-ANZ Bank ((ANZ))

-Car Group ((CAR))
-Goodman Group ((GMG))
-GPT Group ((GPT))
-James Hardie Industries ((JHX))
-Orica ((ORI))
-Santos ((STO))
-Suncorp Group ((SUN))
-Xero ((XRO))

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Morgan Stanley's **Australia Macro+ Model Portfolio** is currently made up of the following:

-ANZ Bank ((ANZ))
-CommBank ((CBA))
-National Australia Bank ((NAB))
-Westpac ((WBC))

-Macquarie Group ((MQG))

-Suncorp Group ((SUN))

-Goodman Group ((GMG))
-GPT Group ((GPT))
-Scentre Group ((SCG))
-Stockland ((STG))

-Aristocrat Leisure ((ALL))
-Eagers Automotive ((APE))
-CAR Group ((CAR))
-Domino's Pizza ((DMP))
-The Lottery Corp ((TLC))
-Wesfarmers ((WES))
-WiseTech Global ((WTC))
-Xero ((XRO))

-James Hardie ((JHX))

-Amcor ((AMC))
-Cleanaway Waste Management ((CWY))
-Orica ((ORI))

-Coles Group ((COL))

-CSL ((CSL))
-ResMed ((RMD))

-AGL Energy ((AGL))
-Telstra ((TLS))
-Transurban ((TCL))

-BHP Group ((BHP))
-Newmont Corp ((NEM))
-Rio Tinto ((RIO))
-South32 ((S32))

-Santos ((STO))
-Woodside Energy ((WDS))

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Morningstar's list of **Best Buy Ideas:**

-APA Group ((APA))
-ASX Ltd ((ASX))
-Auckland International Airport ((AIA))
-Aurizon Holdings ((AZJ))
-Bapcor ((BAP))
-Brambles ((BXB))
-Dexus ((DXS))
-Domino's Pizza Enterprises ((DMP))
-Endeavour Group ((EDV))
-Fineos Corp ((FCL))
-IDP Education ((IEL))
-IGO Ltd ((IGO))
-Ramsay Health Care ((RHC))
-SiteMinder ((SDR))
-TPG Telecom ((TPG))
-Woodside Energy ((WDS))

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Shaw and Partners' Large Caps Model Portfolio:

-ANZ Bank ((ANZ))
-Aristocrat Leisure ((ALL))
-BlueScope Steel ((BSL))
-Brambles ((BXB))
-Dexus ((DXS))
-Macquarie Group ((MQG))
-Newmont Corp ((NEM))
-South32 ((S32))

Shaw and Partners' **emerging companies Top Picks**:

-AML3D ((AL3))
-Australian Vanadium ((AVL))
-Bannerman Energy ((BMN))
-Chrysos ((C79))
-Humm Group ((HUM))
-Metro Mining ((MMI))
-Santana Minerals ((SMI))
-Southern Cross Electrical ((SXE))

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UBS's portfolio sector recommendations currently have only two segments on Overweight'; Insurance and TMT (Technology, Media & Telecommunication).

All of Banks, Energy and Small Caps are Underweight'. Everything else sits on Neutral' (i.e. their weighting is recommended to mirror the local index) with Healthcare being upgraded in April and Industrials downgraded.

UBS's lists of Most Preferred and Least Preferred ASX-listed exposures currently consist of the following:

Most Preferred

<u>Resources</u>
-BHP Group ((BHP))
-BlueScope Steel ((BSL))
-Northern Star ((NST))
-Orica ((ORI))
-Origin Energy ((ORG))

<u>Financials & REITs</u>

-Dexus ((DXS))
-Lifestyle Communities ((LIC))
-Medibank Private ((MPL))
-QBE Insurance Group ((QBE))
-Steadfast Group ((SDF))

Industrials
-Brambles ((BXB))
-Coles Group ((COL))
-Collins Foods ((CKF))
-Light & Wonder ((LNW))
-REA Group ((REA))
-SGH Ltd ((SGH))
-TechnologyOne ((TNE))
-Telstra ((TLS))
-Telix Pharmaceuticals ((TLX))
-Xero ((XRO))
-Life360 ((360))

Least Preferred

-Aurizon Holdings ((AZJ))
-ASX Ltd ((ASX))
-Bank of Queensland ((BOQ))
-CommBank ((CBA))
-IDP Education ((IEL))
-Lovisa Holdings ((LOV))
-Reece ((REH))

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Wilsons' Focus Portfolio currently contains the following:

-ANZ Bank ((ANZ))
-Aristocrat Leisure ((ALL))
-BHP Group ((BHP))
-Brambles ((BXB))
-Car Group ((CAR))
-Collins Foods ((CKF))
-CSL ((CSL))
-Evolution Mining ((EVN))
-Goodman Group ((GMG))
-HealthCo Healthcare & Wellness REIT ((HCW))
-Hub24 ((HUB))
-James Hardie ((JHX))
-Mac Copper ((MAC))
-Macquarie Group ((MQG))
-ResMed ((RMD))
-Sandfire Resources ((SFR))
-Santos ((STO))
-South32 ((S32))
-TechnologyOne ((TNE))
-Telix Pharmaceuticals ((TLX))
-The Lottery Corp ((TLC))
-Westpac Bank ((WBC))
-WiseTech Global ((WTC))
-Woolworths Group ((WOW))
-Worley ((WOR))
-Xero ((XRO))

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Wilsons' analysts selected the following five as **Key Investment Opportunities**:

-ResMed ((RMD))
-Goodman Group ((GMG))
-Xero ((XRO))
-Brambles ((BXB))
-WiseTech Global ((WTC))

Wilsons' **High conviction investment ideas** across the industrials (ex resources) part of the market; typically businesses with attractive structural growth prospects:

-Pinnacle Investment Management ((PNI))
-Nanosonics ((NAN))
-Ridley Corp ((RIC))
-ARB Corp ((ARB))
-SiteMinder ((SDR))

Wilsons' number one **speculative idea**:

-Clarity Pharmaceuticals ((CU6))

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Paying subscribers have 24/7 access to my curated lists, including All-Weather Performers at: https://fnarena.com/index.php/analysis-data/all-weather-stocks/

(Do note that, in line with all my analyses, appearances and presentations, all of the above names and calculations are provided for educational purposes only. Investors should always consult with their licensed investment advisor first, before making any decisions.)

P.S. I - All paying members at FNArena are being reminded they can set an email alert for my Rudi's View stories. Go to My Alerts (top bar of the website) and tick the box in front of 'Rudi's View'. You will receive an email alert every time a new Rudi's View story has been published on the website.

P.S. II - *If you are reading this story through a third party distribution channel and you cannot see charts included*, we apologise, but technical limitations are to blame.

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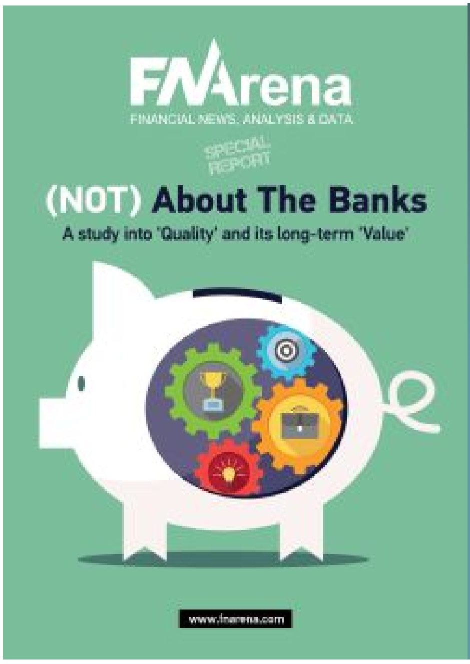

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SMALL CAPS

Judo Capital Adds New Avenues For Growth

Judo Capital has reaffirmed its FY25 and FY26 profit growth guidance, easing investor concerns around the sustainability of its earnings trajectory.

-Judo Capital reaffirms FY25 and FY26 profit growth guidance
-Strong loan growth and an improving net interest margin
-Citi sees new opportunities to improve metrics-at-scale targets
-Details of new warehouse lending product

By Mark Woodruff

Listed on the ASX since November 2021, specialist pure-play lender Judo Capital ((JDO)) remains Australia's first and only purpose-built challenger bank focused exclusively on small and medium enterprises (SMEs).

In early May, management lowered its guidance for gross loans and advances (GLA) to $12.4-12.6bn, from $12.7-13.0bn, in response to softer lending activity during the March quarter.

Macquarie notes concerns around achieving FY25 targets were eased at last week's 2025 investor day, where Judo management confirmed the loan book had reached $12bn as of June 2.

The $270m increase since April led Citi to suggest seasonal lending patterns are normalising and revised FY25 GLA guidance appears attainable.

Management maintained FY25 profit (PBT) growth of 15%, along with 50% growth for FY26 (which highlights emerging operating leverage) assuming stable economic conditions.

Based on reaffirmed guidance, Macquarie concludes the business is executing well given the strong loan book growth in May.

The challenger bank also reaffirmed second half net interest margin (NIM) guidance, at the upper end of the 2.90-3.00% range, with an exit NIM at June 30 of 3.00%.

The combination of strong loan growth and an improving NIM helps drive growth in revenue faster than costs, which forms an important part of Morgans' investment thesis for Judo Capital.

As a result, this broker now has increased confidence in the strength of Judo's management, business model, and earnings growth outlook.

Encouragingly, management still expects book growth to pick back up after a period when a higher-than-usual proportion of loans were repaid or left the bank's loan book, also termed as book run-off.

Both near-term guidance and long-term metrics at scale were reiterated, albeit with further colour provided around near-term performance and strategy.

One of the at-scale targets is for low-to-mid teen return on equity (ROE) at $15-20bn gross loan book size.

Citi reports management demonstrated increased confidence in loan growth, highlighting repricing of term deposits following the latest interest rate cut has helped restore spreads to target ranges.

This outcome also gives Macquarie greater comfort around near-term margins and earnings.

<u>Other opportunities</u>

New deposit products offer an opportunity to lower overall funding costs and potentially improve upon current metrics at scale, explains Citi. Hence, Judo is diversifying into other opportunities by taking advantage of its larger presence.

The product offering is expanded with the aim of doubling Judo's deposit total addressable market (TAM). The plan is to launch both business and retail savings products, beginning with business towards the end of FY26.

Apart from expansion in agriculture and regional, other growth opportunities arise from new warehousing facilities (an around $1bn pipeline). A new warehouse lending product is being offered to non-bank lenders, which is NIM dilutive but expands the total addressable market, notes Morgans, and is return on equity (ROE) accretive i.e. less capital-intensive.

Judo has revised its estimated TAM for SME lending to $814bn, an increase of $209bn since its last assessment in 2021, due to an overall increase in credit availability. UBS explains the bank's expansion into agribusiness lending also added $39bn, and warehouse lending contributed $34bn.

The bank's new warehouse lending product is a facility specifically designed to provide funding to SME-focused non-bank financial institutions (NBFIs). This product allows these institutions to access tailored warehouse funding lines from Judo, supporting their own lending to small and medium-sized businesses.

Management also intends to introduce online business savings accounts that are expected to be lower cost than term deposits and further diversify the bank's funding mix. High-interest online savings accounts for retail customers will also be introduced, providing Judo an option to compete in a different deposit market when favourable.

Interestingly, Judo offers employees a unique remuneration framework to deliver a core customer value proposition (CVP), which is built around a relationship-based, judgment-driven approach to SME banking. This results in a high level of engagement among Judo's business bankers.

According to Judo management, the combination of remuneration and engagement provides a competitive edge during a period of heightened business banking competition.

<u>Some caution</u>

As gross loans and advances are run rating at around -3% below the consensus forecast for FY25, UBS cautions this leaves Judo one month to grow lending by circa $400m (or 3%) to the lower range ($12.4bn) of FY25 guidance. Ominously, the last time lending grew close to this volume was in May/June 2024, points out the broker.

By way of explanation, Jarden suggests management, in the current uncertain macroeconomic environment, has prioritised NIM and asset quality over volume.

While management expressed confidence in delivering $2-3bn in gross loan growth annually over the next two to three years, Ord Minnett highlights flat growth over the past six months or so, even allowing for the seasonality factors in business lending.

Management blames this lack of book growth on the run-off of now uneconomic covid-period loans which were largely funded by the Reserve Bank's term funding facility (TFF).

Improving costs

Judo now also expects its FY25 cost-to-income (CTI) ratio will be lower thanks to tight expense control.

With major investments in core system/operations completed in FY25, cost growth in FY26 is expected to be a function of wage inflation, intangible amortisation and other growth initiatives.

Outlook

While Judo Capital represents higher risk than the major banks in Australia (given its specialty in SME business banking), Morgans predicts capital appreciation (no dividends are paid) will be driven by "stellar" earnings growth across FY26-27 in particular. It is believed the share price could reach around $2.65 by the end of the decade.

There are six daily covered brokers in the FNArena database conducting research on Judo Capital including four Buys, or equivalent, while Morgans has downgraded to Accumulate from Buy, and Citi maintains a Hold rating.

The average target price of $1.93 implies 26.4% upside to yesterday's closing share price of $1.53.

Outside of daily coverage, Jarden is Buy-rated with a $2.40 target price.

Find out why FNArena subscribers like the service so much: "Your Feedback (Thank You)" - Warning this story contains unashamedly positive feedback on the service provided.

FNArena is proud about its track record and past achievements: Ten Years On

SMALL CAPS

Findi Seeks To Conquer India's Potential

Following Findi's broadly in-line FY25 results, management's focus turns to multiple growth options in India.

-FY25 results for Findi were broadly in line
-Growth options for ATM Solutions and FindiPay/BankIT
-Compoany's goal is to become a "one stop and full-service" provider
-Ord Minnett anticipates a transformational FY26

By Mark Woodruff

The fiscal year ended 31 March delivered multiple milestones for ASX-listed fintech Findi ((FND)) including an award by the Reserve Bank of India of a provisional white label licence and the acquisition of digital financial product distribution business, BankIT.

FY25 revenue of $75m came in 9% ahead of the mid-point of management's guidance for between $68-70m, while reported earnings (EBITDA) reached the mid-point of $30-32m guidance.

Primarily focused on customers in rural and remote areas of India, Findi operates a network of ATMs providing both brown label (partner-branded) and white label (Findi-branded) ATM services.

Broker MST Access highlights the company is one of the world's largest non-bank ATM operators in a large market, servicing more than 2.7m customers daily in India across at least 200,000 locations, involving both ATMs and merchants.

The Digital payments business, comprising FindiPay and BankIT, focuses on dynamic payments and digital banking by offering solutions including Domestic Money Transfer (DMT), the Aadhaar Enabled Payment System (AePS), and micro-ATM services.

A key element of management's strategy is to accelerate the white label business, which is capital-light, and leverage the intersection between ATMs and digital payments to become a "one stop and full-service" provider in the longer-term.

When commencing research coverage in January, broker Morgans was attracted to Findi's established brown label ATM operations, which provide a solid foothold in the sizeable Indian ATM/payments market.

The ATM business is capitalising on India's ongoing reliance on cash, noted the broker, with the national ATM network expanding at 3.5% per annum.

Meanwhile, the digital segment targets India's rapidly growing digital payments sector, which expanded by 43% in transaction value from FY23 to FY24.

<u>Expansion opportunities</u>

Analysts at Ord Minnett highlight two major upcoming catalysts for Findi: the continued rollout of white-label ATMs and the expansion of BC Max centres, developed in partnership with the Central Bank of India.

According to Morgans, the white-label franchise model offers a significantly higher return on investment (ROI) and greater scalability, primarily because franchisees bear the capital expenditure costs in exchange for a portion of interchange fee revenues.

Meanwhile, the BC Max rollout represents a critical step in Findi's business-to-consumer (B2C) strategy. These centres serve as full-service banking outlets are strategically designed to deepen financial inclusion.

As Morgans notes, this initiative marks one of the foundational moves in Findi's ambitions to evolve into a "payments bank", signalling a shift toward broader financial services offerings.

The acquisition of BankIT and the bedding down of Tata Communications Payment Solutions (TPCS) will potentially accelerate a liquidity event for shareholders: the intended IPO of TSI India on the Bombay Stock

Exchange. This listing is currently expected before the end of 2026.

In India's rapidly evolving digital banking landscape, FindiPay serves as a merchant-assisted payments platform, designed to facilitate seamless financial transactions and services for underbanked and rural populations. Complementing this, BankIT (a B2B2C fintech platform) delivers a broader suite of digital banking and financial services to the same demographic.

Findi provides the technology and regulatory framework to its business partners (the B2B component), who in turn serve end-consumers (B2C) in their local communities. These partners operate as BankIT agents, offering banking and financial services through point-of-sale (POS) terminals, mobile apps, or web portals.

More on FY25 results and the outlook

Morgans assesses a mixed overall result. While the headline numbers fared well versus guidance parameters, they were assisted by higher "other income.

MST Access believes time taken to replace brown label ATMs with new ATMs under new contracts with partners including State Bank of India likely impacted underlying growth.

Positively, Findi delivered robust operating cash flow (OCF) in FY25, in Morgans' view, rising by 5% on the prior year.

The balance sheet is also described as robust, including a net cash position of $30m as of May 30.

Underlying profit (NPBT) and operating cash flow (OCF) of $6m and $27.5m beat Ord Minnett's forecasts for $2.8m and $22.9m, respectively.

This broker anticipates a transformative FY26, forecasting circa 160% revenue growth primarily driven by the acquisitions of TCPS and BankIT, as well as recent contract wins with major Indian banks such as Central Bank of India, Union Bank of India, and State Bank of India.

ATM Solutions

Findi has a majority stake in Transactional Solutions International India (TSI), which in November last year signed a binding share purchase agreement to acquire 100% of Tata Communications Payment Solutions from Tata Communications for ~$59.1m.

Completion of the acquisition delivered Findi control of TCPS's Indicash white-label ATM network, white-label licence, and payments switch, significantly expanding the company's ATM footprint and capabilities in India.

White Label ATMs are operated by non-bank entities, licensed by the Reserve Bank of India, which allow customers of any bank to perform basic banking transactions.

These ATMs are less capital intensive for a company like Findi because they operate under a capital-light, high-margin model where the company can deploy and manage ATMs independently, without the need for costly contracts or revenue-sharing arrangements with banks.

In contrast, brown label ATMs require Findi to invest more in infrastructure and ongoing coordination with sponsor banks.

The brown label operations are anchored by long-term contracts (greater than five years), with two prominent Indian banks: the State Bank of India and the Central Bank of India.

These contracts come with attractive unit economics, highlighted by 30%-45% EBITDA margins and typical Internal Rates of Return (IRR) of between 27%-35%.

Digital Banking

The recent BankIT acquisition is transformational for Digital, suggests Morgans, with it greatly expanding the business's scale and making it self-funding and free cashflow positive.

BankIT also provides a superior tech stack to assist Findi on its journey to eventually become a full-service Indian payments bank, explained the broker.

MST Access expects Findi's large customer footprint will continue to grow, noting the company's positioning as an end-to-end provider (across ATMs and digital services) enabling the company to leverage its cash services as a cheap customer acquisition channel.

Outlook

While observing some weakness in the composition of FY25 revenue, Morgans believes this needs to be seen against Findi having strong, locked in revenue growth for FY26 due to recent acquisitions and contract wins.

The share price surged in late-2024 to around $8.30 in November, buoyed by investor optimism in Findi's growth prospects (including the value of its Indian operations). The price has since settled back to around the $3.90 level.

The company's market capitalisation is still only circa 238m and daily trading volumes can be thin.

For daily covered brokers in the FNArena database, both Morgans and Ord Minnett have Buy or equivalent ratings with respective targets of $7.55 and $11.39. At least that was the case until this morning when Ord Minnett temporarily ceased coverage while the search for a new senior analyst to take on coverage of the company, plus a number of others.

With the $11.39 price target no longer valid, Morgans' $7.55 target still suggests the shares look heavily undervalued.

Outside of daily coverage, MST Access has a $7.74 valuation with no rating.

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WEEKLY REPORTS

Weekly Ratings, Targets, Forecast Changes - 06-06-25

Weekly update on stockbroker recommendation, target price, and earnings forecast changes

By Mark Woodruff

Guide:

The FNArena database tabulates the views of eight major Australian and international stockbrokers: Citi, Bell Potter, Macquarie, Morgan Stanley, Morgans, Ord Minnett, Shaw and Partners and UBS.

For the purpose of broker rating correlation, Outperform and Overweight ratings are grouped as Buy, Neutral is grouped with Hold and Underperform and Underweight are grouped as Sell to provide a Buy/Hold/Sell (B/H/S) ratio.

Ratings, consensus target price and forecast earnings tables are published at the bottom of this report.

Summary

Period: Monday June 2 to Friday June 6, 2025
Total Upgrades: 7
Total Downgrades: 10
Net Ratings Breakdown: Buy 61.61%; Hold 32.07%; Sell 6.32%

In the week ending Friday, June 6, 2025, FNArena tracked seven upgrades and ten downgrades for ASX-listed companies from brokers monitored daily.

The tables below show negative changes to average target prices and earnings forecasts outweighed increases across the board.

Tabcorp Holdings was the standout in the earnings upgrade table after Morgan Stanley forecast upside risk to FY26 earnings, citing good positioning to improve retail profitability through changes to venue commission structures and targeted product innovation.

A strategic pivot is underway to enhance monetisation in the retail network, noted the broker, including reducing commissions paid to pubs and clubs and reinvesting within the existing cost envelope rather than recycling savings into unrelated areas.

Reporting on money making ideas from stockbrokers and other experts, FNArena's Treasure Chest article last week highlighted Tabcorp at https://fnarena.com/index.php/2025/06/03/treasure-chest-tabcorp-holdings/

On the other side of the coin, brokers lowered the average target price by circa -62% for global provider of international student placement services and English language testing, IDP Education.

Management issued a hefty profit warning, citing ongoing policy uncertainty in key destination markets, prompting Morgans, Morgan Stanley, and Ord Minnett to downgrade their ratings to Hold (or equivalent) from Buy.

More positively, Macquarie remained at Outperform, noting negative impacts were due to cyclical issues rather than a structural industry shift. UBS also upgraded to Buy from Hold, stressing the company remains a high-quality business, suggesting the current operating environment is nearing trough conditions.

For more detail around all broker views on IDP Education see https://fnarena.com/index.php/2025/06/06/idp-education-surely-it-cannot-get-any-worse/

Nufarm also had a bad week, coming in ahead of IDP Education on the negative change to earnings list with an average fall of around -68% for FY25.

This company is more exposed to the downcycle across agriculture stocks, noted Macquarie, due to its weak balance sheet.

Ongoing uncertainty around earnings as well as the balance sheet is expected to persist, with the broker noting the company's asset-backed lending facility is covenant-light (fewer protections or restrictions for lenders) and not scheduled for refinancing until late-2027.

Recently Nufarm's interim result missed consensus forecasts, driven by weaker earnings from the Seeds division due to a decline in fish oil prices impacting its Omega-3 business as further explained at https://fnarena.com/index.php/2025/05/26/seeds-of-doubt-for-nufarm/

While we are on negative street, average targets for Syrah Resources and Treasury Wine Estates also fell by circa -26% and 9%, respectively. The appearance of Syrah Resources is the result of FNArena removing Shaw and Partners from our monitoring (we no longer believe this broker is still actively on the case) and thus best ignored within this context.

Management at Treasury Wine Estates lowered FY25 earnings guidance though Morgans noted updated guidance is still marginally above the consensus estimate.

As pointed out by this broker, the winemaker's downgrade was due to weaker US Premium wine sales, particularly 19 Crimes below US$15 per bottle, though Luxury portfolios such as Penfolds appear to be tracking to plan.

In addition, management has been advised by its current distributor, RNDC, it will cease operations in early-September for California, the largest wine consumption state in the US.

While this outcome will not impact FY25 results, Ord Minnett noted the FY26 performance for the Americas division will be negatively impacted, especially if RNDC exits additional states.

Management is looking to restructure operations into a new Global Premium division from FY26, offering clearer visibility into Treasury Americas' luxury growth and margin profile.

Turning to increases in average target prices, here shipbuilder and defence contractor Austal led the gains with a rise of just under 9%.

As Australia's largest defence exporter, Austal delivers design, manufacturing, and through-life support services to both defence and commercial clients.

Bell Potter was solely responsible for the uplift in average target, following a review of its forecasts in light of Austal's strong share price performance year to date.

The broker raised its target to $5.60 from $4.45 and downgraded to Hold from Buy.

Bell Potter analysts anticipate a strong FY25 result and have upgraded FY26 revenue forecasts and beyond by low single digits, primarily reflecting increased shipbuilding activity in the Australasian region.

Following the re-election of the Labor Government in Australia, the broker has increased confidence the Submarine Support Agreement (SSA) with the US, and associated programs, will proceed according to plan and remain on schedule.

The SSA is part of the broader AUKUS partnership, under which Australia collaborates with the US (and the UK) on nuclear-powered submarine development, technology sharing, and defence industrial cooperation.

Global mining services provider Perenti and Brickworks (involved in building products, property, and investments) follow next with rises in average targets of over 6% apiece.

Perenti's underground mining specialist, Barminco, is the primary contractor at Zone 5, a major copper mining project in Botswana. However, Barminco will cease its operations at Zone 5 on June 30 after deciding not to pursue a renewal under existing terms as the project was not meeting Perenti's internal financial benchmarks.

While recent contract awards are unlikely to fully offset the void from Zone 5 in FY26, Citi believes management is well placed in the near-term with a robust pipeline of opportunities and potential uptick from Drilling Services.

After rolling forward the company's valuation and applying a higher multiple to reflect improved confidence in free cash generation, and potential crystallisation of upside catalysts, the broker raised its target to $1.90 from $1.60 and maintained a Buy rating.

It was a busy week for analysts covering Brickworks following the proposed merger with Washington H. Soul

Pattinson.

Neutral-rated Macquarie noted the deal will create a $14bn diversified investment group, combining Soul Patts' portfolio of private and listed assets with an increased property weighting from Brickworks, bringing this asset class to 19% of the merged entity's portfolio.

Ord Minnett suggested cost synergies will be modest but highlighted the strong net cash position of the combined group, enhancing its capacity to pursue future investments. This broker raised its target price for Brickworks to $34.90 from $30 but downgraded to Hold from Accumulate, citing recent share price strength.

Under the proposal, a new ASX-listed entity ("TopCo") will be formed to acquire the shares of both Soul Patts and Brickworks. Soul Patts shareholders will receive one TopCo share per share held, while Brickworks shareholders will receive 0.82 TopCo shares per share.

Longer term, the broker believes Brickworks shareholders will gain exposure to a larger, better capitalised, and more diversified investment vehicle.

Total Buy ratings in the database comprise 61.61% of the total, versus 32.07% on Neutral/Hold, while Sell ratings account for the remaining 6.32%.

Upgrade

BETMAKERS TECHNOLOGY GROUP LIMITED ((BET)) Upgrade to Buy from Speculative Buy by Ord Minnett .B/H/S: 1/0/0

Ord Minnett believes Betmakers Technology has turned the corner, supported by a $13.5m capital raise which strengthens the balance sheet and funds the proposed acquisition of Las Vegas Dissemination Company (LVDC).

The broker suggests April earnings (EBITDA) of $0.9m demonstrate momentum, with the placement resolving prior investor concerns and positioning the business for sustained growth.

The company is expected to generate $1.3m in free cash flow (FCF) in FY26, rising to $6.3m in FY27, with the broker's cash forecast to bottom at around $16m in 1Q26 before recovering.

Ord Minnett raises its target price to 23c from 21c. Upgrade to Buy from Speculative Buy.

FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED ((FPH)) Upgrade to Neutral from Sell by Citi and Upgrade to Overweight from Equal-weight by Morgan Stanley.B/H/S: 2/2/0

Fisher & Paykel Healthcare's FY25 revenue was 1% above consensus and net profit beat by 5%, driven by higher gross margin, lower opex and forex benefit.

FY26 net profit guidance was -3% below consensus, with revenue dependent mainly on the severity of the virus season.

The main news was the assumed US tariff impact on NZ-made hospital products is now expected to be lower than expected at just 10%, which led to Citi upgrading FY26 EPS by 8%.

The tariff will, however, delay margin recovery by a year and the broker expects 65% gross margin in FY28.

Target rises to NZ$35.50 from NZ$32.00 on EPS revisions and valuation roll-forward. Rating upgraded to Neutral from Sell.

Morgan Stanley raises its price target for Fisher & Paykel Healthcare to NZ$38.90 from NZ$36.70 ($35.90 from $34) and upgrades to Overweight from Equal-weight.

Attractive medium-to-long-term earnings growth is expected to be supported by solid revenue expansion and margin recovery.

The broker notes FY25 results were followed by an around -4% share price decline due to softer FY26 guidance.

Regardless, the broker points to new applications revenue rising by 18% in constant currency and anaesthesia penetration continuing to scale.

Gross margin improved 181bps to 62.9% in FY25, with further gains forecast in FY26, despite expected headwinds from tariffs and currency, note the analysts. Industry view: In-Line.

IDP EDUCATION LIMITED ((IEL)) Upgrade to Buy from Neutral by UBS .B/H/S: 2/3/0

UBS upgrades IDP Education to Buy from Neutral with a revised target price of $4.95 from $12. The analyst believes the company is a quality business despite losing some market share in yesterday's trading update and earnings downgrade.

Management's FY25 earnings before interest and tax guidance at $115m$125m is below the analyst's forecast by -30% at the midpoint and compares to consensus at $171m.

IDP flagged a decline in FY25 volumes by -28% to -30% year-on-year for student placement and down -18% to -20% for language testing.

Overhead costs in 2H25 are expected to fall by -5% on a year earlier. UBS flags annual visa issuance growth down -10% for Australia, -9% for the UK, -65% for Canada, and down -27% for the US.

UBS believes the current trading conditions are closer to a trough and is forecasting a "conservative" recovery in FY27/FY28.

See also IEL downgrade.

INSIGNIA FINANCIAL LIMITED ((IFL)) Upgrade to Buy from Neutral by UBS .B/H/S: 1/2/0

UBS upgrades Insignia Financial to Buy from Neutral, raising the target price to $4.50 from $4.00, following a -28% decline in the share price since March 7, when the board granted due diligence access to Bain and CC Capital.

Bain has since withdrawn, citing macroeconomic uncertainty.

The market appears to have lost confidence in a deal materialising; however, the company stated CC Capital is continuing to "actively work towards making a binding bid for the company".

The broker notes a floor price of $5 was set by the board. The analyst has increased EPS forecasts by 3.5% for FY25 and 28% for FY26, reversing prior mark-to-market downgrades stemming from the April market decline.

JUDO CAPITAL HOLDINGS LIMITED ((JDO)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 5/1/0

Macquarie upgrades Judo Capital to Outperform from Neutral with a $1.75 target price from $1.70 post the investor day where management confirmed FY25 and FY26 guidance and pointed to an acceleration in book growth.

Judo advanced the loan book by around $12m in May, which tempered concerns FY25 targets could not be achieved, while recent headwinds have been subsiding. The broker also notes an improvement in funding spreads with repriced deposits.

Macquarie has a higher level of confidence in near-term margins and earnings, raising EPS estimates by 1% in FY25, 4% in FY26, and 3% in FY27.

Judo Capital is expected to announce FY25 results on August 19.

See also JDO downgrade.

LYNAS RARE EARTHS LIMITED ((LYC)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 3/1/2

Ord Minnett sees Lynas Rare Earths as a beneficiary of the volatile and uncertain rare earths (REO) environment.

The broker expects China decoupling to occur even if a US-China trade war is averted, and expects the company to benefit from greater demand and better pricing.

The broker notes the company's March quarter report suggests it needs both volume and stronger pricing to offset fixed costs, and the REO environment offers scope for both.

Rating upgraded to Accumulate from Hold. Target unchanged at $8.70.

<u>Downgrade</u>

APA GROUP ((APA)) Downgrade to Trim from Hold by Morgans .B/H/S: 2/2/1

The analyst at Morgans met with management of APA Group and remains cautious due to a significant earnings cliff looming in under ten years, as the initial term of the Wallumbilla Gladstone Pipeline (WGP) contract expires.

For shareholders, the broker enacts a 'TRIM' into current share price strength designation. FNArena assumes a Reduce rating now applies, down from Hold.

Management described current conditions as stable and noted increasing government support for gas infrastructure, particularly in Queensland and the Northern Territory.

The broker observes slow progress on the Pilbara build-out but pointed to rising opportunities in gas-fired power projects. Basslink, acquired for -$758m, is expected to remain unregulated, adding earnings volatility.

Morgans raises the target price to $7.36 from $7.21.

AUSTAL LIMITED ((ASB)) Downgrade to Hold from Buy by Bell Potter .B/H/S: 1/2/0

Bell Potter expects Austal to post a strong 2025 result, with earnings (EBIT) forecast at $85m on $1.67bn in revenue, equating to a 5.1% margin and net profit of $56.1m, implying earnings per share growth above 100%.

The broker's earnings projection surpasses both company guidance of not less than $80m and the consensus estimate of $84.8m.

The analysts anticipate growth in A&NZ shipbuilding activity, following increased confidence in program timing under the re-elected Labor government.

Valuation revisions by the broker include a reduced WACC and higher EV/earnings and price/earnings multiples, reflecting improved macro conditions and Austal's net cash advantage over peers.

Potential inclusion in the ASX200 in the September 2025 rebalance is also noted.

Bell Potter raises its target price to $5.60 from $4.45 and downgrades to Hold from Buy.

BRICKWORKS LIMITED ((BKW)) Downgrade to Hold from Accumulate by Ord Minnett .B/H/S: 3/3/0

Ord Minnett downgrades Brickworks to Hold from Accumulate following recent share price gains.

The proposed merger with Washington H Soul Pattinson is expected to unlock value by simplifying the capital structure, notes the broker, eliminating cross-holdings, and boosting liquidity and scale.

Brickworks shareholders will receive 0.82 shares in the new ASX-listed entity ("TopCo") for each Brickworks share held, implying a value of $30.28, or a 10.1% premium to the 30 May closing price, explains Ord Minnett.

Cost synergies are expected to be modest, though the combined group will have a strong net cash position to pursue new investments, suggest the analysts.

No updates have been made to the broker's financial forecasts.

GRAINCORP LIMITED ((GNC)) Downgrade to Neutral from Buy by UBS .B/H/S: 2/3/0

UBS upgrades its 2026 earnings (EBITDA) forecast for GrainCorp by 18% to $330m, based on ABARES' east coast crop estimate of 27.2mt and the broker's own revised assumption of 30mt.

This implies upside versus consensus of $309-314m, though the analysts see limited further uplift given soft global grain and canola margins unless supply tightens.

Strong net cash and a capital return program including an attractive dividend yield and $75m buyback offer support, offset by capex of -$160-180m and weaker margin outlook, outlines UBS.

UBS lowers the target price to $7.95 from $8.60 after reducing 2027-28 forecasts by -3-5% and modeling long-term earnings -13-16% below GrainCorp's through-the-cycle guidance. The broker's rating is downgraded to Neutral from Buy.

IDP EDUCATION LIMITED ((IEL)) Downgrade to Hold from Buy by Morgans and Downgrade to Equal-weight from Overweight by Morgan Stanley and Downgrade to Hold from Buy by Ord Minnett.B/H/S: 2/3/0

IDP Education's FY25 earnings guidance has been cut sharply, with 2H25 earnings (EBIT) expected around $27m, well below the previously guided greater than $77m, notes Morgans.

Global policy tightening and weak student placement volumes are weighing, explains the broker.

The analysts note FY25 Student Placement and IELTS volumes are expected to fall -28-30% and -18-20% year-on-year respectively, with Canada particularly soft and UK uncertainty potentially crimping the critical October intake.

A cost review is underway and China IELTS approval remains a potential earnings lever, notes the broker.

Morgans downgrades FY25-27 EPS forecasts by -35% to -47%. Downgrade to Hold from Buy and target reduced to $4.15 from $13.

IDP Education downgraded FY25 student placement volumes following a very weak May/June pipeline build, which are its key months for intake in the UK, Canada and the US, and for the second semester in Australia.

The company cited heightened policy uncertainty in all the countries as a reason.

Morgan Stanley reckons the key debates going forward centre around the extent to which the May/June volumes will impact FY26, the company's ability to increase fees to offset volumes, cost management and potential for broad-based recovery beyond FY26.

The broker cut FY26-27 EBIT forecasts by around -50%.

Rating downgraded to Equal-weight from Overweight. Target cut $4.25 from $17.95. Industry view is In-Line.

IDP Education expects FY25 language testing volumes to decline -18-20% and student placement volumes to fall -28-30% year-on-year, significantly weaker than previously assumed, highlights Ord Minnett.

Ord Minnett notes a rapid deterioration in trading since early May, particularly in Australia, where visa applications are now seen as a more accurate lead indicator.

FY25 guidance implies to the analyst second-half earnings (EBIT) of $27m at the mid-point, a steep drop from earlier quasi-guidance of above $77m.

The broker's EPS forecasts are reduced by -34%, -54% and -40% for FY25-27, and long-term volume assumptions have been lowered due to heightened policy uncertainty.

Ord Minnett downgrades to Hold from Buy and cuts the target price to $8.00 from $15.50.

See also IEL upgrade.

JUDO CAPITAL HOLDINGS LIMITED ((JDO)) Downgrade to Accumulate from Buy by Morgans .B/H/S: 5/1/0

Following the 2025 investor day, Morgans has increased confidence in Judo Capital's business model and earnings outlook, noting strong management execution and an improving net interest margin (NIM) profile.

Loan growth guidance remains intact with $2-3bn per year targeted over the next few years, underpinned by banker expansion and improved productivity, explains the broker.

It's also felt the recent uptick in May lending offers a positive signal after weaker growth earlier in 2025.

The improving NIM has been aided by higher front book margins, improved funding mix, and declining term deposit spreads, explains the analyst. However, the new warehouse lending product is expected to dilute margin while lifting returns on equity.

Morgans retains the $1.75 target price and downgrades to Accumulate from Buy as the broker adjusts to its new ratings methodology.

See also JDO upgrade.

MA FINANCIAL GROUP LIMITED ((MAF)) Downgrade to Accumulate from Buy by Morgans .B/H/S: 2/0/0

MA Financial acquired IP Generation, a real estate investment manager specialising in shopping centres, for around -$90.4m.

Morgans reckons the deal is EPS-accretive on a full-year basis. IP Generations' exposure to shopping centres aligns well with the company's focus on retail assets and its plan to create a leading integrated real estate asset manager.

The deal will boost AUM to over $12bn, keeping the company on track to meet the FY26 target of $14bn. FY26 EPS forecast lifted by 2%.

Target rises to $8.23 from $8.11. Rating downgraded to Accumulate from Buy.

MEGAPORT LIMITED ((MP1)) Downgrade to Sell from Hold by Ord Minnett .B/H/S: 3/2/1

Ord Minnett reviews Megaport's go-to-market strategy and expects revenue growth to continue, but sees key metrics such as net revenue retention (NRR) and annual recurring revenue (ARR) requiring further investment.

Any material acceleration in revenue growth will likely be deferred to FY27 from FY26, suggests the analyst.

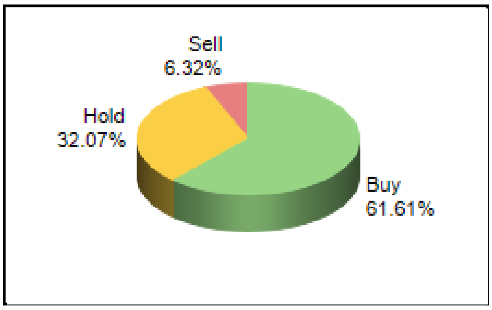
FY26 revenue guidance of 14% revenue growth matches FY25 and the broker's estimate, underpinned by new products, reduced churn from longer-term contracts, and salesforce expansion.

Ord Minnett estimates each 1 percentage point gain in retention adds around $2m to revenue and anticipates stronger returns post FY26 from deeper product and data centre penetration.

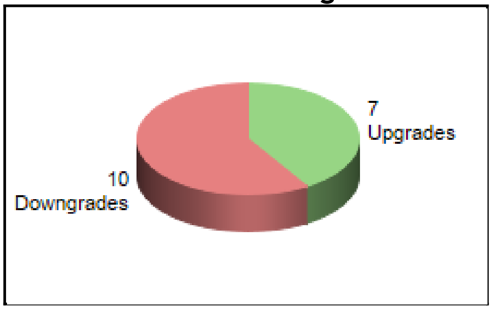
Despite these drivers, the broker believes the upside is already priced in following a 60% share price rally over two months.

Ord Minnett retains its $11.50 target price and downgrades to Sell from Hold.

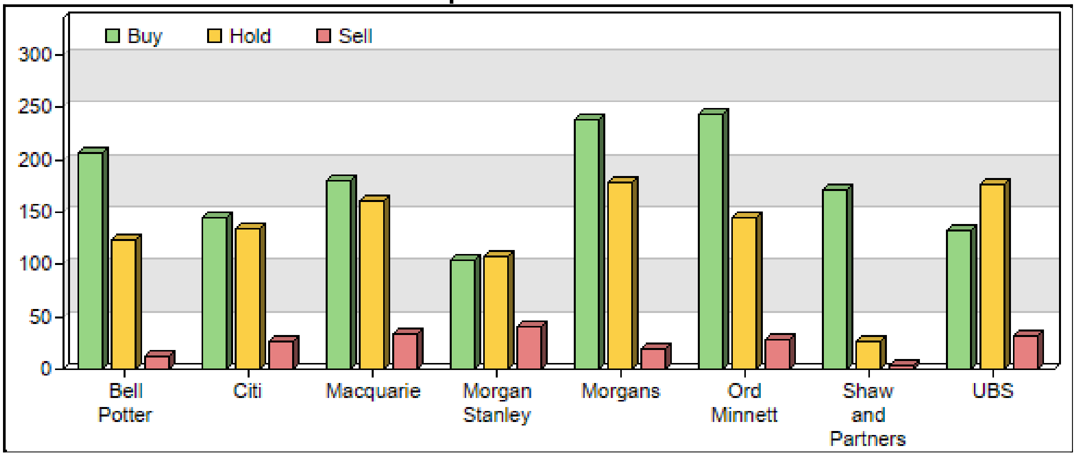
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	BETMAKERS TECHNOLOGY GROUP LIMITED	Buy	Buy	Ord Minnett
2	FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED	Neutral	Sell	Citi
3	FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED	Buy	Neutral	Morgan Stanley
4	IDP EDUCATION LIMITED	Buy	Neutral	UBS
5	INSIGNIA FINANCIAL LIMITED	Buy	Neutral	UBS
6	JUDO CAPITAL HOLDINGS LIMITED	Buy	Neutral	Macquarie
7	LYNAS RARE EARTHS LIMITED	Buy	Neutral	Ord Minnett
Downgrade				
8	APA GROUP	Sell	Neutral	Morgans
9	AUSTAL LIMITED	Neutral	Buy	Bell Potter
10	BRICKWORKS LIMITED	Neutral	Buy	Ord Minnett
11	GRAINCORP LIMITED	Neutral	Buy	UBS
12	IDP EDUCATION LIMITED	Neutral	Buy	Morgans
13	IDP EDUCATION LIMITED	Neutral	Buy	Morgan Stanley
14	IDP EDUCATION LIMITED	Neutral	N/A	Ord Minnett
15	JUDO CAPITAL HOLDINGS LIMITED	Buy	Buy	Morgans
16	MA FINANCIAL GROUP LIMITED	Buy	Buy	Morgans
17	MEGAPORT LIMITED	Sell	Buy	Ord Minnett

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs

1	ASB	AUSTAL LIMITED	4.813	4.430	8.65%	3
2	PRN	PERENTI LIMITED	1.623	1.523	6.57%	3
3	BKW	BRICKWORKS LIMITED	31.033	29.183	6.34%	6
4	MP1	MEGAPORT LIMITED	12.050	11.467	5.08%	6
5	TAH	TABCORP HOLDINGS LIMITED	0.728	0.695	4.75%	4
6	IFL	INSIGNIA FINANCIAL LIMITED	4.570	4.403	3.79%	3
7	CHC	CHARTER HALL GROUP	17.748	17.228	3.02%	5
8	QBE	QBE INSURANCE GROUP LIMITED	24.116	23.731	1.62%	7
9	JDO	JUDO CAPITAL HOLDINGS LIMITED	1.933	1.917	0.83%	6
10	SRG	SRG GLOBAL LIMITED	1.628	1.615	0.80%	4

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	IEL	IDP EDUCATION LIMITED	5.550	14.738	-62.34%	5
2	SYR	SYRAH RESOURCES LIMITED	0.333	0.450	-26.00%	3
3	TWE	TREASURY WINE ESTATES LIMITED	10.507	11.538	-8.94%	6
4	DMP	DOMINO'S PIZZA ENTERPRISES LIMITED	29.953	32.287	-7.23%	6
5	CRN	CORONADO GLOBAL RESOURCES INC	0.210	0.220	-4.55%	5
6	LTR	LIONTOWN RESOURCES LIMITED	0.595	0.620	-4.03%	6
7	PLS	PILBARA MINERALS LIMITED	1.836	1.893	-3.01%	7
8	IGO	IGO LIMITED	4.375	4.492	-2.60%	6
9	PMT	PATRIOT BATTERY METALS INC	0.620	0.634	-2.21%	5
10	ALQ	ALS LIMITED	18.730	18.913	-0.97%	5

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	TAH	TABCORP HOLDINGS LIMITED	1.925	1.675	14.93%	4
2	IFL	INSIGNIA FINANCIAL LIMITED	37.100	36.433	1.83%	3
3	APA	APA GROUP	15.933	15.700	1.48%	5
4	AGL	AGL ENERGY LIMITED	100.425	99.267	1.17%	5
5	FPH	FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED	66.205	65.475	1.11%	4
6	GNC	GRAINCORP LIMITED	39.960	39.640	0.81%	5
7	ASX	ASX LIMITED	262.420	261.500	0.35%	6
8	CRN	CORONADO GLOBAL RESOURCES INC	-24.815	-24.900	0.34%	5
9	SMR	STANMORE RESOURCES LIMITED	0.762	0.760	0.26%	3
10	JDO	JUDO CAPITAL HOLDINGS LIMITED	7.700	7.680	0.26%	6

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	NUF	NUFARM LIMITED	1.460	4.620	-68.40%	6
2	IEL	IDP EDUCATION LIMITED	27.510	38.275	-28.13%	5
3	ASG	AUTOSPORTS GROUP LIMITED	13.000	14.200	-8.45%	3
4	VEA	VIVA ENERGY GROUP LIMITED	9.800	10.300	-4.85%	4
5	ALD	AMPOL LIMITED	148.000	153.667	-3.69%	4
6	ORG	ORIGIN ENERGY LIMITED	88.050	89.100	-1.18%	5
7	IGO	IGO LIMITED	-18.240	-18.040	-1.11%	6
8	DMP	DOMINO'S PIZZA ENTERPRISES LIMITED	129.700	131.033	-1.02%	6
9	TWE	TREASURY WINE ESTATES LIMITED	58.000	58.580	-0.99%	6
10	MIN	MINERAL RESOURCES LIMITED	-89.333	-88.500	-0.94%	7

Technical limitations

If you are reading this story through a third party distribution channel and you cannot see charts included, we apologise, but technical limitations are to blame.

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WEEKLY REPORTS

Uranium Week: Russian Sanctions Dull Activity

After a couple of strong months, the U308 spot market moved back into a state of inertia, as buyers and sellers await greater clarity on Senator Graham's Russian sanctions bill.

-U308 spot market falters as Russian sanctions loom, again
-Utilities consider using fiscal strength to support green field projects
-China's nuclear growth ambitions on display

By Danielle Ecuyer

New bill creates uncertainty for buyers and sellers

After two months of steady advances, industry consultants TradeTech reported a decline in the U3O8 spot price of -0.7%, or -US$0.50, to US$71.50 over the first week of June. This pulls the price decline to -15.9% compared to a year earlier and -5.9% since the start of 2025.

Last week's Uranium Weekly took a deep dive into the reasons behind the spot price fall and the underlying mechanics driving the U3O8 spot market. (See here: https://fnarena.com/index.php/2025/06/03/uranium-week-how-funds-cornered-the-market/)

The World Nuclear Fuel Market (WNFM) Annual Meeting held in Sydney last week may have been a diversion for market participants, but concerns about Russian sanctions have again led to a state of inertia in the uranium spot market.

By way of history, in May 2024, President Joe Biden signed the *Prohibiting Russian Uranium Imports Act* into law, a landmark move that banned the importation of Russian-produced low-enriched uranium (LEU) starting August 12, 2024.

Russia historically supplied about 27% of all uranium used by US nuclear power plants, but the new legislation aimed to reduce dependence on Russian energy sources. The ban includes provisions for limited waivers, allowing the US Department of Energy to authorise imports, if necessary, for energy security. These waivers will expire by 2028.

To mitigate potential supply disruptions, the law allocates up to US$2.7bn in funding to support the development of domestic uranium enrichment capabilities. The US government has already initiated contracts with companies like Centrus Energy, Urenco, and Orano to boost the nation's enrichment facilities, including the production of high-assay low-enriched uranium (HALEU) for advanced reactors.

This strategic shift not only strengthens US energy security but also aligns with broader efforts to reduce reliance on Russian energy exports.

While these dynamics impacted activity in 2024, the Trump administration's proposed 2025 tariff policies created another level of uncertainty, until uranium was covered under an exemption.

Activity and U3O8 spot pricing picked up with the exemption, but the recently proposed bill from Republican Senator Lindsey Graham, who is sponsoring the "**Russian Sanctions Bill**", aiming to impose new sanctions on Russia before the G7 summit in late June, is creating yet again more uncertainty for the U308 industry at large.

Putting forth some of the most severe sanctions on Russia's top trading partners, including a 500% tariff on nations like India and China that purchase Russian energy fuels such as oil, gas, and uranium, the bill remains a work in progress and is considering carve-out exemptions to countries supporting Ukraine.

President Trump is also reportedly pushing back on the bill to broker peace between Russia and Ukraine, but ultimately, market participants were disinclined to entertain transactions with too many question marks around the risks of buying or selling uranium.

TradeTech noted one concluded transaction last week after the market close on Wednesday (US time) at US$71.80 per pound for 100,000 pounds to be delivered to Cameco in December. The timing was just outside the spot U3O8 delivery timeframe.

No transactions took place in the spot market. TradeTech's Mid-Term Price and Long-Term Price indicators remained both unchanged at respectively US$75 per pound and US$80 per pound.

RBC Capital analysts who attended the WNFM conference commented a lack of near term positive drivers into the 3Q 2025 could result in the spot U308 price consolidating around US$65-US$70/lb as spot market activity remains limited with utilities patient on contracting due to sustainable inventory/contract levels.

Conference homes in on supply chain security and market dynamics

Post the World Nuclear Fuel Market (WNFM) conference held from June 2 to 4 last week, Canaccord Genuity pointed to discussions around utilities, focusing on the gap between spot and the term U3O8 price at US$80 per pound, which is underpinning mining re-starts.

In contrast, there is a lack of sufficient greenfield developments to meet the "uncovered demand" of around 1.3 million pounds out to 2045. Contracting activity is expected to increase in the second half of 2025, with the broker remaining upbeat on the medium-term prospects for uranium.

Interestingly, Canaccord highlights utilities and trading companies are increasingly looking at employing both balance sheet and credit quality to support new U3O8 projects, including possible pre-payment subject to due diligence above contracting agreements to counter the financing hurdles.

Companies such as **Bannerman Energy** (BMN) and **Deep Yellow** (DYL) are working to finalise funding. Such initiatives may prove positive to move projects ahead.

One of the themes at the conference was the growing need to build resilience in uranium supply chains. Jamie Fairchild, Uranium and Nuclear Fuel Analyst at the Nuclear Energy Agency, stressed global uncertainties have made it imperative to enhance the security of uranium supplies.

This comes on the back of ongoing challenges in global geopolitics and fluctuating demand for nuclear energy, particularly with the rising focus on small modular reactors (SMRs) and the inclusion of nuclear energy as a clean energy solution.

Canaccord explained China's goals to have the world's largest nuclear capacity by 2030, exceeding the US, including the approval of 10-12 reactors per year.

In aiming to secure U3O8 supply and balance the geopolitics, including Biden's 2024 Prohibiting Russian Uranium Imports Act, China General Nuclear (CGN) has recently entered into a sales and purchase agreement with an unusual pricing structure for uranium, offering a benchmark for pricing in the Chinese market.

This agreement consists of two components: a 30% fixed pricing component at US$94lb and a spot pricing component for the remaining 70%.

The analyst believes this hybrid pricing strategy reflects China's increasing willingness to pay more for U3O8 as the country seeks to diversify its sources and stabilise its long-term uranium supply, especially considering global energy concerns and geopolitical tensions surrounding Russian energy exports.

RBC confirmed China and Korea are seeking to secure uranium supplies with delegates from China National Nuclear Corporation and Korea Hydro & Nuclear Power highlighting, on separate panels, the rising risks around supply and plans to be more actively involved in uranium supply development.

The conference confirmed RBC's view that steady growth in demand and rising risks around supply pose risks to the market into the 2030's.

Energy demand from AI and data centres was highlighted again as a major factor underpinning future nuclear energy demand. The analyst continues to have a positive longer term outlook for uranium and uranium stocks, but feels near term the rally in equities has run its course.

Corporate and other news in the week that was

The International Energy Agency's (IEA) June investment update showed capital flows to the energy sector are expected to increase in 2025 to US$3.3trn, a lift of 2% on 2024. Some US$2.2trn is going into renewables, nuclear, grids, storage, low-emission fuels, efficiency, and electrification, double the amount going into oil, natural gas, and coal at US$1.1trn.

Regarding nuclear investment, the IEA notes a 50% rise over the last five years, with spending on new nuclear plants and refurbishments anticipated to be over US$70bn. China remains the largest investor in energy, and its share of global clean energy investment has risen to one-third from a quarter ten years ago.

In corporate news, Meta announced it has signed a 20-year agreement to buy nuclear power from Constellation Energy, commencing in June 2027. The power purchase agreement for circa 1.1 GWs of electricity will account for 100% of output from Clinton Clean Energy in Illinois.

The agreement underpins the re-licensing and continued operation of the plant. Constellation is seeking a 20-year extension license to 2047. The contract comes on the back of similar nuclear power purchase agreements by Amazon, Google, and Microsoft.

Urenco will continue to aim for HALEU production (to be used in SMRs) in 2031 post an investment of GBP196m from the UK government.

Feedback from RBC's company meetings highlighted Westinghouse's AP100 is shaping up as a robust candidate for future large reactor projects in the US, according to Cameco.

NexGen Energy ((NXG)) explained the potential for approval from the Saskatchewan government to bring forth early works on Rook 1 with management looking at finalising financing options in late 2025/early-2026.

Boss Energy ((BOE)) pointed to a roll-off of the company's contracted position by the end of 2025, which would leave volumes produced exposed to market prices.

Paladin Energy ((PDN)) explained a significant proportion of contract volumes are at spot price, while from 2025-2030 some 58% of Langer Heinrich production contracted volumes are market-related.

According to the latest data collected and provided by ASIC, dated June 2, Boss Energy ((BOE)) remains the most shorted stock on the ASX, albeit with a small decline in interest of -1.7% to 19.5%. Short positioning in Lotus Resources shares lifted 0.72% to 8.47%.

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For more reading about what happened in May check out these recent weekly updates from FNArena:

https://fnarena.com/index.php/2025/05/27/uranium-week-trumps-agressive-nuclear-push/

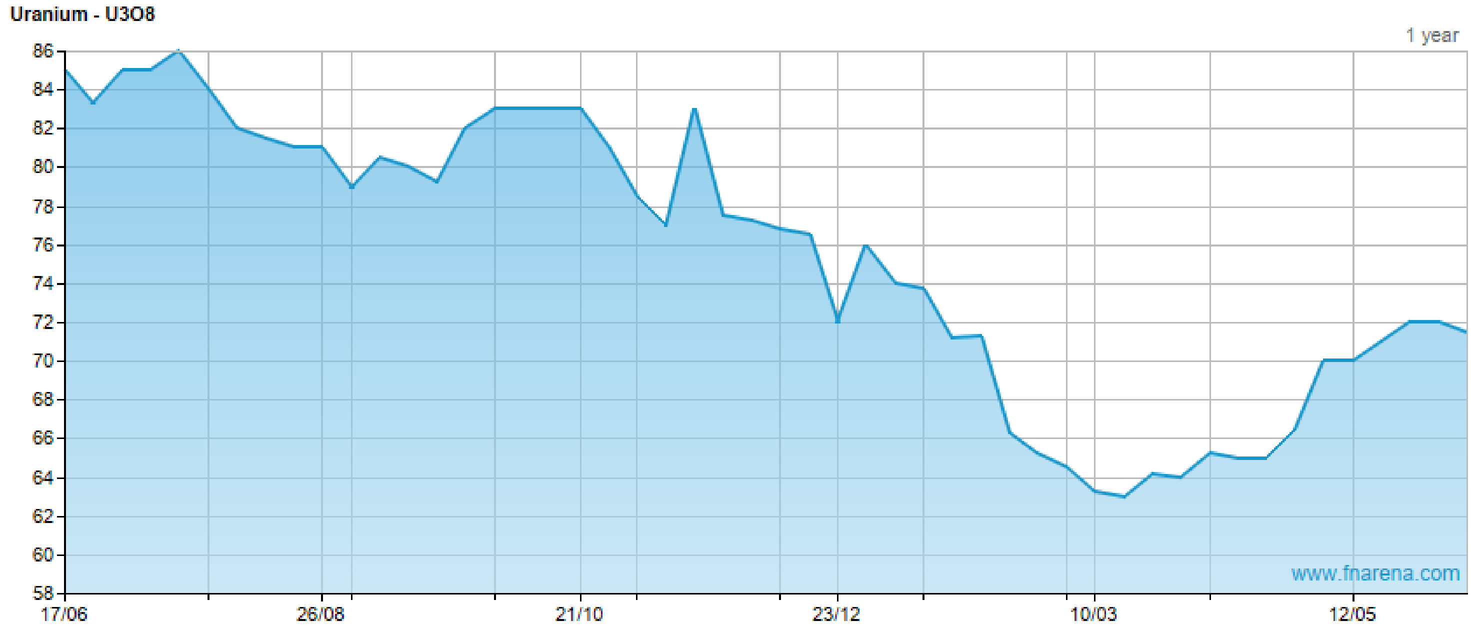
https://fnarena.com/index.php/2025/05/20/uranium-week-europes-nuclear-about-face/

https://fnarena.com/index.php/2025/05/13/uranium-week-a-fundamental-disconnect/

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	06/06/2025	0.0700	0.00%	$0.10	$0.03			
AEE	06/06/2025	0.1350	▲ 8.00%	$0.19	$0.10			
AGE	06/06/2025	0.0300	▲ 3.45%	$0.06	$0.02		$0.100	▲233.3%
AKN	06/06/2025	0.0100	0.00%	$0.02	$0.01			
ASN	06/06/2025	0.0540	▲10.20%	$0.17	$0.05			
BKY	06/06/2025	0.5450	0.00%	$0.67	$0.30			
BMN	06/06/2025	2.8500	▲ 2.15%	$4.12	$1.76		$4.700	▲64.9%
BOE	06/06/2025	3.8400	▼- 0.52%	$4.46	$1.99	215.0	$4.159	▲8.3%
BSN	06/06/2025	0.0190	▲11.76%	$0.08	$0.01			
C29	06/06/2025	0.0300	▼-25.00%	$0.13	$0.03			
CXO	06/06/2025	0.0890	▲11.25%	$0.14	$0.06		$0.100	▲12.4%
CXU	06/06/2025	0.0100	0.00%	$0.03	$0.01			
DEV	06/06/2025	0.0750	▼- 8.54%	$0.38	$0.07			
DYL	06/06/2025	1.3300	▲ 2.70%	$1.65	$0.75	-1330.0	$1.570	▲18.0%
EL8	06/06/2025	0.2800	0.00%	$0.49	$0.19			
ERA	06/06/2025	0.0020	0.00%	$0.04	$0.00			
GLA	06/06/2025	0.0100	0.00%	$0.02	$0.01			
GTR	06/06/2025	0.0040	0.00%	$0.01	$0.00			
GUE	06/06/2025	0.0700	0.00%	$0.10	$0.05			
HAR	06/06/2025	0.0650	▲10.17%	$0.12	$0.03			
I88	06/06/2025	0.1000	▼- 9.09%	$1.03	$0.08			

KOB	06/06/2025	0.0400	0.00%	$0.18	$0.04			
LAM	06/06/2025	0.8550	▲18.75%	$0.90	$0.48			
LOT	06/06/2025	0.1700	▼- 2.86%	$0.41	$0.13		$0.325	▲91.2%
MEU	06/06/2025	0.0410	▼- 2.38%	$0.06	$0.03			
NXG	06/06/2025	9.6100	▲ 1.16%	$13.53	$6.44		$14.650	▲52.4%
ORP	06/06/2025	0.0300	0.00%	$0.09	$0.03			
PDN	06/06/2025	6.3800	▲ 6.51%	$15.14	$3.93	-249.8	$8.493	▲33.1%
SLX	06/06/2025	3.4600	▲ 0.29%	$6.62	$2.28		$6.500	▲87.9%
TOE	06/06/2025	0.1700	▼- 5.56%	$0.38	$0.15			
WCN	06/06/2025	0.0200	▼-33.33%	$0.04	$0.01			



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WEEKLY REPORTS

In Brief: Novonix, Catapult & Online Retailing

This week's In Brief offers insights into a company winning the tariif war; a sports growth tech star and how retailers performed online in May

-Novonix a 'chicken-dinner' winner with US trade tariffs
-Sports Tech and AI meet with Catapult's latest acquisition
-Online retails sales slip in May, which categories and companies were the winners/losers?

By Danielle Ecuyer

This week's quote comes from Josh Nelson, head of Global Equity, T Rowe Price

"We are returning to an investing environment in which more sectors and regions can generate meaningful returns; an environment demanding diversification and favoring active management. The broadening of equity market leadership is likely to favor value stocks and select emerging markets."

Synethic rutile supply chain in focus for Novonix

Pouring through the beneficiaries or potential companies impacted by US tariffs is an ongoing process for analysts, with so much uncertainty around where the final numbers will fall, and on which countries and industries.

Having said so, Petra Capital featured **Novonix** ((NVX)), producer of synthetic graphite, as a standout winner from US trade restrictions.

Post the latest London talks between China and the US, China has agreed to a six-month limit on rare-earth export licenses in lieu of US concessions on Chinese students in the US.

Rare earths and raw battery materials are at the centre of the US/China trade skirmishes, with Chinese natural graphite subject to multiple US tariffs and penalties, the analyst explains.

Enter Novonix as one of the very few beneficiaries from graphite tariffs.

Petra calculates total cumulative tariffs potentially sit between 41% to 756%, with more anti-dumping measures to be determined in July. For battery and electric vehicle manufacturers, the input graphite prices will be much higher for anode products, with few alternative suppliers to Novonix.

The company has a complete US domestic supply chain. The feed comes from US Gulf oil refineries, and its plants are in Tennessee.

Novonix's Riverside plant, which is due to start producing battery-grade synthetic anodes later this year with capacity of up to 20ktpa in 2026, plus an additional 30ktpa from Enterprise South, will supply existing offtake agreements with Panasonic, Stellantis, PowerGo, and LG.

The Riverside plant has received a grant from the US Department of Energy for US$100m and a US$103m tax credit, as well as US$30m from LG Energy Solutions plus US$150m from Phillips66 (the likely feedstock supplier).

The Department of Energy also offered a direct loan of up to US$754m to the Enterprise plant.

Stellantis has a six-year commitment for up to 115,000 tonnes starting in 2026 to cell manufacturers LG Energy Solutions and Samsung.

-PowerCo has a minimum 32,000 tonnes for five years, starting in 2027.
-Panasonic Energy has a 10,000-tonne commitment for four years.
-LG Energy Solutions has an option to acquire up to 50,000 tonnes over ten years.

Petra Capital has a Buy rating and a 77c target price.

Catapulting into AI

Using cash reserves of US$3m and an equity issue of US$15m, **Catapult International** ((CAT)) announced the acquisition of Perch for -US$18m, a Boston-based sports technology company that offers off-field, AI-integrated athlete monitoring solutions.

Canaccord Genuity believes Perch is an advantageous strategic bolt-on acquisition, which reflects management's aims of adding accretive and tuck-in acquisitions for the company.

Perch's technology employs a combination of a 3-D camera with proprietary AI, which tracks athletes in the weights room and offers insights into performance to assist in personalised training programs.

The insights will be integrated into Catapult's existing on-field wearable tech, which is designed to offer professional teams an end-to-end athlete monitoring solution.

Perch's exposure to largely American football athletes offers a synergistic overlap with the company's existing clients while improving the annual contract value per team, which is expected to be US$27k/team in FY25.

There is also scope for cross and upselling in other sports, an extension out to the international market and the existing 3,600 pro teams.

With Perch profitable, and annual contract values running at US$2.5m, the analyst forecasts the annual contract value for Catapult to rise by 2% in FY26 to US$122m.

Canaccord Genuity explains the robust rally in the share price is indicative of increasing awareness around the earnings quality of the company and the size of the sports tech market at over US$71bn, combined with a leadership position, which is expected to underwrite over-trend growth over the longer term.

A Buy rating is retained with a target price of $6.20, up from $5.

FNArena's daily monitored brokers consensus target price is $5.90, with two Buy-equivalent ratings and one Hold.

Online shopping remains below pre-COVID levels

Jarden reports online web traffic for May slipped around -3% compared to the previous year and was below the April run-rate of a -1% decline due to weakness in meal kits, footwear, and the marketplace.

While there has been some pick-up in online share, globally, the trend has illustrated a declining rate of market share gains as consumers return to stores and employ omnichannel shopping, including click-and-collect.

Breaking down into sectors, the analyst highlights department stores sales rose 3%, as did household goods, alongside 'other' (which rose 15% on a year earlier). Those were the outperformers.

Meal kits declined -22%, footwear dived -21%, and the marketplace retreated -15%, in part relating to **Wesfarmers** ((WES)) closing Catch.

In terms of brands, Mocka rose 67%, Big W up 24%, Total Tools up 19%, **Harvey Norman** ((HVN)) up 16%, Bunnings up 11%, and **Temple & Webster** ((TPW)) up 10%.

By contrast, Footlocker fell -55%, **Adore Beauty Group** ((ADY)) down -18%, Home Hardware off -17%, Universal Store down -15%, BCF down -15%, Mitre 10 down -15%, and David Jones off -11%.

With the Federal election in the rear-view mirror, Jarden is increasingly positive about consumer spending, with household deposits rising and house price growth (ex-Victoria), estimating double-digit growth in discretionary cash flow for families in FY26.

Jarden recently upgraded its estimates for household goods on improved housing activity, which should be positive for Harvey Norman, Temple & Webster, **JB Hi-Fi** ((JBH)), Neutral rated with a $95.50 target, and **Beacon Lighting** (BLX).

In the retail sector generally, the broker also highlights a preference for **Flight Centre** ((FLT)), Buy rated with a $19.30 target price, **Sigma Healthcare** ((SIG)), **Universal Store Holdings (**(UNI)), and **Woolworths Group** ((WOW)). The latter is Overweight rated with a $36.30 target.

Coles Group ((COL)) is Neutral rated with a $20.60 target price, and **Super Retail** ((SUL)) is Overweight rated with a $14.80 target.

FNArena's daily monitored brokers consensus target price for the latter is $5.90, with two Buy-equivalent ratings and one Hold rating.

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WEEKLY REPORTS

The Short Report - 13 Jun 2025

See **Guide** further below (for readers with full access).

Summary:

Week Ending June 5th, 2025 (most recent data available through ASIC).

10%+

BOE	18.50%
PDN	15.15%
MIN	14.48%
PLS	12.67%
LTR	12.40%
CTT	10.70%
PNV	10.60%
IEL	10.58%
DYL	10.57%
LIC	10.14%

9.0-9.9%

SLX	9.85%
CTD	9.75%
DMP	9.54%
KAR	9.19%
IGO	9.14%

In: IGO
Out: CU6

8.0-8.9%

BMN	8.58%
LOT	8.56%
LYC	8.23%

Out: IGO, TWE, JLG

7.0-7.9%

CU6	7.02%

In: CU6
Out: SGR, RIO

6.0-6.9%

RMS	6.92%
SGR	6.88%
JHX	6.81%
MSB	6.59%
RIO	6.58%
BRG	6.48%
JLG	6.44%
NXT	6.43%
PWH	6.43%
INR	6.38%
IPX	6.02%
NEU	6.01%
STX	6.01%

In: SGR, RIO, JLG, IPX
Out: CHN

5.0-5.9%

CUV	5.89%
CHN	5.71%
NAN	5.66%
ADT	5.65%
WHC	5.62%
VEA	5.61%
GMD	5.57%
WEB	5.55%
AD8	5.30%
NVX	5.28%
SYR	5.23%
ZIP	5.20%
PEN	5.20%
IMU	5.18%
GYG	5.15%
TWE	5.15%
LOV	5.13%
SFR	5.07%

In: CHN, GYG, TWE
Out: IPX

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.7	0.7	NAB	0.9	1.0
ANZ	0.5	0.6	QBE	0.4	0.5
BHP	0.6	0.6	RIO	6.6	7.2
CBA	1.0	1.1	STO	0.5	0.7
COL	0.6	0.6	TCL	0.6	0.7
CSL	0.4	0.5	TLS	0.4	0.4
FMG	1.1	1.0	WBC	1.2	0.8

GMG	0.8	0.7	WDS	3.7	3.5
JHX	6.8	6.7	WES	0.6	0.5
MQG	0.7	0.7	WOW	1.1	1.0

To see the full Short Report, please go to this link

Guide:

The Short Report draws upon data provided by the Australian Securities & Investment Commission (ASIC) to highlight significant weekly moves in short positions registered on stocks listed on the Australian Securities Exchange (ASX). Short positions in exchange-traded funds (ETF) and non-ordinary shares are not included. Short positions below 5% are not included in the table below but may be noted in the accompanying text if deemed significant.

Please take note of the Important Information provided at the end of this report. Percentage amounts in this report refer to percentage of ordinary shares on issue.

Stock codes highlighted in green have seen their short positions reduce in the week by an amount sufficient to move them into a lower percentage bracket. Stocks highlighted in red have seen their short positions increase in the week by an amount sufficient to move them into a higher percentage bracket. Moves in excess of one percentage point or more are discussed in the Movers & Shakers report below.

IMPORTANT INFORMATION ABOUT THIS REPORT

The above information is sourced from daily reports published by the Australian Investment & Securities Commission (ASIC) and is provided by FNArena unqualified as a service to subscribers. FNArena would like to make it very clear that immediate assumptions cannot be drawn from the numbers alone.

It is wrong to assume that short percentages published by ASIC simply imply negative market positions held by fund managers or others looking to profit from a fall in respective share prices. While all or part of certain short percentages may indeed imply such, there are also a myriad of other reasons why a short position might be held which does not render that position "naked" given offsetting positions held elsewhere. Whatever balance of percentages truly is a "short" position would suggest there are negative views on a stock held by some in the market and also would suggest that were the news flow on that stock to turn suddenly positive, "short covering" may spark a short, sharp rally in that share price. However short positions held as an offset against another position may prove merely benign.

Often large short positions can be attributable to a listed hybrid security on the same stock where traders look to "strip out" the option value of the hybrid with offsetting listed option and stock positions. Short positions may form part of a short stock portfolio offsetting a long share price index (SPI) futures portfolio a popular trade which seeks to exploit windows of opportunity when the SPI price trades at an overextended discount to fair value. Short positions may be held as a hedge by a broking house providing dividend reinvestment plan (DRP) underwriting services or other similar services. Short positions will occasionally need to be adopted by market makers in listed equity exchange traded fund products (EFT). All of the above are just some of the reasons why a short position may be held in a stock but can be considered benign in share price direction terms due to offsets.

Market makers in stock and stock index options will also hedge their portfolios using short positions where necessary. These delta hedges often form the other side of a client's long stock-long put option protection trade, or perhaps long stock-short call option ("buy-write") position. In a clear example of how published short percentages can be misleading, an options market maker may hold a short position below the implied delta hedge level and that actually implies a "long" position in that stock.

Another popular trading strategy is that of "pairs trading" in which one stock is held short against a long position in another stock. Such positions look to exploit perceived imbalances in the valuations of two stocks and imply a "net neutral" market position.

Aside from all the above reasons as to why it would be a potential misconception to draw simply conclusions on short percentages, there are even wider issues to consider. ASIC itself will admit that short position data is not an exact science given the onus on market participants to declare to their broker when positions truly are "short". Without any suggestion of deceit, there are always participants who are ignorant of the regulations. Discrepancies can also arise when short positions are held by a large investment banking operation offering multiple stock market services as well as proprietary trading activities. Such activity can introduce the possibility of either non-counting or double-counting when custodians are involved and beneficial ownership issues become unclear.

Finally, a simple fact is that the Australian Securities Exchange also keeps its own register of short positions. The figures provided by ASIC and by the ASX at any point do not necessarily correlate.

FNArena has offered this qualified explanation of the vagaries of short stock positions as a warning to subscribers not to jump to any conclusions or to make investment decisions based solely on these unqualified numbers. FNArena strongly suggests investors seek advice from their stock broker or financial adviser before acting upon any of the information provided herein.

Find out why FNArena subscribers like the service so much: "Your Feedback (Thank You)" - Warning this story contains unashamedly positive feedback on the service provided.

FNArena is proud about its track record and past achievements: Ten Years On

WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 13-06-25

Broker Rating Changes (Post Thursday Last Week)

Upgrade

HOMECO DAILY NEEDS REIT ((HDN)) Upgrade to Buy from Overweight by Jarden.B/H/S: 0/0/0

Ahead of the FY25 reporting season in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, most likely to guide to an accelerating NTA and FFO growth.

In the small and mid-cap REIT arena, one of the broker's highest conviction stocks is HomeCo Daily Needs REIT.

The broker's FY25 FFO forecast is in line with the company's guidance, and for FY26, the analyst expects initial guidance for around 2% growth.

Rating upgraded to Buy from Overweight. Target rises to $1.50 from $1.38.

NATIONAL STORAGE REIT ((NSR)) Upgrade to Buy from Overweight by Jarden.B/H/S: 0/0/0

Ahead of the FY25 reporting season in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, most likely to guide to an accelerating NTA and FFO growth.

In the small and mid-cap REIT space, National Storage REIT is among the broker's highest conviction stocks. The analyst's FY26 pre-tax operating EPS growth is 5.5% compared with 5.1% consensus.

Rating upgraded to Buy from Overweight. Target lifted to $2.80 from $2.75.

Downgrade

ADRIATIC METALS PLC ((ADT)) Downgrade to Hold from Speculative Buy by Canaccord Genuity.B/H/S: 0/0/0

Canaccord Genuity lowers its recommendation on Adriatic Metals to Hold from Speculative Buy, while raising the target price to $5.50 from $4.55, following a 40% rally in the share price. The uplift was driven by confirmed M&A interest from Dundee Precious Metals.

The broker views Dundee as a logical suitor given its nearby European operations, but notes there is no guarantee a formal offer will eventuate.

Adriatic's ramp-up at the Vares silver project is progressing, note the analysts, with commercial production expected by the June quarter. FY25 earnings (EBITDA) are forecast at US$78.8m, rising to US$165.5m in FY26.

Canaccord removes prior risk discounts in light of strategic interest and expects positive free cash flow from 2025 onward,. All-in sustaining costs (AISC) are expected to fall to US$15.85/oz and US$14.14/oz in 2026 and 2027, respectively.

CHARTER HALL RETAIL REIT ((CQR)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Ahead of the FY25 reporting season in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, most likely to guide to an accelerating NTA and FFO growth.

The broker's FY25 operating EPS forecast for Charter Hall Retail REIT is for a -7% y/y decline, which is in line with guidance. For FY26, the broker expects the REIT to guide to a 2-3% EPS growth.

Rating downgraded to Neutral from Overweight on valuation. Target lifted to $4.30 from 3.70.

DOMINO'S PIZZA ENTERPRISES LIMITED ((DMP)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Jarden revisited the state of the global quick service restaurant market, noting it remains challenging and consumers are trading down mainly in the US and less so in Australia/NZ.

In April, the trend was solid in Australia/NZ with takeaway sales beating grocery growth, but competition increased. In Europe, macro and geopolitical uncertainties continue to impact the sector, and in Japan, the trend softened in April after an improvement in 1Q.

The broker's preference in the sector is Collins Foods ((CKF)), Guzman Y Gomez ((GYG)) and Domino's Pizza Enterprises; in that order.

The broker cut FY25 EPS forecast by -1.6% and FY26 by -4.6%, driven by Asia and Europe. Rating downgraded to Neutral from Overweight. Target trimmed to $37 from $39.

DEXUS ((DXS)) Downgrade to Underweight from Neutral by Jarden.B/H/S: 0/0/0

Ahead of the FY25 reporting season in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, most likely to guide to an accelerating NTA and FFO growth.

The broker's forecast for Dexus' FY25 adjusted FFO is in line with guidance, but for FY26, the analyst is forecasting flat AFFO vs consensus for 0.3% y/y growth.

Broader office sector recovery would be a catalyst for cash earnings growth, the broker highlights, but challenges are emerging in funds management.

Rating downgraded to Underweight from Neutral. Target trimmed to $7.10 from $7.50.

GENERATION DEVELOPMENT GROUP LIMITED ((GDG)) Downgrade to Hold from Buy by Petra Capital.B/H/S: 0/0/0

Petra Capital reviews its investment case for Generation Development after taking into account prospective Division 296 changes to superannuation and the recent Blackrock investment in the group's share register.

Blackrock brings to the table proven US annuities experience and risk management systems. The tie-up is expected to strengthen Generation Development's annuities position in the market.

Working to Generation Development's advantage, the broker now sees potential for investment advisers to pitch Investment Bonds as an alternative asset class to superannuation.

The analyst highlights the company has gradually broadened from a long-tail defensive life insurance style business to a managed accounts/equities operation.

The target rises to $5.65 from $5.58 and the rating is downgraded to Hold from Buy.

MIRVAC GROUP ((MGR)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Ahead of the FY25 reporting season in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, most likely to guide to an accelerating NTA and FFO growth.

The broker's FY25 EPS forecast for Mirvac Group is at the top end of the guidance, and for FY26 the analyst is forecasting FFO growth of 8% on residential volume and margin recovery. Wage and general cost inflation pressures are expected to weigh.

Rating downgraded to Neutral from Overweight on valuation. Target lifted to $2.50 from $2.35.

ORA BANDA MINING LIMITED ((OBM)) Downgrade to Hold from Buy by Canaccord Genuity.B/H/S: 0/0/0

Canaccord Genuity lowers its target price for Ora Banda Mining to $1.20 from $1.25 and downgrades to Hold from Speculative Buy following a reduction in FY25 production guidance to 95koz at a cost (AISC) of $2,606/oz.

The revisions reflect plant upgrade downtime and slower ramp-up, explains the broker, with June quarter production expected to be 24.5koz and costs (AISC) of circa $3,100/oz, though commissioning is now complete.

The broker notes mine performance remains solid and anticipates FY26 output rising to 150koz with costs (AISC) falling to around $1,932/oz, supported by contributions from Riverina and Sand King.

REGION GROUP ((RGN)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Ahead of the FY25 reporting season in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, most likely to guide to an accelerating NTA and FFO growth.

The broker's FY25 FFO forecast is in line with guidance for Region Group. For FY26, the broker expects initial FFO guidance for around 3% growth as the earnings profile is expected to improve from capital recycling and additional hedging.

Rating downgraded to Neutral from Overweight on valuation. Target lifted to $2.60 from $2.40.

STOCKLAND ((SGP)) Downgrade to Overweight from Buy by Jarden.B/H/S: 0/0/0

Ahead of the FY25 reporting season in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, with most likely to guide to an accelerating NTA and FFO growth.

The broker is optimistic about the residential sector but believes Stockland may disappoint with conservative guidance at the FY25 results. The analyst is forecasting 10% FFO growth in FY26, noting anything above 7-8% growth guidance would be a positive.

Rating downgraded to Overweight from Buy. Target rises to $6.35 from $5.95.

WAYPOINT REIT LIMITED ((WPR)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Ahead of the FY25 reporting season (1H25 for Waypoint REIT) in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, most likely to guide to an accelerating NTA and FFO growth.

The broker's FY25 dividend forecast for Waypoint REIT is in line with the guidance. Looking ahead, the analyst sees upside risks with Viva Energy's ((VEA)) OTR conversion in FY26.

Rating downgraded to Neutral from Overweight. Target lifted to $2.85 from $2.70.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	HOMECO DAILY NEEDS REIT	Buy	Buy	Jarden
2	NATIONAL STORAGE REIT	Buy	Buy	Jarden
Downgrade				
3	ADRIATIC METALS PLC	Neutral	Buy	Canaccord Genuity
4	CHARTER HALL RETAIL REIT	Neutral	Buy	Jarden
5	DEXUS	Sell	Neutral	Jarden
6	DOMINO'S PIZZA ENTERPRISES LIMITED	Neutral	Buy	Jarden
7	GENERATION DEVELOPMENT GROUP LIMITED	Neutral	Buy	Petra Capital
8	MIRVAC GROUP	Neutral	Buy	Jarden
9	ORA BANDA MINING LIMITED	Neutral	Buy	Canaccord Genuity
10	REGION GROUP	Neutral	Buy	Jarden
11	STOCKLAND	Buy	Buy	Jarden

12	WAYPOINT REIT LIMITED	Neutral	Buy	Jarden

Price Target Changes (Post Thursday Last Week)

Company		Last Price	Broker	New Target	Old Target	Change
ADT	Adriatic Metals	$5.00	Canaccord Genuity	5.50	4.55	20.88%
ANG	Austin Engineering	$0.34	Petra Capital	0.59	0.58	1.72%
ASB	Austal	$6.13	Petra Capital	6.19	3.77	64.19%
ASK	Abacus Storage King	$1.57	Jarden	1.54	1.28	20.31%
BWP	BWP Trust	$3.70	Jarden	3.60	3.45	4.35%
CAT	Catapult International	$6.07	Canaccord Genuity	6.20	5.00	24.00%
CHC	Charter Hall	$19.30	Jarden	20.70	18.80	10.11%
CIP	Centuria Industrial REIT	$3.18	Jarden	3.50	3.30	6.06%
CLW	Charter Hall Long WALE REIT	$4.28	Jarden	4.05	3.80	6.58%
CNI	Centuria Capital	$1.75	Jarden	1.85	1.80	2.78%
COF	Centuria Office REIT	$1.25	Jarden	1.24	1.17	5.98%
CQE	Charter Hall Social Infrastructure REIT	$3.06	Jarden	3.25	2.95	10.17%
CQR	Charter Hall Retail REIT	$4.05	Jarden	4.30	3.70	16.22%
CXO	Core Lithium	$0.09	Canaccord Genuity	0.10	0.08	25.00%
DGL	DGL Group	$0.40	Canaccord Genuity	0.42	0.51	-17.65%
DMP	Domino's Pizza Enterprises	$20.32	Jarden	37.00	39.00	-5.13%
DXS	Dexus	$7.03	Jarden	7.10	7.50	-5.33%
EVN	Evolution Mining	$8.72	Jarden	5.57	5.66	-1.59%
GDG	Generation Development	$5.70	Petra Capital	5.65	5.58	1.25%
GPT	GPT Group	$4.96	Jarden	5.30	5.10	3.92%
HDN	HomeCo Daily Needs REIT	$1.31	Jarden	1.50	1.38	8.70%
INA	Ingenia Communities	$5.60	Jarden	6.50	6.40	1.56%
IPX	Iperionx	$4.10	Petra Capital	8.21	6.95	18.13%
LIC	Lifestyle Communities	$6.90	Jarden	7.20	8.60	-16.28%
MGR	Mirvac Group	$2.40	Jarden	2.50	2.35	6.38%
MMI	Metro Mining	$0.07	Petra Capital	0.12	0.13	-7.69%
MTS	Metcash	$3.71	Jarden	4.00	4.10	-2.44%
NSR	National Storage REIT	$2.44	Jarden	2.80	2.75	1.82%
NXG	NexGen Energy	$10.17	Petra Capital	10.80	10.74	0.56%
NXT	NextDC	$14.10	Wilsons	17.69	18.10	-2.27%
OBM	Ora Banda Mining	$1.02	Canaccord Genuity	1.20	1.25	-4.00%
PRU	Perseus Mining	$3.76	Canaccord Genuity	5.25	5.00	5.00%
QAN	Qantas Airways	$10.72	Jarden	10.50	9.75	7.69%
RGN	Region Group	$2.40	Jarden	2.60	2.40	8.33%
RHC	Ramsay Health Care	$37.00	Jarden	44.05	44.44	-0.88%
SCG	Scentre Group	$3.69	Jarden	4.25	3.95	7.59%
SGP	Stockland	$5.67	Jarden	6.35	5.95	6.72%
TRE	Toubani Resources	$0.31	Canaccord Genuity	1.25	1.50	-16.67%
WPR	Waypoint REIT	$2.64	Jarden	2.85	2.70	5.56%
Company		Last Price	Broker	New Target	Old Target	Change

More Highlights

BC8 BLACK CAT SYNDICATE LIMITED

Gold & Silver Overnight Price: $0.81

Petra Capital rates ((BC8)) as Buy (1)

Petra Capital highlights Black Cat Syndicate is making good progress on its plans to accelerate mining development at open pit and underground deposits at Kal East.

The recently acquired Lakewood Mill is performing above expectations with 140kt of Myhree ore processed since March 31.

The share price underperformed its gold peers in recent months, but the broker expects a ramp-up at Paulsens and Kal East development to support share price gains.

Buy. Target unchanged at $1.82.

This report was published on June 5, 2025.

Target price is **$1.82** Current Price is **$0.81** Difference: **$1.015**
If **BC8** meets the Petra Capital target it will return approximately **126%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

Petra Capital forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 2.50** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 32.20**.

Forecast for FY26:

Petra Capital forecasts a full year **FY26** dividend of **0.00** cents and EPS of **28.20** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **2.85**.

All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

CIP CENTURIA INDUSTRIAL REIT

REITs Overnight Price: $3.20

Jarden rates ((CIP)) as Overweight (2)

Ahead of the FY25 reporting season in August, Jarden has marked-to-market the REIT sector to account for news flow, and the latest BBSW futures curve and risk-free rates.

Overall, the broker expects upbeat messages from the REITs, most likely to guide to an accelerating NTA and FFO growth.

Centuria Industrial REIT is among the broker's highest conviction stocks. For FY26, the broker forecasts 1.6% FFO growth, slightly ahead of 1.5% consensus.

Overweight. Target rises to $3.50 from $3.30.

This report was published on June 6, 2025.

Target price is **$3.50** Current Price is **$3.20** Difference: **$0.3**
If **CIP** meets the Jarden target it will return approximately **9%** (excluding dividends, fees and charges).
Current consensus price target is **$3.30**, suggesting upside of **3.9%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY25:

Jarden forecasts a full year **FY25** dividend of **16.30** cents and EPS of **17.50** cents.
At the last closing share price the estimated dividend yield is **5.09%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **18.29**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **17.6**, implying annual growth of **132.2%**.
Current consensus DPS estimate is **16.3**, implying a prospective dividend yield of **5.1%**.
Current consensus EPS estimate suggests the PER is **18.0**.

Forecast for FY26:

> Jarden forecasts a full year **FY26** dividend of **16.60** cents and EPS of **17.80** cents.
> At the last closing share price the estimated dividend yield is **5.19%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **17.98**.
>
> How do these forecasts compare to market consensus projections?
>
> Current consensus EPS estimate is **17.9**, implying annual growth of **1.7%**.
> Current consensus DPS estimate is **16.5**, implying a prospective dividend yield of **5.2%**.
> Current consensus EPS estimate suggests the PER is **17.7**.

Market Sentiment: **0.6**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three source

CU6 CLARITY PHARMACEUTICALS LIMITED

Medical Equipment & Devices Overnight Price: $2.39

Canaccord Genuity rates ((CU6)) as Buy (1)

Canaccord Genuity highlights a positive topline readout from Clarity Pharmaceuticals' Phase II Disco trial in GEP-NETs. 64Cu-Sartate is demonstrating 93-95% sensitivity in confirmed lesions, compared to just 5-7% 68Ga-Dotatate (NETSPOT), owned by Novartis.

The broker sees the results as a significant validation of Clarity's copper-based platform, noting the superior image clarity linked to improved chelation technology and reduced copper leakage.

While GEP-NETs is not viewed as a large commercial opportunity, the outcome bolsters confidence in broader applications, suggest the analysts. This is particularly the case prior to a head-to-head prostate cancer diagnostic readout expected in 3Q25.

Canaccord retains a Buy rating and a $6.74 target price.

This report was published on June 5, 2025.

Target price is **$6.74** Current Price is **$2.39** Difference: **$4.35**
If **CU6** meets the Canaccord Genuity target it will return approximately **182%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

> Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 15.70** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 15.22**.

Forecast for FY26:

> Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 23.20** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 10.30**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

IPX IPERIONX LIMITED

Industrial Metals Overnight Price: $4.17

Petra Capital rates ((IPX)) as Buy (1)

"This isn't just a contract, it's the start of a structural shift in US titanium markets" trumpets Petra Capital.

The broker describes Iperionx as having achieved a transformational milestone after securing a US$99m SBIR Phase III contract from the US Department of Defense (DoD).

This validates the company's titanium technologies, according to the broker, and positions it as a sole-source supplier within the federal procurement system.

The contract materially de-risks near-term revenues, in the analyst's view, boosting commercial visibility, and laying the foundation for expansion into aerospace, oil & gas, and industrial markets. Potential also exists for follow-on contracts beyond the initial DoD task orders.

The broker's target rises to $8.21 from $6.95, reflecting improved confidence in execution and scaling. FY26-FY27 revenue forecasts were revised down due to lower pricing assumptions and a strategic decision to prioritise market share over margins.

The Buy rating is maintained.

This report was published on June 6, 2025.

Target price is **$8.21** Current Price is **$4.17** Difference: **$4.04**
If **IPX** meets the Petra Capital target it will return approximately **97%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

Petra Capital forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 2.30** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 181.30**.

Forecast for FY26:

Petra Capital forecasts a full year **FY26** dividend of **0.00** cents and EPS of **3.20** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **130.31**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

MVF MONASH IVF GROUP LIMITED

Healthcare services Overnight Price: $0.61

Wilsons rates ((MVF)) as Overweight (1)

The analysts at Wilsons express concern over reputational risk for Monash IVF following a second embryo transfer error, this time at its Clayton laboratory, disclosed in June 2025. (Indeed, Chief Executive Michael Knaap has since resigned).

The broker highlights the close timing of this incident with a prior Brisbane clinic error could weigh on short-term Australian market share, despite management's assurance the two events occurred years apart.

The company has launched an internal investigation, extended the scope of an existing independent review, notified ART regulators, and will temporarily enhance verification procedures beyond standard practice.

The broker notes FY25 guidance for underlying profit of circa $27.5m remains unchanged, and insurance coverage is expected to mitigate financial impact.

Wilsons makes no changes to financial forecasts but places its Overweight rating and $1.25 target under review.

This report was published on June 12, 2025.

Target price is **$1.25** Current Price is **$0.61** Difference: **$0.64**
If **MVF** meets the Wilsons target it will return approximately **105%** (excluding dividends, fees and charges).
Current consensus price target is **$1.13**, suggesting upside of **70.5%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY25:

Wilsons forecasts a full year **FY25** dividend of **4.80** cents and EPS of **6.90** cents.
At the last closing share price the estimated dividend yield is **7.87%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.84**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **7.3**, implying annual growth of **N/A**.
Current consensus DPS estimate is **4.9**, implying a prospective dividend yield of **7.4%**.
Current consensus EPS estimate suggests the PER is **9.0**.

Forecast for FY26:

Wilsons forecasts a full year **FY26** dividend of **5.00** cents and EPS of **7.10** cents.
At the last closing share price the estimated dividend yield is **8.20%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.59**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **6.9**, implying annual growth of **-5.5%**.
Current consensus DPS estimate is **4.8**, implying a prospective dividend yield of **7.3%**.
Current consensus EPS estimate suggests the PER is **9.6**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

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