WEEK 14

FNArena
FINANCIAL NEWS, ANALYSIS & DATA

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Thursday, 2 April 2026

| Material Matters: Oil, Gold, Lithium & Aluminium

| Rudi's View: Strategists Touting Opportunities

| AI In Practice: Airtasker, Kinatico & Pureprofile

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FNArena
Financial News, Data & Analysis

GPO Box 3145 - Sydney NSW 2001
info@fnarena.com

Your editor:
Rudi Filapek-Vandyck

Your dedicated team of journos:
Danielle Ecuyer, Greg Peel &
Mark Woodruff

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AUSTRALIA

The Market In Numbers - 28 Mar 2026

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	28 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
NZ50	12935.390	-0.42%	-5.74%	-4.52%	-4.52%	2.64%
All Ordinaries	8712.80	0.98%	-7.66%	-3.43%	-3.43%	-0.69%
S&P ASX 200	8516.30	1.04%	-7.42%	-2.27%	-2.27%	-0.30%
S&P ASX 300	8444.00	0.99%	-7.59%	-2.75%	-2.75%	-0.36%
Communication Services	1682.10	-0.39%	-1.84%	-3.37%	-3.37%	-9.22%
Consumer Discretionary	3406.70	1.84%	-7.77%	-14.68%	-14.68%	-17.77%
Consumer Staples	12529.10	0.24%	0.14%	7.84%	7.84%	3.39%
Energy	11242.30	0.86%	17.21%	34.39%	34.39%	29.59%
Financials	9475.30	-0.77%	-4.84%	1.49%	1.49%	-0.56%
Health Care	28010.50	1.74%	-6.18%	-17.11%	-17.11%	-32.67%
Industrials	7893.70	1.13%	-8.56%	-6.31%	-6.31%	-5.11%
Info Technology	1561.10	-4.77%	-12.36%	-27.53%	-27.53%	-46.18%
Materials	21457.20	4.57%	-15.33%	1.59%	1.59%	35.31%
Real Estate	3272.10	-0.73%	-11.34%	-17.50%	-17.50%	-16.07%
Utilities	10387.20	3.36%	2.62%	7.55%	7.55%	13.63%
A-REITs	1506.90	-0.81%	-11.37%	-17.47%	-17.47%	-15.86%
All Technology Index	2553.00	-1.92%	-10.43%	-24.83%	-24.83%	-36.87%
Banks	4227.10	-2.07%	-5.62%	3.90%	3.90%	5.08%
Gold Index	15748.30	-0.43%	-28.01%	-15.66%	-15.66%	36.26%
Metals & Mining	7409.30	4.44%	-15.53%	1.96%	1.96%	41.92%

The World

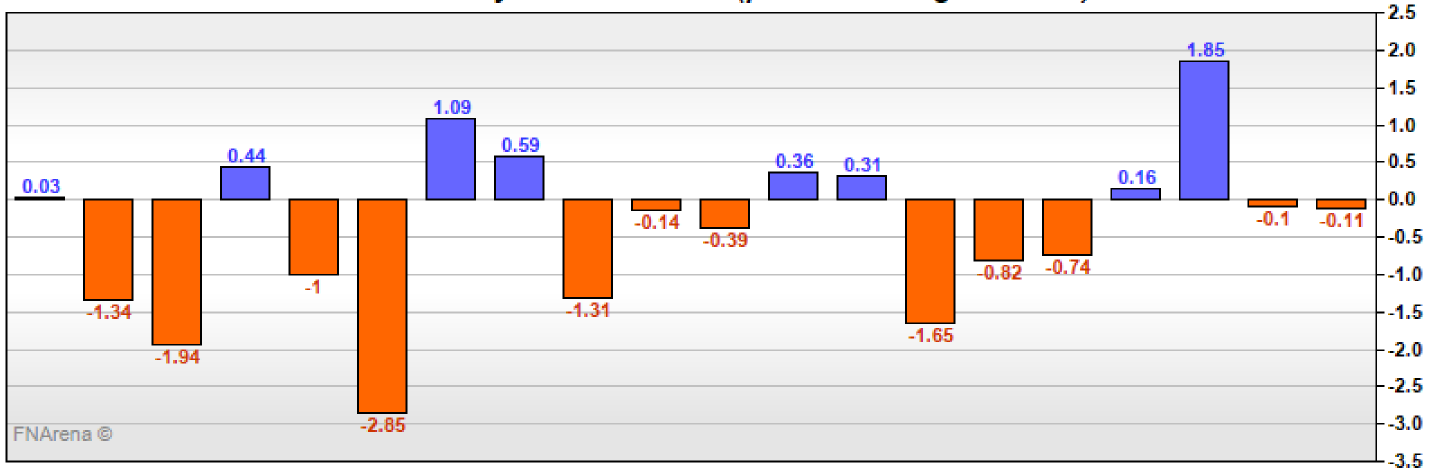
Index	28 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
FTSE100	9967.35	0.49%	-8.64%	0.27%	0.27%	13.77%
DAX30	22300.75	-0.35%	-11.80%	-8.94%	-8.94%	-6.73%
Hang Seng	24951.88	-1.29%	-6.30%	-3.49%	-3.49%	3.65%
Nikkei 225	53373.07	0.00%	-9.31%	6.03%	6.03%	31.83%
NZ50	12935.390	-0.42%	-5.74%	-4.52%	-4.52%	2.64%
DJIA	45166.64	-0.90%	-7.78%	-6.62%	-6.62%	2.43%
S&P500	6368.85	-2.12%	-7.41%	-7.65%	-7.65%	2.64%
Nasdaq Comp	20948.36	-3.23%	-7.59%	-10.55%	-10.55%	2.84%

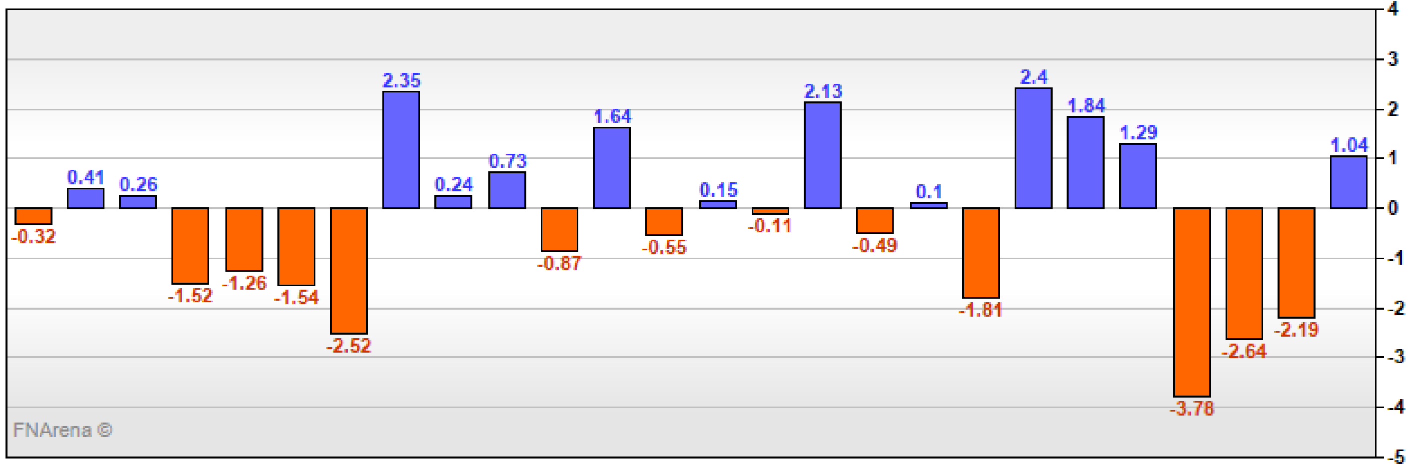
Metals & Minerals

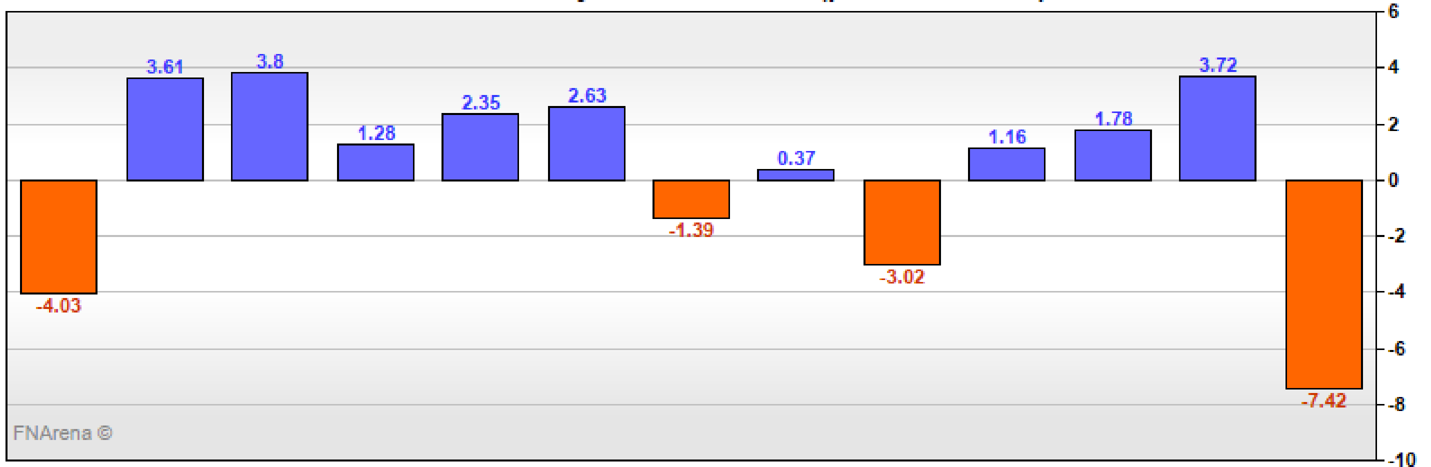
Index	28 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
Gold (oz)	4407.50	-5.40%	-15.48%	0.48%	0.48%	33.47%
Silver (oz)	68.13	-6.48%	-23.33%	-12.57%	-12.57%	88.18%
Copper (lb)	5.4703	-0.91%	-9.35%	-3.73%	-3.73%	7.36%
Aluminium (lb)	1.4741	0.21%	3.20%	10.21%	10.21%	25.01%
Nickel (lb)	7.8569	1.97%	-2.42%	4.93%	4.93%	15.21%
Zinc (lb)	1.4007	0.52%	-8.47%	0.51%	0.51%	10.95%
Uranium (lb) weekly	82.70	-3.27%	-7.60%	0.85%	0.85%	5.15%
Iron Ore (t)	106.14	0.47%	7.18%	-0.92%	-0.92%	12.33%

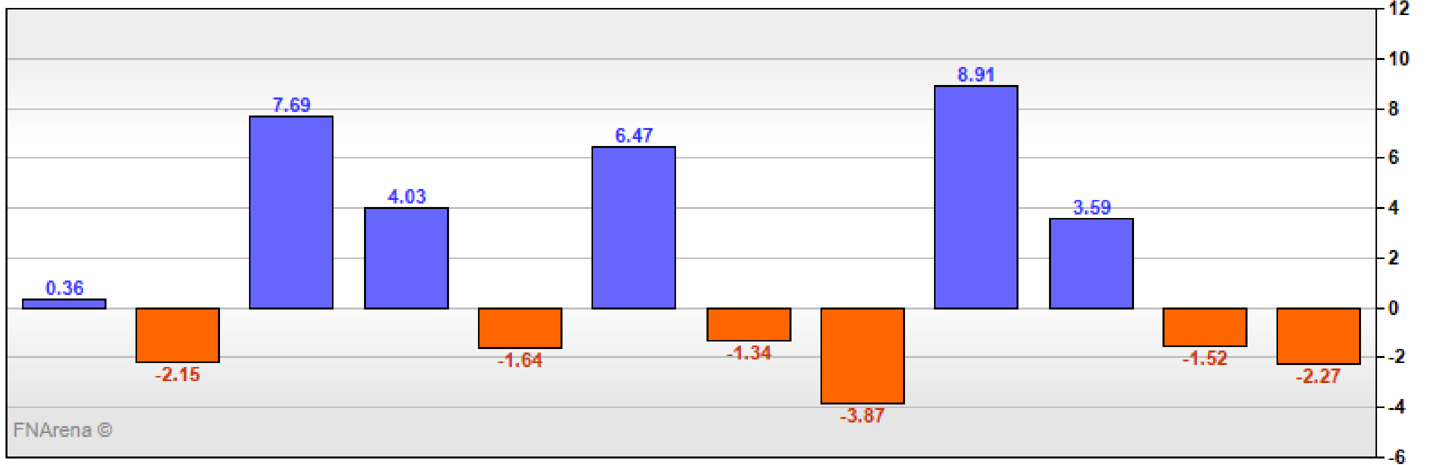
Energy

Index	28 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
West Texas Crude	93.71	-0.93%	43.31%	63.20%	63.20%	43.03%
Brent Crude	100.89	-6.31%	42.10%	65.80%	65.80%	51.03%









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

The Defensive Proposition Of Sigma Healthcare

In a turbulent market, Sigma Healthcare could prove a defensive alternative driven by Chemist Warehouse's value offering and the company's international growth.

- **Sigma Healthcare's solid first half overshadowed by war in the Middle East**
- **Chemist Warehouse a defensive retail business**
- **Store numbers growing in New Zealand, Ireland and the UAE**
- **Analysts are net positive in the current environment**

By Greg Peel

Sigma Healthcare offers a defensive profile, merger synergies and ongoing international expansion

At the end of February, Sigma Healthcare ((SIG)) posted a first half FY26 result which was generally seen as very solid, albeit in line with consensus expectations.

Underlying earnings rose 18.7% year on year, revenue was up 14.9%, Chemist Warehouse (CW) like-for-like sales rose 15.0%, and international like-for-like sales were up 11.1%.

Twelve new stores were added internationally (New Zealand, Ireland, UAE), taking the total to 97.

Analysts stated the result underscored the strength of the merged group and the scalability of its integrated healthcare model. The standout driver was the continued expansion and performance of the CW network.

Australian CW-branded store sales growth reflected the appeal of the CW value proposition, strong customer engagement and benefits of GLP-1 uptake.

Valuation was the problem, for some. Despite the solid result, Morgans downgraded to Accumulate from Buy while Macquarie, Citi and Bell Potter stuck with Hold or equivalent ratings. UBS and Morgan Stanley retained their Buy-equivalent ratings.

Sigma's share price has fallen ever since, but through no fault of the company itself. Sigma reported its result on February 27. On February 28, Trump bombed Iran.

Defensive

The ongoing impact of the war on the Australian market in general remains unclear in the ever-changing landscape. As I write, the ASX200 is down over -1%, again, and oil prices are continuing to rise.

Earlier this month, Ord Minnett published a report noting the broker continues to see Australian Healthcare as a key defensive exposure against a backdrop of volatile global markets, riven by geopolitical tensions, supply-chain disruptions and other macro pressures.

Ord Minnett's key picks are Regis Healthcare ((REG)), Integral Diagnostics ((IDX)) and Sigma Healthcare, highlighting Sigma's multiple growth levers and high incremental margins.

On Monday morning, RBC Capital noted Sigma is Australia's largest pharmacy franchisor and full-line pharmaceutical wholesaler. CW is a "category killer", RBC suggests, with a market-leading retail network, supported by a national wholesale and distribution platform.

Sigma's above-market growth is underpinned by tailwinds in the health & beauty market. The pharmaceutical, cosmetic and toiletry goods retail segments rose 8.5% in FY25. Increased focus on health and beauty and an ageing population should continue to drive outsized category growth over the medium-term, in RBC's view.

RBC believes CW's position as a value disruptor with an aggressive lowest price guarantee positions it well to take share, particularly with value-conscious consumers and constrained household budgets following back-to-back rate hikes and a circa 30% increase in fuel prices (to date).

While soaring fuel prices may drive consumers to seek the lowest prices, Ord Minnett sees the pharmaceutical wholesalers, including Sigma, and the pathology providers as most exposed to higher fuel prices and ongoing supply disruptions.

The broker notes these businesses have freight and logistics operations (eg medicine supply, sample transportation) that suggest a limited ability to pass on input costs near-term.

Ord Minnett also took the opportunity to lower sector target prices due to rising capital costs as the Australian ten-year bond yield rises, including the impact of two RBA rate hikes.

Solid Growth

It is RBC Capital's view Sigma offers the combination of

1) market leading, vertically integrated scale in a growing, defensive industry, driving an unbeatable domestic value proposition,

2) attractive, capital-light unit growth profile driving strong incremental return on invested capital uplift,

3) margin growth drivers including $100m synergies post the CW merger by FY29, operating leverage, private label penetration and improved supplier terms.

These factors drive RBC's forecast earnings compound annual growth rate of 14.8% over FY25-28.

Aside from the value proposition of CW, RBC highlights Sigma's international growth potential. Since entering the New Zealand market in November 2017, Sigma has added an average of nine stores per year to FY25, reaching more than $1bn in network sales, with scope to continue growing.

The company is seeking to replicate this success offshore in Ireland and Dubai. These markets are currently very early stage, and RBC notes the presence of well capitalised competitors with established brand recognition.

Australian like-for-like sales have outperformed international since the first half FY25, and the associated 17% growth in general and administrative expenses in the first half FY26 highlights some of the potential costs associated with an international expansion.

To that end, while the domestic growth setup is promising, the very early stage nature of the international segment (ex-New Zealand), related party risks, and elevated valuation drive RBC Capital to initiate coverage of

Sigma Healthcare with a Sector Perform rating.

Ord Minnett, meanwhile, has upgraded its rating to Buy from Accumulate.

Morgans sits on Accumulate, which is one rung below Buy on its five-tier rating systems. However, for the purpose of a simple Buy-Hold-Sell scale, FNArena aggregates Accumulate as Buy.

On that basis, of the seven brokers monitored by FNArena covering Sigma Healthcare, four have Buy or equivalent ratings and three have Holds.

The consensus price target among these brokers is $3.23.

Outside of daily monitoring, Jarden upgraded to Buy post the release of interim financials, with a price target of $3.60.

RBC's Sector Perform rating comes with a target of only $2.50.

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AUSTRALIA

ASIC Watch: Record $350m Penalty Haul Signals Litigation Super-Cycle

Ahead of incoming Chair Sarah Court assuming her role on June 1, ASIC's actions already reflect a fundamental shift in the regulator's philosophy and approach.

- ASIC's litigation-led enforcement super-cycle led to record high penalties in H2 2025
- $583M in remediation and refunds delivered to tens of thousands of Australians
- Record $349.8m in civil penalties
- Companies with comprehensive compliance manuals but dysfunctional cultures, flawed systems, or inadequate oversight face material financial consequences

By Valery Prihartono

ASIC Watch: FNArena is keeping a watchful eye over the ins & outs of the financial sector regulator in Australia

This story features ANZ BANKING GROUP, THE STAR ENTERTAINMENT GROUP, CBUS, MACQUARIE GROUP, PLATINUM ASSET MANAGEMENT, NETWEALTH GROUP, and record-breaking enforcement outcomes.

The transition into 2026 has marked the formal commencement of a litigation-led enforcement super-cycle, with ASIC securing a record $349.8m in court-ordered civil penalties in the second half of 2025 -- the highest six-monthly total in the agency's history.

- Record $349.8m in civil penalties secured in H2 2025, highest in ASIC history
- ANZ Bank ((ANZ)) faces -$250m combined penalty, the largest ever against a single entity
- $583M in remediation and refunds delivered to tens of thousands of Australians
- Record $349.8m in civil penalties secured in H2 2025, highest in ASIC history
- 14-year jail sentence for Chris Marco; the highest ever from an ASIC investigation
- Cbus ordered to pay -$23.5m penalty exceeding trustee's annual revenue

The Anatomy of a Record Enforcement Haul

The record $349.8m in civil penalties reflects a fundamental shift in ASIC's regulatory philosophy under incoming Chair Sarah Court, who assumes the role on June 1, 2026.

The regulator has moved decisively away from administrative settlements toward high-stakes courtroom outcomes.

Deputy Chair Sarah Court has noted that ASIC has doubled the number of new investigations and nearly doubled the number of new matters filed in court compared to the previous year.

This litigation super-cycle is headlined by massive institutional penalties demonstrating that "substance over form" has become the primary enforcement metric.

For investors, the message is clear: comprehensive compliance manuals provide no defense if underlying systems, cultures, or pricing engines prove dysfunctional.

The enforcement outcomes demonstrate material financial consequences for governance failures regardless of documentation quality.

ANZ Bank: The $250m Template for Institutional Liability

The enforcement wave is headlined by the Federal Court's order requiring ANZ Banking Group to pay a combined -$250m in penalties for widespread misconduct and systemic risk failures -- the largest combined penalty ever secured against a single entity.

The ANZ case provides a definitive blueprint for how non-financial risk triggers material financial liabilities. The misconduct spanned four separate proceedings across both Institutional and Retail divisions.

Institutional Market Failures: $135m

The most serious component involved ANZ's unconscionable conduct while acting as joint lead manager for a $14bn Australian Government bond transaction.

The Federal Court found ANZ sold significant volumes of 10-year Australian bond futures in a manner placing downward price pressure on the bonds, effectively denying the Australian Government the opportunity to protect the public interest.

For this "inexcusable" conduct, the court imposed a record -$80m penalty for unconscionable conduct alone, with total institutional penalties reaching -$135m when combined with related market manipulation findings.

The case establishes that investment banks operating in government bond markets face severe consequences when trading activities conflict with public interest obligations. ANZ's institutional reputation has been materially damaged beyond the direct financial penalty.

Retail Banking Failures: $115m

The retail failures proved equally damaging to ANZ's reputation and balance sheet:

Interest Rate Failures ($40m):

ANZ Bank was fined -$40m for failing to pay promised interest rates on savings accounts to tens of thousands of customers. The systematic nature of these failures --occurring over extended periods affecting large customer cohorts-- demonstrated control deficiencies in core banking systems.

Deceased Customer Fees ($35m):

The bank paid -$35m in penalties for failing to refund fees charged to thousands of deceased customers'

accounts. This failure continued after customer deaths were known to the bank, indicating inadequate systems preventing fee charges on deceased estates.

Hardship Notice Failures ($40m):

Perhaps most damaging from a social license perspective, ANZ was fined 0$40m for failing to respond to nearly 500 customer hardship notices in the required timeframes. Some vulnerable customers waited over two years for responses during periods of financial stress.

This systematic failure to assist customers experiencing hardship --a fundamental banking obligation-- demonstrates governance breakdown at the intersection of technology, training, and culture.

Investment Implications: The "ANZ Precedent"

For investors across the banking sector, the ANZ enforcement establishes several critical precedents:

Basic Banking Carries Million-Dollar Risk: The interest rate and hardship notice failures weren't sophisticated financial engineering - they were fundamental banking operations. If ANZ can incur -$40m penalties for interest rate miscalculations and hardship response delays, every retail bank faces similar exposure.

Legacy Systems Are Liabilities: Many retail bank penalties stem from inadequate systems unable to manage basic customer obligations at scale. Banks with aging technology infrastructure face elevated regulatory risk requiring defensive technology investment.

Compliance Integration Matters: The breadth of ANZ's failures --spanning institutional markets, retail products, deceased estates, and hardship processes-- indicates compliance deficiencies across organizational silos. Banks with fragmented compliance functions face similar multi-front exposure.

Reputational Damage Exceeds Penalties: The -$250m represents only direct court costs. ANZ faces ongoing customer acquisition challenges, elevated regulatory supervision, compressed management attention to remediation, and potential shareholder litigation.

For ANZ Bank shareholders specifically, the enforcement creates multi-year headwinds through elevated compliance spending, remediation costs, and reputational damage affecting market share growth.

The bank requires several years of demonstrating a reformed culture and systems before regulatory relationships normalise.

Superannuation Under Scrutiny: The Cbus Penalty

The trustee for the Cbus superannuation fund was ordered to pay -$23.5m for serious failures in processing death benefits and insurance claims, impacting over 7,000 members.

This penalty is remarkable because it exceeds the $18.5m in revenue the trustee reported for the 2024 financial year.

The Death Benefit Processing Breakdown

The Federal Court found that for significant periods in 2023, nearly half of all outstanding death claims had been unresolved for longer than a year. This caused "serious and unacceptable consequences" for grieving families waiting for financial support during difficult periods.

The systematic nature of the failures --affecting thousands of members over extended periods-- demonstrated control deficiencies in fundamental superannuation trustee obligations. Processing death benefits and insurance claims represents a core fiduciary duty; extended delays indicate governance breakdown.

Penalty Exceeding Revenue: The New Deterrence Standard

The court's decision to impose penalties exceeding the trustee's annual revenue represents a significant escalation in superannuation enforcement. This establishes that penalties must be sufficiently punitive to deter even the largest industry funds from governance failures.

For superannuation trustees, the penalty calculation ignored revenue constraints and focused instead on:

- Seriousness of member harm (families waiting years during grief)
- Scale of failures (over 7,000 members affected)
- Duration of non-compliance (years of systematic delays)
- Deterrence requirements (preventing similar failures industry-wide)

Investment Implications for the Superannuation Sector

The Cbus enforcement carries material implications across the superannuation industry:

Operational Metrics Become Material Risk: Death benefit and insurance claim processing times --previously regarded as operational details-- now represent material regulatory risk. Funds with poor processing metrics face enforcement exposure.

Industry Fund Scrutiny Intensifies: Cbus operates as an industry fund with union governance representation. The enforcement demonstrates ASIC will pursue material penalties against industry funds with equal intensity as retail or corporate funds.

Member Communication Obligations: Beyond processing delays, the court emphasised failures to adequately communicate with members about claim status. Funds must invest in member communication systems alongside claim processing improvements.

Trustee Revenue No Longer Ceiling: The penalty exceeding revenue establishes that financial capacity doesn't limit penalty amounts. Trustees cannot assume penalties will be calibrated to revenue or profitability -- they may exceed both.

For members of superannuation funds, the Cbus case reinforces the importance of:

- Reviewing fund operational performance metrics beyond investment returns
- Monitoring claim processing statistics disclosed in annual reports
- Considering operational quality when selecting funds, not just fees and returns
- Escalating unresolved claims to trustees and regulators when appropriate

Platform Liability: The $422m Remediation Bill

Beyond court-imposed penalties, ASIC oversaw the delivery of $583m in remediation and refunds in late 2025. This figure was dominated by court-enforceable undertakings from major platform providers for failed investment products:

Macquarie's $321m Shield Remediation

Macquarie Group ((MQG)) committed to paying -$321m to investors in the collapsed Shield Master Fund. The remediation reflects Macquarie's role as a platform provider distributing Shield products to retail investors.

The massive remediation amount demonstrates that platform providers bear substantial financial consequences when products they distribute fail, even when the platform didn't manufacture the product or provide advice regarding it.

Netwealth's $101m First Guardian Remediation

Netwealth Group ((NWL)) committed to paying -$101m to First Guardian Master Fund investors following that fund's collapse. Similar to Macquarie, Netwealth operated as a platform provider enabling investor access to the failed product.

The Gatekeeper Liability Evolution

The combined $422m in platform remediation establishes critical precedents for the platform business model:

Distribution Creates Liability: Platforms cannot treat themselves as passive infrastructure merely connecting investors with products. The act of making products available on platforms creates gatekeeper obligations and potential liability for product failures.

Due Diligence Is Mandatory: Platforms must conduct rigorous ongoing due diligence on products offered, not just initial inclusion reviews. The Shield and First Guardian collapses involved deteriorating performance over time; platforms must monitor and act on warning signs.

Remediation Exceeds Revenue: For some platform providers, these remediation amounts exceed annual platform revenue from affected products. The financial exposure from gatekeeper failures can dwarf the income generated from product distribution.

Investment Implications for Platform Providers

The platform remediation wave creates material risks for listed platform businesses:

Business Model Viability Questions: If platforms must remediate investors when distributed products fail --potentially for amounts exceeding platform revenue from those products-- the risk-return profile of platform models requires reassessment.

Product Range Rationalisation: Platforms will likely narrow product ranges, excluding higher-risk offerings where due diligence costs and potential liability exceed revenue opportunity. This may reduce platform differentiation and competitive advantage.

Insurance and Capital: Platforms require either insurance coverage for gatekeeper liability or elevated capital reserves to absorb potential remediation costs. Both approaches compress returns on equity.

Ongoing Due Diligence Costs: Platforms must invest in continuous product monitoring systems and teams, creating permanent compliance cost increases, reducing margin potential.

For investors in platform providers like HUB24 ((HUB)), Netwealth, and Praemium ((PPS)), the Shield and First Guardian remediations demand reassessment of:

- Product mix risk profiles and concentration in higher-risk products
- Due diligence framework adequacy and ongoing monitoring capabilities
- Insurance coverage for gatekeeper liability
- Management discussion of how platform obligations are evolving
- Capital adequacy for potential future remediation requirements

Criminal Accountability: Record 14-Year Sentence

While multi-million dollar institutional fines dominate headlines, individual criminal prosecutions demonstrate that serious financial misconduct leads to imprisonment, not just corporate penalties.

Chris Marco: 14 Years for $34m Fraud

West Australian fraudster Chris Marco received a 14-year prison sentence; the highest sentence ever resulting from an ASIC criminal investigation. Marco was found guilty of 43 counts of fraud totaling more than $34m.

Operating an unregistered managed investment scheme, Marco built trust with investors over the years before systematically misappropriating their funds.

The fraud involved sophisticated deception, maintaining false returns and fabricated reports while diverting investor money for personal use.

The severity of the sentence --14 years with a 12-year non-parole period-- signals that the "soft" period of sentencing for financial crime has ended.

Courts are now imposing custodial sentences commensurate with the seriousness of financial fraud and harm to

victims.

Rodney Forrest: 6 Years for Platinum Insider Trading

Former Platinum Asset Management ((PTM)) investment manager Rodney Forrest was sentenced on January 23 to six years in prison for insider trading and procuring others to trade.

Forrest admitted to secretly accessing the computer of the chairman of Regal Partners to photograph a confidential pitch deck regarding a takeover bid for Platinum.

He then traded on the information, generating over $300,000 in profit while procuring associates to trade as well.

Investigation Velocity Increases

Critically for market integrity, ASIC's new specialist insider trading team completed the Forrest investigation and secured a jail term in just over a year; a significant acceleration of the "crime to jail time" pipeline.

The rapid investigation demonstrates ASIC's enhanced capability to:

- Detect suspicious trading patterns around material corporate events
- Obtain warrants and evidence quickly from technology systems
- Build prosecution-ready cases efficiently
- Secure guilty pleas or convictions without extended trials

Personal Accountability Implications

The custodial sentences create material deterrence for financial misconduct:

Fraud Severity Recognition: The 14-year Marco sentence establishes the courts' view of financial fraud as a serious crime warranting extended imprisonment, not white-collar leniency.

Insider Trading Consequences: Six years imprisonment for a $300,000 profit demonstrates insider trading carries severe personal consequences disproportionate to gains. The deterrence effect extends beyond monetary penalties.

Professional Reputation Destruction: Both Marco and Forrest face permanent professional exclusion beyond imprisonment. No financial services career survives fraud or insider trading convictions.

Elevated D&O Risk: Directors and officers at listed companies face increasing personal accountability risks requiring robust compliance frameworks and personal trading policies.

The Star Case: Drawing the Board-Management Liability Line

The Federal Court's March 5 ruling in The Star Entertainment Group ((SGR)) case provides definitive guidance on where board liability ends and executive accountability begins.

Board Exoneration

The court dismissed ASIC's case against seven former non-executive directors, finding they were entitled to rely on management to report material irregularities and risks.

The directors received management assurances that operations complied with regulatory requirements and had no reason to disbelieve those representations.

This exoneration establishes that boards meeting reasonable oversight standards --including questioning management, reviewing reports, and seeking expert advice-- won't face personal liability for executive failures to escalate critical information.

Executive Liability

Conversely, the court found former CEO Matthias Bekier and former Chief Legal Officer Paula Martin breached their statutory duties by failing to properly inform the board of material risks:

China Union Pay Risks: The executives failed to adequately disclose risks involving China Union Pay cards, which facilitated over $900m in prohibited transactions. Management knew of regulatory concerns but provided inadequate board reporting.

Suncity Junket Risks: Similar failures occurred regarding risks associated with the Suncity junket operations, where management possessed material risk information not properly escalated to the board.

The Liability Distinction

The Star ruling creates a clear framework for corporate liability:

Board Protected When:

- Directors ask probing questions and seek clarifications
- Management provides assurances about compliance and risk management
- Directors seek expert advice when appropriate
- No obvious red flags suggest management dishonesty

Executives Liable When:

- They possess material risk information not disclosed to the board
- They provide incomplete or misleading assurances about compliance
- They fail to escalate significant regulatory or operational risks
- They actively withhold information from governance oversight

Investment Implications

For investors, the Star case provides a framework for evaluating governance risk:

Executive Turnover as Red Flag: Companies experiencing frequent senior executive departures --particularly Chief Risk Officers or Chief Legal Officers-- may indicate executives facing pressure to withhold information from boards or disagreeing with risk management approaches.

Board Independence and Skepticism: Boards that demonstrably challenge management, seek independent verification, and maintain healthy skepticism deserve premium valuations. Boards appearing to rubber-stamp management proposals face elevated risk.

Whistleblower Framework Quality: Companies with robust whistleblower policies and evidence of anonymous concerns reaching boards demonstrate appropriate escalation channels bypassing management filters.

Disclosure Quality: Voluntary disclosure of near-misses, emerging risks, and compliance challenges indicates management is willing to escalate issues to boards and investors. Companies only disclosing problems after regulatory intervention suggest management information filtering.

For The Star specifically, the finding of executive liability while the board escapes creates ongoing governance challenges. The company must rebuild board-management trust while facing continued regulatory supervision and operational restrictions from gaming authorities.

Pricing Integrity: The Budget Direct Case

ASIC's 2026 enforcement priorities include "pricing governance" aimed at protecting consumers from misleading pricing practices under cost-of-living pressure.

On February 27, ASIC launched legal action against Auto & General (Budget Direct), alleging 39,000 customers were deprived of promised online discounts worth $3.3m.

The Discount Trap Mechanism

The alleged misconduct involved removing advertised discounts of up to 30% if customers made minor policy amendments --such as address changes-- during the first policy year. The "trap" meant customers who:

- Received quotes with prominent discount advertising
- Purchased policies expecting ongoing discount benefits
- Made routine policy adjustments during the year

...lost their discounts entirely without clear notification, resulting in materially higher premiums than expected.

Management Awareness

ASIC alleges senior staff were aware of the technical glitch as early as 2016 but failed to fix it, leaving tens of thousands of customers paying higher premiums for years.

This extended awareness period without remediation elevates the seriousness from system error to deliberate non-correction of customer harm.

Pricing Governance Implications

The Budget Direct case establishes several enforcement principles for pricing integrity:

Advertised Prices Must Be Honored: Discounts featured prominently in advertising and customer acquisition must be delivered as promised. Technical system limitations don't excuse failing to provide advertised benefits.

Policy Changes Can't Trigger Hidden Penalties: Routine policy amendments (address changes, vehicle changes) can't trigger discount removal without clear disclosure and customer consent to pricing changes.

Extended Non-Remediation Aggravates Liability: Management awareness of pricing errors without prompt correction transforms technical glitches into conduct violations. The longer problems persist without remediation, the more serious the enforcement consequences.

Customer Communication Obligations: When pricing changes occur --even from technical issues-- customers require clear notification and explanation. Silent removal of discounts or benefits violates consumer protection obligations.

Sector-Wide Implications

The pricing governance focus extends beyond Budget Direct to the broader insurance sector and consumer financial services:

General Insurers: Insurance Australia Group ((IAG)), Suncorp Group ((SUN)), and QBE Insurance ((QBE)) all operate complex pricing engines with discounts, loadings, and adjustments. Each faces scrutiny, ensuring advertised pricing is accurately delivered and maintained.

Banks: Transaction account fees, credit card interest calculations, and loan pricing all involve complex systems vulnerable to similar technical errors. Banks must verify pricing accuracy and promptly remediate when errors are identified.

Consumer Credit: Buy-now-pay-later providers and consumer lenders with promotional rates, fee waivers, or discount programs face identical obligations ensuring advertised benefits are delivered.

The common thread is that pricing complexity --often designed to enable personalisation and competitive positioning-- creates execution risk.

Systems must accurately implement pricing decisions, and monitoring must detect errors quickly for prompt remediation.

AI Governance Warning: The Agentic Threat

At the March 4 ASIC Symposium, Chair Joe Longo issued urgent warning regarding "agentic AI" -- autonomous

tools capable of planning and executing tasks without human instruction.

The 6,900% Surge

ASIC's telemetry confirms agentic traffic increased by over 6,900% in just eight months of 2025.

This explosive growth indicates scammers are rapidly adopting AI agents to create sophisticated investment fraud that adapts to victim behavior in real-time.

How Agentic Scams Work

Traditional scams required human operators to:

- Create fake investment websites manually
- Respond to victim inquiries individually
- Maintain consistent messaging across interactions
- Scale operations by recruiting additional scammers

Agentic AI eliminates these constraints:

Automated Legitimacy: AI systems create professional-looking investment portals, complete regulatory documents, generate fake performance reports, and maintain brand consistency without human effort.

Behavioral Adaptation: AI analyzes victim responses --hesitation, questions, objections-- and automatically adjusts messaging to address concerns and exploit identified psychological vulnerabilities.

Massive Scale: Single operators using AI agents can manage thousands of simultaneous victim interactions, creating scam operations that would previously require large teams.

Sophisticated Personalisation: AI agents customise investment pitches based on victim demographics, stated interests, risk tolerance, and behavioral cues from interactions.

Corporate Governance Obligations

Longo's warning emphasised boards and executives will be held responsible for ensuring "guardrails" for autonomous AI tools are as robust as those for human staff.

This creates new governance obligations for companies deploying AI:

AI Usage Inventory: Boards must understand where AI agents are deployed across the organization, what tasks they perform, and what risks they create.

Guardrail Framework: AI agents require constraints preventing:

- Making unauthorized financial commitments
- Providing unsuitable product recommendations
- Generating misleading claims or disclosures
- Accessing or sharing confidential information inappropriately

Monitoring and Oversight: Human supervision of AI agent activities, including:

- Regular audits of AI-generated communications and decisions
- Exception reporting when AI agents encounter scenarios outside parameters
- Escalation procedures when AI behavior appears problematic

Liability Framework: Clear policies establishing that companies remain liable for AI agent actions as if performed by human employees. AI doesn't create liability shield.

Investment Implications

The agentic AI governance warning creates emerging regulatory risk not yet reflected in enforcement actions:

Technology Governance Maturity: Companies deploying AI without robust governance frameworks face material future enforcement risk. Boards unable to demonstrate AI oversight face escalating accountability.

Cybersecurity Convergence: AI governance and cybersecurity are converging. Scammers using AI agents to impersonate companies or compromise systems create both consumer harm and corporate liability risks.

Insurance and Indemnity: Traditional professional indemnity and cyber insurance may not adequately cover AI-generated misconduct. Companies require policy reviews to ensure AI risks are covered.

Competitive Dynamics: Companies reluctant to deploy AI (due to governance concerns) may face a competitive disadvantage against peers moving faster. However, aggressive AI adoption without adequate guardrails creates regulatory risk potentially exceeding competitive benefits.

Integrity Infrastructure Enforcement

Beyond high-profile institutional cases, ASIC continues pursuing the "plumbing" of the financial system; auditors, liquidators, and financial advisors whose failures create systemic consequences:

BDO Audit-Dubber Corp Litigation

ASIC's civil penalty proceedings against BDO Audit (WA) and director Dean Just continue, alleging materially false or misleading audit reports for ASX-listed Dubber Corp ((DUB)) between FY20 and FY22.

The case involves $26.6m in funds purportedly held in trust that allegedly passed through three years of audits without adequate verification or identification of inconsistencies.

When auditors fail to detect material misstatements of this magnitude, consequences cascade through capital markets as investors make decisions based on unreliable information.

Sunny Prakash Charges

Brisbane financial advisor and SMSF auditor Sunny Prakash was charged on March 6 with misappropriating over $4.9m from clients over an eight-year period.

The charges allege systematic theft from clients who trusted Prakash with financial advice and SMSF auditing responsibilities.

The dual role as advisor and auditor created obvious conflicts enabling misconduct to continue undetected.

Maximum Director Disqualifications

ASIC has disqualified New South Wales director Claudio Criniti and Victorian property director Kylie Jane Campbell for the maximum five-year period each following the collapse of multiple companies owing millions to creditors.

The maximum disqualifications indicate serious misconduct in corporate management, leading to creditor losses.

Directors facing maximum bans typically exhibited some combination of:

- Trading while insolvent, accumulating debts unlikely to be repaid
- Failing to maintain proper books and records
- Misusing corporate funds for personal benefit
- Failing to cooperate with liquidators or ASIC investigations

Why Integrity Infrastructure Matters

These "sideline" enforcement actions matter for listed company investors because:

Audit Quality Affects Valuations: The BDO/Dubber litigation demonstrates that even major audit firms can miss material misstatements. When audit failures eventually emerge, listed companies face share price

collapses as financial statements are questioned.

Advisor Misconduct Creates Contagion: The Prakash case exemplifies how financial advisor fraud erodes trust in the broader advice industry, affecting banks and wealth managers who employ advisors or receive referrals from advice networks.

Director Standards Protect Creditors: Rigorous director accountability creates incentives for proper governance, reducing corporate collapses that destroy shareholder value and creditor recoveries.

The common thread is that failures in financial system infrastructure --auditors, advisors, directors-- create risks ultimately borne by investors in listed companies exposed to those failures through audit relationships, advice channels, or counterparty dependencies.

Conclusion: The $350m Enforcement Regime Shift

The record $349.8m in civil penalties secured in the second half of 2025 represents a fundamental regime shift in Australian financial services regulation, not a temporary enforcement spike.

Under incoming Chair Sarah Court's litigation-led approach, courtroom outcomes have replaced administrative settlements as the primary enforcement mechanism.

For investors, this transition creates clear strategic imperatives heading into the remainder of 2026 and beyond.

The Litigation Super-Cycle is Accelerating

ASIC has doubled new investigations and nearly doubled court filings compared to the previous year. The $350m penalty record will likely be broken again as current investigations mature into enforcement actions over the coming quarters.

The enforcement pipeline includes pending cases against major institutions, ongoing auditor accountability litigation (BDO/Dubber), and sector-wide reviews of pricing practices and product distribution.

Companies appearing in this pipeline face multi-year earnings headwinds from legal costs, remediation provisions, and reputational damage.

Sarah Court's formal appointment as Chair on June 1, 2026 will likely intensify rather than moderate this enforcement velocity.

Her track record as Deputy Chair demonstrates commitment to "more investigations, more actions, and stronger outcomes" -- a pledge being delivered with material financial consequences.

Clear Investment Positioning Framework

The enforcement landscape creates sharp differentiation across financial services:

Favor Compliance Leaders and Governance Quality

Companies demonstrating proactive compliance cultures and stable executive teams deserve premium valuations:

- Stable executive tenure: Long-serving Chief Risk Officers and compliance heads indicate governance stability. Recent appointments or frequent turnover signal potential issues requiring management attention.

- Proactive remediation: Companies self-identifying and fix issues before regulatory intervention demonstrate compliance maturity. Look for voluntary customer compensation announcements preceding ASIC action.

- Transparent disclosure: Clear board oversight of operational and compliance risk, with specific metrics reported to investors, indicates governance quality.

- Investment in systems: Companies increasing compliance and technology spending ahead of regulatory requirements are building competitive moats through operational resilience.

Discount Recent Enforcement Targets

Institutions appearing in ASIC enforcement actions face multiple headwinds warranting structural discounts:

- **ANZ's -$250m penalty** establishes that "basic banking" failures carry material financial risk. The bank faces elevated ongoing supervision, compressed management attention, and reputational damage affecting customer acquisition.

- **Cbus's -$23.5m penalty** (exceeding annual trustee revenue) demonstrates super funds can face existential financial penalties. Other funds with poor claims processing metrics face similar exposure.

- **The Star executives' liability** (while the board escaped) creates elevated risk for companies with recent senior management departures or where executives failed to escalate known risks to the board.

Sector-Specific Implications

Different financial services segments face varying enforcement intensity:

Major Banks: ANZ's penalty establishes a template for institutional and retail misconduct prosecution. Monitor for:

- Compliance spending increases in FY26 results (defensive capital expenditure signal)
- Remediation provisions for similar issues at peer banks
- Executive departures, particularly in risk and compliance functions
- Customer complaint metrics and hardship notice processing times

Superannuation Funds: Cbus precedent creates material exposure for funds with:

- Death benefit claims outstanding over 12 months (regulatory red flag)
- Insurance claim processing delays
- Member complaint backlogs
- Weak operational resilience metrics

Fund Platforms: Macquarie's -$321m remediation and Netwealth's -$101m demonstrate that gatekeepers bear costs when platform products fail. Platforms face:

- Enhanced product due diligence requirements
- Potential liability for products they distribute
- Elevated costs from rigorous ongoing monitoring
- Reputational damage from product failures

Asset Managers: The Rodney Forrest (Platinum) insider trading case reinforces personal accountability for investment professionals. Managers must demonstrate:

- Robust personal trading policies and monitoring
- Clear escalation procedures for material non-public information
- Active surveillance of employee and related party transactions

- Board oversight of insider trading risks

Specific Monitoring Metrics for FY26 Results

Investors should track these early warning signals in upcoming financial results:

Remediation Provisions: Watch for companies announcing customer remediation programs or setting aside provisions for potential ASIC-ordered refunds. These often presage formal enforcement actions.

Compliance Spending Growth: Year-on-year increases in compliance, risk, and audit costs significantly exceeding inflation indicate either proactive strengthening (positive if early) or reactive catch-up (negative if following peer announcements or regulatory contact).

Executive Turnover: Departures of Chief Risk Officers, Chief Legal Officers, or compliance executives --particularly if unexplained or part of broader management changes-- often precede enforcement actions becoming public.

Operational Metrics: For banks and insurers, watch customer complaint volumes, hardship notice response times, and claim processing durations. For super funds, monitor death benefit and insurance claim aging. Deterioration signals regulatory risk.

Legal Contingencies: Expanding legal provisions or disclosure of ASIC investigations in notes to financial statements provides advance warning of potential enforcement actions.

The Individual Accountability Era

The 14-year sentence for Chris Marco (the highest ever from ASIC investigation) and 6-year sentence for Rodney Forrest demonstrate that financial crime now carries serious custodial consequences beyond corporate penalties.

For executives and directors, personal accountability has escalated dramatically:

- The Star case establishes that executives bear primary liability for operational misconduct even when boards may be exonerated
- Financial Accountability Regime (FAR) creates additional personal liability for senior executives
- Insider trading investigations have accelerated (Forrest case was completed in just over a year)
- Maximum director disqualifications (5 years) are being applied more frequently

This creates elevated Directors & Officers insurance costs and recruitment challenges for governance and compliance roles. Companies struggling to attract or retain quality risk and compliance executives face structural disadvantages.

Technology and Pricing Governance Emerging Priorities

Two emerging enforcement themes will intensify through 2026:

Pricing Integrity: The Budget Direct case (39,000 customers deprived of $3.3M in promised discounts) establishes that pricing "glitches" carry material liability. Companies with:

- Complex fee structures make comparison difficult
- Frequent pricing adjustments
- Technology-driven pricing engines with limited human oversight
- History of customer complaints about unexpected charges

...face elevated scrutiny. Expect additional pricing governance enforcement across insurance, banking, and consumer finance.

Agentic AI Governance: Chair Longo's warning about 6,900% increase in agentic AI traffic indicates that technology governance is becoming an enforcement priority. Companies deploying AI agents without robust guardrails face both:

- Direct liability if AI systems make unsuitable recommendations or misleading claims

- Cybersecurity vulnerabilities as scammers use AI to create sophisticated fraud

Boards unable to demonstrate AI governance frameworks and oversight face emerging regulatory risk not yet reflected in enforcement actions, but clearly flagged as a priority area.

The Opacity Gap Closes for Private Markets

ASIC's focus on unlisted asset reporting (RG 43 updates) and auditor accountability (BDO/Dubber litigation) means listed companies with material unlisted subsidiaries or holdings face transparency scrutiny.

The $583m in remediation payments (dominated by failed unlisted funds) demonstrates private market failures cascade into listed company balance sheets through:

- Platform provider liability (Macquarie, Netwealth)
- Audit failures (BDO/Dubber)
- Subsidiary governance breakdowns

Investors in listed companies with significant unlisted operations should demand:

- Enhanced disclosure of unlisted asset valuations and methodologies
- Clear subsidiary governance frameworks
- Auditor quality rather than cost-driven selection
- Regular independent valuations of material unlisted holdings

Forward-Looking: What to Expect in 2026

The enforcement landscape for the remainder of 2026 will likely feature:

Continued Penalty Records: The $350m record represents the beginning of the litigation super-cycle, not its peak. Current investigations will mature into additional major enforcement actions.

Sarah Court Leadership Transition: Her June 1 appointment as Chair creates continuity rather than change; expect acceleration of current enforcement approach.

Sector Reviews Generating Actions: Ongoing reviews of private credit, unlisted assets, and pricing practices will generate enforcement actions as reviews conclude and findings are pursued.

Technology Governance Cases: The groundwork laid in 2025 around AI governance will begin materializing in formal investigations and enforcement actions.

Individual Accountability Expansion: More executives facing personal liability through FAR, more insider trading prosecutions, more director disqualifications.

The Investment Opportunity in the Enforcement Cycle

Paradoxically, the intensifying enforcement environment creates investment opportunities for discerning investors:

Quality Premium: Companies with demonstrated compliance cultures and governance maturity will command increasing valuation premiums as enforcement intensity highlights risks at weaker peers.

Consolidation Opportunities: Enforcement-driven capital demands (legal costs, remediation, elevated compliance spending) may force smaller players to exit or consolidate, benefiting well-capitalised leaders.

Competitive Moat Strengthening: High compliance costs create barriers to entry, protecting incumbents with established frameworks from new competition.

Flight to Quality: As enforcement actions generate headlines, customer and investor money flows to institutions with clean regulatory records and strong governance reputations.

Final Assessment: Substance Over Form

The $350m enforcement record and record 14-year criminal sentence represent ASIC's definitive message: substance matters more than form.

Companies with comprehensive compliance manuals but dysfunctional cultures, flawed systems, or inadequate oversight face material financial consequences.

For FNArena readers, the enforcement super-cycle creates a clear imperative: evaluate financial services investments through a governance quality lens rather than traditional financial metrics alone.

The highest ROE or strongest earnings growth means little if achieved through compliance shortcuts that generate future penalties and remediation costs.

The market has begun repricing governance risk, but the adjustment is incomplete. Investors who position ahead of this continuing reprice --favoring compliance leaders, discounting enforcement targets, monitoring key metrics-- can capture alpha while avoiding value destruction from regulatory actions.

The litigation super-cycle is accelerating, not moderating.

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AUSTRALIA

March In Review: Oil Price Up, Shares Down

After the stand out February reporting season, investors were subjected to a 1970's style oil price shock which set a risk-off waterfall of selling across most of the market.

- **The start of US's Epic Fury against Iraq left the ASX200 with only one way to go, down!**
- **Energy and defensive sectors bucked the trend, with previous outperformers sold down heavily**
- **Higher bond yields, an RBA rate hike and rising inflation concerns generated an across the board valuation de-rating**
- **Analysts on the look out for earnings downgrades and commentary ahead of reporting season**

By Danielle Ecuyer

February gains wiped out in March

After the ASX200 notched up a 4.1% total return in February, with an overall volatile but better-than-expected February reporting season, March came like a nasty bolt from the blue.

The start of the Israel/US war with Iran resulted in the closing of the globally vital Strait of Hormuz, and thus a sharp rally in Brent crude, up 63% on the prior month to US$118.4/bbl.

Around 20% of global oil consumption goes through the Strait, and 20-25% of global LNG trade, with the UK, Europe, and Australasia the most impacted, hence the relatively higher rise in Brent crude against its West Texas equivalent over the month.

As highlighted by Morgan Stanley, trading patterns over the month reflected the associated “oil shock”, with 1970s-style fears emerging for those with memories old enough to recall the fuel rationing and stagflation over that decade.

While commentators are not immediately gravitating to the ‘stagflation’ scenario, the longer the Strait is closed, the higher the uncertainty around inflationary shocks becoming more embedded into economies.

Elevated oil prices and the discounting of higher inflation were reflected in Australian and global bond yields rising over the month. The Australian 10-year bond peaked near 5%, which underpinned a repricing of monetary policy expectations.

Higher expected interest rates weighed not only on *“growth sensitive equities”*, as emphasised by Morgan Stanley, but also resulted in a ‘risk-off’ de-rating of stocks and valuations generally.

As identified by Macquarie, a second RBA interest rate hike provided equally a headwind for the domestic market, weighing on sentiment.

The ANZ-Roy Morgan consumer confidence index fell another -4.3 points over March 23-29 to 58.8 points, marking the lowest reading since records began in 1973, beating the previous all-time low recorded in the week prior.

Not surprisingly, weekly inflation expectations rose 0.4 points to 7.3%, while the four-week moving average rose to 6.8% from 6.3%.

The index only tells part of the month's story

Against this backdrop, it is hardly surprising the Australian market declined -7.1% (total return), -7.4% in absolute terms (ex-dividends), with the Financials and Materials accounting together for a circa -560bps drag

on the ASX200, marking a 180-degree reversal from the prior month’s outperformance.

While individual portfolios may have felt more like a brutal bear market, the ASX200 index only lost -2.67% in absolute terms for the quarter.

Looking at the global monthly returns in US dollar terms, the MSCI Australia index fell -10% versus the World at -7.1%, with energy-producing countries USA down -4.9% and Canada down -3.4%.

Heavily oil import-dependent countries, which had also strongly outperformed going into the conflict, notably Japan and South Korea, fell by -10.4% and -25.4%, respectively.

Gold and BHP crashed the Materials party

The Materials sector fell -14.1% in absolute price terms (-13.2% incl dividends), even outpacing the more interest rate sensitive sectors of Real Estate, down -11.34%, and Information Technology, down -12.6%.

The largest index weight, **BHP Group** ((BHP)), was a -125.9bps drag for the month, alongside **National Australia Bank** ((NAB)), **ANZ Bank** ((ANZ)) and **CommBank** ((CBA)).

For Technology, Macquarie notes concerns around ongoing AI disruption risks being compounded by the rise in 10-year bond yields (around 30-35bps over March) and rates rising at the short end.

Both trends are headwinds for valuations of technology and longer duration growth stocks. Shares in **WiseTech Global** ((WTC)) fell -19.9% and **Goodman Group's** ((GMG)) -11.7%.

The sell off in Materials was worsened by the gold sector --the month's worst performer-- down -23.4%.

According to Tony Sycamore at IG, the precious metal declined -11.5% for its worst monthly decline since October 2008 on a stronger US dollar and higher bond yields.

Macquarie calculated gold's fall as -10.8% and stresses the gold price was still up 50% in the last year.

Gold stocks had been major winners for investors prior to the conflict, so the selling was likely enhanced by portfolios selling the winners.

Northern Star Resources ((NST)) proved the weakest performer in the ASX100, down -32%, compounded by management delivering a cut in FY26 guidance.

Unsurprisingly, Energy was the star performer, with the sector up 18.51% (absolute) and 19.2% in total return. These returns remain below gains in West Texas crude (WTI), up 51%, and KJM LNG, up 88% at the start of the US’s Operation Epic Fury.

That difference suggests markets were not pricing in a prolonged conflict, plus companies endure bottom line impacts too, not only revenue benefits.

The Energy sector has notched up a 12-month total return of nearly 49%, offsetting the March decline in Materials and Financials with a positive 79.7-point impact on the ASX200.

Shares in **Viva Energy** ((VEA)), up 47%, led the ASX200 over the month, with **Woodside Energy Group** ((WDS)) shares up 27% as the top performer in the ASX50, adding 52 points, with Santos ((STO)) adding 13.8 points.

Investors rotated to defensive sectors in a risk-off environment

Sectors offering the best defensive positioning included Utilities, up 4.9%, Insurance, up 3.8%, Consumer Staples, up 2.8%, and Telecom, up 2.5%.

Consumer Staples added 5.5 points and Utilities 7.1 points. In terms of individual stocks, Morgan Stanley identifies **Coles Group** ((COL)) adding 8.8 points, **Telstra Group** ((TLS)), 6.2 points, and **Suncorp Group** ((SUN)), 6.2 points.

In contrast, the Healthcare sector, which has historically been viewed as defensive, fell -6.2%, bringing the 12-month total decline to -30.4%, even exceeding Technology's -28% total negative return.

In quant terms, Macquarie explains Value and Growth stocks had similar returns in March, with Momentum the underperformer, down -10.8%.

Small caps, unsurprisingly, underperformed the ASX100 by nearly -5%, with both Momentum and Small caps generally experiencing more selling pressure in market corrections.

Conversely, they are the first to rebound more swiftly when markets move risk-on in recovery mode.

What's on the horizon now?

Strategists have now turned their focus to what's ahead, with UBS noting, when adjusted for inflation, the AUD oil price is not at extreme levels evidenced in the past.

However, this broker also points out the size and the speed of the oil price jump over the last month were "already historic".

The likely outcome is inflation and growth shocks will affect earnings, with downgrades (after a plethora of upgrades in the February reporting season) expected over the next few weeks.

Morgan Stanley is anticipating companies may start updating on reduced expectations from late April onwards.

Some sectors are faster to downgrade, UBS highlights, as suggested by previous cycles, with a "hard stagflationary" environment generating more broad market EPS downgrades.

Interestingly, the UBS strategist has upgraded Healthcare to overweight as the preferred defensive sector when confronted with oil price shocks. That sector is currently trading on a historically cheap valuations.

Morgan Stanley also points to risks around fuel cost pass-throughs and sees the market's double digit earnings growth outlook as likely to come under pressure.

The market is currently forecasting 13.6% earnings growth in FY26 and 10.5% for FY27, meaning the March index decline reflected a compression in valuation rather than earnings, with the forward price to earnings multiple down by around -2 PE points to 16.4 times, which aligns with the 10-year average.

This broker emphasises management commentary in the upcoming quarterly updates and out of cycle company earnings reports will be very important in terms of trying to capture the quantitative impacts on earnings and outlook guidance.

Macquarie's FOMO meter is slightly negative at -0.09 and reached a low of -0.20 in March, with Fear usually measured at -1.0, suggesting a relatively muted response to concerns around the impact of the Iranian conflict.

This broker emphasises the optimal time to Buy stocks is when sentiment is negative, but it is better to Buy risk when sentiment is neutral and not in FOMO territory, such as in January this year.

ASX100 Best and Worst Performers of the month (in %)

Company	Change	Company	Change
TLX - TELIX PHARMACEUTICALS LIMITED	36.60	NST - NORTHERN STAR RESOURCES LIMITED	-32.76
WDS - WOODSIDE ENERGY GROUP LIMITED	23.81	RRL - REGIS RESOURCES LIMITED	-29.56
ALD - AMPOL LIMITED	19.56	CMM - CAPRICORN METALS LIMITED	-25.27
WHC - WHITEHAVEN COAL LIMITED	18.44	WGX - WESTGOLD RESOURCES LIMITED	-24.00
STO - SANTOS LIMITED	17.75	EVN - EVOLUTION MINING LIMITED	-23.88

ASX200 Best and Worst Performers of the month (in %)

Company	Change	Company	Change
VEA - VIVA ENERGY GROUP LIMITED	45.20	IPX - IPERIONX LIMITED	-47.77
YAL - YANCOAL AUSTRALIA LIMITED	41.47	PNR - PANTORO GOLD LIMITED	-42.26
TLX - TELIX PHARMACEUTICALS LIMITED	36.60	DYL - DEEP YELLOW LIMITED	-33.65
KAR - KAROON ENERGY LIMITED	33.33	NST - NORTHERN STAR RESOURCES LIMITED	-32.76
NHC - NEW HOPE CORPORATION LIMITED	25.16	CSC - CAPSTONE COPPER CORP.	-29.80

ASX300 Best and Worst Performers of the month (in %)

Company	Change	Company	Change

VEA - VIVA ENERGY GROUP LIMITED	45.20	IMM - IMMUTEP LIMITED	-87.79
YAL - YANCOAL AUSTRALIA LIMITED	41.47	IPX - IPERIONX LIMITED	-47.77
4DX - 4DMEDICAL LIMITED	39.00	PNR - PANTORO GOLD LIMITED	-42.26
TLX - TELIX PHARMACEUTICALS LIMITED	36.60	LOT - LOTUS RESOURCES LIMITED	-41.78
KAR - KAROON ENERGY LIMITED	33.33	KCN - KINGSGATE CONSOLIDATED LIMITED	-37.59

ALL-TECH Best and Worst Performers of the month (in %)

Company	Change	Company	Change
EIQ - ECHOIQ LIMITED	46.77	NXL - NUIX LIMITED	-36.03
4DX - 4DMEDICAL LIMITED	39.00	WBT - WEEBIT NANO LIMITED	-26.71
ELS - ELSIGHT LIMITED	15.01	APX - APPEN LIMITED	-24.13
TNE - TECHNOLOGY ONE LIMITED	2.95	NVX - NOVONIX LIMITED	-23.94
BVS - BRAVURA SOLUTIONS LIMITED	-1.92	360 - LIFE360 INC	-23.61

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

Australia & NZ

Index	31 Mar 2026	Month Of Mar	Quarter To Date (Jan-Mar)	Year To Date (2026)
NZ50	12912.110	-5.91%	-4.70%	-4.70%
All Ordinaries	8683.90	-7.97%	-3.75%	-3.75%
S&P ASX 200	8481.80	-7.79%	-2.67%	-2.67%
S&P ASX 300	8411.50	-7.95%	-3.12%	-3.12%
Communication Services	1692.30	-1.25%	-2.78%	-2.78%
Consumer Discretionary	3365.90	-8.88%	-15.70%	-15.70%
Consumer Staples	12542.40	0.25%	7.96%	7.96%
Energy	11367.10	18.51%	35.88%	35.88%
Financials	9289.80	-6.71%	-0.50%	-0.50%
Health Care	27724.50	-7.14%	-17.95%	-17.95%
Industrials	7871.00	-8.82%	-6.58%	-6.58%
Info Technology	1556.80	-12.60%	-27.73%	-27.73%
Materials	21769.30	-14.10%	3.07%	3.07%
Real Estate	3272.10	-11.34%	-17.50%	-17.50%
Utilities	10476.90	3.50%	8.48%	8.48%
A-REITs	1507.70	-11.32%	-17.42%	-17.42%
All Technology Index	2545.40	-10.69%	-25.06%	-25.06%
Banks	4114.70	-8.13%	1.14%	1.14%
Gold Index	16658.10	-23.85%	-10.79%	-10.79%
Metals & Mining	7536.50	-14.08%	3.71%	3.71%

The World

Index	31 Mar 2026	Month Of Mar	Quarter To Date (Jan-Mar)	Year To Date (2026)
FTSE100	10176.45	-6.73%	2.37%	2.37%
DAX30	22680.04	-10.30%	-7.39%	-7.39%
Hang Seng	24788.14	-6.92%	-4.12%	-4.12%
Nikkei 225	51063.72	-13.23%	1.44%	1.44%
NZ50	12912.110	-5.91%	-4.70%	-4.70%
DJIA	46341.51	-5.38%	-4.19%	-4.19%
S&P500	6528.52	-5.09%	-5.33%	-5.33%
Nasdaq Comp	21590.63	-4.75%	-7.81%	-7.81%

Metals & Minerals

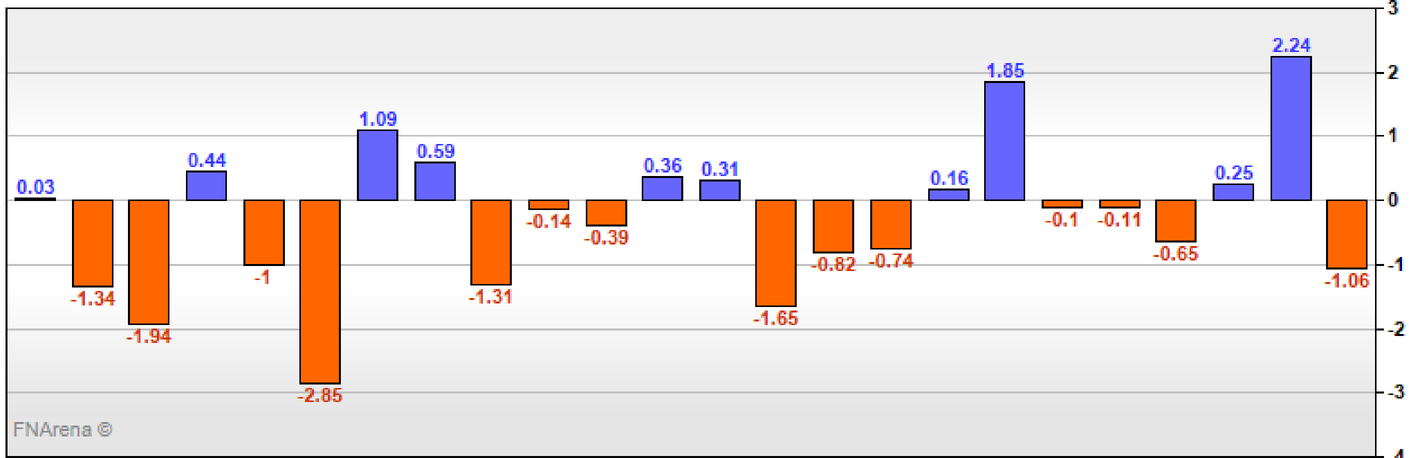
Index	31 Mar 2026	Month Of Mar	Quarter To Date (Jan-Mar)	Year To Date (2026)
Gold (oz)	4538.32	-12.97%	3.47%	3.47%
Silver (oz)	70.11	-21.10%	-10.02%	-10.02%
Copper (lb)	5.4848	-9.11%	-3.47%	-3.47%
Aluminium (lb)	1.5569	9.00%	16.40%	16.40%

Nickel (lb)	7.7151	-4.18%	3.04%	3.04%
Zinc (lb)	1.4522	-5.10%	4.20%	4.20%
Uranium (lb) weekly	83.25	-6.98%	1.52%	1.52%
Iron Ore (t)	106.32	7.36%	-0.76%	-0.76%

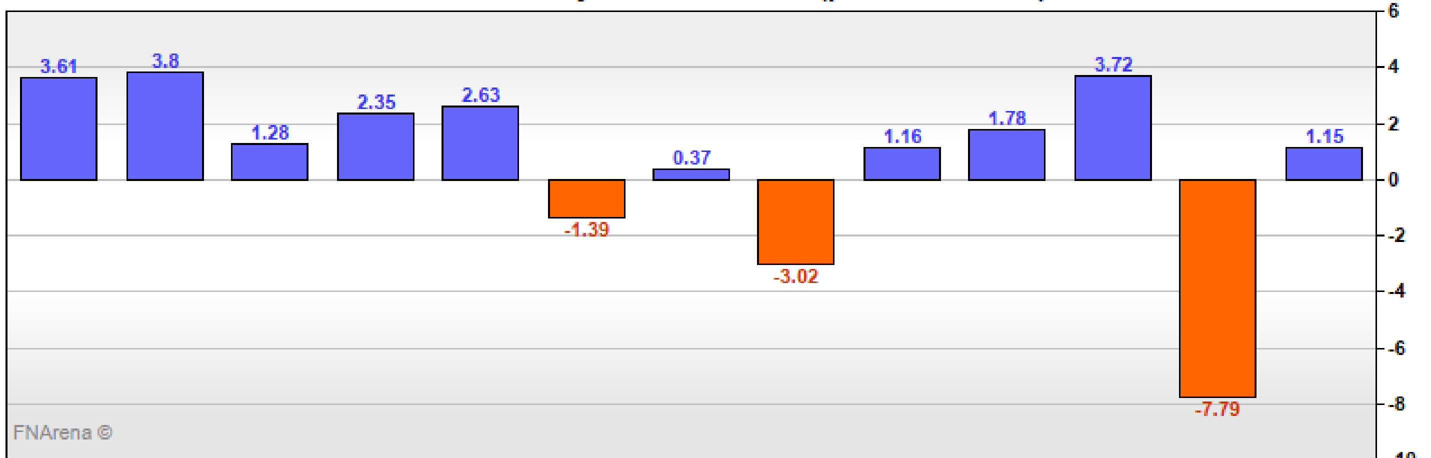
Energy

Index	31 Mar 2026	Month Of Mar	Quarter To Date (Jan-Mar)	Year To Date (2026)
West Texas Crude	104.98	60.54%	82.83%	82.83%
Brent Crude	108.68	53.07%	78.60%	78.60%

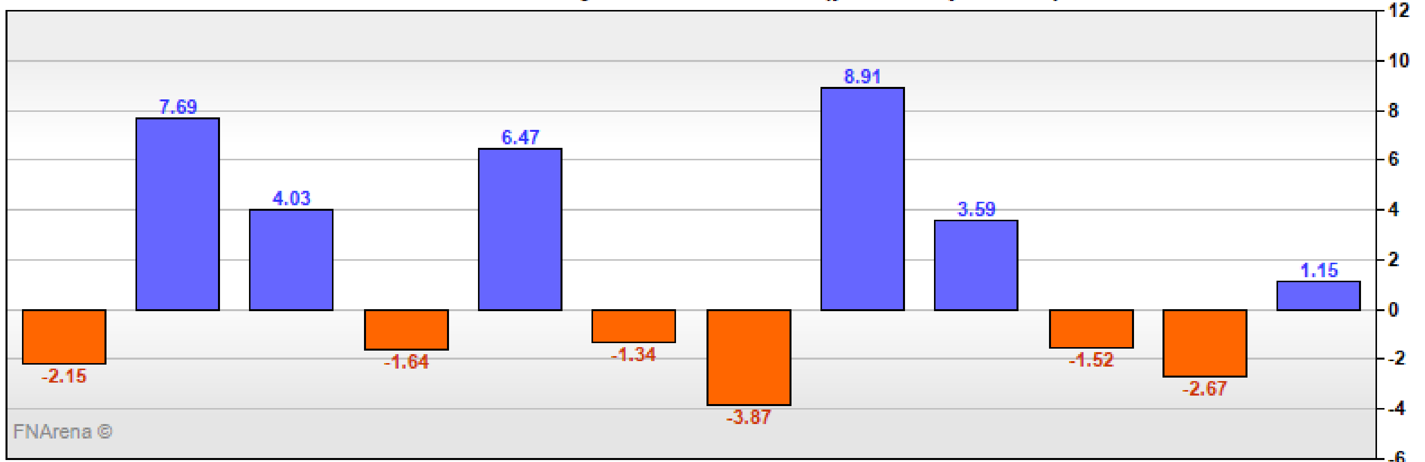
ASX200 Daily Movement in % (past 24 trading sessions)



ASX200 Monthly Movement in % (past 13 months)



ASX200 Quarterly Movement in % (past 12 quarters)



Important note: the charts above are also incorporating the first two days of April.

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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COMMODITIES

Material Matters: Oil, Gold, Lithium & Aluminium

War shocks expand beyond oil; Middle East conflict impacts on metals; boost to EV demand; headwinds for aluminium.

- **Shocks expand beyond oil, reshaping the commodity outlook**
- **Demand risks for metals replace supply concerns**
- **Energy crisis could accelerate structural shift to EVs**
- **Aluminium hit by supply disruptions and rising costs**

By Mark Woodruff

The impact of the Middle East war goes well beyond energy supply

Shocks expand beyond oil, reshaping the commodity outlook

Strategists at Macquarie highlight the Iran conflict is having far-reaching impacts beyond LNG and oil, disrupting a wide range of commodities including sulphur, urea, ammonia and aluminium.

These markets are highly exposed to Middle East supply chains and shipping routes, amplifying the broader supply shock.

Outside direct effects, the broker explains second-order impacts are also emerging, particularly Asia’s heavy reliance on Middle Eastern diesel and jet fuel, which leaves the region especially vulnerable to ongoing disruptions and higher energy costs.

Over the next six to nine months, the strategists are most positive on LNG, oil products, thermal coal, aluminium and platinum, supported by supply disruptions, energy security concerns and tight inventories.

In contrast, iron ore and lead are least preferred, reflecting expected stability and excess stock levels, respectively.

Looking to the medium term, electrification metals are favoured as the energy transition continues, alongside fossil fuels where a risk premium is likely to persist.

Over the longer term, fossil fuels are expected to face structural headwinds as supply normalises and electrification accelerates.

The broker has made several material commodity pricing forecast changes.

Upward revisions reflect Middle East disruptions, with LNG forecasts lifted significantly in the near term, oil supported by outages and risk premiums, thermal coal gaining from renewed power demand, and aluminium benefiting from supply disruptions, higher energy costs, and logistical constraints.

Downward revisions are limited to lead, due to excess inventories, and alumina, where the surplus is expected to deepen.

If the conflict de-escalates in the near term, Macquarie believes the economic impact is likely to be modest, with global GDP growth slowing only slightly.

However, it’s thought a prolonged closure of the Strait of Hormuz will require prices to rise enough to destroy a historically large share of oil demand, with some regions already facing physical shortages.

Given the global economy is less oil-intensive than in past decades, this could imply real **oil prices exceeding US$200/bbl** for a period, cautions Macquarie, raising the risk of a sharp risk-off environment and a potential global recession.

In this scenario, growth is expected to slow materially, by around -1 percentage point relative to 2025.

Central banks would likely face **stagflationary conditions**, with weaker growth and elevated inflation echoing the 1970s, though government energy subsidies may help cushion the downturn and potentially avoid a full recession.

Demand risks for metals replace supply concerns

Morgan Stanley also highlights growing downward pressure in the near-term on elevated metal prices as Middle East tensions shift the focus to demand concerns from supply risks.

Industrial metals have so far pulled back less than in prior shocks, the broker explains, suggesting further downside if tensions persist, particularly alongside pre-emptive interest rate hikes.

Precious metals have also weakened, with silver underperforming and gold pressured by portfolio liquidation, a stronger US dollar and interest rate expectations, the analysts observe.

Relative performance has followed typically expected patterns, with gold outperforming silver and aluminium outperforming copper. It's anticipated the gold price will rebound if stagflation becomes more of a concern.

Beyond the impact of Middle East developments on gold, Macquarie expects uncertainty around Federal Reserve independence to remain a key influence, particularly how closely potential future Fed Chair Kevin Warsh may align with White House pressure.

A further increase in macro uncertainty is likely needed for gold to reach new highs, in this broker's view.

Morgan Stanley highlights the current conflict differs from the 2022 Russia-Ukraine war, with China better positioned without lockdown disruptions, less aggressive interest rate tightening to date, and inventories generally not elevated.

Separately, but also impacting on commodity markets, new property starts in China fell -23.1% year-on-year in January–February, worsening from -19.3% in December, while gross floor area (GFA) sold declined -13.5%, though this marked an improvement from -16.6% in December.

Morgan Stanley's China property team expects further weakening in March, with Chinese property data platform Bingshan data showing rising secondary listing volumes in top-tier cities, signaling softer residential sentiment.

As a result, the team forecasts a deeper decline in home sales and expects secondary home prices to fall -8% in 2026 and -6% in 2027.

Chinese domestic steel demand and production declined early in the year, while aluminium output rose modestly with new capacity coming online, notes the broker.

Coal production dipped due to the lunar new year holiday but is recovering, with full-year output expected to remain high.

Iron ore imports remained strong with rising inventories, while coal imports edged higher, though recent price increases may reduce volumes in the near term.

In a prolonged conflict, Morgan Stanley expects energy-linked commodities such as thermal coal and uranium, along with supply-disrupted markets like aluminium, to prove most resilient, while a resolution would likely see copper and silver lead any recovery.

Morgan Stanley is Overweight South32 ((S32)) for base metals exposure, citing increasing aluminium deficits and supply disruptions, and forecasts an around -600kt copper market deficit in 2026.

For iron ore, the broker's preference is with BHP Group ((BHP)), Deterra Royalties ((DRR)) and Rio Tinto ((RIO)), followed by Fortescue ((FMG)).

While elevated oil prices are expected to lift unit costs, lower-cost producers may benefit from better fuel efficiency.

For coal, the broker is Equal-weight Whitehaven Coal ((WHC)) on valuation, despite seasonal metallurgical coal tightness.

Macquarie notes coal is relatively insulated from the Strait's closure, aside from higher fuel costs for mining, transport and shipping, yet thermal coal is likely to pick up some of the slack among fossil fuels for power generation, particularly in countries that still rely on coal-fired capacity.

Energy crisis could accelerate structural shift to EVs

Analysts at UBS pose the question: "How many electric vehicles (EVs) does it take to solve an energy crisis?"

The answer: investors with longer time horizons may benefit from what could become a structural step-change in the EV thematic.

Sustained high oil prices improve the total cost of ownership for EVs and plug-in hybrids relative to internal combustion vehicles, potentially accelerating adoption and lifting demand for lithium and other battery materials.

It's noted supply-driven energy shocks often trigger lasting shifts in policy, consumer behaviour, and in original equipment manufacturer (OEM) strategy.

The broker points out the 1973 oil embargo led to a near 300% surge in oil prices and catalysed structural change across both energy and autos.

Governments introduced fuel efficiency standards and strategic reserves, automakers pivoted toward efficiency, and consumers prioritised the fuel economy.

Importantly, many of these changes persisted well beyond the initial shock.

Even partial substitution is expected to result in a significant increase in EV adoption, reinforcing the long-term demand outlook for battery materials such as lithium.

While EV sales have started 2026 modestly, battery energy storage system (BESS) deployment remains robust and supply chain inventories in China are tight, suggesting to the broker underlying demand remains intact.

Within research coverage by UBS, Liontown Resources ((LTR)), Mineral Resources ((MIN)) and IGO Ltd ((IGO)) are preferred, while Rio Tinto ((RIO)) is viewed as a more diversified, brine-exposed entry point.

Morgan Stanley remains equally constructive on demand for lithium and prefers PLS Group ((PLS)) over IGO Ltd due to stronger near-term growth potential.

Aluminium hit by supply disruptions and rising costs

UBS observes aluminium markets are tightening further as the Middle East conflict damages key smelters, with around 3.2Mtpa of capacity affected.

Around 10% of global aluminium production originates from the Middle East.

Last weekend, Emirates Global Aluminium's 1.6Mt smelter at Al Taweelah in the UAE sustained significant damage from Iranian drone and missile attacks, while Aluminium Bahrain's 1.6Mt smelter in Bahrain (one of the largest aluminium smelters in the world) was also impacted.

On top of these incidents, previous disruptions to alumina and bauxite flows via the Strait of Hormuz were already compounding supply constraints, supporting higher prices.

Macquarie raises its short-term price forecasts for aluminium, highlighting the metal is being significantly impacted not only due to Middle East production disruptions, but also through higher energy costs and logistical constraints.

Alcoa ((AAI)) is seen by UBS as offering the greatest leverage to aluminium prices, while South32 is the broker's preferred base metals play on valuation grounds and attractive copper exposure.

Across the commodities complex, UBS assesses which stocks offer the strongest upside under a spot pricing scenario.

Mineral Resources ((MIN)) shows the greatest uplift, with a spot fair value of $111 per share versus a base case 12-month target price of $66, supported by lithium strength and elevated iron ore prices.

Fortescue follows, with a spot valuation of $27.10 versus a $20.40 target.

In aluminium, Alcoa has a spot fair value of $101 versus a $95 target, while South32 at around $6.40 and Rio Tinto ((RIO)) at $175 compare to respective targets of $5.20 and $160 also benefit from higher aluminium and iron ore prices.

BHP Group shows a spot value of around $65 versus a $52 target, implying stronger upside than Rio Tinto, though UBS remains Neutral on both and prefers BHP in a de-escalation scenario.

In coal, Whitehaven Coal is seen as offering significant upside, with a spot valuation of around $21.10 versus a $10.10 target.

Among precious metals, UBS notes Bellevue Gold ((BGL)), Genesis Minerals ((GMD)) and Ramelius Resources ((RMS)) screen as offering the strongest upside to spot pricing.

Over at Morgan Stanley, analysts at the commodities desk had aluminium as their most favoured base metal well before the war broke out. They continue to see upside risk, but equally note any escalation in global growth concerns could provide offset to supply disruptions and keep a lid on the metal's pricing.

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INTERNATIONAL

Interview Michael Howell, CrossBorder Capital

Michael Howell recently sat down with FNArena in London to explain global liquidity, where it is in the cycle and how investors should be positioning in light of the cycle.

By Danielle Ecuyer

Michael Howell, founder and managing director of CrossBorder Capital, chatted with FNArena in London about global liquidity, its impact on asset markets including equities, gold, bonds and commodities.

Michael also expanded on where liquidity is in the cycle versus the longer-term trend.

Below is a curated transcript of the interview which is available at

https://fnarena.com/index.php/fnarena-talks/2026/03/26/global-debt-liquidity-refinancing/

and/or

https://youtube.com/watch?v=YZaEq4hwdEg&t=19s

The interview was conducted on March 24, 2026 in London. The video was released two days later.

Why global liquidity matters to investors

Danielle Ecuyer: Michael, can you outline how CrossBorder Capital analyses liquidity?

Michael Howell: I think it's worth drilling into what it means and why it's important. The fact is that markets are moved by money.

What investors need to try and understand is that flow of money. We track money flows through world financial markets, which is what we call global liquidity. Liquidity moves markets.

The big change that we've probably all witnessed in the last, 30, maybe even 40 years, is that money flows in markets have come to dominate price movements.

Understanding investment now is not so much about going down to the micro or drilling into what is the value in a particular stock or security, it's much more about understanding these money flows, what big investors are likely to be doing.

The list would include hedge funds, sovereign wealth funds, and central banks.

At CrossBorder, we monitor their participation or transactions in markets and track these movements around the world.

Interviewer: Are you highlighting you're not just talking about changes in interest rate policies between central banks, your analysis goes much deeper?

Michael Howell: Yes, exactly. The key thing is to ask: what do interest rates really mean?

And that's a puzzle. I scratch my head and don't really come up with a sensible answer. If you go back to what the textbooks would tell you, they will say you've got a regime where households are in surplus. They've got surplus savings.

The corporate sector has got capital spending to undertake, it's in deficit. It borrows from households, and, essentially, interest rates are the arbiter between the two. That makes perfect sense.

The trouble is we don't live in that world anymore. We live in a world where the entire private sector is in

surplus. Corporations are sitting on big cash piles. They are going to invest whatever, regardless of interest rates.

The big deficit sector in the economy is the government sector, and the government is basically transferring interest payments to the private sector, because it is in debt, and therefore, if interest rates go up, in theory, private sector incomes go up.

You can argue the complete reverse of what the textbooks tell you. Higher interest rates are a source of stimulus, not a source of contraction. And that's really the puzzle we've got; the whole world has turned topsy turvy.

The other thing to think about is capital markets today are not about raising capital for new investment projects. The only large scale investment that's been going on, frankly, is in China, and interest rates are not really the thing that determines the investment cycle in China.

So, what are financial markets doing in the West?

They're principally refinancing the huge debts we've got, and those debts basically need liquidity, or balance sheet capacity, to be rolled over, and that's why monitoring liquidity is really crucial.

Huge global debt underpins need for liquidity to refinance

Interviewer: Can you add some numbers around the extent of that debt that needs to be refinanced, and how soon it needs to be refinanced?

Michael Howell: Worldwide there's about US$350trn of debt. It's mind blowing. It's a huge amount. And you think world GDP is about US$120trn?

You're talking about pretty much three times, which triggers a large amount of debt to refinance. The pool of global liquidity is touching US$200trn.

It's big and, broadly speaking, what we need is a ratio of about two times for financial stability.

In other words, you need two times debt per unit of liquidity to mean the debt gets refinanced. If you've got a US$350trn stock of debt, and you assume the average maturity of that debt is about seven years, you're talking about US$50trn a year of refinancings alone.

This is obviously a gross amount, but it's on top of what net debt is being taken up as well.

You're looking at a debt pile that is just basically turning over enormously every year, and capital markets are basically swallowing that, and they need liquidity to operate.

If you don't get the liquidity and if the debt liquidity ratio skews away from its normal levels of two times, you see financial crises when it's too high, and you see asset bubbles when it gets too low.

Interviewer: We're going to have a potential change at the head of the Federal Reserve, Kevin Warsh, and he's been quite vocal, as has Treasury Secretary Bessent, about shrinking the US government balance sheet. Is it a more ideological rather than a practical thing they'll be able to achieve?

Michael Howell: Correct It's pure nostalgia. The fact is a lot of these policymakers grew up with small central bank balance sheets. I think you can understand the sentiments of the US administration, saying maybe the footprint of the Federal Reserve or the remit of the Federal Reserve seems to have grown enormously, inordinately, maybe because they tend to be going down many different rabbit holes rather than doing what they should be doing.

I kind of sympathise with that.

But the fact is you need a big financial sector balance sheet to roll this debt over. And what governs, or who governs, the size of the financial sector balance sheet?

It's the central bank or, in this case, the Federal Reserve.

If you look at the math behind this, what you've got is federal debt. But the main role of the central bank is not about inflation fighting or about employment. It's all about maintaining the integrity of government debt.

They need that sovereign debt market to function, and believe me, if there are any problems, central banks will come in with alacrity.

Now that is a big ask, because the size of the federal debt pool has grown five times since the GFC. So, this is a big change, and the dealer capacity of the market has probably halved.

In other words, banks have reduced the size of their dealing operations, which means the Federal Reserve is already on the hook time and time again whenever you get dislocations in the markets.

The problem as well is we've had, on top of the covid crisis, since the GFC crisis, collateral become really the centrepiece of lending markets.

Close to 80% of all lending in the world economy now demands some form of collateral. That collateral is typically a US Treasury bond. That's the main form of collateral that financial markets tend to operate with.

In other words, to borrow from a dealer bank, you need to post Treasury collateral, and they will give a haircut to that, and you can borrow.

The haircut may be, let's say, for example, if you post US$1,000 of debt, you may get a haircut of 10%, which means you can borrow US$900 from the bank. That haircut will vary according to conditions, but the whole process of using collateral means the system is increasingly pro cyclical.

What you've got is, first of all, a bigger cycle, and secondly, you've got smaller capacity among dealer banks, and therefore the Federal Reserve is on the hook more and more. That's why you've got to have an active Fed and a large balance sheet to operate with.

The whole idea of shrinking the balance sheet is nostalgia. There is some talk or debate about whether the Federal Reserve can actually shrink its balance sheet because bank regulations have changed dramatically, which means the banks don't have to hold such big cushions against volatility.

They can do that, but by doing that you're actually inducing more leverage into the system for the sake of actually getting a smaller Fed balance sheet.

That doesn't seem to be sensible policy making, as far as I can see.

Demand for collateral supports US Dollar via Treasuries

Interviewer: Does the use of US Treasuries as collateral push aside or negate the argument that the US dollar is in terminal decline?

Michael Howell: Yes, it's one of the factors that really supports the dollar, that's for sure.

But I think generally you've got a sort of network effect globally, which is really supporting the dollar. One of those pillars, if you like, to mix my metaphors, is the Treasury market.

So absolutely. The fact is everyone uses Treasury collateral. The dollar is integral. And there's really no alternative. No other country has a deep financial market, or one as deep as the US.

China, which people often cite as the potential rival of the dollar, has capital controls.

There's no international footprint for the Chinese bond market. It's big, but it's domestic.

Is the tide going out on the liquidity cycle?

Interviewer: What point is the global liquidity cycle currently in?

Michael Howell: The fact is, before the Iranian crisis, liquidity was beginning to go down.

The cycle peaked around the third quarter of 2025, so we’ve probably had, what, three to four months of absolute drops in the liquidity cycle. I should stress the liquidity cycle represents, or is defined as, a rate of growth.

The reason for looking at a rate of growth is the financial market is typically priced at the margin, so if you see slowing growth of liquidity, that tends to be crucial in terms of driving asset prices.

What we've already seen is markets labouring in the run up to the Iranian tensions. They've clearly dropped the prices. But the fact is that this is an ongoing process, and liquidity, as far as I can see, is not going to come back quickly for several reasons.

One is central banks don't seem to be too inclined to ease right now. The bond markets, I think quite correctly, are beginning to sense central banks may be tightening.

The Reserve Bank of Australia has already raised interest rates. The Bank of Japan is wanting to push rates up more. The ECB is talking about higher rates, and bond market investors are beginning to discount higher terminal policy rates across the term structure.

I think we're in a period where it's very unlikely the central banks will be able to ease, despite that being very high on the wish list of the US administration, I just don't see how it's possible.

The other thing that's biting into liquidity is we've got two other calls on liquidity.

One of those is higher oil prices. The question is: how high can oil prices go?

We put a piece out on our CapitalWars SubStack (https://capitalwars.substack.com/?utm_source=global-search) a week or so ago that said it looks quite scary.

For example, take a **gold** price of about US$5,000/oz as a starting point. I know it's lower than that now, but let's assume that's an equilibrium or a fair value.

Over the long run, the gold/oil ratio has basically averaged about twenty times. In other words, it takes one ounce of gold to buy you US$20/bbl of oil.

If you look at that ratio, that's been true through time, and go back to 1970 oil prices, about US$2/bbl, and the gold price was US$35/oz.

So about 20, and you go through time, you'll see how that works out. The fact of the matter is that if you take US$5,000/oz of gold, and that 20 times ratio is intact, as it has been over that long term, you're talking about oil priced at US$250/bbl.

We presented to a client about 10 days ago this idea, and they said, **"Well, you're just insane. That's never going to happen".**

My point is, well, it's simple maths, and via triangulation either the gold price is wrong or oil is.

When I hear the gold price is coming down, how far is it going to come down?

If the gold oil ratio assumption is wrong, why should it be different this time? Or the oil price projection is wrong.

So, one of those three just doesn't line up, and that's really the question to deal with.

My view is that the gold is pretty much underpinned by the monetary inflation that is being enacted generally by policymakers, because they must finance this huge debt, and they're going to need liquidity to be pumped into markets to do that.

The gold price is a very good barometer of that, and that extends not just across the West. It also applies to China. It probably applies more to China than anywhere else as they need to print money, and the gold price is elevated.

The Chinese are buying gold, we know that. The other question is that, on top of a high gold price, what you've got is commodity prices generally lifting.

This is not just a gold and oil phenomenon. All these things are moving, so I think we're in a period where commodity markets are going to get a significant uplift over the next few years.

This looks to me remarkably like the 1970s.

The fact is you've got a situation where inflation, commodity inflation, at least, is going to be pronounced over the next few years.

Global bond markets sending a signal to

investors

Interviewer: The cure for higher prices is high prices, what trends are being indicated by the bond market and the term premium?

Michael Howell: I'm going to be caught in the weeds of it, because term premia is a sort of wonkish idea.

People's eyes normally glaze over when bonds come up in discussions. The fact is there's a lot of information in the bond markets, and we ought to pay attention to it.

If you think of a bond yield, it basically consists of two components.

One is an expectation for interest rates by policy makers. In other words, what the Reserve Bank of Australia or what the Bank of England or what the Federal Reserve is going to do with policy rates.

The other element is a risk premium, which is called a term premium, which basically is the risk premia that compensate you for holding interest rate risk over the term of the bond. It's called a term premium.

Typically, you've got those two moving parts, and it's important to differentiate the two.

If you look at what's going on in bond markets right now, what you find is that interest rate expectations are rising significantly across all global bond markets, and term premia are dropping in all global bond markets, apart from the Asian bond markets.

There may be something different going on there, but Japanese term premiums still seem to be rising, and Chinese term premiums still seem to be rising, but in the West, in Australia, what you're looking at is term premium dropping.

That is indicating investors require a smaller risk premium to hold bonds. It is telling you there's an increasing appetite for government debt, and that is a shift towards safe haven investments.

What the bond market is telling you, and reading through the nonsense a lot of journalists are putting out, which is saying there's a big bond sell off, and this is the end of the world, the fact of the matter is that what the bond market is telling us, is effectively, there is declining risk appetite among investors.

Risks of a sharper liquidity drawdown

Interviewer: Does that signal there are potential strains and stresses in this financial system that potentially can go to, let's say, a sharper liquidity drawdown?

Michael Howell: Yes, there's absolutely no question. The other thing we've got to think about on the horizon is the debt maturity wall.

The debt maturity wall is a situation or concept that describes the amount of debt that is coming back into the system that needs to be refinanced.

If you go back to the covid crisis in 2020, what happened then was interest rates were slashed near zero as a way of digging ourselves out of that emergency.

The problem is interest rates incentivise people to take on more debt. They also encourage what's called a terming out of debt.

So, if I've got a borrowing that is likely to come due in the next year or so, and I'm paying 5% interest, inspired by a 5% coupon on that, if I can refinance for zero or near zero, I'm going to do that.

What happened in the covid emergency was a lot of borrowers termed out their existing borrowings to later this decade, so you've got this huge bunching of debt that's going to come back, and that's what's called the debt maturity wall we're facing.

Financial markets have got to scramble up that wall somehow in the next two or three years, against the backdrop of increasing tensions in geopolitics, and a backdrop where inflation may be rising and where central banks may be deciding they're going to put their foot on the brake.

There's an old saying in Ireland that to the lost traveller, if you want to travel to Dublin, don't start from here.

That is really the point for central banks or policymakers. This is a crazy place to start from, but this is where they're starting from.

They've got to try and negotiate higher inflation risks, which means they've got a tight monetary policy. At the same time, the financial system is repeating this rapacious need for liquidity to refinance debt, and one of those is not going to work.

Real world economy a drain on liquidity or not?

Interviewer: What impact is the investment in artificial intelligence and infrastructure spending in the real world having on global liquidity?

Michael Howell: We say that **'all money that's anywhere must be somewhere'**.

If it's going into the real economy, it's coming out of financial markets. It can't be in two places at once.

The fact is you've got this huge AI spend. Now, if you sort of go back a year or so, a lot of these big tech companies were sitting on huge Treasury balances, otherwise big cash piles.

Those cash piles have actually been drawn down significantly, and a lot of these AI or tech companies are moving into a regime where they may be net cash flow negative, which is a whopping great change to where they were 12-18 months ago, and that means they're going to be demanding more funding from markets.

If you look at the new funding demands on top of the existing funding demands for rollover, you're looking at a lot of strain coming through financial markets.

I touched on the fact higher commodity prices, and particularly higher oil prices, are going to drain liquidity as well. But the fact is the energy sector, and particularly the oil markets, use a lot of liquidity.

Just think of the amount of working capital tied up in things like freighting oil in tankers. I mean, this is big money, and you've got to spend on top of that for new infrastructure, for energy that's been destroyed.

You've got to pay for this irony of war that President Trump has triggered, which is more and more demands on capital markets.

The amount that's left over for asset prices to go up is being shaved all the time.

How to position investments against a decline in liquidity at the margin

Interviewer: It is quite hard to find a rosy outlook, what am I missing?

Michael Howell: Well, I think the thing is, where do you find the safe havens against this backdrop at the moment, given the backdrop can flip at any point, the war may be over, but as you said, the investment spending still has to come in, particularly since then, so much destruction.

What this tells us is there are two dimensions to markets.

One is a cycle, and that cycle can be vicious, and we've seen that many times in recent years. What goes up always comes down.

There's also a trend, and that trend is dominated by liquidity and by what we call monetary inflation. That is the only way out for governments right across the West and including China.

Commitments have been made to welfare states, which means governments are basically bankrupt around the world. And of course, the government never goes bankrupt, because it can always tax us, but how high can taxes go and what do interest rates have to jump to?

That's really the question. The route they're going to take is probably printing money in the old-fashioned way, and that's kind of happening already.

You're seeing more and more evidence.

It's certainly true in the US, but it's true here in Britain, it's increasingly true in Japan. Governments are going to the short end of the market to issue their debt.

In other words, they're not issuing 10-year debt. They're issuing bills of three months or six months.

In terms of public finance, this is madness, but it's going on, and the reason it is madness is they're very vulnerable to changes in interest rates.

If interest rates suddenly jump, their interest costs jump as well, and the whole debt problem then becomes exponential, and you get this skyrocketing amount of debt.

It's not a great policy, but it's happening now. That is the reason I say this is monetary inflation, and we've got to be careful about that.

One of the key questions to ask is: who's buying that debt?

The answer is: it's typically banks.

If banks fund government debt or banks buy any debt, it's called monetisation.

In other words, it's printing money, and this is what's happening before our eyes.

The whole idea of going to the short end of the market to fund is a reaction to the fact it is easy to do, but it's because the banks have got this big appetite to buy government debt because it matches their liabilities almost perfectly. They're big buyers.

Governments are now effectively printing money, and this is creating monetary inflation, and we know that never ends well.

How do you avoid that?

You've got to look through the cycle. Don't try and trade monetary inflation hedges, own them, and that's really the key thing to do.

So don't trade gold, own it. Don't trade high quality equities, they've got pricing power. Own them, because they're going to come through this well, okay, but what you've got to do is avoid some of the more speculative assets that have been pushed up in the so-called "everything bubble" in the last few years.

Interviewer: If there is a forced liquidation of assets including precious metals like gold, should investors be buyers?

Michael Howell: I think unquestionably you've got to own gold. Don't worry about trading it. And if you want to accumulate gold, do so during some weakness.

I think the rule, and this applies to Bitcoin as well, is, you've got to look at the trend in these assets.

Bitcoin is probably a decent hedge, certainly proven that in the last 15 years. Gold has proved that over 5000 years, so it's got a much better track record.

The fact is, you've got to buy these monetary inflation hedges when they're below trend.

Look at what the trend is. Just put a 200-day moving average through a chart and buy when it's at least one standard deviation or circa -20% or so below that trend.

That's a reasonable long term investment strategy.

Duration on average of the liquidity cycle

Interviewer: In terms of the liquidity cycle, typically, how long does it take to play out between peak and trough, in terms of the historical analysis you've done?

Michael Howell: The liquidity cycle, per se, is roughly about five to six years long. The debt refinancing cycle is what is really controlling liquidity.

That cycle bottomed last time in October 2022, it peaked in, let's say, September/October of 2025, it's likely to be falling through 2026 and may make a turn in 2027, so you've got some sort of perspective as to how long this may last, and I think it's going to last well into next year.

Even regardless of looking through the Iranian conflict, we're already in a downswing for liquidity and what

must be more defensive and much more selective investments.

That's why you need an active asset allocation.

On top of an active asset allocation, separate your portfolios into core holdings and into tactical overlay, which corresponds to the cycle.

Cash, Gold and Stablecoin

Interviewer: How important is cash now for investors?

Michael Howell: Very important. It’s been one of our recommendations for the last few months to build up cash holdings.

To summarise what we've been saying is you want to be reducing exposure in equities. We think the US market is in what we consider a speculative phase, and therefore you will be paring down US equities.

Generally, non-US equities are probably a tad behind the US, but they're more-or-less there.

Extend that to a general reduction in equity exposure.

We've been shifting money into short duration bonds. Otherwise that means cash and probably up to about five years in terms of the bond markets. Gold and resources, or gold and commodities, I still like as an investment on weakness.

There will clearly be weakness during the shake out. But again, I think that is worth doing.

The reason gold, particularly gold, looks good is we're moving into an era where you've got monetisation by central banks, as we've alluded to, and gold is a great hedge against that.

China is undergoing a very significant monetisation. Now forget all this stuff you hear in the media and among economists that China must revalue upwards its exchange rate, it doesn't, it must devalue its exchange rate enormously.

China is facing debt deflation internally. In other words, what you're seeing is the economy is struggling under a weight of debt.

Prices are falling on Main Street in China and you've had, until recently, relatively weak asset prices.

What this requires is a lower exchange rate, which means simply the Chinese have to devalue and they do that by printing money. That's exactly what they're doing.

They're trying to devalue the yuan internally by printing money aggressively, and they're trying to maintain the value of the yuan internationally. So that’s an interesting deviation there, trying to preserve it internationally by buying gold themselves.

Backing the yuan in the international arena with gold will enable them to have a differentiated currency regime from the US.

The US is moving to a world where you've heard of stable coins. **Stablecoin** will be a very important plank for the US dollar that's effectively wrapping Treasuries in a sort of digital security, but that's in the dollar.

The Chinese system would be increasingly backed by gold. You’ve got a long term bidder for gold there, on top of the fact that domestic inflation in China is causing Chinese investors to pile into the gold market.

Who controls the price of gold?

It's not Comex and it's not the London exchange. It's the Shanghai Gold Exchange. That's where the pricing is.

Interviewer: Can you touch on stablecoins?

Michael Howell: Stablecoin, as opposed to volatile coin Bitcoin.

In theory it's a digital currency. But stablecoin is supposed to be engineered to be more robust and stable, and this matches the dollar.

If you put your money into a stablecoin, that money will be invested in very short-term Treasury bills and US Treasury securities, like short dated notes, probably up to two years or whatever.

Therefore, it will be able to maintain its value, a little bit like a money market fund.

There are clearly a number of questions about the integrity of those things, but there's a piece of legislation going through at the moment in the US, the Clarity Act, which is trying to make this whole process more transparent and actually nail down the use of stablecoin.

This is potentially a huge advantage for America. There is no question about that, because if you start to look at currency regimes around the world, and flaky currency regimes around the world like Latin America or Africa, don't a lot of these residents prefer to put their money into a digital US dollar stablecoin, rather than trust it with a local central bank?

The answer to that is yes, and that is what's going on. You're starting to see a big take up of existing US stablecoin by residents of these countries.

This is underpinning, not a de-dollarisation, but a re-dollarisation. The whole point is what you're getting is the dollar is becoming a more important currency in these countries.

There are some questions here.

What about China? Well, China is hugely scared by this, for the simple reason if you're a Chinese exporter and you've got this huge dollar balance you've built up, you risk it being sanctioned by the US.

Therefore, you think, maybe what I want to do is think of an alternative rather than putting it in a bank.

Could you put it into a Chinese bank? Sure, but then you risk being sanctioned, or whatever, or your assets sequestrated by Xi Jinping if he feels you're not doing the right thing. So, there's a risk there.

Why not put it into stablecoin? There's an obvious positive, you've got some anonymity and a lot more security than any traditional bank account.

The problem is for the Chinese to expand that about a month ago, they issued a notice called Notice 42 which doubled down on their existing bans on crypto and digital assets, and they said absolutely *verboten*.

They built a great wall, if you like, against that, against any decision, because they saw the threat immediately.

What about Europe? Well, that's slow to wake up, and they're now saying, okay, this stablecoin is a threat to the European Monetary System, because you get more residents starting to hold dollars, because they can be outside the European tax net in theory, and there's some degree of anonymity.

Think about Britain. The same problem. These countries risk losing control of their monetary system because of stablecoin. So stablecoin could be big, and people are underestimating it.

The Clarity Act is trying to make it clear where there is a division between stablecoin and Treasury bills.

The Genius Act launched stablecoin last year, and the bank lobbying was so fierce that one of the concessions that had to be made was that stablecoin does not pay interest.

The stablecoin producers at the moment are clipping big coupons and making huge billions in profits because they're getting the interest of the client. This is a huge windfall.

One of the things that can happen is the exchanges, Coinbase, for example, or Binance, can hold these stablecoins on arrangements with the stablecoin companies where they get a kickback in terms of their fees.

You can earn fees, in theory, on these exchanges now, because the exchanges are getting a kickback from the stablecoin producers or issuers of that interest.

The Clarity Act will make that clearer, and it will facilitate the payment of fees. It may even allow interest for offshore accounts, but we've still got to see it.

What I would say is, as a priority to all this, watch this space around the time that Kevin Warsh is appointed to the Federal Reserve. Warsh and Treasury Secretary Bessent work together closely.

They are both advocates of stablecoin, as far as one can see best, and it could well be the deal done between the Fed and the Treasury to endorse or underscore the use of stablecoin for US government transactions.

I think if the US government is endorsing them, there's got to be an implicit bailout here.

Shifting from Fed QE to Treasury QE

Interviewer: If the Treasury is working very closely with the Fed on this one, to what extent is stablecoin going to facilitate the issuance of the short end for the Treasury?

Michael Howell: 100% that's exactly what's going on. This is part of the thinking. That's why the Treasury is so much behind stablecoin.

It's because stablecoin needs bills, and therefore this is another facet of this process.

One of the ways we describe it is a longer-term theme, that is to say we're shifting away from Fed QE, quantitative easing by the Fed, to Treasury QE.

In other words, the Treasury is basically imparting the big liquidity stimulus.

The difference between the two is if the Fed basically injects liquidity, it kind of goes everywhere, every asset gets soaked and prices rise.

That's been clearly a problem for the administration, because it's underscored a whopping great wealth divide in the US.

If you own assets, it is great, if you don't own assets, tough, tough, you've lost out. That is unacceptable.

Now it's Main Street's turn.

So what you're finding is that Treasury QE is directing money not into Wall Street, but into Main Street. Therefore it's the real economy that should be benefiting from a lot of the spending, and that is likely to bolster things like defence companies.

A lot of money will be spent there as well as strategic stakes in tech companies. Also, critical minerals. All these things are important, looking forward.

Federal Reserve moves with alacrity

Interviewer: If the cycle now came under some stress, what would be one of the catalysts for the Fed to suddenly start pumping more money into the system?

Michael Howell: Without question, dislocation in the Treasury market. As recently as 2025, if you look at what happened in the repo markets, there were some big spikes in repo rates, and that caused the Federal Reserve to come in with alacrity and develop a new QE program called reserve management purchases, and that RMP has been quite significant.

If you look at Treasury holdings of the Fed, because of that RMP, they're basically going upwards. They've doglegged and started to rise dramatically.

There's been a very clear change in policy by the Fed, and that was caused by what was a relatively small decline in liquidity in money markets as a result of what the Fed was doing.

There's absolutely no way to constrain their balance sheet by a trillion. I mean, it's pie in the sky.

Interviewer: Have you had some of your data back checked against another US institution?

Michael Howell: Yes, we were contacted by the Foundation for the Study of Cycles, which is a long-standing institution in the US who do a lot of cyclical work. They've got very sophisticated algorithms to check cycles.

They took our data and confirmed exactly the timeline we were looking at, which was basically a 65 month cycle. Our data begins around 1965.

Where investors can find Michael's work

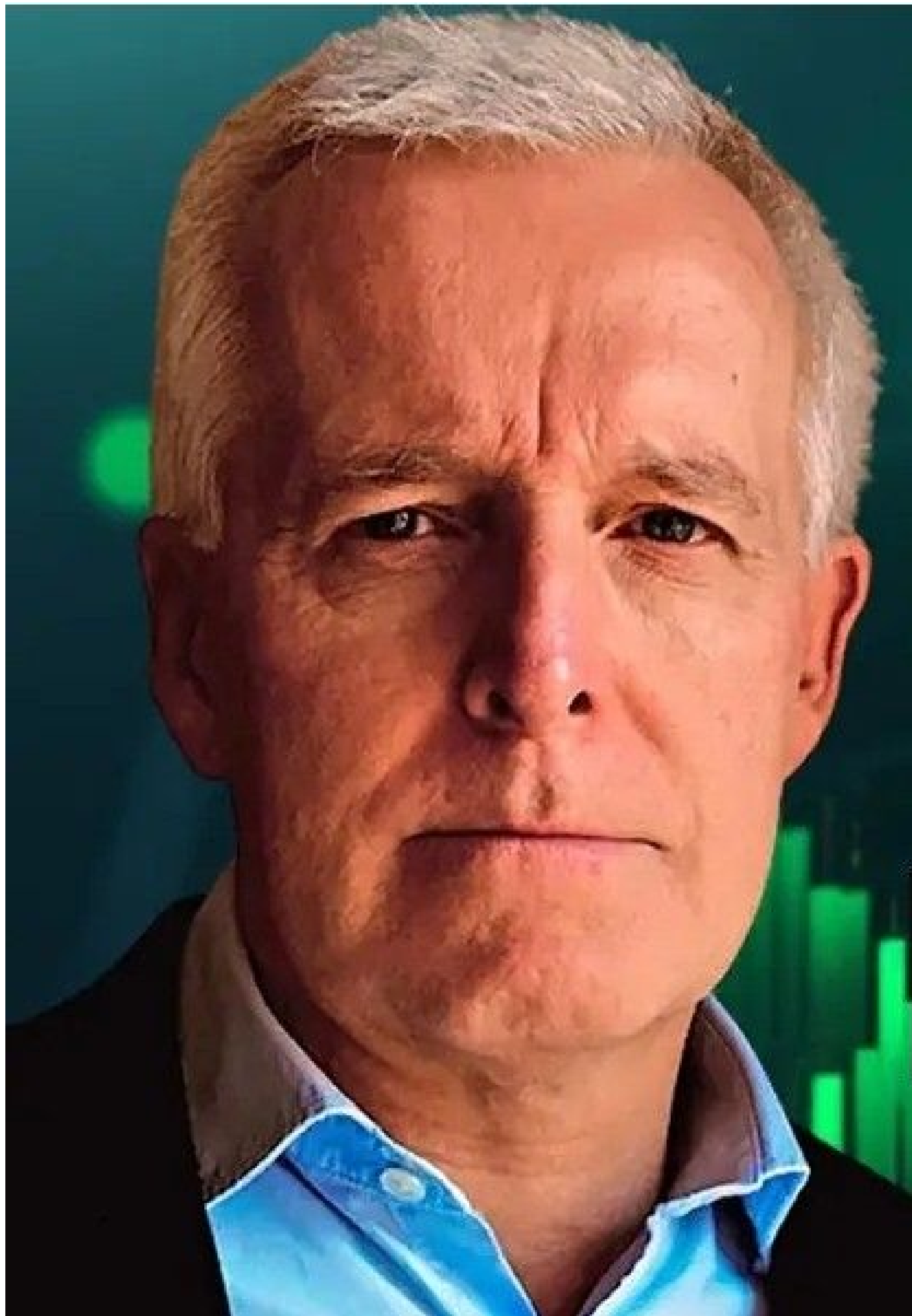
Interviewer: Where can people find your work, Michael?

Michael Howell: Capital Wars Substack is probably the main vehicle. We publish around three, four times a week, including data and narrative. (https://capitalwars.substack.com/?utm_source=global-search)

His twitter handle is https://x.com/crossbordercap

The book is called **Capital Wars**, about four or five years old, still probably pretty relevant in terms of the themes in markets, the big picture. And that's a Palgrave Macmillan book.

If you want an institutional service, we provide a lot of data accessible through a website, obviously at a cost, which is called glindexes.com.



Crossborder Capital's Michael Howell

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

RUDI'S VIEWS

Rudi's View: Don’t Mistake Orderly for Safety

I bet you're all tired of the war, but this too shall pass, eventually.

By Rudi Filapek-Vandyck, Editor

Share markets are down a lot in March, but not as much as they could have been considering how the situation has deteriorated in the Middle East.

Even if all antagonists involved agree to a cease-fire soon --and that's a big if at this stage-- the damage done to supply, infrastructure, global growth and inflation might already be too large to prevent more de-rating of equities becoming necessary over the months ahead.

Markets are in a sustained downtrend, yes, and there has been little joy for your average investor since late February, but all in all there's still an abundance of hope to keep the process orderly, gradual and controlled.

The key risk remains that hope will be replaced with despair as the outlook for the year ahead is increasingly being re-written through more disruption, lower growth, and higher inflation.

The longer the current bottlenecks remain unresolved, the more likely the world is steering towards the worst of all combinations for equities; stagflation, i.e. negative economic growth (recession) and persistently high inflation.

My personal worry is that when the general mindset in risk assets pivots to such an outcome, markets can turn violent very quickly, and spiral to much lower levels.

Two major things we should all try to avoid:

1. Draw confidence from the relatively orderly drawdown thus far
2. Assume things cannot get (much) worse

Regarding that second point, most analysis into potential future damage focuses on how high the price of oil needs to jump to inflict serious damage on economies, but what if the price stays elevated for longer without peaks of US$150 or US$200/bbl?

Equity indices entered this troubled period at historically elevated valuations, while substantial parts of households in Australia, the US, and elsewhere were already struggling with the cost-of-living and, in Australia, rising interest rates on top.

One additional concern from the war is that supply shortages for fertiliser feed into price rises for food --the staple among staple purchases for just about every household anywhere-- on top of higher transport costs that also need to be accounted for, one way or another.

The current stalemate around the Strait of Hormuz still offers plenty of room for positive surprises and alternative scenarios, but with every additional day of no resolution, such negative consequences become more feasible and likely.

Savvy, experienced investors understand making choices is not about knowing what happens next. It's not even about specific strategies or one's level for risk appetite.

Successful investing is about managing risk.

Right now, the one key question every investor should be asking is: am I prepared for worse outcomes and a lot

more pain? If not, it's still not too late to make amendments.

In recent writings, I suggested using this crisis to build a better quality portfolio, with the aim of upgrading one's investment performance over the longer term.

That suggestion still stands. But we should at the same time not remain blind to the fact the current crisis may only have just begun, and thus a lot more negative news might still be forthcoming.

Last week, I was invited to join the investment committee at AuzbizTV. Their theoretical portfolio had 6% in cash. My first question was: does anyone think that's enough cash, given circumstances?

In similar fashion, the **FNArena-Vested Equities All-Weather Model Portfolio** is currently sitting 21% in cash, in addition to 6% exposure to gold (ETF).

I am questioning almost on a daily basis whether this is a sufficient buffer against further mayhem, without sacrificing too much of the upside potential in case of positive surprise.

Markets are forced to take guidance from daily events in the Middle East

Today's Winners & Losers

Cash is not the only option in the current environment, of course. The disruptions stemming from the war in Iran are creating both winners and losers, albeit more of the latter.

Plus it's essential to keep in mind investors' perception of winners and losers will change as this process plays out over a longer-term framework.

Right now, the number one logical beneficiaries are energy producers such as Woodside Energy ((WDS)), Santos ((STO)) and Karoon Energy ((KAR)), but also Ampol ((ALD)) and Viva Energy ((VEA)).

These companies are currently enjoying steady upgrades to earnings and dividend forecasts, whereas the market at large will soon start experiencing downgrades.

These share prices are equally rapidly closing the gap with consensus targets, if there still is a gap to bridge, and might start trading on premium valuations, depending on the duration of current boom conditions (for them).

There are equally beneficiaries through thermal coal, aluminium, uranium and lithium and recent sector strategy updates from analysts at UBS and Macquarie reflect this, as well as upgrades in ratings and forecasts from analysts generally.

Opinions vary when it comes to copper, gold, and other commodities. This is also because of the markets' rotation in specific focus.

Take gold, for example. History shows it's not unusual for gold to retreat when the USD and US Treasuries are more attractive, as gold often trades in opposition to those markets.

Gold tends to suffer when market participants are forced to liquidate positions. More recently, some central banks have been selling part of their holdings.

In addition, both gold and silver experienced a tremendous rally throughout 2025 and that always means a large portion of 'hot' money has joined the party.

Those holders tend not to stick around when the uptrend stalls.

But gold is a true chameleon and when the market's focus switches again to slowing economic momentum and central banks injecting more liquidity, its safe haven status should be re-enforced yet again, not to mention the large(r) US budget deficits that will yet again result from this war.

The proposition for copper is exactly the opposite. Once the market's focus pivots to slumping global economic growth, the price of copper is likely to have its own out-of-favour period, similar to what REITs and technology stocks are experiencing today.

Similar as with gold, analysts tend to retain their positive view on a longer-term time frame.

Playing Offence Through Defence

One obvious observation from the war in Iran is that open warfare has changed and America has by large missed the on-the-ground transformation that has taken place since Russia invaded Ukraine.

In time the Americans will catch up, of course, and this means even more demand for counter-drone equipment and technologies.

This is also **Bell Potter**'s thesis behind ongoing attraction to ASX-listed DroneShield ((DRO)) and Electro Optic Systems ((EOS)), as well as Elsight Ltd ((ELS)) and Codan ((CDA)).

Bell Potter has equally lined up AML3D ((AL3)), Titomic ((TTT)), 6K Additive ((6KA)) and IperionX ((IPX)) as future beneficiaries from increased defence spending around the world, though these are all micro caps, which effectively means more volatility and more risk for substantial weakness when risk appetite retreats, irrespectively of what might happen longer term.

Within this context, **UBS strategists** note before the war broke out, market participants had positioned for stronger growth and mild inflation, which meant a preference for cyclicals instead of technology, small caps over large caps, and for equities outside the US.

These positions have largely remained in place, also indicating there's still a lot of hope any damage done from an ill-prepared and ill-conceived attack on Iran will remain benign and temporary.

If/when this belief changes, markets can become wildly volatile as money moves from one end to another.

For what it's worth, those UBS strategists believe the S&P500 will bottom quickly in case of a rapid resolution, with the index then seen rising to 7150 by year-end.

Assuming disruption persists until late April (another month ahead) they see the S&P500 potentially falling to 6000. Add another month and the likely target becomes 5350.

On Friday, the S&P500 closed at 6368.85 which then translates into a gain of more than 12% (woohoo!), or additional losses of -5.80% and -16% respectively.

History suggests the local market probably won't match the US performance to the upside, while it usually weakens even more under truly miserable conditions.

Plus, of course, many individual stocks will outperform on the upside, and suffer much larger losses to the downside.

Be careful. It's getting very dangerous out there. Make sure you still sleep at night.

See also: https://fnarena.com/index.php/2026/03/18/rudis-view-oil-inflation-growth-stagflation/

FNArena Talks

Crossborder Capital's Michael Howell recently sat down with FNArena's Dani Ecuyer in London to explain global liquidity, where it is in the cycle and how investors should be positioning in light of the cycle.

A video of the interview is available at FNArena Talks on the website:

https://fnarena.com/index.php/fnarena-talks/2026/03/26/global-debt-liquidity-refinancing/

and on YouTube:

https://youtube.com/watch?v=YZaEq4hwdEg&t=19s

We also published a curated transcript yesterday:

https://fnarena.com/index.php/2026/03/31/interview-michael-howell-crossborder-capital/

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Dividend Investing, The Smart Way_250(1)

Cover Investing in GenAi - medium sized

(This story was written on Monday, 30th March 2026. 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: Strategists Touting Opportunities

Share market strategists are looking beyond the short-term, as the war in Iran is not expected to last beyond month's end.

By Rudi Filapek-Vandyck, Editor

Bell Potter strategists Rob Crookston and Paul Basha's latest strategy update takes a rather sanguine point of view around this year's share market malaise thus far.

While current conditions are annoyingly frustrating, with ongoing uncertainty about duration and objectives even after the US president addressed the nation on Thursday, Bell Potter strategists remind investors share market drawdowns of -10% are nothing exceptional.

Looking at historical precedents, markets typical generate "robust positive returns" over six, twelve and 18 months once that "correction" has run its course.

In case there was any doubt: Bell Potter is not worried. Instead, Thursday's strategy update highlights the US economy continues to operate from a position of relative strength, the Federal Reserve retains significant dry powder to provide support if/when necessary, and we haven't even seen the fiscal stimulus kick in from the "One Big Beautiful Bill".

Then there's AI... the correlated capex boom is unlikely to be deterred by whatever is happening in Iran, the strategists argue, and thus continues to provide support to the US economy.

It's a pity, but Bell Potter's assessment is focused on the USA where quality companies have been de-rated substantially and excessively. Bell Potter's advice to investors is to grab your chance, while looking through short-term volatility.

As a hint, the strategy report highlights six of the Mag7 (excluding Tesla) are currently trading at or near decade-low valuation multiples.

Conclusion:

"While the next few weeks/months will undoubtedly bring continued uncertainty regarding the direction of the conflict and its impact on the global economy, it is important to look at history.

"Market moves of the magnitude we have recently witnessed are, on a probability weighted basis, buying opportunities.

"History has shown time and again that the highest returns are often generated by those who have the fortitude to increase exposure when the outlook appears most clouded.

"By prioritising fundamentals over headlines, disciplined investors can transform periods of volatility into significant long term returns."

Within this context, and to add some ASX-specific content to the suggestion put forward, I looked up the ten highest ranking stocks on **FNArena's R-Factor** filter:

- Amcor ((AMC))
- Nine Entertainment ((NEC))
- Regis Resources ((RRL))
- Atlas Arteria ((ALX))
- Dexus ((DXS))

- Bank of Queensland ((BOQ))
- Flight Centre Travel ((FLT))
- Perpetual ((PPT))
- Vault Minerals ((VAU))
- Beach Energy ((BPT))

For those not familiar with how our R-Factor works: rankings are based on forecast growth for two years ahead (mostly FY26 and FY27) relative to PE multiples and dividend yields.

Hence, it can be concluded on that basis, these are currently the ten "cheapest" stocks on the local bourse.

R-Factor also allows to ignore dividends, and this, obviously, generates a different ranking. Plus: forecasts are never set in stone.

For example: on Thursday morning analysts at **Morgan Stanley** are flagging margin risks for Super Retail ((SUL)), Accent Group ((AX1)), Myer ((MYR)), and Premier Investments ((PMV)).

For more info: https://fnarena.com/index.php/analysis-data/consensus-forecasts/the-rfactor/

FNArena also publishes a monthly updated **Australian Super Stock Report**, which ranks stocks according to broker ratings.

As one should expect, in a market as polarised and with nearly two-thirds in Buy-equivalent ratings, more than 50% of all 522 ASX-listed companies that carry at least one rating from FNArena's daily monitored brokers has the maximum score of nothing but perfect Buys.

Having said that, nine stocks currently have the worst score possible, i.e. only Sell ratings. Within the current context, it might be worth highlighting those:

- Air New Zealand ((AIZ))
- Appen ((APX))
- Atlantic Lithium ((A11))
- CommBank ((CBA))
- Emerald Resources ((EMR))
- EQ Resources ((EQR))
- Hastings Technology Mertals ((HAS))
- Helia Group ((HLI))
- Proteomics International Laboratories ((PIQ))

To finish on a positive note, here are the 12 highest ranked, combining both a perfect Buy-score as well as the highest number of broker ratings:

- Aristocrat Leisure ((ALL))
- Orica ((ORI))
- WiseTech Global ((WTC))
- Light & Wonder ((LNW))
- NextDC ((NXT))
- Pro Medicus ((PME))
- ResMed ((RMD))
- Universal Store Holdings ((UNI))
- SiteMinder ((SDR))
- Seek ((SEK))
- Flight Centre TRavel ((FLT))
- Generation Development ((GDG))

See: https://fnarena.com/index.php/analysis-data/super-stock-report/

When The War Is Over

Shaw and Partners' March InFocus report --essentially a monthly update on markets-- mimics the confidence of Bell Potter strategists, but with more focus on war in the Middle East.

The scenario with the highest probability (65%) sees the US and Iran progress towards a "tentative ceasefire" by late April, which might include a "weak nuclear deal" and Iran seeking to rebuild its arsenal of weapons over the years to come.

Trump does not want an extended war, is this strategy update's central premise. A meeting with Xi Jinping is scheduled for mid-May. The mid-term elections are forthcoming.

Here, too, a share market correction of up to -10% is seen as within expectations. Assuming this scenario plays out, crude oil is expected to trade inside a pricing range of US$90-US$110/bbl, and recede later onwards as the war premium gets priced out.

Gold is expected to trade between US$4500-US$5000/oz against the background of a range-trading USD.

While somewhat comforting, the report also states: there are no guarantees.

The latter is an important point that also features in **Oxford Economics**' latest assessment of the Iran war's impact on the Australian economy.

Oxford's base scenario remains the Strait of Hormuz is closed until the end of April.

Throughout May and June, traffic through the Strait will resume by some 50%, then gradually recover to full capacity over the next six months.

A more dire scenario sees oil trading above US$150/bbl for more months, which would push inflation to 7.7%, not that far off from the peak seen in covid lockdown days.

That's the scenario under which Australia would suffer a sharp recession. Oxford's modeling suggests GDP will then likely contract by -0.3% in Q2 (June) and by a further -0.8% in Q3 (September).

Excluding the pandemic, this would be the sharpest quarterly fall since the early 1990s.

Industries to suffer the most include transport, manufacturing, and mining, with agriculture equally heavily exposed through diesel and fertiliser.

The good news is, if the war is over by month's end --still Oxford's base case premise-- the RBA is expected to hold off on further rate hikes.

"To avoid causing too much pain for households and businesses, we expect the board will likely opt to keep rates in restrictive territory for longer, rather than push ahead with a sharper-but-shorter tightening cycle."

Alas, that option won't be available in case of a more prolonged war.

I think the messaging is clear: once the war and the closure of the Strait of Hormuz progress past April the 30th, worse case scenarios come into focus.

Not just for Australia, but for the world at large.

Can anybody tell the US president and Israel's leader?

Conviction Calls & Best Buys

Ord Minnett's Analysts' Conviction List, grouping together the broker's analysts' best stock ideas for the year ahead, contains twelve nominations:

- Alkane Resources ((ALK))
- Brazilian Rare Earths ((BRE))
- Breville Group ((BRG))
- Cuscal ((CCL))
- Energy One ((EOL))
- Lindsay Australia ((LAU))

- Qoria ((QOR))
- Regis Healthcare ((REG))
- Service Stream ((SSM))
- Shape Australia ((SHA))
- SiteMinder ((SDA))
- Zip Co ((ZIP))

Earlier this week, analysts at **Morgans** announced they've added two fresh inclusions for the broker's **Best Ideas** list:

- WiseTech Global ((WTC))
- Eagers Automotive ((APE))

But wait... no less than seven (7) former inclusions have been removed:

- Woodside Energy ((WDS))
- CSL ((CSL))
- Flight Centre ((FLT))
- Judo Capital ((JDO))
- EBR Systems ((EBR))
- Universal Store Holdings ((UNI))
- ARB Corp ((ARB))

See also:

https://fnarena.com/index.php/2026/03/19/rudis-view-top-picks-conviction-buys/

https://fnarena.com/index.php/2026/03/12/rudis-view-post-february-conviction-calls-2/

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

SMALL CAPS

Opportunity In 'Mini Macquarie' Weakness

Following the recent share price decline in MA Financial, analysts believe market concerns have been grossly overstated.

- **MA Financial shares seen as undervalued**
- **Offshore private credit concerns overdone**
- **Strong asset management growth and lending momentum**
- **MA Money grows faster than expected by management**

By Mark Woodruff

Management at MA Financial is being lauded for generating solid shareholder returns while building sustainable businesses

Opportunities to buy into a business with a strong earnings outlook at a discounted valuation, right as it turns an inflection point, are few and far between, even though bear-market conditions for large parts of the ASX in 2026 are probably offering more such opportunities than otherwise would be the case.

New research by Canaccord Genuity suggests MA Financial ((MAF)), an alternative asset manager and specialty financials platform with a market cap of circa $1.3bn, stands out as one not to be missed.

The market is seen as placing undue emphasis on perceived risks compared to underlying fundamentals, with FY25 results in February marking that inflection point.

Supporting this view, Jarden's recent research initiation on the company equally highlights undervaluation, following a share price decline to around $6.94 from $11.26 post the release of 2025 results.

Sometimes referred to as the 'mini-Macquarie Group' ((MQG)), operations span Asset Management, Lending & Technology, and Corporate Advisory & Equities, with Asset Management the largest contributor at 64% of FY25 earnings ex-corporate costs.

The Asset Management segment has rapidly grown assets under management (AUM) to more than $15bn at FY25 year-end, becoming the largest contributor to group EBITDA and delivering accretive margins above 45%.

Private credit and real estate are the core strategies sitting within this segment, with around $7bn each in assets under management (AUM).

The company's origins lay in Moelis Australia, which listed on the ASX in 2017 as a corporate advisory and equities business.

A strategic shift culminated in a rebrand to MA Financial Group in 2021, reflecting a broader platform spanning private credit, real estate, hospitality, and private equity alongside traditional advisory services.

Share price weakness

Jarden attributes the share price retreat to prior positive positioning into the February 2026 result release and broader negative sentiment toward the private credit sector stemming from the US.

Recent attention has centred on **private credit funds overseas and their exposure to AI disruption**, but Ord Minnett draws a distinction with MA Financial's portfolio, where software accounts for just 2.9% of exposures compared with 13–26% for some large US-based funds.

Jarden points out the company has a 0% loss history and nil loans in non-accrual or over 90-day arrears. Its average loan profile is more conservative than typical US business development companies (BDCs).

While around 85% of MA Financial's private credit book is comprised of asset-backed investments, sentiment-driven pressure on fund flows is the primary near-term risk, the broker suggests.

Canaccord sees the company as relatively insulated from issues affecting offshore private credit funds, given its exposure to residential and commercial development sectors rather than private equity-backed SaaS companies facing fundraising challenges.

Look-through data are seen as highlighting both resilience and diversification, and limited exposure to offshore risks.

Further, potential redemption pressure among its core retail and high-net-worth investor base is mitigated during periods of uncertainty.

Canaccord notes MA Financial's circa $7bn private credit AUM includes a flagship fund, representing around half the total, which features a first-loss buffer.

A first-loss buffer is a layer of protection where one party (often the manager) agrees to absorb initial losses before other investors are affected.

It's also noted around two-thirds of the underlying portfolio is rated BBB or higher, offering additional downside protection.

In further explaining recent share price weakness, Jarden notes MA Financial's **share price is more sensitive to overall market movements than average**, with the small-cap index down -17% from its January 2026 peak.

Jarden now assesses the shares offer an attractive entry point, trading on around 14x next twelve months forecast earnings, the lowest level in nearly two years.

For the coming year and the medium term, the analyst at Canaccord forecasts strong earnings growth at an around 28% compound annual growth rate (CAGR), leaving shares trading on an attractive 16x FY26 price earnings ratio.

Separately, this broker sees Real Estate delivering another strong year, with Redcape Hotel Group and Gold Coast City Marina (GCCM) performing well and broader portfolio activity supporting continued fee growth, underpinned by an integrated lending platform.

Redcape is an Australian pub and hospitality operator, owning and operating a portfolio of pubs, gaming venues and accommodation assets, with MA Financial managing and holding exposure through its real estate and private equity funds.

Providing exposure to the high-end marine and the superyacht market, GCCM is a large marine maintenance, refit and superyacht facility in Queensland.

In mid-March, Ord Minnett recommenced coverage of MA Financial, noting continued momentum in asset management net inflows and expecting strong growth in near-term assets under management (AUM) following launches of new vehicles in FY25.

The residential lending business is gaining traction, the broker observes, and is set to deliver a more meaningful profit contribution in FY26.

MA Money

The residential lending business, MA Money, reported its first full year of positive earnings in FY25, with the loan book up by 148%.

Jarden highlights this business has grown materially faster than initially expected by management.

Ord Minnett expects strong near-term profit growth as the loan book expands from a low base, with market share of just 0.2%.

The latter broker forecasts FY26 earnings will increase by 150% to $28m from $11m in FY25.

While the company's Finsure aggregator platform has delivered weaker-than-expected operating leverage, it has nonetheless supported the rapid growth of MA Money, Jarden explains.

FY25 performance

FY25 results for MA Financial slightly 'beat' the consensus forecast and were variously described by UBS and Morgans as "strong" and "sound", with the one key disappointment being a lack of upgrade to key FY26 targets.

FY26 guidance was for "underlying EPS … to be materially higher than FY25 as MA Money scales and all divisions demonstrate positive earnings momentum".

Management indicated confidence in MA Money achieving $20m profit in FY26, at the top of the previous $15m-$20m target range, while noting potential upside risk to this number.

Elsewhere, management opted not to set new targets despite already achieving its AUM and MA Money loan book targets around 12 months ahead of schedule, explained UBS.

At the time, the company expected to exceed its current Finsure managed loan target of $190bn for FY26 versus $175bn in 2025.

Guidance was for FY26 asset management net inflows to exceed the record FY25 level of $2bn, excluding institutional flows. Morgans expected this would be supported by continued expansion of distribution channels.

While the group's FY25 earnings margin of 29.6% was below the FY26 target of 40%, excluding the -$10m drag from strategic investments lifts the underlying margin to 33%, the analysts at UBS explained.

With strategic investment expected to moderate to -$6m-8m in FY26, this broker anticipated further margin expansion as operating leverage improves.

Outlook

Morgans views MA Financial as well positioned to deliver a compounding earnings growth profile over time and is impressed by management's track record of generating solid shareholder returns while building sustainable businesses.

Jarden views the growth outlook as supported by a strong, entrepreneurial management team with a proven track record of identifying emerging structural trends.

Management has also made consistent and low volatility returns across private credit, with minimal credit losses and solid real estate outcomes, this broker highlights.

Diversified domestic and international distribution channels with demonstrated capital-raising capability are seen as additional positives.

Three daily monitored brokers in the FNArena universe actively research MA Financial.

Ord Minnett joins UBS on a Buy rating, having resumed coverage in March, while Morgans has an Accumulate rating, midway between Buy and Hold.

The average 12-month price target of these three is $11.28, implying around 65% upside to the latest share price.

Outside of daily coverage, both Canaccord Genuity and Jarden have recently initiated coverage with respective Buy and Overweight ratings. Overweight at Jarden sits between Buy and Hold.

Canaccord and Jarden begin with targets of $11.30 and $9.45, respectively.

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SMALL CAPS

AI In Practice: Airtasker, Kinatico & Pureprofile

Research as a Service (RaaS) hosted a webinar titled “AI in Action, How ASX Companies Are Leveraging Artificial Intelligence” with three small cap CEO's presenting,

Re-published to correct typo in story title.

On Monday, Research as a Service (RaaS), in cooperation with David Tasker and team at Chapter One Advisers, organised an ***AI in Action webinar***, with the following CEOs from three ASX-listed small caps presenting:

- Tim Fung – Founder & CEO, Airtasker ((ART))
- Michael Ivanchenko – CEO, Kinatico ((KYP))
- Martin Filz – CEO, Pureprofile ((PPL))

Below is FNArena's curated impression from all three presentations given under the monniker **“AI in Action, How ASX Companies Are Leveraging Artificial Intelligence”.**

Looking For Tangible Outcomes

Finola Burke, RaaS Group: Our thinking behind this webinar is that AI has brought a lot of uncertainty into the equity markets, and while we can't predict where AI will take us, we thought it was worthwhile looking at how companies that RaaS covers are dealing with the threat, the challenges and the opportunities AI presents.

It's our view smaller companies tend to be nimbler with technological change because management is closer to the coalface and can gauge and adjust their businesses accordingly.

It's also our view some business models have moats which can help with the onslaught of AI.

David Tasker (Host): AI is clearly one of the dominant themes in markets right now, but the key question for investors is simple: where is AI driving outcomes, not just experimentation, but real impact on revenue, cost, product and ultimately earnings?

What makes today's session valuable is that we're looking across three very different business models; a marketplace, a regulated compliance platform, and a global data and insights business.

How does AI enhance a marketplace like this, rather than disrupt it? To walk us through that, I'll hand over to Founder and CEO of Airtasker, Tim Fung.

Airtasker: Widening The Business Moat

Airtasker CEO, Tim Fung: Airtasker is building the world's most trusted marketplace to buy and sell local services. It is a really simple business model; we connect people who need work done with people who want to work.

Our mission at Airtasker is to empower people to realise the full value of their skills. For us, creating jobs for humans isn't a by-product of the work that we do, it's the core purpose.

We’ve done over a billion dollars in jobs now globally and have now passed over 5 million jobs completed in the Australian market, and we are carving out a place in this marketplace ecosystem.

I think one of the things that's interesting about AI is it's going to make productivity gains really powerful in the white collar space.

It's a little "un-intuitive", I guess, to us from 10 to 15 years ago, but AI is making things like white collar jobs, and jobs that can be done virtually and remotely, really disruptive in that space.

Some 95% of Airtasker's jobs require physical and real world skills, humans doing things with their hands, things like cleaning, moving, furniture assembly, and handyman services.

As Jensen Huang, the CEO of Nvidia, says: it's really going to be the plumbers that win the AI race.

Anthropic has done some amazing research and released a Labor Market Impact Study. Jobs like management, business and finance, computer and maths, architecture and engineering, are the jobs that are going to be impacted here, with close to 100% of those jobs potentially being covered by AI.

Jobs like software engineering are already seeing impacts.

Real world jobs have much lower exposure to automation. Things like handyman work, insulation, and garden maintenance are much less likely to be automated.

There is also a frontier of humanoid robotics, which I think is worth calling out. We do think over time, humanoid robotics could become something that is impactful on labour markets.

That said, we always believe humans are going to be on the frontier of creativity and the things that are going to be done to further humanity.

Although some of these jobs, even in the physical world, could be disrupted eventually, new jobs are going to be created that we can't even imagine right now.

I think we are some way away from humanoid robots taking all those jobs because they require a huge amount of physical, in person dexterity. That said, there's also the disruption of Airtasker, or the potential disruption of various marketplace platforms and connectors.

One of the things I think is worthwhile really looking at is the difference between those that are going to come out with stronger moats post AI disruption, and those that are going to come out with weaker moats.

There's a great article by Nicholas Bustamante that talks through ten moats that are very common in businesses.

The first list of potential moats in businesses include learned software interfaces, specific business logic that is created, or access to data which is ultimately publicly available. Those moats, because of the unlimited intelligence that you can get from AI agents, are going to be largely weakened moats.

There are moats in businesses which, in an agentic AI world, are going to get even stronger. Examples of that would be proprietary data, regulatory lock-in, and, of course, network effects; one of the things that Airtasker is built on.

Three of these are key moats.

The first is network effects. Airtasker is a marketplace. It is important when you come to Airtasker and post your job, you get the best quality offers, the best in the fastest possible time, with the biggest range of possible services.

We believe that's driven largely by having a highly liquid base of customers and taskers.

The second is embedded transactions. Airtasker manages the payment.

If you look at some of the lead generation websites, which tend to broker information, that is, connect one person with another, I think those can be very largely disrupted.

Airtasker, in contrast, takes the payment, provides the insurance and the assurance and the system of record, which makes sure that those services are provided to the level expected.

The third thing is proprietary data. Airtasker is sitting on over 10 million reviews from customers, which are real insights into which tasker is going to be best for which kind of job.

By collecting that information and hosting that information for each of our taskers, we've created a unique piece of inventory which is very difficult to find anywhere else.

As agentic AI makes the economy more productive, you're going to see more of a need for accessing that kind of information and that kind of inventory.

I think that's going to bode very well for our business.

It's also interesting to look at not just Airtasker as a business model.

We started by looking at the services economy. As a starting point, humanoid robots are far away from that.

We then looked at Airtasker as a marketplace platform. I think the moats in our business are potentially going to become even stronger during this period.

There is also Airtasker as an organisation, and how efficient we can make that organisation.

Although we provide our services via a piece of software, we don't actually sell software. Airtasker is a net buyer of software.

As building software becomes faster and cheaper, we can deliver even more value to our customers without incurring as many costs. I think that factor is going to see a widening of margins in this kind of business.

I would differentiate us from a SaaS business that is selling the software.

The second thing we've observed in our business that's exciting is that AI can help us use semantics and human-based language to get better at things like moderation in our community and to address platform leakage.

A lot of these things were hard to do with deterministic models. We're trying to design algorithms to work out, for example, what is good behaviour and what's bad behaviour.

Using generative models, we can more easily identify what, intuitively, is good marketplace behaviour that we want to encourage and what is marketplace behaviour we want to be able to address.

AI has really helped us to be able to do that.

The third thing is across our business, and so much of this is coming from the bottom up, which is exciting, but AI is already driving **huge operational improvements**.

For example, one aspect of Airtasker is it is difficult to identify customers at the precise moment at which they need a job done. Using agentic AI we can watch almost an unlimited amount of Instagram and TikTok reels and work out when a customer is in the market to buy a service.

By being able to stay on top of that in real time, in intuitive, semantic human language, we can meet those customers at that exact moment with an offer or a discount, and we're seeing incredible conversion rates.

It is also helping us with aspects of our business, like marketing.

The agentic AI era is going to compound some important competitive advantages for Airtasker.

First are network effects. Ultimately this is a hugely powerful moat we are going to be able to build our business upon and that makes it very hard to disrupt.

The second thing is embedded transactions. Airtasker is running the payments. Being part of that economic

value exchange, to disrupt the payments provides us with the opportunity to be able to hold people accountable and provide that transparency and accountability you need to run a powerful marketplace.

The third is proprietary reputation. People create their profiles on Airtasker, giving us unique inventory we can use to distribute the ability to buy local services through many of these agentic AI protocols and frameworks.

The fourth is regulatory responsibility. Airtasker provides a service to the Tax Office, for example, making sure that all our users are ID checked, provide tax information, etc.

This is generally something AI type models are probably not going to want to take on the responsibility for, and so this provides us with a huge competitive advantage.

Kinatico: A Change Management Factor

David Tasker: If we shift from marketplaces into regulated environments, the dynamic clearly changes. AI can clearly drive efficiency, but it also introduces accountability, risk and governance, and that's exactly where Kinatico comes in.

What's particularly interesting is their approach, embedding AI across the business while keeping humans firmly in control of decision making.

To take us through that, I'll hand over to CEO Michael Ivanchenko.

Michael Ivanchenko: Kinatico is the involvement of PI, or personal information and personal data, across not only individuals, but corporates, etc.

Everything we do is about privacy by design, irrespective of technology, irrespective of approach, that is the primary consideration.

We've approached AI by first and foremost asking: how does it fit into our security frameworks?

How does it make sure we don't violate any of the trust and confidence provided to us by our customers, and also make sure things like accountability, certainty and all of the things you have to have in an environment where you're dealing in data systems, are actually prominent across the board?

What that also means is the adoption of AI in any company, but certainly in Kinatico, is **a change management piece**, just as much as it is a technology piece.

One of the reasons we appointed our chief AI officer, who is also our chief people officer, is to make sure the way we look at AI across the company is about accountable AI governance, including extending our existing ISO 27001 accreditation to the newly formed 42001, which is the International Management of AI.

We adopted Anthropic as our primary LLM within the organisation early in 2025 and adopted it across all parts of the organisation, to the point today where **88% of our employees are confidently utilising AI** in their day-to-day work.

We've seen a 50% increase in features being deployed across all of our product set.

It is being used in all components of development, whether it is product management specifications, coding, of course, but then also QA, testing, and, most importantly, in any product company, the measurement of success, and iteration that feeds back into that product framework.

We've also developed our own proprietary LLMs to use within our product.

This isn't about providing a tool set, it's about ensuring you can deliver the value customers see and need at an increasing velocity, and on an increased basis generally.

AI is an opportunity to accelerate domain level expertise.

In our case, 17 years of domain expertise and proprietary data source access back to government that we use in all our verifications are not publicly available.

The data is certainly not searchable across the net, and is not something that governments, et cetera allow anybody to connect to because of data sovereignty and protection.

Everything we do is contained and maintained within our platforms. There is no feeding back into language models to help them learn, or other things like that. Everything we do is contained within our sphere.

Looking forward, this is a competitive advantage across marketing and sales. We want to make sure taking advantage of AI puts us in a position where we can start capturing the AI budget of organisations.

When you look at all the data that is coming out on how much companies are looking to spend and budget in their various departments, the one that is increasing is their automation across AI.

We want to make sure we are part of that ecosystem.

We're not only embedded, but facilitating it and leveraging it, and being at the hub, if you will, of a hub and spoke type arrangement is a strong advantage for us.

From an operational point of view, the operational leverage of using AI for what it is particularly good at is in the automation and time reduction of certain processes, as long as you have the controls in place.

What is always important, and we've seen plenty of examples already in the press where AI deployments have gone awry, is that looking at the technology and the deployment of technology is the victory, rather than losing sight of the core KPIs, the reason you're trying to do those things in the first place, and making sure that AI is delivering those advantages.

Using our core product as an example, Kinatico Compliance is built from the ground up with AI. It is a platform that is envisaged to be connected to by AI agents, not just people. Significantly, this includes even the pricing model we've been looking at.

We don't charge for admin users, because that's where the AI agents are going to be accessing the platform within constrained company environments.

What we charge is on the data generation, the value provided by monitoring and managing the compliance of the workers that are there.

We've also looked at overlaying it across our existing product space. An example of something we're now rolling out has expected results across that resolution of customer inquiries, 60% automated, with a response time of less than two minutes versus potentially hours previously, and a cost per ticket reduction of around -40%.

One is the integration and access from AI agents, but the other one is allowing people to interact with computers in a way that is far more logical to themselves.

For instance, for a potential new starter, the platform takes over all of the things that need to be done, always with a confirmation, though. You notice it says: this is what I'm going to do, are you happy for me to proceed?

In summary, we’ve already embedded AI with over 80% of our staff using it daily. We think where we'll get to is: on the physical ecosystem, we will end up with AI agents on our organisational charts.

All AI agents, and all people for that matter, are not infallible. Making sure the same safeguards we put in place today exist in an AI framework is also critically important, because, again, the benefits of the software, the benefits of AI technology, don't negate the fundamentals of how you deal with your data security, your company security, across all of the workforce, your policy and obligations, your liabilities as a company.

Saying to somebody, yeah, look, that's really bad, but it was our AI that did it, doesn't get you away from the liability and accountability for you as an organisation and what you're providing.

Understanding all of that, and the controls in place around it, become critical.

I think we will see productivity across organisations shift such that the size of organisations will not necessarily scale with more employees. Instead, companies will increasingly look at how their workforce can be supplemented with AI agents, particularly on the customer side.

We have seen this with every major technology evolution, whether it was the original internet or big data. Expectations around the speed of innovation, what customers can access, when and how they access it, and at what cost, continue to increase.

There is nothing fundamentally new here just because it is AI. The key issue remains ensuring companies deliver value and service, not just tool sets.

Any software company providing only tool sets risks being commoditised or replaced. This ties back to the core point that the fundamentals remain unchanged.

Organisations must focus on what makes customers want to engage and remain with them. At the same time, there is an opportunity to increase internal staff engagement.

This may seem counter-intuitive given the focus on workforce reductions, and while there are valid considerations around what that will look like, there is also a genuine opportunity.

For those who remain within organisations, AI tool sets and improved coordination can increase engagement. It is almost like giving every worker several personal assistants to help them perform their role.

Finally, within the technology ecosystem, the combination of proprietary large language models or AI models, alongside acquired models, proprietary and secure data, and AI-enabled processes and management, will be key to delivery.

This will be supported by appropriate interfaces that enable secure access and third-party integrations, forming the overarching technology model going forward.

Pureprofile: A Drive For Business Innovation

David Tasker: Our final presenter sits in a very different part of the AI landscape. This is a data and insights business where AI is not just enhancing workflows, it's reshaping the product itself.

The key question becomes: how does AI drive both growth and margin expansion in a data driven business?

Martin Filz, CEO Pureprofile: Pureprofile is a data company and has nearly 1000 clients around the world who have business problems.

They come to us and we recruit millions of people around the world to be a source of truth. So that source of truth is behavioural data; what people do, what searches they're doing, what websites they're going to, etc, and clients can then analyse that data.

In the last few weeks, we've seen searches for electric vehicles go up over 50%. Our clients are looking to answer questions about what sort of automotive products people are interested in.

We have 14 offices around the world, about 260 staff. Nearly a third of our revenue is now platform revenue and about half our revenue is in long term annuity revenue; could be SaaS, could be long term contracts, again, AI is driving that as well.

We are a truly global company.

The first thing AI has been brilliant at is: it has driven **innovation in companies**. Because I can do it in AI doesn't mean I'm necessarily going to do it in AI, but it means I start talking in the company more about innovation.

As an investor, you really want to see companies who aren't necessarily just talking about AI, but are maybe accelerating their product development.

We're all talking about AI. We may be writing birthday cards using AI, doing children's homework using AI, teaching skills using AI.

The second thing that AI has done is the separation of coming up with an idea, which really product teams do, has changed.

What are clients asking for? What problems are we solving? Coming up with that idea, and then that gets thought out.

You've got ROI, you've got planning. Then that gets, if you like, thrown over the fence to an engineering team that says, OK, now go and build this piece.

And guess what? The engineering team goes back, looks at the specification, changes it maybe a little bit, and it always takes longer, and it always costs more money than you expected at the beginning.

Because of AI and because of this information, you're seeing product design and engineering coming much closer together.

Prototypes that are coming out of product are 80% good enough, or, as we say, minimal viable products are 80% good enough to launch across the company, and quite often for internal tools.

What comes out of a product team allows you to start using something, maybe do some reiterations or iterations of that tool you're using before you've got a final release.

Companies should be faster with new solutions.

I'm rolling out tools faster across my organisation, and then perhaps gaining efficiencies, because I'm not so heavy on the engineering side, expensive resources if they're onshore (obviously less if they're offshore), but I need fewer of those to do more work.

The third thing is everything is accelerated. Going from problem, design, prototype to launch is faster.

Keep an eye on companies' employee satisfaction. Keep an eye on companies' client NPS scores, satisfaction scores, because what you can see is, if organisations start to do too much too quickly, then they're going to put a strain on their internal clients, and they're going to put a strain on their external clients, and start to lose track of what they are actually in business to do.

What problem am I trying to solve? Really, I should just be using AI and technology to solve that problem faster and better.

I'm not trying to develop something newer. Sometimes technology can get in the way of what I do as a core business.

The speed that AI is now moving at is incredible. AI has gone from where it was really six to eight months ago, where it was aiding development, it was enabling development to be faster, to now, if I'm careful about it, AI can do all of the work for me, and I've got people overseeing it, but really all the code is being generated.

The problems are being solved just by AI. We're up to version 5.3 of ChatGPT as an example. It doesn't matter what AI you use, but in the latest release of 5.3, some of the code and product was totally developed by AI.

We now have this agentic AI, which is this terminology where, rather than using AI as an expert to speed up what I'm doing, you can actually say to AI, be the expert in the problem you are trying to solve.

We're all using AI. We're all using AI in our day-to-day life. People have downloaded it onto iPhones. Within companies you perhaps have safe, and you should have safe, enterprise versions, where you're maybe uploading documents or asking business questions in a safe, ring-fenced environment.

Firstly, companies need to be more efficient. How can I replace manual tasks with automation and do more with less? However, and this is a huge however, you are, just as a company, **changing your risk profile**.

At our core, we have irreplaceable data that is updated daily by millions of people around the world. Technology is no longer a moat. You need to look at companies and ask: what are their moats? What are their defensible points of business?

Because we're seeing companies like Atlassian, where their share price is being decimated; or are there other reasons for that?

Is it replaceable?

For a company like WiseTech Global ((WTC)) the defensive moat is the relationships and how they're embedded across the whole shipment plan, the delivery, the route to market, from product being put onto tankers and delivered to end case, that's the defensible part, not the technology.

Watch AI washing. What I do as a company, Pureprofile, is answer business questions that companies have; they want to understand more from their consumers.

I've not suddenly become an AI company. I just use AI to do that better.

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.

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TREASURE CHEST

Treasure Chest: Greatland Resources

FNArena's Treasure Chest reports on money making ideas from stockbrokers and other experts. Today's idea is Greatland Resources.

By Mark Woodruff

Whose Idea Is It?

RBC Capital

The subject:

This week's mineral resource update for the Telfer, Havieron and O'Callaghans deposits within Greatland Resources' ((GGP)) consolidated Telfer hub directly addresses RBC Capital's concerns around mine-life extension.

It's also felt management can now lift production beyond 500kozpa at Telfer, with an upcoming reserve update expected to confirm current momentum.

More info:

RBC upgrades its rating for Greatland Resources to Outperform from Sector Perform, citing three key catalysts: resource growth, improved near-term production visibility, and added optionality from O'Callaghans.

Management noted "Telfer and Havierion's combined resource of 550mt…has the potential to underpin a multi-decade, world class mining hub" while "O'Callaghans is a globally significant tungsten and base metals deposit that presents latent value and optionality within Greatland's portfolio".

After setting a higher gold price forecast earlier this week, Macquarie also upgraded its rating to Outperform from Neutral, identifying the stock as its preferred mid-cap gold exposure amid positive catalysts.

Greatland owns a portfolio of key deposits in Western Australia centred around the Telfer region. Its core asset is the Telfer gold-copper mine, a large, established operation incorporating the West Dome open pit and underground, and Main Dome underground.

Better grades at West Dome provide confidence for RBC into the second half of FY26 and support the potential for guidance upgrades.

Macquarie raises its FY26 production forecast to 321koz from 313koz, now above guidance of 260koz-310koz, driven by both stronger-than-expected West Dome grades and outperforming recoveries.

The reintroduction of the sub-level cave and the maiden West Dome underground resource are thought to provide additional optionality.

These underground projects are seen supporting an increase in gold production to more than 500kozpa, alongside Havieron.

Following the December 2025 feasibility update for Havieron, the broker believes execution and capex risks are largely reflected in current valuations and share price performance.

While permitting has yet to be secured, the project remains on track for FY26, with a final investment decision (FID) expected shortly thereafter.

Havieron, located around 45km from Telfer, is a major gold-copper underground development project expected to become a key future feed source for Telfer's processing infrastructure.

Greatland's portfolio also includes O'Callaghans, a polymetallic deposit containing tungsten, copper, zinc and lead, which provides longer-term optionality rather than near-term production growth.

It is RBC's assessment an updated resource for O'Callaghans could unlock value from a largely latent asset not reassessed since Newcrest ownership.

Greatland acquired 100% of Telfer and the remaining 70% interest in Havieron for around - $700m from Newmont Corp ((NEM)) --then owner of Newcrest-- in December 2024.

The transaction also included full ownership of the undeveloped O'Callaghans tungsten deposit, located approximately 10km from Telfer.

Prior to this acquisition, Greatland held a 30% interest, with Newmont (previously Newcrest) holding 70%. Newmont announced the takeover of Newcrest Mining in May 2023 and the deal was completed in November of the same year.

The O'Callaghans project is capable of generating around $90m in annual free cash flow (FCF), suggests RBC, although management is expected to sell down to a minority position given the complex product mix, bespoke processing requirements, and its strategic focus on Telfer and Havieron.

Jarden explains recent **Chinese export controls have driven tungsten prices up more than fivefold**, prompting a reassessment of the value of O'Callaghans.

Just prior to the resource update, this broker derived an initial valuation of around 96 cents per share for O'Callaghans, and incorporated this into its overall valuation, lifting its target price by approximately 14% to $6.40.

Jarden's analysis assumes a base case ammonium paratungstate (APT) price of US$550/mtu, well below spot levels above US$2,200/mtu, and includes initial assessment of a conceptual 2mtpa underground development producing around 500kmtu per annum.

APT is a refined intermediate product used to price tungsten globally.

Tungsten has been designated a critical mineral by the US since 2018.

China controls around 80% of primary upstream supply from domestic operations and, following a sharp rise in imports of foreign concentrate in recent years, has expanded its dominance to more than 90% of the midstream, explains Jarden.

Valuation sensitivity to higher APT prices is significant, with Jarden's estimate rising to around $1.5bn at US$700/mtu and approaching $10bn at spot pricing.

Moelis believes O'Callaghans offers useful option value and aligns with the current focus on critical minerals, but considers tungsten less significant than the residual upside potential of Greatland's gold assets.

Overall, this week’s resource update highlights to this broker the continued scale and optionality of the Telfer deposit.

Higher assumed prices have partly driven the increase, while the inclusion of a maiden West Dome underground resource and extensions at Main Dome underground point to high-grade additions that can complement the base-load, low-grade open pit, explain the analysts.

Moelis expects inventory to continue growing as drilling progresses, particularly across the underground deposits.

While cost and capital risks remain in bringing additional underground mines into production, RBC believes these are manageable given the existing infrastructure.

The new underground sources are also expected to provide a fallback supply of mill feed should Havieron be delayed.

Among daily monitored brokers in the FNArena database that research Greatland Resources, there are two Buy ratings and one Hold. Their average target of $15.77 implies around 39% upside to the $11.35 share price at the time of writing.

That was before Ord Minnett updated its research this morning, which saw this broker re-iterating its Buy rating and lifting its price target to $19 from $18.50.

Ord Minnett's investment thesis is probably best summarised with the following quote from today's update:

"Ord Minnett’s investment case for Greatland rests on the company owning arguably the best undeveloped gold and copper resources in Haverion and the nation’s third-largest processing mill at the Telfer project."

Outside of daily coverage, RBC Capital and Canaccord Genuity have Buy or equivalent ratings, while Jarden and Moelis are Sell-rated and their average target is $11.68.

According to Moelis, Greatland continues to screen as expensive relative to peers despite a material share price decline over the past month.

As this broker’s valuation already incorporates an extended contribution from Telfer, the upgraded resource estimate is unlikely to materially lift valuation at this stage, though it may provide some support for sentiment, the report suggests.

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

Weekly Ratings, Targets, Forecast Changes - 27-03-26

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

By Mark Woodruff

Guide:

The FNArena database tabulates the views of seven major Australian and international stockbrokers: Citi, Bell Potter, Macquarie, Morgan Stanley, Morgans, Ord Minnett, 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 March 23 to Friday March 27, 2026
Total Upgrades: 11
Total Downgrades: 14
Net Ratings Breakdown: Buy 65.93%; Hold 26.81%; Sell 7.26%

For the week ending Friday, March 27, 2026, FNArena recorded eleven upgrades and fourteen downgrades from the seven brokers monitored daily across ASX-listed companies.

National Australia Bank received ratings downgrades from Morgan Stanley and Macquarie to Underweight and Neutral, respectively.

Morgan Stanley noted higher interest rates, tighter monetary policy and rising fuel costs are emerging headwinds for the Australian economy and moved its industry view on Australian banks to Cautious from In-Line.

NAB and ANZ Bank have greater exposure to diesel-intensive industries than Westpac and CommBank, highlighted the analysts. Potential for higher collective provisions in the upcoming reporting period was also flagged.

In moving its stance on the Banking sector to Underweight, Macquarie agreed elevated energy prices and higher interest rates are increasing risks to credit growth and bad debt charges.

Despite recent resilience, history suggests downside risk to bank share prices, as oil price shocks begin to flow through to earnings and valuations.

In contrast, Ord Minnett noted the outlook for banks remains positive, supported by strong lending volumes, rising interest rates and wider three-to-five year interest rate swap spreads.

This broker conceded a prolonged energy shock could weigh on global and domestic activity, increasing the risk of a sector-wide sell-off from previously elevated valuations.

NAB was highlighted as having the highest exposure to agriculture, a sector under pressure, though fully secured lending suggests limited risk of material losses.

For a further summary on broker views around the impact on the Banking sector from both oil and artificial intelligence see https://fnarena.com/index.php/2026/03/25/australian-banks-impact-of-oil-shocks-and-ai/

Percentage falls in average target prices for the week exceed increases in the tables below, while, apart from the top two positions, increases in average earnings forecasts outweigh the week's downgrades.

The top seven rises in average earnings forecasts relate to stocks in the Lithium and Oil & Gas sectors.

UBS highlighted deficits continue for lithium with tightening risk from higher demand for both electric vehicles (EV) and battery energy storage systems (BESS). US$4,000/t spodumene is forecast by the end of 2026 or early 2027.

A compelling risk-reward profile is seen for lithium, with potential for another up-cycle supported by Middle East conflict-driven strength in EV demand.

Liontown Resources, PLS Group and IGO Ltd feature in the earnings upgrade table below, with UBS selecting Buy-rated Liontown and Mineral Resources as key picks. The broker upgraded its rating for IGO to Buy from Neutral and downgraded PLS Group to Neutral from Buy (on valuation).

Santos, Woodside Energy and Beach Energy are also prominent in the forecast earnings upgrade table after a separate report by UBS earlier in the week.

The analysts again lifted their oil and LNG price forecasts, reflecting ongoing escalation in Iran and the extended disruption to flows through the Strait of Hormuz.

The broker's base case assumes a further two-to-three weeks of disruption, with flows remaining severely constrained and damage to critical energy infrastructure sustaining elevated risk premiums.

The 2026 average Brent oil price forecast was hoisted to US$86/bbl from US$72/bbl, with UBS now expecting second quarter Brent at US$100/bbl, up from US$74/bbl prior.

2026-2028 Japan Korea Marker (JKM) LNG price forecasts were also lifted to $23.6/mmbtu in 2026 and $14.5/$11/mmbtu for 2027/28, reflecting supply risks following strikes on Qatar's Ras Laffan LNG facility. JKM is the benchmark price for spot LNG in Asia.

The 12-month target price for Santos increased to $8.80 from $8.20 with further charting support highlighted at https://fnarena.com/index.php/2026/03/24/buying-the-santos-dip/

On the flipside, Synlait Milk received the largest downgrade to average FY26 earnings forecasts by brokers following another weak interim earnings release, as explained at https://fnarena.com/index.php/2026/03/25/fnarena-corporate-results-monitor-25-03-2026/

TPG Telecom is next on the earnings downgrade table after Macquarie made a minor downward adjustment to its FY26 forecast.

Overall, the broker remained positive on the stock with an unchanged Outperform rating and higher target of $4.40, up from $4.20.

The company is pushing aggressively on mobile growth, explained the analyst, with Vodafone prepaid price increases and strong active customer services growth versus peers supporting above-inflation mobile services growth.

This broker's lower capex assumptions for FY28 and FY29 also reflect improved progress on cost reductions.

The average earnings forecast for DigiCo Infrastructure REIT fell by circa -10% after interim earnings had come in -9.2% below the consensus forecast.

Morgans attributed this miss to tenant reconfiguration works during the period, noting FY26 underlying earnings guidance was reaffirmed despite currency headwinds.

The REIT continues to trade at a -50% discount to net asset value, with the broker noting this does not include the full value of the 88MW SYD1 data centre expansion, which management estimates could add $1.50 per security at a targeted 15% yield on cost.

Morgans sees an opportunity for investors, retaining a Buy rating. The broker's target was lowered to $4.15 from $4.30.

While Premier Investments heads up the fall in average price target list below, analysts observe shares are trading at a sizeable discount to valuation and see potential from management's upcoming reset of children's school supplies retailer Smiggle.

For analysis of broker views on Premier see https://fnarena.com/index.php/2026/03/24/premier-investments-counts-on-smiggle-refresh/

Amplitude Energy’s average target in the FNArena database fell around -9% last week after the company confirmed it is now 0-for-2 in its East Coast Supply Project’s (ECSP) exploration program.

While the Isabella well flowed gas to surface, Morgans noted it failed to sustain pressure and flow, a disappointing outcome given it was the program’s largest target.

While Amplitude’s balance sheet and $100m in first half earnings provide some buffer, the next drilling result is considered critical to the investment thesis, with only two wells remaining.

A final investment decision (FID) for the ECSP has now been deferred until these subsequent wells are drilled, expected in the second half of 2026. Morgans lowered its target for Amplitude to $3.00 from $3.50.

Bell Potter applied a higher risk discount to the project, reducing its target price to $2.70 from $3.40, with existing producing assets accounting for around $2.50 per share.

Buy ratings remain elevated at 65.93%, with Sell ratings at just 7.26%, leaving 26.81% as Neutral/Hold.

Upgrade

AUSSIE BROADBAND LIMITED ((ABB)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 5/0/0

Macquarie notes both Aussie Broadband and Superloop offer defensive earnings profiles amid rising rates and inflation, with Superloop additionally benefiting from down-trading through its discount Exetel brand.

Amid a volatile macro backdrop, both challenger NBN players continue to deliver resilient consumer share gains while diversifying into adjacent services via balance sheet deployment, the analyst explains.

The broker upgrades Aussie Broadband to Outperform from Neutral, reflecting recent share price weakness and supportive valuation analysis. The $5.30 target is unchanged.

While Aussie screens cheaper, Macquarie views Superloop’s earnings growth as higher quality, supported by fibre to the premises (FTTP) contributions and a superior, faster-growing Wholesale contract.

DALRYMPLE BAY INFRASTRUCTURE LIMITED ((DBI)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 3/0/0

Macquarie highlights Dalrymple Bay Infrastructure's earnings stability, underpinned by take-or-pay contracts that insulate revenue from diesel shortages.

Inflation-linked pricing and exposure to higher bond yields are seen as supporting near-term earnings and cash flow growth.

Commentary notes favourable bond resets with hedged debt enhancing earnings visibility, while growth remains supported regardless of expansion timing.

In short, the valuation is attractive, in Macquarie's view, with strong yield and growth outlook, supported by inflation and bond tailwinds. Target eases to $5.39 from $5.45. The rating is upgraded to Outperform from Neutral.

DETERRA ROYALTIES LIMITED ((DRR)) Upgrade to Neutral from Sell by UBS .B/H/S: 3/2/0

UBS upgrades Deterra Royalties to Neutral from Sell with a $3.95 target price.

The broker sees commodities being impacted by the Middle East conflict. Under a ceasefire, and if the Strait of Hormuz opens by early April, the analyst points to copper and copper shares rallying, with aluminum and coal to consolidate or decline. Iron ore remains a more China-centric play.

In the case of an energy price shock and extended conflict (over 2 months), UBS sees more downside to copper and further upside to aluminum and coal.

Gold is expected to recover to its "safe haven/diversifier" status despite the change in USD strength and higher bond yields.

EVOLUTION MINING LIMITED ((EVN)) Upgrade to Neutral from Sell by UBS .B/H/S: 2/3/1

UBS upgrades Evolution Mining to Neutral from Sell with a $12.50 target price.

The broker sees commodities being impacted by the Middle East conflict. Under a ceasefire, and if the Strait of Hormuz opens by early April, the analyst points to copper and copper shares rallying, with aluminum and coal to consolidate or decline. Iron ore remains a more China-centric play.

In the case of an energy price shock and extended conflict (over 2 months), UBS sees more downside to copper and further upside to aluminum and coal.

Gold is expected to recover to its "safe haven/diversifier" status despite the change in USD strength and higher bond yields.

Key gold picks remain Newmont ((NEM)) and Genesis Minerals ((GMD)).

GOODMAN GROUP ((GMG)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 6/1/0

Morgans observes A-REITs delivered largely in line with expectations in what was a "relatively benign" reporting season.

Yet, this is in contrast to the share price performance where the ASX200 A-REIT sector is down -19% over the past six months versus a relatively flat ASX200.

Higher interest rates provide a challenge to the sector over the short to medium term, although the broker believes the recent share price reactions are overdone and give investors a chance to buy into high-quality names that will be first to benefit once inflation expectations moderate.

Morgans upgrades Goodman Group to Buy from Accumulate and reduces its target to $32.45 from $36.05.

HUB24 LIMITED ((HUB)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 6/1/0

Given the ongoing conflict in the Middle East as weaker global and local markets weigh on funds under management Macquarie notes marginal support for US dollar-exposed funds.

The broker expects Hub24 to take market share in the coming 1-2 years, forecast to grow earnings by more than 20% over the medium term. Valuation has de-rated materially over recent months amid concerns around the sustainability of platforms in the context of AI, with Macquarie suggesting this is an "overblown risk".

As the stock is trading at 2.63x equivalent to a -10% discount to the 5-year average the rating is upgraded to Outperform from Neutral. Target is reduced to $92.25 from $106.10.

IGO LIMITED ((IGO)) Upgrade to Buy from Neutral by UBS .B/H/S: 3/1/1

UBS upgrades IGO Ltd to Buy from Neutral, with an $8.55 target price.

The broker continues to view there is an attractive "risk-reward" in lithium and the possibility of another upcycle, as the Middle East conflict supports EV demand.

There are ongoing lithium deficits, with scope for further tightening driven by higher EV and battery storage demand, with US$4,000/t spodumene expected by the end of 2026 or early 2027.

Liontown ((LTR)) and Mineral Resources ((MIN)) are also key picks.

SANDFIRE RESOURCES LIMITED ((SFR)) Upgrade to Neutral from Sell by UBS .B/H/S: 1/3/1

UBS upgrades Sandfire Resources to a Neutral rating from Sell with a $17.70 target price.

The broker sees commodities being impacted by the Middle East conflict. Under a ceasefire, and if the Strait of Hormuz opens by early April, the analyst points to copper and copper shares rallying, with aluminum and coal to consolidate or decline. Iron ore remains a more China-centric play.

In the case of an energy price shock and extended conflict (over 2 months), UBS sees more downside to copper and further upside to aluminum and coal.

Gold is expected to recover to its "safe haven/diversifier" status despite the change in USD strength and higher bond yields.

SIGMA HEALTHCARE LIMITED ((SIG)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 4/3/0

Ord Minnett highlights Australian Healthcare as a defensive sector amid volatile global conditions, identifying Regis Healthcare, Integral Diagnostics, Sigma Healthcare and EchoIQ as preferred exposures.

Earnings resilience and multiple growth drivers support the sector, assess the analysts, particularly for companies with strong balance sheets and catalyst pipelines.

The broker notes higher bond yields have driven valuation resets, with weighted average cost of capital (WACC) assumptions lifted and target prices reduced across research coverage.

Cost pressures, the analysts note, are most evident for wholesalers and pathology providers given freight

exposure and limited near-term pricing power.

Ord Minnett lowers its target for Sigma Healthcare to $3.30 from $3.40 and upgrades to Buy from Accumulate.

VEEM LIMITED ((VEE)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 2/0/0

First half results from Veem underwhelmed Ord Minnett, having issued two major downgrades and a write-down. The broker now believes the stock has hit its nadir and is turning the corner.

FY26-FY28 earnings estimates are significantly reduced and the target is lowered to $0.90 from $1.20 yet the rating is upgraded to Accumulate from Hold given a -55% valuation discount.

The broker remains of the view this business has significant submarine, propeller and defence capabilities which will be highly sought after as global defence budgets increase dramatically over the next decade.

WHITEHAVEN COAL LIMITED ((WHC)) Upgrade to Buy from Sell by UBS .B/H/S: 3/3/0

UBS upgrades Whitehaven Coal to Buy from Sell, with a new target price of $10.10.

The broker sees commodities being impacted by the Middle East conflict. Under a ceasefire, and if the Strait of Hormuz opens by early April, the analyst points to copper and copper shares rallying, with aluminum and coal to consolidate or decline. Iron ore remains a more China-centric play.

In the case of an energy price shock and extended conflict (over 2 months), UBS sees more downside to copper and further upside to aluminum and coal.

Downgrade

CENTURIA INDUSTRIAL REIT ((CIP)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 2/4/0

Morgans observes A-REITs delivered largely in line with expectations in what was a "relatively benign" reporting season.

Yet, this is in contrast to the share price performance where the ASX200 A-REIT sector is down -19% over the past six months versus a relatively flat ASX200.

Higher interest rates provide a challenge to the sector over the short to medium term, although the broker believes the recent share price reactions are overdone and give investors a chance to buy into high-quality names that will be first to benefit once inflation expectations moderate.

Morgans downgrades Centuria Industrial REIT to Hold from Accumulate and reduces its target to $3.05 from $3.60.

COLLINS FOODS LIMITED ((CKF)) Downgrade to Neutral from Buy by Citi .B/H/S: 3/3/0

Following on from the summary of yesterday's research by Citi on Collins Foods (see below), the broker's rating is downgraded to Neutral from Buy.

The target is reduced by -19% to $10.45 due to a slower Australian growth assumption and valuation changes.

Citi views Collins Foods' German acquisition, announced on March 11, as a supportive platform for longer-term growth and a positive catalyst.

Separately, the analysts note risks are rising for the Australian KFC franchise, given pressure on core consumers from higher interest rates and petrol prices.

The broker highlights quick service restaurants (QSR) did not benefit from trade-down in the prior tightening cycle, and a similar outcome is expected this time.

COMPUTERSHARE LIMITED ((CPU)) Downgrade to Hold from Accumulate by Ord Minnett .B/H/S: 1/4/0

Ord Minnett has rejigged its investment view on Computershare given increased inflation expectations and higher bond yields as a result of the Middle East war.

Interest rates are a swing factor for the company as it earns through client balances so rising rates boost earnings.

Yet, the broker notes almost half of its exposure is hedged, which means only a third of client balances have a direct exposure to interest rates, and there is the negative impact that rising interest rates have on operating earnings.

Ord Minnett finds value in the stock, but because of the risks around the outlook in an unstable geopolitical and economic environment, the rating is downgraded to Hold from Accumulate. Target is $36.75.

DEXUS CONVENIENCE RETAIL REIT ((DXC)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 1/1/0

Morgans observes A-REITs delivered largely in line with expectations in what was a "relatively benign" reporting season.

Yet, this is in contrast to the share price performance where the ASX200 A-REIT sector is down -19% over the past six months versus a relatively flat ASX200.

Higher interest rates provide a challenge to the sector over the short to medium term, although the broker believes the recent share price reactions are overdone and give investors a chance to buy into high-quality names that will be first to benefit once inflation expectations moderate.

Morgans downgrades Dexus Convenience Retail REIT to Hold from Accumulate and reduces its target to $2.50 from $2.90.

DEXUS INDUSTRIA REIT ((DXI)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 2/1/0

Morgans observes A-REITs delivered largely in line with expectations in what was a "relatively benign" reporting season.

Yet, this is in contrast to the share price performance where the ASX200 A-REIT sector is down -19% over the past six months versus a relatively flat ASX200.

Higher interest rates provide a challenge to the sector over the short to medium term, although the broker believes the recent share price reactions are overdone and give investors a chance to buy into high-quality names that will be first to benefit once inflation expectations moderate.

Morgans downgrades Dexus Industria REIT to Hold from Accumulate and reduces its target to $2.25 from $2.80.

ENDEAVOUR GROUP LIMITED ((EDV)) Downgrade to Neutral from Buy by Citi .B/H/S: 1/4/1

Citi lowers its target for Endeavour Group by -60c to $3.70 and downgrades to Neutral from Buy, citing concerns around softer consumer demand impacting retail and hotel sales.

Commentary notes higher interest rates, fuel costs and inflation will likely pressure household spending and reduce alcohol consumption.

The broker also points to additional headwinds from rising freight costs, with limited ability to pass these through in a weaker environment.

Earnings revisions include lower sales growth and margin assumptions, resulting in Citi's FY26 profit estimate falling -4% below that of consensus.

GARDA PROPERTY GROUP ((GDF)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 0/1/0

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Higher interest rates provide a challenge to the sector over the short to medium term, although the broker believes the recent share price reactions are overdone and give investors a chance to buy into high-quality names that will be first to benefit once inflation expectations moderate.

Morgans downgrades Garda Property to Hold from Accumulate and reduces its target to $1.00 from $1.35.

HOMECO DAILY NEEDS REIT ((HDN)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 2/3/1

Morgans observes A-REITs delivered largely in line with expectations in what was a "relatively benign" reporting season.

Yet, this is in contrast to the share price performance where the ASX200 A-REIT sector is down -19% over the past six months versus a relatively flat ASX200.

Higher interest rates provide a challenge to the sector over the short to medium term, although the broker believes the recent share price reactions are overdone and give investors a chance to buy into high-quality names that will be first to benefit once inflation expectations moderate.

Morgans downgrades HomeCo Daily Needs REIT to Hold from Accumulate and reduces its target to $1.25 from $1.40.

INSURANCE AUSTRALIA GROUP LIMITED ((IAG)) Downgrade to Underweight from Equal-weight by Morgan Stanley .B/H/S: 3/0/1

Morgan Stanley investigates the facets of AI and the technology impacts. Rating on Insurance Australia Group is downgraded to Underweight from Equal weight as the broker envisages less valuation support and AI price discovery risk.

There are some potential risks around disintermediation and price discovery yet the broker suspects AI will be a net positive for insurers and brokers. Positives include cost savings plus higher growth in cyber insurance and premiums for data centres.

The broker points out, down the track, automotive insurers will have to navigate autonomous vehicle disruptions. Insurance Australia Group's FY28 earnings estimates are upgraded by 2%.

Target is reduced to $6.60 from $7.50. Industry View: In-Line.

MAGELLAN FINANCIAL GROUP LIMITED ((MFG)) Downgrade to Underperform from Neutral by Macquarie .B/H/S: 1/2/1

Given the ongoing conflict in the Middle East as weaker global and local markets weigh on funds under management Macquarie notes marginal support for US dollar-exposed funds.

With flagship funds underperforming benchmarks on a three-year and five-year basis, Macquarie is cautious about Magellan Financial's net flows. Amid "lack of colour" on underlying earnings at Barrenjoey, the broker adds caution to the earnings outlook.

As the valuation of 14x is above both global investment bank and asset manager peers, Macquarie downgrades to Underperform from Neutral. Target is reduced to $8.55 from $8.65.

NATIONAL AUSTRALIA BANK LIMITED ((NAB)) Downgrade to Neutral from Outperform by Macquarie and Downgrade to Underweight from Equal-weight by Morgan Stanley.B/H/S: 1/1/4

Moving to an Underweight stance on the banking sector, Macquarie reminds investors sustained disruption in energy markets has historically preceded economic slowdowns.

Downside risk for bank share prices is anticipated as oil shocks flow through to earnings and valuations.

The broker explains elevated energy prices and higher interest rates are increasing risks to credit growth and bad debt charges.

Higher bad debt charges have driven around -1-3% EPS downgrades across the sector by Macquarie.

Across the sector, the analyst highlights CommBank holds the highest collective provisions against at-risk exposures, while ANZ Bank has lowest.

This partly reflects ANZ’s greater exposure to institutional borrowers, which typically require lower provisioning and are more likely to have hedging or supply contracts in place.

The target for National Australia Bank falls to $45.50 from $47.00 and the rating is downgraded to Neutral from Outperform due to recent share price outperformance.

Morgan Stanley believes the risks for both earnings downgrades and trading multiple de-ratings are increasing for the banks.

The broker moves its industry view on Australian banks to Cautious and downgrades National Australia Bank to Underweight from Equal weight.

While major banks had a "good" reporting season in February, recent developments could shift operating conditions, Morgan Stanley adds.

Trading multiples remain elevated and consensus estimates assume earnings drivers remain favourable.

National Australia Bank's share price is up more than 5% so far this year and it is trading on very full multiples, commentary suggests.

National Australia Bank is considered the most vulnerable of the major banks to a shift in operating conditions. Target is reduced to $39.80 from $43.50. Industry view: Cautious.

PLS GROUP LIMITED ((PLS)) Downgrade to Neutral from Buy by UBS .B/H/S: 3/4/0

UBS downgrades PLS Group to Neutral from Buy with a $4.95 target price.

The broker continues to view there is an attractive "risk-reward" in lithium and the possibility of another upcycle, as the Middle East conflict supports EV demand.

There are ongoing lithium deficits, with scope for further tightening driven by higher EV and battery storage demand, with US$4,000/t spodumene expected by the end of 2026 or early 2027.

WAYPOINT REIT LIMITED ((WPR)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 1/1/1

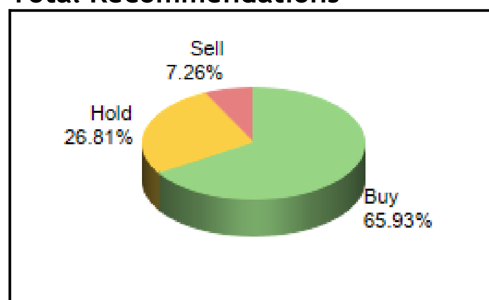
Morgans observes A-REITs delivered largely in line with expectations in what was a "relatively benign" reporting season.

Yet, this is in contrast to the share price performance where the ASX200 A-REIT sector is down -19% over the past six months versus a relatively flat ASX200.

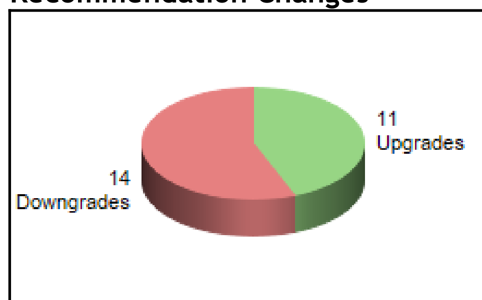
Higher interest rates provide a challenge to the sector over the short to medium term, although the broker believes the recent share price reactions are overdone and give investors a chance to buy into high-quality names that will be first to benefit once inflation expectations moderate.

Morgans downgrades Waypoint REIT to Hold from Accumulate and reduces its target to $2.45 from $2.75.

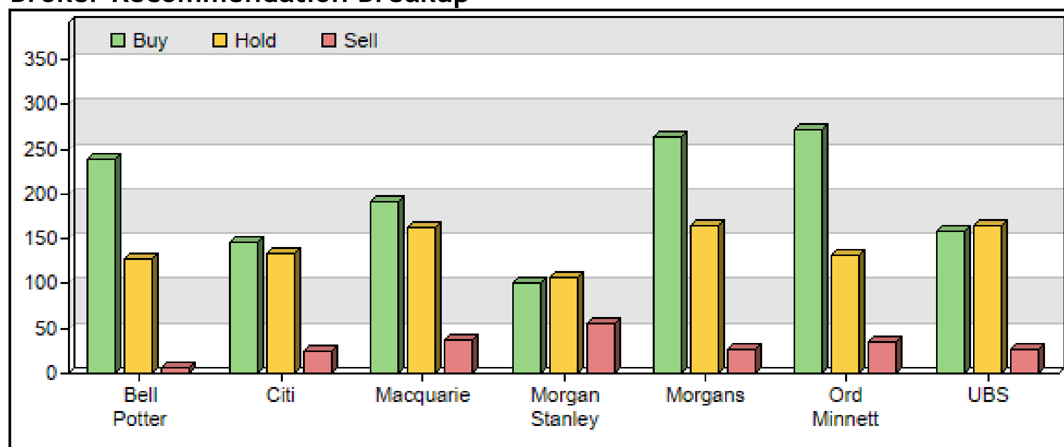
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	AUSSIE BROADBAND LIMITED	Buy	Neutral	Macquarie
2	DALRYMPLE BAY INFRASTRUCTURE LIMITED	Buy	Neutral	Macquarie
3	DETERRA ROYALTIES LIMITED	Neutral	Sell	UBS
4	EVOLUTION MINING LIMITED	Neutral	Sell	UBS
5	GOODMAN GROUP	Buy	Buy	Morgans
6	HUB24 LIMITED	Buy	Neutral	Macquarie
7	IGO LIMITED	Buy	Neutral	UBS
8	SANDFIRE RESOURCES LIMITED	Neutral	Sell	UBS
9	SIGMA HEALTHCARE LIMITED	Buy	Buy	Ord Minnett
10	VEEM LIMITED	Buy	N/A	Ord Minnett
11	WHITEHAVEN COAL LIMITED	Buy	Sell	UBS
Downgrade				

12	CENTURIA INDUSTRIAL REIT	Neutral	Buy	Morgans
13	COLLINS FOODS LIMITED	Neutral	Buy	Citi
14	COMPUTERSHARE LIMITED	Neutral	Buy	Ord Minnett
15	DEXUS CONVENIENCE RETAIL REIT	Neutral	Buy	Morgans
16	DEXUS INDUSTRIA REIT	Neutral	Buy	Morgans
17	ENDEAVOUR GROUP LIMITED	Neutral	Buy	Citi
18	GARDA PROPERTY GROUP	Neutral	Buy	Morgans
19	HOMECO DAILY NEEDS REIT	Neutral	Buy	Morgans
20	INSURANCE AUSTRALIA GROUP LIMITED	Sell	Neutral	Morgan Stanley
21	MAGELLAN FINANCIAL GROUP LIMITED	Sell	Neutral	Macquarie
22	NATIONAL AUSTRALIA BANK LIMITED	Neutral	Buy	Macquarie
23	NATIONAL AUSTRALIA BANK LIMITED	Sell	Neutral	Morgan Stanley
24	PLS GROUP LIMITED	Neutral	Neutral	UBS
25	WAYPOINT REIT LIMITED	Neutral	Buy	Morgans

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	WHC	WHITEHAVEN COAL LIMITED	9.142	8.775	4.18%	6
2	LIC	LIFESTYLE COMMUNITIES LIMITED	5.663	5.525	2.50%	4
3	NHC	NEW HOPE CORPORATION LIMITED	4.750	4.663	1.87%	4
4	TAH	TABCORP HOLDINGS LIMITED	1.120	1.102	1.63%	5
5	BPT	BEACH ENERGY LIMITED	1.083	1.069	1.31%	7
6	STO	SANTOS LIMITED	7.800	7.700	1.30%	6
7	WDS	WOODSIDE ENERGY GROUP LIMITED	29.083	28.733	1.22%	6
8	TPG	TPG TELECOM LIMITED	4.078	4.038	0.99%	5
9	CNI	CENTURIA CAPITAL GROUP	2.072	2.052	0.97%	5
10	TLS	TELSTRA GROUP LIMITED	5.357	5.307	0.94%	6

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	PMV	PREMIER INVESTMENTS LIMITED	17.533	20.233	-13.34%	6
2	AEL	AMPLITUDE ENERGY LIMITED	2.933	3.233	-9.28%	4
3	DGT	DIGICO INFRASTRUCTURE REIT	3.468	3.758	-7.72%	5
4	DXI	DEXUS INDUSTRIA REIT	2.727	2.910	-6.29%	3
5	HCW	HEALTHCO HEALTHCARE & WELLNESS REIT	0.825	0.875	-5.71%	4
6	PPT	PERPETUAL LIMITED	20.113	21.250	-5.35%	4
7	CKF	COLLINS FOODS LIMITED	11.825	12.408	-4.70%	6
8	HMC	HMC CAPITAL LIMITED	3.602	3.777	-4.63%	6
9	OBM	ORA BANDA MINING LIMITED	1.767	1.850	-4.49%	3
10	VNT	VENTIA SERVICES GROUP LIMITED	6.113	6.400	-4.48%	4

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	LTR	LIONTOWN LIMITED	2.875	1.875	53.33%	6
2	STO	SANTOS LIMITED	71.261	57.054	24.90%	6
3	PLS	PLS GROUP LIMITED	15.380	12.780	20.34%	7
4	WDS	WOODSIDE ENERGY GROUP LIMITED	222.525	185.710	19.82%	6
5	IGO	IGO LIMITED	16.633	15.967	4.17%	5
6	BPT	BEACH ENERGY LIMITED	17.529	17.100	2.51%	7
7	ORG	ORIGIN ENERGY LIMITED	72.950	71.300	2.31%	5
8	SUN	SUNCORP GROUP LIMITED	89.160	87.200	2.25%	6
9	AEL	AMPLITUDE ENERGY LIMITED	21.300	20.967	1.59%	4
10	MVF	MONASH IVF GROUP LIMITED	5.100	5.025	1.49%	3

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	SM1	SYNLAIT MILK LIMITED	-4.261	-0.971	-338.83%	3
2	TPG	TPG TELECOM LIMITED	6.225	9.125	-31.78%	5
3	DGT	DIGICO INFRASTRUCTURE REIT	9.267	10.250	-9.59%	5
4	EVN	EVOLUTION MINING LIMITED	110.325	115.159	-4.20%	6
5	PMV	PREMIER INVESTMENTS LIMITED	97.675	101.400	-3.67%	6
6	NEM	NEWMONT CORPORATION REGISTERED	1444.646	1489.620	-3.02%	5
7	PPT	PERPETUAL LIMITED	172.133	176.600	-2.53%	4
8	GMD	GENESIS MINERALS LIMITED	54.475	55.725	-2.24%	5
9	GQG	GQG PARTNERS INC	22.404	22.781	-1.65%	5
10	SFR	SANDFIRE RESOURCES LIMITED	108.084	109.107	-0.94%	5

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: Fog Of War Drives Uncertainty

The U308 spot price managed a slight rise over last week, with buyers and sellers selectively trading small, discrete material volumes on Middle East concerns.

- **Buyers continue to pay a higher U308 spot price for delivery in USA**
- **Lotus Resources in the eye of the storm for diesel supply chain risks**
- **Silex Systems back in focus**
- **Paladin Energy slips out of the top twenty most shorted stocks on the ASX**

By Danielle Ecuyer

Spot market participants eye Middle East developments

The fog of war has continued to cast a shroud of uncertainty over most asset classes.

As articulated again this week by industry consultants TradeTech, the closure of the Strait of Hormuz has spilled into every aspect of the world economy, and the spot uranium market has not been immune.

The TradeTech weekly spot indicator managed to trade US$0.55/lb higher last week to US$83.25/lb; up 1.5% since the start of 2026 and up 30.1% from the same time last year.

Six transactions were confirmed as buyers and sellers sought to match firm bids and offers on what the consultants describe as “small, discrete quantities”.

Monday saw 50klbs purchased for delivery in April at Orano’s facility in France, followed by a second transaction on Tuesday for delivery of 50klbs U308 in April at ConverDyn’s facility in the US at US$84.25/lb.

TradeTech notes the trend for buyers to pay a higher price to secure material in the USA has continued.

On Wednesday, a buyer acquired an odd-sized lot of just over 80klbs at US$84.25/lb for delivery at ConverDyn in April. While Friday morning saw sellers emerge, offering U308 at US$83.25/lb, which attracted buyers. Two transactions at this price level were conducted involving delivery of 50klbs of U308 in April.

Post the two Friday trades, market participants retreated, awaiting further news on the Middle East conflict over the weekend.

TradeTech’s mid-term price indicator stands at US$88/lb and the long-term price indicator at US$90/lb.

The risk of rising fuel prices remains a concern and a potential earnings threat, increasing input prices for uranium mining.

Latest broker updates on U308 companies

On top of Middle East impacts, Ord Minnett shone a light on the sector being under pressure, as both fuel and acid are key production inputs.

Notably, the analyst highlights **Lotus Resources** ((LOT)) has been the most impacted, which is attributed to its diesel supply being very exposed to the possibility of a drawn-out conflict.

The Lotus share price has almost been cut by -50% since the start of March. The broker points to diesel supply as the most vulnerable, while acid and sulphur appear “secure” for now.

At this stage, Lotus is not acting on July orders, pending what transpires with the disruption and volatility in energy markets.

Boss Energy's ((BOE)) share price has declined by around -22% since the beginning of March, with the market turning a blind eye to the March 23 hydro modeling presentation, which indicated support for management's new strategic plan.

Ord Minnett explains acid supplies are secure from the Port Pirie smelter (SA) and diesel remains available, but rising prices will impact input costs.

The producer is also exposed to the rising cost of poly pipes, which are linked to the spot oil price, as confirmed by media reports that a supplier, Reece ((REH)), is intending to lift pipe costs by 36% in April to pass on higher input cost.

Notably, Boss's Honeymoon ISR mine site is described by the analyst as a "spiderweb" of poly pipe. The producer does not hold large inventories, as poly pipe deteriorates.

At this stage, it is too early to assess how uranium miners will be impacted, with Lotus singled out as the most exposed to more challenging diesel supply.

The stock is rated a Speculative Buy with a $3.90 target price. Boss Energy is retained as a Sell rating with a $1.50 target price.

In other corporate updates, Canaccord Genuity points to the circa -50% decline in the **Silex Systems** ((SLX)) share price from its November 2025 high.

Last week, joint venture Global Laser Enrichment (GLE), of which Silex has a 51% stake (Cameco 49%), announced it had received preliminary approval for a US$98.9m incentive package from Kentucky state and local authorities.

The funds are conditional upon meeting investment and job creation targets and add to the previous funding from the US Department of Energy of US$28.5m.

While the analyst expresses disappointment that GLE did not achieve a Task Order 2 award, which is a second-stage government funding approval for scaling and commercialisation, the technology is nevertheless considered to be the most advanced third generation enrichment story and has achieved TRL-6 (Technology Readiness Level 6), part of a standard scale (TRL 1 to TRL 9) used to assess how mature a technology is.

Canaccord highlights the Silex share price has moved contrary to global enrichment prices remaining at all-time highs, with Russia supplying around 40% of global capacity, and an import cap starting in 2028.

Demand for enrichment capacity over the near term is described as "urgent", with Silex/GLE viewed as one of the top candidates to meet supply needs.

The stock continues to be rated as a Speculative Buy with an unchanged $10.48 target price.

The Short Report

FNArena's Short Report is based on data collected by ASIC as at March 24, 2026.

Having moved to seventh in the most shorted list last week, Boss shorts moved up 1.28% in the last update, placing the stock in fifth position at 12.32%.

Lotus Resources moved to tenth position with a rise of 2.41% to 10.91%, and Paladin Energy ((PDN)) slipped out of the top twenty, falling by -1.34% to 8.34%.

Deep Yellow ((DYL)) shorts fell -1.95% to 5.62% and Silex's are down -1.34% to 7%.

For more reading on U308 weekly updates from FNArena, see:

https://fnarena.com/index.php/2026/03/24/uranium-week-risk-off-frustrates/

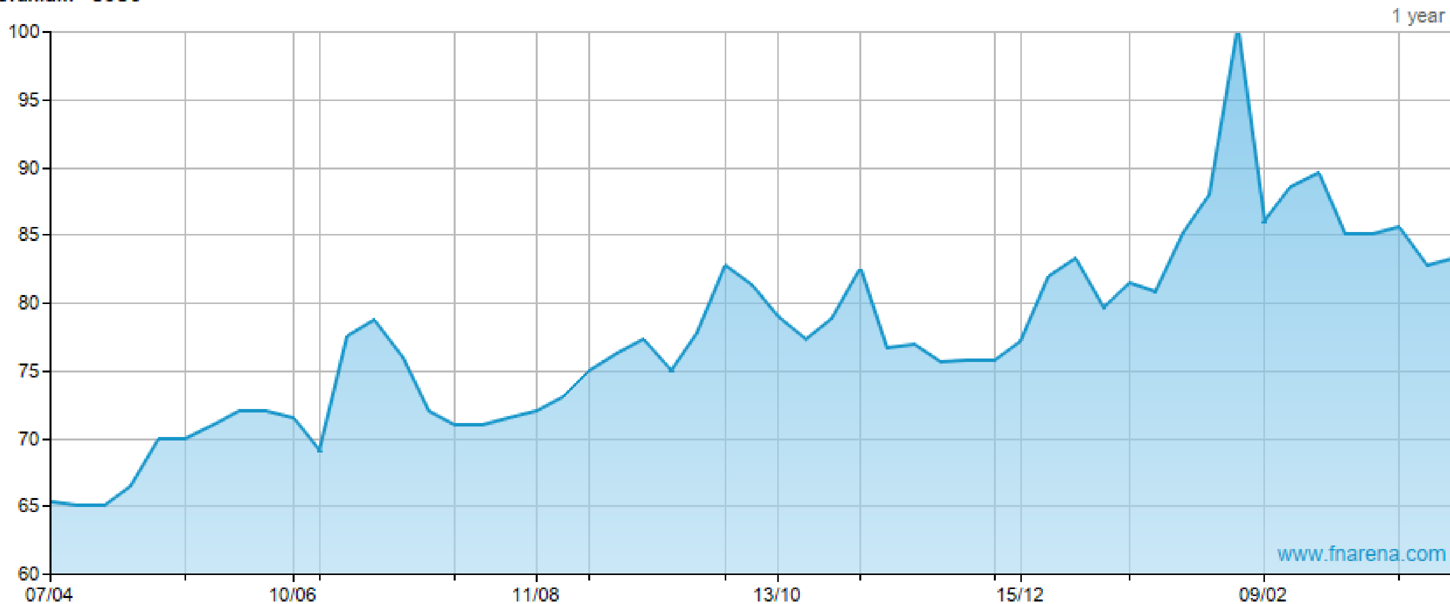
https://fnarena.com/index.php/2026/03/17/uranium-week-paladin-upgraded/

https://fnarena.com/index.php/2026/03/10/uranium-week-nexgen-energy-a-key-pick/

https://fnarena.com/index.php/2026/02/24/uranium-week-burgeoning-supercycle/

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	27/03/2026	0.0500	▲ 3.85%	$0.16	$0.03			
AEE	27/03/2026	0.1200	▲ 4.55%	$0.28	$0.10			
AGE	27/03/2026	0.0400	▲12.12%	$0.06	$0.02		$0.070	▲75.0%
AKN	27/03/2026	0.0200	▲15.38%	$0.02	$0.01			
ASN	27/03/2026	0.0500	▲ 4.26%	$0.13	$0.04			
BKY	27/03/2026	0.4300	▲16.67%	$0.70	$0.39			
BMN	27/03/2026	3.5500	▲ 4.48%	$5.25	$1.76		$5.550	▲56.3%
BOE	27/03/2026	1.4900	▲ 2.05%	$4.75	$1.07	14.0	$1.600	▲7.4%
BSN	27/03/2026	0.0300	▼-12.50%	$0.08	$0.01			
C29	27/03/2026	0.0300	▼- 4.00%	$0.05	$0.01			
CXO	27/03/2026	0.2500	▲20.51%	$0.36	$0.06		$0.350	▲40.0%
CXU	27/03/2026	0.0200	▲20.00%	$0.04	$0.01			
DEV	27/03/2026	0.1500	▼- 6.25%	$0.28	$0.07			
DYL	27/03/2026	1.7000	▲ 4.33%	$2.97	$0.75	-61.4	$2.290	▲34.7%
EL8	27/03/2026	0.2600	▲ 6.00%	$0.50	$0.20			
HAR	27/03/2026	0.1200	▼- 8.00%	$0.25	$0.05			
I88	27/03/2026	0.1300	▲ 8.00%	$0.76	$0.08			
KOB	27/03/2026	0.0400	0.00%	$0.09	$0.03			
LAM	27/03/2026	0.7600	▼- 1.30%	$0.93	$0.56			
LOT	27/03/2026	1.2000	▼- 3.16%	$3.20	$1.19		$3.450	▲187.5%
MEU	27/03/2026	0.1000	▲ 9.89%	$0.19	$0.03			
NXG	27/03/2026	16.0400	▲ 4.50%	$20.47	$6.44	-13375.0	$20.150	▲25.6%
ORP	27/03/2026	0.0600	0.00%	$0.07	$0.02			
PDN	27/03/2026	11.1200	▲ 8.70%	$14.44	$3.93	123.3	$13.067	▲17.5%
PEN	27/03/2026	0.5300	0.00%	$1.08	$0.28			
SLX	27/03/2026	5.1400	▲ 4.74%	$10.85	$2.28			
TOE	27/03/2026	0.5100	▲ 9.47%	$0.63	$0.15			
WCN	27/03/2026	0.0100	▼-13.33%	$0.04	$0.01			



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

WEEKLY REPORTS

In Brief: Bell Financial, Pinnacle & Computershare

Bell Financial Group offers a growth pathway to more resilient and recurring revenue growth, Metrics private credit is dissected re Pinnacle, and risks of tokenisation disruption for Computershare.

- **Bell Financial builds scalable wealth platform targeting 7m unadvised Australians**
- **Pinnacle's Metrics poised for earnings growth despite private credit headwinds**
- **Tokenisation threat grows as new digital players potentially challenge Computershare**

By Danielle Ecuyer

This weeks quote comes from Morgan Stanley:

"Artificial intelligence has reached a new inflection point: Companies are deploying AI inference at scale, and agentic AI systems are now capable of planning and executing complex tasks.

"This is driving a sharp increase in the consumption of compute and tokens, while placing new demands on the software, data and infrastructure required to support AI's massive expansion."

Diversification and modernisation help build a hybrid platform

Research as a Service hosted **Bell Financial Group** ((BFG)) at the ASX SMID (Small and Mid Cap) conference, with the analyst coming away with an interesting story on the increasingly diversified financial services group.

Bell continues to operate the historical stockbroking business across retail, institutional and corporate sectors, with a range of financial products incorporating margin lending, portfolio administration, trade execution, clearing and settlement, and cash management.

Strategically, management has been diversifying the business away from the more market-facing businesses like broking towards more recurring revenue earnings models aligned with margin lending, external platform sales, third-party clearing, and portfolio administration.

Supporting the businesses is a 100-strong IT team of professionals who have developed internal systems for account management, known as Fusion, and cloud-based trading platforms.

This platform is the base for services offered to financial planners and third-party clearing, with the optionality to add more intermediaries, as well as additional products and services to enhance the total offering and monetise the investment.

The private wealth platform is targeting an estimated 7m Australians currently not receiving advice or using online platforms outside of their home and superannuation.

Notably, RaaS highlights Bell is the only domestic wealth firm with an online and full-service advice offering. Online has around 159k accounts and, with platforms, $42.2bn in funds under administration as at the end of 2026. Including full service, funds under admin (FUA) came in at $49.7bn.

With cost often an impediment to a full-service offering, the hybrid model as developed by Bell is aiming to service the estimated 7m Australians which remain "unadvised".

Some 1.5m are currently actively advised and 1.5m are active on an online platform.

The upcoming partnership with Praemium ((PPS)) is integral to the hybrid model by delivering users to a new suite of asset classes ex equities. The rollout is flagged for this year (2026) and will replace the existing IPS system, which is two decades old.

Additionally, new global partnerships are expected to be announced, adding further to the new internally developed products, notably Self-Managed Accounts (SMAs).

Positively, the group has started FY26 strongly, with Bell Potter ranked number four on the Dealogic tables for equity capital market raisings. RaaS forecasts activity of $1.6bn for FY26, spread evenly across the first and second halves.

Relative to its peer group, the stock is trading at a -57% discount to price to tangible book assets relative to ‘smaller’ platform companies Iress ((IRE)) and Praemium.

Bell is also trading at a -16% discount to price to tangible book assets for Canadian-listed peer Canaccord Genuity, with the highest forecast dividend yield of 8.3% and a robust cash position.

RaaS does not provide a target price or rating on Bell Financial Group but has a valuation of $2.33, down from $2.40, due to changes in peer valuation multiples.

Weighing up the outlook for Pinnacle's Metrics

Canaccord Genuity points to adverse sentiment (globally) on private credit operator Metrics as one major factor weighing on Pinnacle Investment Management’s ((PNI)) share price.

In contrast to the adverse headlines in the global media regarding retail investor redemptions at major private equity providers like Eres, Apollo, Blue Owl and Blackstone, Metrics is viewed as being at an “inflection point”, with net profit after tax expected to improve “materially” as several acquisitions start to generate positive contributions.

The improvement is anticipated to be sustained into the medium term as losses from Navalo moderate, performance fees return and are forecast at around $10m in FY26 based on year-to-date outperformance, as well as high fee margins from rising funds under management.

Better funding costs are also flagged to boost net interest margins in 2H27 and FY28.

Focusing on the recent acquisitions, Bigstone, Navalo, Taurus Motor Finance and BC Invest, Canaccord believes Metrics has already sought to address ASIC concerns around private credit managers’ over-exposure in commercial real estate lending and the possible effects from an economic shock or downturn.

Management has sought to expand exposure of the loan book to residential mortgages, automotive, equipment and consumer finance.

Breaking down Metrics’ assets under management, the funds/trusts usually hold over 100 individual loans, with sizing of the positions under 1% of assets under management (AUM).

The loans are, on average, floating rate with a BBB-BB rating, secured and senior ranked, with the majority having an average weighted term to maturity of under 18 months.

Metrics is expected to grow net profit after tax to $90m-plus in FY28 from around $23m p.a., and the share of Pinnacle’s net profit after tax is expected to lift to over 10% from 7% in 1H26.

Pinnacle owns 28.4% of Metrics.

While acknowledging the sentiment impacts around redemption concerns, as per global news headlines, Canaccord rightly points to the possibility of “second-order” impacts on the credit assets from the Middle East conflict, which could weigh on loan serviceability in the latter part of the year.

Compositionally, Metrics is generally overweight real estate development, and the analyst points to possible industry headwinds if materials prices rise substantially.

The analyst is closely observing the loans on “watchlist” and “under enforcement” in all the funds/trusts, which remain “particularly low” and, on average, are under 2% of AUM.

Regarding redemption risks, some of Metrics’ funds are lower-risk products which usually allow investors to redeem monthly, and across circa $20bn in AUM, these funds are available for quarterly redemptions or already in run-off (capital being returned over time rather than being reinvested).

Regarding Pinnacle, Canaccord lowers its target price to $24.53 and retains a Buy rating.

The stock re-entered the Small Ordinaries last week, and it is likely investors are revisiting. Earnings forecasts are lowered as the broker marks to market for February-end, noting consensus estimates are “stale” or out of date by over two months.

The risks of financial disruption and innovation are permeating once-considered safe companies with perceived competitive moats, the broker concludes.

Identifying the defensive moat charteristics, or not, for Computershare

Jarden has been flagging concerns over the possible impacts of tokenisation (tokenisation refers to the process of turning real-world assets or financial instruments into digital tokens on a blockchain) on Computershare ((CPU)).

Following recent industry engagement and marketing, the analyst highlights a more nuanced understanding of the “key defenses against the Transfer Agent (TA) structural disruption” risk.

The defenses are noted firstly as the mandate in securities law, which offers regulatory protection, with transfer agents like Computershare required by law.

The analyst pushes back on this view, explaining the SEC has suggested the master security file must be with the transfer agent as the single authoritative record across on-and-off chain data.

This proposition comes from staff-based conversations rather than “enacted rules” and does not offer any details or colour around which registered TA holds the function.

Jarden points to the newer, blockchain-focused firm that has registered as a transfer agent, Securitize. The New York Stock Exchange has selected Securitize as a digital TA.

Exemplifying tokenisation does not eliminate the TA requirement, but it opens the door to new competitors.

High switching costs, notably for existing clients, are served up as a defense, with the analyst arguing Computershare will be able to offer a digital TA solution immediately under the new Industry Settlement Transformation model using partnerships with technology vendors.

While this may appeal to existing clients because of high switching costs, new companies issuing securities on tokenised platforms can select a provider from scratch. As the technology is normalised, there is a risk to Computershare the early digital capability is eroded.

The third defense outlined, and viewed as the most “credible”, relates to the complexity around corporate actions like rights issues, particularly, which are very complex to run on-chain.

The near-term risks are considered more “measured”, and corporate actions revenue is not believed to be as much at risk on the same timeline as register maintenance.

Jarden remains Underweight the stock, meaning index-oriented portfolios own less than the market cap index weighting. All others might see it as a Sell-equivalent.

Its price target is $30.

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WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 02-04-26

A summary of the highlights from Broker Call Extra updates throughout the week past.

Broker Rating Changes (Post Thursday Last Week)

Upgrade

BENZ MINING CORP. ((BNZ)) Upgrade to Speculative Buy from Hold by Argonaut.B/H/S: 0/0/0

Argonaut has upgraded Benz Mining to Speculative Buy from Hold with a 3.40 price target following a high-grade gold discovery at the Mt Egerton project.

The broker highlights the Kilkenny discovery, which returned an intercept of 11m at 144g/t, supporting the company's structural model.

While the company remains a pre-study development play, a cash position of 94m as of January 2026 provides funding for continued drilling and mine scoping at the Glenburgh system.

Commentary suggests exploration results remain the key driver, with future value dependent on defining the scale of a potential Glenburgh development.

SIMS LIMITED ((SGM)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0

Jarden has upgraded Sims Ltd to Overweight from Neutral and increased the price target to 23.00 following the second US investor day focused on Sims Lifecycle Services (SLS).

Commentary explains the upgrade is driven by incremental disclosures pointing to further near-term earnings upside in SLS, supported by strong pricing tailwinds in repurposed DDR4 memory modules.

Management expects this demand tail to persist for three to four years.

Additionally, improved outlooks for the Metals business and a valuation trading at the lower end of historical forward multiple ranges are seen providing a favourable entry point for investors.

Downgrade

SYRAH RESOURCES LIMITED ((SYR)) Downgrade to Underweight from Neutral by Jarden.B/H/S: 0/0/0

Jarden has downgraded Syrah Resources to Underweight from Neutral with a 0.10 price target following a recapitalisation that introduces uncertainty around the future share count.

The broker notes valuation is impacted by dilution from convertible loan notes and a fully underwritten $104m entitlement offer, with the base case assuming conversion of US$409m in debt into equity in 2029.

While Balama remains a high-quality asset, future value is dependent on achieving Vidalia qualification and scaling commercial sales, with free cash flow not expected until 2H 2030.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	BENZ MINING CORP.	Buy	Buy	Argonaut

2	SIMS LIMITED	Buy	Neutral	Jarden
Downgrade				
3	SYRAH RESOURCES LIMITED	Sell	Neutral	Jarden

Price Target Changes (Post Thursday Last Week)

Company		Last Price	Broker	New Target	Old Target	Change
AEL	Amplitude Energy	$1.78	Canaccord Genuity	1.15	3.00	-61.67%
BFG	Bell Financial	$1.24	Research as a Service (RaaS)	2.33	2.40	-2.92%
BNZ	Benz Mining	$2.50	Argonaut	3.40	2.20	54.55%
CYM	Cyprium Metals	$0.38	Canaccord Genuity	0.65	N/A	N/A
FCL	Fineos Corp	$2.29	Canaccord Genuity	2.60	3.50	-25.71%
GGP	Greatland Resources	$13.03	Jarden	6.40	5.60	14.29%
PNI	Pinnacle Investment Management	$14.77	Canaccord Genuity	24.53	27.22	-9.88%
SGM	Sims	$18.94	Jarden	23.00	21.50	6.98%
SYR	Syrah Resources	$0.13	Jarden	0.10	0.30	-66.67%
Company		Last Price	Broker	New Target	Old Target	Change

More Highlights

AFP AFT PHARMACEUTICALS LIMITED

Pharmaceuticals & Biotech/Lifesciences - Overnight Price: $2.73

Jarden rates ((AFP)) as Overweight (2) -

Jarden highlights AFT Pharmaceuticals' partnership model is delivering, with strong royalty growth from key products expected to support international revenue expansion.

Recent results from partner Hyloris point to accelerating royalty income, underpinning the broker's forecasts for significant growth in AFT's international and royalty revenues.

The analyst estimates international and royalty revenue will rise sharply through FY26 and FY27, supporting progress toward the company's NZ$300m revenue target.

Jarden retains an Overweight rating and target of NZ$4.10.

This report was published on March 30, 2026.

Current Price is **$2.73**. Target price not assessed.

This company reports in **NZD**. All estimates have been converted into AUD by FNArena at present FX values. All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

AEL AMPLITUDE ENERGY LIMITED

Crude Oil - Overnight Price: $1.59

Canaccord Genuity rates ((AEL)) as Speculative Buy (1) -

Canaccord Genuity maintains a Speculative Buy rating for Amplitude Energy following an FY25 result that slightly exceeded expectations, driven by higher production at Two Wells.

The broker notes the company is well-funded for its upcoming Cooper Basin drilling program, which serves as

the primary near-term catalyst. The price target is held at $1.15.

This report was published on March 26, 2026.

Target price is **$1.15** Current Price is **$1.59** Difference: **minus $0.44** (current price is over target).
If **AEL** meets the Canaccord Genuity target it will return approximately **minus 28%** (excluding dividends, fees and charges – negative figures indicate an expected loss).
Current consensus price target is **$2.93**, suggesting upside of **84.4%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **2.40** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **66.25**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **21.3**, implying annual growth of **N/A**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **7.5**.

Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** dividend of **0.00** cents and EPS of **10.50** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **15.14**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **26.3**, implying annual growth of **23.5%**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **6.0**.

Market Sentiment: **0.5**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

BUB BUBS AUSTRALIA LIMITED

Dairy – Overnight Price: $0.10

Shaw and Partners rates ((BUB)) as Buy, High Risk (1) –

Bubs Australia's Strategy Day reinforced the value of a large addressable market and strong global growth trajectory, particularly in the US, Shaw and Partners reports.

US expansion is seen as a key driver, with distribution expected to double to around 10,000 stores by end-2026 and regulatory approval likely to follow.

The broker notes strong revenue momentum and improving profitability, supported by premium positioning, brand strength and a scalable, capital-light supply chain.

Execution against a clear five-year strategy underpins expansion across core and emerging markets, in the analyst's view.

Shaw and Partners retains a Buy, High Risk rating and 18c target.

This report was published on March 27, 2026.

Target price is **$0.18** Current Price is **$0.10** Difference: **$0.08**
If **BUB** meets the Shaw and Partners target it will return approximately **80%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Shaw and Partners forecasts a full year **FY26** dividend of **0.00** cents and EPS of **0.30** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **33.33**.

Forecast for FY27:

> Shaw and Partners forecasts a full year **FY27** dividend of **0.00** cents and EPS of **0.30** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **33.33**.

Market Sentiment: **0.8**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

CYM CYPRIUM METALS LIMITED

Copper - Overnight Price: $0.38

Canaccord Genuity rates ((CYM)) as Initiation of coverage with Speculative Buy (1) -

Canaccord Genuity initiates coverage on Cyprium Metals with a Speculative Buy rating and a 0.65 price target following a strategic review and planned restart of the Nifty Copper Project in Western Australia.

The broker notes development will commence with a fully funded oxide leach operation, followed by a sulphide flotation restart supporting a projected 20-year mine life, with first cash flow from cathode production expected in 2026.

While initial production is secured, execution of the sulphide expansion and associated financing remain key to longer-term value, commentary concludes.

This report was published on March 26, 2026.

Target price is **$0.65** Current Price is **$0.38** Difference: **$0.27**
If **CYM** meets the Canaccord Genuity target it will return approximately **71%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

> Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 4.00** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 9.50**.

Forecast for FY27:

> Canaccord Genuity forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 2.00** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 19.00**.

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

IFT INFRATIL LIMITED

Wealth Management & Investments - Overnight Price: $9.81

Jarden rates ((IFT)) as Buy (1) -

Jarden maintains a Buy rating on Infratil and has lowered its price target to NZ$14.56 following the company's Investor Day.

The target revision is primarily driven by currency movements and updated capital expenditure programs.

The broker highlights strong momentum at CDC Data Centres, which has upgraded its FY27 EBITDA guidance due to increased visibility on contracted capacity.

While FY26 guidance for CDC is at the lower end of the range due to contract timing, commentary suggests the long-term demand outlook remains robust, supported by global hyperscaler investment and significant capacity

expansion opportunities through 2030.

This report was published on March 26, 2026.

Current Price is **$9.81**. Target price not assessed.
Current consensus price target is **$11.82**, suggesting upside of **20.5%**(ex-dividends)
The company's fiscal year ends in March.

Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 19.64** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 49.94**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **25.2**, implying annual growth of **N/A**.
Current consensus DPS estimate is **18.4**, implying a prospective dividend yield of **1.9%**.
Current consensus EPS estimate suggests the PER is **38.9**.

Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **0.00** cents and EPS of **1.87** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **525.44**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **9.0**, implying annual growth of **-64.3%**.
Current consensus DPS estimate is **18.7**, implying a prospective dividend yield of **1.9%**.
Current consensus EPS estimate suggests the PER is **109.0**.

Market Sentiment: **0.9**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

LOV LOVISA HOLDINGS LIMITED

Retailing - Overnight Price: $21.16

Jarden rates ((LOV)) as Overweight (2) -

Jarden's preferences in the Retail sector from among stocks under research coverage are Lovisa Holdings, Universal Store ((UNI)), Breville Group ((BRG)) and JB Hi-Fi ((JBH)).

These selections broadly align with the preferences of 31 buy-side fund managers, with the broker's survey indicating bearish positioning in the sector, as around 74% of managers are underweight.

When positioning becomes deeply negative, the analysts see an opportunity for investors to reassess, particularly given Consumer Discretionary accounts for around 10% and 7% of the ASX Small Ordinaries and ASX300 indices, respectively.

Fund managers surveyed identified Nick Scali ((NCK)), Temple & Webster ((TPW), Breville, Lovisa and Universal Store as preferred stocks once sentiment toward the retail sector improves.

Common attributes across these names include structural or offshore growth, strong balance sheets and aligned management teams, highlights Jarden.

Target of $30 and Overweight for Lovisa Holdings.

This report was published on March 30, 2026.

Target price is **$30.00** Current Price is **$21.16** Difference: **$8.84**
If **LOV** meets the Jarden target it will return approximately **42%** (excluding dividends, fees and charges).
Current consensus price target is **$32.14**, suggesting upside of **45.4%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **0.00** cents and EPS of **92.20** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **22.95**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **85.0**, implying annual growth of **8.8%**.
Current consensus DPS estimate is **76.5**, implying a prospective dividend yield of **3.5%**.
Current consensus EPS estimate suggests the PER is **26.0**.

Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **0.00** cents and EPS of **108.20** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **19.56**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **106.5**, implying annual growth of **25.3%**.
Current consensus DPS estimate is **96.6**, implying a prospective dividend yield of **4.4%**.
Current consensus EPS estimate suggests the PER is **20.8**.

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

SLX SILEX SYSTEMS LIMITED

Uranium – Overnight Price: $5.29

Canaccord Genuity rates ((SLX)) as Speculative Buy (1) –

Canaccord Genuity maintains a Speculative Buy rating on Silex Systems and a 10.48 price target following news that 51% owned JV Global Laser Enrichment secured a US$98.9m incentive package from Kentucky authorities.

The broker notes while GLE was recently unable to secure a specific Task Order 2 award, this funding adds to a recent US$28.5m Department of Energy award, highlighting increasing government support for third-generation enrichment technology.

Despite a -50% share price retracement from November 2025 highs, commentary states fundamentals are supported by a potential Western supply gap as Russian import caps approach in 2028.

While commercialisation risks remain, the company's position as a potential supplier to US enrichment demand remains a key driver of future value, the broker assures.

This report was published on March 26, 2026.

Target price is **$10.48** Current Price is **$5.29** Difference: **$5.19**
If **SLX** meets the Canaccord Genuity target it will return approximately **98%** (excluding dividends, fees and charges).

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

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WEEKLY REPORTS

The Short Report - 02 Apr 2026

FNArena's weekly update on short positions in the Australian share market.

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

Summary:

Week Ending March 26th, 2026 (most recent data available through ASIC).

10%+

DMP	15.29%
TLX	14.38%
PNV	14.20%
GYG	14.19%
BOE	12.05%
TWE	11.93%
FLT	11.81%
NAN	11.77%
DRO	10.71%
LOT	10.25%
IEL	10.06%

In: DRO, LOT
Out: LYC

9.0-9.9%

LYC	9.95%
IPH	9.65%
ZIP	9.16%
PWH	9.16%

In: LYC, ZIP, PWH
Out: PDN, BAP, NXT

8.0-8.9%

NXT	8.84%
MMS	8.81%
BRG	8.60%
CTD	8.50%
PDN	8.47%
IPX	8.34%
CUV	8.34%
MSB	8.33%
CU6	8.19%

BPT 8.01%

In: NXT, PDN, BPT
Out: LOT, PWH, ZIP, DGT, SLX, ILU, ING, LIC

7.0-7.9%

LIC 7.88%

ING 7.64%

ILU 7.54%

EDV 7.50%

BAP 7.26%

PLS 7.17%

In: LIC, ING, ILU, BAP, PLS
Out: CAT, BPT, DYL

6.0-6.9%

SLX 6.98%

CAR 6.87%

HLS 6.82%

CAT 6.64%

DGT 6.47%

MIN 6.39%

HMC 6.07%

In: SLX, CAT, DGT
Out: PLS, RIO, ACL, PNI, KAR

5.0-5.9%

ACL 5.85%

PNI 5.84%

RIO 5.80%

NEU 5.71%

ELD 5.70%

WTC 5.68%

DYL 5.66%

BMN 5.66%

RHC 5.61%

GMD 5.58%

REA 5.49%

KAR 5.43%

ORA 5.38%

SNL 5.26%

MYR 5.18%

JIN 5.13%

EOS 5.03%

In: ACL, PNI, RIO, NEU, ELD, DYL, BMN, KAR, SNL, EOS
Out: NHC

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.4	0.5	NAB	1.0	1.3
ANZ	0.8	0.8	NST	0.8	1.0
BHP	0.8	1.1	QBE	0.4	0.3
BXB	0.4	0.5	RIO	5.8	6.6
CBA	1.4	1.5	TCL	0.8	0.8
COL	1.0	0.9	TLS	0.3	0.3
CSL	0.8	0.6	WBC	1.2	1.2
FMG	2.6	2.6	WDS	3.3	3.6
GMG	1.3	1.2	WES	0.3	0.4
MQG	0.5	0.6	WOW	2.3	2.3

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.

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