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Friday, 13 February 2026



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AUSTRALIA

The Market In Numbers - 7 Feb 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	07 Feb 2026	Week To Date	Month To Date (Feb)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
NZ50	13444.020	0.16%	0.16%	-0.77%	-0.77%	6.67%
All Ordinaries	8954.60	-2.29%	-2.29%	-0.75%	-0.75%	2.07%
S&P ASX 200	8708.80	-1.81%	-1.81%	-0.06%	-0.06%	1.95%
S&P ASX 300	8653.40	-1.99%	-1.99%	-0.34%	-0.34%	2.12%
Communication Services	1643.90	-3.88%	-3.88%	-5.56%	-5.56%	-11.28%
Consumer Discretionary	3902.90	-1.36%	-1.36%	-2.26%	-2.26%	-5.80%
Consumer Staples	11793.50	0.03%	0.03%	1.51%	1.51%	-2.68%
Energy	9099.80	-2.40%	-2.40%	8.78%	8.78%	4.90%
Financials	9307.10	1.52%	1.52%	-0.31%	-0.31%	-2.33%
Health Care	33638.20	-2.39%	-2.39%	-0.45%	-0.45%	-19.15%
Industrials	8193.60	-2.42%	-2.42%	-2.75%	-2.75%	-1.51%
Info Technology	1726.80	-11.91%	-11.91%	-19.84%	-19.84%	-40.47%
Materials	22296.90	-4.12%	-4.12%	5.56%	5.56%	40.60%
Real Estate	3687.60	-4.08%	-4.08%	-7.02%	-7.02%	-5.41%
Utilities	9260.30	-4.72%	-4.72%	-4.11%	-4.11%	1.30%
A-REITs	1698.00	-4.09%	-4.09%	-7.00%	-7.00%	-5.19%
All Technology Index	2789.70	-10.76%	-10.76%	-17.87%	-17.87%	-31.02%
Banks	4086.50	3.00%	3.00%	0.44%	0.44%	1.59%
Gold Index	19002.10	-9.06%	-9.06%	1.76%	1.76%	64.42%
Metals & Mining	7656.30	-4.57%	-4.57%	5.36%	5.36%	46.65%

The World

Index	07 Feb 2026	Week To Date	Month To Date (Feb)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
FTSE100	10369.75	1.43%	1.43%	4.32%	4.32%	18.36%
DAX30	24721.46	0.74%	0.74%	0.94%	0.94%	3.40%
Hang Seng	26559.95	-3.02%	-3.02%	2.73%	2.73%	10.33%
Nikkei 225	54253.68	1.75%	1.75%	7.78%	7.78%	34.00%
NZ50	13444.020	0.16%	0.16%	-0.77%	-0.77%	6.67%
DJIA	50115.67	2.50%	2.50%	3.62%	3.62%	13.65%
S&P500	6932.30	-0.10%	-0.10%	0.52%	0.52%	11.72%
Nasdaq Comp	23031.21	-1.84%	-1.84%	-1.66%	-1.66%	13.07%

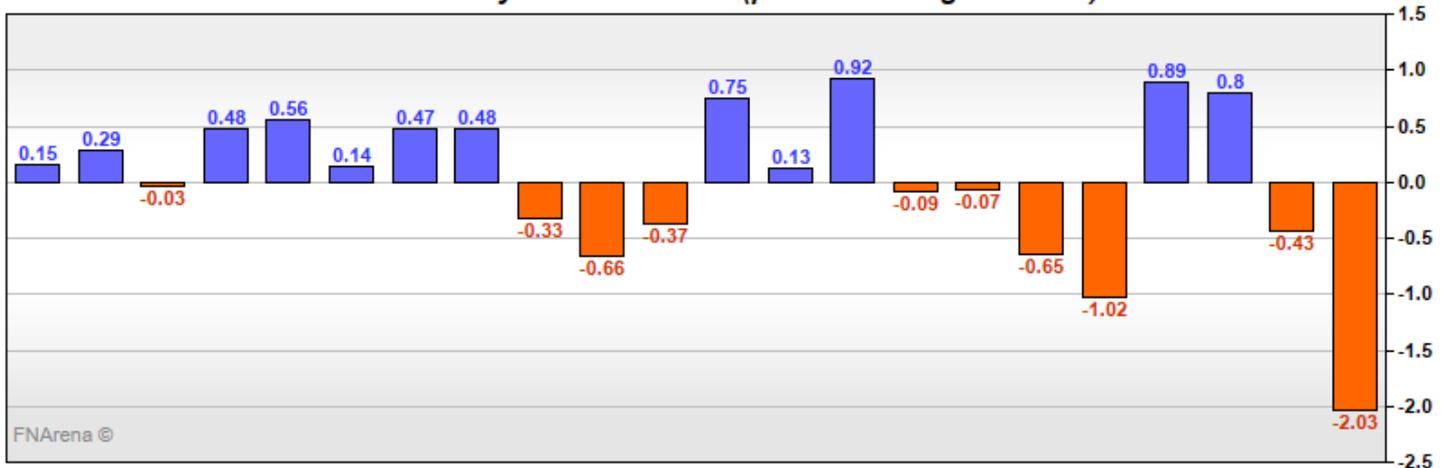
Metals & Minerals

Index	07 Feb 2026	Week To Date	Month To Date (Feb)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
Gold (oz)	4826.61	-11.05%	-11.05%	10.04%	10.04%	46.16%
Silver (oz)	73.54	-36.99%	-36.99%	-5.62%	-5.62%	103.14%
Copper (lb)	5.7315	-8.36%	-8.36%	0.87%	0.87%	12.48%
Aluminium (lb)	1.3771	-6.04%	-6.04%	2.96%	2.96%	16.78%
Nickel (lb)	7.8115	-5.27%	-5.27%	4.33%	4.33%	14.55%
Zinc (lb)	1.5008	-3.62%	-3.62%	7.69%	7.69%	18.88%
Uranium (lb) weekly	100.00	13.64%	13.64%	21.95%	21.95%	27.15%
Iron Ore (t)	101.03	-4.48%	-4.48%	-5.69%	-5.69%	6.92%

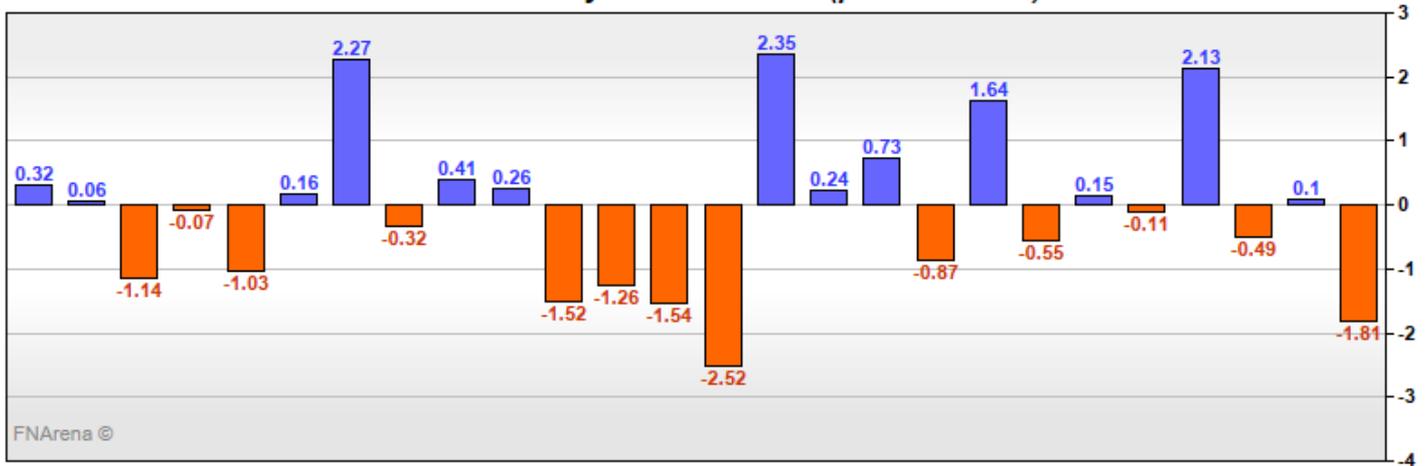
Energy

Index	07 Feb 2026	Week To Date	Month To Date (Feb)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
West Texas Crude	63.20	-3.30%	-3.30%	10.07%	10.07%	-3.54%
Brent Crude	67.50	-2.88%	-2.88%	10.93%	10.93%	1.05%

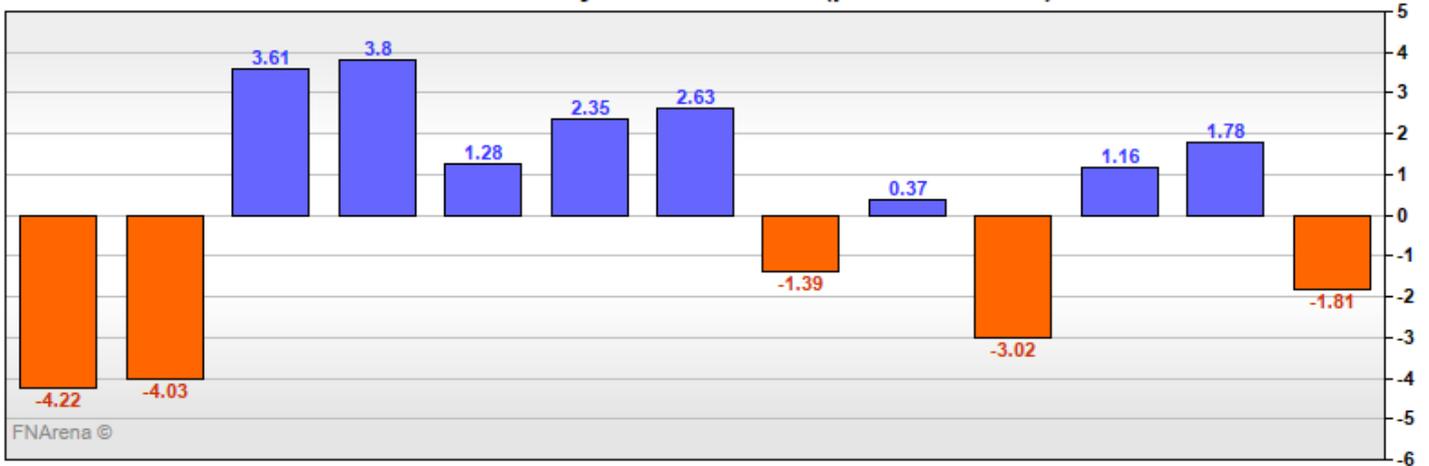
ASX200 Daily Movement in % (past 22 trading sessions)



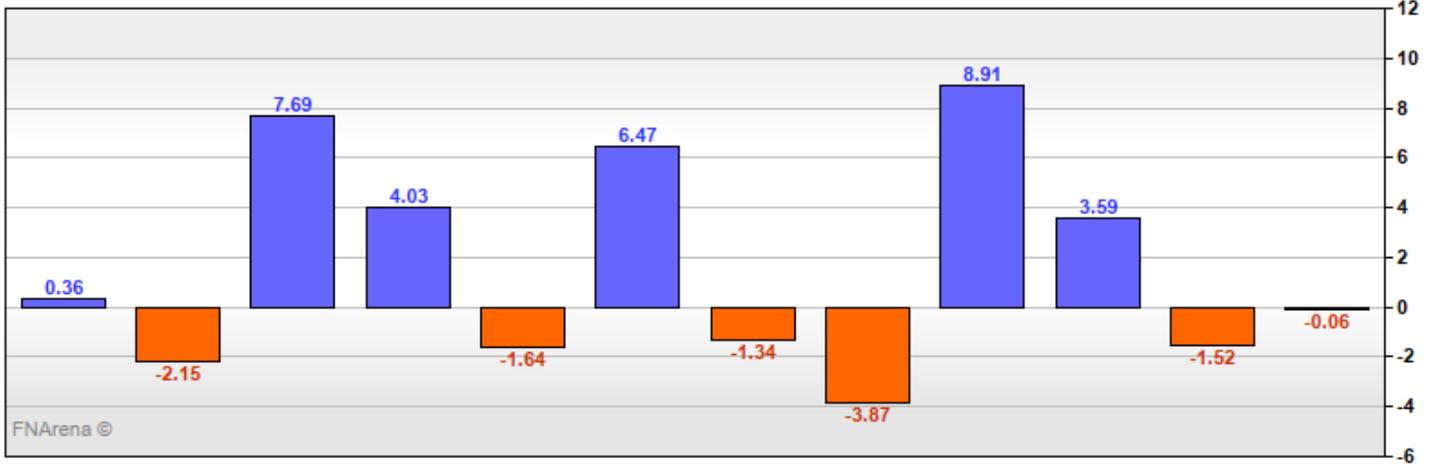
ASX200 Weekly Movement in % (past 26 weeks)



ASX200 Monthly Movement in % (past 13 months)



ASX200 Quarterly Movement in % (past 12 quarters)



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

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AUSTRALIA

Global Oversupply Impacts GrainCorp

A global wheat glut has cruelled GrainCorp's margins, leading to FY26 guidance substantially below consensus.

- GrainCorp issues significantly weak FY26 earnings guidance
- Bumper harvest locally, but also internationally
- Balance sheet and asset value provide support
- A lack of catalysts in the near term

By Greg Peel



Bumper harvests are great news for grain companies, unless everyone has one

Agricultural businesses are forever beholden to the weather, both in their region of operation and all other regions competing in the same commodity. A bumper harvest locally is great news, unless bumper harvests are the story all over the world.

Such is GrainCorp's ((GNC)) current dilemma.

GrainCorp has not waited until its AGM on February 18 to provide FY26 (September year-end) earnings guidance, as is typically the case, rather it has moved to disclose the bad news early -- guidance is materially below consensus expectations, attributed to the ongoing global grain market dynamics of ample supply and lower prices.

GrainCorp's FY26 underlying earnings guidance is \$200-240m, down from \$307.9m in FY25 and well below consensus of \$305.6m. Underlying profit guidance is \$20-50m, down from \$86.7m in FY25 and well below consensus of \$85.3m.

Guidance is particularly disappointing, Morgans suggests, given FY26 doesn't include any more crop production payments to the insurance company and removes GrainsConnect losses. While volume guidance is unchanged, margins have weakened given the grain trading environment has deteriorated further.

Morgans notes that GrainCorp is not alone and many of its peers globally have been impacted by similar issues.

Depressed supply chain margins have been a constant these past three years, Macquarie notes, driven by elevated global grain supplies. This has also fed into volumes, with low prices inducing growers to move less grain through GrainCorp's system.

Macquarie thinks there is also a structural element considering GrainCorp's market share is down -10ppts on the prior large seasons of FY22/23.

Low grain prices are resulting in farmers selling less grain, bypassing GrainCorp's network. Additionally, notes Morgans, grain trading margins are weak given Australian grain is trading at a premium to US grain which is making it less competitive. Global wheat prices have been under pressure given large crops around the world (global wheat supply has exceeded global demand).

Given GrainCorp's grain volume guidance hasn't changed, Morgans suspects grain trading is loss-making and the company has had to discount to attract grain into its network. Morgans also doesn't expect FY25 trading profits in chickpeas and canola seed will be repeated in FY26.

GrainCorp's Nutrition and Energy business unit earnings guidance is also weaker than expected. While crush margins and Animal Nutrition are broadly in line with FY25, Agri Energy has been impacted by ongoing uncertainty around US biofuels policy and its tax credit regime.

No Relief in Sight

Outside of an unforeseen supply shock, Macquarie does not see a catalyst for a meaningful lift in grain prices near term and expects GrainCorp's export margins to remain constrained.

The 2026/27 season is now moving into focus with planting set to occur from April (depending on winter break timing). Northern east coast areas have seen back-to-back bumper harvests, Macquarie notes, with a previously dry Victoria recovering in the 2025/26 season.

Rainfall in the coming months will shape the next season and there are some pockets of dryness emerging (to which this writer can overwhelmingly attest). At this stage, Macquarie expects the 2026/27 east coast winter harvest to be down -15% year on year.

Morgans has assumed an average size crop until proven otherwise. It is dry in the south (very in NSW) and good rainfall during February-May will be required to underpin a decent winter crop plant, Morgans warns.

This broker has always viewed GrainCorp's "through-the-cycle" (TTC) earnings guidance as aggressive and capitalising the peak trading conditions during the Russia/Ukraine war.

The issue that is likely to face investors, Bell Potter suggests, is the level of confidence around Graincorp's \$320m TTC earnings. Over the past three years, east coast Australia has enjoyed well above average crops earnings of \$268m.

GrainCorp does particularly well when east coast grain crops are large, global grain crops are small and EU/Canada oilseed planting are soft.

Bell Potter notes for the last two seasons only one of these dynamics has been at play.

Latent Value

GrainCorp's strong balance sheet provides ballast and assists in weathering the Agri cycle, Macquarie suggests. It is also an enabler of capital management and Macquarie projects an FY26 total dividend payout ratio in excess of 100% of underlying profit, consistent with past practice.

Macquarie notes there remains upside risk from the latent value of the company's infrastructure-like assets and potential for corporate interest in such, but concedes returns on these assets are now likely lower, limiting potential upside.

While Ord Minnett's investment thesis that GrainCorp's TTC earnings and port assets are undervalued remains current, this broker questions just how achievable the \$320m TTC earnings level is given recent results and FY26 guidance.

Morgans agrees GrainCorp owns valuable strategic assets which have attracted corporate interest in the

company over the years. While it may take time for confidence to rebuild in the GrainCorp's earnings leverage to favourable cropping conditions given grain trading has been a headwind, the company is worth materially more than its current share price, Morgans believes.

However, this broker recognises GrainCorp is lacking near-term share price catalysts and investors will need to be patient before a material re-rating emerges.

While GrainCorp's export volume guidance is seen as impressive against the global backdrop, Canaccord Genuity suggests the significant margin contraction implied by earnings guidance highlights an aggressive approach to grain originations.

In Canaccord's view, this will see further investor uncertainty over TTC earnings, which will remain discounted in the share price.

Further capital management initiatives (relative to the recent track record) have the potential to provide incremental support for the share price. On balance, Canaccord views GrainCorp's share price as fundamentally undervalued.

Earnings versus Assets

Following weak FY26 guidance, brokers have substantially cut earnings forecasts for FY26 and, given no relief in sight, FY27 as well. This has led to lowered target prices.

Canaccord Genuity has cut its target to \$7.51 from \$8.71 but given the broker's belief the stock is fundamentally undervalued, Canaccord sticks with its Buy rating.

Among the four brokers monitored daily by FNArena covering GrainCorp, Ord Minnett also retains a Buy rating, noting that on its revised forecasts, the stock offers a total shareholder return of 46%.

Morgans similarly maintains its Accumulate rating (between Hold and Buy).

Bell Potter (Hold) notes the latest update highlights how dependent GrainCorp returns are on global grain fundamentals. With improved cropping conditions in the EU and North America and record crops in Brazil, it is unlikely the headwinds being seen today are likely to ease over FY26, Bell Potter laments.

A lack of catalysts near term to support a lift in margins and earnings growth, combined with normalisation in the season ahead, drives Macquarie's downgrade to Neutral from Outperform.

In Macquarie's view there is a structural element to lower volumes (lower market share) and this is a headwind, albeit the potential for asset value realisation nevertheless remains key upside risk.

The consensus target among the four brokers has fallen to \$7.19 from \$8.55.

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AUSTRALIA

The Great Capex Catch-Up: When Infrastructure Pipelines Meet a Commodity Gale

Australia's infrastructure pipeline has never been larger, or more visible. It is also, paradoxically, becoming harder to build.

- The five-year major public infrastructure pipeline now sits at a record in Australia
- Resurgent resources capex cycle is equally hungry for extra labour
- Challenge for contractors is to avoid logistical nightmares
- Focus on disciplined managers of risk

By Lily Brown



Two simultaneous capex booms puts labour availability in focus

According to Infrastructure Australia, the five-year major public infrastructure pipeline now sits at a record \$242bn for 2024-25 to 2028-29, up 14% year-on-year.

While transport remains the \$129bn gorilla in the room, utilities spending (driven by the energy transition) has more than doubled to \$36bn. Layered on top is a \$163bn ambition for renewable energy projects, much of it scattered across regional Australia.

To the uninitiated, these figures suggest a golden age for contractors. But for the battle-scarred investor, \$242bn looks less like a bounty and more like a logistical nightmare.

The tension is palpable: backlog visibility has never been stronger, yet margin certainty is being squeezed by a structural labour deficit and a resurgent resources sector that is hungry for the same pair of hands.

From balance sheet pain to “gainshare”

Recent history is a graveyard of fixed-price hubris. Sydney Light Rail roughly doubled from \$1.6bn to about \$3.1bn. Melbourne’s Metro Tunnel expanded from around \$9bn to more than \$13bn. Brisbane’s Cross River Rail lifted from \$5.4bn to over \$7.4bn. The West Gate Tunnel cost \$10.2bn, almost twice the original estimate, and opened years later than originally projected.

Between all these blowouts, the industry has spent the better part of a decade learning that aggressive bidding is a fast track to equity destruction.

The scars of the past have finally forced a structural shift in risk allocation. NSW data shows collaborative contracting models (alliances and target-cost contracts) rising from 18% to 30% of projects in just two years.

These “painshare/gainshare” mechanisms mean risk hasn’t disappeared, but it is being shared more transparently.

The catch is these new models require sophisticated management. Investors continue to discount headline pipeline numbers because history shows how quickly a record backlog can become a liability if the contractor lacks the discipline to price in the next spike in materials or wages.

The commodity “crowding out”

This is where the story gets complicated. The resurgence in commodity prices —specifically in future-facing metals like copper and lithium— has reignited the mining capex cycle.

For the ASX-listed contractor, this is a double-edged sword.

The boon: Increased demand for mining services and minerals processing, typically offering higher EBIT margins than public civil works.

The bane: A “crowding out” of the labour market. When a Tier-1 miner offers swing-shift salaries in the Pilbara that a metropolitan road project simply cannot match, the labour shortage (forecast to hit -300,000 workers by 2027) shifts from a headache to a crisis.

In this environment, volume is vanity. The real winners are not those with the biggest order books, but those with the pricing power to outrun a commodity-driven wage spiral.

The core beneficiaries: A narrow field

Against this backdrop, the ASX industrials list thins out quickly. We see the survivors falling into two distinct camps: the “mining growth” plays and the “service annuity” stories.

Monadelphous Group ((MND)): The quintessential beneficiary of the commodity resurgence. As the “Blue Chip” of mining services, Monadelphous is perfectly positioned for the energy transition’s infrastructure needs. However, reliance on the resources cycle makes this contractor more sensitive to Goldilocks commodity pricing.

They have the expertise, but they are also the first to feel the heat when mining labour costs escalate.

Downer EDI ((DOW)): The repair story in transition. Downer has spent the last few years aggressively de-risking, exiting high-stakes construction to focus on urban services and utilities. While FY25 still carries the scent of legacy impairments, the trajectory is toward a cleaner, more predictable earnings base. Downer is now a cash conversion story; the goal is to turn disciplined bidding into sustainable dividends.

Ventia Services ((VNT)): The defensive darling. By focusing on operations and maintenance rather than the “big dig”, Ventia offers annuity-style revenue with structurally higher margins. This contractor benefits from infrastructure growth through recurring service contracts, meaning it avoids the first-build risk that sinks competitors.

In an inflationary world, shorter working-capital cycles are a major defensive moat.

NRW Holdings ((NWH)): The high-leverage play. NRW combines mining services with civil infrastructure, giving

it significant upside when resources investment strengthens. The trade-off is higher cyclicality and working-capital volatility. If the commodity boom continues, NRW's margins should benefit disproportionately – provided this contractor can keep its workforce from jumping ship to the miners themselves.

The bottom line

Australia is in a genuine capex catch-up, but investors must remain wary of the headline numbers. A \$242bn pipeline is only an asset if it's priced correctly and delivered within real capacity limits.

With labour shortages forecast to quadruple in regional areas by 2027, the market is likely to remain sceptical of near-term earnings. Instead of using "revenue growth" as a metric, it might be more apposite to focus on:

- **Contract structure:** Is it alliance-based or fixed-price?
- **Labour exposure:** Can the company pass on 5%+ wage growth?
- **ROIC:** Is the company generating real returns on capital, or just moving dirt?

In this cycle, the spoils won't go to the biggest builder, but to the most disciplined manager of risk.

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AUSTRALIA

AI Fears Overwhelm REA's Operational Resilience

Brokers agree a slight consensus miss for REA Group's first half result does not justify such weak market reaction, pointing to market concerns around AI's potential to disrupt online portal operators.

- REA Group's first half result misses forecasts slightly
- FY26 volume guidance lowered, but forecast FY27 earnings growth a positive
- Share price is reflecting the fear of AI disruption
- Valuation support leads to Buy ratings, but some caution is evident

By Greg Peel



Online portals worldwide are de-rating out of fear for the AI bogeyman

Digital real estate company REA Group's ((REA)) first half revenue rose 5% year on year. Earnings were up 6%, profit 9% and the fully franked interim dividend 13%.

REA announced a \$200m on-market share buyback in response to its weakening share price, down almost -30% from \$250-plus in less than nine months.

The result was broadly in line with consensus expectations. While revenue and earnings were only -1% under consensus expectation and full year yield guidance appeared strong, lowered FY26 volume guidance and closed "operating jaws" (cost growth exceeding revenue growth in the period) for Australia in the first half arguably disappointed the market, Morgans suggests.

But all analysts agree there was more to REA's -8% share plunge on the day than slight disappointment. There is more to the story.

While the results were a minor miss, UBS notes key drags were from Media and Elara, whereas Core Residential performed in line, giving this broker comfort on sustainability of growth in the medium term.

UBS further notes Australian “jaws” closed modestly in the first half, driven by softer volumes and timing of lumpy marketing spend (sponsorship of the Ashes and Australian Open).

REA’s FY26 guidance sees volume downgraded compared to expectations, with a -1-3% decline now expected versus broadly flat guidance prior. REA India remains a very competitive market, Morgans notes, and revenue there was flat year on year.

Citi points out lowered listing volume guidance is not driven by RBA rate hikes but more about overall listings being weaker in the first seven months, especially in Perth and Brisbane, compared to expectation. Guidance does nevertheless assume two rate hikes in the second half.

The result itself highlighted the resilience of REA’s franchise in a tougher volume environment, Morgans believes, with strong yield growth (14%) offsetting a -6% decline in listings.

Management’s expectation is for double-digit growth in FY27, which likely implies a similar price increase in FY27 as in FY26.

Given competitive concerns from Costar/Domain, this is positive in Citi’s view, but also in-line with a view that Costar/Domain is unlikely to impact REA in the near-term.

The Elephant in the Room

Back to that -8% share price fall.

While a slight miss on revenue and disappointing FY26 volume guidance were enough to drive at least a modest pullback, analysts acknowledge the fall was likely exacerbated by a fears spreading around the globe about further AI developments disrupting Software-as-a-Service and comparable businesses, including online portals.

Share prices in such companies across the globe have been dramatically de-rated over the past eight months or so, led by the US. As mentioned, REA’s own share price had already pulled back significantly prior to Friday’s market update.

These rapid and ongoing AI developments have created debate on structural change within online real estate classifieds. Macquarie notes most company stock prices are down in the last twelve-months (-23% average decline), and valuations are trading around pre-covid levels, following a multi-year post-covid re-rating.

Whether online real-estate classifieds are a net beneficiary of AI is too early to call in Macquarie’s view. This broker does think real estate is more protected than the AI risks facing small consumer shopping transactions.

The real estate industry has historically seen disruptive shifts in the past, such as from print to digital, as well as complementary changes, such as the introduction of mobile phones, but Macquarie is cautious about putting AI into either of these categories just yet.

Importantly, REA is not simply waiting around to see what happens.

REA developed and deployed natural language search and conversational search functions on-platform during the period, leveraging a global tech team utilising AI, Bell Potter notes.

Key engagement metrics remain strong (buyer leads up 20%, seller leads up 38% and record audience and monthly visits) giving REA a strong base to leverage AI capabilities in order to defend its existing moat.

Australia’s largest agency network, Ray White, has signed up to REA’s new agency dataset and market intelligence offering within self-service platform, Ignite, which appears to be embedding REA within large agency workflows, Bell Potter notes. REA has also deployed generative AI within Ignite as a lead prospecting tool.

Marketplace valuations have declined significantly reflecting the potential impact and uncertainty of AI/large language model iterations displacing software-related businesses. REA is seen as potentially exposed at a search function level and platform development level, Bell Potter acknowledges, though company management appears to be leaning into the opportunity.

UBS points to industry feedback suggesting REA still delivers the largest number of buyer enquiry leads to agents, driven by continued growth in audiences. Management noted traffic from AI remains less than 1% and recently declined, further suggesting to UBS strength in “direct eye-balls” to platform. It is, however, early days, UBS admits.

Jarden has published a framework of 59 questions across nine categories to assess potential AI disruption risks. This broker sees REA as the most protected from AI in its online classifieds coverage given a combination of unique data, proactive investment in AI capability, strong market position, and lack of structural risks to its vertical (housing).

Jarden notes REA is confident it can manage AI-related investments within its existing framework (positive jaws), and highlighted a number of AI-led features (eg natural language search rollout, conversational search beta, AI-generated smart summaries for agent leads, to name a few).

However, this broker too acknowledges significant uncertainty about the rate of improvement of AI-based technologies.

Valuation Support?

Given REA shares are now trading on a circa 29x FY27 forecast PE, one standard deviation below the ten-year average, Morgans views the share price as attractive given an estimation of mid-teens earnings per share growth over FY27-FY28.

Morgans has upgraded to a Buy rating from Accumulate.

Despite the potential for ongoing competitive pressures, Morgans points to REA's strong market position, robust cash generation and ongoing growth opportunities.

While Bell Potter recognises the potential for disruption in a rapidly evolving environment, this broker currently sees the pullback in valuation overdone considering REA's moat lays in decades of property, customer and buyer intent data and inherent network effect via an established and highly engaged audience.

Therefore, Bell Potter believes, REA's shareholder value sits below the user interface level which is difficult to replicate. Bell Potter retains Buy.

Citi views the -8% share price move as an overreaction to the magnitude of REA's consensus miss and guidance downgrade. That said, given elevated sector-level concerns, it's not surprising any negative update would not be taken well, Citi admits, and there are plenty of questions around AI on both monetisation and costs.

Citi sees the expectation of double-digit yield growth for FY27 as positive, especially given increased competition, and sticks with Buy.

While UBS suggests it is difficult to know where valuation support would be in the current market environment, UBS also points to valuation multiples more than a standard deviation below averages, which this broker views as attractive for a stock continuing to deliver resilient double digit earnings growth, and most AI defensive across UBS' online classifieds coverage.

UBS also retains Buy.

Ord Minnett sees the market reaction as well overdone given the slight scale of the revenue and earnings miss and the fact listings are not something REA can control, unlike costs, yields and capital management (\$200m share buyback) on all of which the company delivered a strong performance.

Ord Minnett thus remains among the Buy-raters.

That only leaves Macquarie among the six brokers monitored daily by FNArena covering REA Group, and updating on the first half result, as less confident.

(Morgan Stanley is yet to update, and has an Overweight rating, equivalent of Buy).

Macquarie acknowledges the current appeal of REA's below-average valuation multiples, but this broker is cautious on valuation discovery and any re-rating catalysts with AI uncertainty de-rating REA and global peers.

Macquarie therefore sticks with Neutral.

Lowered guidance has led to lowered earnings forecasts, hence the consensus target price among these brokers has fallen to \$228.23 from \$244.39.

Like Macquarie, Jarden cites significant uncertainty about the rate of improvement of AI-based technologies, which this broker reflects in an increase to its discount rate assumption. Jarden's target falls to \$177 from \$196, with unchanged Neutral rating.

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INTERNATIONAL

A Healthy Correction Underway

Yesterday's Champions are today's punching bags and vice versa. Stephen Auth, Executive Vice President, Chief Investment Officer, Equities at Federated Hermes explains why and why this process isn't over yet.



Yesterday's heroes have turned into present day zeros, when will it stop?

By Stephen Auth, Executive Vice President, Chief Investment Officer, Equities at Federated Hermes

Although by the close Thursday the S&P500 was down a mere -3% from its highs, let's face it, things feel a lot worse. That is because the -3% loss is a combination of much bigger losses year-to-date in areas that had attracted the bulk of the assets – think Bitcoin (-49%), software giants (-25%) and the Mag 7 (-6%).

Meanwhile, the stocks of the remaining, unloved 493 are up 1% and an even more comforting 6% from the market's November lows. The much-despised Russell2000 small-cap index is up 5% year-to-date, despite pulling back a tad through Thursday, and 12% from the November lows.

Many clients are asking, is now the time to buy back the AI stocks? Or is this just a precursor to a much bigger and deeper problem? Or should I keep leaning into the "broadening-out trade" and wait for a bigger correction in the tech names?

Only time will tell, but at Federated Hermes, we are sticking with option three. We view the current tech correction as healthy but not complete.

On the other hand, we expect the market's shift toward smaller-cap and value stocks is likely to continue for some time.

Here are our reasons:

The "hyperscalers" are beginning to tilt away from the "asset light" model that made them so attractive. One of the defining characteristics that propelled mega-cap technology companies over the last decade was their asset-light business model: high incremental margins, modest capital intensity, and extraordinary free cash-flow generation and growth. That picture is changing quickly.

The hyperscalers are now committing enormous capital to support the AI infrastructure buildout. In 2025, the Magnificent Seven spent US\$400bn on AI, against combined cash flow of US\$825bn – still net positive free cash

flow, and "only" funded with US\$80bn in new debt.

Still, this was the first year that the hyperscalers' capital expenditures (capex) nearly absorbed all of their free cash flow. So far, including Amazon's blowout capex announcement on Thursday, capex guidance for 2026 has expanded to more than UD\$600bn and climbing.

As a result, free cash flow is deteriorating across the cohort, and investors are shifting allocation toward emerging areas of AI bottlenecks, such as memory and semiconductor capital equipment companies.

The software names are caught between a rock and a very hard place. The software sector faces a powerful and underappreciated combination of headwinds.

First, many firms are still digesting the excess seat licenses sold during the pandemic era surge in remote work demand. Renewal cycles remain marked by optimization and downsizing, not expansion.

Second, AI is threatening the traditional license-based model itself. The recent Anthropic announcement may prove to be software's "DeepSeek moment," demonstrating that agentic AI tools can automate functions historically performed inside legacy enterprise applications.

That raises real questions about long-term pricing power and total addressable market assumptions. Importantly, the largest Software-as-a-Service (SaaS) platforms retain significant advantages: massive installed bases, deeply embedded workflows and high switching costs.

If history is any guide, these firms will adapt and integrate AI into their solutions to defend their moats. Still, the transition will be messy and investors are selling first and asking questions later. Value is starting to get created among these stocks, but with so many question marks about their futures, we are remaining cautious in this space pending some sign of stabilization.

The market is broadening because fundamentals are improving outside of the heretofore market-leading tech space. The rotation we have experienced over the first month of the year is not just being driven by concerns over the Mag 7. It also reflects genuine improvement across the broader economy.

GDP growth has averaged 4% over the past three quarters, and forward growth expectations continue to rise on the back of the implementation of the One Big Beautiful Bill tax cuts, larger-than-expected tax returns, and continued Federal Reserve easing.

Meanwhile, early earnings season results have shown broad-based beats, with revenue growing 8.5% and earnings-per-share growing 13% versus a year ago. Importantly, earnings expectations for the full year have risen as the season has progressed – always a good sign that on balance, the incoming earnings releases are raising analysts' optimism for the full year.

Many of the previously unloved value stocks are not only experiencing improving fundamentals but also sport cheap valuations. A number of value-oriented sectors look compelling on both absolute and relative bases.

At Federated Hermes, we long ago stopped viewing the "value index" as a single monolith; the widely accepted category encompasses two different asset classes: economically sensitive cyclicals and defense dividend payers.

In the current environment, both look attractively valued and are benefiting from the macroeconomic environment. Cyclical parts of the market like banks, energy, industrials and materials are benefiting from above-trend GDP growth, additional stimulus and the AI infrastructure build-out.

At the same time, the defensive dividend-paying parts of the market like utilities, consumer staples and pharmaceuticals are being lifted by a pick-up in volatility and lower policy rates, which make their lower beta and higher dividend yields look more attractive.

With fundamentals improving and valuations still depressed, we believe these areas have multiple avenues for outperformance. And with investors tiring of all the drama in technology-land, the opportunity to invest in long-ignored but stable, well-diversified businesses with attractive valuations and dividend yields is proving a welcome relief.

"Goldilocks" is about to arrive. We appear to be entering an unusual macro regime where easing monetary policy intersects with accelerating earnings – historically a powerful combination for equities.

AI-driven productivity gains are creating benign labor market softness, as evidenced by this week's softer labor readings, reducing wage pressures without signaling economic weakness. With policy rates well above core inflation, monetary conditions are tighter than necessary, giving incoming Fed Chair Kevin Warsh ample room to ease.

We think the Fed is likely to cut rates two or three times over the course of 2026. At the same time, earnings estimates for 2026, 2027 and 2028 continue to rise as economic growth accelerates.

Put together, 2026 may deliver a rare "Goldilocks" alignment: Fed cuts alongside broadening corporate earnings growth. Historically, this combination has been especially supportive of small caps, cyclicals, emerging markets, and value – precisely where leadership is emerging now.

Given all of the above, the S&P is likely entering a period of choppiness, as investors continue to rotate capital out of the mega-cap names that make up 34% of the index and into the rest of the market, which is still broadly under-owned.

We are keeping our portfolios tilted toward the latter and will wait for lower levels –if we get them– to add additional capital to stocks overall, and technology in particular.

A key risk we are monitoring

A risk to our somewhat benign view of the present correction is the credit markets, especially within the tech sector. Bitcoin's heavy losses, and the carnage among software names where fundamentals are eroding quickly, could lead to a credit event with macro-level implications.

For now, credit markets remain liquid. Despite rising measures of risk, no clear signs have surfaced that a major player is in significant distress.

We are closely monitoring credit spreads and the credit default swaps markets for signs of elevated stress or contagion.

Currently, the pressure is more concentrated than widespread, but we are watching for signs of credit stress spreading. Given the strong speculative run in 2025, this risk is nonzero.

We are staying in close touch with our credit teams and will update our views accordingly.

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RUDI'S VIEWS

Behind The AI Threat Narrative(s)

Thoughts and observations behind the savage bear market that has gripped Quality and Growth stocks since mid last year.

By Rudi Filapek-Vandyck, Editor



Behind The AI Threat Narrative(s)

By Rudi Filapek-Vandyck, Editor

The persistent de-rating of global technology stocks is far from the only trend that has characterised the past eight months of ASX price action, see for example the spike in volatility in prices of gold, silver, bitcoin and uranium.

On Monday, as I am writing this week's Weekly Insights, share prices are rallying from pricing levels that are well down from levels recorded mid last year.

I am not confident that what we are experiencing is a bottoming out in a nasty and prolonged bear market for businesses that previously could do little wrong.

I do note sector analysts and savvy investors are starting to push back against the market's indiscriminate de-rating of companies linked to software, AI or technology broadly.

This might well prove the first embryonic step in countering what appear to be overly simplistic narratives that currently weigh on affected share prices.

The fact Car Group's ((CAR)) half-yearly result simply met consensus forecasts and its share price rallied by double digits on the day is one extra source for optimism.

In contrast, the early beginnings of the local results season saw no net benefit for a market-beating financial performance by ResMed ((RMD)) and a swift harsh punishment for REA Group ((REA)) post a market update that 'missed' on a higher tax rate and slightly lower growth guidance for the second half.

Car Group management also reported steady progress on AI with several of its portals now enriched with conversational search.

More investing automatically translates into (some) margin pressure, but management seems confident it can control this dynamic without any nasty outcomes on the horizon.

It certainly drew praise in an early assessment from analysts at Citi, who see potential for the strong operational momentum to offset headwinds from a stronger AUD in the current financial year.

Despite the firm rally on Monday, Car Group shares are trading nearly -50% below FNArena's consensus price target in a sign of just how savage the selling has been for this type of potential future AI victim.

Room For Optimism, But...

Market strategists at Macquarie continue to describe Car Group & Co as "falling knives", suggesting any respite in the selling is likely to prove temporary at best, at this stage.

I agree with the implicit suggestion there doesn't yet seem to be a circuit-breaker on the horizon, with sentiment worried about what could possibly go wrong at some point in the future if AI, indeed, turns out to be kryptonite for platforms such as REA Group's and Car Group's.

If current doom scenarios prove correct, investors have plenty of examples from the recent past to reflect on.

Take IDP Education ((IEL)), for example, whose market momentum got stunted, then destroyed by a global push back against immigration. Supported by covid-inspired momentum, those shares were trading near \$40 in 2021.

Today, IDP Education shares are changing hands around \$5.50, only having stabilised around that level (-86% below the peak) in the past six months or so.

The share market can truly punish hard when the tide turns for growth companies trading on elevated multiples. Every single rally along that trajectory was simply a brief pause *en route* to a price level once considered inconceivable.

As some of you might remember, IDP shares had previously been included in the **FNArena/Vested Equities All-Weather Model Portfolio**.

Apart from underestimating how severe its de-rating ultimately would become, and thus hanging on for too long, the Portfolio made two positive decisions:

- it did not average down or added more money to the flailing share price
- it ultimately sold and didn't hold on until last year's bottom

Back in 2023, the All-Weather Portfolio experienced a complete opposite scenario with ResMed ((RMD)) shares, which, at that time, ended up in a similar quagmire as are Car Group, REA, & Co today.

Back then the narrative was that GLP-1s would dramatically change the world and make respiration masks and treatments such as produced and marketed by ResMed obsolete.

By late 2024 those shares reached \$40 from a bottom near \$20 at the peak of GLP-1 selling.

I am by no means predicting this will be the exact course ahead for Car Group & Co, but I certainly see a lot of similarities as extremely simplistic disruption narratives are being applied across the board.

If I have to choose between these two opposing outcomes, I'd be inclined to think the future outcome for Car Group & Co will most likely resemble ResMed's experience more than that of IDP Education.

But there's no timing attached, and this process will simply have to run its course.

Are All Businesses Equal?

Without getting too much entangled in theoretical possibilities, and this versus that scenarios, I believe in many cases of the companies I feel familiar with, current narratives over-emphasise the importance of writing computer code becoming so much faster and easier, and under-appreciate the fact successful businesses offer security, compliance, governance, reliability, distribution, client bonding, prohibitive switching costs, and possibly even more.

Will some businesses be made obsolete through new developments? Most certainly.

But if anyone genuinely believes government departments will switch to internal coding simply because they can, they have no idea.

TechnologyOne ((TNE)) should thus remain relatively insulated, though that's not what its share price is reflecting since the release of FY25 financials late last year.

I'd also nominate WiseTech Global ((WTC)), albeit founder Richard White remains both a force and a liability.

None of the companies de-rated are likely to report AI disruption in the present results season. Instead, Car Group and REA Group have been sharing insights about their progress on and implementation of AI.

Expect Goodman Group ((GMG)) and NextDC ((NXT)) to talk about strong demand continuing for data centres.

It is most certainly possible none of any of this matters in the short term, as narratives, sentiment and external market forces could hold the upper hand.

The current context has turned yesterday's Growth Champions into today's value propositions, but only if one believes the ResMed outcome is more likely than what happened to IDP Education.

Alas, no watertight guarantee can be provided.

Analysts Are Starting To Push Back

Multiple analyst teams have offered their five cents' worth in recent days. Below is a short overview.

Ord Minnett has zoomed in on the smaller caps and believes the following business models look Highly Defensive in light of possible disruption:

- Energy One ((EOL))
- Gentrack Group ((GTK))
- Hansen Technologies ((HSN))
- TechnologyOne

The following business models look Defensive:

- Qoria ((QOR))
- ReadyTech Holdings ((RDY))
- Vista Group ((VGL))

Considered most at risk:

- Seek ((SEK))
- Car Group
- Airtasker ((ART))

Analysts at **RBC Capital** have highlighted the following for moats with better protection:

- Pro Medicus ((PME))
- TechnologyOne
- REA Group
- WiseTech Global

Citi analysts make the point that agentic coding tools could make it easier for adviser groups to build their own platform; but existing platforms --Hub24 ((HUB)), Netwealth Group ((NWL)), Praemium ((PPS))-- are regulated products with significant compliance and trustee obligations.

In addition, recent remediation requirements arguably raise barriers to entry for self-build and new entrants.

Online classifieds portals are considered relatively less exposed compared to software given their strong market position as well as two-sided network dynamics. Car Group is Citi's top pick in the space.

More AI means more compute means more demand for data centres. Citi continues to see a strong outlook for companies including NextDC ((NXT)) and Megaport ((MP1)).

Online travel agencies could be ripe for disruption, which would affect SiteMinder ((SDR)) but Citi counters cheaper-priced channel managers have not impacted Siteminder's growth materially to date.

Jarden has nominated WiseTech Global ((WTC)) as possibly offering the most protection against AI disruption, but overall argues all Australian companies under coverage have protections and appear to be pro-actively investing in AI capabilities.

Top Picks are Seek ((SEK)) and Xero ((XRO)). Car Group, TechnologyOne and WiseTech Global are Overweight rated. REA Group has a Neutral rating.

Jarden also believes insurance brokers, Steadfast Group ((SDF)) and AUB Brokers ((AUD)), could suffer greatly from AI disruption, but any risks in the short to medium term appear manageable and that makes present share prices "cheap".

Barrenjoey specifically makes the point management at REA Group sees AI as an opportunity to accelerate product development, both on the front end and the back end of its platforms. Apparently less than 1% of traffic is AI related, and has declined recently.

Chatbots might be facing an uphill battle if they want to replace REA's offering, with the company building digital twins (virtual replicas of properties) as it accumulates more and more proprietary data.

On the demand side, the company has access to unique consumer behavioural data within a scale that is difficult to replicate.

This debate is far from concluded. February won't be able to answer all questions.

To be continued.

FNArena's Corporate Results Monitor: https://fnarena.com/index.php/reporting_season/

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Dividend Investing, The Smart Way_250(1)



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(This story was written on Monday, 9th February 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).

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In addition, since FN Arena 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 Interviewed: February Is Less About Earnings

Transcript of Pre-February results interview by Livewire Markets.

By Rudi Filapek-Vandyck

As per unofficial tradition, I was interviewed by Livewire Markets' co-founder James Marlay ahead of the February results season. A link to that video is near the bottom.

Below is a curated transcript of the interview.

James Marley:

Hi folks, James Marlay here, co-founder of Livewire Markets. Summer holidays are fading as a distant memory, the kids are back at school, and if you're looking to get yourself brushed up on what's going on in the ASX, this is the video for you.

I'm joined by Rudi Filapek-Vandyck, the editor at FN Arena and renowned market watcher, knowledgeable of all things ASX and markets.

We're going to be going through the moving parts on the ASX to get you brushed up and ready for February.

Rudi, great to catch up. I love our chats ahead of reporting season. Have you been good to catch up?

Rudi Filapek-Vandyck:

My pleasure, James, and thanks for having me.

Interviewer:

Rudi, in preparation for today, I did have a look at some of the research that's out there. Morgans' forecast is for earnings growth for the ASX200 this financial year to come in around 8%, with a similar figure for FY27.

That, to me, seems like a decent backdrop for the market. But as we know, valuations and sentiment can play a big role. Can you give me some initial thoughts on your backdrop as we go into reporting season?

Rudi:

Those numbers are already superseded. Things are going so quickly, and analysts always have to catch up with fast moving commodity prices. I think the numbers now are already 10% or 11% and probably going higher.

That's at face value. If we look back at the past, we've had three negative years preceding. So clearly, something has changed in the Australian context, and we're coming with a big bang out of a period when only a small amount of companies were consistently and persistently growing.

The difference is commodities and for a commodities market like Australia, it makes a big difference.

In very simplistic terms, what is underneath those numbers is still an extremely polarised share market.

It has actually flipped, so sectors that previously were almost the only ones growing in Australia and getting all the attention, they're now being relegated to being laggards, out of favour.

The sectors that previously arguably were in a bear market, not moving and not growing, and having all the headwinds, today they are now, with a bang, all of a sudden, in favour.

They're populating the earnings forecasts. They're getting all the attention in terms of momentum, investor funds flows, etc.

You can make an argument that resources and banks are now in a bull market, and you can make the argument that large other parts, the ones that previously were in the bull market, are now in a nasty, prolonged bear market.

Winter has arrived for those sections. Unfortunately, for those who are hoping that's gonna change in February, my instinct tells me it's not gonna change in February.

So, February will be less about earnings than you would expect normally from reporting seasons.

It's also good to explain: it's not that the growth stocks, the quality stocks, the AI stocks, it's not that they now have negative earnings growth. They don't, it's just that the forecasts that underpin their growth, they're now in a negative trend.

They're impacted by higher bond yields, by a stronger currency and, in some cases, by specific industry related matters.

So these companies are still growing, but there's more growth to be had elsewhere, and investors have made that switch.

Here at FNArena, as you probably know, we are updating those forecasts on a daily basis, and in particular for smaller mining companies, we are sometimes changing numbers by 100%.

That, obviously, explains why share price rallies can be so strong in those segments of the market.

It's still very polarised, and I don't think that's going to change anytime soon.

One way to show how deeply polarised this share market is; out of all the stockbrokers we cover, two out of three ratings currently in place are Buy ratings.

Now, some brokers have the reputation of always issuing more buy ratings, but we have historical numbers and they show the percentage in Buys is normally never this high.

There are Buy ratings at one end, because there's more good news coming, and there are Buy ratings on the other end, where share prices continue to fall and brokers can't believe how low those share prices go.

Interviewer:

Something you do a lot of at FNArena is looking at the research that's coming out of the investment banks and the broking houses.

Any particular themes or ideas that have caught your attention?

Rudi:

Let's start with the banks. There is a positive sentiment coming through on the basis of interest rates going higher, and the economy, at face value, looks in very good shape.

So, everyone who was convinced there's no life left in banks because they are too expensive, those investors might, yet again, be proven wrong this year.

Question marks remain around CommBank ((CBA)), yes, but they will have to prove they deserve their premium rating.

There's now clearly a lot of euphoria coming in the resources space, prices are going up for just about anything.

Investing in resources is less about earnings. I remember many, many years ago, MIM or Mount Isa Mining, with a very questionable reputation.

The company would issue a profit warning, the share price goes down, then two to three days later the share price is back up where it was because commodity prices have gone up.

That sort of shows you the dynamic in reporting season. For resources, it matters a lot less about earnings unless, naturally, one comes out with some really bad results.

The contractors, the engineers, they're obviously having a really good time. You can argue that that's priced in, but that's on the assumption there are no new contracts coming through, but that's probably the case.

I saw NRW Holdings ((NWH)) announcing even more contracts recently. You basically own those stocks because the bull market is extending.

At the other end, the growth stocks, the quality stocks, they're all suffering at the moment, also because of higher RBA rates, a stronger currency.

All of our quality companies are active in the US.

Then there's a big question mark over retailers, consumer stocks. The RBA has just raised interest rates. We might see another one, at the very least.

Morgan Stanley has issued a warning to investors: be prepared for much more benign conditions in the second half of the year.

While the RBA raised rates on the basis of the economy is stronger than expected, I noticed last year retailers were issuing profit warnings.

There is that K-shaped economy. It's not a straight line.

Personally, I'm a little bit more cautious on consumer spending. My observations about the economy do not align with the official statistics and data.

I know all companies ultimately link back to consumer spending, but when it comes to direct consumer spending stocks, I've gone defensive.

I'm in Chemist Warehouse/Sigma Healthcare ((SIG)). I think that's a less risky trajectory of playing that theme,

Interviewer:

I don't think we can ignore what's going on in the growth and the technology parts of the market, which is, on the day we're talking, being put under the blowtorch.

What's your take on what's happening there? Maybe talk us through your thoughts there.

Rudi:

Winter has arrived. I think that's the easiest way of describing it.

People out there talk in terms of bear markets when share prices are down by -20%, but I think that's a very simplistic way of looking at it.

To go straight to the core: when there's a bull market, investors are looking for reasons to buy. If it's a bear market, investors are looking for reasons to sell.

And while, once upon a time, those concepts would apply to markets as a whole, think about the GFC and the Nasdaq meltdown in 2000, increasingly, in later times, those two concepts are rolling through the market and gripping sections of it, each separately from each other.

We've had resources in a bear market for two or three years. Previously we had a runaway bull market for anything related to technology, to AI.

Quality stocks have outperformed for 15 years, but all that has now flipped.

We're now looking to sell anything that is on an above average PE ratio.

Think quality, quality growth, growth, technology, anything related to data centers, AI, it's all out of favour.

On the other end, we find anything that smells of gold, silver, lithium, uranium, etc

Something to consider people often don't realise, is the markets behind those commodities are really, really small, and, in some occasions, really, really tiny.

A lot of people have been focusing on the effect of ETFs on equities over the past decade or so.

We are now, maybe, seeing the effect of ETFs on commodities.

If the money is flowing in very, very hard as it is, you have to question how much those markets can absorb.

We saw recently what happened with gold and silver. That might simply be the effect of too much money coming in.

The narratives are there, but the volatility is there too. I think that's one of the reasons why you will see more volatility in these markets now.

Interviewer:

Rudi, we've touched on resources. We've touched on technology. These are two parts of the market that are in the headlines for different reasons.

At the moment, what's being overlooked are the opportunities in sectors that have been pushed to the side.

Last year, healthcare was a difficult part of the market. Are there any opportunities in this overlooked sector?

Rudi:

Healthcare is still a very difficult sector.

What we've left behind is once upon a time we were treating healthcare as the go to sector that couldn't lose. The heydays of ResMed ((RMD)), CSL ((CSL)), Cochlear ((COH)) and the likes, they're definitely behind us.

We are now talking about very subdued forecasts. Analysts are still very cautious about Healius ((HLS)), Sonic Healthcare ((SLC)), Ramsay Health Care ((RHC)), pathology in general, and that, by default, makes me more cautious.

The big discussion about CSL is if they simply meet expectations this season, whether that's going to be enough?

Other people think that's not going to be enough. So that debate goes on.

The one thing I find, personally, very disappointing concerns ResMed. I'm a shareholder, I think ResMed is now the number one company in that sector.

They came out in January with a fantastic result, meeting expectations, forcing analysts, even with a strong Aussie dollar, to increase their forecasts.

And guess what? Apart from on the day of release, the share price is only going down.

That observation in itself, to me, is indicative of what the situation will be in February.

This also leads me to one conclusion in that February will be less about actual results and more about momentum, investor sentiment, and the likes.

Unfortunately, there's nothing companies can do about it.

Xero ((XRO)) gave a presentation to analysts. They pulled forward the point of reaching break-even for Melio, their acquisition in the US, by three years.

In any different market that would unlock the share price by 10-15% but we are seeing the opposite again, except on the day of release.

If I can make a comparison with the US, there Microsoft sold off by double digits. Their numbers missed consensus by -1% and the one key reason why is they had to reallocate some of their hardware, and they gave it to themselves to develop Copilot instead of to their customers.

Again, the market simply has no appetite for any detail. If you're in the wrong sector, you're going to be sold down.

Having said so, there's always room for more positivism in February. There are a few companies that, when I go through research updates, are being highlighted as potentially delivering a positive surprise.

One that's often mentioned is Flight Centre ((FLT)). A cheaper currency should help them as well.

One that's equally often mentioned, it's quite a small one and it hasn't been listed for that long. but a lot of people are positive about GemLife Communities Group ((GLF)).

Other companies that are mentioned are Superloop ((SLC)) and Aussie Broadband ((ABB)).

Temple & Webster ((TPW)) is also often mentioned, but I think the problem there is you can still hold the technology label over it, and that will be for many, many companies one big disadvantage in February.

Given we have this really strong fillip between value and growth, it is well possible a lot of people will now start looking among cheap laggards for the next leg up and whether such companies can make a comeback in February.

That is possible. But I still can't get excited about the likes of Aurizon Holdings ((AZJ)), or Lendlease ((LLC)), or Bapcor ((BAP)), or, like I mentioned earlier, Healius.

I still would refrain from expecting too much from those companies. But hey, we all have our own strategies.

At the larger scale, I think Macquarie Group ((MQG)) is making a comeback, and that's probably deservedly so.

We are seeing a lot of IPOs, a lot of capital raisings and all of that. People always look at Computershare ((CPU)), but I think Macquarie is the key beneficiary here.

They are using technology to take market share away in Australia. They are doing quite a good job at it.

One stock that has my personal attention is Goodman Group ((GMG)). I think Goodman Group will be very important for the AI trade in Australia.

Amongst all the narratives that were going around last year, one was you can never make money out of data centres, which obviously is ludicrous, but hey, you can't argue with the crowd.

The share price is now a lot lower than where it was last year. I hope Goodman comes up with a good result, but I'm not so sure whether earnings are going to change much to sentiment.

I think there's nothing much that companies can do about it, it'll have to come from elsewhere.

Another example: in January Qoria ((QOR)) shares sold off by -40% not because the market update was bad, no, because management stuck to their guidance and it was based on a weaker Aussie than where it is now.

What has happened since is they're now going to merge with a US company.

That signifies to me that what used to be growth and technology, the higher PE stocks, they've now become value plays.

We all know that's what the bear market does. We know instinctively the bear market creates opportunities when it ends.

We just don't know when that will happen and how low share prices are going in the meantime.

Interviewer:

Rudi, you've mentioned a bunch of names there. I was just thinking, as we look at reporting season, are there are a couple of results from stocks that you think might be bellwether indicators for industries across the market that you think are going to be particularly interesting to watch?

Rudi:

Goodman Group is the one for the AI trade. For consumer spending, people will be watching the likes of Wesfarmers ((WES)).

Coming back to the laggards, Woolworths Group ((WOW)) is in a similar situation as CSL.

Are they finally ready to not disappoint? Maybe that gap with Coles Group ((COL)) can narrow?

That would normally also apply to Macquarie. Macquarie now had two or three years of basically standstill. But I think they're probably ready to turn things around.

The big one amongst the banks, of course, is CBA. They will have to prove they still deserve to trade on a premium. Thus far the evidence is they are still on a premium, and they have kept it, although that has narrowed.

Maybe the premium got a bit too large last year.

Interviewer:

One part of the market we haven't discussed specifically are the online classified businesses, REA Group ((REA)), Car Group ((CAR)); stocks investors have said these are the ones you want to pick up on a dip, because they're always expensive.

We've got a dip right now. What's your take on what's happening in those platform businesses?

Rudi:

I would normally have mentioned them as well, but unfortunately, they're part of the baskets I mentioned earlier.

I'm a shareholder in Car Group. I'm a shareholder in REA. On a regular basis I see emails in my inbox of people picking apart all the negative scenarios for REA and addressing them in a positive way.

In very simplistic terms, we are now afraid that AI is going to destroy those platform businesses. For REA specifically, there was a threat of increased or irrational competition.

I would normally nominate them as results to pay attention to, but on the basis of the experience and observations on the trends leading into results season, I'm not so sure whether either of those companies can change the trend.

At the moment, the herd sentiment is too negative. As an investor, you either have to wait for better times to arrive, or you step aside and you just wait for things to come.

Interviewer:

Rudi, couple of questions to finish up. Over the years, I've asked you about cash holdings. I think at one point it was as high as 20%.

Maybe give me a sense of how much cash you're holding at the moment. Is that higher or lower than average?

Rudi:

Harry hindsight tells me every morning I've done the wrong thing. We know Harry Hindsight is really wise.

I've had 10% in cash now for a while. It was a bit higher at some point last year, and I used it to buy Sigma Healthcare ((SIG)).

I also bought Washington H Soul Pattinson ((SOL)). And I bought Pro Medicus ((PME)). Two out of three ain't that bad.

I haven't used that 10% for two reasons. One is I thought, and rightfully so, we will see a lot of volatility leading into February. You want to have some cash ready, because otherwise you can't jump on opportunities.

But I also believe February itself will probably again be exceptionally volatile.

If we look at the trend from just the last two reporting seasons last year, I still vividly remember February was above average volatile, and at that point it was the most volatile reporting season we had seen in quite a while.

Then August came along, and that was the next step up. Simply look at what happened late last year and already in January: Generation Development ((GDG)), for example, tanks on what arguably are quite small misses.

I think we should be prepared to see a lot of volatility kicking in in February.

One of the ways how you can play that is by having cash available.

So, I'm more than happy to have stuck to my 10%. Of course, as Harry reminds me every morning, it's not enough.

But hey, I only have 10% at this point in time.

Interviewer:

Rudi, you've mentioned the bear market term a few times. Winter is coming. That's just for part of the market, or more broadly?

Rudi:

The index has over the last 15 if not 20 years not been representative of what happens underneath it.

Simply on the basis of observations, everything that is quality, quality growth, anything that's growth, everything that's technology, everything that's AI and data centers related, they have all been in a bear market since approximately July last year.

On the basis of my experience in late 2016, I was expecting that might come to an end in January, and it hasn't.

I think we should now be prepared to have a bear market that goes on for longer for those segments of the market.

For some investors this won't matter because they're not there in the first place and they're happily scooping up more gold stocks.

James:

Rudi, I really appreciate you giving us your time today. I always enjoy our pre reporting season discussions. Good luck. I know you're going to be really busy over the next month, and we look forward to your analysis on the other side of reporting season.

Rudi:

My pleasure, James, and thanks for having me.

The video on Youtube: <https://youtube.com/watch?v=OMhGsO5yDy0>

See also: <https://fnarena.com/index.php/2026/02/11/behind-the-ai-threat-narratives/>

(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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TREASURE CHEST

Treasure Chest: WiseTech Global

FNArena's Treasure Chest reports on money making ideas from stockbrokers and other experts. Today's idea is WiseTech Global.

By Danielle Ecuyer

FNArena's Treasure Chest reports on money making ideas from stockbrokers and other experts.

Whose Idea Is It?

Macquarie

The subject:

Macquarie does not 100% dismiss the potential threat of future AI development to present business models, but at the same time posits, when it comes to WiseTech Global ((WTC)) specifically, AI disruption fears have gone too far and been conflated with operational changes alongside an indiscriminate global SaaS sell off.



Global logistics offers high barriers to entry

More info:

WiseTech Global's share price has been swept up in the indiscriminate global software-as-a-service sell-off, referred to as **SaaSocalypse** by Ord Minnett, driven in large part by AI disruption concerns as major players like Anthropic and Google Gemini develop agentic plug-ins that could potentially challenge global software operators, effectively lowering barriers to entry and heightening competitive pressures.

The speed and severity of the global SaaS sell-off went full galactic last week, with Ord Minnett noting the broader Australian software sector has de-rated by around -30% since the launch of agentic AI tools.

As the editor of FNArena pointed out recently, this all has a whiff of the GLP-1 dramas back in 2023 around any product perceived to be correlated to weight loss, which led to heavy selling in ResMed shares at the time.

There are shades of nuance and reality that often emerge and develop in ways that do not reflect initial market fears.

Analysts have been stepping back from the hype to break down the real versus perceived risks.

The initial consideration is which characteristics enable certain software companies to establish a more defensible business model than others.

Not all software companies were created equal

Macquarie has nominated WiseTech Global as the most “*defensible*” business in ASX tech, while also being among the most active in integrating AI, plus benefiting from the technology through cost-outs and direct sales.

WiseTech’s CargoWise (CW) product has deep enterprise roots, for lack of a better analogy, which Macquarie depicts as outputs having liability attached to them, requiring 100% accuracy.

Freight forwarders, the customers, need logistics management that ensures freight arrives where it is intended, intact and on time, which the analyst refers to as “deterministic reasoning”.

The software must produce the same correct answer every time, using strict rules, with no ambiguity, because the output is operationally and legally binding.

In contrast, LLMs are probabilistic and cannot achieve the same guaranteed accuracy, particularly around compliance requirements. An LLM can send an email to a customer, but it cannot fill out customs forms, limiting its application to some of the more basic CargoWise workflows.

Jarden describes foundational models such as Anthropic, Google and xAI as excelling at pattern recognition, but not suited to regulatory nuance and highly complex contexts.

Regulated industries, or those with counterparty risk, offer higher barriers to entry.

Macquarie expands on CargoWise’s moat, pointing to the extent of its vertical operating system, which encompasses proprietary data backed by significant research and development investment.

The inference is that AI can greatly assist with coding, but does not address the ancillary and adjacent complexities of major enterprise workflows, as exemplified by CargoWise.

As Jarden notes, easy-to-replicate software businesses could become competitively unviable with AI offering a cheaper alternative, but not deeply vertical models with accompanying compliance, regulatory and similar barriers to entry.

Ord Minnett refers to the distinction between “*cheap to build*” and “*hard to replace*”.

One informed investor on X tweeted, “DSV, to leave CargoWise, would need a board resolution, probably five years of change management, and a four-year implementation plan... eight and low-nine figures”.

Jarden refers to such cases as high switching costs, which at the very least buy time for the incumbent to develop new capabilities.

Ord Minnett’s defensiveness model reflects WiseTech achieves a high score across multiple features, including verticalisation, regulatory exposure, mission-critical usage, deep integration, trust and network effects.

In contrast, the stock’s valuation has been de-rated in line with lower-moat “at risk” software.

Another comparison is that more robust software businesses resemble legacy systems like mainframes, which may be technically outdated but, because they are embedded and risky to replace, function as critical infrastructure rather than discretionary SaaS.

Macquarie also emphasises WiseTech’s share price implies 76% of the current total addressable market is being destroyed by AI, calling it “*extreme pessimism*” now priced in.

The share price is discounting multiple outcomes

Interestingly, the SaaS sell-off has coincided for WiseTech with the introduction of its new service offering, CargoWise Value Packs, as the company transitions customers from the old-style pricing referred to as Software Transaction Licence, which involved seat-based licences and individually negotiated discounts and bespoke terms.

The transition to CVP is being complicated by the migration of existing customers to the new model, which shifts CargoWise from a licensed software tool to a continuously expanding operating platform. As detailed by Macquarie, channel checks show WiseTech is discounting to incentivise adoption.

CVP is a value-share revenue model rather than seat-priced, can integrate new features including AI tools as part of the package, reduces reliance on seat-based models, and re-prices the current customer base.

“The CargoWise Value Packs offer our customers a major enhancement in value and capability... with simplified billing via a single CargoWise Value Pack”, explained WiseTech co-founder and CIO Richard White.

Macquarie’s channel checks confirm the use of Transitional Pricing Protection to smooth pricing for customers as they transition. The aim is to reduce customer churn risk and stabilise the customer base while CVP is rolled out, but the discounting means the full pricing uplift will not be realised immediately.

The broker highlights from FY27 onwards, the success of CVP becomes more dependent on freight volumes and customer activity.

CTO (CargoWise Transport and Logistics) is also being rolled out and remains a key earnings driver, aimed at extending WiseTech beyond freight forwarders into the broader supply chain.

Macquarie has lowered EPS estimates to reflect CVP transition pricing by -7% for FY26 and FY27 and lowered its target to \$94 from \$108.50, while retaining an Outperform rating.

At current levels, the share price is fully discounting execution risks, which are viewed as “commensurate” with the company’s ability to deliver the significant market opportunity, while potential AI upside is not reflected.

Jarden has an Overweight rating and a \$74 target price, while Ord Minnett views WiseTech as highly defensible from AI disruption.

FNArena's daily-monitored brokers have a consensus target price of \$111.95 with seven Buy-equivalent ratings.

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TREASURE CHEST

Treasure Chest: AI Risks To Insurance Brokers

FNArena's Treasure Chest reports on money making ideas from stockbrokers and other experts. Today's idea is about AI threats to insurance brokers as new AI-digital tools launch overseas.

By Danielle Ecuyer

FNArena's Treasure Chest reports on money making ideas from stockbrokers and other experts.

Whose Idea Is It?

UBS

The subject:

As the risks of AI disruption create fear and indiscriminate selling across multiple sectors, UBS has analysed the potential risks of disintermediation in Australia's insurance broking industry.



The Australian insurance and insurance broking industry retains considerable competitive advantages and barriers to entry

More info:

As AI tech disruption fears cascade across sectors, insurance and wealth management have been the latest to be swept up in the market's indiscriminate 'sell now, ask questions later' mood.

UBS is quick off the mark after Tuesday's sell off in insurance broker shares, with **AUB Group** ((AUB)) down -6% and **Steadfast Group** ((SDF)) down -10%, outlining why the Australian insurance and insurance broking industry retains considerable competitive advantages and barriers to entry.

New AI tools raise the stakes on disruption

While the narrative around AI disintermediation in insurance distribution is not new, UBS argues the risk has moved rapidly back into the spotlight following overseas announcements of two new AI driven tools, Tuio and Insurify, which provide consumers with tailored quotes and enable purchases directly through the app.

For context, Tuio is a digital first insurtech, based in Germany, and is one of the first insurers to facilitate AI driven conversational quoting. It uses AI to generate real time, personalised insurance quotes rather than traditional broker or comparison site workflows.

Insurify is an online powered insurance comparison and marketplace applying predictive modelling and data analytics to deliver real time personalised quotes for auto, home, life, pet and renters' insurance.

UBS highlights AI tools can significantly improve product comparisons, with the greatest longer term disintermediation risk for brokers in more standardised, "homogenised" products, namely personal lines and the smaller end of commercial (SME), often referred to as BizPak (standardised small business insurance package).

UBS estimates homogenised personal lines represent 11% of Steadfast Group's network gross written premium and 9% for AUB Group's ex international, while Steadfast's micro and small SME BizPak exposure is around 25% of network gross written premium.

Larger and more complex risks still require broker expertise, particularly where there is less standardisation of coverage and terms and conditions, and UBS argues distribution, rather than underwriting, is the component most exposed to disruption.

Unlike the UK, where general insurers have supported online comparison websites, Australia's major insurers have generally refrained from what UBS describes as commoditising brands via price comparison portals.

The acquisition of motor clubs by major insurers has also reinforced vertical integration in the domestic insurance sector, bringing distribution, customer loyalty, claims infrastructure and data into the insurer ecosystem.

UBS suggests this has reduced the appetite for distribution around new challenger brands, with existing challengers (Youi, Auto & General, Hollard) having scaled up to 21.7% of the home and motor market, growing gross written premium at 20%, with a core operating ratio of 89.4% in FY25.

In a research report issued earlier this week, Jarden broadly concurs with UBS, citing disintermediation at the wholesale end of the market as unlikely, while the retail and SME segments are comparatively more vulnerable where products are standardised and price sensitive.

For brokers, the risk is less redundancy and more margin pressure, with Steadfast generating an estimated 55% of earnings, ex associates, from retail broking and AUB around 46%. Jarden estimates Steadfast has circa 78% of its broking business in retail or SME, with AUB around 45%.

More complex risk management across industrial and aspects of professional indemnity and liability are viewed as more resilient due to the bespoke nature of the product.

Overall, Jarden suggests around 35% of Steadfast's earnings are (potentially) at risk and circa 16% for AUB, assessed over a five year earnings horizon.

Possible AI benefits, ratings and targets

Countering the risks, brokers' incumbent technologies such as Steadfast's SCTP and Insight and AUB's BizCover can use AI applications to improve efficiency. AI is viewed as a longer term headwind, yet stock valuations have been markedly de rated, with price to earnings multiples now sitting at a deep discount, circa -31% to the historical 10 year average, against general insurers trading at around a 9% premium, Jarden highlights.

UBS prefers AUB and has upgraded the stock to Buy from Neutral post the sell off with a \$35 target price, citing Steadfast's higher potential exposure to AI risks via the retail and SME segment.

UBS also notes AUB is not just an aggregate broker, as its BizCover direct business, around 7% of group profits, could benefit if more SMEs buy direct, while its specialty risk business Tysers is more complex, relationship driven and harder to automate or commoditise.

Concerns over AI come only weeks after AUB launched a \$400m equity placement and a \$40m share purchase plan, at \$29.40 per share, to fund the acquisition of a 95.9% stake in Prestige Insurance, a diversified UK

insurance group.

Ord Minnett views this acquisition as aligned with management's aim to transition the success of the Australian broking business model offshore over the next three to five years, with FY26 guidance reaffirmed at the announcement. Ord Minnett has a Buy rating and a \$35.26 target.

Jarden has an Overweight rating on AUB with a \$38.20 target, while daily monitored brokers at FNArena have a consensus target price of \$38.42, with three Buy equivalent ratings, including UBS and Ord Minnett. Macquarie remains under research restriction.

Late in 2025, private equity firm EQT, along with CVC Asia Pacific, approached AUB with a takeover proposal at \$45 per share subject to due diligence. After a month the consortium advised AUB it would not be moving to a binding proposal.

Jarden also has an Overweight rating on Steadfast with a \$6.80 target. FNArena's daily monitored brokers have a consensus target of \$6.148, with three Buy equivalent ratings and two Hold equivalent ratings.

Ahead of the 1H26 results for Steadfast on February 26, Macquarie expects FY26 guidance to remain unchanged but sees risk of an underlying downgrade as the CFO transition and ongoing redundancies could mean restructuring costs are excluded from guidance.

The broker does not expect further CEO succession commentary but anticipates an update on the CFO appointment.

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WEEKLY REPORTS

Weekly Ratings, Targets, Forecast Changes - 06-02-26

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

By Mark Woodruff

Guide:

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

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

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

Summary

Period: Monday February 2 to Friday February 6, 2026

Total Upgrades: 23

Total Downgrades: 14

Net Ratings Breakdown: Buy 63.70%; Hold 28.45%; Sell 7.85%

For the week ending Friday, February 6, 2026, FN Arena tracked twenty-three upgrades and fourteen downgrades for ASX-listed companies from brokers monitored daily.

In the early stages of the February reporting season, there are around a dozen entries in FN Arena's Corporate Results Monitor (<https://fnarena.com/index.php/2026/02/06/fnarena-corporate-results-monitor-06-02-2026/>), including commentary on Centuria Office REIT which received two ratings upgrades by separate brokers last week following interim results.

Mineral Resources also received two ratings upgrades after a strong operating performance in the December quarter with realised prices for iron ore and lithium spodumene exceeding consensus estimates, along with improved cost control, Ord Minnett noted.

Macquarie raised its FY26 EPS forecast for the company by 30%, with further upgrades of between 28-67% across FY27-30 following portfolio-wide changes to pricing forecasts.

This broker's target was raised to \$70 from \$56 on earnings forecast upgrades plus a lift in valuation multiples.

Mineral Resources appears fourth on the table for positive change to average target price, preceded by gold miners Ramelius Resources, Genesis Minerals, and Newmont Corp with respective increases of 20%, 16%, and 9%.

No less than four brokers in the FN Arena database conducted commodity price reviews last week.

Following the January gold price rally, Morgans remains bullish despite a recent correction, upgrading its price forecasts across FY26-FY29, as well as longer-term.

The broker's focus is on disciplined producers with strong execution and production-led cash flow growth, rather than just current free cash flow.

In the large-cap space, Newmont Corp is preferred over Northern Star Resources, and in the mid-cap space it is Ramelius Resources. The broker's small-cap preference is Catalyst Metals.

Morgans upgraded its rating for Ramelius to Buy from Accumulate, while UBS downgraded to Neutral from Buy

after setting a higher target price. (Note: the table below suggesting two downgrades includes Morgans first downgrading then upgrading the stock within three days).

Ramelius is also one of the preferred gold exposures at Shaw and Partners, which raised its gold price forecast by 53.8% in 2026 and predicts US\$6500/oz in 2027, up from US\$3,600/oz.

The company pre-released its headline second quarter metrics last week, showing costs less than Ord Minnett's forecasts. All-in sustaining costs of -\$1,977/oz compare to -\$2,500/oz for peers due to high grade deposits, explained the analyst.

As mentioned above, Newmont is preferred at Morgans. The broker's target price was raised to \$190 from \$162 and its rating upgraded to Buy from Hold due to higher gold price forecasts. For the same reason, UBS also raised its forecasts and target for Newmont.

The average target for Genesis Minerals rose by 16% due to a combination of higher gold price forecasts and a "strong" December quarter operational report, according to Macquarie, with management on track to meet FY26 guidance.

On the flipside, the average target price for GrainCorp fell by nearly -16% last week after management provided earnings and profit guidance well below consensus estimates (profit warning).

Macquarie explained depressed supply chain margins have been a constant for the company over the past three years, driven by elevated global grain supplies, feeding into volumes with low prices inducing growers to move less grain through GrainCorp's system.

This broker lowered its target to \$6.60 from \$8.30 and downgraded to Neutral from Outperform given a lack of near-term catalysts to support a lift in margins and earnings growth, combined with expected normalisation for the upcoming season.

For a more fulsome coverage of broker opinions on GrainCorp see FNArena's article that is ready to be published later today.

Xero is currently providing a domestic example of the global turmoil for software company share prices and is placed second on the week's table for negative change to price target.

As explained at <https://fnarena.com/index.php/2026/02/05/is-ai-nemesis-or-opportunity-for-xero/>, management last week addressed central concerns around AI monetisation, disruption, and a stronger growth outlook for the recently acquired payments-led workflow platform Melio.

Turning to earnings forecasts by brokers, here in the general dairy/nutrition space, New Zealand-based dairy processor Synlait and Australian infant and baby food nutrition company Bubs Australia appear first and third for negative changes.

During a first half performance update (January year-end), management at Synlait noted manufacturing challenges at the Dunsandel facility (large-scale dairy processing), which have now been largely resolved, but related cost and operational impacts still weigh, explained Macquarie.

Lower relative returns for the company's commodities portfolio are also impacting negatively, pointed out the analyst.

As a result of these disappointments, first half earnings guidance was lowered and loss guidance was raised.

Management at Bubs Australia offered no FY26 guidance during a second quarter update which showed strong US sales growth, but as explained by Shaw and Partners, offset by inventory and trading challenges in Australia, China and the rest of the world (ROW).

US infant formula growth was the main driver of revenue growth. Bell Potter raised its target to 18c from 17c and upgraded to Speculative Buy from Hold.

The percentage fall in Bubs' projected earnings was exaggerated by the small forecast numbers involved, which helps explain the above positive commentary by analysts.

Uranium play Lotus Resources' average target fell by -21% after a return to mining in the December quarter for the first time since 2014. Ord Minnett noted mill recoveries outperformed despite early start-up and acid supply issues.

Given production at nameplate levels and first U3O8 shipments have both been pushed back by one quarter, the broker trimmed its FY26 EPS forecast.

More positively, PLS Group and Bellevue Gold received a boost to average earnings forecasts of 51% and 9%,

respectively.

Commenting on PLS Group's December quarter report, Macquarie noted sales were 6% ahead of consensus and realised prices materially exceeded expectations. The lithium producer benefited from lagged pricing and the January lithium price rally, while production was broadly in line, the broker highlighted. Management maintained FY26 guidance.

In the current quarter, the board will assess a potential restart at Ngungaju (processing plant), the Indigenous ownership and profit participation structure at the Pilgangoora lithium mine in Western Australia. Approval is contingent on confidence in sustained lithium market pricing, explained Macquarie.

The analyst at UBS likes Bellevue Gold as it approaches a cash "inflection point". This broker's target rose by 20c to \$2.25 on the back of higher gold price forecasts.

Total Buy ratings for the eight stockbrokerages daily monitored by FNArena still sit at a historically elevated percentage of 63.70%.

With only 7.85% in Sell ratings, this leaves 28.45% for Neutral/Holds.

Upgrade

ARENA REIT ((ARF)) Upgrade to Buy from Neutral by UBS .B/H/S: 3/1/0

UBS upgrades Arena REIT to Buy from Neutral and the target edges down to \$4.05 from \$4.06, noting that instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%. A lack of supply is expected to underpin income growth and rising debt costs should be countered by a more proactive hedging/debt margin compression.

The broker has taken a review of the earnings profile across its coverage and forecasts "solid" FY26-29 compound growth in EPS of 5.3%.

UBS assesses the key downside risk for Arena REIT is any acceleration in the supply of new childcare centres amid broad declines in centre occupancy.

BUBS AUSTRALIA LIMITED ((BUB)) Upgrade to Speculative Buy from Hold by Bell Potter .B/H/S: 3/0/0

Bubs Australia's Dec Q net revenue of \$29.9m was up 4% year on year. US infant formula growth was up 46% to \$17.4m and the main driver of revenue growth, Bell Potter notes.

Product manufacturing costs were up 60% and correspond to the previously disclosed requirement to reset inventory positions in the US. Bubs continues to progress with its US FDA application for permanent access.

Bell Potter upgrades to Buy (Speculative) from Hold. Dec Q revenue growth was consistent with expectations and new management looks to be increasing brand support, resulting in a more consistent US revenue profile.

Target rises to 18c from 17c.

CHARTER HALL GROUP ((CHC)) Upgrade to Buy from Sell by UBS .B/H/S: 3/2/0

UBS upgrades Charter Hall to Buy from Sell and its target to \$26.50 from \$19.93, noting that instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%.

A lack of supply is expected to underpin income growth and rising debt costs should be countered by a more proactive hedging/debt margin compression.

The broker's analysis signals that once volatile performance and transaction fees are excluded, the REIT's funds management multiple is in line with its 10-year trailing average.

Coverage of Charter Hall has been transferred to Solomon Zhang with this note.

CENTURIA CAPITAL GROUP ((CNI)) Upgrade to Neutral from Sell by UBS .B/H/S: 1/4/0

UBS upgrades Centuria Capital to Neutral from Sell, reducing the target to \$2.03 from \$2.10, noting that

instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%.

A lack of supply is expected to underpin income growth and rising debt costs should be countered by more proactive hedging/debt margin compression.

The broker has taken a review of the earnings profile across its coverage and forecasts "solid" FY26-29 compound growth in EPS of 5.3%.

For Centuria Capital UBS believes the recent rate pivot will cause retail demand for fund product to soften and this will mean a slower recovery in earnings growth compared with expectations.

Still, valuation is now seen as largely reflecting these headwinds.

CENTURIA OFFICE REIT ((COF)) Upgrade to Neutral from Sell by UBS and Upgrade to Hold from Sell by Bell Potter. .B/H/S: 0/3/1

UBS upgrades Centuria Office REIT to Neutral from Sell, with the target reduced to \$1.03 from \$1.20.

The broker considers the "downtime" over FY25/26 has dragged on earnings yet, while there are leasing headwinds, the issues are known and largely priced in, suggesting the risk/reward is more balanced.

Instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%.

A lack of supply is expected to underpin income growth and rising debt costs should be countered by more proactive hedging/debt margin compression.

Centuria Office REIT's 1H26 result was marginally below expectations, though FY26 guidance was reaffirmed and leasing outcomes materially de-risked the previously flagged lease expiry cliff, Bell Potter highlights.

Balance sheet metrics improved with lower gearing, higher valuations, and NTA growth, supported by asset sales and positive revaluations. Pro-forma gearing fell to 42.5% from 44% in FY25, and property valuations rose 2.2%.

However, sizeable vacancies at key assets and remaining 2H26 expiries are likely to cap upside, in the broker's view, limiting the scope for a top-end FY26 FFO outcome.

Target unchanged at \$1.05. Rating upgraded to Hold from Sell as the broker believes downside risks are now better contained, leading to a more balanced risk-reward profile.

ELEVRA LITHIUM LIMITED ((ELV)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 1/0/0

In early January, Macquarie downgraded all lithium producers under coverage, questioning the sustainability of the sharp lithium price rally and its implications for long-term value creation at these companies.

Many lithium equities have declined by double digits in recent days. Macquarie expects lithium consumption activity to soften through February.

On the recent sell-off, the broker upgrades Elevra Lithium to Outperform from Neutral. Target unchanged at \$8.50.

EVOLUTION MINING LIMITED ((EVN)) Upgrade to Hold from Trim by Morgans .B/H/S: 1/3/2

Morgans remains bullish on gold despite a recent correction, upgrading its price forecasts across FY26-FY29 and long term following the January rally.

In terms of gold stocks, the broker's focus is on disciplined producers with strong execution and production-led cash flow growth, rather than just current free cash flow.

In the large-cap space, Newmont Corp is preferred over Northern Star Resources, and in the mid-cap, it is Ramelius Resources. Small-cap preference is Catalyst Metals.

Target price for Evolution Mining lifted to \$14.30 from \$13.20. Rating upgraded to Hold from Trim.

This report was published February 3.

GLOBAL LITHIUM RESOURCES LIMITED ((GL1)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 2/0/0

In early January, Macquarie downgraded all lithium producers under coverage, questioning the sustainability of the sharp lithium price rally and its implications for long-term value creation at these companies.

Many lithium equities have declined by double digits in recent days. Macquarie expects lithium consumption activity to soften through February.

On the recent sell-off, the broker upgrades Global Lithium Resources to Outperform from Neutral. Target unchanged at 65c.

GPT GROUP ((GPT)) Upgrade to Buy from Neutral by UBS .B/H/S: 4/2/0

UBS upgrades GPT Group to Buy from Neutral and raises the target to \$6.00 from \$5.55, noting that instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%. A lack of supply is expected to underpin income growth and rising debt costs should be countered by more proactive hedging/debt margin compression.

The broker has taken a review of the earnings profile across its coverage and forecasts "solid" FY26-29 compound growth in EPS of 5.3%.

The main downside risks for the stock are a slower-than-expected leasing of vacancies across office exposures, higher redemptions and outflows from GWOF and slower unattributed growth across the funds platform.

Coverage of GPT Group has been transferred to Solomon Zhang with this note.

LIONTOWN LIMITED ((LTR)) Upgrade to Neutral from Underperform by Macquarie .B/H/S: 2/2/1

In early January, Macquarie downgraded all lithium producers under coverage, questioning the sustainability of the sharp lithium price rally and its implications for long-term value creation at these companies.

Many lithium equities have declined by double digits in recent days. Macquarie expects lithium consumption activity to soften through February.

On the recent sell-off, the broker upgrades Liontown to Neutral from Underperform. Target unchanged at \$1.70.

MAAS GROUP HOLDINGS LIMITED ((MGH)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 2/0/0

Maas Group is to sell its Construction Materials (CM) division, pivoting the business to focus on digital, AI and electrification infrastructure. The pivot is cornerstoned by a \$100m investment in Firmus, Morgans notes, further aligning and supporting the recent JLE contract win.

Based on the share price reaction, Maas is now reflecting a negative implied equity value for the Civil Construction and Hire (CC&H) division. Even excluding the pivot to electrification, the discount being applied to the Civil business is excessive, Morgans suggests.

The Maas investment thesis has pivoted with the sale of CM, Morgans notes. Maas now has \$550m of net cash and is well positioned to expand further into digital, AI and electrification infrastructure - a vertical which offers 20%-plus return on capital projects.

Upgrade to Buy from Accumulate. Target falls to \$5.10 from \$5.45.

MINERAL RESOURCES LIMITED ((MIN)) Upgrade to Accumulate from Hold by Ord Minnett and Upgrade to Outperform from Neutral by Macquarie .B/H/S: 4/1/1

Ord Minnett notes Mineral Resources provided a strong operating performance in the December quarter with realised prices for iron ore and lithium spodumene exceeding consensus estimates. Cost control was also in evidence.

The company is now on track for annualised free cash flow of around \$2bn per annum on the broker's numbers, allowing it to continue reducing its debt position.

Estimates for EPS are raised by 4.9% for FY26 with the target rising to \$65 from \$64. Rating is upgraded to Accumulate from Hold on valuation.

The highlight of Mineral Resources' December quarter report was production beats across key assets, driving a reduction in net debt to \$4.9bn, Macquarie points out.

The broker notes improved lithium asset performance underpinned higher production guidance, while Onslow continues to push capacity limits.

FY26 EPS forecast lifted by 30%, with further upgrades of 28-67% in FY27-30 following portfolio-wide assumption changes. Target rises to \$70 from \$56 on earnings upgrades plus a lift in valuation multiples to 8x from 6.5x.

Rating upgraded to Outperform from Neutral.

NEWMONT CORPORATION REGISTERED ((NEM)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 5/0/0

Morgans remains bullish on gold despite a recent correction, upgrading its price forecasts across FY26-FY29 and long term following the January rally.

In terms of gold stocks, the broker's focus is on disciplined producers with strong execution and production-led cash flow growth, rather than just current free cash flow.

In the large-cap space, Newmont Corp is preferred over Northern Star Resources, and in the mid-cap, it is Ramelius Resources. Small-cap preference is Catalyst Metals.

Target price for Newmont lifted to \$190 from \$162. Rating upgraded to Buy from Accumulate.

This report was published February 3.

NORTHERN STAR RESOURCES LIMITED ((NST)) Upgrade to Buy from Hold by Morgans .B/H/S: 4/1/1

Morgans remains bullish on gold despite a recent correction, upgrading its price forecasts across FY26-FY29 and long term following the January rally.

In terms of gold stocks, the broker's focus is on disciplined producers with strong execution and production-led cash flow growth, rather than just current free cash flow.

In the large-cap space, Newmont Corp is preferred over Northern Star Resources, and in the mid-cap, it is Ramelius Resources. Small-cap preference is Catalyst Metals.

Target price for Northern Star lifted to \$33 from \$26. Rating upgraded to Buy from Hold.

This report was published February 3.

See also NST downgrade.

PLS GROUP LIMITED ((PLS)) Upgrade to Hold from Trim by Morgans .B/H/S: 2/5/0

Morgans upgrades PLS Group to Hold from Trim with an unchanged target price of \$4.60 post a robust 2Q26 result.

Spodumene sales beat the analyst's and consensus expectations by 9%/6%, respectively, of 232kt, with revenue up 49% q/q to \$373m. Higher realised prices assisted and unit costs were stable.

Cash rose 12% q/q to \$954m and the broker expects a net cash position around \$500m at the 1H26 result.

Management reiterated FY26 guidance with the possibility of the Ngungaju plant being restarted, which could produce up to 200ktpa of spodumene.

The earnings forecasts now include the restart of the Ngungaju plant in FY27 (from FY28) previously, Morgans points out.

PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED ((PNI)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 3/1/0

Morgans upgrades Pinnacle Investment Management to Buy from Accumulate and lowers its target price to \$23.21 from \$26.30.

The analyst points to 1H26 net profit after tax as a miss on consensus by -4%, but excluding one-off items it was basically in line and was, under the surface, a more robust result than the numbers infer.

Pinnacle announced it will acquire the remaining circa 79% of its UK affiliate, Pacific Asset Management, for -GBP212m or -\$418m with a -GBP121m cash component and GBP91.8m in shares issued at \$17.157.

The broker lowers EPS forecasts for FY26 by -7% on the softer than expected 1H26 result and EPS dilution from the equity issuance, while raising the FY27 EPS estimate by 8% for the earnings accretion from this acquisition.

PANTORO GOLD LIMITED ((PNR)) Upgrade to Buy from Trim by Morgans .B/H/S: 2/1/0

Morgans remains bullish on gold despite a recent correction, upgrading its price forecasts across FY26-FY29 and long term following the January rally.

In terms of gold stocks, the broker's focus is on disciplined producers with strong execution and production-led cash flow growth, rather than just current free cash flow.

In the large-cap space, Newmont Corp is preferred over Northern Star Resources, and in the mid-cap, it is Ramelius Resources. Small-cap preference is Catalyst Metals.

Target price for Pantoro Gold lifted to \$6.04 from \$5.00, after increasing FY26 revenue forecast by 8%, with no change to FY27. Rating upgraded to Buy from Trim.

This report was published February 3.

RESMED INC ((RMD)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 6/0/0

Morgans saw ResMed yet again delivering a better-than-forecast quarterly performance, describing the December quarter update as a "beat across the board." It featured double-digit revenue and earnings growth, further gross margin expansion and solid cash generation.

As operating leverage improved again, forecasts have been ever so slightly increased. Commentary highlights gross margin gains from manufacturing and logistics efficiencies.

Management has tightened FY26 guidance to 62-63% (from 61-63%), reinforcing confidence in ongoing margin progression, the broker notes.

Rating upgraded to Buy from Accumulate as, despite the quarterly 'beat', the stock's valuation remains below historical averages. The broker adds fundamentals are sound, with the outlook supported by structural tailwinds from GLP-1-driven therapies, expanding diagnosis and profitability.

Price target lifts to \$47.73 from \$47.04.

RAMELIUS RESOURCES LIMITED ((RMS)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 3/2/0

Morgans remains bullish on gold despite a recent correction, upgrading its price forecasts across FY26-FY29 and long term following the January rally.

In terms of gold stocks, the broker's focus is on disciplined producers with strong execution and production-led cash flow growth, rather than just current free cash flow.

In the large-cap space, Newmont Corp is preferred over Northern Star Resources, and in the mid-cap, it is Ramelius Resources. Small-cap preference is Catalyst Metals.

Target price for Ramelius Resources lifted to \$5.76 from \$5.50. Rating upgraded to Buy from Accumulate.

This report was published February 3.

See also RMS downgrade.

REGIS RESOURCES LIMITED ((RRL)) Upgrade to Buy from Hold by Morgans .B/H/S: 3/1/2

Morgans remains bullish on gold despite a recent correction, upgrading its price forecasts across FY26-FY29 and long term following the January rally.

In terms of gold stocks, the broker's focus is on disciplined producers with strong execution and production-led cash flow growth, rather than just current free cash flow.

In the large-cap space, Newmont Corp is preferred over Northern Star Resources, and in the mid-cap, it is Ramelius Resources. Small-cap preference is Catalyst Metals.

Target price for Regis Resources lifted to \$9.13 from \$8.05 after raising the revenue forecast by 7%, with no change to FY27. Rating upgraded to Buy from Hold.

This report was published February 3.

VICINITY CENTRES ((VCX)) Upgrade to Buy from Sell by UBS .B/H/S: 1/3/1

UBS upgrades Vicinity Centres to Buy from Sell and raises the target to \$2.80 from \$2.42, noting that instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%.

A lack of supply is expected to underpin income growth and rising debt costs should be countered by more proactive hedging/debt margin compression.

The broker has taken a review of the earnings profile across its coverage and forecasts "solid" FY26-29 compound growth in EPS of 5.3%.

The broker expects retail A-REITs to be the main beneficiaries of the current macro environment and prefers Vicinity Centres over Scentre Group because of its stronger EPS growth profile at a lower PE multiple.

Coverage of Vicinity Centres has been transferred to Solomon Zhang with this note.

Downgrade

AMCOR PLC ((AMC)) Downgrade to Accumulate from Buy by Ord Minnett .B/H/S: 5/1/0

Ord Minnett downgrades Amcor to Accumulate from Buy with a lower target of \$70 from \$73 post the December quarter update. Packaging volumes fell -2% y/y, but this was noted as an improvement from the -3% decline in the prior quarter.

Management offered FY26 EPS guidance of US\$4-US\$4.15 per share, as well as March quarter guidance of US\$0.90-US\$1 per share, which infers to the analyst operating earnings in the June quarter will be -US\$200m lower than the March quarter.

Positively, Ord Minnett highlights that recent US industry scanner data shows volume growth in Amcor's key customer segments had risen in the four weeks to January 24, the first rise in more than 12 months.

The broker trims EPS estimates by -0.2% for FY26 while lowering the FY27 forecast by -3.7% due to higher cost expectations.

BEACH ENERGY LIMITED ((BPT)) Downgrade to Sell from Neutral by UBS .B/H/S: 0/3/4

UBS downgrades Beach Energy to Sell from Neutral as limited uplift in dividends or total shareholder returns is expected over the next 12-24 months due to prioritisation of capital toward M&A and exploration.

1H26 result was in line with the broker's forecast and beat consensus, driven by lower operating costs

While the company has ample liquidity and a broad pipeline of growth options, these are largely greenfield and capex-intensive, the broker explains. This means cash returns might be deferred further, and with major investment decisions complicated by uncertainty around Australia's Domestic Gas Review until late 2026.

FY26-27 EPS forecasts lifted by 1-2%. The broker trimmed the target price to \$1.05 from \$1.15 on roll forward.

CHARTER HALL LONG WALE REIT ((CLW)) Downgrade to Sell from Neutral by UBS .B/H/S: 1/3/1

UBS downgrades Charter Hall Long WALE REIT to Sell from Neutral and reduces the target to \$3.75 from \$4.55. Commentary states the stock is vulnerable to earnings downgrades amid limited self-help initiatives outside of asset sales.

Instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%.

A lack of supply is expected to underpin income growth and rising debt costs should be countered by more proactive hedging/debt margin compression.

Coverage of Charter Hall Long WALE REIT has been transferred to Solomon Zhang with this note.

DEXUS ((DXS)) Downgrade to Neutral from Buy by UBS .B/H/S: 2/2/1

UBS downgrades Dexus to Neutral from Buy, reducing the target to \$7.34 from \$8.60.

Commentary suggests there remains value on offer at the current discount to NTA of -23%, but the broker

envisages lower earnings growth throughout FY27 will be an impediment to unlocking value.

Instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%.

A lack of supply is expected to underpin income growth and rising debt costs should be countered by more proactive hedging/debt margin compression.

The broker has taken a review of the earnings profile across its coverage and forecasts "solid" FY26-29 compound growth in EPS of 5.3%.

UBS believes GPT Group ((GPT)) is an "easier" exposure to office markets.

GRAINCORP LIMITED ((GNC)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 2/2/0

Depressed supply chain margins have been a constant for GrainCorp the past three years, Macquarie notes, driven by elevated global grain supplies.

This has also fed into volumes with low prices inducing growers to move less grain through GrainCorp's system.

Macquarie thinks there is also a structural element considering GrainCorp's market share is down -10ppts versus prior large seasons (FY22/23).

Northern east coast areas have seen back-to-back bumper harvests with Victoria recovering in the 25/26 season.

Rainfall in the coming months will shape the next season and there are some pockets of dryness emerging. At this stage the broker expects a 26/27 east coast winter harvest down -15% year on year.

A lack of catalysts near term to support a lift in margins and earnings growth, combined with normalisation in the season ahead, drives Macquarie's downgrade to Neutral from Outperform. Target falls to \$6.60 from \$8.30.

NORTHERN STAR RESOURCES LIMITED ((NST)) Downgrade to Sell from Neutral by UBS .B/H/S: 4/1/1

UBS global strategy team has upgraded near-term gold pricing, viewing US\$5,200/oz as sustainable for the balance of 2026, before "tapering".

Across the Australian stock coverage, gold equities are pricing between US\$3,235/oz and US\$4,200/oz compared to the broker's new peak forecast (US\$5,200/oz).

The analyst downgrades Northern Star Resources to Sell from Neutral due to valuation concern with recent operational issues and lower leverage to the gold price upgrade from reduced production and hedge book. Target price rises to \$28.30 from \$26.90

UBS lifts EPS forecasts by 12% for 2026 and 26% for 2027 due to the higher gold price assumption.

See also NST upgrade.

ORA BANDA MINING LIMITED ((OBM)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 1/1/0

Ora Banda Mining's December quarter (2Q26) production of 32koz missed Macquarie's and consensus expectations, and AISC (cost) of \$3,505/oz was materially higher. This led to a 16% increase in FY26 cost guidance, with growth capex also lifted by \$57m.

Higher costs drove downgrades to the broker's EPS forecasts of -25% for FY26 and -10% for FY27.

Positively, the broker notes drilling results remain encouraging and acceleration of the 3Mtpa plant study could provide upside if ongoing exploration success converts into reserves.

Target cut to \$1.40 from \$1.50. Rating downgraded to Neutral from Outperform.

PROTEOMICS INTERNATIONAL LABORATORIES LIMITED ((PIQ)) Downgrade to Trim from Hold by Morgans .B/H/S: 0/0/0

Morgans downgrades Proteomics International Laboratories to Trim from Hold with an unchanged target of 43c on the 2Q26 report, which revealed a soft financial performance including operating cash outflows of around -\$2.9m with limited customer receipts.

The analyst highlights the R&D rebate of \$2.7m was the only metric keeping operating cash flow near

breakeven.

A new CEO has removed the DTC strategy, which is viewed as acknowledgement of the internal challenges around skillsets and headcount.

The recent share price rally is considered as "speculative" and sentiment driven around the removal of DTC. Currently, Morgans would prefer to stay on the bench and watch from the sidelines.

PERSEUS MINING LIMITED ((PRU)) Downgrade to Neutral from Buy by UBS .B/H/S: 0/4/0

UBS global strategy team has upgraded near-term gold pricing, viewing US\$5,200/oz as sustainable for the balance of 2026, before "tapering".

Across the Australian stock coverage, gold equities are pricing between US\$3,235/oz and US\$4,200/oz compared to the broker's new peak forecast (US\$5,200/oz).

The analyst downgrades Perseus Mining to Neutral from Buy due to higher costs (royalties) and the recent share price strength. Target price rises to \$7.10 from \$6.65.

UBS lowers FY26 EPS forecast by -9% and raises FY27 by 9%

RURAL FUNDS GROUP ((RFF)) Downgrade to Neutral from Buy by UBS .B/H/S: 1/1/0

UBS downgrades Rural Funds to Neutral from Buy with the target edging up to \$2.11 from \$2.10. Instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%.

A lack of supply is expected to underpin income growth and rising debt costs should be countered by more proactive hedging/debt margin compression.

For Rural Funds, the share price has been observed under pressure amid ongoing balance sheet/growth concerns, although performance has improved recently. UBS emphasises there is still value on offer but the short term is mixed.

REGION GROUP ((RGN)) Downgrade to Sell from Neutral by UBS .B/H/S: 2/2/1

UBS downgrades Region Group to Sell from Neutral and reduces the target to \$2.15 from \$2.40.

While the fundamentals appear "fine", the broker notes the stock is trading on the highest PE and P/NTA multiple among its retail peers while offering the lowest three-year EPS growth based on estimates.

Instead of rate cuts the market focus is now on rate hikes, with in-house economists expecting the cash rate to lift by 50 basis points this year.

The rate backdrop may have turned less favourable for the real estate sector but the broker does not expect a repeat of 2022/23 when asset values corrected around -15-20%.

A lack of supply is expected to underpin income growth and rising debt costs should be countered by more proactive hedging/debt margin compression.

Coverage of Region Group has been transferred to Solomon Zhang with this note.

RAMELIUS RESOURCES LIMITED ((RMS)) Downgrade to Neutral from Buy by UBS and Downgrade to Accumulate from Buy by Morgans .B/H/S: 3/2/0

UBS global strategy team has upgraded near-term gold pricing, viewing US\$5,200/oz as sustainable for the balance of 2026, before "tapering".

Across the Australian stock coverage, gold equities are pricing between US\$3,235/oz and US\$4,200/oz compared to the broker's new peak forecast (US\$5,200/oz).

The analyst downgrades Ramelius Resources to Neutral from Buy with a higher target of \$5.20 from \$4.20.

UBS lifts EPS forecasts by 24% for FY26 and 35% for FY27.

Ramelius Resources reported its Dec Q result, delivering production of 45.6koz at a cost of A\$1,977/oz. Ramelius remains on track to meet FY26 guidance of 185-205koz at a cost of \$1,700-\$1,900/oz, Morgans notes.

Importantly, Morgans points out, development at Dalgaranga has now accessed the high-grade Never Never

orebody, with initial development ore stockpiled, providing a positive lead indicator for grade uplift into coming quarters.

With the long-term vision for Mt Magnet-Dalgaranga now outlined, Morgans sees Ramelius as the standout gold producer on the ASX, capable of delivering both earnings and growth - two attributes typically not synonymous.

Target rises to \$5.50 from \$4.50, rating pulled back to Accumulate from Buy on valuation.

See also RMS upgrade.

TREASURY WINE ESTATES LIMITED ((TWE)) Downgrade to Sell from Neutral by UBS .B/H/S: 0/3/2

After re-assessing the investment thesis for Treasury Wine Estates, UBS downgraded to Sell from Neutral, despite significant share price declines.

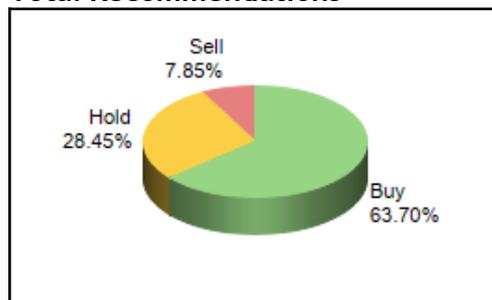
The broker reckons structural industry headwinds persist, including weaker alcohol demand among younger consumers, wine underperformance versus RTDs (ready to drink) and spirits. Additionally, conditions are particularly challenging in China and the US.

Company-specific issues compound this, the broker explains, with elevated Penfolds grey-market inventory in China, mixed US execution and distributor risk, and elevated gearing limiting financial flexibility.

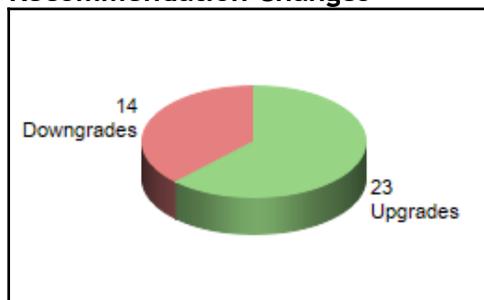
FY26 EPS forecast cut by -1.2% and FY27 by -1.5% after factoring in FX, with the broker's forecast now -5% and -13% below consensus, respectively.

UBS trims the target to \$4.75 from \$5.25 on earnings downgrade and lower multiple of 11.3x from 11.5x.

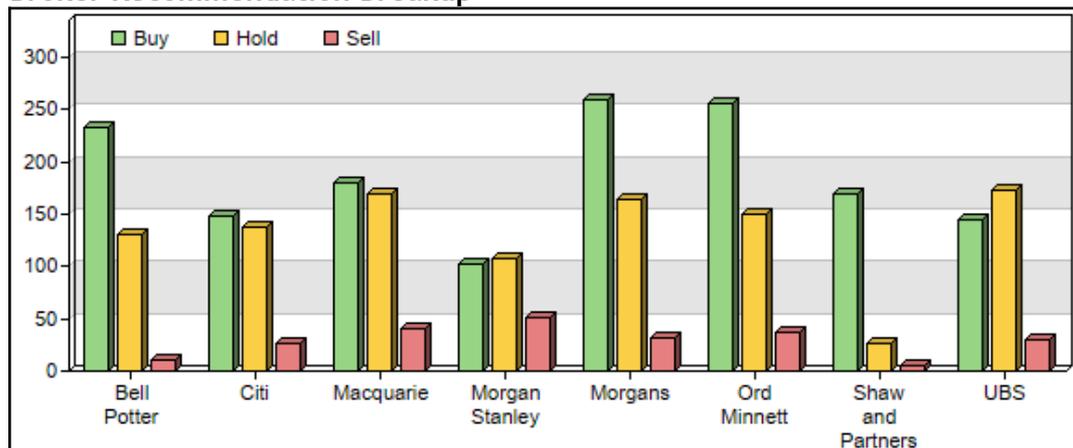
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
1	ARENA REIT	Buy	Neutral	UBS
2	BUBS AUSTRALIA LIMITED	Buy	Neutral	Bell Potter
3	CENTURIA CAPITAL GROUP	Neutral	Sell	UBS
4	CENTURIA OFFICE REIT	Neutral	Sell	UBS
5	CENTURIA OFFICE REIT	Neutral	Sell	Bell Potter
6	CHARTER HALL GROUP	Buy	Sell	UBS
7	ELEVRA LITHIUM LIMITED	Buy	Neutral	Macquarie
8	EVOLUTION MINING LIMITED	Neutral	Sell	Morgans
9	GLOBAL LITHIUM RESOURCES LIMITED	Buy	Neutral	Macquarie
10	GPT GROUP	Buy	Neutral	UBS

11	LIONTOWN LIMITED	Neutral	Sell	Macquarie
12	MAAS GROUP HOLDINGS LIMITED	Buy	Buy	Morgans
13	MINERAL RESOURCES LIMITED	Buy	Neutral	Macquarie
14	MINERAL RESOURCES LIMITED	Buy	Neutral	Ord Minnett
15	NEWMONT CORPORATION REGISTERED	Buy	Buy	Morgans
16	NORTHERN STAR RESOURCES LIMITED	Buy	Neutral	Morgans
17	PANTORO GOLD LIMITED	Buy	Sell	Morgans
18	PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED	Buy	Buy	Morgans
19	PLS GROUP LIMITED	Neutral	Sell	Morgans
20	RAMELIUS RESOURCES LIMITED	Buy	Buy	Morgans
21	REGIS RESOURCES LIMITED	Buy	Neutral	Morgans
22	RESMED INC	Buy	Buy	Morgans
23	VICINITY CENTRES	Buy	Sell	UBS

Downgrade

24	AMCOR PLC	Buy	Buy	Ord Minnett
25	BEACH ENERGY LIMITED	Sell	Neutral	UBS
26	CHARTER HALL LONG WALE REIT	Sell	Neutral	UBS
27	DEXUS	Neutral	Buy	UBS
28	GRAINCORP LIMITED	Neutral	Buy	Macquarie
29	NORTHERN STAR RESOURCES LIMITED	Sell	Neutral	UBS
30	ORA BANDA MINING LIMITED	Neutral	Buy	Macquarie
31	PERSEUS MINING LIMITED	Neutral	Buy	UBS
32	PROTEOMICS INTERNATIONAL LABORATORIES LIMITED	Sell	Neutral	Morgans
33	RAMELIUS RESOURCES LIMITED	Buy	Buy	Morgans
34	RAMELIUS RESOURCES LIMITED	Neutral	Buy	UBS
35	REGION GROUP	Sell	Neutral	UBS
36	RURAL FUNDS GROUP	Neutral	Buy	UBS
37	TREASURY WINE ESTATES LIMITED	Sell	Neutral	UBS

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	RMS	RAMELIUS RESOURCES LIMITED	5.472	4.558	20.05%	5
2	GMD	GENESIS MINERALS LIMITED	9.475	8.160	16.12%	6
3	NEM	NEWMONT CORPORATION REGISTERED	200.400	183.800	9.03%	5
4	MIN	MINERAL RESOURCES LIMITED	62.333	58.250	7.01%	6
5	NEC	NINE ENTERTAINMENT CO. HOLDINGS LIMITED	1.640	1.535	6.84%	3
6	PNR	PANTORO GOLD LIMITED	6.397	6.050	5.74%	3
7	CHC	CHARTER HALL GROUP	25.672	24.358	5.39%	5
8	MEI	METEORIC RESOURCES NL	0.347	0.330	5.15%	3
9	NST	NORTHERN STAR RESOURCES LIMITED	29.883	28.483	4.92%	6
10	RRL	REGIS RESOURCES LIMITED	8.263	7.925	4.26%	6

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	GNC	GRAINCORP LIMITED	7.190	8.550	-15.91%	4
2	XRO	XERO LIMITED	178.100	196.717	-9.46%	6
3	COF	CENTURIA OFFICE REIT	1.070	1.150	-6.96%	4
4	INA	INGENIA COMMUNITIES GROUP	5.800	6.227	-6.86%	3
5	PNI	PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED	22.228	23.463	-5.26%	4
6	NEU	NEUREN PHARMACEUTICALS LIMITED	24.567	25.567	-3.91%	3
7	TYR	TYRO PAYMENTS LIMITED	1.333	1.386	-3.82%	4
8	CLW	CHARTER HALL LONG WALE REIT	4.192	4.352	-3.68%	5
9	DXS	DEXUS	7.364	7.616	-3.31%	5
10	BUB	BUBS AUSTRALIA LIMITED	0.177	0.183	-3.28%	3

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	PLS	PLS GROUP LIMITED	10.720	7.120	50.56%	7
2	MIN	MINERAL RESOURCES LIMITED	279.917	253.900	10.25%	6
3	BGL	BELLEVUE GOLD LIMITED	12.000	11.000	9.09%	3
4	SLC	SUPERLOOP LIMITED	6.300	5.800	8.62%	5
5	MEI	METEORIC RESOURCES NL	-1.133	-1.233	8.11%	3
6	AIS	AERIS RESOURCES LIMITED	15.300	14.175	7.94%	4
7	PNR	PANTORO GOLD LIMITED	77.967	73.433	6.17%	3
8	NST	NORTHERN STAR RESOURCES LIMITED	146.440	139.000	5.35%	6
9	VAU	VAULT MINERALS LIMITED	54.033	51.367	5.19%	3
10	GMD	GENESIS MINERALS LIMITED	55.480	52.800	5.08%	6

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	SM1	SYNLAIT MILK LIMITED	-0.980	2.018	-148.56%	3
2	GNC	GRAINCORP LIMITED	14.900	38.325	-61.12%	4
3	BUB	BUBS AUSTRALIA LIMITED	0.033	0.067	-50.75%	3
4	LOT	LOTUS RESOURCES LIMITED	-16.733	-13.800	-21.25%	3
5	RMS	RAMELIUS RESOURCES LIMITED	19.225	23.760	-19.09%	5
6	XRO	XERO LIMITED	112.670	134.083	-15.97%	6
7	NIC	NICKEL INDUSTRIES LIMITED	2.595	2.945	-11.88%	5
8	LLC	LENDLEASE GROUP	26.950	29.325	-8.10%	5
9	SKT	SKY NETWORK TELEVISION LIMITED	29.524	31.972	-7.66%	3
10	STX	STRIKE ENERGY LIMITED	-0.750	-0.700	-7.14%	3

Technical limitations

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WEEKLY REPORTS

Uranium Week: Volatility Kicks Up A Gear

Last week's extreme volatility in financial assets equally visited the uranium sector.

- Demand forecasts upgraded for nuclear energy
- Inflation, among other issues, has held back new supply projects
- U308 weekly spot market hit by global risk-off

By Danielle Ecuyer

Demand outlook grows, while supply questions remain

Canaccord Genuity states, *"For the first time since the early 2000s, we are seeing a genuine step-change in demand that is catered towards nuclear, and in a unique instance, both public and private investment are now strongly supportive"*.

For all the near-term volatility in uranium stocks and the U308 spot price, the underlying demand and supply drivers of the market have shifted dramatically since both investors and governments acknowledged AI was driving a systemic and sizeable shift in future energy demand dynamics.

Overlaid with the transition to more zero emission energy, nuclear power is experiencing a genuine renaissance.

This week both UBS and Canaccord discussed a more bullish price outlook for U308 as supply side challenges continued against rising demand.

China has almost tripled its nuclear capacity in the last decade and is aiming to add a further 150 nuclear reactors over the next fifteen years.

President Trump's administration equally acknowledged the need to speed up nuclear energy generation and, via Executive Orders, announced an US\$80bn partnership between Westinghouse and the US government.

France is implementing a Nuclear Acceleration Act. Numerous countries are reversing plans to phase out or retire nuclear energy plants.

The UK government is financing Sizewell C, France is building six EPR2s (next-generation European Pressurised Reactor 2 units) and countries like South Korea are seeking to accelerate their nuclear plans.

UBS re-iterates forecast growth in nuclear reactor demand of 3%, which is above the 2020-25 average of 2% growth annually.

Canaccord lifts 2035 compound average growth in demand to 4% with projected 2035 nuclear capacity of 571GW. This equals 289mlbs of annual U308 demand against 187mlbs in 2025, including secondary demand.

The latter rightfully ponders where over 100mlb/yr of incremental supply will come from in just one decade.

Supply constraints and rising demand boost long term U308 forecasts

Both brokers concur recent headwinds for the industry at large have all reinforced the view that supply

remains challenged and multiple factors are not making it easier to procure.

Headwinds range from ongoing mining sector inflation in key countries such as Canada, and stalled project plans from the likes of Deep Yellow's ((DYL)) Tumas, on top of problems with restarts like Boss Energy's ((BOE)) Honeymoon, as well as additional cost imposts for the likes of Lotus Resources ((LOT)).

UBS consequently lifts its long term U308 price to over US\$100/lb from US\$77/lb and raises short term U308 price forecasts by as much as 25%, averaging US\$95/lb over 2026/27/28.

Canaccord also raises its long term U308 price forecast to US\$110/lb, up 22% from 2030, and envisages a structural deficit of -15mlb in 2026, -13mlb in 2027 and -23mlb in 2028.

At the end of January, industry consultants confirmed another US\$2/lb rise in the base term price to US\$90/lb from US\$88/lb.

The broker believes the rising term price, which has advanced US\$2/lb in four of the last five months versus a flat trading range in the prior fifteen months, indicates rising demand from government led stimulus and growing energy needs.

Higher target prices on higher U308 price assumptions

The Canaccord analyst has accordingly raised target prices on average by 16% across the universe of stocks covered with the main factor being the upgrade in the long-term forecast to US\$110/lb.

In terms of the Australian coverage, Bannerman Energy ((BMN)) retains a Speculative Buy rating with a lift in target to \$5.99 from \$4.95.

Boss is Speculative Buy rated with a \$2.80 target, up from \$2.30. Deep Yellow also is a Speculative Buy with a higher target of \$3.01 from \$2.48.

Paladin Energy is Buy rated with a \$15.95 target, up from \$13.60 previously. Both Peninsula Energy ((PEN)) and Silex Systems ((SLX)) are Speculative Buy rated. Peninsula's target is raised to \$1.53 from \$1.29 and Silex to \$10.48 from \$9.42.

Paladin remains the preferred stock in Australia with NexGen Energy ((NXG)) a pick for exploration in North America; Speculative Buy rated with a CA\$24 target from CA\$18.50.

UBS also upgraded target prices with Cameco up 9% to CA\$152, Paladin up 36% to \$12.25 and Boss up 23% to \$1.60, all with Neutral ratings, with Paladin downgraded from Buy.

With some of the equity prices already more than two times 2025 price lows, for the UBS analyst **"shares have gone too far, too fast"**.

In other corporate updates, Lotus Resources ((LOT)) announced a \$81m equity raising with a \$76m institutional share placement and a \$5m share purchase plan for additional capital to fund the ongoing ramp up of the Kayelekera project.

Bell Potter retains a Speculative Buy rating and raises its target to \$3 from \$3.70 while Ord Minnett lowers its target to \$3.90 from \$4 with an unchanged Speculative Buy rating.

Spot market and shares prices ensnared by asset price volatility

After such an upbeat U308 price move in the week prior, with industry consultant TradeTech reporting a move back above US\$100/lb, the market came back to earth with a thud in the latter part of last week.

TradeTech's weekly U308 spot price fell -US\$14/lb to US\$86/lb from January 30, on the back of fifteen transactions and a total of 1.35mlbs of U308 exchanged.

Last Monday saw a transaction at US\$96/lb with a low of US\$82/lb last Friday morning, with buyers stepping in

to buy 100klbs at US\$86/lb before the weekly price cut off. A further 50klb transaction at US\$87/lb was not reported until after the price cut off.

The decline in the U308 spot price also transposed to extreme volatility in share prices with Deep Yellow, Paladin, Boss, Bannerman and Silex shares all falling between -12% and -7.5% last Friday on the ASX, populating the day's Top 20 percentage losers on the ASX300.

TradeTech notes the price swings in the U308 spot market are becoming more compressed and are cycling through the price swings faster than in previous cycles.

Zooming out, the consultant notes the U308 spot price has risen 4.9% since the start of 2026, and is up 24.4% on a year ago, and 384.5% above the post Fukushima low in December 2016.

The TradeTech Mid-term price indicator came in at US\$93/lb and the Long-term price indicator at US\$90/lb with no transactions or new demand in the term U308 market.

Kazatomprom also announced its trading update for 4Q2025 with production of 18.5mlbs, up 10% on the prior quarter and up 9% y/y.

Annual output for 2025 came in at 67.2mlbs, up 11% on 2024 with an average realised price of US\$64.18/lb for 4Q2025, down -5% on the prior quarter and down -12% on the previous year.

Latest short interest positions on the ASX:

Short interest in Boss Energy rose 0.65% pts to 17.02% while Paladin Energy slipped -0.63% pts to 9.99%.

Short interest in Lotus Resources rose 0.01% pts to 7.34% and Penninsula Energy's up 0.92% pts to 1.67%.

Silex sits at 8.98% short interest, up from 8.22% a week earlier.

For more reading on nuclear energy and U308 at FNarena, see:

<https://fnarena.com/index.php/2026/02/03/uranium-week-back-above-us100lb/>

<https://fnarena.com/index.php/2026/01/27/uranium-week-no-shortage-of-bullish-sentiment/>

<https://fnarena.com/index.php/2026/01/20/uranium-week-2026-off-to-the-races/>

<https://fnarena.com/index.php/2026/01/20/uranium-week-2026-off-to-the-races/>

<https://fnarena.com/index.php/2025/12/16/uranium-week-sprott-buying-asx-upgrades/>

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	06/02/2026	0.1000	▼-18.18%	\$0.16	\$0.03			
AEE	06/02/2026	0.1700	▼-29.17%	\$0.28	\$0.10			
AGE	06/02/2026	0.0400	▼-20.00%	\$0.06	\$0.02		\$0.070	▲75.0%
AKN	06/02/2026	0.0100	0.00%	\$0.01	\$0.01			
ASN	06/02/2026	0.0500	0.00%	\$0.13	\$0.04			
BKY	06/02/2026	0.5200	▼-12.28%	\$0.70	\$0.36			
BMN	06/02/2026	3.8000	▼-17.22%	\$4.96	\$1.76		\$5.275	▲38.8%
BOE	06/02/2026	1.5600	▼-20.11%	\$4.75	\$1.07	9.0	\$1.771	▲13.6%
BSN	06/02/2026	0.0500	▼-20.00%	\$0.08	\$0.01			
C29	06/02/2026	0.0300	0.00%	\$0.07	\$0.01			
CXO	06/02/2026	0.2100	▼- 8.70%	\$0.36	\$0.06		\$0.350	▲66.7%
CXU	06/02/2026	0.0300	0.00%	\$0.04	\$0.01			
DEV	06/02/2026	0.2100	▼- 9.09%	\$0.28	\$0.07			
DYL	06/02/2026	2.3800	▼-15.71%	\$2.97	\$0.75	-61.0	\$2.200	▼- 7.6%

EL8	06/02/2026	0.3500	▼-20.93%	\$0.50	\$0.19		
ERA	06/02/2026	0.0030	0.00%	\$0.00	\$0.00		
GUE	06/02/2026	0.0700	0.00%	\$0.09	\$0.05		
HAR	06/02/2026	0.1300	▼- 7.69%	\$0.25	\$0.04		
I88	06/02/2026	0.2000	▼- 7.41%	\$0.76	\$0.08		
KOB	06/02/2026	0.0400	▼-20.00%	\$0.09	\$0.03		
LAM	06/02/2026	0.8500	0.00%	\$0.93	\$0.55		
LOT	06/02/2026	2.2500	▼-22.39%	\$3.20	\$1.56	\$3.607	▲60.3%
MEU	06/02/2026	0.1600	▲ 7.14%	\$0.19	\$0.03		
NXG	06/02/2026	15.6900	▼-12.16%	\$20.47	\$6.44	-148.6 \$18.500	▲17.9%
ORP	06/02/2026	0.0700	▼-14.29%	\$0.07	\$0.02		
PDN	06/02/2026	11.4600	▼-16.02%	\$14.44	\$3.93	92.9 \$11.929	▲4.1%
PEN	06/02/2026	0.6700	▼-23.81%	\$1.17	\$0.28	\$1.330	▲98.5%
SLX	06/02/2026	6.6600	▼- 6.32%	\$10.85	\$2.28	-80.4 \$11.200	▲68.2%
TOE	06/02/2026	0.4800	▼-16.07%	\$0.63	\$0.15		
WCN	06/02/2026	0.0200	0.00%	\$0.04	\$0.01		

Uranium - U3O8



wp market price history u3o8

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WEEKLY REPORTS

The Short Report - 12 Feb 2026

FN Arena's weekly update on short positions in the Australian share market.
See **Guide** further below (for readers with full access).

Summary:

Week Ending February 5th, 2026 (most recent data available through ASIC).

10%+

BOE 17.02%
DMP 16.79%
GYG 14.01%
TWE 13.81%
FLT 12.36%
TLX 12.17%
PNV 11.99%
IEL 11.80%
IPH 11.17%
PWH 10.24%

Out: **SLVM, PDN**

SLVM = Global X Silver Miners ETF

9.0-9.9%

NAN 9.92%
KAR 9.54%
CTD 9.34%
LIC 9.11%
LYC 9.08%

In: **LYC**

8.0-8.9%

SLX 8.98%
DRO 8.96%
BRG 8.80%
PLS 8.27%

In: **PLS**

Out: **LYC, DYL, DGT**

7.0-7.9%

ILU 7.88%

DGT 7.73%
 CU6 7.72%
 IPX 7.67%
 HMC 7.61%
 DYL 7.56%
 NXT 7.51%
 BAP 7.40%
 LOT 7.34%
 MSB 7.28%
 CUV 7.16%

In: **DGT, CU6, DYL, LOT**
 Out: **PLS**

6.0-6.9%

RIO 6.56%
 MIN 6.54%
 ING 6.44%
 EDV 6.36%
 BPT 6.27%
 AX1 6.10%
 PNI 6.00%

In: **AX1, PNI**
 Out: **CU6, ELD**

5.0-5.9%

ELD 5.72%
 AD8 5.24%
 NXL 5.22%
 GDG 5.11%
 NEU 5.08%
 GMD 5.08%
 JIN 5.06%
 HLS 5.05%

In: **ELD, NXL, HLS**
 Out: **AX1, PNI, ZIP, MFG, BMN**

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.5	0.6	NAB	0.8	0.8
ANZ	0.6	0.6	QBE	0.2	0.2
BHP	1.0	0.9	RIO	6.6	6.7
BXB	0.5	0.4	STO	0.6	0.7
CBA	0.9	0.9	TCL	0.3	0.3
COL	0.5	0.5	TLS	0.4	0.4
CSL	0.5	0.5	WBC	0.8	0.8
FMG	2.6	2.6	WDS	4.2	4.1

GMG	0.8	0.8	WES	0.3	0.4
MQG	0.4	0.4	WOW	2.1	2.0

To see the full Short Report, please [go to this link](#)

Guide:

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

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

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

IMPORTANT INFORMATION ABOUT THIS REPORT

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

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

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

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

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

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

Finally, a simple fact is that the Australian Securities Exchange also keeps its own register of short positions.

The figures provided by ASIC and by the ASX at any point do not necessarily correlate.

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

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WEEKLY REPORTS

In Brief: EOS, Austral Resources & GLP-1 Winners

This week's In Brief includes Electro Optic Systems under attack via short report, Austral Resources "amazing turnaround" with a copper growth story, plus winners and losers from GLP-1s growing popularity.

- Short report targets Electro Optic Systems, management and Canaccord Genuity repond
- Glencore's strategic alignment with a small cap, burgeoning copper producer
- Winners & Losers from GLP-1s Down Under

By Danielle Ecuyer

This week's quote comes from DBS Economics & Strategy:

"Investors remain wary that the Fed's steady-for-longer stance would collide with US President Donald Trump's desire for significantly lower interest rates, especially under the leadership of his Fed Chair nominee, Ken Warsh.

"Lingering doubts about the Fed's independence are likely to cap the USD's upside.

"At the same time, the Congressional Budget Office's renewed warnings about the widening fiscal deficits and rising national debt added to de-dollarisation concerns, i.e., recent news of some countries reducing their exposure to US Treasuries."

Shoring up contract details and resilience of balance sheet

Electro Optic Systems has issued an in-depth report to refute claims from a recent short report.

As highlighted by Canaccord Genuity, the rebuttal covers the key assertions, including the legitimacy of the counterparty to the South Korean 100kW HELW (High Energy Laser Weapon) conditional contract valued at US\$80m.

Management confirmed 'Goldrone', a small but well-connected drone operator, as the counterparty that has the potential to raise enough capital for the initial \$28m deposit by the Feb/March period.

This opportunity is not included in Electro Optics backlog or guidance until the contract becomes unconditional. It is conditional currently.

Secondly, the Marss acquisition for -\$54m achieved total revenue of EUR243m from 2020-2025 with the shorter's report leaving out the non-UK operations which generated a further EUR114m over the period. Management also confirmed the Marss potential pipeline is over EUR300m from existing and new customers, essentially from the Middle East and Europe.

Thirdly, the sale of non-core EM solutions for around \$159m in cash in January 2025 improved the balance sheet post repayment of a -\$61m debt facility. The company has cash of \$107m or \$53m post Marss and the broker expects earnings to move to positive EBITDA in FY26 with a gross profit margin of 45%.

Management also detailed, as noted by the broker, the validity of the \$459m contract backlog, and net additions of \$323m in 2025, with "potential for further contracts to be received in due course from the US Army".

The counterparty to the 100kW HELW order in August last year was confirmed as the Ministry of Defence of the Netherlands and last week it successfully opened the 20k square foot HELW manufacturing plant in Singapore. At full utilisation, the analyst sees potential revenue of over \$1bn assuming US\$30m-US\$50m/unit for larger orders.

Canaccord continues to retain a positive stance on Electro Optics with an unchanged Buy rating and \$12 target, with the recent fall in the share price viewed as a buying opportunity.

FNArena's universe of daily monitored brokers consists of two Buy ratings and an average target price between the two of \$12.36, one Buy rating is ascribed as 'Speculative'.

Burgeoning copper producer in the sweet spot with Glencore

MST Access detailed Austral Resources Australia ((AR1)) espousing the company is one of the **“most remarkable corporate turnarounds”** as the analyst initiated coverage.

Austral is a developing copper producer which has come out of a period of suspension as a multi-mine, multi-plant producer from a small-scale single asset.

In January, Austral acquired Lady Loretta from Glencore and the resources giant will in turn pay \$57m to Austral with the mine adjacent to the Lady Annie mine which allows for mining at Lady Annie ore that needed a cutback, the analyst explains, onto the Lady Loretta lease to access.

The Mt Kelly Heap Leach facility has received a second production hub with the acquisition of Rocklands with a study in place for its restart in 2H2027.

Mt Kelly facility can process 25ktpa with Rocklands at 3mtpa while the latter asset has an estimated replacement value over \$443m.

A recent \$40m equity placement, as well as debt-for-equity swaps and the \$57m from Glencore, means Austral is now well funded.

For context, Glencore has a strategic relationship with the burgeoning producer and has secured the supply of Austral's copper units to its marketing division and Mt Isa smelter as well as rights to Rocklands capacity, Canaccord explains.

Management is targeting production of 50ktpa copper over a decade-plus timeframe and MST sees substantial valuation upside based on a net present value of the western and eastern hub operations.

The broker has a 38c valuation. Austral has a circa \$178m market capitalisation.

The sole daily monitored broker in FNArena's universe that covers this company, Shaw and Partners has a Buy rating with a 20c target price.

The shares finished yesterday's session at 10.5c.

What do US GLP-1s trends signal for Australia?

Usage of GLP-1s is continuing to grow rapidly in Australia. The latest data show 48% of users in FY25 accessed the drug privately and the market value exceeded \$2.3bn at the end of 2025 with over 500,000 Australians using GLP-1s at the end of last year.

Jarden estimates usage has continued to grow and currently represents 3.6% of the Australian adult population, up from 2.3% in June 2025 and 1.5% in June 2024.

By comparison, 12% of US adults are using GLP-1s with US penetration growing from around 6% in 2024; around 18% of the population has tried GLP-1s at least once.

Jarden estimates the Australian GLP-1 market can grow to \$5.6bn by 2030, applying the same take up rate as the US market as a base case. This assumes 50% penetration among Pharmaceutical Benefits Scheme (PBS) qualified users and 6% penetration across the rest of the adult population.

Looking at the behavioural changes of users, the analyst points to primary effects which occur within a year. Some 22% of users are diagnosed with nutrient deficiencies and 46% take daily supplements. Jarden estimates over a \$1.6bn rise in annual supplement consumption.

Grocery spend declines by around -4% in the first six months. Users are noted for lowering their calorific intake by -16-39% and spending on food declines by some -5%. Reportedly, 63% desire more vegetables and 55% more fruit when on the medication with a move away from salty and sweet snacking.

Nestle and UK grocers have started supplying GLP-1 meals.

Turning to secondary effects over a year-plus timeframe, there is a shift in cloths shopping habits for 64% of users with demand for smaller sizes rising.

More exercise is also required with 15-40% of weight lost by users being lean mass, hence exercise is needed to build muscle and maintain bone health.

Turning to beneficiaries, Jarden envisages Sigma Healthcare ((SIG)) as the major winner in Australia, followed by Ebos Group ((EBO)), Wesfarmers ((WES)) and --indirectly-- Super Retail Group ((SUL)).

If GLP-1 penetration reaches 5.5% by FY28, the analyst estimates a further circa 2% CAGR to Chemist Warehouse Group's network sales assuming circa 1% prescriptions and 1% supplements.

For Sigma (Chemist Warehouse) Jarden estimates an incremental 3% growth to like-for-like sales if GLP-1 penetration reaches over 6.3% and weighted average spend per person is over \$2,771 including vitamins and supplements.

Regarding Wesfarmers, there is potential for around 4% network sales growth.

Companies at risk of negative impacts are QSR operators, Domino's Pizza Enterprises ((DMP)), Collins Foods ((CKF)) and Guzman y Gomez ((GYG)), albeit the latter less so.

Structural impacts are expected on alcohol-related companies, Endeavour Group ((EDV)) and Treasury Wine Estates ((TWE)).

For Supermarkets, the impact is expected to be net neutral as lower food sales are offset by higher supplement sales.

Jarden has an Overweight (Buy-equivalent) rating on Sigma with a \$3.60 target price. FNArena's daily monitored brokers consensus target is \$3.213 with four Buy-equivalent ratings, and three Hold.

For Wesfarmers, Jarden is Underweight rated (Sell-equivalent) with a \$70.50 target price compared to FNArena's consensus target of \$87.467 with one Buy rating, four Hold ratings and one Sell-equivalent rating.

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WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 13-02-26

A summary of the highlights from Broker Call Extra updates throughout the week past.

Broker Rating Changes (Post Thursday Last Week)

Upgrade

CHARTER HALL SOCIAL INFRASTRUCTURE REIT ((CQE)) Upgrade to Buy from Hold by Moelis.B/H/S: 0/0/0

Moelis suggests the recent sell-off in Charter Hall Social Infrastructure REIT shares creates an attractive entry point.

Earnings accretive capital recycling continues, combined with strong organic rental growth to offset the impact of higher debt costs.

The REIT is attractively valued at a -26% net tangible asset discount following a -16% sell-off over the past five months. Moelis upgrades near-term estimates driven by higher-yield asset remixing, with a more hawkish rate outlook offsetting these gains in FY28.

Target price increases to \$3.55 from \$3.39, upgrade to Buy from Hold.

CHARTER HALL RETAIL REIT ((CQR)) Upgrade to Buy from Hold by Moelis.B/H/S: 0/0/0

Charter Hall Retail REIT has transitioned over the last two years to having just 46% of shopping centres in its portfolio from being a pure convenience shopping centre owner, and the remixing of its property portfolio has been largely earnings accretive, Moelis notes.

Continued capital recycling, a -40 basis points reduction in debt margins and timely hedge activity have largely offset the impact of higher interest rates on the outlook.

Following a -11% decline in the share price over the past six months, the broker considers the stock now in value territory and upgrades to Buy from Hold. Target is raised to \$4.48 from \$4.33.

FINEOS CORPORATION HOLDINGS PLC ((FCL)) Upgrade to Buy from Hold by Moelis.B/H/S: 0/0/0

Moelis upgrades Fineos Corp to Buy from Hold, noting successful execution of large scale projects has underpinned the company's competitive position.

The business has set clear medium to longer term goals with management targeting 75% of revenue from subscriptions in FY29 and 40% EBITDA margins, with slowing investment in R&D.

The broker ascertains 2025 guidance is aligned with progress towards these goals. FX headwinds will deliver revenue at the lower end of guidance, commentary points out, which adds to some uncertainty about estimates for 2026.

Currency is an external factor and does not detract from underlying progress, Moelis adds. Target is \$3.27.

Order Upgrade	Company	New Rating	Old Rating	Broker
1	CHARTER HALL RETAIL REIT	Buy	Neutral	Moelis

Price Target Changes (Post Thursday Last Week)

Company	Last Price	Broker	New Target	Old Target	Change
AEL Amplitude Energy	\$2.37	Jarden	3.40	3.30	3.03%
ALL Aristocrat Leisure	\$50.99	Jarden	72.00	74.00	-2.70%
AMC Amcor	\$69.85	Jarden	75.00	80.20	-6.48%
BPT Beach Energy	\$1.11	Canaccord Genuity	1.35	1.26	7.14%
		Jarden	0.91	0.90	1.11%
CCP Credit Corp	\$12.39	Canaccord Genuity	19.70	21.60	-8.80%
COF Centuria Office REIT	\$1.03	Jarden	1.10	1.20	-8.33%
		Moelis	1.57	1.61	-2.48%
CQE Charter Hall Social Infrastructure REIT	\$2.90	Canaccord Genuity	3.16	3.41	-7.33%
		Jarden	3.50	3.60	-2.78%
		Moelis	3.55	3.39	4.72%
CQR Charter Hall Retail REIT	\$3.94	Jarden	4.50	4.65	-3.23%
		Moelis	4.48	4.33	3.46%
DXC Dexus Convenience Retail REIT	\$2.79	Moelis	3.60	3.39	6.19%
GGP Greatland Resources	\$13.07	Canaccord Genuity	13.25	12.50	6.00%
GNC GrainCorp	\$5.75	Canaccord Genuity	7.51	8.71	-13.78%
IDX Integral Diagnostics	\$2.47	Jarden	3.35	3.30	1.52%
JIN Jumbo Interactive	\$9.69	Jarden	12.50	13.10	-4.58%
LOT Lotus Resources	\$2.06	Canaccord Genuity	3.60	0.31	1061.29%
MGHMaas Group	\$4.28	Canaccord Genuity	5.04	5.36	-5.97%
		Moelis	4.65	5.19	-10.40%
MSB Mesoblast	\$2.45	Canaccord Genuity	3.32	3.11	6.75%
NEU Neuren Pharmaceuticals	\$13.57	Petra Capital	29.96	31.38	-4.53%
NMGNew Murchison Gold	\$0.07	Taylor Collison	0.08	0.04	92.68%
PNI Pinnacle Investment Management	\$17.55	Canaccord Genuity	N/A	28.02	-100.00%
		Canaccord Genuity	27.22	28.02	-2.86%
REA REA Group	\$167.17	Jarden	177.00	196.00	-9.69%
RGN Region Group	\$2.27	Moelis	2.68	2.63	1.90%
SKS SKS Technologies	\$4.24	Canaccord Genuity	4.62	4.09	12.96%
TAH Tabcorp Holdings	\$0.87	Jarden	0.95	1.00	-5.00%
Company	Last Price	Broker	New Target	Old Target	Change

More Highlights

A4N ALPHA HPA LIMITED

Aluminium, Bauxite & Alumina - Overnight Price: \$0.70

Canaccord Genuity rates (([A4N](#))) as Initiation of coverage with Speculative Buy (1) -

Canaccord initiates coverage on Alpha HPA at Speculative Buy with a \$1.20 target, arguing the market is under pricing the Gladstone HPA First opportunity in high purity alumina used in lithium-ion batteries, LEDs and semiconductor applications.

The broker sees tightening ex-China supply, with demand expected to outpace new supply through 2030.

Pricing assumptions have been lifted, supported by recent open orders averaging around US\$29.6/kg.

Canaccord believes the project offers strong operating leverage, with earnings (EBITDA) breakeven achievable

at roughly 19% of nameplate capacity.

This report was published on February 6, 2026.

Target price is **\$1.20** Current Price is **\$0.70** Difference: **\$0.5**

If **A4N** 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** EPS of **minus 2.10** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 33.33**.

Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** EPS of **0.40** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **175.00**.

Market Sentiment: **1.0**

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

AEM **ADVANCED ENERGY MINERALS LIMITED**

Aluminium, Bauxite & Alumina - Overnight Price: \$0.51

Canaccord Genuity rates (([AEM](#))) as Initiation of coverage with Speculative Buy (1) -

Canaccord Genuity initiates coverage of Advanced Energy Minerals at Speculative Buy with a \$1.15 target.

The broker sees the company as a near-term beneficiary of rising demand for high purity alumina used in semiconductors and lithium-ion batteries.

Stage 1 at the Cap-Chat project is expected to ramp to 3,000tpa, with longer-term expansion to 6,000tpa positioning the company as a meaningful ex-China supplier.

Canaccord highlights the low-carbon process and modular expansion pathway as key differentiators in securing customer offtake.

This report was published on February 6, 2026.

Target price is **\$1.15** Current Price is **\$0.51** Difference: **\$0.64**

If **AEM** meets the Canaccord Genuity target it will return approximately **125%** (excluding dividends, fees and charges).

The company's fiscal year ends in December.

Forecast for FY25:

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 4.20** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 12.14**.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** EPS of **4.10** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **12.44**.

Market Sentiment: **1.0**

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

CCP **CREDIT CORP GROUP LIMITED**

Business & Consumer Credit - Overnight Price: \$11.25

Canaccord Genuity rates (([CCP](#))) as Buy (1) -

First half results from Credit Corp missed expectations and Canaccord Genuity notes the stock has slumped to near two-year lows. While acknowledging there are questions, the broker reminds investors this has occurred before.

The main dynamic in play is the timing of provisioning and marketing within Australasian lending.

Overall, Canaccord Genuity expects earnings growth should move into low double-digit territory while the valuation is at decade lows and this should provide an opportunity in time. Buy. Target is reduced to \$19.70 from \$21.60.

This report was published on February 3, 2026.

Target price is **\$19.70** Current Price is **\$11.25** Difference: **\$8.45**

If **CCP** meets the Canaccord Genuity target it will return approximately **75%** (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 **76.00** cents and EPS of **151.00** cents.

At the last closing share price the estimated dividend yield is **6.76%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **7.45**.

Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** dividend of **83.00** cents and EPS of **165.00** cents.

At the last closing share price the estimated dividend yield is **7.38%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **6.82**.

Market Sentiment: **1.0**

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

DOW DOWNER EDI LIMITED

Industrial Sector Contractors & Engineers - Overnight Price: \$7.92

Canaccord Genuity rates (([DOW](#))) as Initiation of coverage with Buy (1) -

Canaccord Genuity initiates coverage of Downer EDI with a positive stance, arguing the company has emerged from a multi-year reset with a simpler structure, improved margins and more predictable earnings.

The broker highlights Downer's refocus on essential services across transport, energy and facilities, which is reducing exposure to large, higher-risk construction contracts while lifting return quality.

A substantial divestment program since 2023 has sharpened the earnings profile and strengthened cash generation, supporting ongoing debt reduction and dividends.

Canaccord sees scope for steady margin expansion and earnings growth from FY26, underpinned by long-dated contracts and strong work-in-hand visibility. Buy initiated with an \$8.58 target.

This report was published on January 29, 2026.

Target price is **\$8.58** Current Price is **\$7.92** Difference: **\$0.66**

If **DOW** meets the Canaccord Genuity target it will return approximately **8%** (excluding dividends, fees and charges).

Current consensus price target is **\$8.45**, suggesting upside of **6.7%**(ex-dividends)

The company's fiscal year ends in June.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **28.50** cents and EPS of **41.00** cents.

At the last closing share price the estimated dividend yield is **3.60%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **19.32**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **42.7**, implying annual growth of **109.5%**.

Current consensus DPS estimate is **27.9**, implying a prospective dividend yield of **3.5%**.

Current consensus EPS estimate suggests the PER is **18.5**.

Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** dividend of **33.00** cents and EPS of **45.00** cents.

At the last closing share price the estimated dividend yield is **4.17%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **17.60**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **47.3**, implying annual growth of **10.8%**.

Current consensus DPS estimate is **31.0**, implying a prospective dividend yield of **3.9%**.

Current consensus EPS estimate suggests the PER is **16.7**.

Market Sentiment: **0.5**

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

GDF GARDA PROPERTY GROUP

REITs - Overnight Price: **\$1.17**

Moelis rates ([GDF](#)) as Buy (1) -

Garda Property has upgraded guidance, expecting lending to make up 46% of revenue in FY26. This has led to a 10% upgrade to FY26 EPS guidance. More growth is expected as vacant industrial space is leased.

Moelis increases its earnings profile in line with guidance, underpinned by a larger lending book and offset by a slower letting period at Acacia Ridge. Buy rating and \$1.62 target retained.

This report was published on February 6, 2026.

Target price is **\$1.62** Current Price is **\$1.17** Difference: **\$0.45**

If **GDF** meets the Moelis target it will return approximately **38%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **8.50** cents and EPS of **10.00** cents.

At the last closing share price the estimated dividend yield is **7.26%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **11.70**.

Forecast for FY27:

Moelis forecasts a full year **FY27** dividend of **9.30** cents and EPS of **10.90** cents.

At the last closing share price the estimated dividend yield is **7.95%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **10.73**.

Market Sentiment: **0.5**

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

ILA ISLAND PHARMACEUTICALS LIMITED

Pharmaceuticals & Biotech/Lifesciences - Overnight Price: \$0.42

Research as a Service (RaaS) rates (([ILA](#))) as No Rating (-1) -

Island Pharmaceuticals has announced feedback from the US FDA on how to progress Galidesivir for approval under the Animal Rule pathway. The FDA provided guidance for regulatory alignment and this is considered a further de-risking event for the business as no more clarifying questions were required.

Pivotal study efficacy results are likely to be available in late 2026. Separately, the company has also raised \$9m in a placement at \$0.35 a share. It is now fully funded to complete the program and make its new drug submission.

It will become the first Australian biotech to deliver a drug by the Animal Rule pathway. Research as a Service (RaaS) provides a \$1.24 valuation, raised from \$1.14.

Research as a Service (RaaS) research doesn't carry any targets, ratings or recommendations. Investors can draw conclusions from valuations and commentary.

This report was published on February 6, 2026.

Target price is **\$1.24** Current Price is **\$0.42** Difference: **\$0.82**

If **ILA** meets the Research as a Service (RaaS) target it will return approximately **195%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

Forecast for FY26:

Research as a Service (RaaS) forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 1.77** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 23.73**.

Forecast for FY27:

Research as a Service (RaaS) forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 4.70** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 8.94**.

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

NMG NEW MURCHISON GOLD LIMITED

Gold & Silver - Overnight Price: \$0.07

Taylor Collison rates (([NMG](#))) as Speculative Buy (1) -

New Murchison Gold has moved quickly from first production to become a larger-scale producer, Taylor Collison observes.

Commentary highlights December quarter production has confirmed the Crown Prince can generate meaningful cash from high-grade oxide ore, with softer material unlocking additional capacity at the Westgold Bluebird mill and allowing the company to sell more ore than originally agreed.

There is no debt and no hedging and the business is no longer constrained to a single development pathway.

The broker envisages material upside if operating performance exceeds expectations, and the market would then be likely to price the stock as a scalable, multi-asset producer. Target is 7.9 cents. Speculative Buy rating.

This report was published on February 3, 2026.

Target price is **\$0.08** Current Price is **\$0.07** Difference: **\$0.009**

If **NMG** meets the Taylor Collison target it will return approximately **13%** (excluding dividends, fees and charges).

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

TTM TITAN MINERALS LIMITED

Gold & Silver - Overnight Price: \$0.97

Canaccord Genuity rates ([TTM](#)) as Speculative Buy (1) -

Titan Minerals has reported further strong drill results from the Cerro Verde prospect at its Dynasty Gold Project in Ecuador, extending mineralisation below the current 3.1Moz resource.

Canaccord Genuity notes extensional drilling at Brecha-Comanche has more than doubled the vertical extent of mineralisation to around 400m below surface, supporting confidence in additional ounces ahead of a March resource update.

Speculative Buy rating retained with a \$1.95 target.

This report was published on February 5, 2026.

Target price is **\$1.95** Current Price is **\$0.97** Difference: **\$0.98**

If **TTM** meets the Canaccord Genuity target it will return approximately **101%** (excluding dividends, fees and charges).

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