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Friday, 20 March 2026



Material Matters: Rare Earths, Aluminium, Coal, Gold, Copper & Lithium



Gold's Outlook No Longer Straightforward



Rudi's View: Top Picks & Conviction Buys

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AUSTRALIA

The Market In Numbers - 14 Mar 2026

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

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

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

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

Australia & NZ

Index	14 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
NZ50	13187.340	-2.46%	-3.90%	-2.66%	-2.66%	4.64%
All Ordinaries	8839.10	-2.71%	-6.32%	-2.03%	-2.03%	0.75%
S&P ASX 200	8617.10	-2.64%	-6.32%	-1.12%	-1.12%	0.88%
S&P ASX 300	8552.00	-2.71%	-6.41%	-1.50%	-1.50%	0.92%
Communication Services	1684.90	-2.71%	-1.68%	-3.21%	-3.21%	-9.07%
Consumer Discretionary	3465.30	-2.07%	-6.19%	-13.22%	-13.22%	-16.36%
Consumer Staples	12243.40	-2.69%	-2.14%	5.39%	5.39%	1.03%
Energy	10481.10	1.72%	9.27%	25.29%	25.29%	20.82%
Financials	9596.50	-0.37%	-3.63%	2.79%	2.79%	0.71%
Health Care	28165.60	-4.64%	-5.66%	-16.65%	-16.65%	-32.30%
Industrials	7996.40	-4.33%	-7.37%	-5.09%	-5.09%	-3.88%
Info Technology	1711.90	-6.99%	-3.89%	-20.53%	-20.53%	-40.99%
Materials	22086.80	-4.73%	-12.84%	4.57%	4.57%	39.28%
Real Estate	3346.70	-5.04%	-9.32%	-15.62%	-15.62%	-14.16%
Utilities	9733.30	-2.68%	-3.84%	0.78%	0.78%	6.47%
A-REITs	1542.10	-4.96%	-9.30%	-15.54%	-15.54%	-13.89%
All Technology Index	2732.70	-5.73%	-4.12%	-19.54%	-19.54%	-32.43%
Banks	4342.50	0.18%	-3.04%	6.74%	6.74%	7.95%
Gold Index	17874.10	-9.71%	-18.29%	-4.28%	-4.28%	54.66%
Metals & Mining	7658.80	-4.43%	-12.69%	5.39%	5.39%	46.70%

The World

Index	14 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
FTSE100	10261.15	-0.23%	-5.95%	3.22%	3.22%	17.12%
DAX30	23447.29	-0.61%	-7.27%	-4.26%	-4.26%	-1.93%
Hang Seng	25465.60	-1.13%	-4.37%	-1.50%	-1.50%	5.79%
Nikkei 225	53819.61	-3.24%	-8.55%	6.91%	6.91%	32.93%
NZ50	13187.340	-2.46%	-3.90%	-2.66%	-2.66%	4.64%
DJIA	46558.47	-1.99%	-4.94%	-3.74%	-3.74%	5.59%
S&P500	6632.19	-1.60%	-3.59%	-3.83%	-3.83%	6.89%
Nasdaq Comp	22105.36	-1.26%	-2.48%	-5.61%	-5.61%	8.52%

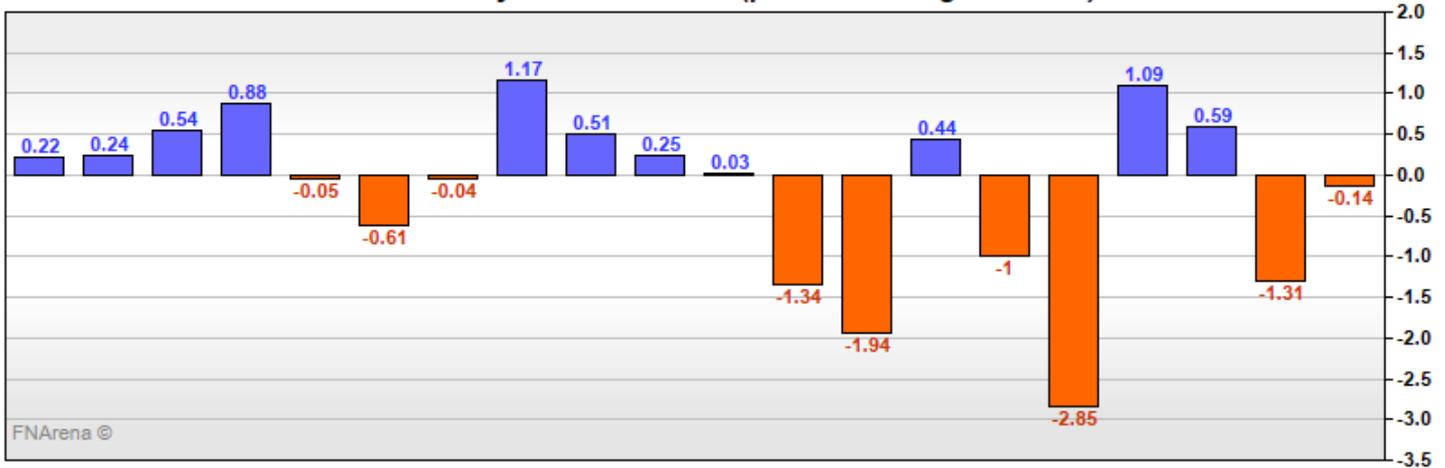
Metals & Minerals

Index	14 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
Gold (oz)	5082.04	-0.14%	-2.54%	15.86%	15.86%	53.89%
Silver (oz)	83.97	2.18%	-5.50%	7.77%	7.77%	131.95%
Copper (lb)	5.8215	-0.03%	-3.53%	2.46%	2.46%	14.25%
Aluminium (lb)	1.5968	7.30%	11.79%	19.39%	19.39%	35.41%
Nickel (lb)	7.8119	-1.00%	-2.98%	4.33%	4.33%	14.55%
Zinc (lb)	1.5048	2.47%	-1.67%	7.98%	7.98%	19.19%
Uranium (lb) weekly	85.00	0.00%	-5.03%	3.66%	3.66%	8.07%
Iron Ore (t)	104.72	3.80%	5.75%	-2.25%	-2.25%	10.83%

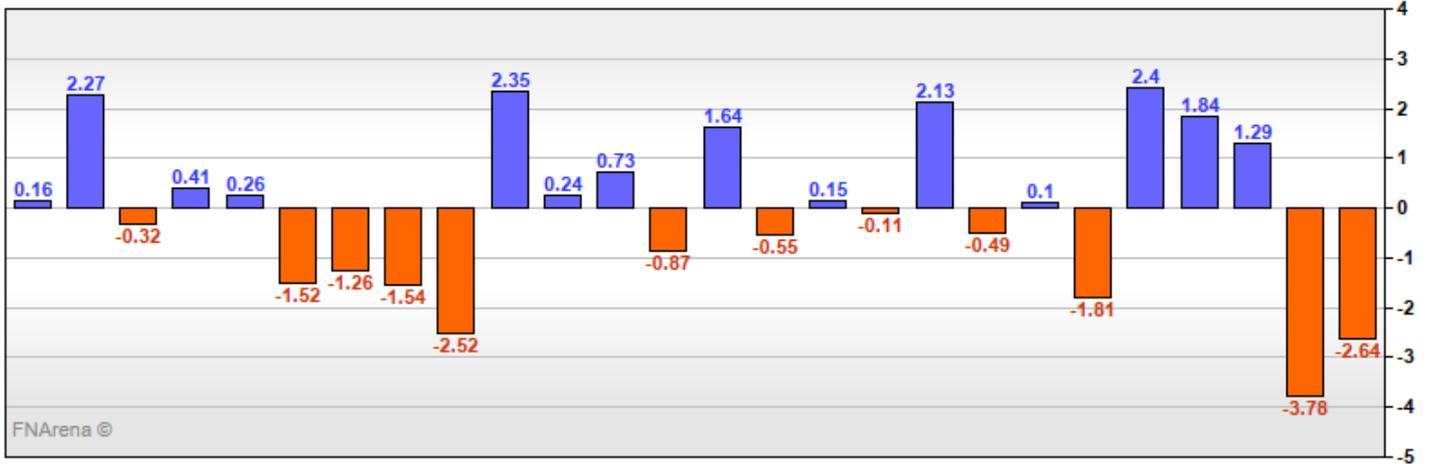
Energy

Index	14 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
West Texas Crude	96.35	20.80%	47.35%	67.80%	67.80%	47.05%
Brent Crude	101.42	20.91%	42.85%	66.67%	66.67%	51.83%

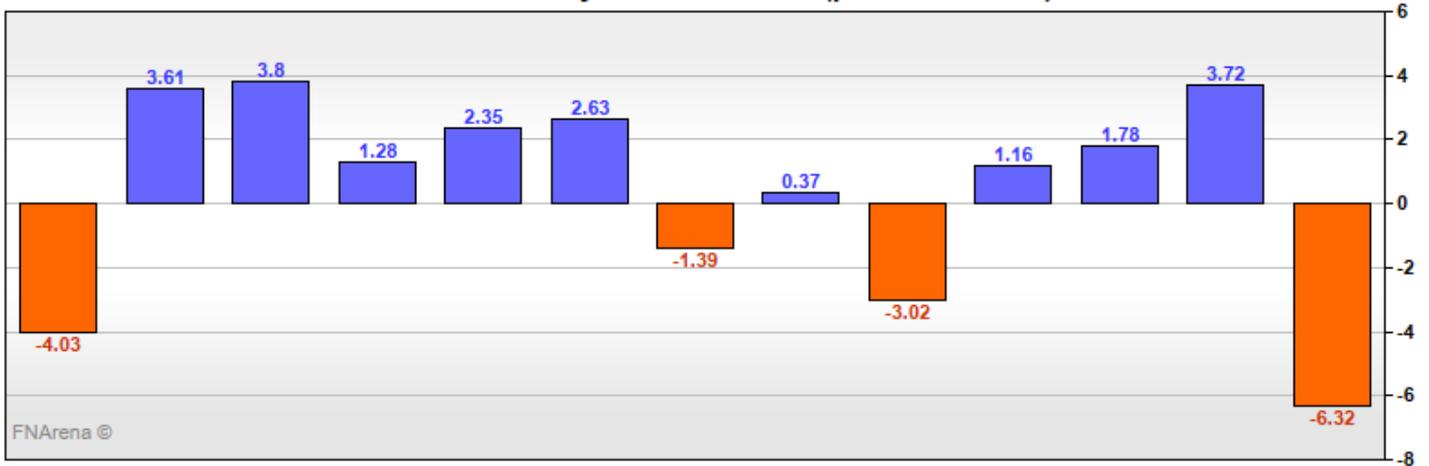
ASX200 Daily Movement in % (past 20 trading sessions)



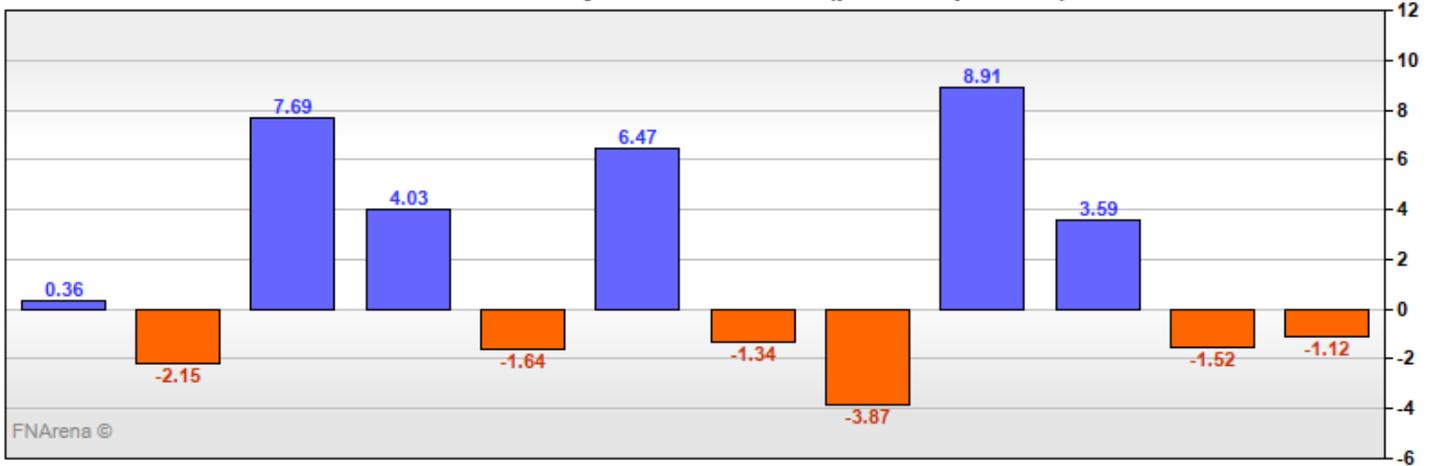
ASX200 Weekly Movement in % (past 26 weeks)



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

ARB's Growth Story Tested By Headwinds

While ARB Corp's near-term outlook disappointed with interim results, analysts continue to eye structural industry tailwinds and the US expansion opportunity.

**ARB Corp's interim result featured stable sales with lower profit
H2 guidance disappoints, industry supply issues weigh near term
Margins pressured by currency and new vehicle supply
UBS excited by US expansion opportunity**

By Mark Woodruff



Growing popularity of EV vehicles has affected ARB Corp less than most auto businesses

Despite ARB Corp's ((ARB)) interim results being pre-released last month, brokers materially lowered valuations for the vertically integrated designer, manufacturer and distributor of 4WD and utility vehicle accessories.

The negative response follows management's effective downgrade to second-half forecasts relative to prior market expectations.

Compared to the prior year, profit before tax (PBT) fell -18.8% to \$57.1m and profit margins contracted -340bps to 16.0%, well adrift of management's long-term target of around 20%.

Revenue of \$358.1m was down -1% on the prior year, with Australian Aftermarket sales falling -1.7%, export sales growing by 8.8%, and OEM sales dropping by -38.2%.

An interim dividend of 34 cents was declared, ahead of the consensus estimate of 28.9 cents.

While the company remains well-positioned and -managed, Canaccord Genuity argued consensus growth estimates for the outer years remained unrealistic, hence those downgrades should not surprise.

Sales for the half were broadly flat year-on-year, yet net profit fell by -17.2% as adverse exchange rates, lower factory overhead recoveries (fixed manufacturing costs being spread over fewer units of production), and

constrained new vehicle supplies squeezed sales margins.

Morgans remains positive on the medium-term outlook for the group's domestic aftermarket business, which should continue to benefit from structural industry tailwinds, network expansion and new revenue channels such as online. The broker is also encouraged by progress made in the US.

Similarly, UBS is excited by ARB's expansion opportunity in the US and highlights a healthy order book, especially for Export through the US business.

In balancing the multiple headwinds encountered in the first half, this broker notes several have now normalised, including the Australian dollar/Thai baht exchange rate and the large 1H25 overhead recovery comparison, while others persist.

These include OEM contract volatility, fitter labour constraints affecting the Australian aftermarket, and reduced OEM new vehicle supply for key products.

The analysts contemplate whether softer Australian new vehicle sales reflect constrained OEM supply or weaker demand tied to wealth effects with the answer likely a combination of both.

ARB's business

The company has a growing international footprint and a multi-channel model spanning Australian aftermarket retail/wholesale, export and OEM programs.

Segments include Aftermarket (Retail/Wholesale), incorporating sales through ARB stores, distributors and retail channels. Elsewhere, OEM involves the supply of accessories fitted to new vehicles by OEMs, while Export accounts for International sales outside Australia, often through distributors.

Over the six months to December 2025, the percentage of total group sales for Aftermarket, Export and Original Equipment was 56.9%, 38%, and 5.1%, respectively.

By geography, reporting segments for ARB are Australasia, the US, Thailand, and Middle East/UK.

Products are distributed through ARB's 79-store Australian network (of which 32 are company owned) to retail customers, ARB stockists, new vehicle dealers, and various fleet operators.

Supporting its omni-channel strategy, management last month launched a direct-to-consumer e-commerce site www.arb.com.au, designed to provide bespoke product solutions across the company's accessory range.

Since FY25, management has continued investing in product development, store network upgrades, and export scalability, particularly in the US.

The product range has also been expanded via targeted acquisitions (notably MITS Alloy) and strategic equity participation in US retail via the 48-store Off Road Warehouse (ORW), incorporating the 4 Wheel Parts (4WP) network.

The ORW/4WP acquisition was profitable in the first half of FY26, with Ord Minnett anticipating further upside.

A material proportion of ARB's products is manufactured in Thailand.

Costs denominated in local currency increased as the Thai baht strengthened against the Australian dollar in December 2024 and remained at historically high levels during 2025, weighing on margins.

Management expects second-half margins to normalise, supported by hedging and more stable overhead recoveries, with exports, particularly to the US, a key growth lever.

During the half, sales to Export markets rose by 8.8%, reflecting 26.1% growth in the US offset by flat sales to the rest of the world, partly due to a delay in Toyota HiLux deliveries into Europe and New Zealand, explained management.

The company also noted the US operation is being supported by a strategic relationship with Toyota US, an accelerated new product program, and a strong performance by the US e-commerce platform launched in 2024.

February 2026 new car sales data

New vehicle sales for February fell -4.5%, which Ord Minnett attributes to ongoing supply disruptions among key manufacturers, providing a near-term headwind for ARB's Australian aftermarket operations.

4WD models (targeted by ARB) registered a more modest -2.6% decline, with Hilux up 0.2% and Ranger up 7.1%, but the broker notes inconsistent deliveries (notably Toyota Prado and Land Cruiser) remain a drag.

Citi notes increasing competition from new lower-priced models where ARB typically under-indexes due to limited engineering resources.

New Chinese entrants included MG MGU9, LDV Terron 9 and Foton Tunland, collectively accounting for around 3% of February category volumes.

Federal Chamber of Automotive Industries Vehicle Facts data continue to reflect strong overall vehicle sales but weakness in key 4WD models.

Against a backdrop of potential model price increases related to new vehicle efficiency standard (NVES) taxes and some demand impacts from the removal of the instant asset tax write-off, Canaccord does not expect the domestic environment to materially improve over the next 12 months.

Outlook

The average target price of the six daily covered brokers who research ARB Corp plunged to \$28.06 from \$36.48 following interim results.

Morgans and UBS both highlight ARB as a high-quality business, upgrading their ratings to Buy from Neutral.

UBS remains positive on the long-term story as the EV transition appears less disruptive than for other auto businesses, with EV trucks skewed more toward metro tradies than ARB's core customer base.

Additional upside lays in leveraging brand strength into the much larger US market, this broker suggests, supported by low-cost manufacturing and a founder-led track record of outperformance.

Citi downgraded its rating to Hold from Buy after lowering its target by circa -48% to \$22.05, awaiting more certainty and confidence around management addressing declining aftermarket sales in Australia.

Outside of daily broker coverage, Canaccord Genuity lowered its target to \$22.90 from \$29.60 and kept a Hold rating.

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COMMODITIES

Liontown Ramps Up As Lithium Price Recovers

Liontown Resources' interim result highlights scaling production with operational performance tracking ramp-up expectations.

- Liontown Resources' interim result shows scaling production
- Operational performance in line with ramp-up expectations
- Underground transition, balance sheet strengthens
- Project expansion decision due in September quarter

By Mark Woodruff



A strong recovery in lithium pricing has put the sector back on investors' radar

Lithium demand remains resilient, UBS notes, despite softer electric vehicle data, supported by rapid growth in battery energy storage systems (BESS), where demand is expanding about 60% year-on-year.

Lithium plays a central role in BESS, enabling renewable electricity to be stored and released when needed, stabilising grids as the energy transition accelerates.

Hard-rock producers such as Liontown Resources ((LTR)) typically sell spodumene concentrate (SC6), an intermediate product rather than a direct battery input.

SC6 undergoes several chemical processing stages to produce lithium hydroxide and lithium carbonate, key inputs for battery cathode materials.

One such material is lithium iron phosphate (LFP), now the dominant chemistry in BESS applications.

Liontown's Kathleen Valley operation produces high-quality SC6 with a lithium oxide (Li₂O) content of approximately 6% to meet demand from global battery manufacturers.

Management noted limited exposure to the Middle East conflict as the Kathleen Valley site is powered around 80% by renewables, with diesel comprising just 4%-5% of the cost base.

Interim performance

The company last week reported first-half 2026 results ahead of consensus expectations, although timing factors played a role, with a \$71m credit applied against operating costs for inventory adjustments, Jarden explains.

As the broker reverses the credit in its second-half FY26 estimate, the FY26 earnings forecast increases only around 1%.

Earnings and the underlying net loss after tax were heavily influenced by ramp-up costs and the shift to fully underground mining at the Kathleen Valley project in Western Australia's Northern Goldfields.

Kathleen Valley has become the first large-scale spodumene-focused underground mine globally.

Kathleen Valley

In 2016, Liontown acquired the Kathleen Valley lithium project in Western Australia's Northern Goldfields, which later became its flagship asset.

Throughout the late 2010s and early 2020s management advanced Kathleen Valley through exploration, feasibility studies, and project financing while securing offtake agreements with major battery and automotive companies such as Tesla, Ford, and LG Energy Solution.

The production ramp-up at Kathleen Valley commenced in July 2024, marking Liontown's transition from a junior explorer to a lithium producer supplying the global battery supply chain.

Bell Potter highlights the operation as a highly strategic asset given its scale, long mine life and location within a tier-one mining jurisdiction.

Referring to the 4mtpa project expansion which is progressing to a final investment decision (FID) in the September quarter this year, Jarden points out Liontown is one of few global producers able to rapidly add brownfield supply.

Expansion study

Management has commenced a refresh of its 4mtpa expansion study for Kathleen Valley. The board is set to make a decision whether to proceed in the September quarter.

The proposed expansion aims to lift throughput above the current 2.8mtpa design capacity and is expected to be delivered through plant debottlenecking and access to additional underground stopes.

Citi estimates total growth capex of -\$260m over 18 months to expand Kathleen Valley to 4mtpa, including -\$100m for a new ball mill and two flotation tanks and -\$160m for underground development.

Kathleen Valley is well positioned for a brownfield expansion, in Morgans' view, supported by existing infrastructure, approvals and a substantial mining inventory already in place.

Given the spodumene market pricing recovery to above US\$2,000/t, Macquarie stresses brownfield expansion opportunities such as Liontown's proposed 4mtpa expansion at Kathleen Valley are returning to focus.

Balance Sheet

Morgans notes the balance sheet has strengthened materially following the company's equity raise in August last year and the conversion of LG Energy Solution (LGES) convertible notes (announced in late January), reducing gearing to 22% from 48%.

LGES converted its US\$250m convertible note and accrued interest into Liontown equity (rather than seek repayment), thereby removing \$482m of liabilities from the balance sheet, Macquarie explains.

In addition, Morgans notes repayments on the Ford loan (principal and interest) were deferred to September this year, reducing funding risk during the Kathleen Valley ramp-up and through the 4Mtpa expansion study and final investment decision window.

As at December 31, 2025, Liantown reported cash of \$390m. On a pro forma basis, and excluding leases, analysts estimate the company is in a net cash position of about \$32m after the conversion.

Jarden forecasts a return to a strong net cash position of more than \$200m at end FY26.

Given current lithium pricing strength, Bell Potter suggests Liantown is well positioned to generate cash quickly, supporting incremental production expansions and potential shareholder returns.

Costs and recoveries

An underlying earnings loss of -\$8m beat consensus expectations of a -\$25m loss, while the underlying net loss after tax of -\$89m proved 31% better than consensus, partly driven by a lower-than-expected tax expense.

Revenue of \$207m rose 107% year-on-year and was broadly in line with the market forecast, given both revenue and cash flow had already been disclosed in the December-quarter production report.

Management maintained FY26 production guidance for Kathleen Valley of 365kt-450kt, expecting the operation to reach a run rate of 1.5mtpa of spodumene concentrate by the end of the March quarter, increasing to a run rate of 2.8mtpa by the end of the June quarter of 2027.

Management expects unit costs to decline to -\$855-\$1,045/tonne on a 5.2% lithium oxide basis (SC5.2), compared with a consensus forecast of -\$913/tonne.

Ord Minnett's expectation is for unit cost of -\$934/tonne.

The reduction is anticipated as underground mining contributes the majority of ore by the end of FY26, replacing the current reliance on open-pit material.

Recoveries improved to average 61% in the period as the plant worked through the planned feed transition, Macquarie explains.

Liantown also expects recovery rates to stabilise at around 70% once underground ore becomes the primary feedstock.

Outlook

Morgans has upgraded its rating for Liantown to Hold from Trim, suggesting the stock is trading around fair value following share price weakness over the past month.

The share price has declined from circa \$2.20 in January to around \$1.55 at the of writing.

Operational performance continues to track in line with ramp-up expectations, while the balance sheet should strengthen under current lithium prices, the broker suggests.

Ord Minnett has raised its rating to Accumulate from Hold, equally on valuation grounds. (On this broker's tiered rating system, Accumulate sits in between Buy and Hold).

Citi notes Liantown's implied SC6 price of US\$1,600/t is in line with peers. This broker's target price is reduced by -3% to \$1.65 per share, with the rating upgraded to Neutral from Sell.

Buy-rated Bell Potter anticipates a stronger second half, supported by a higher proportion of clean underground ore, which should improve plant recoveries and lift production volumes from the 1H FY26 level, alongside materially stronger lithium prices.

While Jarden continues to hold Liantown in high regard for its strong project delivery and early operating performance at Kathleen Valley, this broker maintains "valuation discipline" by retaining an Underweight rating (soft Sell-equivalent) while awaiting a more attractive entry point.

Key risks to this view include renewed strength in lithium prices and a resurgence of corporate activity across

the sector.

There are six daily monitored brokers in the FNArena database that research Liontown Resources.

Bell Potter and UBS have Buy ratings.

Assessing fair value after recent share price weakness, Morgans and Citi both upgraded their ratings to join Macquarie on Hold, while Ord Minnett upgraded to Accumulate.

Outside of daily coverage, Jarden remains with its Underweight rating (between Hold and Sell) and 62 cent 12-month target price.

Jarden's target contrasts with a range between Citi's \$1.65 and Bell Potter's \$2.42 in the FNArena database. The average target of \$1.94 is barely changed from the pre-result level.

In UBS's bear case for lithium, Chinese supply disruption could resolve quicker than anticipated.

Additional supply additions out of opaque regions such as Africa and China also have potential to displace western supply.

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COMMODITIES

When Might Northern Star's Woes End?

As gold prices hit record highs, Northern Star has delivered yet another downgrade, leading brokers to question management, and the share price to tank.

- Northern Star Resources downgrades FY26 production guidance, again
- Jundee and grade issues at KCGM Mill to blame
- KCGM issues at mill upgrade
- Much faith being placed in FY27
- Rapid share price de-rating leaves Buy ratings mostly intact

By Greg Peel



Northern Star's woes remind investors gold miners have operations combining output with costs, and other variables

2026 has been a challenging year to date for gold miner Northern Star Resources ((NST)) despite elevated gold prices.

The company downgraded production guidance on January 2, increased cost guidance on January 20, and increased capex guidance on January 22.

Jarden goes further to point out Northern Star's FY26 production guidance was set at 2.0Moz in the March quarter last year, falling to 1.70-1.85Moz in the June quarter, then to 1.60-1.70Moz in the December quarter, as gold prices surged throughout the period.

Last week Northern Star reduced FY26 guidance yet again, to a "best estimate above 1.50Moz".

After initial share price weakness in early January, to temporarily below \$25, the shares found support from a rising gold price and traded above \$31 prior to last week's guidance downgrade. Today's level is closer to \$21.

The reasons driving the downgrade primarily stem from Kalgoorlie Consolidated Gold Mines (KCGM) mill throughput challenges with intermittent outages in the float circuit and electrical issues compounding downtime, Bell Potter notes.

Throughput over the remainder of the year is now likely to average circa 9Mtpa versus initial 12Mtpa FY26 guidance. Adding insult to injury, productivity at Jundee continued to disappoint with grades failing to meet expectations and prompting a shift in resources to higher-margin operations.

Management reaffirmed all-in sustaining cost (AISC) guidance of -\$2,600-2,800/oz, however, on Bell Potter's assessment this is likely to be potentially pulled at the March quarter result release. Total group gold sales across January-February were 220koz (December quarter sales were 348koz).

Bell Potter has pared back its estimate for KCGM, adjusting throughput to 7.4Mtpa (annualised) in the March quarter and 10.4Mtpa in the June quarter at an average grade of 1.8g/t.

The broker remains sceptical on the throughput grade required to meet the updated guidance, given mined grades are tracking around 1.6g/t and being delivered for processing through the new mill in FY27.

KCGM

FY26 throughput at KCGM has been revised lower to 10Mtpa (versus a capacity of 13Mtpa). Commissioning of the new 27Mtpa mill is expected to occur in the first quarter of FY27, with management indicating it still expects to achieve circa 23Mtpa in FY27.

Macquarie is taking a more conservative approach to the ramp-up, forecasting a throughput of circa 18Mtpa in FY27, which results in KCGM production of 624koz -- some -15% below a current consensus forecast of 734koz.

The issues at the KCGM plant are mainly in the back end of the circuit, which will be replaced in FY27 with the new circuit. However, Citi expects minimal care and capital to be allocated to the current circuit in its final stages.

The drivers of poor operational performance, initially described by Northern Star as isolated operating issues, appear to be more systemic and less episodic than originally presented, Morgans suggests.

That last week saw the second downgrade in roughly 70 days only reinforces this broker's view.

Jundee

Northern Star will undertake an operational review at Jundee with a view to reduce costs and redeploy resources elsewhere.

In 2025, Jundee achieved production of 234koz, but following last week's update, Macquarie has reduced its forecast to 190koz per year. Macquarie's Yandal forecast of circa 425koz is -23% below Northern Star's prior target of 550koz.

Jarden had previously impaired the Jundee asset in its valuation model, "but clearly not enough".

This broker finds it confusing that Northern Star will now direct labour and equipment away from Jundee and undertake an "operational review".

Intuitively, with gold above A\$7,200/oz, Jarden would have expected any marginal ounce of production from this 200-300kozpa asset, over the high fixed cost base, would have been highly earnings accretive.

Clearly, this is no longer the case, Jarden suggests, and the capital cost of extracting the deeper and more metallurgically complex ounces has now eroded much of the operating margin.

This broker reduces its Jundee production forecasts to less than 200kozpa moving forward, increases ASIC to -\$3,000/oz, and further impairs the asset.

Reserves

"Why can't Northern Star mine to Reserve grades?" asks Jarden, adding "additional disclosure would help".

The Jundee underground Reserve grade is 3.9g/t. Mined grade over the past year has declined to 2.5-2.6g/t.

Jarden expects much of the high grade is locked up in refractory ore.

Similarly, the Thunderbox open pit Reserve grade is 1.8g/t and underground Reserve grade 2.2g/t. Mined grade over the past two years has averaged 1.0g/t (open pit) and 1.8g/t (underground), well below Reserve grades.

Disclosure of the independent ore sources (Orelia, Bannockburn, etc) is not provided, Jarden notes. Pogo Reserve grade is 7.6g/t, and mined grade dropped to 5.5g/t in the December quarter. Additional disclosure over independent ore sources and metallurgy would assist in reconciling market expectations with asset capability, in Jarden's view.

Further details around FY26 production and costs will be provided with the March quarterly report to be released on April 22, Canaccord Genuity notes. Northern Star has flagged work is underway on providing more granular detail on the medium-term production, cost and capital outlook for its assets with this information to be presented to the market later this year.

FY27

From August last year through to early March, Northern Star's share price more than doubled as gold prices surged. The share price has fallen -36% this month.

While Macquarie acknowledges the current downgrade and uncertainty exists over the next six months with transformation at KCGM underway, looking through to FY27, the stock's multiples are considered undemanding, with the stock trading on an enterprise value to earnings multiple of 6.5x, improving to 4.5x at spot.

Macquarie cuts its price target on Northern Star to \$25.00 from \$32.00; a level still some 20% above the current trading price, hence the broker retains Outperform (Buy-equivalent).

FY27 commentary remains positive, Morgans acknowledges, with Northern Star prioritising delivery of the KCGM mill expansion, the ultimate driver of longer-term earnings growth, targeted for commissioning in early FY27. Morgans' view this as the right strategic call.

However, this broker also remains conscious of two risks: the truncating timeline to commissioning paired with highly variable legacy mill performance; and the potential share price overhang from diminished management credibility.

Given these factors, Morgans has adjusted FY27 forecasts accordingly, cutting its target to \$30.00 from \$35.00 and retaining Buy.

Citi asks: is this the last guidance downgrade now from Northern Star? That's what this broker assumed in January. Citi cuts its target to \$27.50 from \$33.40 and retains Buy.

Management has effectively drawn a line through FY26, Bell Potter notes, choosing to prioritise commissioning and operation readiness of the upgraded KCGM plant.

This broker senses Northern Star may look to carve out expensive, capital-hungry operations like Jundee, in time, noting, however, that Bell Potter's estimate of value (circa \$5bn) may be "a bitter pill to swallow for some".

Bell Potter is sticking with its \$35.00 target and Buy rating.

Six brokers monitored daily by FNArena cover Northern Star but Ord Minnett (Accumulate; target \$29.70) and UBS (Sell; \$28.00) have not yet updated on the guidance downgrade.

UBS stands out with a Sell rating, and was disappointed by Northern Star's first half result released in February, despite a surprise beat on dividend. At the time, UBS expected further downgrade risk, setting an FY26 production forecast at circa 1,530koz and AISC at around -\$2,850/oz, both outside guidance.

We note UBS' target at the time was \$28.00 and the stock is currently trading closer to \$20.00, so the broker's Sell might be under review (depending on its view about further downgrade risk).

Not so that of Jarden.

Jarden is sticking with its Underweight rating for Northern Star, lowering its target to \$16.60 from \$17.00 -- the only target among brokers cited in this article to have a target below the current trading price, and well

below everyone else.

Simply put, Jarden struggles to identify a positive catalyst for Northern Star and thinks it is too early to become more constructive on the company's operational performance. This broker continues to advocate for improved disclosure and was "staggered" management will take the majority of 2026 to address this critical requirement.

The rapid decline in FY26 guidance only increases Jarden's concerns about the divergence between management guidance and operational performance.

Despite its FY26 earnings estimates declining -14%, RBC Capital identifies near-term valuation support on FY27 forecast multiples, including a double-digit free cash flow yield.

RBC maintains a Sector Perform rating but reduces its target by -11% to \$28.00, reflecting both near-term earnings reductions and a lower long-term production profile at Jundee.

Canaccord Genuity reduces its target to \$28.40 from \$33.80 and retains Buy.

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COMMODITIES

Material Matters: Rare Earths, Aluminium, Coal, Gold, Copper & Lithium

Strategic importance of rare earths; rising thermal coal and aluminium price forecasts due to Middle East conflict; RBC Capital materially raises forecasts for gold, copper and lithium.

- Canaccord Genuity's picks across ASX-listed rare earth exposures
- Prices rising for aluminium and thermal coal due to Middle East conflict
- Potential aluminium smelter closures and gas-to coal substitution
- RBC Capital materially raises gold, copper and lithium price forecasts

By Mark Woodruff



War in Iran has many flow-on impacts for commodities

Canaccord Genuity's picks across ASX-listed rare earth exposures

To complement existing downstream neodymium-praseodymium (NdPr) processing at its Malaysian operations, Lynas Rare Earths ((LYC)) last year expanded into heavy rare earths (HREs) processing, in particular dysprosium and terbium (DyTb).

DyTb are experiencing strong market dynamics due to their strategic importance and China's near monopoly in HRE refining. This has supported significant pricing premiums for ex-China supply, with DyTb oxides currently trading at around four times Chinese prices.

Canaccord Genuity notes the acceleration in development of ex-China supply chains is improving the

commercial outlook for Western producers through stronger demand visibility, lower financing risk and enhanced pricing support.

Prior to processing in Malaysia, Lynas extracts ore from its Mt Weld mine in Western Australia, with concentration at Mt Weld and mid-stream processing at Kalgoorlie.

China dominates both the extraction and refining of rare earths, particularly in strategic HREs elements, where it holds a near-global monopoly.

Given rare earths' importance in energy transition technologies and defence systems, this concentration presents a strategic vulnerability for Western economies.

In response, governments are increasingly prioritising the development of domestic and allied critical minerals supply chains, contributing to a more bifurcated global rare earths market with rising strategic demand and differentiated pricing for ex-China supply.

Rare earths are a group of 17 chemically similar metallic elements.

Permanent magnets represent the largest source of rare earth demand, particularly for NdPr, with applications across electric vehicle motors, wind turbines, robotics and industrial automation, as well as consumer electronics.

NdPr is used in the production of NdFeB (neodymium-iron-boron) permanent magnets, the leading technology in advanced electric motors, while in some applications HREs such as DyTb are added to enhance performance, particularly at higher operating temperatures.

NdPr and DyTb are expected to face supply deficits over the near to medium term, reflecting structurally inelastic rare earth supply, Canaccord explains. New projects are expected to be constrained by high capital intensity, complex permitting and financing requirements, and long development timelines typically spanning 10-15 years.

Against this backdrop, and with demand rising strongly, supply growth is anticipated to lag market requirements.

According to Canaccord, Lynas stands out as the largest producer of separated rare earth oxides outside China and one of the few scaled ex-China producers positioned to benefit from stronger pricing across both light and HRE.

Beyond the ASX100, the broker points to a broader set of opportunities among earlier-stage developers.

These include, Buy-rated Iluka Resources ((ILU)), along with Brazilian Rare Earths ((BRE)) and Meteoric Resources ((MEI)) which are assigned Speculative Buy ratings.

Aluminium and thermal coal

Apart from the Middle East conflict's impact on oil and gas prices, risks are also lifting near-term aluminium and thermal coal prices.

UBS explains aluminium faces risks from supply disruptions and rising energy input costs, while thermal coal pricing is being supported by higher gas prices (European prices have risen by 86% since the start of the conflict), leading to potential gas-to-coal substitution.

A sustained energy risk premium could continue supporting coal prices, the broker believes, while prolonged restrictions through the Strait of Hormuz may trigger additional aluminium smelter closures.

UBS analysts raise their 2026 aluminium price forecast by 13% to reflect the risk of ongoing disruption, while leaving medium-term forecasts unchanged on the assumption the conflict de-escalates, and energy prices and Middle East supply normalise.

Elsewhere, RBC Capital raises its 2026 aluminium price forecast to US\$1.50/lb and lifts its 2027-28 estimates by 7% to US\$1.44/lb, expecting growing deficits as China approaches its capacity to increase production. The broker's long-term price is also raised to US\$1.30/lb from \$1.20/lb.

The aluminium forward curve has moved into steep backwardation, signalling tightening supply, while LME on-warrant (immediately available for delivery) inventories have fallen to their lowest level since May 2025, explains Morgan Stanley.

At the same time, rising withdrawal orders in Asia suggest to the broker metal is being drawn down to cover regional shortfalls. It's felt demand risks remain a counterweight if global growth concerns escalate.

Morgans Stanley highlights Aluminium Bahrain (Alba) has begun shutting three potlines representing -19% of output (308kt) after declaring force majeure on shipments two weeks ago.

This adds to the ongoing shutdown of about -40% of the large aluminium smelter joint venture in Qatar, Qatalum (which accounts for circa 260kt), and the separate closure of the 500ktpa Mozal smelter in Mozambique this month, the analysts explain.

If Strait of Hormuz disruption persists, it's believed alumina and bauxite availability will become a concern, potentially prompting pre-emptive smelter curtailments.

Aluminium had already been Morgan Stanley's preferred base metal for some time, supported by capped Chinese supply, slower Indonesian capacity ramp-ups due to power constraints, and limited expansion elsewhere.

Morgan Stanley analysts remain positive on aluminium prices, with a FY26 bull case of US\$3,700/t.

UBS lifts its 2026 LME aluminium price forecast by 13% to around US\$3,250/t, reflecting supply disruption risks from the Middle East conflict accelerating market tightness. Forecasts for 2027 remain broadly unchanged at around US\$3,300/t.

Larger price revisions for aluminium over thermal coal drive this broker's biggest 12-month target price increase. Pure-play exposure Alcoa's ((AAI)) target rises to \$95 from \$71, with FY26-28 EPS estimates lifted by 13-82%, although UBS retains a Neutral rating (as the share price already moved).

Buy-rated South32's ((S32)) target rises modestly to \$5.20 from \$5.10, with FY26-28 EPS estimates up by 1-14%, as alumina downgrades and Mozal's closure limit aluminium upside across the portfolio.

UBS also raises its 2026 thermal coal price (NEWC) forecast by 9% to US\$126/t while keeping forecasts for 2027/28 unchanged.

Over the medium term, upgraded forecasts still expect thermal coal demand to decline, with prices gradually retreating toward the cost curve at below US\$100/t.

Whitehaven Coal's ((WHC)) target price rises to \$7.90 from \$7.70, with FY26-27 EPS estimates raised by 6%-7%. A Sell rating is retained given thermal coal strength is viewed as temporary and metallurgical coal prices are expected to ease over the next 6-12 months.

UBS downgrades Coronado Global Resources ((CRN)) to Neutral from Buy following recent share price strength, with target price lifted to 40c from 36c. The FY26 EPS forecast is increased by 13% due to higher thermal coal pricing.

While the thermal coal market remains fundamentally well supplied, with high inventories and weak demand indicators, RBC Capital believes two key upside risks remain.

Firstly, there is potential for large production cuts in Indonesia, which would lift prices across grade, particularly lower-quality coal.

Indonesia has flagged possible production cuts to around 600mt in 2026 from 790mt in 2025, prompting some support in benchmark coal prices.

RBC notes similar claims have been made before and producers themselves suggest such cuts are unlikely. Given the impact of the Iran conflict on energy markets, this broker would be surprised if Indonesia ultimately follows through.

The duration of the conflict with Iran is the second upside risk, given its impact on the energy complex, especially European gas prices.

RBC Capital on gold, copper & lithium

RBC Capital makes further upgrades to its gold and copper price forecasts, lifting gold by an average 24% across 2026-27 and raising its long-term price by 33% to US\$4,000/oz.

While the median consensus estimate for **gold** now stands at US\$4,569/oz for 2026, up 14% from three months ago, the broker's forecast sits 25% higher at US\$5,723/oz. For 2027, US\$6,500/oz is expected.

RBC sees strong ongoing demand for gold from both central banks and investors, supported by the yellow metal's role as a non-sovereign asset and portfolio hedge. Gradual monetary policy easing through 2026 is also expected to sustain price momentum.

In general, producers have prioritised deleveraging and returning cash to shareholders in the current cycle, highlights RBC. While lower gold prices from current elevated levels pose a risk, it's thought strong margins and reduced leverage provide a larger-than-normal downside buffer.

Elsewhere, the broker's **copper** forecasts increase by an average 16% over 2026-27.

The analysts argue copper is approaching a structural inflection point, with demand accelerating across electrification, electric vehicles, AI data centres, and defence spending.

This surge is expected to create a roughly US\$200bn supply challenge over the next decade to avoid demand destruction, highlighting the scale of investment required.

While the project pipeline appears substantial, RBC notes few assets are shovel-ready, with many facing technical, social and resource constraints that elevate execution risk.

The view expressed is strong balance sheets and elevated copper prices create a rare "have your cake and eat it too" scenario, where disciplined capital expenditure can support growth without undermining free cash flow.

This dynamic contrasts with previous cycles, the analysts note, when aggressive expansion often coincided with weaker equity performance.

Capstone Copper ((CSC)) is one of RBC's preferred exposures globally given the stock currently trades at a discount to peers and the business has a strong and executable ramp up next year.

In the case of **lithium**, RBC raises its 2026 pricing suite by an average 30%, led by spodumene (35%) and carbonate (29%), reflecting tighter inventories, controlled supply growth from Africa and China, resilient energy storage system (ESS) demand, plus delayed restarts experienced at CATL.

CATL stands for Chinese-based Contemporary Amperex Technology Co. Limited, the world's largest EV battery manufacturer.

For 2027, the broker lifts carbonate and spodumene forecasts by 28% and 24%, respectively, while leaving long-term assumptions unchanged.

PLS Group ((PLS)) is RBC's preferred exposure given near-term operational upside, balance sheet strength, free cash flow growth and longer-term optionality.

Subscribers can monitor ongoing updates to target prices and ratings for above-mentioned companies via The Australian Broker Call Report and Stock Analysis on the FNArena website.

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COMMODITIES

Gold's Outlook No Longer Straightforward

Oil-driven inflation, geopolitical uncertainty, central bank buying and selling and logistical issues in the Middle East will all influence the price of gold in 2026.

- The price of Gold has pulled back from record highs due to war in Iran
- Oil price spike suggests higher rate hike risk
- Central banks are selling as well as buying
- UBS adds five new gold juniors to its coverage

By Greg Peel

The price of gold is down -5% since February 27, when Israel and the US launched attacks on Iran, as a strong year-to-date performance, a strengthening US dollar and its highly liquid characteristics have outweighed geopolitical risk-related inflows.

This is not unusual and Morgan Stanley notes similar pullbacks resulting from covid, the start of the Russia-Ukraine conflict, and Trump's Liberation Day.

Investors have liquidated gold holdings for several reasons in recent months. Prices surged by more than 20% in less than 30 days earlier this year, pushing volatility above 30%, ANZ Bank analysts note, to the highest level since the pandemic.

This sharp rally prompted tactical profit-taking, resulting in more than -150t of gold being sold through February.

Rising prices also triggered multiple increases in margin requirements for gold and silver futures trading across major markets, including Comex and the Shanghai Futures Exchange (SHFE), reducing leverage and weighing on sentiment.

Broad equity sell-offs typically trigger liquidation of gold assets, as was the case in the GFC, covid, the beginning of the war in Europe and now similarly the war in the Middle East.

While it seems counterintuitive that gold should fall when geopolitical risk is heightened, it is simply a matter of leveraged equity investors needing to quickly raise cash to cover margin calls. Once this wash-out runs its course, gold typically re-establishes its status as a hedge against uncertainty.

Morgan Stanley had been highlighting a second half 2026 bull case for gold of US\$5700/oz, driven by expectations of continued central bank buying, Fed rate cuts supporting exchange-traded fund (ETF) inflows, and a shift in investor interest in real assets.

But recent events now result in two-way risks.

While geopolitical risk can be supportive for gold, its performance in the second half of 2022, after Russia had invaded Ukraine at a time the covid supply shock was still prevalent, shows us this is not always the case, especially if it drives inflation and Fed rate hikes, Morgan Stanley points out.

Morgan Stanley still sees two cuts this year, assuming the Fed is able to look through inflation. The analysts also note differences to 2022, when post-covid recovery also contributed to rate hikes.

However, if the Fed does end up on hold for longer or even hiking, history suggests ETFs, which are often the swing gold buyer/seller, could liquidate some of their gold holdings.

Morgan Stanley's forex strategists also see two-way risks for the US dollar, which creates an uncertain outlook for gold. There is also a risk of a stagflation scenario, which is usually positive for gold relative to other assets.

Morgan Stanley continues to highlight its bull case for gold with Fed rate cuts still expected by its economists for June and September.

However, the analysts acknowledge recent events and their potential consequences for macro assets bring more focus on downside risks too, and thus they would rather wait to see how long the conflict lasts to take a stronger directional view.



Gold's positive backdrop includes uncertainty from the Middle East conflict, ongoing trade tensions, the modest outlook for global growth, and de-dollarisation

Gold versus Oil

The US dollar gold price falls if the US dollar rises, and the US dollar has recently strengthened due to its safe haven status, particularly as rising oil prices benefit the US which is a net energy exporter, ANZ analysts note.

In contrast, currencies such as the euro, yen and Swiss franc have weakened, as higher oil prices negatively affect those countries' trade balances.

Despite the risk of short covering in the US dollar, ANZ views the rebound as temporary, given the US dollar remains overvalued in the analysts' view. A return to US dollar weakness is therefore likely to drive renewed investment flows into gold.

While concerns are mounting over the Fed's approach to rate cuts, with higher oil prices raising the possibility of renewed inflation pressures, ANZ sees these pressures as temporary and does not expect the Fed to reverse its monetary policy stance, as the disinflationary trend remains intact.

ANZ's base case remains for three Fed rate cuts commencing in June, with policy rates declining to 3% by the end of December. Lower interest rates should continue to support investment flows into gold.

Equity market volatility is also likely to persist over the near to medium term. As a result, gold should remain a key portfolio diversifier, ANZ suggests, providing protection against a broad range of macro and geopolitical uncertainties. ANZ maintains a positive price outlook for gold, but shifts a previous September quarter forecast of US\$6,000/oz to the end of the year.

Historically, oil price spikes during crises have been short-lived, ANZ notes. This was evident during the 2008 GFC and in the months following Russia's invasion of Ukraine in 2022, when oil prices briefly surged above US\$127/bbl. In both cases, prices reverted quickly, as slower growth, policy tightening and supply responses emerged.

Oil is driven primarily by cyclical and event-driven forces, while gold reflects longer-term concerns around inflation persistence, growth risks and geopolitical fragmentation, ANZ notes.

We have witnessed this year to date, with oil rising from a US\$55/bbl (WTI) low in December throughout the ensuing months as US warships moved to the Middle East, spiking to almost US\$120/bbl when the first bombs

fell, only to revert back to under US\$100/bbl in a heartbeat when Trump said this won't last long.

Now that it is clear the Strait of Hormuz may be closed for some time yet, oil is back over US\$100/bbl. Gold, on the other hand, has slipped back in a more orderly fashion and fluctuations remain limited by comparison.

Gold prices by contrast to oil tend to rise steadily rather than to mean-revert following such shocks, ANZ notes. Every major oil shock has coincided with a higher base for gold prices. The post-GFC period marked a structural re-rating higher for gold, while the post-2020 and post-2022 environments reinforced this trend.

While escalation in the Middle East may push oil prices higher in the near term, ANZ suggests supply and demand responses are likely to cap gains and force prices to mean-revert. In contrast, the same geopolitical backdrop reinforces an already supportive structural narrative for gold, helping explain why the price continues to make new highs as oil struggles to hold its peaks.

Although gold prices have been slow to respond to the latest escalation --unlike during the Russia-Ukraine crisis-- ANZ expects the shifting macro landscape and elevated oil prices to ultimately drive renewed investment demand, reinforcing gold's role as a hedge against a plethora of macro, financial and geopolitical risks.

Logistical Impact

While there has been much coverage of the plight of global ex-pats (including Americans) being stranded in Gulf states as Iran attacks its neighbours, given no warning forthcoming from Trump, few may realise the grounding of many commercial flights, leading to the prioritising of perishable and essential cargo, has limited the volume of gold being transported by air.

Alternative routes are constrained by security, insurance and border-control risks. Gold is typically transported by air due to its high value-to-volume ratio, ANZ notes.

The UAE plays a critical role as a refining and exporting hub and serves as a transit point for shipments from other gold-producing countries.

India, for example, sources around one-third of its gold imports from the UAE. ANZ points out these logistical challenges are likely to tighten the availability of gold in the physical market.

Central Banks

With gold prices fluctuating and expectations shifting around global interest rates, attention has once again turned to the countries holding the world's largest reserves of the precious metal, BestBrokers notes, and whether their next moves, from continued accumulation to potential sales, could reshape the balance of the global market.

While some countries accelerated their purchases earlier this year to strengthen and diversify their reserves, others took advantage of elevated prices to realise gains by selling part of their holdings.

Following Poland's position as the largest buyer last year, central bank demand has broadened in 2026, BestBrokers reports, with more emerging economies entering the market to diversify reserves.

Uzbekistan and Malaysia have already emerged among the notable buyers, while several countries have begun trimming their holdings, led by Russia, needing to finance its own war, Bulgaria, which has shifted gold holdings to the ECB as it switches its currency to the euro, along with Kazakhstan and Kirgizstan.

Smaller purchases were reported by the Czech Republic, Indonesia, China, Serbia, El Salvador, Singapore, Mongolia, and Egypt, highlighting a widening base of buyers.

It is suggested Poland may now sell some of the gold it bought last year to finance its defence requirements.

Gold is likely to remain a focal point for central banks and investors alike, BestBrokers suggests, with a more measured pace of accumulation expected in 2026 compared with the frenzied activity of 2025. Emerging economies are set to continue diversifying their reserves, while larger holders may trim or rebalance positions amid elevated prices.

Geopolitical tensions, inflationary pressures, and currency volatility are expected to sustain gold's safe-haven

appeal, while continued inflows into ETFs could amplify short-term price swings.

Overall, BestBrokers believes the trend points to a broader, more strategic approach to gold reserves, with central banks using bullion not only as a hedge against uncertainty but also as a key tool for managing portfolio risk in a complex global economic environment.

ANZ also expects central bank demand to broaden this year. The main downside risk would be selling by developed-market central banks, although this remains unlikely.

Given the geopolitical and fiscal challenges facing many advanced economies, gold continues to play a crucial role in reserve portfolios, ANZ notes.

Gold holdings have also depleted since 2000, so rather than outright disposals, any adjustments are more likely to occur through swaps or portfolio rebalancing.

Aussie Juniors

As the gold price has risen over past years, Australian brokers have been consistently adding additional, little-known, junior gold miners to their coverage universes. To that end, UBS has now added five new juniors to its coverage, taking its gold coverage universe to 14 names.

UBS initiates on all five with a Buy rating.

In order of preference, UBS has added Pantoro Gold ((PNR)), with a price target of \$7.50, WestGold Resources ((WGX)), target \$10.25, Minerals 260 ((MI6)), target \$1.20, Catalyst Metals ((CYL)), target \$11.25, and Ora Banda Mining ((OBM)), target \$1.60.

The upside to UBS' target prices from current traded prices (March 17) range from 16% for Ora Banda to 120% for Pantoro.

Strong volume growth and gold prices remaining elevated provides a healthy pathway to higher earnings and cashflow for these juniors. UBS calculates production volume compound annual growth rates to FY30 for these names range from 8% to 22% with combinations of better utilisation, higher throughputs and higher grades often working in tandem.

UBS remains positive on the backdrop for gold pricing, with uncertainty relating to the Middle East conflict and geopolitics, ongoing trade tensions and the modest outlook for global growth, and de-dollarisation all supportive of the UBS view.

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INTERNATIONAL

Iran Disruption Now Market's Base Case

Daleep Singh, Vice Chair and Chief Global Economist at PGIM, explains the many ins and outs from the current oil supply shock, and why he remains positive on the US economy and equities.



The world's focus remains firmly on the war between Israel/US and Iran

The "Hydra Holdout" scenario —a decentralized Iranian regime hunkering down and wreaking havoc at the world's most important chokepoint— has graduated from a tail risk to the base case.

#1: The Hydra Holdout is Now the Base Case

Three dynamics explain why our base case has changed to the "Hydra Holdout".

- 1. Mining Changes the Timeline.** Reports of IRGC "smart mine" deployments throughout the Strait of Hormuz have extended the conflict's likely duration. Even with the U.S. Navy's most advanced mine-countermeasures, declaring an "all-clear" in the Strait will probably require months, not weeks — which means the risk premium in oil markets will endure.
- 2. Stocks Cannot Solve a Flow Problem.** Markets are correctly discounting the limited protective power of International Energy (IEA) and Strategic Petroleum Reserve (SPR) releases. The stock of strategic reserves being released is unprecedented, but the physical bottleneck is insufficient flow.

Drawing from the 2022 experience, the combined SPR/IEA release can likely pump no more than 3-3.5 million barrels per day (bpd) into an energy market facing a -20 million bpd disruption — not just to crude oil but also a long list of refined products.

- 3. Mismatched Objectives.** While Washington signals its desire for an exit ramp, Tehran's new Supreme Leader appears intent on a collision course, aiming to extract a ruinous economic price to reconstitute strategic deterrence. When one side seeks a deal and the other seeks exhaustion, the conflict persists.

#2: How Enduring is the Oil Shock?

The futures curve for Brent oil tells us that we're in this shock for a couple of quarters. My judgment is that it's fairly priced against a realistic mine-clearing timeline—but with no margin for error on Iran's residual threat stack, i.e., mines, drones, missiles, and swarms of fast-attack craft.

March spot contracts (US\$100-US\$120/barrel) reflect the immediate bottleneck: a 2-4 week closure of the Strait of Hormuz, with near triple-digit prices reflecting the historic supply shortfall. Prices on second-quarter contracts (US\$90-US\$95/bbl) drop only marginally, which makes sense: neutralizing "smart mines" is a painstaking, object-by-object process measured in months, not weeks.

The meaningful price drop in June contracts (US\$80-US\$85/bbl) suggests the market is betting that by Q3, the U.S. will have certified enough transit lanes to permit escorted convoys, even if the broader Strait remains contested. Fair enough: the 1987-88 Tanker War precedent shows the U.S. can operationalize escorts under fire, and destroying 30+ Iranian minelayers has degraded Iran's ability to meaningfully expand the minefield.

The Q4 portion of the curve (US\$75-US\$80/bbl) assumes full clearance and a return to the structural oversupply dynamics—U.S. shale growth, non-OPEC supply gains—that dominated the oil market in early January.

What the curve underprices is the reset risk: a single strike from Iran's threat stack in a geographically confined chokepoint doesn't just delay the recovery; it resets the timeline and spikes the risk premium back to today's levels.

#3: Why Policy Options, Like Suspending the Jones Act, or an Export Ban, Aren't a Panacea

The U.S. Administration's suspension of the Jones Act should help relieve structural friction in the U.S. energy supply chain. Under the Jones Act, any ship moving goods between two U.S. ports must be American-built and American-crewed.

Because there are fewer than 100 of these "compliant" tankers, it's often cheaper for New York or Boston to import fuel from overseas than to wait for a ship from Texas. By waiving the Act, the government is now allowing thousands of international tankers to carry fuel from the Gulf Coast to the Northeast.

Even with more ships, however, the efficacy of the plan is limited by a mismatch: about 70% of U.S. refineries are built to process thick, "heavy" Middle Eastern crude, while the U.S. mainly produces "light" shale oil. Put plainly: the U.S. can now move fuel around more easily, but it still can't refine enough of what it produces for self-sufficiency.

A second proposed lever—banning U.S. crude exports—carries similar limitations. Because most U.S. refining capacity is designed to process heavy crude, an export ban would create a domestic glut of light oil that U.S. refineries cannot absorb, potentially forcing plants to throttle down production and reducing the total supply of refined products.

At the same time, pulling U.S. supply from the global market would spike the Brent benchmark along with domestic gas prices. Double whammy.

#4: U.S. Macro Transmission: Inflation Accelerant

The oil shock will bite—though less like a growth killer and more as an inflation accelerant. A sustained move to US\$120 Brent would add roughly 0.7-1.0 percentage points to headline personal consumption expenditures (PCE) inflation and 15-20 bps to core PCE, due to upside pressure from energy-intensive services (e.g., transportation, industrial, and utilities).

The energy shock is arriving on top of existing supply-side constraints. In the labor market, net migration to the U.S. turned negative in 2025 for the first time in roughly half a century, per Brookings, pushing breakeven job growth into, or near, negative territory as the native-born working-age population shrinks and retirements accelerate.

In the trade sector, even after the Supreme Court's IEEPA ruling, the statutory average U.S. tariff rate will likely settle near 15%—roughly 6x higher than in January 2025.

The Administration has fast-tracked multiple Section 301 investigations covering almost the entirety of U.S. imports, with the explicit goal of restoring tariffs to pre-ruling levels before the 150-day Section 122 surcharge expires in mid-summer.

As pre-April 2025 inventories are exhausted in the first half of 2026, and with the Customs and Border Protection becoming increasingly adept at policing transshipment, tariff passthrough to core goods CPI should accelerate throughout the year.

All told, U.S. PCE inflation looks likely to accelerate well above 3% –and possibly hit 4%– by end of summer, with core PCE hovering around 3% as well.

#5: U.S. Growth Hit: Modest Topline Drag, Painful Sequence...

The growth hit from the energy shock to annual GDP in 2026 is on the order of -15-20 bps, but the modest topline drag masks a painful sequence. For consumption, the drag is immediate and regressive.

At current Brent levels, the spending drag will amount to -0.5-0.7%, subtracting from a 2025 baseline of about 2.5%. The impact falls disproportionately on lower- and middle-income households, who generally lack the savings buffers to absorb a sustained energy cost spike without cutting discretionary purchases.

The positive growth offset from higher energy capex is, by contrast, lagged and uncertain. U.S. shale firms are reportedly prioritizing capital discipline over market share, treating the current price spike as a temporary geopolitical event rather than a structural shift.

Even if this posture changes, history suggests a six- to nine-month lag between sustained price signals and meaningful increases in drilling activity—implying a U-shaped hit to GDP growth through 2026 on the order of -0.5% at the trough.

#6: ...But Demand-Side Strength Remains Robust

Despite the energy shock triggering a meaningful near-term consumption dip, I am holding to an above-trend 2.7% U.S. real GDP forecast for 2026, anchored by three assumptions:

1. **AI capex is largely intact.** Of the projected US\$700bn in AI-related capex this year, roughly 75% is directly tied to AI infrastructure, and the bulk is already committed through purchase agreements for graphics processing units, long-term data center leases, and cloud compute contracts that carry significant cancellation costs.

The logic is self-reinforcing: any hyperscaler that blinks on capex in response to a temporary macro shock risks losing competitive advantage in a winner-take-most infrastructure race, making this spending less sensitive to the energy price environment than virtually any other category of business investment.

2. **High-income spenders will likely smooth through the shock.** High-income spending is wealthy-driven and largely immune to energy prices. The top decile accounts for nearly 50% of total U.S. consumption, and with the S&P500 having more than doubled since the October 2022 trough –adding more than US\$25 trn in market value, the vast bulk accruing to the top decile– that spending is functionally decoupled from US\$4.00/gallon pump prices.

3. **Bottom line:** as a result of the two assumptions above, the key risk to AI capex and wealthy-driven consumption isn't an oil price spike per se, but a sharp and sustained correction to tech valuations in the equity market.

#7: Don't Forget Fiscal: Path of Least Political Resistance = More Spending

A third source of demand resilience is a positive fiscal impulse that may grow even stronger in the aftermath of the energy shock.

Last year's stimulus, plus the reversal of the 2025 shutdown, already provides a front-loaded 1-2% GDP boost in 2026. The tax bill also created a withholding mismatch –its mid-year 2025 cuts were never reflected in withholding tables– producing record average refunds of nearly US\$4,000 this year, a 10% jump over last year.

The fiscal injection is hitting households now, just as gas prices spike, and should peak in late March.

There is also a growing potential for Reconciliation 2.0. The House Budget Chair and the Republican Study Committee have already unveiled a fiscal framework packaging additional stimulus –centered around “affordability” as the key theme– that could include immediate relief from the energy price spike.

If it follows through, it will pour more fuel on the demand fire just as the oil shock begins to wane into Q3.

#8: U.S. Monetary Policy: Cuts Deferred, Not Abandoned

On monetary policy, I am revising my terminal rate forecast from 2.5% to 3.0%, with that level reached by end-2026 or early 2027.

The oil shock has closed the door on the more aggressive easing path I previously envisioned – headline Personal Consumption Expenditures (PCE) running toward 4% this summer is simply not a rate cutting environment, especially with memories of 2022 still fresh for a new Fed Chair with something to prove on inflation credibility.

To be clear: I see this as a deferral, not an abandonment, of a dovish shift in Fed policy.

The cutting case reasserts itself in the second half as consumption growth softens, the oil price shock dissipates, and the AI-productivity signal becomes harder to dismiss: nonfarm business productivity has now run above 4% for two consecutive quarters, and Fed Chair nominee Kevin Warsh has staked his intellectual framework explicitly on the Greenspan 1990s analogy – that a forward-looking Fed should lean into a looming productivity boom rather than fight it.

#9: Overheating: The Collision of Two Eras

If it wasn't already clear, my base case for the U.S. economy is now overheating. We are watching “old school” supply shocks –oil, tariffs, labor constraints– collide with a 2030s-style demand engine powered by AI.

Until AI capex translates into a productivity dividend –which we believe is still at least a year away from being disinflationary– the two forces are not offsetting.

They are compounding, producing sticky high inflation above 3%, very high nominal growth above 6%, higher long-term interest rates, steeper yield curves, and ongoing depreciation of the dollar.

#10: How this Ends?

The ongoing energy shock isn't uniformly painful – and the map of winners and losers matters for how this ends.

The near-term winners are the out-of-region exporters – Latin America, Norway, Canada, and the U.S. shale patch, which is collecting a windfall even while sitting on its hands.

Russia is another beneficiary: every week the Strait stays closed, Moscow collects a larger energy windfall while Western attention and resources are consumed by a theater far from Ukraine.

The Gulf producers, meanwhile, face the irony of a price spike they can't monetize: with storage filling and tankers unable to transit, Iraq and Kuwait have already been forced to cut production.

On the losing side, the shock is cleaving the emerging market universe: wealthier Asian importers can draw on reserves, but poorer fuel- and food-importing states in Africa and South Asia face immediate fiscal strain and potential social unrest.

Europe, confronting a renewed energy crisis through the oil-gas price linkage, is too exposed to stay neutral, but has limited direct leverage over Tehran.

The most underappreciated source of pressure on Tehran may be from China. Its manufacturing economy runs on Gulf crude, which means Beijing has both exposure and leverage – as one of Iran's primary patrons and its key economic lifeline.

If the Strait remains closed into the scheduled Trump-Xi summit (now potentially delayed into April), the war in Iran will be the centerpiece of the agenda, and the key ask from the White House could involve help with brokering a face-saving exit.

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INTERNATIONAL

Emerging Markets At An Inflection Point

Global market dynamics are changing, and to the potential benefit of Emerging Markets, reports Ernest Yeung, Portfolio Manager, Emerging Markets Discovery Equity Strategy at T. Rowe Price.

- Extreme dominance of US equities puts focus on alternatives
- Valuations in Emerging Markets remain relatively attractive
- Comparatively light investor positioning adds to EMs attraction
- US dollar weakening tends to benefit EMs



Multiple factors are redirecting investors' attention toward Emerging Markets in 2026

After a decade defined by US exceptionalism, the most important market signal today may not be a new technology trend or an election cycle, it may be the direction of capital itself.

Emerging markets (EM) have delivered a strong run over the past year. Initially, the rally appeared tactical: valuations were discounted, the US dollar softened, and investors sought opportunities beyond an increasingly concentrated US market.

But the narrative is evolving. What began as a rebound may be developing into something more structural, powered by capital flows, currency dynamics, and a macroeconomic cycle that increasingly favours parts of the developing world.

US equities now account for roughly two-thirds of global equity benchmarks, an extraordinary concentration.

When allocations are that skewed, even modest adjustments can have meaningful consequences. A one-percentage-point reallocation away from US equities can translate into a proportionally significant inflow into EM simply because the asset class is smaller.

What feels incremental in the US can feel amplified elsewhere, both in equity prices and currencies.

Dollar weakness over the past year has already encouraged investors to deploy capital outside the US, lifting Europe, Japan, and emerging markets. But Europe and Japan have enjoyed multi-year rallies and positioning there appears increasingly crowded.

Emerging markets, by contrast, have rallied for only about 12 months. Valuations remain relatively attractive and investor positioning is still comparatively light.

There is also growing unease, particularly among European and UK allocators, about concentration risk in US assets. This is not a wholesale retreat, but portfolio shifts often begin at the margin.

At the same time, US-based investors are responding to the same currency signal: when the dollar weakens, international assets become more attractive in home-currency terms. Different motivations may be leading to the same outcome, with capital gradually rotating outward.

If that rotation persists, EM could become a higher-beta beneficiary.

The structural case extends beyond flows. Since the pandemic, developed and emerging economies have followed different policy paths. Developed markets maintained fiscal support and accommodative monetary policy for longer, contributing to persistent inflation and limiting policy flexibility.

Many emerging markets, by contrast, tightened earlier and more aggressively.

Brazil's policy rate, for example, reached the mid-teens. Several EM central banks acted decisively, bringing inflation under control sooner. As a result, much of the emerging world now has greater scope to ease policy if growth slows, flexibility that developed markets may lack.

If the Federal Reserve begins cutting rates, some EM central banks could ease more assertively, creating room for positive growth surprises.

Unlike previous cycles, when developed and emerging markets moved largely in sync, today's trajectories appear increasingly distinct. Developed markets look late-cycle and inflation-constrained; parts of EM may be earlier in their recovery phase.

That divergence may strengthen the argument that this is more than a valuation trade.

Artificial intelligence (AI) remains the dominant global equity narrative, and some investors question whether rotating away from the US means giving up exposure to that theme.

In reality, EM offers differentiated participation. Taiwan and Korea, the two largest emerging equity markets, sit at the heart of the global semiconductor supply chain.

The current earnings impulse in AI hardware runs directly through these markets, where capacity tightness and pricing power have supported strong performance. In recent months, select Korean semiconductor names even outperformed headline US technology stocks.

China presents a more nuanced opportunity. While property and heavy industry remain under pressure, privately owned internet and technology platforms are building a ring-fenced domestic AI ecosystem.

Many are perceived to combine reasonable growth expectations with strong balance sheets and potentially meaningful shareholder returns through dividends and buybacks. Unlike segments of the US AI complex, where concerns about overinvestment and stretched valuations are rising, China's domestic ecosystem operates under different competitive dynamics.

The broader point is that diversification into emerging markets does not require abandoning technology exposure; it simply changes its expression.

At the same time, selectivity is essential, particularly in China, where dispersion between sectors is wide. Outcomes vary meaningfully among state-owned enterprises, private technology firms, exporters, and domestic consumption franchises.

In such an environment, active management can materially influence results.

Beyond technology, structural global spending on defence, infrastructure resilience, and supply chain security is supporting commodity-linked emerging economies across Latin America, South Africa, and parts of Southeast Asia. These markets were overlooked for much of the past decade, but firmer commodity prices, improving fiscal discipline, and supportive currency trends appear to be rebuilding momentum.

Risks remain. A forceful resurgence in US growth that strengthens the dollar could slow or reverse capital flows. A sharp unwinding of the AI cycle would affect technology-heavy markets such as Taiwan and Korea. A broad global slowdown would weigh on export-oriented economies.

Trade policy is also worth monitoring, although many emerging markets have diversified supply chains in recent years, reducing vulnerability relative to prior cycles.

Ultimately, the direction of the US dollar remains the central variable. Emerging market cycles have historically turned on currency dynamics, and that remains true today.

The recent rally began as a tactical response to discounted valuations and early signs of dollar weakness. The structural case now rests on reinforcing pillars: capital rotating away from historically concentrated US allocations, a softer dollar supporting EM financial conditions, and macro as well as earnings divergence favouring select emerging economies.

There is also a simple portfolio-math reality at work. When one market dominates global benchmarks to an extraordinary degree, even modest rebalancing can have outsized effects elsewhere. Capital flows rarely shift dramatically at first.

They drift and then they compound.

For investors increasingly uneasy about concentration risk and late-cycle developed markets, emerging markets may represent more than a cyclical catch-up trade. They may signal a broader rebalancing of the global equity landscape.

If the dollar remains supportive and allocations continue to normalise, EM's smaller size could magnify the impact. That combination of flows, valuation, and earnings breadth does not appear often.

When it does, it is usually worth considering.

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RUDI'S VIEWS

Rudi's View: Oil, Inflation, Growth & Stagflation

2026 is not a repeat of the 1970s, but the longer global oil supply remains interrupted, the more financial markets will start focusing on its impact on global growth.

By Rudi Filapek-Vandyck, Editor

Oil, Inflation, Growth & Stagflation

Whether we like it or otherwise, but financial markets are being held hostage by the Strait of Hormuz and the related spike in prices for oil and gas.

The uncertainty about what comes next and how quickly, or not, the global energy supply bottleneck might be resolved is keeping a firm lid on equity markets, with Australia's major indices now down thus far for calendar year 2026.

All in all, and to the surprise of more bearish inclined market observers, the global response on markets has remained relatively muted.

No doubt, this reflects a general view the US administration is not prepared to risk the mid-term election later in the year over this ill-thought out full-frontal attack on the Iranian regime.

But a quick resolution is, of course, by no means guaranteed. A staunchly defiant new Iranian head of state is testament to that statement.



The price of energy is now guiding financial markets and policy makers

How Much Damage?

Even if this war will be over within the next number of weeks, as suggested by the US administration, today's relative calm on equity markets might well severely underestimate the damage to supply and the world economy that is in place by then.

A recent assessment by analysts at **UBS** put it as follows:

- The Strait of Hormuz remains closed to the end of March (two more weeks); this might see oil priced at US\$120/bbl
- Under a scenario whereby there's no let up until late April, oil could well be priced above US\$150/bbl

For good measure, there is but a valid argument to be made US president Trump is already laying the foundations for a signature TACO move, whereby he declares 'mission accomplished' and ceases further hostilities, but maybe things aren't that easy and straightforward anymore?

Last week's oil markets assessment by **ANZ Bank** yet again emphasised the risk for much larger damage to supply is rising and not reflected in today's markets, be they fixed interest, commodities, energy or equities, and the clock is ticking.

By late March, ANZ analysis suggests, well shut-ins will start emerging on the back of interrupted access to electricity, water and gas, not to mention the risks for staff employed throughout the region.

Once wells are shut-in, bringing them back online is neither immediate nor guaranteed.

So the risk is real that what are at face value temporary disruptions can quickly turn into longer-lasting supply losses, even if the war ends or security conditions stabilise.

The release of emergency inventories, as already announced by the International Energy Agency (IEA) and locally the Australian government, will have a tempering impact, but it doesn't solve the underlying problem.

And thus energy prices will then remain higher-for-longer.

The longer the disruption persists, the higher the price will rise to restore the market's balance, ANZ predicts.

The key message from that assessment is higher oil prices are no longer solely the result of rather extreme outcomes, such as an extended closure of the Strait of Hormuz.

ANZ Bank has now made US\$100/bbl its base case scenario for Q2, with the additional warning investors should not be complacent about ongoing risk to the upside.

Not A Rerun Of The 1970s

Modern day economies are by no means directly comparable with the situation throughout the 1970s.

Average oil usage has dropped by some -70% since, but oil remains important and in today's context average household spending was already under pressure from the cost-of-living crisis.

Last week's economic data in the US were noticeably weaker than anticipated. As pointed out by economists at **National Australia Bank**, US January real personal consumer spending was up just 0.1% m/m and has averaged that meagre pace for the past 3 months.

Q4 GDP growth was revised down from 1.4% q/q to just 0.7% q/q.

With such low markers, it doesn't take much for markets to start contemplating the effect from pricier oil and gas, and other consumer expenses, and from higher bond yields, as markets respond to higher inflation forecasts, on economic growth.

The longer this situation remains unresolved, the louder the voices that warn stagflation is on the horizon.

Stagflation Has Many Faces

Let's start with the bad news: if the world were to revisit the original stagflation definition from the 1970s, i.e. negative growth in combination with elevated inflation, there will be very few, if any, places to hide in

equities.

Contrary to popular misconception, not even the energy producers themselves managed to protect their shareholders from the big bear market downswings throughout the 1970s.

That stark reality-check was once again backed-up by last week's historical research conducted by **UBS**.

There won't be many forecasters around to confidently predict the world is about to relive the oil shocks from the 1970s, but then stagflation doesn't have to be an exact copy of back then.

Low growth and high inflation is also addressed as stagflation, and such a potential outcome is by no means fanciful.

See also: last week's US economic data, households under multiple pressures already, equity markets trading at sizeable premia against their own historical averages.

The message for investors is that, so far, markets (and central bankers) are predominantly focused on oil's impact on inflation, backed by widespread confidence there's a TACO on the horizon, albeit without knowing the exact timing of it.

The longer energy markets remain disrupted, the higher the lasting impact and thus markets will, at some point, shift their focus from inflation to lower growth.

If and whenever that happens, the changes in money flows and in momentum could be nothing less than dramatic.

To prove that point: some of your traditional defensives --think REITs and infrastructure stocks-- are out of favour today because higher bond yields (inflation) are depressing their valuation.

But their operational momentum might stay relatively unaffected during times of economic duress, not to mention the opposite effect from falling bond yields (lower growth).

A similar observation can be made about the technology sector, which remains under severe pressure from all kinds of narratives this year, including rising bond yields.

But once the focus shifts to dependable and reliable growth, many of those companies will instantly look a whole lot more attractive again (in particular since they've already sold off so much).

The pendulum switch will equally hit today's inflation beneficiaries; miners and energy producers, in the opposite direction.

Lessons From History

Last week's historical research by **UBS** confirms the above, but it also suggests there remains room for lots of in-between scenarios.

Consider, for example, history shows when economic growth is low and inflation high (above 4%) the best performing sectors are Telecom and Technology (TMT), gold miners and construction companies, with the energy sector at the bottom of the performance ranking, together with mining and banks.

But when growth is low and inflation only medium high, gold miners sit with insurance and construction companies among worst performers and energy, TMT and Industrials make up the top three of best performers.

These rankings shift quite dramatically in each variation of higher growth and lower inflation.

For obvious reasons, it's one hell-of-a-task to identify those stocks most likely to protect investors in the months/year ahead -- we don't actually know what will be the actual context and/or market's focus (or when that focus switches).

UBS analysts have offered their picks under two different scenarios:

-under a period of '**hard stagflation**' for the Australian economy (i.e. negative growth (recession) and elevated inflation), UBS seeks refuge among food staples production and retailing, including:

- Amcor ((AMC))
- Coles Group ((COL))
- Rural Funds Group ((RFF))
- Region Group ((RGN)), and
- Woolworths Group ((WOW)),

as well as infrastructure-like businesses, including:

- APA Group ((APA))
- Aurizon Holdings ((AZJ))
- Cleanaway Waste Management ((CWY))
- Transurban ((TCL)),
- and Telstra ((TLS)),

plus companies with heavy exposure to government/defence and utility maintenance, including:

- Downer EDI ((DOW))
- Ventia Services ((VNT)).

-under a milder version of stagflation, with **low/sluggish economic momentum and still high inflation**, investors should expect leading and quality businesses to shine because of their relative resilience. Think:

- Brambles ((BXB))
- REA Group ((REA))
- Wesfarmers ((WES)),
- and WiseTech Global ((WTC)),

but UBS also includes Santos ((STO)) and Woodside Energy ((WDS)), as well as BHP Group ((BHP)) and South32 ((S32)).

Other companies mentioned include Aristocrat Leisure ((ALL)), Collins Foods ((CFK)), JB Hi-Fi ((JBH)), Scentre Group ((SCG)), Sigma Healthcare ((SIG)), and TPG Telecom ((TPG)).

-UBS analysts emphasise most stocks will suffer under stagflation, even in a milder form, but some stocks are likely to suffer more, such as companies exposed to the residential property cycle, including:

- Mirvac Group ((MGR))
- Pexa Group ((PXA)),
- and Stockland ((SGP)),

as well as companies like Nine Entertainment ((NEC)) and Seek ((SEK)) that would be hit through job losses and weak property (advertising) markets.

Consumers trading down could well negatively impact the likes of:

- Bega Cheese ((BGA))
- Breville Group ((BRG)),
- and Treasury Wine Estates ((TWE)), and also:
- Adairs ((ADH))
- Harvey Norman ((HVN))
- Super Retail ((SUL)),
- and Temple & Webster ((TPW)),

as well as travel companies, including Flight Centre ((FLT)) and Qantas Airways ((QAN)).

Note that historical precedents of hard stagflation scenarios have seen the Australian share market lose -50% of its value (hence we are all hoping that scenario remains firmly off the table).

Defence & Rare Earths

As per always, there is a lot more going on in financial markets than energy and inflation. On Monday, **Ord Minnett** released a special report on counter-drone and rare earth opportunities for local investors.

The investment thesis is the current battlefield in Iran is highlighting the significance of drones versus much more expensive rockets and missiles, as well as the strategic importance of rare earths.

Ord Minnett highlights the following:

- Electric Optic Systems ((EOS)), rating Speculative Buy, target \$12.95
- Viridis Mining & Minerals ((VMM)), Speculative Buy, target \$4.70
- Meteoric Resources ((MEI)), Speculative Buy, target \$0.40
- Brazilian Rare Earths ((BRE)), Speculative Buy, target \$7.50
- Northern Minerals ((NTU)), Speculative Buy, target \$0.05

In addition, Ord Minnett analysts have added the following two to their **Analysts' Conviction List**:

- Breville Group ((BRG))
- Service Stream ((SSM))

For the full list (and more): see Rudi on Thursday on the website on Thursday.

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Dividend Investing, The Smart Way_250(1)



Cover Investing in GenAI - medium sized

(This story was written on Monday, 16th March 2026. It was published on the day in the form of an email to paying subscribers, and again on Wednesday as a story on the website).

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

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

RUDI'S VIEWS

Rudi's View: Top Picks & Conviction Buys

Top calls and sector favourites from strategists and analysts for when better times arrive for Australian equities.

By Rudi Filapek-Vandyck, Editor

With global equities dominated by the war in Iran and its impact on energy prices, a strong relief rally could well be triggered by any sign of cease-fire or negotiations taking place.

You can pick your preferred alternative too: the Iranian regime crumbles, an international alliance secures the safety of the Strait of Hormuz, Iran runs out of missiles, et cetera.

In case such a relief rally eventuates, **Macquarie strategists'** favourite strategy is to own stocks that have fallen by at least -10% since the dropping of the first bombs, but that should have been supported by upgrades to forecasts coming out of the February results season.

Among ASX100 companies, these characteristics belong to:

- Sandfire Resources ((SFR))
- ALS Ltd ((ALQ))
- James Hardie ((JHX))
- Hub24 ((HUB))
- Downer Edi ((DOW))
- Brambles ((BXB))
- Qantas Airways ((QAN))
- Charter Hall ((CHC))

Macquarie strategists do also warn the sudden change in energy pricing dynamics is already changing the context for central bank policies with rate hikes rather than rate cuts becoming more likely.

See also the RBA's two recent meetings locally.

The strategy team at Macquarie has been among the more hawkish when it comes to central bank policies, on my observation.

Further out, such a change in general context will redirect money flows into defensives, Macquarie reminds.

Defensives that came out of February supported by positive momentum and EPS forecasts, include:

- Woolworths Group ((WOW))
- a2 Milk ((A2M))
- Ramsay Health Care ((RHC))
- Telstra ((TLS))
- Aurizon Holdings ((AZJ))

Another reminder from the same team: Value and Resources tend to outperform after rate hikes, but by less than they do before hikes. Gold, Utilities, Infrastructure & Energy often outperform after hikes start.

Technology is the number one underperformer.

Elsewhere, analysts at **UBS** have reminded investors if/when oil prices are now to remain above US\$100/bbl there's only one sector on the exchange that should see an increase in forecasts and sentiment, and that is the energy sector.

Sectors that should see no direct impact are Commercial Services & Supplies, Insurance, Media, Pharma, Real

Conviction Calls and Best Buys

Morgan Stanley's global strategy preference is to remain overweighted US equities, with emphasis on Quality, large caps over small caps, and cyclicals over defensives.

Fed policy (no hikes), corporate and consumer tax breaks (OBBBA), fading headwinds from tariffs, and more deregulation are all still seen supporting an acceleration in economic momentum for the US economy this year.

Morgan Stanley is equally expecting the first clear signs of AI productivity improvement to emanate from the corporate results season in May.

While 'AI Bubble' talk is keeping a lid on valuations, Big Tech could still have another good year in store, Morgan Stanley predicts.

Strategists at **T Rowe Price** has move modestly Overweight Australian equities on the belief that earnings momentum is improving.

They do acknowledge the price of oil is a risk.

Their allocation to US equities is Underweight as valuations continue to be assessed as 'stretched' in combination with risks around AI and inflation.

UBS's real estate analysts are worried a replay of 2022 might be on the cards as inflation is back on the rise and bond markets and central bankers are paying attention.

The good news is most REITs today are in a better position than back then.

UBS's sector favourites are:

- Vicinity Centres ((VCX))
- Charter Hall ((CHC))
- Goodman Group ((GMG))
- Arena REIT ((ARF))
- Region Group ((RGN))
- Centuria Industrial REIT ((CIP))

Least preferred are:

- Scentre Group ((SCG))
- Charter Hall Long WALE REIT ((CLW))
- Dexus ((DXS))

Stockbroker **Morgan's** Key Buy picks among **diversified financials** are (in order of preference):

- MA Financial ((MAF))
- Pinnacle Investment Management ((PNI))
- Generation Development ((GDG))
- Tyro Payments ((TYR))

While the **Australian banking sector** is expected to sustain EPS upgrades this year, which may support continued outperformance of bank share prices in 2026, **UBS'** sector analysts retain a cautious stance, only preferring two Top Picks:

- National Australia Bank ((NAB))
- Macquarie Group ((MQG))

Sector analysts at **Citi** continue their preference for ANZ Bank ((ANZ)).

Their explanation:

"ANZ's strong balance sheet further enhances its appeal in volatile market, while we think ongoing progress on costs and efficiency will help re-rate the stock in time."

Retail sector analysts at **Jarden** believe 2026 is a bottom-up stock pickers market for that sector; those with the right product, right price, at the right time will come out on top.

Favourable themes are:

Defensive growth:

- Sigma Healthcare ((SIG))
- Woolworths Group ((WOW))
- Coles Group ((COL))

Tech & AI super cycle:

- Harvey Norman ((HVN))
- JB Hi-Fi ((JBH))

Structural growers:

- Sigma Healthcare
- Temple & Webster ((TPW))
- Flight Centre ((FLT))

Market share winners:

- Temple & Webster
- Beacon Lighting Group ((BLX))
- JB Hi-Fi
- Sigma Healthcare
- Helloworld ((HLO))

Jarden sees **Quick Service Restaurants and liquor** as most challenged due to structural decline in consumption and store growth outpacing demand.

Post the February 2026 reporting season, **UBS's** most preferred **smaller cap stocks** in Australia are:

- ARB Corp ((ARB))
- Collins Foods ((CKF))
- Dicker Data ((DDR))
- Hansen Technologies ((HSN))
- IDP Education ((IEL))
- Imdex ((IMD))
- Megaport ((MP1))
- NextDC ((NXT))
- SiteMinder ((SDR))
- Superloop ((SLC))
- Service Stream ((SSM))
- Web Travel Group ((WEB))

Only one prior inclusion was removed: Kelsian Group ((KLS)).

All of ARB Corp, Imdex, Megaport and Siteminder are new additions.

Analysts at **Morgans** are of the view that indiscriminate selling of SaaS and other technology companies before, during and after the February season has created opportunity for investors. Their favourites are:

Technology:

- WiseTech Global ((WTC))
- TechnologyOne ((TNE))
- NextDC ((NXT))
- Megaport ((MP1))

Media:

- REA Group ((REA))
- Car Group ((CAR))

Telecommunication

- TPG Telecom ((TPG))

Ord Minnett's Analysts' Conviction List now consists of:

- Alkane Resources ((ALK))
- Brazilian Rare Earths ((BRE))
- Breville Group ((BRE))
- Cuscal ((CCL))
- Energy One ((EOL))
- Lindsay Australia ((LAU))
- Qoria ((QOR))
- Regis Healthcare ((REG))
- Service Stream ((SSM))
- Shape Australia ((SHA))
- SiteMinder ((SDR))
- Zip Co ((ZIP))

Finally, **Canaccord Genuity's** assessment of **healthcare stocks** post February has identified the following candidates poised for potential re-rating over the coming six months (goes without saying, this assessment dates from before the war in Iran):

- Pro Medicus ((PME))
- Telix Pharmaceuticals ((TLX))
- Cogstate ((CGS))

Candidates for potential re-rate over the next twelve months:

- ResMed ((RMD))
- Neuren ((NEU))
- Nanosonics ((NAN))

Other than that, pretty much all healthcare stocks under coverage are Buy-rated at Canaccord Genuity, with Alcidion Group ((ALC)) and Monash IVF ((MVF)) the only Hold ratings.

That's probably an indication of how much this sector has been de-rated ever since the peak in covid-related lockdowns.

See also:

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

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

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

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

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

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TECHNICALS

March Madness; Is History About To Repeat?

Following on from last year's "March Madness: Opportunity Building", chartist Daniel Goulding offers his prediction of what likely lays ahead for equity markets once again weakening in March.

There are more things in Heaven and Earth, Horatio, than are dreamt of in your philosophy.

-- William Shakespeare, *Hamlet* (Act 1, Scene 5)

By Daniel Goulding

This time last year, I wrote an article titled "March Madness: Opportunity Building", highlighting the tendency of equity markets to provide buying opportunities in March.

The ASX 200 index bottomed out slightly later than expected, on April 7, before soaring to new all-time highs by June.

Once again, we are confronted with significant weakness as we approach mid-March.

The apparent cause is geopolitical events in the Middle East. However, those who closely monitor the market will know that risk aversion has been escalating sharply since late January.

The ASX200 Equal Weight Index peaked on January 28. It was primarily the Top 20 stocks that were driving the benchmark index higher into late February, a classic sign of late-stage market behaviour.

And from a seasonal perspective, January to March is one of two periods when tail risk (the risk of bad stuff happening) is much higher. Exhibit One details the 20 worst single-day percentage declines for Aussie equities from 1985 through 2025.

Those who advocate for the conventional or Ptolemaic model of the financial universe may argue this is merely a statistical artefact - that by mining enough data, one can find all sorts of spurious correlations. But we know, strictly speaking, that the conventional model, just like the Ptolemaic model of the universe, is false.

As a technical analyst, I take an empirical approach. I believe there is sufficient evidence to take the correlation between geomagnetism and stock returns seriously.^{1 2 3}

Back in early February, I warned my readers that if we were to experience a mini-panic, early to mid-March would likely be the timeframe, given the Eclipse cycle.

Open-minded investors should mark March 19, the next new moon, on their calendars. This focal point is further amplified by the nearby March Equinox on March 21. I anticipate we will see a significant countertrend rally beginning around that period.

For those interested in my outlook for the next 12 months, Exhibit Two contains the forecast I presented to readers in mid-February.

Exhibit 1: 20-Worst Single-Day Percent Declines for Aussie Stocks 1985-2025

Date	Cause	One-Day Decline (%)
20 October 1987	1987 Crash, Black Tuesday	24.99%
16 March 2020	COVID-19 Pandemic	9.53%
10 October 2008	Global Financial Crisis	8.20%
16 October 1989	Black Monday	8.09%
29 October 1987	1987 Crash	7.52%
09 March 2020	COVID-19 Pandemic	7.40%
22 January 2008	Global Financial Crisis	7.26%
12 March 2020	COVID-19 Pandemic	7.23%
23 October 1987	1987 Crash	7.04%
27 October 1987	1987 Crash	6.95%
28 October 1997	Asian Financial Crisis	6.76%
16 October 2008	Global Financial Crisis	6.66%
26 October 1987	1987 Crash	6.56%
18 March 2020	COVID-19 Pandemic	6.26%
23 March 2020	COVID-19 Pandemic	5.98%
17 April 2000	Tech Wreck	5.68%
04 November 1987	1987 Crash	5.47%
13 November 2008	Global Financial Crisis	5.44%
27 March 2020	COVID-19 Pandemic	5.08%
08 October 2008	Global Financial Crisis	4.96%

Source: IRESS, The Goulding Market Letter

Daniel Goulding - Worst Days



Daniel Goulding - weekly chart, prediction

Daniel Goulding is a technical analyst with over 20 years of experience. He is the publisher of The Goulding Letter on Substack, and previously The Sextant Market Letter.

His Twitter handle is @CopernicusASX. In the past, he worked as an Authorised Representative of the Townsville branch of RBS Morgans, and later Grow Your Wealth Financial Services Townsville.

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WEEKLY REPORTS

Weekly Ratings, Targets, Forecast Changes - 13-03-26

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

By Mark Woodruff

Guide:

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

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

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

Summary

Period: Monday March 9 to Friday March 13, 2026

Total Upgrades: 10

Total Downgrades: 4

Net Ratings Breakdown: Buy 65.62%; Hold 26.65%; Sell 7.73%

FN Arena recorded ten upgrades and four downgrades from brokers monitored daily across ASX-listed companies for the week ending Friday, March 13, 2026.

Percentage falls in average target prices were remarkably similar to rises in the tables below while increases in average earnings forecasts outweighed the downgrades.

The average target for Lynas Rare Earths received a 16% boost after analysts updated their forecasts to incorporate a revised long-term supply agreement with Japan Australia Rare Earths (JARE), which acts on behalf of Japanese industry.

The agreement locked in sales of 5ktpa NdPr to JARE, which also committed to purchase around 50% of Lynas' heavy rare earth (HRE) oxide output, such as dysprosium and terbium.

The contract also introduces a price floor of about US\$110/kg for NdPr oxide, giving Lynas downside protection in weak markets.

Ord Minnett describes the agreement as strategically important, as Japan secures non-China supply, while Lynas strengthens its position amid rising geopolitical competition in rare earths.

While welcoming the announcement, and upgrading its rating to Hold from Sell, Bell Potter could still see risks around the valuation premium for Lynas shares, describing them as "pricing in perfection in an imperfect world".

Overweight-rated Morgan Stanley retained Lynas as its preferred rare earths exposure. UBS upgraded its NdPr price forecasts by 19%-34% through 2029 and raised its long-term assumption to US\$120/kg from US\$100/kg.

Rare earth prices have recovered strongly through late-2025 and early-2026, driven by geopolitical tensions, supply chain fragility and a tightening structural supply deficit. For a detailed explanation see <https://fnarena.com/index.php/2026/03/12/material-matters-rare-earth-s-coal-contractors/>

Lynas also ranks fifth on the earnings forecast upgrade list, just below Coronado Global Resources, which benefited from UBS' analysis (see link above) of the Middle East conflict's impact on US and seaborne coal

prices.

On Monday morning, Lynas informed the ASX it had also signed a binding letter of intent with the US Department of War.

Sometimes in equity markets an ASX announcement or updated broker research reinforces a significant charting point for a company.

Last week's positive research by UBS on Coronado followed Fairmont Equities identifying a buying opportunity for the stock at <https://fnarena.com/index.php/2026/03/10/coronados-bounce-off-support-an-opportunity/>

Listed fund manager Magellan Financial Group's average target price rose 7% last week after the company unveiled plans to merge with Barrenjoey, the investment bank in which Magellan was an original cornerstone investor.

Morgans raised its target for Magellan to \$12.43 from \$9.80 and upgraded to Buy from Hold. It's felt the transaction strategically strengthens the group by diversifying beyond its stalled investment management franchise and providing growth through Barrenjoey's advisory, capital markets and private capital businesses.

The proposed deal would be all-scrip valuing the investment bank at about \$1.61bn, with Magellan paying -\$903m for the remaining shares it does not already own.

Karoon Energy, Woodside Energy and Santos appear atop the earnings upgrade table below with average FY26 forecasts by brokers raised by 34%, 23%, and 17%, respectively.

As noted at <https://fnarena.com/index.php/2026/03/10/material-matters-rollercoaster-oil-top-picks/> virtually all brokers monitored daily by FN Arena have been increasing their energy price forecasts in March, with positive flow-on effects for individual ASX-listed stocks.

Turning to negative scenarios in the tables below, Audinate Group received an average target price downgrade of -14%, while Pantoro Gold's average earnings forecast for FY26 was lowered by -37%.

Despite an interim results 'beat' by Audinate as explained in the Corporate Results Monitor at <https://fnarena.com/index.php/2026/03/05/fnarena-corporate-results-monitor-05-03-2026/>, Morgan Stanley awaits greater clarity on new product take up and the company's monetisation pathway.

Last week, this broker lowered its target to \$3.00 from \$5.00 and retained an Equal-weight rating.

As part of Pantoro Gold's interim results presentation, production guidance for the full year was downgraded by -15%.

Ord Minnett attributed multiple factors such as rain at the Scotia Mining Centre (part of Pantoro's Norseman Gold Project in Western Australia), equipment/personnel availability, as well as a transition to a new underground mining contractor.

While seeing a current valuation discount, the Buy-rated broker preferred to wait for consistent management execution and reduced its target to \$6.60 from \$7.10.

Disappointed by the guidance downgrade and noting sporadic production at Norseman is becoming a concern, Morgans (Buy) also lowered its target by -30 cents to \$6.53.

This broker still assessed the leverage to spot prices is significant for Pantoro, an unhedged and debt-free producer.

The inclusion of forecast changes in the FN Arena database that do not relate to last week has pulled Tyro Payments and SiteMinder into the week's tables for negative target and earnings revisions.

Total Buy ratings for the seven stockbrokerages daily monitored by FN Arena still sit at an historically elevated percentage of 65.62%.

With only 7.73% in Sell ratings, this leaves 26.65% for Neutral/Holds.

Upgrade

ALCOA CORPORATION ((AAI)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 1/1/0

Alcoa benefits from rising aluminium prices, Ord Minnett reminds investors, following Middle East conflict disruptions, with regional smelter outages tightening global supply.

The broker highlights aluminium prices on the LME have risen around 12% since the conflict began, while the

US Midwest premium reached a record high of US\$1.10/lb.

The broker observes Alcoa holds minimal direct exposure to the troubled region, aside from a 2% stake in the Maaden operation in Saudi Arabia and alumina shipments into the Middle East.

Ord Minnett estimates a US\$100/t rise in aluminium prices would increase Alcoa's earnings (EBITDA) by around US\$237m, highlighting strong operating leverage.

Ord Minnett raises its recommendation to Buy from Accumulate on valuation grounds and retains its target price of \$103.

EAGERS AUTOMOTIVE LIMITED ((APE)) Upgrade to Buy from Hold by Bell Potter .B/H/S: 5/1/0

Bell Potter tweaks its price target for Eagers Automotive to \$28.50 from \$28.75, on a lower valuation, and upgrades the stock to Buy from Hold, noting the new target is some 15% above the current share price, with earnings forecasts post the 2025 result unchanged.

Deliveries were flat in January and down -3% in February y/y, but the analyst notes the softness is due to Toyota supply chain issues, which should be addressed over the year.

As OEMs look to increase Australian volumes in 2026, it is anticipated volumes will rebound over the coming months, and deliveries will be consistent with last year at 1.2m.

The current PER valuation below 20x is viewed as attractive.

COLLINS FOODS LIMITED ((CKF)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 4/2/0

Morgans upgrades Collins Foods to Buy from Accumulate with a higher target price of \$12.70 from \$12.40 post the acquisition of an eight-restaurant Bavarian portfolio at under 6x restaurant-level earnings (EBITDA).

The portfolio is in prime, high-traffic city centre locations across Germany's three most prosperous states, covering over 50% of the population. The analyst highlights average revenue per site at circa \$6m versus around \$4.5m across the existing German portfolio.

Australian same-store sales growth slipped to 3.2% in a trading update for 2H26 from 3.6% growth in 1H26, while Germany advanced to 4.1% from 2.3% growth.

Management reiterated FY26 guidance for mid-to-high teens growth in group underlying net profit after tax. The acquisition is viewed as "sensible", and the deal is flagged to be EPS accretive immediately.

DALRYMPLE BAY INFRASTRUCTURE LIMITED ((DBI)) Upgrade to Buy from Hold by Morgans .B/H/S: 2/1/0

Noting the decline in Dalrymple Bay Infrastructure's share price of -14% since 2025 results, Morgans upgrades the stock to Buy from Hold with an unchanged target of \$5.35 as there is no factor identifiable for the change in the fundamental value of the business.

At current share price levels, the analyst sees a total shareholder return of circa 21% including a forecast circa 6.2% dividend yield.

Earnings growth is underpinned by CPI-linked base changes and additional earnings on commissioned NECAP (New Expansion Capacity Auction Process) projects.

Dalrymple's 1 July 2026 terminal infrastructure charge reset will reflect March 2026 CPI and the average 10-year Australian Government bond yield heading into June, with the broker assuming 3.8% and 4.95%, respectively.

Morgans also expects the company to issue about \$250m of five-year debt to partly refinance bank debt rolled last year, swapped into floating rate at around 170bps over BBSW.

GQG PARTNERS INC ((GQG)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 3/2/0

Morgans raises its target price for GQG Partners to \$2.03 from \$1.89 and upgrades to Buy from Accumulate due to an improved investment performance.

The February funds under management (FUM) update revealed FUM rising 4.3% month-on-month to US\$172.9bn. It's noted investment gains of US\$10.5bn offset net outflows of -US\$3.2bn, driving overall FUM growth despite continued flow pressure.

The broker suggests recent performance improvements may signal early signs of a turnaround, though sustained flow stabilisation remains key. FY26 and FY27 EPS forecasts are raised by 1% and 2%, respectively, on higher FUM assumptions.

LIONTOWN LIMITED ((LTR)) Upgrade to Neutral from Sell by Citi .B/H/S: 2/3/0

In reaction to interim results, Citi lowers its target price for Liontown to \$1.65 from \$1.70 and upgrades to Neutral from Sell.

An implied SC6 price of US\$1,600/t now aligns with peers, suggests the analyst, and valuation is now seen as more balanced following recent share price weakness.

Management is looking to expand the Kathleen Valley operation to 4mtpa, with the broker incorporating the increase into its base case given strong lithium pricing.

Growth capital expenditure of -\$260m over 18 months for the expansion is estimated, including -\$100m for a ball mill and flotation tanks and -\$160m for underground development.

LYNAS RARE EARTHS LIMITED ((LYC)) Upgrade to Hold from Sell by Bell Potter .B/H/S: 3/1/2

Lynas Rare Earths has extended the Japan Australia Rare Earths agreement to 2038. The extended agreement allows for deliveries of up to 7200tpa of niobium Pr with firm commitments of 5000tpa.

While welcoming the announcement, Bell Potter continues to envisage risks around the valuation premium and multiple for the stock which is "pricing in perfection in an imperfect world".

The announcement safeguards a substantial portion of revenue and earnings and reduces the impact of adverse price swings should additional supply enter the market in coming years. The broker upgrades to Hold from Sell and raises the target to \$19.00 from \$11.60.

MAGELLAN FINANCIAL GROUP LIMITED ((MFG)) Upgrade to Buy from Hold by Morgans .B/H/S: 1/3/0

Magellan Financial Group plans to merge with Barrenjoey in an all-scrip deal valuing the investment bank at about \$1.61bn, with Magellan paying -\$903m for the remaining shares it does not already own.

Morgans believes the transaction strategically strengthens Magellan by diversifying beyond its stalled investment management franchise and providing growth through Barrenjoey's advisory, capital markets and private capital businesses.

However, the broker argues the pricing appears favourable to Barrenjoey, with Magellan effectively paying around 15x P/E, above global investment bank averages.

Earnings forecasts change materially, with FY26 EPS reduced by -27% but FY27 and FY28 increased by about 10% and 25% respectively following incorporation of the deal and stronger Barrenjoey earnings assumptions.

Morgans upgrades the stock to Buy from Hold with a target price of \$12.43 from \$9.80.

ORICA LIMITED ((ORI)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 7/0/0

Yesterday's trading update came with management guidance that Orica's first-half FY26 earnings (EBITDA) should come in slightly above last year, driven by 15% growth in Specialty Mining Chemicals and 20% in Digital Solutions.

Ord Minnett highlights strong sodium cyanide demand from the gold sector and increased exploration activity in gold and copper markets supporting the chemicals and digital divisions.

Currency strength and lower Indonesian coal quotas have weighed on Blasting Solutions, observes the analyst, while cash flow was pressured by working capital build and supply chain disruption.

FY26-28 EPS forecasts rise by 1.3%, 1.2% and 2.0%, respectively, after incorporating \$68m of the company's \$100m cost saving program into estimates.

Ord Minnett raises its rating to Buy from Accumulate and cuts its target to \$25.50 from \$26.00.

RIO TINTO LIMITED ((RIO)) Upgrade to Hold from Trim by Morgans .B/H/S: 1/5/0

Rio Tinto is upgraded to Hold from Trim after a recent share price pullback narrowed the valuation gap, with Morgans lifting its target price slightly to \$147 from \$146.

The broker also raises its medium-term iron ore price assumption to US\$85/t from US\$80/t, providing a firmer earnings floor.

Rio Tinto is viewed as a high-quality diversified miner with strong exposure to iron ore, copper and aluminium, alongside lithium optionality.

Higher oil prices present risks the analyst explains mainly through weaker global growth and metal demand rather than operating costs. The stock is considered fairly valued at current levels.

Downgrade

CORONADO GLOBAL RESOURCES INC ((CRN)) Downgrade to Neutral from Buy by UBS .B/H/S: 0/4/0

UBS is more constructive on aluminium and cautious on alumina following Middle East conflict related logistics disruptions, which could threaten around 10% of global smelting capacity in the Gulf and lift aluminium premiums in the US and Europe.

The broker expects disruptions to reduce alumina demand while tightening aluminium markets, creating favourable relative pricing for aluminium producers such as Alcoa.

Higher gas prices following the conflict are also supporting thermal coal prices in the near term, though UBS still expects thermal coal demand to decline over the medium term with prices trending back below US\$100/t.

Metallurgical coal prices are expected to remain supported above US\$200/t near term due to weather risks and Indian demand growth, with the analyst forecasting about US\$220/t in 2027.

Coronado Global Resources is downgraded to Neutral from Buy. Target price lifts to 40c from 36c.

RAMSAY HEALTH CARE LIMITED ((RHC)) Downgrade to Lighten from Hold by Ord Minnett .B/H/S: 1/3/1

Ord Minnett downgrades Ramsay Health Care to Lighten from Hold with an unchanged target price of \$38.25 on valuation grounds.

Post the results from UK peer Spire, EPS forecasts are lowered by -3.8% for FY26 and -0.9% for FY27 with Spire not expecting much upside from the new fiscal year UK budget on April 1.

The UK peer now forecasts a decline in NHS revenue of -25% in the MArch quarter with no return to growth on an annual basis for NHS revenue in 2026.

SEEK LIMITED ((SEK)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 5/1/0

Macquarie remains cautious about Seek given the near-term risks to advertising volumes and a lack of identifiable catalysts, unsure whether the company is a long-term winner or loser in the AI battle.

Rating is downgraded to Neutral from Outperform. Target is reduced to \$18.50 from \$19.50.

The broker suspects the Australian job market will weaken, impacted by rate hikes, automation and AI risks in certain occupations.

The impact is expected to be gradual rather than rapid with Macquarie assessing, based on International Labour Organisation research, that around 65% of the workforce has minimal/no exposure to automation and AI risks given physical requirements such as health, teachers and labourers.

Around 8% has a high automation and AI risk, such as IT, communications, personal assistant and clerical roles.

WOODSIDE ENERGY GROUP LIMITED ((WDS)) Downgrade to Underweight from Equal-weight by Morgan Stanley .B/H/S: 1/3/1

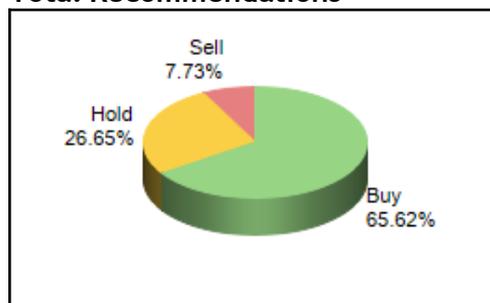
Morgan Stanley notes the US-Iran conflict adds higher prices to all its Australian energy stocks under coverage, albeit there is uncertainty as to when conditions will stabilise.

Woodside Energy is downgraded to Underweight from Equal-weight because of the cash flow uncertainty in the near term and the valuation, estimating the last closing share price implies US\$83/bbl for a long-term oil price.

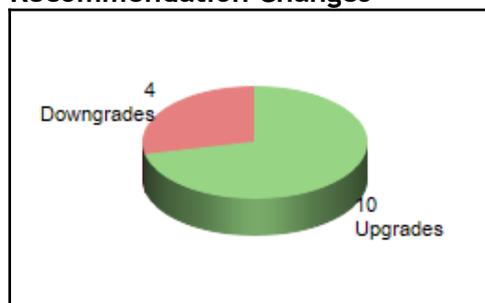
The broker favours Santos and Karoon Energy with its least favourites being Beach Energy and Origin Energy.

Target is steady at \$26. Industry view: In-Line.

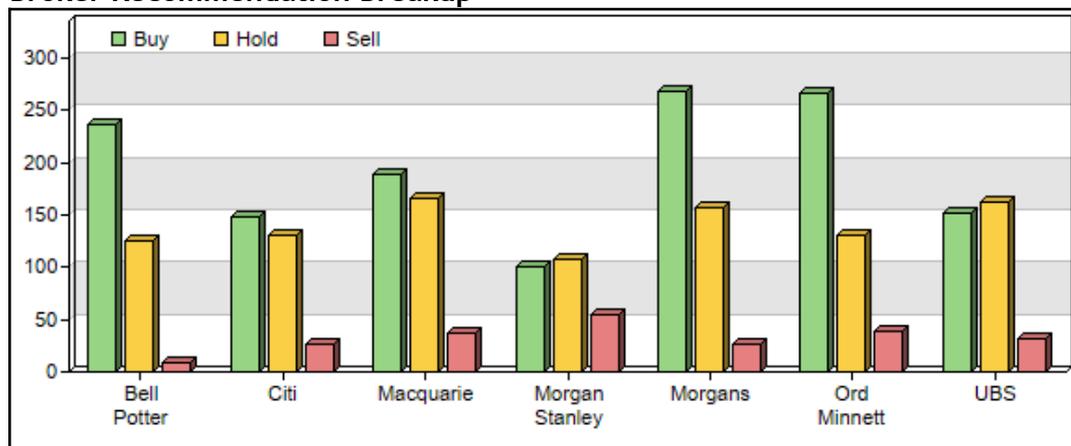
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	ALCOA CORPORATION	Buy	Buy	Ord Minnett
2	COLLINS FOODS LIMITED	Buy	Buy	Morgans
3	DALRYMPLE BAY INFRASTRUCTURE LIMITED	Buy	Neutral	Morgans
4	EAGERS AUTOMOTIVE LIMITED	Buy	Neutral	Bell Potter
5	GQG PARTNERS INC	Buy	Buy	Morgans
6	LIONTOWN LIMITED	Neutral	Sell	Citi
7	LYNAS RARE EARTHS LIMITED	Neutral	Sell	Bell Potter
8	MAGELLAN FINANCIAL GROUP LIMITED	Buy	Neutral	Morgans
9	ORICA LIMITED	Buy	Buy	Ord Minnett
10	RIO TINTO LIMITED	Neutral	Sell	Morgans
Downgrade				
11	CORONADO GLOBAL RESOURCES INC	Neutral	Buy	UBS
12	RAMSAY HEALTH CARE LIMITED	Sell	Neutral	Ord Minnett
13	SEEK LIMITED	Neutral	Buy	Macquarie
14	WOODSIDE ENERGY GROUP LIMITED	Sell	Neutral	Morgan Stanley

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	LYC	LYNAS RARE EARTHS LIMITED	17.233	14.825	16.24%	6
2	MFG	MAGELLAN FINANCIAL GROUP LIMITED	10.045	9.388	7.00%	4
3	TLX	TELEX PHARMACEUTICALS LIMITED	25.840	24.550	5.25%	5
4	STO	SANTOS LIMITED	7.700	7.352	4.73%	6
5	IEL	IDP EDUCATION LIMITED	6.333	6.117	3.53%	3
6	WDS	WOODSIDE ENERGY GROUP LIMITED	28.733	27.775	3.45%	6
7	RHC	RAMSAY HEALTH CARE LIMITED	40.670	39.553	2.82%	6
8	CRN	CORONADO GLOBAL RESOURCES INC	0.413	0.403	2.48%	4
9	CKF	COLLINS FOODS LIMITED	12.342	12.058	2.36%	6
10	AX1	ACCENT GROUP LIMITED	1.248	1.230	1.46%	5

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	AD8	AUDINATE GROUP LIMITED	4.100	4.767	-13.99%	3
2	TYR	TYRO PAYMENTS LIMITED	1.123	1.235	-9.07%	3
3	JIN	JUMBO INTERACTIVE LIMITED	12.680	13.650	-7.11%	5
4	OCL	OBJECTIVE CORPORATION LIMITED	17.367	18.600	-6.63%	3
5	360	LIFE360 INC	37.300	39.438	-5.42%	5
6	BPT	BEACH ENERGY LIMITED	1.069	1.122	-4.72%	7
7	FBU	FLETCHER BUILDING LIMITED	2.760	2.890	-4.50%	4
8	PNR	PANTORO GOLD LIMITED	6.393	6.660	-4.01%	3
9	COH	COCHLEAR LIMITED	237.238	245.238	-3.26%	6
10	RWC	RELIANCE WORLDWIDE CORP. LIMITED	4.058	4.125	-1.62%	6

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	KAR	KAROON ENERGY LIMITED	18.772	13.967	34.40%	5
2	WDS	WOODSIDE ENERGY GROUP LIMITED	186.389	151.164	23.30%	6
3	STO	SANTOS LIMITED	57.304	48.942	17.09%	6
4	CRN	CORONADO GLOBAL RESOURCES INC	3.838	3.463	10.83%	4
5	LYC	LYNAS RARE EARTHS LIMITED	35.440	31.980	10.82%	6
6	SKO	SERKO LIMITED	-5.637	-6.142	8.22%	4
7	PMT	PMET RESOURCES INC	-8.839	-9.464	6.60%	3
8	WHC	WHITEHAVEN COAL LIMITED	29.833	28.167	5.91%	6
9	NIC	NICKEL INDUSTRIES LIMITED	8.902	8.413	5.81%	5
10	LTR	LIONTOWN LIMITED	2.875	2.725	5.50%	6

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	PNR	PANTORO GOLD LIMITED	52.167	82.233	-36.56%	3
2	SDR	SITEMINDER LIMITED	-1.300	-1.160	-12.07%	6
3	CGF	CHALLENGER LIMITED	64.200	68.200	-5.87%	4
4	DNL	DYNO NOBEL LIMITED	24.440	25.680	-4.83%	5
5	MP1	MEGAPORT LIMITED	-1.725	-1.650	-4.55%	5
6	MFG	MAGELLAN FINANCIAL GROUP LIMITED	79.525	82.775	-3.93%	4
7	AD8	AUDINATE GROUP LIMITED	-20.033	-19.367	-3.44%	3
8	FBU	FLETCHER BUILDING LIMITED	13.157	13.618	-3.39%	4
9	TYR	TYRO PAYMENTS LIMITED	4.467	4.600	-2.89%	3
10	OCL	OBJECTIVE CORPORATION LIMITED	38.200	39.167	-2.47%	3

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WEEKLY REPORTS

Uranium Week: Paladin Upgraded

Activity in the U308 spot market trended lower as uncertainty over the Middle East war kept participants on the sideline until the end of the week.

- **Paladin Energy shares upgraded post share price retreat**
- **Europe makes further commitments to fund and support nuclear energy and SMRs**
- **Sulfur shortages from Strait of Hormuz potentially impact Lotus Resources**
- **Term U308 market has utilities seeking for more certainty**

By Danielle Ecuyer

Profit taking and risk off hits Paladin shares, prompting an upgrade

Share prices for major Australian U308 producers have retreated since the start of the Iran war, with **Paladin Energy** ((PDN)) shares down almost -20% from its recent \$14 high.

The pullback has prompted Citi to re-iterate its Buy rating on the stock, lifting the target to \$12.80 from \$9 due to positive factors supporting the business.

The 1H26 production of around 2.3mlbs at Langer Heinrich inferred an annual run rate of around 4.6mlbs versus reconfirmed guidance at 4-4.4mlbs. Citi views the latter as "prudent" given previous issues with water and stockpiles, prompting downgrades.

The Environmental Impact Statement (EIS) approval on February 20 also de-risks the Patterson Lake South project, with investors looking to the next major step, the approval from the Canadian Nuclear Safety Commission, which the analyst believes is low risk.

The global commodities team at Citi remains "bullish" on the outlook for U308 and forecasts prices of around US\$104/lb on average through 2026. The market is also viewed as moving into a structural deficit, with 2025 reactor demand of around 194mlb exceeding mine supply of circa 175mlb.

Macquarie makes similar observations, upgrading the stock to Outperform from Neutral on the share price retreat, while the interim result suggests FY26 production guidance is modest and poses upside risks, not unlike peers at Citi.

The current share price implies an uranium price of US\$77.20/lb and the recent provincial approval for its Canadian Patterson Lake project is also a de-risking event for the producer.

EPS forecasts are adjusted lower due to higher mining cost assumptions at Langer Heinrich, which results in a slight downgrade in the target price by -4% to \$13.50.

FNArena's daily monitored brokers have a consensus target of \$13.067 with four Buy-equivalent ratings, one Neutral/Hold, and one Sell rating.

Paladin is Macquarie's top pick among ASX-listed U308 producers.

The International Atomic Energy Agency summit takes centre stage

"Nuclear power is not simply a nice to have, or a cleaner option. It is a strategic opportunity and we know it.

"When we speak about development, we speak about electrification, digitalisation and artificial intelligence, in all these areas, we will need reliable and predictable answers.

"Nuclear energy is one of those answers. As the global hub of expertise across the nuclear lifecycle, the IAEA will continue supporting countries as they move to seize it."

Dixit IAEA Director General Rafael Mariano Grossi at the recent Nuclear Energy Summit hosted by France.

President Macron opened the ceremony of the summit:

"Nuclear power is a source of progress and prosperity because it is a source of energy, particularly for electricity generation, which allows us to reconcile three objectives that are central to our ambitions: we want competitiveness, that is, energy produced at the lowest possible cost, we want to solve the planet's problems by reducing CO2 emissions, and we want greater independence."

Key topics included the development of new financing mechanisms to support nuclear programs, with President Macron pointing to increased involvement in both public and private markets.

Ursula von der Leyen, President of the European Commission, announced the creation of a EUR200m guarantee, financed through the EU carbon market, to support the development of small modular reactors (SMRs).

Von der Leyen also noted Europe's share of nuclear power had declined to 15% currently from around one third of Europe's electricity generation in 1990 and, in prospect of climate challenges, she described the fall in nuclear energy as a "strategic mistake".

Major financial institutions, the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), are moving to increased involvement in projects related to the long-term operation of existing reactors, as well as the construction of new large reactors and SMRs.

The institutions had previously excluded nuclear from its financing activities, limiting involvement to decommissioning or waste management.

Electricite de France created an advisory board committed to the financing of civil nuclear power, which will bring together banks and public investment bodies such as Caisse des Depots to structure financing models.

The summit also highlighted the international coalition committed to tripling nuclear capacity by 2050, with 38 states endorsing the ambition including the latest additions of China, Brazil, Italy and Belgium.

In other news, South Korea is accelerating the restart of six nuclear reactors this month, as oil prices spike because of the Middle East war and the blockade by Iran of the Strait of Hormuz.

Around 70% of South Korea's oil imports cross the Strait.

Morgan Stanley noted also 50% of seaborne sulphur transits through the Strait, which has potential supply challenges for DxEw copper production, HPAL nickel production, as well as cobalt and uranium.

One tonne of sulfur produced from the refineries can make three tonnes of sulfuric acid.

Regarding U308 there is less exposure to the Middle East with Russia supplying Kazakhstan and Canada is self-sufficient.

For Lotus Resources ((LOT)), the acid and diesel disruptions in the Middle East pose a risk to the ramp up at Kayelekera, as pointed out by Macquarie, although management still expects uranium shipments in 2Q2026 with the acid plant reconstruction "practically complete".

The broker lowers EPS forecasts for higher pre-production costs and lower U308 sales, with Macquarie's target price tweaked down by -8% to \$2.75. An Outperform (Buy-equivalent) rating is retained.

Conversely, Boss Energy ((BOE)) has a sulphuric acid advantage with cost/availability via fixed pricing with Port Pirie.

While 3Q26 production has been limited due to heavy rain, production is expected to restart on March 14 and the new feasibility study is considered a driver of long term value for the producer, Macquarie highlights.

Boss remains Underperform (Sell-equivalent) rated with an unchanged target price of \$1.30.

Term U308 markets more active than the spot market

As geopolitics continue to weigh on global equity markets, the general risk off sentiment has permeated the spot U308 market, as outlined by industry consultants TradeTech.

The weekly spot U308 price indicator rose slightly to US\$85.50/lb from US\$85/lb, with the market moribund over the first three days of trade last week due to uncertainty around the Middle East war.

By Thursday, two transactions were conducted, one for 50klbs of U308 at US\$85/lb for delivery at Cameco in April, and another for 100klb at US\$86/lb for delivery at Orano in April.

On Friday, three transactions followed. The first for 50klbs at US\$85.75/lb for delivery at Orano, a second for the same price and transaction details, and a third for another 50klbs at US\$84.75/lb for delivery at Cameco in May.

As noted by TradeTech, the buyers are generally favouring delivery at ConverDyn's Metropolis, Illinois conversion facility in the US or Orano's facility in France.

The term U308 market has been more active with several utilities selecting preferred suppliers for delivery spanning first delivery in 2027 to delivery extending into the mid 2030s.

Offers are due on Monday 16 March to one US utility that issued a Request for Proposal seeking up to 1.5mlbs U308 for delivery between 2031 and 2036.

The TradeTech Mid term price indicator stands at US\$88/lb and the Long term price indicator at US\$90/lb.

The weekly spot price is up 4.3% year to date in 2026 and 35.7% on the same period last year.

Boss Energy shorts drop over the last year

The latest short interests as at March 10 show Boss Energy in seventh position at 11.42%, down from 17.13% a month earlier.

Paladin sits in eleventh position with a short interest of 9.59%, up slightly from a month earlier at 9.43%.

Silex Systems ((SLX)) sits in twelfth position at 9.19% from 9.07% a month previously, but up 1.31% on the previous week.

Lotus Resources has seen a rise in short position to 7.11% from 5.87% (up 1.24%) over the last week, with Boss down -1.34% over the week.

For more reading on U308 from FNArena see:

<https://fnarena.com/index.php/2026/03/10/uranium-week-nexgen-energy-a-key-pick/>

<https://fnarena.com/index.php/2026/03/03/uranium-week-prices-reset-lower-in-february/>

<https://fnarena.com/index.php/2026/02/24/uranium-week-burgeoning-supercycle/>

<https://fnarena.com/index.php/2026/02/10/uranium-week-volatility-kicks-up-a-gear/>

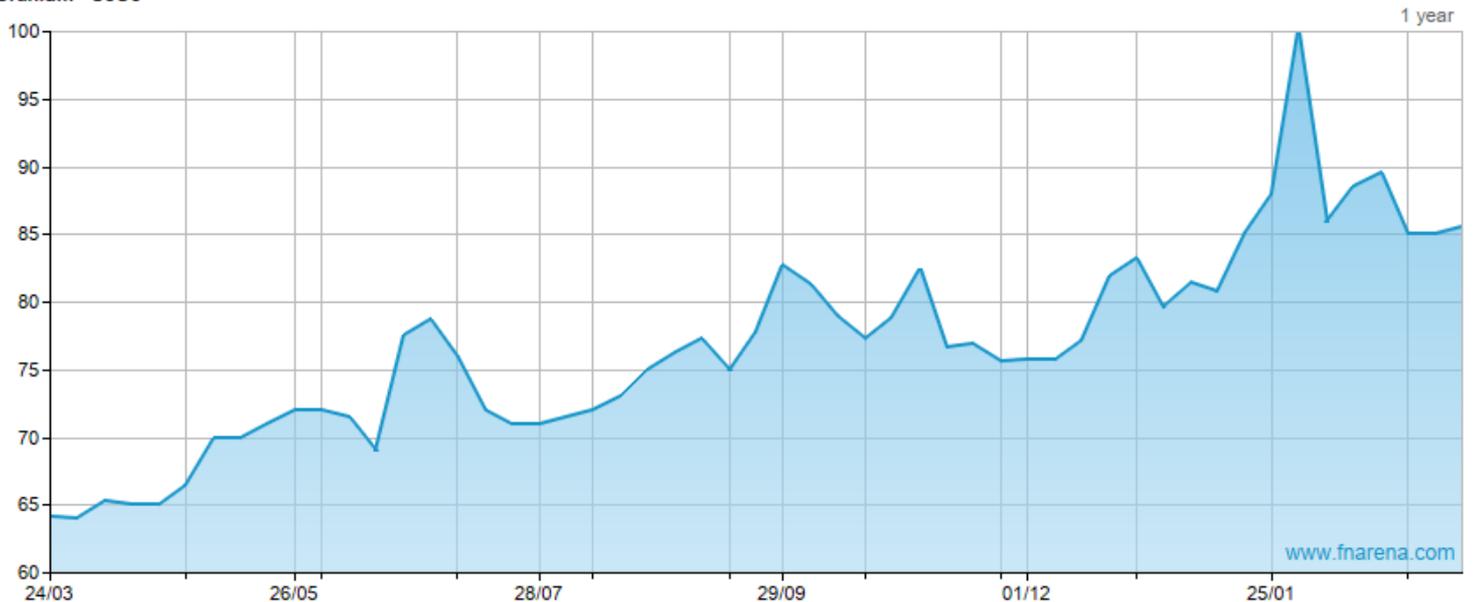
<https://fnarena.com/index.php/2026/02/03/uranium-week-back-above-us100lb/>

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	13/03/2026	0.0600	▲12.07%	\$0.16	\$0.03			
AEE	13/03/2026	0.1200	▲4.17%	\$0.28	\$0.10			
AGE	13/03/2026	0.0400	▲9.52%	\$0.06	\$0.02		\$0.070	▲75.0%

AKN	13/03/2026	0.0100	▲ 9.09%	\$0.01	\$0.01			
ASN	13/03/2026	0.0500	▼ - 3.77%	\$0.13	\$0.04			
BKY	13/03/2026	0.4500	▼ - 2.13%	\$0.70	\$0.42			
BMN	13/03/2026	3.7100	▲ 0.76%	\$5.25	\$1.76		\$5.600	▲50.9%
BOE	13/03/2026	1.5000	▲ 4.29%	\$4.75	\$1.07	14.7	\$1.600	▲6.7%
BSN	13/03/2026	0.0400	▲20.00%	\$0.08	\$0.01			
C29	13/03/2026	0.0300	▼ - 3.13%	\$0.06	\$0.01			
CXO	13/03/2026	0.2200	▲ 4.55%	\$0.36	\$0.06		\$0.350	▲59.1%
CXU	13/03/2026	0.0300	▲ 4.00%	\$0.04	\$0.01			
DEV	13/03/2026	0.2100	▲ 7.89%	\$0.28	\$0.07			
DYL	13/03/2026	1.8200	▼ - 0.50%	\$2.97	\$0.75	-73.1	\$2.290	▲25.8%
EL8	13/03/2026	0.2800	0.00%	\$0.50	\$0.20			
GUE	13/03/2026	0.0700	0.00%	\$0.09	\$0.05			
HAR	13/03/2026	0.1300	▼ - 7.41%	\$0.25	\$0.05			
I88	13/03/2026	0.1300	0.00%	\$0.76	\$0.08			
KOB	13/03/2026	0.0400	▲ 7.89%	\$0.09	\$0.03			
LAM	13/03/2026	0.8300	0.00%	\$0.93	\$0.56			
LOT	13/03/2026	1.4700	▼ - 3.94%	\$3.20	\$1.56		\$3.533	▲140.4%
MEU	13/03/2026	0.1200	▲ 4.17%	\$0.19	\$0.03			
NXG	13/03/2026	17.2200	▲ 6.15%	\$20.47	\$6.44	-14338.8	\$20.150	▲17.0%
ORP	13/03/2026	0.0600	▲ 8.47%	\$0.07	\$0.02			
PDN	13/03/2026	11.0000	▲ 4.55%	\$14.44	\$3.93	136.1	\$12.517	▲13.8%
PEN	13/03/2026	0.5600	▼ - 1.67%	\$1.08	\$0.28			
SLX	13/03/2026	5.3900	▲ 6.01%	\$10.85	\$2.28			
TOE	13/03/2026	0.4700	▼ - 1.96%	\$0.63	\$0.15			
WCN	13/03/2026	0.0200	▲ 6.25%	\$0.04	\$0.01			

Uranium - U3O8



wp market price history u3o8

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WEEKLY REPORTS

The Short Report - 19 Mar 2026

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

Summary:

Week Ending March 12th, 2026 (most recent data available through ASIC).

10%+

DMP 15.83%
TWE 15.17%
TLX 15.05%
PNV 13.26%
GYG 13.26%
NAN 11.64%
BOE 11.07%
IEL 10.68%
LYC 10.29%
FLT 10.20%

In: **FLT**

9.0-9.9%

PDN 9.72%
DRO 9.27%
SLX 9.03%
IPH 9.03%
NXT 9.01%

In: **SLX, IPH**

Out: **FLT**

8.0-8.9%

PWH 8.89%
BAP 8.64%
LIC 8.62%
ZIP 8.60%
CTD 8.48%
DGT 8.33%
MMS 8.32%
BRG 8.21%
ILU 8.11%
ING 8.09%

CUV 8.07%

In: BAP, ZIP, DGT, MMS, ILU, ING, CUV

Out: KAR, IPH, SLX

7.0-7.9%

IPX 7.92%

MSB 7.91%

CU6 7.83%

CAT 7.81%

LOT 7.53%

PLS 7.47%

DYL 7.43%

BPT 7.22%

KAR 7.10%

In: CAT, LOT, BPT, KAR

Out: ING, CUV, ILU, DGT, ZIP

6.0-6.9%

EDV 6.85%

RIO 6.26%

MIN 6.24%

ACL 6.15%

NSR 6.15%

HMC 6.15%

In: MIN, ACL, NSR, HMC

Out: CAT, PNI, MMS, HLS, BPT

5.0-5.9%

WTC 5.83%

CAR 5.72%

REA 5.50%

ELD 5.30%

GMD 5.29%

AD8 5.15%

ADH 5.10%

RHC 5.08%

JIN 5.07%

RFF 5.02%

In: CAR, RHC

Out: MIN, LOT, ACL, BAP, NEU, HMC

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.5	0.5	NAB	1.2	1.1
ANZ	0.8	0.6	QBE	0.2	0.3
BHP	1.2	1.3	RIO	6.3	6.2

BXB	0.4	0.4	STO	0.7	0.8
CBA	1.4	1.2	TCL	0.9	0.7
COL	0.9	0.7	TLS	0.3	0.3
CSL	0.6	0.5	WBC	1.1	1.0
FMG	2.7	2.6	WDS	3.9	4.1
GMG	1.3	1.2	WES	0.3	0.3
MQG	0.7	0.6	WOW	2.3	2.2

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: ikeGPS, Provaris & Propel Funeral

This week, brokers assess small-cap opportunities across US utilities exposure, alternative energy and carbon reduction, and the funeral services sector.

- US grid spending drives structural growth for ikeGPS
- Provaris: advancing hydrogen and CO2 projects
- Propel Funeral Partners positioned for growth

By Mark Woodruff

Given recent turbulence in global equity markets, this week's quote comes from the Stoic philosopher and Roman Emperor Marcus Aurelius:

"You have power over your mind, not outside events. Realise this, and you will find strength."

US grid spending drives structural growth for ikeGPS

Accounting firm PWC estimates around US\$2trn will be invested over the next decade in expanding US grid infrastructure capacity, based on utility and telecom capex forecasts.

Zooming in further, management at American-based ikeGPS Group ((IKE)), market cap \$141m, puts the spotlight on utility poles specifically, estimating roughly US\$345bn in spending over the next five years.

Such expenditure is being driven by an aging asset base, notes Canaccord Genuity, with around 25m-35m electricity poles (out of roughly 220m across the region) expected to reach the end of their useful life.

These will all need to be replaced or reinforced by 2035.

With more than 450 customers, including eight of the ten largest US investor-owned utilities, the market is clearly validating ikeGPS's software and data analytics, reinforcing the group's position as a leading provider of best-in-class technology solutions.

In fact, the group has become the de facto standard for pole structural analysis in North America, the broker reports, aided by flagship product PoleForeman.

Released in 2024, this software enables engineering teams to model complex joint-use structures and assess compliance with the National Electrical Safety Code (NESC) and Occupational Safety and Health Administration (OSHA) standards.

Design solutions are also enabled for grid upgrades and communications attachments, with integration into IKE Office Pro for end-to-end workflows.

The core business model is built on a land-and-expand strategy across two key revenue streams: platform subscriptions and usage-based transactions, the broker observes.

The product suite targets the digitisation needs of North America's more than 3,000 electric utilities and around 220m distribution assets, including poles and underground wiring.

Highlighting future growth potential, the group's addressable market in North America includes around 6,200 companies, more than 75% of which do not use third-party software.

Canaccord highlights ikeGPS is only 20% penetrated on a per-seat basis within existing customers, indicating scope for growth through both new customer wins and cross-sell and upsell opportunities.

Attractive subscription unit economics are noted, with annual recurring revenue (ARR) contributing 70% of total revenue, high gross margins above 90%, and churn below 4%.

Canaccord also highlights potential to double average revenue per user (ARPU) from new product modules targeted for 2027.

Elsewhere, transaction-based revenue accounts for 20% of revenue with 30% gross margins, while hardware and training contribute 10% with around 70% gross margins.

Canaccord initiates research coverage with a Buy rating and \$1.30 target, suggesting material upside to yesterday's 73 cents closing price.

Provaris advancing hydrogen and CO2 project commercialisation

Provaris Energy ((PV1)), market cap circa \$10m, provides leveraged exposure to the global transition toward alternative energy and carbon reduction.

The company is progressing its proprietary compressed H2 storage and transport tank and executing its Liquefied CO2 tank development program.

Narrowing the timing gap with hydrogen opportunities, commercialisation of the CO2 development model has progressed materially, an important strategic outcome according to Research as a Service (RaaS).

Management is currently advancing fabrication, testing and Class Approval of the hydrogen tank prototype, while progressing its CO2 business through the Front-End Engineering and Design (FEED) phase.

Stage 2 for the CO2 business is expected to commence soon, targeting completion by June 30, with structural design to be completed by around mid-year.

Provaris has entered into a memorandum of understanding with Himile Heavy Equipment Co. Ltd to assess the feasibility and cost of fabricating LCO2 tanks at the company's Rushan facilities in Shandong province. The company forms part of the broader Himile Group, a large Chinese industrial manufacturer.

For the tank program, the analyst points out a successful outcome could materially improve the economics of the hydrogen supply chain and the liquefied CO2 carrier and storage business, with the core proposition centred on transporting more at lower cost.

The analyst anticipates economic potential across both business streams will crystallise through 2026, with several key deliverables set to support "unconditional and bankable project commitments" with reputable industry partners.

Following a \$1.325m placement earlier this month, the analyst suggests the company is funded through key Class Approval milestones for both hydrogen and CO2 streams and toward a Final Investment Decision.

RaaS identifies Class Approval as the key share price catalyst, as it would support a Final Investment Decision on an initial hydrogen tank development project.

The opportunity here is considered effectively open-ended, underpinned by large addressable markets for clean energy and carbon capture.

After adjusting for the equity raise at \$0.01 cent, the midpoint of Research as a Service's valuation is \$13 cents, suggesting significant upside to yesterday's \$0.009 share price.

Propel Funeral Partners positioned for growth

Seeking "defensive growth for uncertain times", Jarden recently initiated research coverage on Propel Funeral Partners with an Overweight rating and a 12-month target of \$5.00.

This compares to the \$4.14 closing share price in yesterday's session.

Elevated 'excess deaths' over FY19-23 have now unwound, with deaths declining by around -1% per annum

across FY24-25, the analysts explain, creating a headwind for the company.

Separately, a slowdown in M&A activity by management has also contributed to the more challenging recent backdrop.

Now, in Propel's favour, demographic trends are expected to drive growth in deaths over time, and the analysts believe industry volumes are well placed to return to around 2% yearly growth.

In addition, Jarden believes this number two player can strive for 17% market share, up from around 10%, approaching the 21% of main competitor InvoCare, and deliver an earnings compound annual growth rate (CAGR) of more than 11%.

M&A remains central to Jarden's investment thesis on Propel, with around -\$38m per year deployed since the 2017 IPO, although activity has slowed to -\$13m in FY25 and -\$4m in 1H26.

The M&A pipeline remains robust, according to management, with multiple active discussions, including several at an advanced stage.

Explaining the recent lull, the broker notes many potential deals are circumstantial, take time to execute, and are often outside Propel's control.

The overall funeral market is considered sufficiently fragmented for multiple players to continue growing through acquisitions.

Jarden cautions a near-term overhang remains due to inflated consensus forecasts, while a lack of M&A and/or ongoing volume share loss represent key medium-term risks.

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WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 20-03-26

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

Broker Rating Changes (Post Thursday Last Week)

Upgrade

COLLINS FOODS LIMITED ((CKF)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0

Collins Foods has reported stronger second-half trading with same-store sales growth accelerating versus the first half, Jarden highlights. Guidance for mid-high teens profit growth was reaffirmed.

The broker notes the acquisition of eight Bavarian restaurants at around a 6x earnings multiple, expected to be immediately earnings accretive.

The transaction is expected to open a new German market and lift the company's expansion target to 45-90 stores over four years.

FY26-FY28 profit forecasts rise by 2-5% after incorporating the acquisition and stronger trading momentum.

Jarden upgrades to Overweight from Neutral and raises its target price to \$12.10 from \$11.40.

LIFESTYLE COMMUNITIES LIMITED ((LIC)) Upgrade to Neutral from Underweight by Jarden.B/H/S: 0/0/0

Lifestyle Communities has attracted strategic interest, with Jarden noting HMC Capital ((HMC)) sold a 9.8% stake to Hometown Australia at \$4.90, an 8% premium to market.

The buyer's background is in the manufactured housing estate sector. No immediate takeover intentions were declared by Hometown.

The analysts see operational challenges persisting for Lifestyle Communities, including slow sales, margin pressure, and balance sheet constraints limiting recovery potential.

The broke's valuation rises on higher multiples reflecting takeover appeal despite ongoing risks.

Jarden upgrades to Neutral from Underweight and raises its target price to \$6.25 from \$5.75.

RELIANCE WORLDWIDE CORP. LIMITED ((RWC)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0

Jarden believes the value proposition in Reliance Worldwide is becoming hard to ignore.

The broker sees its view reinforced by the additional \$120m buyback announcement and increasing an already compelling capital return profile for a stock that has de-rated to 11x from 13x one-year forward PE since the first half results.

At current levels, the broker believes valuation provides sufficient support for a more constructive stance although the copper-to-stainless transition remains a strategic shift that merits ongoing scrutiny.

Rating is upgraded to Overweight from Neutral and the target lifted to \$4.30 from \$3.80.

Downgrade

SYRAH RESOURCES LIMITED ((SYR)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Jarden lowers its target for Syrah Resources to 30c from 34c and downgrades to Neutral from Overweight.

The company faces a weaker outlook, the broker suggests, after the US International Trade Commission (ITC) ruled against duties on Chinese active anode material (AAM) imports, removing a key expected catalyst.

The broker highlights anti-dumping duties and countervailing duties rates of at least 160% will not proceed, reducing confidence in durable trade protection.

Increased risk to commercial agreements is envisaged, with Tesla's offtake now vulnerable amid a shift in negotiating leverage.

The analysts see downside risks rising from ongoing cash burn, delayed Vidalia sales, and potential equity dilution.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	COLLINS FOODS LIMITED	Buy	Neutral	Jarden
2	LIFESTYLE COMMUNITIES LIMITED	Neutral	Sell	Jarden
3	RELIANCE WORLDWIDE CORP. LIMITED	Buy	Neutral	Jarden
Downgrade				
4	SYRAH RESOURCES LIMITED	Neutral	Buy	Jarden

Price Target Changes (Post Thursday Last Week)

	Company	Last Price	Broker	New Target	Old Target	Change
A11	Atlantic Lithium	\$0.36	Canaccord Genuity	N/A	1.20	-100.00%
AUC	Ausgold	\$0.87	Canaccord Genuity	3.00	2.05	46.34%
AUE	Aurum Resources	\$0.60	Canaccord Genuity	1.55	1.50	3.33%
BNZ	Benz Mining	\$2.08	Canaccord Genuity	3.15	3.10	1.61%
CHL	Camplify Holdings	\$0.24	Canaccord Genuity	0.80	1.00	-20.00%
CKF	Collins Foods	\$9.69	Canaccord Genuity	12.78	12.23	4.50%
			Jarden	12.10	11.40	6.14%
CNB	Carnaby Resources	\$0.39	Moelis	0.90	1.05	-14.29%
CTM	Centaurus Metals	\$0.51	Canaccord Genuity	0.85	0.80	6.25%
DUG	Dug Technology	\$2.01	Shaw and Partners	3.00	3.20	-6.25%
EOS	Electro Optic Systems	\$9.15	Canaccord Genuity	12.50	12.00	4.17%
HRZ	Horizon Minerals	\$0.84	Research as a Service (RaaS)	2.98	2.99	-0.33%
IMM	Immutep	\$0.05	Canaccord Genuity	0.40	1.27	-68.50%
KAR	Karoon Energy	\$1.94	Jarden	2.47	1.57	57.32%
LIC	Lifestyle Communities	\$4.80	Jarden	6.25	5.75	8.70%
LTR	Liontown	\$1.42	Jarden	0.62	0.58	6.90%
LYC	Lynas Rare Earths	\$19.43	Canaccord Genuity	22.00	18.60	18.28%
MLX	Metals X	\$1.13	Canaccord Genuity	1.50	1.35	11.11%
MP1	Megaport	\$7.62	Canaccord Genuity	14.30	17.80	-19.66%
NST	Northern Star Resources	\$18.51	Canaccord Genuity	28.40	33.80	-15.98%
			Jarden	16.60	17.00	-2.35%
OBM	Ora Banda Mining	\$1.19	Moelis	1.67	1.30	28.46%
ORI	Orica	\$19.56	Jarden	24.60	25.60	-3.91%
PNC	Pioneer Credit	\$0.64	Canaccord Genuity	1.31	1.15	13.91%
PNR	Pantoro Gold	\$3.37	Canaccord Genuity	7.25	7.45	-2.68%
			Moelis	4.85	6.05	-19.83%
RCL	ReadCloud	\$0.08	Research as a Service (RaaS)	0.36	0.38	-5.26%
RSG	Resolute Mining	\$1.29	Canaccord Genuity	2.85	2.55	11.76%
RWC	Reliance Worldwide	\$3.15	Jarden	4.30	3.80	13.16%
SYR	Syrah Resources	\$0.16	Jarden	0.30	0.34	-11.76%
TLX	Telix Pharmaceuticals	\$12.98	Jarden	21.00	25.10	-16.33%
WGX	Westgold Resources	\$5.25	Canaccord Genuity	8.75	8.50	2.94%

More Highlights

AL3 AML3D LIMITED

Overnight Price: \$0.18

Shaw and Partners rates (([AL3](#))) as Buy (1) -

AML3D has secured a \$9.9m order for four custom Arcemy X systems from Newport News Shipping, a division of Huntington Ingalls, the largest US shipbuilder.

This order supports Shaw and Partners' projections for FY27 revenue of \$30m.

The company is expected to grow with US reshoring activity, strengthened by key partnerships including the US Navy and Boeing.

The broker asserts competitive differentiation makes the company a compelling investment opportunity and retains a Buy rating and \$0.40 target.

This report was published on March 19, 2026.

Target price is **\$0.40** Current Price is **\$0.18** Difference: **\$0.22**

If **AL3** meets the Shaw and Partners target it will return approximately **122%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

Forecast for FY26:

Shaw and Partners forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 0.40** cents. At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 45.00**.

Forecast for FY27:

Shaw and Partners forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 0.20** cents. At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 90.00**.

Market Sentiment: **1.0**

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

CNB CARNABY RESOURCES LIMITED

Mining - Overnight Price: \$0.46

Moelis rates (([CNB](#))) as Buy (1) -

Moelis makes material revisions to its production and financial outlook for Carnaby Resources to better reflect updated information, with its valuation now incorporating the prefeasibility study and assuming additional equity.

Key is the low-capital path to commencement of production as the company will not require the construction of a concentrator, given the toll treatment agreement with Glencore.

The broker points out, from an economic perspective, this may not be the most value accretive approach, yet in the current market, investors are likely more interested in avoiding risk than academic arguments regarding the value of fixed infrastructure.

Buy rating and target reduced to \$0.90 from \$1.05.

This report was published on March 16, 2026.

Target price is **\$0.90** Current Price is **\$0.46** Difference: **\$0.445**

If **CNB** meets the Moelis target it will return approximately **98%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 3.30** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 13.79**.

Forecast for FY27:

Moelis forecasts a full year **FY27** dividend of **0.00** cents and EPS of **0.00** cents.

Market Sentiment: **1.0**

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

COG COG FINANCIAL SERVICES LIMITED

Business & Consumer Credit - Overnight Price: \$1.31

Shaw and Partners rates (([COG](#))) as Buy (1) -

Shaw and Partners notes leasing company share prices have dropped ahead of potential changes by the government to the electric vehicle fringe benefits tax exemption.

COG Financial Services, the broker asserts, is arguably factoring in an "improbable" -50% reduction to forecasts lease volumes, or -46% reduction versus FY26 estimates if a forward PE of 10x is considered to be fair value.

The broker believes it very unlikely lease volumes will drop to this extent. The company will capture an extra four months of the EasiFleet acquisition in FY27 and two thirds of its lease volume is financing petrol vehicles, a segment that is also growing.

Buy, High Risk retained. Target is \$2.45.

This report was published on March 13, 2026.

Target price is **\$2.45** Current Price is **\$1.31** Difference: **\$1.135**

If **COG** meets the Shaw and Partners target it will return approximately **86%** (excluding dividends, fees and charges).

Current consensus price target is **\$2.10**, suggesting upside of **58.8%**(ex-dividends)

The company's fiscal year ends in June.

Forecast for FY26:

Shaw and Partners forecasts a full year **FY26** dividend of **8.00** cents and EPS of **15.10** cents.

At the last closing share price the estimated dividend yield is **6.08%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.71**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **13.7**, implying annual growth of **45.6%**.

Current consensus DPS estimate is **7.2**, implying a prospective dividend yield of **5.5%**.

Current consensus EPS estimate suggests the PER is **9.6**.

Forecast for FY27:

Shaw and Partners forecasts a full year **FY27** dividend of **9.20** cents and EPS of **18.60** cents.

At the last closing share price the estimated dividend yield is **7.00%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **7.07**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **14.4**, implying annual growth of **5.1%**.

Current consensus DPS estimate is **8.3**, implying a prospective dividend yield of **6.3%**.
Current consensus EPS estimate suggests the PER is **9.2**.

Market Sentiment: **1.0**

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

CTM CENTAURUS METALS LIMITED

Nickel - Overnight Price: \$0.59

Canaccord Genuity rates (([CTM](#))) as Speculative Buy (1) -

Centaurus Metals has signed a binding nickel offtake agreement with Switzerland-based Glencore for the Jaguar project, marking a key commercial milestone, according to Canaccord Genuity.

Pricing is linked to LME nickel with by-product credits, alongside milestones including FID by September 2026 and first production by January 2029.

The deal covers 20,000tpa of concentrate, around one-third of planned output, observe the analysts, supporting financing ahead of a final investment decision (FID) targeted for the September quarter.

The agreement is seen as validating the project, with improving nickel market conditions also supportive.

Canaccord raises its target price to 85c from 80c and retains a Speculative Buy rating.

This report was published on March 17, 2026.

Target price is **\$0.85** Current Price is **\$0.59** Difference: **\$0.255**

If **CTM** meets the Canaccord Genuity target it will return approximately **43%** (excluding dividends, fees and charges).

The company's fiscal year ends in December.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 0.50** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 119.00**.

Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 1.20** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 49.58**.

Market Sentiment: **1.0**

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

DUG DUG TECHNOLOGY LIMITED

Cloud services - Overnight Price: \$2.02

Shaw and Partners rates (([DUG](#))) as Buy (1) -

DUG Technology has invested almost -\$60m in high-performance computing infrastructure over the last several years and, as revenue now scales up and the required expenditure moderates, Shaw and Partners expects this to drive operating leverage and a re-rating of the stock.

Commentary highlights the business is favourably exposed to a rising oil price and has limited direct revenue exposure to the Middle East.

Having materially underperformed its O&G service peers, the broker reiterates a Buy, High Risk rating, transferring coverage to Jules Cooper.

Target is \$3.00, down from \$3.20.

This report was published on March 17, 2026.

Target price is **\$3.00** Current Price is **\$2.02** Difference: **\$0.98**

If **DUG** meets the Shaw and Partners target it will return approximately **49%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

Forecast for FY26:

Shaw and Partners forecasts a full year **FY26** dividend of **0.00** cents and EPS of **5.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **40.40**.

Forecast for FY27:

Shaw and Partners forecasts a full year **FY27** dividend of **0.00** cents and EPS of **9.20** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **21.96**.

Market Sentiment: **1.0**

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

MAQ MACQUARIE TECHNOLOGY GROUP LIMITED

Cloud services - Overnight Price: \$65.00

Canaccord Genuity rates (([MAQ](#))) as Buy (1) -

Canaccord Genuity considers a \$200m investment from Australia's National Reconstruction Fund a strong endorsement of the Macquarie Technology business and the quality of its cloud services & government offering in particular.

The instrument, with the company issuing up to \$200m in hybrid securities to the NRF, will be on the balance sheet as non-dilutive equity and provide significant flexibility for future funding options.

Also a positive, the broker contends, is that the funds will be deployed to grow areas of the business outside the data centre segment. Buy rating and \$95 target unchanged.

This report was published on March 11, 2026.

Target price is **\$95.00** Current Price is **\$65.00** Difference: **\$30**

If **MAQ** meets the Canaccord Genuity target it will return approximately **46%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **105.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **61.90**.

Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** dividend of **0.00** cents and EPS of **42.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **154.76**.

Market Sentiment: **1.0**

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

RIC RIDLEY CORPORATION LIMITED

Agriculture - Overnight Price: \$2.72

Canaccord Genuity rates (([RIC](#))) as Buy (1) -

At its investor briefing, Ridley Corp announced a new three-year strategic plan which validated Canaccord Genuity's expectations for sustained earnings growth over the medium term.

There are a range of existing initiatives and new and tangible updates that present upside risk to forecast. In particular, the broker is encouraged earnings in FY26 will not be materially affected by supply constraints in the Middle East.

The company expects FY26 group earnings to be driven by the nine months contribution from the fertiliser segment including a second-half seasonal peak in demand, as well as increased market share and volume-related operating efficiency in the bulk stockfeed segment.

Buy rating and \$3.52 target unchanged.

This report was published on March 11, 2026.

Target price is **\$3.52** Current Price is **\$2.72** Difference: **\$0.8**

If **RIC** meets the Canaccord Genuity target it will return approximately **29%** (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 **10.30** cents and EPS of **15.00** cents.

At the last closing share price the estimated dividend yield is **3.79%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **18.13**.

Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** dividend of **13.50** cents and EPS of **20.00** cents.

At the last closing share price the estimated dividend yield is **4.96%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **13.60**.

Market Sentiment: 0.8

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

SKO SERKO LIMITED

Software & Services - Overnight Price: \$1.75

Jarden rates (([SKO](#))) as Overweight (2) -

Serko's investor day highlighted its strategy to scale corporate travel booking products, with Booking.com for Business (B4B) expected to remain the primary near-term earnings driver, Jarden reports.

The broker highlights accelerating B4B product development and improved conversion rates, alongside a new US target segment focused on workforce mobility corporates with high accommodation demand.

The company also unveiled Serko.ai, a conversational AI travel booking interface aimed at managed travel in North America, with beta testing set for April 2026 and a minimum viable product targeted by late 2026.

FY26 revenue guidance was narrowed to NZ\$119-NZ\$121m while spending guidance was reduced, reflecting efficiency gains.

Overweight rating and NZ\$4.55 target price unchanged.

This report was published on March 10, 2026.

Current Price is **\$1.75**. Target price not assessed.
Current consensus price target is **\$4.22**, suggesting upside of **139.5%**(ex-dividends)
The company's fiscal year ends in March.

Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **0.00** cents and EPS of **0.63** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **280.80**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **-5.2**, implying annual growth of **N/A**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **N/A**.

Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 4.64** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 37.82**.

How do these forecasts compare to market consensus projections?

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

This company reports in **NZD**. All estimates have been converted into AUD by FNArena at present FX values.
Market Sentiment: **0.8**

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

SRV SERVCORP LIMITED

Commercial Services & Supplies - Overnight Price: \$6.81

Jarden rates ([SRV](#)) as Initiation of coverage with Overweight (2) -

Jarden initiates coverage of Servcorp with an Overweight rating and \$9.70 target. The core thesis is the continued floor roll-out with a focus on the high-margin Saudi Arabian market.

The broker expects 9% compound growth in pre-tax profit over FY26-29 and considers this conservative, noting the company beat guidance in both FY24 and FY25.

Jarden would consider upgrading to Buy if the Middle East conflict is resolved, asserting the stock is relatively under-researched across the market and this presents an opportunity for a re-rating.

This report was published on March 16, 2026.

Target price is **\$9.70** Current Price is **\$6.81** Difference: **\$2.89**

If **SRV** meets the Jarden target it will return approximately **42%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **32.00** cents and EPS of **72.40** cents.
At the last closing share price the estimated dividend yield is **4.70%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **9.41**.

Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **34.80** cents and EPS of **78.70** cents.
At the last closing share price the estimated dividend yield is **5.11%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.65**.

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

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