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Friday, 20 March 2026



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**AUSTRALIA**

# The Market In Numbers - 7 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	07 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
NZ50	13519.350	-1.48%	-1.48%	-0.21%	-0.21%	7.27%
All Ordinaries	9085.10	-3.71%	-3.71%	0.69%	0.69%	3.56%
S&P ASX 200	8851.00	-3.78%	-3.78%	1.57%	1.57%	3.61%
S&P ASX 300	8789.90	-3.81%	-3.81%	1.24%	1.24%	3.73%
Communication Services	1731.90	1.06%	1.06%	-0.51%	-0.51%	-6.54%
Consumer Discretionary	3538.50	-4.20%	-4.20%	-11.38%	-11.38%	-14.59%
Consumer Staples	12582.10	0.56%	0.56%	8.30%	8.30%	3.82%
Energy	10303.80	7.43%	7.43%	23.17%	23.17%	18.77%
Financials	9632.50	-3.26%	-3.26%	3.17%	3.17%	1.09%
Health Care	29537.00	-1.07%	-1.07%	-12.59%	-12.59%	-29.00%
Industrials	8358.10	-3.18%	-3.18%	-0.80%	-0.80%	0.47%
Info Technology	1840.60	3.33%	3.33%	-14.55%	-14.55%	-36.55%
Materials	23182.90	-8.52%	-8.52%	9.76%	9.76%	46.19%
Real Estate	3524.30	-4.51%	-4.51%	-11.14%	-11.14%	-9.60%
Utilities	10001.20	-1.20%	-1.20%	3.56%	3.56%	9.40%
A-REITs	1622.60	-4.56%	-4.56%	-11.13%	-11.13%	-9.40%
All Technology Index	2898.90	1.71%	1.71%	-14.65%	-14.65%	-28.32%
Banks	4334.70	-3.22%	-3.22%	6.55%	6.55%	7.76%
Gold Index	19797.30	-9.50%	-9.50%	6.02%	6.02%	71.30%
Metals & Mining	8014.20	-8.64%	-8.64%	10.28%	10.28%	53.51%

**The World**

Index	07 Mar 2026	Week To Date	Month To Date (Mar)	Quarter To Date (Jan-Mar)	Year To Date (2026)	Financial Year To Date (FY26)
FTSE100	10284.75	-5.74%	-5.74%	3.46%	3.46%	17.39%
DAX30	23591.03	-6.70%	-6.70%	-3.67%	-3.67%	-1.33%
Hang Seng	25757.29	-3.28%	-3.28%	-0.38%	-0.38%	7.00%
Nikkei 225	55620.84	-5.49%	-5.49%	10.49%	10.49%	37.38%
NZ50	13519.350	-1.48%	-1.48%	-0.21%	-0.21%	7.27%
DJIA	47501.55	-3.01%	-3.01%	-1.79%	-1.79%	7.73%
S&P500	6740.02	-2.02%	-2.02%	-2.27%	-2.27%	8.62%
Nasdaq Comp	22387.68	-1.24%	-1.24%	-4.40%	-4.40%	9.91%

**Metals & Minerals**

Index	07 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)	5089.19	-2.40%	-2.40%	16.02%	16.02%	54.11%
Silver (oz)	82.18	-7.52%	-7.52%	5.47%	5.47%	126.99%
Copper (lb)	5.8230	-3.50%	-3.50%	2.48%	2.48%	14.28%
Aluminium (lb)	1.4882	4.19%	4.19%	11.27%	11.27%	26.20%
Nickel (lb)	7.8909	-2.00%	-2.00%	5.39%	5.39%	15.71%
Zinc (lb)	1.4685	-4.04%	-4.04%	5.37%	5.37%	16.32%
Uranium (lb) weekly	85.00	-5.03%	-5.03%	3.66%	3.66%	8.07%
Iron Ore (t)	100.89	1.88%	1.88%	-5.82%	-5.82%	6.77%

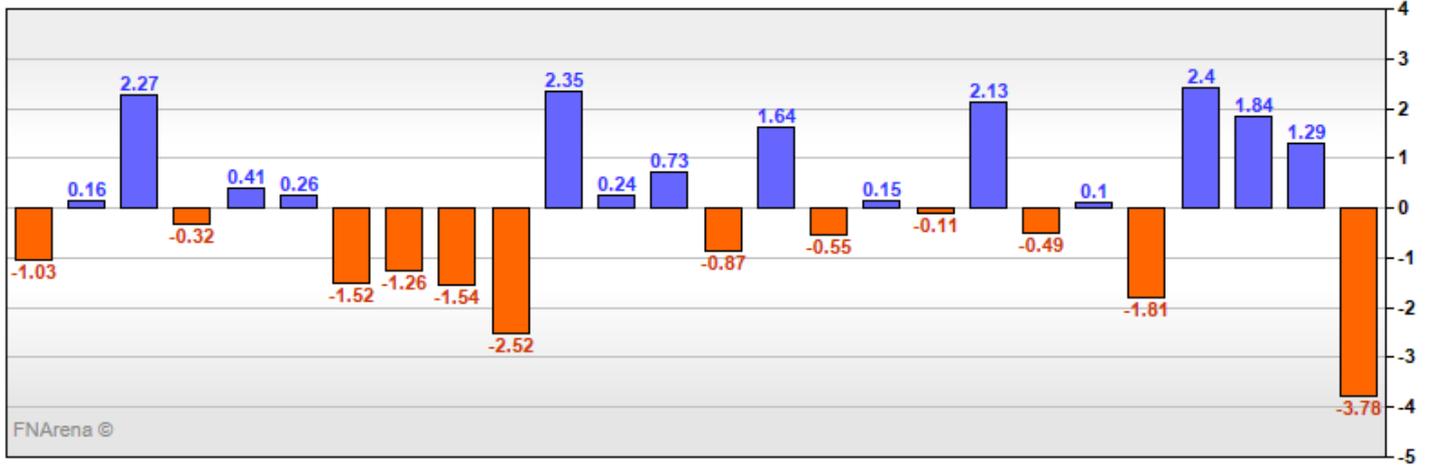
## Energy

Index	07 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	79.76	21.98%	21.98%	38.91%	38.91%	21.73%
Brent Crude	83.88	18.14%	18.14%	37.85%	37.85%	25.57%

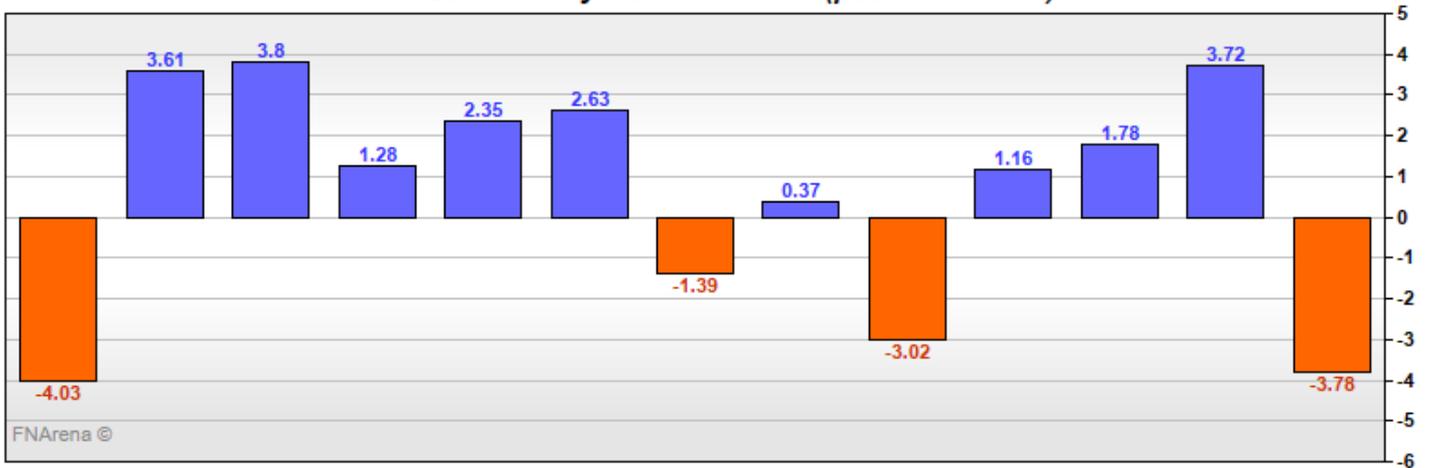
**ASX200 Daily Movement in % (past 20 trading sessions)**



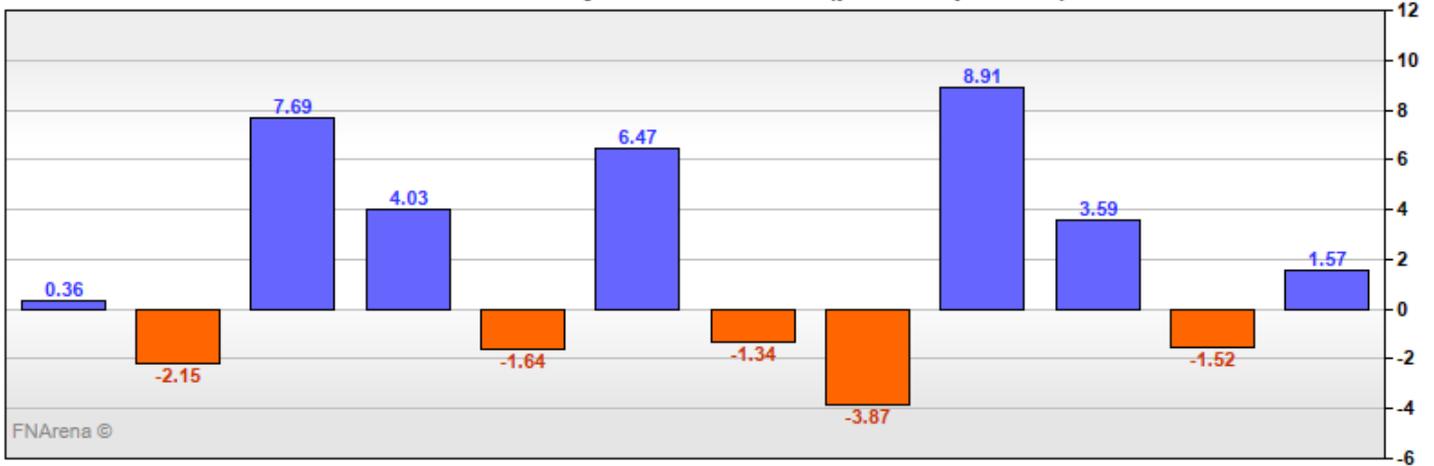
**ASX200 Weekly Movement in % (past 26 weeks)**



**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

# Market Too Negative On Orica's Headwinds?

Orica has guided to only a slightly better first half, dragged down by its primary explosives business, but strong growth in other businesses leave brokers unanimously positive.

- Orica's 1H26 earnings to be only slightly ahead year on year
- Issues for Blasting Solutions lead to slightly lower guidance
- Digital Solutions and Specialty Mining Chemicals to grow strongly
- With the shares trading well-below valuations, brokers line up with Buy ratings

By Greg Peel



*Explosives at work at a coal mine*

*"We are one of the world's leading mining and infrastructure solutions providers", Orica ((ORI)) explains on its website.*

*"From the production and supply of explosives, blasting systems, specialty mining chemicals, to our cutting-edge digital solutions from orebody intelligence to geosolutions and comprehensive range of services, we sustainably mobilise the earth's resources".*

Suffice to say Orica is a major products and services supplier to the mining industry in particular, and also to civil construction. The company operates under three main segments.

Blasting Solutions, somewhat self-explanatory, provides expert market solutions in surface and underground mining and construction.

Digital Solutions integrates end-to end digital workflows across the mining and civil infrastructure value chain.

Specialty Mining Chemicals supplies, most notably sodium cyanide, required for gold processing.

Orica's share price had fallen some -20% from its February peak leading into a trading update provided by the company this week, ahead of its earnings result due in May.

Drivers of the fall include the rising Aussie dollar, a supply outage in the US of ammonium nitrate (used to

make explosives), and more recently, Middle East geopolitical and petrochemical risks (noting significant exports of fertiliser typically flow through the Strait of Hormuz).

Yesterday's trading update disappointed, predominantly because of management's guidance for Blasting Solutions, and thus the share price has continued weakening.

## Mixed Update

The trading update revealed Orica anticipates first half FY26 (September year-end) earnings (EBIT) “slightly higher” than the first half FY25 result of \$488m, which is broadly consistent with the current consensus forecast of \$493m.

UBS notes consensus estimates have been moving lower given the recent appreciation in the exchange rate.

Blasting Solutions, which up until FY25 represented some 60% of Orica's earnings, will nevertheless produce “slightly lower” earnings in the half.

Orica said underlying demand for its premium blasting products and technology remained strong, but the strength of the Aussie dollar (up to circa US\$0.70 from US\$0.66 since 30 September) and lower coal production quotas in Indonesia would drag on that division.

On a constant-currency basis, the blasting solutions business was expected to be “broadly in line”.

Citi believes operational disruptions from Orica's decision to divert excess capacity from Australia and Indonesia to ensure continuity of supply for customers in North America would also have played their part.

Given the company's global footprint, scale and reputation, Citi thinks it is well placed to lock in medium-term contracts in North America in the near-term to plug the supply gap. This should see significant items relating to supply disruption moderate meaningfully in the second half versus the first.

On the other hand, Digital Solutions' earnings are guided to 15% year on year growth and Specialty Mining Chemicals' is guided to 20%.

The chemicals business has been boosted by strong demand from the gold sector for sodium cyanide, while the digital solutions unit has been supported by solid fundamentals in the gold and copper markets, increased exploration activity and greater cross-selling across the portfolio.

Management, however, noted first half and FY26 cash flows will be lower year on year given forex, the US ammonium nitrate outage, and litigation costs.

Contracted ammonium nitrate (AN) supplier CF Industries' delightfully named Yazoo City plant in Mississippi was shutdown following an explosion in November last year.

Yazoo City is likely to be down until the end of 2026. As such, UBS forecasts the full year impact at circa -\$60m (post tax), though notes Orica has elected to treat these costs as non-recurring.

It is possible for Orica to source AN supply from other US plants or import AN from its Bontang facility on Borneo Island in Indonesia, Ord Minnett suggests, noting the weaker demand in that country.

Nevertheless, Ord Minnett assumes the Yazoo City plant outage means Orica will incur further charges of -\$20m for supply chain costs in both the second half of FY26 and the first half of FY27, before an insurance payout of circa \$50m in the second half of FY27 that will somewhat compensate for the impact of the outage.

Aforementioned litigation costs relate to a contractual dispute between Orica and CF Industries that dates back to 2023.

With regard the Middle East, Orica noted it is not seeing any constraints as yet, and its products (and inputs) are not typically transported through the Strait of Hormuz.

Orica will monitor the situation and mitigate potential impacts through its global manufacturing and sourcing network.

## Cost-Out

The company launched an efficiency program aiming for more than \$100m in gross cost savings in the next three years, although there is a lack of detail on just where the savings will come from. This leads Ord Minnett to incorporate only \$68m of the \$100m target into its modeling at this stage.

Orica's cost savings target is positive, Macquarie suggests, and was foreshadowed by this broker back in December, when Macquarie highlighted an opportunity for Orica to close the margin gap to rival Dyno Nobel ((DNL)) through cost-out and mix benefit as higher-margin Digital Solutions and Specialty Mining Chemicals grow faster than Blasting Solutions.

As a scenario, narrowing the gap by half over next three-four years would equate to circa \$100m of earnings and a 10% benefit to Macquarie's FY29 earnings forecast (all else equal).

The context to the cost-out program is important, Macquarie suggests. If revenues are falling, cost-outs are needed to "run faster to stand still".

This broker thinks Orica's current context is conducive to success with robust explosives demand and pricing generally rational, suggesting cost-outs from position of strength, although Macquarie has not factored in cost-out benefits explicitly in its forecasts at this stage.

Macquarie also points out Orica's balance sheet remains in good shape, with potential for a further up to \$500m buyback in FY27 and further land sales to come.

Citi agrees, with the current buyback substantially complete, solid balance sheet metrics surplus, and land sale at Deer Park on the cards for the second half, Orica could look to its capital management framework which sets out scope for further buyback in the absence of near-term acquisition opportunities.

## All Buys

RBC Capital views the business update to be slightly disappointing as Blasting Solutions is expected to be down slightly. While the company is cycling a carbon credit benefit of \$15m, this is disappointing in the context of Dyno Nobel's recent positive Explosives update, RBC suggests.

On the positive side, Digital Solutions and Specialty Mining Chemicals are growing ahead of expectations. RBC cuts its price target by -2% to \$27.00, retaining an Outperform rating.

Overall, Jarden sees nothing alarming in the trading update to change its core thesis or Overweight recommendation at this stage. Jarden lowers its target price modestly to \$24.60 from \$25.60, in line with adjustments to free cash flow forecasts and terminal margin assumptions for Blasting Solutions.

Seven brokers monitored daily by FNArena cover Orica but Morgan Stanley (Overweight; target \$30.00) and Morgans (Buy; \$28.00) are yet to update.

Given positive trends with respect to gold and exploration, Citi thinks earnings the growth trajectory for Orica looks promising and could continue to surprise on the upside.

Demand is likely to continue to outpace supply when it comes to sodium cyanide with pricing benefits to flow through progressively. Citi's industry feedback is becoming increasingly more optimistic around exploration which should continue to support Digital Solutions growth.

Citi cuts its target to \$25.05 from \$27.10, and retains Buy.

Orica is well positioned to capitalise on improving short-to-medium term cyclical tailwinds across mining production, exploration and gold processing markets, Bell Potter suggests. Notwithstanding these tailwinds, this broker expresses caution regarding input cost and supply, but equally retains Buy with an unchanged \$28.50 target.

UBS retains a Buy rating with the stock seen offering a forecast three-year earnings per share CAGR of 8%, linked to resilient global mine production activity and supportive AN prices given potentially tightening global supply. UBS does acknowledge heightened focus on geopolitical risk in the current environment.

The stock has retraced from its highs reflecting recent market sell-off and CF Industries concerns, Macquarie notes. At a 17.1x forecast FY26 PE Orica trades at -7% PE relative discount to the ASX100 versus a -5% long-term premium.

Orica also trades at a discount to Dyno Nobel on FY27 forecasts, Macquarie notes, which is the full first year post divesting of its fertiliser business.

Macquarie cuts its target to \$25.50 from \$25.95 and retains Outperform (equivalent of Buy).

Ord Minnett cuts its discounted cash flow-generated target price to \$25.50 from \$26.00 to incorporate lower cash flow forecasts, but valuation leads Ord Minnett to raise its recommendation to Buy from Accumulate.

All seven brokers thus now have Buy or equivalent ratings on Orica. The consensus target has fallen to \$27.08 from \$27.51, acknowledging as yet unchanged targets from Morgan Stanley and Morgans.

Not helped by the shaky geopolitical context, Orica shares have continued falling this week, trading around \$20.39 at the time of writing.

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AUSTRALIA

# WiseTech Juggling AI Risks And Growth Levers

Interim results were well received against a backdrop of multiple moving parts and changes, while WiseTech's growth and strategy update has boosted analysts' confidence .

- CargoWise shifts from seat pricing to a transaction-based model, as AI threats heat up
- Workforce changes a positive and potential challenge to business as usual
- Customer adoption of CVP and the pace of CTO rollout remain key growth drivers
- DSV risks weighed up; valuations diverge on timing uncertainties

By Danielle Ecuyer



*Logistics and supply chains are quite literally the global arteries that regulate trade and keep economies running*

## Re-orientation of the business model for AI resilience

If investors needed reminding, the current Middle East war again highlights covid-style disruptions and just how dependent and interconnected global supply chains have become.

Rising geo-political risks only serve to make supply chains more fragile.

While the war's impact is being felt across the oil, gas, fertiliser and plastics markets, the adjacent price rises ripple through economies.

Logistics and supply chains are literally the global arteries that regulate trade and keep economies running.

Enter **WiseTech Global** ((WTC)), considered the leading software provider for the global industry, which, to the relief of investors, delivered better than expected 2026 interim results, with the share price having been swept up in the 'SaaSocalypse' narrative.

While the earnings update itself was considered a positive, investor attention has shifted to a broader set of strategic changes underway at the company. For context, management has been busy transitioning the

software solutions platform to new models.

CargoWise Value Pack (CVP) is the new pricing model introduced in late November 2025 as WiseTech transitions away from the traditional seat-based SaaS structure.

Under the new model, customers no longer pay per user license but instead pay a fee linked to each logistics transaction processed through the CargoWise platform.

Alongside this shift sits CargoWise Transactional Operations (CTO), which measures the volume of transaction-driven activity processed through the platform.

In simple terms, CTO represents the operational throughput flowing through CargoWise, while CVP is the pricing mechanism applied to those transactions.

WiseTech is replacing its historical pricing model of seat fees with customers moving to pay a single fee per logistics transaction or job.

The rationale for the change is straightforward, de-risking the AI-disruption challenges to seat-based SaaS models while deepening the software applications into customers' businesses.

## Are proposed Job cuts part AI and part necessity as growth tempers?

For Jarden, the most significant information to be announced in the 1H26 results was the reduction in Product & Development and customer service headcount by up to -50% or some -2000 employees.

The reduction correlates to almost -29% of total headcount of 7000-plus. It was framed as part of the platform's AI transformation program.

The headcount reduction will begin in 2H26 and continue into FY27, raising the question of whether the downsizing reflects AI-driven efficiencies or the integration of e2Open, which added around 3,700 employees in 2025, RBC Capital suggests.

While management framed the cuts as part of AI-related cost savings, RBC suspects both factors are in play.

UBS notes WiseTech has more than tripled its workforce over the last three years due to the retention of “*tech talent*” from acquisitions, particularly Blume and Envase, due to the intense competition for talented tech staff over the last couple of years.

A conservative estimate of cost outs stands at around US\$200m for FY27 including opex and capex, boosting earnings margins to 41% against UBS' prior forecast of 39% for FY29.

Macquarie estimates run-rate savings of US\$235m before the cost of AI, which would temper net run-rate savings to a forecast of around US\$150-US\$200m.

Importantly, the redundancies are not expected to impact the speed of new product rollouts or future product developments.

Citi also question marks the announcement, pondering if the cuts are related to the more subdued revenue outlook or whether it is a “*strategic step*” to leverage AI more effectively and become a “*leaner*” business.

Scope for the introduction of agentic AI capabilities is viewed positively by Citi, which believes these can assist with improved automation and better customer workflows.

But product execution could be hampered by the loss of workforce. RBC makes a similar observation, noting initial “*skepticism*” on management's ability to sustain business as usual for its customers with such large full-time employee reductions.

Countering the possible challenges, RBS analyst believe selective rehiring post wage expectations being reset is likely as more clarity around the operational needs becomes apparent.

## 2026 interim results confirmed AI moat

# strengths

Looking at the interim results, UBS viewed them positively, emphasising management's comments around its AI moat amid intense scrutiny in markets that agentic AI models from majors like OpenAI, Gemini and ChatGPT have the capacity to erode the business case for SaaS companies like WiseTech.

This topic was recently addressed by FNArena in early February (<https://fnarena.com/index.php/2026/02/10/treasure-chest-wisetech-global/>)

Management explained data and deep integration with ecosystem partners is a moat, enabling the facilitation of agentic AI workflows while transaction-based pricing keeps customers involved with the CargoWise platform rather than a pure seat-based model.

One industry observer with informed knowledge of the company went one step further in a recent conversation, stating WiseTech is more akin to an infrastructure business than a SaaS business in terms of its end-point offering to customers.

Other positives from the interim results included the initial feedback and conversion of existing customers to CargoWise Value Pack, with two large global freight forwarders signing up post December, identified by Morgans as Water Shipping and XPD Global.

During 1H26, two large global freight forwarders were also signed, Sankyu and CJ Logistics.

## Second half outlook and guidance

Around 5% of mostly long-term customers by number, representing circa 30% of revenue, are currently on CVP trials for specific capabilities/modules with specific end dates, as highlighted by RBC.

Management is emphasising the automation/AI "carrot" to encourage uptake of CVP, with failure to do so posing a competitive risk of falling behind peers who are adopting AI-friendly pricing models.

Financially, Citi queried whether the Transitional Pricing Protection was limiting the growth of CargoWise Value Packs as a limiter on revenue growth extrapolated from expected revenue growth for CargoWise over 2H26.

Macquarie noted management's comments around 30% of CargoWise revenues using the new Value Packs are subject to short-term deals.

Management's FY26 guidance is viewed as conservative by Macquarie, with further transitions to CargoWise Value Packs expected. This broker estimates for every 7.5% of revenues transitioned, CargoWise revenue rises by around US\$15m.

Morgans notes management reconfirmed CargoWise growth guidance of around 14-20% with 2H26 growth expected to be stronger than 1H.

The key question remains the deferred uptake in CargoWise Transactional Operations (CTO) and the residual customers yet to move to Value Pack.

This analyst also flagged the cost synergy for e2Open was ahead of schedule, with annualised run-rate savings of US\$50m targeted for FY27 achieved some 18 months sooner in January 2026.

UBS believes a faster take-up of CTO could generate earnings upside with four factors driving CargoWise revenue growth at an 18% compound average growth rate over the next three years.

UBS articulated 4% volume growth for new and existing customers; 6% price growth; an uplift from CVP of 4% on the remaining 5% of large global freight forwarders (outstanding); and 4% contribution from CTO.

The central "swing" factor is the uptake in CTO, with a large revenue total addressable market estimated previously at US\$4bn-US\$20bn.

Management's explanation is the complexity and newness of the product concept is a limiter on the speed of adoption.

WiseTech is currently focusing on ACFS (Australian Container Freight Services) in Australia as an early

implementation, effectively using it as a proof of concept to demonstrate how the model works in practice before broader global rollout.

Because of the slower expected adoption, UBS has cut its medium-term CTO revenue forecast, now expecting around US\$270m by FY30 instead of US\$600m, previously.

Despite this downgrade, UBS still believes CTO will remain an important long-term growth driver for CargoWise, helping support mid to high teens revenue growth for the platform over time.

## Is WiseTech at risk of losing its largest customer?

In terms of potential risks, the market has been contemplating the potential for WiseTech's largest customer, DSV, to embrace its in-house software brought forth through the Schenker acquisition.

Citi estimates WiseTech's revenue exposure to DSV at around US\$50m-US\$60m in FY25, rising to US\$80m-US\$90m once Schenker volumes are included.

The broker assumes most of this revenue would flow directly to earnings (EBITDA) given limited associated costs. However, Citi expects any earnings impact from a potential DSV exit would take several years to materialise, likely no earlier than FY28, noting a system migration typically requires at least 12 months due to training and operational change management.

Citi also highlights DSV would likely need further product development work for its in-house platform, as the company initially adopted CargoWise rather than building its own solution.

Existing contractual arrangements may also slow any transition. Citi considers the risk of other large freight forwarders building their own systems relatively low, viewing DSV as an outlier despite AI lowering software development barriers.

## Brokers lower targets but remain steadfastly upbeat

Brokers lowered their target prices for WiseTech post February earnings; more in reflection of changes in valuation multiples assigned to SaaS companies rather than notable earnings downgrades.

For Morgan Stanley, the company is still operating in a period of significant changes, as are all software stocks, with management needing to recalibrate to the transition to faster AI innovation and disruption.

The results and strategy update were viewed as stronger than expected. The lowering of the target to \$100 from \$130 aligns with market risk.

FN Arena's daily monitored brokers now provide a consensus target price of \$86.80 with seven Buy-equivalent ratings.

Non-daily monitored broker Jarden upgraded the stock to Buy from Overweight (higher than index weighting) with a lower target of \$63 from \$74 previously.

RBC Capital is Outperform rated (expected to exceed market performance) with a higher target of \$110 from \$100.

What is striking is the divergence in target prices from \$63 and Citi at \$65.35 at the lower end and Morgan Stanley and RBC at \$100-plus with Macquarie at \$97.70.

There are many moving parts at this stage for WiseTech Global, with analysts broadly agreeing the shares offer value at current levels.

At the time of writing the shares are trading a smidgen above \$49.

Note: Danish global transport and logistics company DSV's capital markets day is scheduled for the 12th of

May. Citi suspects there is potential for negative news flow to come from this event and has opened a 90 days negative catalyst watch on WiseTech Global shares starting in early March.

Note: The author owns shares in WiseTech Global.

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**AUSTRALIA**

# A-REITs: Debt And RBA Hikes vs Solid Momentum

A-REITs underperformed during result season despite positive results, hampered by rate rise fears (unlikely to subside in the short term). The outlook is not necessarily bleak.

- A-REITs post solid earnings results on average
- The sector nevertheless underperformed during February
- Valuations appear attractive
- Extent of debt hedging one key variable

By Greg Peel



*The operational outlook for AREITs looks solid, but there are headwinds ahead*

On average, Australian real estate investment trust's (A-REIT) December-half 2025 results beat consensus by 1.8% and all A-REITs reaffirmed or increased guidance, leading to marginal net increases for FY26 (average 0.2%), Macquarie reports.

Ten out of 28 A-REITs covered by Macquarie upgraded.

However, the sector registered broad net forecast decreases for FY27 (-0.5%) and FY28 (-0.8%). A-REIT earnings growth is expected by Macquarie to be lower in FY26 than FY25 before accelerating into FY27.

UBS equally observed the real estate sector underperformed materially throughout the February earnings season --down -6.6% since February 3 versus a 3.0% gain for the ASX 200-- despite a growth outlook which has remained resilient.

1H26 earnings came in 1% ahead of UBS on average, with 50% of results in line and 'beats' outweighing 'misses' by 2.7-to-1.

More importantly for UBS, FY26-28 earnings forecasts remained broadly flat which has left UBS' three-year FY26-29 compound annual earnings growth rate assumption (excluding property fund managers) little changed at 5.2% (down from 5.3%).

This is seen as attractive in the context of near-term dividend yields in excess of 5% and PE multiples of circa 15x.

While compressing debt margins and solid property-level performance has helped sustain earnings, this has been overshadowed by macro headwinds, most recently the Iran conflict and a hawkish turn from RBA Governor Bullock last week.

UBS now expects another rate hike in August, with May still penciled in.

Jarden highlights 1H26 results confirmed the A-REIT sector is caught between strong operational trends (rent growth, development normalising), valuation support (net tangible asset value growth returning) and interest rate headwinds (the three-year swap rate has risen 90bps to 4.3% since October).

February saw results 3% above Jarden's forecasts and guidance upgraded (5 out of 24 under coverage) or maintained, with no A-REITs downgrading.

Net tangible asset (NTA) valuations increased circa 2% on average, supported by valuation growth across the board with the strongest gains seen in manufactured housing estates and retail, while the office and logistics sectors lagged.

Active business models saw continued better momentum with fund managers still able to raise/deploy capital in a higher rate world, Jarden notes, for example Charter Hall Group ((CHC)), and developers, eg Mirvac Group ((MGR)), finding the operating environment has normalised.

Key positive updates came from Mirvac, Dexus ((DXS)) and Charter Hall while updates from Scentre Group ((SCG)), Stockland ((SGP)), HMC Capital ((HMC)) and Centuria Capital ((CNI)) fell short of Jarden's expectations.

## Post Result Performance

Despite upbeat 1H26 updates, the A-REIT sector lagged the market over February, as noted, as large sectors (banks, materials) outperformed.

The drop in the ASX200 property index was largely commensurate with Jarden's target price changes, down circa -4% due to higher rates impacting valuations.

Within the sector, "value" names, such as Dexus and Mirvac outperformed "growth" names, such as Goodman Group ((GMG)) and Charter Hall, highlighting crowded positioning.

Earnings revisions didn't work as a factor through February, Jarden notes; even a 5% upgrade to guidance saw Charter Hall underperform, with the valuation already elevated heading into results.

Looking at the three-day relative moves post reporting, Jarden notes the top three performing A-REITs were Dexus (6%), Mirvac (4%) and Charter Hall Retail REIT ((CQR)) (3%) and the bottom three were Lifestyle Communities ((LIC)) (-12%), Charter Hall Group (-11%) and Goodman (-6%).

Compared to the previous RBA hiking cycle, UBS believes A-REITs are now better positioned for a higher rate outlook, with debt initiatives (refinancing with margin benefit), hedging closer to market and robust top-line growth all helping to underpin sound earnings growth.

## Cost of Debt

The rising cost of debt is still weighing on growth, Macquarie notes, and given differing levels of interest rate hedging, is a significant driver of variance in growth profiles between A-REITs.

Macquarie's FY26 earnings forecasts are broadly in line with consensus, but for FY27, A-REITs with the largest positive variance are Dexus, Lendlease ((LLC)) and Healthco Healthcare & Wellness REIT ((HCW)).

A-REITs with the largest negative variance, Macquarie notes, are HMC Capital and DigiCo Infrastructure REIT ((DGT)).

Reported gearing levels are typically around the midpoint of target ranges, limiting acquisition capacity. Macquarie suggests the standouts on capacity are Vicinity Centres ((VCX)), Region Group ((RGN)), and Dexus Industria REIT ((DXI)).

Therefore, expansion via funds and capital partnerships will be a differentiator for earnings growth. Charter Hall and Goodman are proven performers, and Macquarie believes recent de-ratings present a more attractive entry point.

Macquarie's key sector picks are Goodman, Mirvac and Charter Hall among the large cap REITs, and Qualitas ((QAL)) and Arena REIT ((ARF)) among the smaller names.

Note Macquarie is an outlier in having no further rate rises factored into its earnings forecasts.

Morgan Stanley is forecasting one more 25bps RBA rate rise in May. This broker believes A-REIT cost of debt risks are under-appreciated.

Having examined every A-REIT's (excluding property fund managers) interest rate hedges, Morgan Stanley thinks rate headwinds could be a drag on earnings growth for some in 2H26-FY28.

The broker suggests REITs with a steep declining interest rate hedge profile appear most at risk, while those with consistently high hedging, or those already with a high cost of debt, should be able to produce bottom line growth commensurate with their revenue trajectory.

While Morgan Stanley's 12-month stock recommendations are not based purely on the weighted average cost of debt (WACD) outlook, from a short-term trading perspective the broker suggests equities investors may base defensive preferences on earnings revisions risk arising from rates, especially with the focus on RBA and possibility of further hikes.

Mirvac and GemLife Communities Group ((GLF)) could see a small decline in WACD between now and FY28, while Centuria Office REIT ((COF)), Homeco Daily Needs REIT ((HDN)), Vicinity Centres, Stockland and Centuria Industrial REIT ((CIP)) may endure WACD increase of less than 15bps.

On the other hand, Morgan Stanley warns Region Group, Arena REIT, Scentre Group, Charter Hall Long WALE REIT ((CLW)) and Healthco Healthcare & Wellness REIT could, in theory, experience more than a 35bps uplift in WACD over the next two years.

Healthco Healthcare & Wellness and Charter Hall Long WALE could see their WACD increase by more than 60bps over the next two years, Morgan Stanley warns, which could translate to a -6.0/-8.6% earnings headwind.

Scentre Group --because its hedged debt drops from 91% (at 3%) in 2026 to 28% in 2028-- could experience a 52bps uplift in WACD over this period, however Scentre's expensive margin means refinancing could alleviate any concerns, Morgan Stanley suggests.

The broker notes Mirvac and Vicinity are the two large caps with a relatively stable cost of debt over the next two and a half years. Mirvac's current hedging is low at 56%, at a high base rate of 3.3%, and Vicinity is more than 70% hedged to FY28, at a consistent rate of circa 3%.

## Postscript

Prior to the war on Iran, economists were for the most part already forecasting at least one more RBA rate hike this year due to persistently sticky inflation. The resultant oil price shock has brought warnings of even more pressure on the RBA to raise rates.

Notwithstanding extreme volatility in oil prices in the past week (up to almost US\$120/bbl and back to US\$90/bbl at the time of writing), driven by uncertainty over the duration of the war, strategic reserve releases, Straits of Hormuz access etc, the question for the RBA is whether oil price-driven inflation justifies kicking Australians further when they are already down.

Were oil prices to remain elevated for some time, economic growth would be impacted, and such the RBA would have to balance the two conflicting drivers (ie stagflation) in its rate decisions, suggesting an oil price-driven hike is not necessarily a given.

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**AUSTRALIA**

# Market Concerns Eclipse NextDC's Growth Outlook

NextDC's latest results positively surprised with records set as the data centres operator continues to capture the massive AI-tailwinds of infrastructure demand and investment.

- Trillions in AI investment confirmed with latest hyperscaler issuance and Oracle's results
- Record contract wins accelerate NextDC's growth outlook with upside risks to earnings forecasts
- Market is seeking a joint venture partnership to de-risk NextDC's debt profile
- Brokers temper concerns, remain positive on upgraded earnings

By Danielle Ecuyer



*Data Centres remain in high demand fueled by strong growth in AI*

## AI infrastructure demands keep on keeping on

“If you build it, they will come.” Field of Dreams (1989)

In October last year, Citi lifted its estimate for global AI capital expenditure between 2026 and 2030 to US\$8.9trn from about US\$8.0trn.

Eye-watering numbers that are hard to comprehend but broadly equate to the combined market capitalisations of the world's two largest companies, Nvidia and Apple, at respectively US\$4.49trn and US\$3.85trn.

The increase reflects accelerating demand for compute infrastructure such as data centres, GPUs, networking equipment, and power capacity needed to train and run AI models.

Oracle's latest third quarter result only reinforced the scale of the investment. The company's cloud segment,

representing 50% of group sales, grew 44% to US\$8.9bn on the prior period and Oracle Cloud Infrastructure, which rents out servers to the internet, experienced revenue growth of 84%.

Management stated, *“The demand for cloud computing for AI training and inferencing continues to grow faster than supply. Furthermore, some of the largest consumers of AI cloud capacity have recently strengthened their financial positions quite substantially.”*

Supporting Oracle’s view that hyperscalers are issuing more debt to fund AI-related capex, the company’s -US\$19bn data centre capex resulted in new debt of US\$27bn.

Amazon coincidentally raised circa US\$37bn of US investment-grade bonds, with the deal upsized from an initial US\$25-US\$30bn after receiving US\$123bn of investor orders.

A further EUR10bn of euro-denominated bonds are slated to be sold, raising a total of some US\$48bn-US\$50bn.

Alphabet sold US\$25bn of bonds into the US and Europe, while Meta Platforms issued US\$30bn of corporate bonds last month.

## Australia's largest listed data centre company captures positive AI-demand tailwinds

Turning back to Australia, OpenAI announced it would be the anchor tenant in the Southern Hemisphere’s largest data centre under construction in Sydney’s Eastern Creek for \$7bn.

The company responsible for building and operating that data centre is **NextDC** ((NXT)), Australia’s largest listed developer and owner of data centres (ASX-listed since late 2010).

The industry’s global tailwinds were clearly evident in NextDC’s interim results in February, with the updated forward order book a positive surprise for investors, albeit the market’s reaction to the news was less enthusiastic than the share price response in August, when the stock rose 15%, as highlighted by Canaccord Genuity.

Analysts and market commentators point to 172MW in new contract wins, the largest sales period in the company’s history, lifting the forward order book 25.7% year-on-year to 297MW.

UBS emphasises NextDC will activate 152MW in FY27, more than the entirety of the 120MW activated since the business started, resulting in *“material”* upgrades to FY27 earnings and beyond.

This broker estimates the existing contracted pipeline could support earnings (EBITDA) of \$719m once fully deployed compared with a circa \$239m estimate for FY26.

Canaccord estimates around 55% of the new capacity will convert to billing in FY27, which sits well above consensus and aligns with other brokers.

The pace of the billing ramp reinforces management’s prior comments that customers want to take up capacity much faster than previously.

Importantly for the company’s financial metrics, notably cashflow, the rise in underlying 1H26 EBITDA growth of 9.9% on the prior year versus 3% in 1H25 is indicative of operating leverage beginning to gain momentum, which Macquarie expects will accelerate from FY26 as forward orders convert to billing.

NextDC’s management expects billing in FY27 to achieve what the market is forecasting in FY28. As highlighted by Morgans, NextDC now expects 417MW billing by FY29 compared to 245MW billing expected back in August 2025.

Interestingly, management commentary on the call with analysts signaled development *“cadence”* is accelerating with rising use of AI, which is streamlining customer deployments and achieving higher billable IT capacity within the same footprint, alongside greater modularisation, as highlighted by Macquarie.

NextDC can now deliver between 100-150MW of hyperscale capacity over the next year or so at a lower capex of -\$12-\$15m for prefabricated hyperscale assets (M4/S4).

Supply constraints continue to limit growth for NextDC, earnings call commentary re-iterated, despite record

demand.

Reinforcing the demand tailwinds, Anthropic has announced its Australian launch, with an executive leadership team coming to Australia this month to formalise local partnership deals across customers and policymakers.

*“We’re exploring adding local capacity through our third-party partners in Australia, using infrastructure already in place.”*

## Funding the development pipeline weighs on market sentiment

There was no shortage of enthusiasm for the robust demand environment and improved delivery and accelerated billing, but the development pipeline remains the main issue, somewhat depressing market sentiment.

With circa -\$3bn needed to build out the contracted capacity book, question marks surrounding the debt profile are highlighted as one of the reasons why the share price response in February was not as upbeat as in August.

NextDC has \$4.2bn in available liquidity in cash and undrawn debt, with plans outlined at the results for a subordinated \$500m note issuance, bringing available funding to \$4.7bn.

Canaccord estimates cumulative earnings (EBITDA) of \$1.4bn over the next three years, bringing total funding to around \$6bn, sufficient for the slated -\$3bn build-out and another \$3bn for other activities.

Morgans suggests a new financial partnership may soon be announced for S4 and S7 funding, which would allow development to be funded via debt rather than equity issuance.

UBS stresses the entire data centre build-out does not have to be funded from current debt levels, rather only enough to secure an associated hyperscale MW contract, which would in turn enable construction finance or de-risk the project to facilitate a JV partner for S4.

NextDC continues to progress its development pipeline, securing approvals for the S4 and M4 facilities, with S5 expected shortly, while S7 has received fast-track status under the government’s Investment Delivery Authority program.

Capacity expansions are underway across several campuses, including upgrades at S3, S4 and M3, alongside additional build capacity being added at sites such as S6 and M2.

Smaller expansions continue across multiple locations to support network infrastructure and cable landing requirements.

Internationally, the Kuala Lumpur facility (KL1) remains on track for a 2H26 opening, while early works have begun on the Tokyo project (TK1).

## Earnings forecast upgrades could still undershoot future results

Analysts have raised earnings forecasts following the quicker activation profile, UBS by 1-8% for FY27-FY29 earnings (EBITDA), Macquarie by 23% and 34% for FY26/FY27 EPS estimates, Morgans by 3% and 30% for FY26/FY27 and FY28 respectively, while Citi sees ongoing upside risks to earnings forecasts for FY27-FY28.

From a valuation perspective, Morgans noted in January Pacific Equity Partners acquired 75% of Spark New Zealand’s ((SPK)) data centre business for 30.8x proforma earnings.

A KKR consortium acquired around 80% of ST Telemedia Global Data Centres for a suggested 30x trailing earnings.

NextDC is estimated to be trading at around 22x earnings, Morgans and Canaccord note, while UBS estimates a contracted EV/EBITDA multiple of around 16x with a three-year compound growth rate in earnings (EBITDA) of

over 40%.

FNArena-monitored brokers all have Buy-equivalent ratings with a consensus target price of \$20.725. Yesterday, NextDC shares closed at \$12.70.

Canaccord Genuity, a non-daily monitored broker, reiterated “Stay Buy” with a \$20.40 target from \$22.25, largely attributed to lower pricing and higher capex.

Citi recently added the stock to its Pan-Asia Focus List with upside risks to FY27/FY28 consensus earnings (EBITDA) forecasts, as these currently only account for the existing contracted backlog and the analyst sees potential for further contract announcements in Melbourne.

Note: The author owns NextDC shares.

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COMMODITIES

# Material Matters: Rollercoaster Oil & Top Picks

Despite an overnight retracement following a sharp spike, energy markets remain on edge with implications for the global economy.

- Recent developments impacting the oil price
- Markets underestimating systemic risk, says Jarden
- How high can oil and LNG go?
- Which ASX-listed oil exposures benefit most?
- Updated energy pricing forecasts

By Mark Woodruff



*To state that energy markets have become very volatile of late is a grave understatement*

What happened between Friday morning and Monday afternoon has instantaneously become part of financial market's legendary tales, the kind seasoned traders will tell their grand kids long after retirement:

*I was there. Saw it with my own two eyes.*

Hell, they might have even made money out of it (or not).

On Friday morning, Brent oil futures changed hands around US\$83/bbl. By Monday afternoon, Sydney time, those futures rallied to US\$119.50/bbl. Within a flash they were back at US\$86/bbl.

Investors had woken to reports G7 nations were planning a call to discuss releasing strategic oil reserves to offset potential supply disruptions.

US President Donald Trump and Secretary of State Marco Rubio said Washington had a clear plan in place, with Trump later suggesting the conflict, otherwise known as war in Iran, could end sooner than previously expected.

Indicating the timeline may be shorter than the earlier four-to-five-week guidance, the President added Iran may be running low on missiles and vessels were beginning to move more freely through the Strait of Hormuz.

Having reached a low of US\$83.66, Brent crude is trading around US\$89.00 at the time of writing.

In between, global equity markets followed the lead, first down sharply, as oil pricing surged, then a strong recovery rally on the back of the sharp fall in price.

## Markets underestimating systemic risk to global energy stability

Given disruption in the Strait of Hormuz from the US/Israel-Iran conflict effectively strips around -20% of global oil and LNG supply from the market immediately, energy sector analysts at Jarden made the call equity markets were dangerously underestimating the systemic risk to global energy stability.

With traffic through the world's most critical energy chokepoint collapsing toward zero, investors were at risk of interpreting a profound supply shock as a temporary delay.

All that changed on Monday, see above, when the US administration and G7 leaders stepped up to calm a market that had, finally, grasped the seriousness of the emerging situation.

So why the muted market reaction up until Friday? Jarden suspects a general "boy who cried wolf" mindset, after years of Middle Eastern false alarms.

In addition, high inventories in China and Japan, coupled with optimistic US rhetoric about the war being "ahead of schedule", might also have temporarily cushioned sentiment.

As we all found out yesterday, Jarden's warning proved prescient, with global gas prices surging after the closure of the Strait of Hormuz constrained around -21% of global LNG supply and QatarEnergy halted production at its 77mtpa Ras Laffan hub.

## How high can oil and LNG prices stretch?

Under Jarden's worst-case scenario, the Strait of Hormuz closes for two months, which would ignite global supply fears and send Brent crude pricing above US\$150/bbl.

A more moderate base case assumes a six-to-eight-week conflict, with Strait transit becoming hazardous during the latter half of the period, and the price of Brent averaging around US\$90/bbl in 2026.

Under both scenarios, the forecast remains for materially higher spot LNG prices, reflecting the absence of Qatari LNG exports while the Strait remains closed, with prices expected to peak above US\$30/mmbtu for LNG.

At the beginning of March, Citi's base case assumed either a leadership change in Iran or sufficient regime shift to end the conflict within one-to-two weeks, or a US decision to de-escalate after setbacks to Iran's missile and nuclear capabilities.

Under either of these scenarios, it was estimated oil prices would fall back to around US\$70/bbl before gradually easing to about US\$62/bbl in the second half of 2026.

Citi also assessed the impact on the Japan Korea Marker (JKM)/Title Transfer Facility (TTF) benchmarks for spot LNG in Asia and European natural gas (quoted in EUR/MWh) in Europe, respectively.

Last week, LNG prices had surged, with JKM moving to more than US\$20/mmbtu as incentive pricing attempts to attract cargoes to replace impacted volumes.

If the disruption proves brief, lasting only around two weeks, Citi forecasts JKM and TTF prices will settle around US\$14-18/MMBtu or EUR40-50/MWh.

If the disruption persists longer than expected and markets begin pricing a prolonged outage, it's thought a three-month closure could lift prices toward US\$30/MMBtu, or close to EUR100/MWh.

**Very high TTF prices, if realised, would have inflation implications especially for Europe, as seen in 2022,**

Citi cautioned.

## Which ASX oil exposures benefit most?

Broker commentary highlights Santos ((STO)) as the most widely preferred exposure to higher oil prices, with all of Macquarie, Citi and UBS favouring the stock.

Yesterday, Macquarie raised its price assumptions based on current market pricing, stating its preference for Outperform-rated Santos over Woodside Energy ((WDS)) (Neutral) and Underperform-rated Karoon Energy ((KAR)) and Beach Energy ((BPT)).

Under this broker's research coverage of the sector, Woodside is highlighted as offering most leverage to the JKM price while Karoon is the most leveraged to oil prices.

Citi also rates Santos Buy and Woodside Energy Neutral, though this broker notes Woodside will likely outperform Santos if the conflict escalates and sustained LNG scarcity pushes JKM pricing higher.

While UBS views Woodside (neutral) as having the highest leverage to oil and LNG price movements, Buy-rated Santos is seen offering the greatest upside to fundamental value.

While recognising the surge in oil and LNG prices may prove short-lived, this broker highlighted higher prices provide Woodside and Santos with an unexpected boost to free cash flow, enabling faster deleveraging.

All names in Morgans' energy producer coverage including the above two, along with Beach Energy, Karoon Energy, and Amplitude Energy ((AEL)) remain in capex-intensive phases, meaning a sustained lift in oil prices would materially improve balance sheet flexibility, dividend sustainability and growth optionality around unsanctioned projects.

This broker favoured Woodside and Amplitude, highlighting their operational and strategic investment case has not changed.

Noting a prolonged disruption could push prices above the US\$90-100/bbl range, Morgans applied an oil shock premium of 10% to its 12-month target prices for Woodside, Santos, and Karoon Energy. The premium added for Beach Energy was 5% given oil's rise could potentially close the mergers and acquisitions market.

The binary nature of current geopolitical risks was noted, and investors were advised to take partial opportunistic profits across the energy sector (as things are likely to become ultra-volatile at times, as also proven on Monday and today).

Crystallising recent windfall gains while retaining some exposure allows participation in further upside, pointed out Morgans, noting the next 10% move could be in either direction depending on developments.

Morgans advised against chasing the rally. Portfolios with underweight energy exposure may instead look to add selectively on any pullback towards pre-conflict levels (Woodside around \$27.00 and Santos around \$6.40), where risk-reward would again appear more attractive relative to existing valuations.

For longer-term investors, this broker suggested only modest trimming. The operational and strategic case for Woodside and Santos remains intact, while conflict-driven pricing upside provides justification to hold through volatility.

Morgans also noted Australian LNG producers remain predominantly exposed to oil pricing through oil-linked offtake contracts.

With most energy producers currently in capex-intensive phases, it's felt a sustained lift in oil prices will materially strengthen balance sheet flexibility, support dividends and enhance optionality around unsanctioned projects.

Beyond the immediate price spike, Jarden assessed Woodside, Santos and Karoon Energy could benefit from a geopolitical tailwind as buyers seek to diversify supply away from Middle Eastern volatility.

## Upgraded energy pricing forecasts

UBS raised its 1Q26 Brent forecast to US\$71/bbl, implying around US\$80/bbl in March, and lifted its 2026

average by US\$10/bbl to US\$72/bbl. The revision assumes the conflict persists for several weeks, with flows through the Strait of Hormuz severely disrupted amid continued attacks on Gulf countries, though not on critical oil or LNG infrastructure.

UBS suggested further or more damaging strikes on Gulf energy infrastructure could push Brent above US\$90/bbl, while a meaningful de-escalation could quickly unwind the current risk premium.

Similarly, Morgans noted if the disruption persists for several weeks, Brent prices of US\$90-100/bbl appear plausible as Asian importers scramble for non-Gulf barrels.

Should Iranian or Gulf-state oil infrastructure suffer significant damage, implying extended supply loss, prices of US\$100-120/bbl could become the central case, the analyst cautioned.

\*\*\*\*

Virtually all brokers monitored daily by FNArena have been increasing their energy pricing forecasts in March, with positive flow-on effects for individual, ASX-listed companies. Depending on further developments, this might not be the end of this trend just yet.

Paid subscribers can keep a close eye on ongoing changes and updates via The Australian Broker Call Report and Stock Analysis on the FNArena website.

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COMMODITIES

# Material Matters: Rare Earths, Coal & Contractors

Prices for rare earths surge; Middle East conflict impacts coal pricing; and onwards and upwards for contractors.

- Rare earth prices surge as supply risks tighten
- Thermal coal gains support as met coal markets remain oversupplied
- Contractor cycle seen extending on mining, energy and AI spending

By Mark Woodruff



*Diverging dynamics might see pricing for met and thermal coal move in opposite directions in 2026*

## Rare earth prices surge as supply risks tighten

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.

The analyst at Argonaut explains demand from electric vehicles, offshore wind, robotics and artificial intelligence continues to strengthen the long-term outlook.

As China controls around 90% of global supply, it's noted Western economies are increasingly seeking to establish independent mine-to-magnet supply chains.

Neodymium-praseodymium (NdPr) prices have risen roughly 100% over the past year to around US\$120/kg, prompting Argonaut to raise its medium- and long-term NdPr price forecasts.

Estimates are raised by between 14-65% through the decade and are expected to peak near US\$140/kg before

settling at a long-term price of US\$95/kg, up from a prior US\$80/kg.

The broker also expects dysprosium (Dy) and terbium (Tb) prices to roughly double over time due to tight supply and strong demand in magnet supply chains.

For the uninitiated, NdPr is the core material for permanent magnets, while Dy and Tb are respectively like performance upgrades providing heat resistance in magnets and acting as an ultra-high performance magnet additive.

Foreign exchange assumptions partly offset forecast earnings upgrades for stocks under Argonaut's coverage in the Rare Earths sector. The long-term forecast for the Australian dollar is increased to US\$0.70 from US\$0.65.

The broker remains cautious on established producers such as Lynas Rare Earths ((LYC)) and Iluka Resources ((ILU)), maintaining respective Sell and Hold ratings, arguing current valuations already reflect stronger prices.

Earnings forecasts are materially raised for Lynas Rare Earths given the company's strong leverage to NdPr sales. Near-term earnings forecasts for Iluka Resources are lowered ahead of the Eneabba ramp-up, reflecting currency impacts on the mineral sands division.

Greater upside is anticipated for developers with a preference for Meteoric Resources ((MEI)) and Brazilian Critical Minerals ((BCM)), whose targets are increased by 37% and 56% to 48c and 14c, respectively.

Positive views are also maintained on niobium exposures WA1 Resources ((WA1)) and Encounter Resources ((ENR)), with currency headwinds leading to modest price target downgrades to respectively \$26 and 75c.

Argonaut has Speculative Buy ratings for Brazilian Rare Earths ((BRE)), Northern Minerals ((NTU)), Meteoric Resources, Brazilian Critical Minerals, WA1 Resources, and Encounter Resources.

## Thermal coal gains support as met coal markets remain oversupplied

The Middle East conflict remains the key catalyst for US and seaborne coal prices, highlight analysts at UBS.

Should tensions persist into next month, the broker believes thermal coal prices may rise further and decouple from metallurgical coal, leaving the risk-reward profile for thermal coal materially more attractive this year.

Amid heightened energy market volatility, the analysts cite conversations with a market expert who suggested -4-10mt of US supply could exit the met coal market. This would be mainly High Volatile B (HVB) coking coal volumes shifting into thermal markets alongside low-margin US production facing pressure.

Global GDP is seen as the best proxy for met coal demand. With growth around 2.5%, the market faces pressure from mine restarts and production ramp-ups, leaving supply ahead of demand.

Trade restrictions are also widening price discounts, with US coal excluded from China and Russian coal restricted in Europe, resulting in deeper discounts versus the Queensland benchmark.

Met coal markets remain fundamentally oversupplied, according to said expert, making a sustained price move above US\$230-240/t unlikely over the next 12-18 months, with US Low Volatile (LV) coking coal expected to remain below US\$200/t.

Short-term optimism for thermal coal is driven by the substitution trade. Here, European government policy is seen as key, particularly how authorities manage gas storage levels.

European gas storage stood near 30% as of March 3, down from 40% last year and close to ten-year lows, highlights UBS.

To address this imbalance, governments may need to intervene by diverting gas away from power generation and running coal-fired plants at full capacity.

It's felt this would support both Northwest European thermal coal (API2) and Title Transfer Facility (TTF) European gas prices.

At the same time, the broker highlights Asian markets have been caught off guard and are now competing for supply.

UBS explains if TTF European gas rises above the Japan-Korea Marker (JKM) liquefied natural gas benchmark,

API2 would narrow its discount to Newcastle 6,000 kcal thermal coal (NEWC6000) prices, while the opposite would occur if JKM LNG trades above TTF European gas.

The analysts leave their 12-month targets unchanged for Neutral-rated BHP Group ((BHP)) and Buy-rated Coronado Global Resources ((CRN)) which primarily sell metallurgical coal used in steelmaking, though the mix varies by company.

Whitehaven Coal's ((WHC)) target and Sell rating are also kept. This company produces a mix of thermal coal (55%) and the remainder metallurgical coal after acquiring BHP's Daunia and Blackwater met coal mines in April 2024.

## Contractor cycle seen continuing on mining, energy and Ai spending

Macquarie's review of ASX-listed contractors highlights generally solid financial reporting throughout February, supported by strong demand, improving margins and robust balance sheets.

The broker believes the sector cycle still has further to run, supported by iron ore sustaining capital, accelerating energy transition spending, increased defence investment, and rising AI-driven infrastructure demand.

Broad demand across multiple end markets, combined with more disciplined bidding behaviour, is supporting improved earnings quality and visibility, the report highlights.

Macquarie retains a positive sector outlook driven by both macroeconomic and company-specific factors. Preferred exposures are NRW Holdings ((NWH)), Ventia Services ((VNT)), Downer EDI ((DOW)) and Service Stream ((SSM)).

The broker observes renewed risk aversion following the Middle East conflict, which may favour contractors with greater A&NZ region exposure representing more defensive earnings profiles (in the current context).

For Worley ((WOR)), a higher oil price is typically supportive for the share price given the historical correlation, Macquarie notes, though prolonged conflict raises risks of regional project disruption and broader global economic impacts.

Balance sheets are considered strong across the sector, with share buybacks continuing at Ventia Services, Downer EDI and Worley.

It's thought key catalysts will be contract awards over the next three to six months, particularly in power infrastructure, mining services and energy transition projects.

Macquarie's 12-month targets are unchanged even though earnings forecasts are increased for Monadelphous Group ((MND)), NRW Holdings, Downer EDI, Ventia Services and Perenti ((PRN)). Estimates are lowered for Worley, Mader Group ((MAD)), and Maas Group ((MGH)).

All the above-mentioned names have an Outperform rating, apart from Monadelphous after Macquarie recently lowered its rating to Neutral on valuation grounds.

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

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## FEATURE STORIES

# Banks Outperformed In February. What's Next?

Australia's major banks solidly outperformed the index during February following surprisingly positive trading updates. Can the trend continue?

- Solid outperformance from the major banks in February
- Credit growth slower in recent data
- Deposit rates vary significantly
- Will AI prove a hindrance or a help?

By Greg Peel



*Australia's major banks were among the season's outperformers in February*

The 2026 February corporate result season was another in which analysts suggested beforehand that bank results had better be impressive in order to justify elevated valuations, particularly that of Commonwealth Bank ((CBA)).

This was the case throughout 2025, but in each case the majors improved their valuations in due course.

Among the majors, only CBA delivered a first half result, while the others provided quarterly updates.

Morgan Stanley reports the average major bank total shareholder return (capital gain plus dividends) of 12.5% in the month of February was significantly better than the ASX200's 4.1%.

Among the majors, CBA was the best performer (18.5%), followed by National Australia Bank ((NAB)) on 13.0%, Westpac ((WBC)) on 9.6%, and ANZ Bank ((ANZ)) on 9.1%.

In contrast, the smaller banks underperformed the market. Bank of Queensland ((BOQ)) delivered 3.1% and Bendigo & Adelaide Bank ((BEN)) only 0.4%, while Judo Capital ((JDO)) lost -5.0%.

Are Australian banks thus overvalued?

Morgan Stanley notes the average major bank one-year forward PE multiple rose by 1.7 points to 20.8x, with

the increase led by CBA (2.7points).

The majors are now trading at a premium of 6% to the All Industrials ex Banks, marking the first time they have traded at a premium since late 2009 (when recovering from the GFC).

The average major bank one-year forward dividend yield is 3.6%, the lowest level in the past thirty years, Morgan Stanley notes, and the first time it has fallen below the RBA cash rate since mid-2008 (when the GFC was in full swing).

## Lending

Bank business loan growth slowed to 5.5% annualised in January following growth in excess of 10% in the December quarter. This compares to 9% in January 2025 and 8.5% in January 2024.

Mortgage growth eased to 7% in January from 8% in December, but was still well above previous January prints, Morgan Stanley notes, of 5.5% in 2025 and 4.5% in 2024. Mortgage growth in January was again led by CBA (5.4%) and Westpac (5.0%), followed by NAB (3.7%). ANZ improved, but still lagged (2.8%).

Morgan Stanley believes the February RBA rate hike (and possibly another one in May) will likely lead to some softening in housing credit momentum.

The majors, other than ANZ, are tracking about in line with consensus loan growth, UBS notes, with Westpac and Macquarie Group ((MQG)) ahead of expectations. Regionals continue to sit below consensus estimates.

Housing lending was softer in January versus December, as noted, with CBA, Macquarie and Westpac capturing 24%, 24% and 19% of the month's net new business respectively. Regionals were losers, UBS notes, with Bank of Queensland losing -3% and Bendigo & Adelaide Bank flat.

Investor mortgages are currently around a third of mortgage loans and growing at 7.7% annualised versus owner-occupied at 6.2%. CBA and Dutch challenger ING are aggressively taking investor mortgage market share, UBS points out, taking business predominantly from the regionals. Macquarie is growing its owner-occupied book, with NAB growing at 1.5x system growth.

Softer business lending in January saw the majors capturing a super majority of net lending flow, UBS notes, other than ANZ.

Bank of Queensland had a strong month capturing 7% of monthly flow. ANZ has performed poorly in business lending over the past six months with net outflows month on month.

Judo Capital saw net outflows, likely from book run off, but is still growing strongly.

## Borrowing

Australian household deposits at banks grew at only a 2% annualised rate in January, the latest data show. This compares to 7% in both January 2025 and January 2024, Morgan Stanley notes.

In the past three months, NAB and Westpac grew deposits above system, but ANZ and CBA were below.

Deposit growth (7.8% year on year) came predominantly from household deposits (8.5% year on year), UBS notes, with Macquarie, CBA, Westpac and ING the key winners, while regionals were the losers.

Business deposits were flat for the month (8.1% year on year) with ING growing 18% month on month and Westpac performing well in a subdued business lending and deposit month.

Margin pressure risk from deposit competition appears contained near term, UBS suggests.

With one RBA rate hike delivered, all banks have passed this onto savings customers, Macquarie reports, albeit with varying details.

For "behavioural savers", bonus rates were increased by 25 basis points, in line with the RBA hike, however, base rates were left unchanged.

For simple online savers, ANZ, CBA, and NAB only partially passed through the rate hike onto the ongoing base rates, while Westpac passed none to base rates, opting to pass through only on its introductory offer.

Macquarie estimates the combined effect of this purely on retail customers is a 0.4-0.8bps increase to net interest margins (NIM), more for Westpac and less for ANZ.

Separately, despite banks repricing term deposits upwards, spreads (between deposit and loan rates) still remain highly favourable, which Macquarie expects to be a margin tailwind for banks in FY26.

Given expectations of a modest RBA hiking cycle and steady competition, Morgan Stanley thinks margins will be less volatile than in previous years. In broad terms, this broker expects headwinds from lending competition and changes in deposit pricing and mix to offset the tailwinds from two RBA rate hikes.

As a result, Morgan Stanley forecasts major bank margins to remain largely stable in FY26 and to fall by just -1bp in FY27.

The recent reporting season highlighted the strong inroads that Macquarie is making in the deposit market, Citi acknowledges, yet the strong deposit results in the major banks revealed a conflicting narrative. Looking at the net numbers in the APRA data, Citi can see that Macquarie's market share gains have largely come from the smaller banks losing share, with the major banks largely unchanged over the past 18 months.

The profitability of the "other banks" sits at only circa 5% return on equity, Citi notes, which is constraining their balance sheet growth and their ability to reinvest, which in turn adds to the market share pressures.

While Macquarie is set to remain a formidable competitor for the major banks, in the near term Citi thinks this competitive risk is going to remain manageable for the major banks as the other banks likely continue to cede share to the industry.

Macquarie continues to outperform the majors with a superior platform and simple fully digitised proposition. At this cadence, Macquarie could surpass 10% market share on both sides of the balance sheet (deposits/loans) in the near term, Jarden suggests.

CBA's margin edge, based on some 50% of deposits being at no or low cost to the bank, is under assault from Macquarie (75% of January deposit flow versus -17% for CBA), ANZ, NAB and, possibly, eventually, stablecoins, Jarden warns, eerily.

## First Home Buyers

With the RBA expected to hike rates two or three times in 2026, the market has understandably become more cautious on the outlook for mortgage credit growth. However, Macquarie believes the impact of the government's expanded first home buyers grant (FHBG) is being overlooked.

With 84% of aspiring homebuyers constrained by deposit size, Macquarie suggests the expansion of the FHBG could drive a similar rise in FHB activity as was the case with prior stimulus programs in 2008 and 2020. These programs drove a 1-2%pts increase in housing credit growth as FHB pulled forward purchase decisions.

Early evidence suggests the expanded FHBG is already having an impact, Macquarie notes. As at January, this broker estimates 39,000 places have already been taken up, suggesting an FY26 run rate of circa 70,000, up from 46,000 in FY25.

December quarter FHB lending was up 15% quarter on quarter and 22% year on year, with the average FHB loan increasing to a record \$608k (up 12%).

Elsewhere, house prices below the increased price caps are materially outperforming those above. In Sydney, the bottom quartile is now outperforming the top quartile by some 14% annualised.

Despite rate hikes, Macquarie sees limited risk to volume growth (assuming the cash rate peaks at 4.10-4.35%), as FBHs offset the slowdown. In this broker's view, CBA and Westpac are key beneficiaries, NAB is broadly neutral and ANZ will lag peers unless it addresses market share losses quickly.

Macquarie continues to forecast solid credit growth with housing/business credit growth of 7% over 2026 before slowing to 5-6%.

However, with consensus upgrading volume growth over February results, much of the upside Macquarie saw is now factored into forecasts already.

# Ai: Hero or Villan?

Surging AI investment suggests upside to credit growth.

Business credit remains robust at some 10% annualised, Macquarie notes. Leading indicators have improved, with non-mining capex plans for FY26 increasing to 10% year on year from 7% and the first estimate of FY27 for 8% growth.

While much of this is driven by IT investment, it still suggests upside risk to Macquarie's current forecasts.

Despite consensus upgrades, Macquarie continues to see upside to consensus expectations for lending growth in FY26, particularly for NAB and Westpac.

Yet, while major banks assert trust and regulations provide vast moats to retail banking, Jarden contends it might be easily overcome and disrupted by superior product offerings working in combination with AI and tech advancement (blockchain and stablecoins).

The current product set is simple and built largely on inertia with resulting loyalty taxes. While asset (loan) spreads have converged, liability (deposit) spreads remain wide and vulnerable.

It's not unreasonable, suggests Jarden, to expect an agentic AI bot to, sometime in the future, manage menial administrative tasks for us such as filling out forms, confirming our identity, finding and selecting the best options for home loans and deposits.

Jarden quotes Stripe's 2025 Annual Letter:

*"Over the last few years, the country-by-country expansion model has melted away. The 'domestic market' for a new generation of internet businesses is the internet itself... The latest cohort of fintech companies... are building global financial apps right out of the gate... The progress is in large part due to stablecoins, whose borderlessness allows fintechs to set up infrastructure that works everywhere..."*

Jarden also quotes the latest report from the RBA's think tank:

*"The global financial system has reached a pivotal juncture. We are witnessing a once-in-a-generation transformation where Digital Finance is moving beyond a peripheral innovation - it is becoming a foundational layer of the global financial system.*

*"The technologies at the centre of this shift (eg tokenisation...blockchain...stablecoins) are proving their value across markets, payments and deposits, assets and collateral systems, and increasingly shaping a more efficient, inclusive and transparent global economy.*

*"More efficient cross-border payments can support growth in trade and capital flows internationally, while streamlined, programmable financial infrastructure can enable new markets, attract international financial services to Australia and integrate more effectively with complementary technologies such as AI."*

The major banks are presented with an array of threats and opportunities, and Jarden remains surprised at their lack of voice to date on this IT advancement.

Industry feedback suggests NAB shuttered its investment initiated under previous CEO Ross McEwan, CBA paused activities with *Gemini*, Westpac is unknown but ANZ is beavering away on a number of stablecoin initiatives.

## The Outlook

Following a positive reporting season, Morgan Stanley believes the banks' earnings upgrade cycle, solid balance sheets and low risk profile will continue to support investor interest.

While bank PE multiples typically de-rate during an RBA hiking cycle, recent results are likely to keep valuations elevated in the near term.

However, Morgan Stanley believes the sector is late in its outperformance cycle, with de-rating risks rising as the year unfolds. These include downside risks to the economy, loan growth and credit quality from the combination of monetary and fiscal policy pivots, the potential for another outbreak of competition as the five largest banks try to implement their strategies, and execution risks around transformation and productivity

agendas.

The broker thinks elevated expectations and multiples skew the risk toward underperformance versus the ASX200 in 2026 rather than another year of outperformance.

CBA and Westpac continued to show the strongest signs of volume growth in the recent results, Macquarie notes, growing slightly above system in mortgages, and well above in business lending (more than 2x). NAB's mortgage growth is partly weighed on by the closure of its *Advantaged* product, but business lending is also just broadly in line with system.

Meanwhile, ANZ continues to materially lag peers, shrinking its business book, and showing little growth in mortgages. All major banks are showing reasonable growth in household deposits (ANZ slightly lagging), yet lending growth still outstrips deposit growth at CBA and Westpac, resulting in a negative funding gap.

Pre-provision earnings trends were stronger across the banks. While 2-5% consensus upgrades over results have incorporated much of the upside, given strong economic data, earnings risks remain skewed positively, Macquarie believes, with volume growth and the rate environment potentially surprising to the upside.

As such, Macquarie maintains a Neutral sector view for now.

In the wake of the bank reporting season last November, when ANZ, NAB and Westpac reported FY25 results and CBA provided a quarterly update, brokers monitored daily by FNArena covering the banks could not between them come up with one Buy rating for any of the majors or the two regionals.

The majors instead drew 13 Hold or equivalent ratings and 21 Sells.

Six from six of those Sell ratings were for, as always, CBA. By contrast, Judo Capital scored six from six Buys. The only other Buy rating --and there was only one of them-- was for Macquarie Group.

Fast-forward to now and the picture has changed somewhat:

FNArena Major Bank Data					FY1 Forecasts				FY2 Forecasts			
Bank	B/H/S Ratio	Previous Close \$	Average Target \$	% Upside to Target	% EPS Growth	% DPS Growth	% Payout Ratio	% Div Yield	% EPS Growth	% DPS Growth	% Payout Ratio	% Div Yield
JDO	6/0/0	1.58	2.19	37.74	51.0	N/A	0.0	0.0	31.3	N/A	0.0	0.0
BOQ	3/3/0	6.97	6.86	- 0.96	100.0	3.2	68.2	5.7	6.4	4.1	66.7	5.9
MQG	2/3/0	198.86	229.30	14.48	15.1	10.5	63.7	3.6	6.0	7.7	64.7	3.9
NAB	2/1/3	47.33	42.09	- 10.11	11.0	1.3	70.2	3.7	3.4	2.0	69.2	3.8
ANZ	2/1/3	37.77	36.79	- 2.25	26.7	1.2	66.9	4.5	2.7	4.0	67.8	4.6
BEN	1/1/3	10.37	10.67	2.60	N/A	0.0	76.3	6.1	- 2.7	- 0.6	77.9	6.0
WBC	0/2/4	41.37	35.97	- 12.27	4.9	5.5	76.2	3.9	4.4	3.6	75.6	4.1
CBA	0/0/6	172.66	129.71	- 24.79	8.5	4.1	76.9	2.9	5.2	5.1	76.9	3.1

Judo remains the most favoured, with the consensus target price suggesting 38% upside from the last trading price (March 6), implying the market is undervaluing the (small cap) disruptor.

Bank of Queensland is a surprise with three Buys, as the consensus target price suggests no upside and broker commentary appears downbeat for the regionals.

Macquarie still attracts some support, and thereafter come the majors.

CBA is in a familiar last position, still with six from six Sells, while Westpac cannot attract a Buy rating either. Consensus targets suggest both are trading well over consensus valuations.

Thus despite recent outperformance, brokers are generally slightly more favourable towards the banks than they were back in November.

## Post Scriptum

On Monday morning, bank sector analysts at Citi offered the following commentary:

*"We believe the recent underperformance of "high beta" banks JDO and MQG, driven by broader economic and market concerns, is overdone.*

*"While MQG faces unquantifiable risks from private credit and technology exposure, near-term positives like increased commodity volatility and a significant asset realization should provide offsets.*

*"JDO, despite economic growth uncertainties, benefits from supportive deposit costs and a strong pipeline.*

*"Consequently, we maintain a Buy rating on JDO and a Neutral rating on MQG, but think valuation support is emerging in both names given their underperformance relative to the broader banks sector."*

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

*FNArena is proud about its track record and past achievements: [Ten Years On](#)*

## FEATURE STORIES

# February 2026 Results - The Wrap

Final stats and insights from a reporting season in February that decisively broke with the negative trend in earnings growth for corporate Australia.

By Rudi Filapek-Vandyck, Editor

When financial result releases from CommBank ((CBA)) and BHP Group ((BHP)) --the two largest index constituents in Australia-- are among the season's highlights, you know the Australian share market is in for a jolly good time.

The ASX200 index gained 4.10% (total return, including dividends) in February and banks and miners were key pillars under what many a market watcher has labeled a positive result season.

On UBS's statistics, positive earnings surprises outnumbered disappointments by two-to-one. Guidance upgrades outnumbered downgrades by three-to-one.

On Morgans' number crunching, 69% of dividend-paying companies increased their distribution in February.

Consensus forecasts had already risen dramatically before the results season started, as investors had gained more confidence in the swing to a better operational context for cyclicals and other laggards, and by the end of January the average EPS forecast for FY26 had already improved to 11.3%.

Five months earlier that number stood at 3%. By early March, forecasts have improved further to 14% EPS growth. It seems there was very little not to like about what corporate Australia was sharing with shareholders throughout February.

The conclusion drawn by stockbroker Morgans: "underlying result fundamentals remain the strongest we have seen in three years".

## Economy and market remain ultra-polarised

Viewed from a more skeptical point of view, most of these fabulous statistics, and many a rallying share price, were fueled by higher, and further rising, commodity prices.

And sure, the banks made their contribution too via better-than-anticipated cost control and so-called positive jaws on higher interest rates and expectations for more rate hikes locally.

Outside of the two share market heavyweight sectors, the picture looks a whole lot less ebullient. This is also what shows up in the final statistics of **FN Arena's Corporate Results Monitor** for February.

Inside a more 'normal' (less polarised) context, the aforementioned statistics would translate into a much higher percentage of 'beats' and a much lower percentage of 'misses', but only 10 additional results are required to perfectly balance last month's season over beats, misses and in-line results.

We'd also have to assume nine out of those ten results would disappoint with one positive surprise and all three variants would have a 33% share.

As the numbers stand, 130 results out of 380 for the season proved in-line with expectations (34.2%) while 129 'beats' (33.9%) did outnumber 121 'misses' (31.8%) and, admittedly, that is not always the case.

One year earlier, misses had crept up to 33% versus 32% in positive surprises.

But if anyone wants to see what a really great February reporting season looks like, try February of 2021 when

47% surprised on the upside and only 13% failed to meet forecasts.

The gap between pluses and minuses was equally wide in 2022, 2018, 2016 and 2015.

## Large Caps & Ai De-ratings

This time around the pendulum swung in favour of cyclicals and yesteryear's market laggards (the 'value' side of the market) as well as in favour of Large Cap giants (see also CommBank and BHP) while many smaller cap companies continued to struggle and underperformed.

This is the key reason as to why the final statistics for the season don't seem to support the overwhelming enthusiasm that coloured views and opinions at the end of February.

Analysts at Macquarie made a similar observation. On their assessment, ASX100 Industrials posted net 'beats' of 23% in combination with a very low rate of 'misses' (only 7%).

In contrast, smaller cap industrials only 'beat' by a net 8% and their 'misses' ran up to 21%.

February was equally characterised by the fact earnings results and forward guidances didn't seem to matter for large segments of the market.

A global trend had developed whereby software companies and others that could potentially be disrupted by ongoing AI development were out of favour, and there was simply no stopping the downward sloping trajectory in share prices.

In February, many analysts responded by scaling back valuation multiples for technology-related companies and this, combined with many more disappointments at the smaller end of the market, is responsible for negative end outcomes in aggregate and average price targets of respectively -4.12% and -0.67%.

The irony here is February became the very first result season for the ASX wherein companies started communicating tangible results and benefits from employing and integrating AI in business processes.

There will be a lot more of the same in August and beyond, one would like to think.

## Volatility is now a feature

Another trend that can no longer be ignored is share price volatility continues to rise.

One can blame nasty shorters and hedge funds, or algorithmic trading programs and quant modeling, even the fact most stockbrokers employ less analysts these days, which creates more gaps in forecasts and coverage, but the fact remains 5%-10% share price moves on the day have by now become more rule than exception.

On Morgans' data, the average punishment for disappointment from a Midcap company was -13% versus a 7.5% reward in case of a positive surprise.

For smaller cap companies, the comparable numbers are -8.6% (disappointment) and 5.1% (positive surprise).

'Beats' and "misses' for ASX50 companies saw share prices on average move by respectively -10.2% and 5.8% on results day.

Sectors that mostly disappointed in February include healthcare, travel, US housing and technology, though the month's title for worst performer goes to large cap cyclicals; think Qantas Airways ((QAN)), Computershare ((CPU)), and Treasury Wine Estates ((TWE)).

At the other end of the spectrum, Midcap Growth crowned itself the surprise winner, led by the likes of Hub24 ((HUB)), Netwealth Group ((NWL)), IDP Education ((IEL)), and Reliance Worldwide ((RWC)).

February was equally the season when some long-time struggling businesses finally delivered a pleasing market-beating performance for their shareholders, including Aurizon Holdings ((AZJ)), AGL Energy ((AGL)), Baby Bunting ((BBN)), Magellan Financial ((MFG)), Orora ((ORA)), and Woolworths Group ((WOW)).

And as per always, some long-time stragglers had to ask their shareholders yet again for more patience, including Bapcor ((BAP)), Cochlear ((COH)), CSL ((CSL)), G8 Education ((GEM)), Healius ((HLS)), Inghams Group ((ING)), Lendlease ((LLC)), Sky City Entertainment ((SKC)), and Treasury Wine Estates.

Stockbrokers were unusually busy throughout the season with no less than 98 upgrades in ratings (the second largest number in the Monitor's history, only beaten by August 2015) as well as 47 rating downgrades.

The first number is even more remarkable once we realise there have seldom been as many Buy-equivalent ratings as there are today (65%-plus).

Yes, this share market remains extremely polarised.

The combined index weight of CommBank and BHP rose briefly above 20% in February, to reach its highest percentage ever. It has since retreated to circa 19% as late February/March brought along war in Iran and a big spike in global energy prices.

For the share market, all those gains from February have quickly disappeared, though the index remains in positive territory for 2026, as well as for the running financial year (even without dividends).

Investors can thank the banks and resources for that too.

The ASX200 exited February at a 24% premium versus its 10-year PE average.

In their final review of the February season, Morgans strategists identified opportunities having emerged in some of their favoured high conviction names including:

- Sigma Healthcare (([SIG](#)))
- Aristocrat Leisure (([ALL](#)))
- Car Group (([CAR](#)))
- REA Group (([REA](#)))
- Generation Development (([GDG](#)))
- Pinnacle Investment Management (([PNI](#)))
- Eagers Automotive (([APE](#)))
- Amcor (([AMC](#)))
- Judo Capital (([JDO](#)))
- Pro Medicus (([PME](#)))
- Sonic Healthcare (([SHL](#)))

\*\*\*\*

A copy of the Monitor (final version) is attached (see top of this story).

Paying subscribers can access all prior reviews, data and stats going back to August 2013: [https://fnarena.com/index.php/reporting\\_season/](https://fnarena.com/index.php/reporting_season/)

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**RUDI'S VIEWS**

# Rudi's View: TACO Time?

Are we there yet? From here on onward, that question is on traders and fund managers' mind.

By Rudi Filapek-Vandyck, Editor

It has taken exactly one week since Tehran became the target of Israeli and US bombs. While Iran's leadership was swiftly decapitated on day one, with Supreme Leader Ayatollah Ali Khamenei killed alongside multiple senior regime and security officials, the regime's vicious retaliation has surprised by causing significant damage to US assets throughout the region, as well as to the growth outlook for the global economy through a spike in energy prices.

The Strait of Hormuz --bottleneck for roughly 20% of the world's oil transports-- is effectively closed, irrespective of US' intentions to the contrary, and the longer this remains the case, the greater the damage to economies and financial markets, the US included.

At first, markets focused on the potential for higher inflation, but in today's world dynamics change quickly. Within the space of one week markets' worry has shifted to global growth.

That shift in momentum explains why shares in BHP Group ((BHP)) have swiftly changed course from rallying towards \$60 to now trading around \$50 on Monday, and dragging the local index with it.

The world has changed dramatically over the decades past, but the last time the price of oil doubled within a relatively short time --in mid-2008-- the global economy still faced a recession, even though other factors contributed as well (think the demise of Lehman Bros).

In December, only four months ago, WTI crude oil traded around US\$55/bbl. On Monday, futures rallied beyond US\$100/bbl. It's not difficult to see why stunted growth and oil-vulnerability are now in focus.

Put on your worst case scenario hat and the world is staring at a come-back of the 1970s --low growth in combination with high inflation-- a surefire recipe for disaster.

Not making things any easier is asset prices in 2026 are substantially higher-priced than back then.

Offsetting all of the above is today's US President might well be the most sensitive to adverse developments in financial markets.

Up until the weekend, markets reflected confidence this outbreak of hostilities would not last long, and by doing so they were granting Trump & Co the opportunity to do whatever, whenever, however, and for as long as it takes.

That dynamic has changed now, as it is intended by Tehran's strategy. So when's Trump ready to TACO and call it "the greatest victory the world has ever seen" and pull up stumps?

(To those not familiar with the acronym, TACO refers to 'Trump Always Chickens Out' in reference to his art of the deal strategy by first declaring the worst proposition, and then scaling back to something more palatable).

Or is this really a diversion tactic over the Epstein files or an even more nefarious intent regarding the upcoming midterm elections?

Most investors not sitting into cash and/or energy-leveraged assets will be keeping their fingers crossed this is not the one time Trump decides to ignore the pressure building from financial markets (and from allies the world around).



*The world's fortune in 2026 is closely tied-in with oil and gas prices*

## Lessons From History

Plenty of historical precedents are available to suggest the world can deal with a temporary disruption to oil supply and a spike in energy prices.

Strategists at UBS last week published an overview reaching all the way back to the Yom Kippur war in late 1973 up until Israel's 12 day war with Iran in June last year. With exception of only four examples, equity markets were trading higher twelve months later.

Of those four examples, three involved economic recessions including Yom Kippur, 9-11, and the Saudi oil drone attack in September 2019 (covid followed next) while the Arab Spring in 2011 preceded Europe's Grexit crisis.

The first gulf war in August 1990 kept equities down in double digits for the following six months.

History does show such outcomes are more exception than rule. When relying on less negative outcomes, the rule of thumb seems to be that temporary oil supply disruptions are remedied within the space of circa four months.

Financial markets too tend to normalise within such period.

One key problem at this stage is there are no signals or indications about an imminent victory or cease-fire. As analysts at RBC Capital put it:

*"Given the course of events, it is unclear whether the administration built an exit on its way into this latest military entanglement."*

History does suggest whenever human decision-makers and financial markets move in diametrically opposed direction, it's usually the former who, eventually, is forced to change.

When Trump suggested the idea of taking Greenland by military force, it was suggested he abandoned that idea because financial markets were signalling they didn't approve.

But how much damage/pressure needs to occur before "the greatest peace-maker of all time" gets the message and responds accordingly?

# A Binary Set-Up

All of the above suggests today's set up in financial markets is binary.

Today's winners --think Woodside Energy ((WDS)), but also Ampol ((ALD)) and Viva Energy ((VEA))-- will instantly face a Wile E Coyote fall from grace if/when the situation clears up around Iran and the Strait of Hormuz.

Which is why some strategists are preaching caution; i.e. take some profits, buy into dips, rather than chasing today's energy exposures.

One quick look at share prices for the likes of Woodside and Santos ((STO)) shows shares are now trading above FNArena's consensus targets, even with analysts upgrading energy pricing forecasts.

This suggests these share prices require a (much) higher-for-longer outcome to still offer great value at today's prices.

While such an outcome does remain a real possibility, history also suggests expensively priced oil eventually kills itself via reduced demand, even without an economic recession on the horizon.

Just look at what happened after energy was the best performing sector throughout 2022.

Equally worth pointing out: share prices in secondary beneficiaries such as Ampol and Viva Energy are trading nowhere near consensus price targets.

The market might not be as confident about motorists' resilience?

## Strategy Adjustments

Anticipating what happens next is not for the foolish and/or the over-confident. Especially in today's market context, the momentum pendulum can switch instantaneously, and without warning.

UBS' in-house Aussie economist George Tharenou has now added one additional RBA rate hike to his forecast for 2026. This means; two more are forthcoming.

On this basis, strategists Richard Schellbach and Lily Huang have made some adjustments to their recommended equity sector exposures for Australian portfolios.

Industrials have been upgraded to Overweight, alongside Mining and small caps.

Banks and Energy have been upgraded to Neutral, joining consumer discretionary, healthcare, insurance and Technology and Telecom. Both insurance and TMT have been downgraded from Overweight.

Real estate and consumer staples have been downgraded to Underweight, where they join infrastructure and utilities.

Important to note: these adjustments suggest worries about higher inflation are set to over-rule economic growth concerns.

If this proves not the case, or it changes shortly, most of these changes might prove ill-advised even though small caps, for example, have already quickly and decisively de-rated against larger caps in Australia.

UBS believes this quick de-rating now insulates small caps in Australia from the current geopolitical environment.

UBS also points out in case of persisting global inflation fears, the Australian share market tends to outperform most international peers.

Wilson's Model Portfolio too is Overweighted resources, with a slight underweight positioning regarding

Australian banks, but with an overwhelming skew toward large caps.

## February Results

The general context post a more-positive-than-anticipated February results season has rapidly changed, but this still doesn't mean all falling share prices are equal.

Portfolio managers and analysts are still using February results to separate true winners and better quality businesses from others, which can be useful input for investors using the current share market turmoil to recalibrate their strategy and portfolio.

Strategists at stockbroker Morgans put it as follows:

*"While macro sentiment has created near-term noise, the underlying result fundamentals remain the strongest we have seen in three years - and that matters for patient, conviction-led investors."*

Among the changes made is stockbroker Morgans adding the following inclusions to its selection of **Best Stock Ideas** in Australia:

- Sigma Healthcare ((SIG))
- Generation Development ((GDG))
- GemLife Communities ((GLF))
- Judo Bank ((JDO))

The following have been removed:

- DigiCo Infrastructure REIT ((DGT))
- Guzman y Gomez ((GYG))
- Tyro Payments ((TYR))

The full list will be included in Thursday's Rudi's View update.

In their final review of the February season, Morgans strategists identified opportunities having emerged in some of their favoured high conviction names including:

- Sigma Healthcare ((SIG))
- Aristocrat Leisure ((ALL))
- Car Group ((CAR))
- REA Group ((REA))
- Generation Development ((GDG))
- Pinnacle Investment Management ((PNI))
- Eagers Automotive ((APE))
- Amcor ((AMC))
- Judo Capital ((JDO))
- Pro Medicus ((PME))
- Sonic Healthcare ((SHL))

Analysts at Citi have added data centres operator NextDC ((NXT)) to their **Pan-Asia Focus List**.

For more: see Rudi's View on Thursday.

## More On February

Strategists at **Bell Potter** found the February results season a "good one", but also quite unforgiving as any hint of disappointment tended to see share prices weaken by -5% on average and with the average positive surprise only rewarded by circa 1%.

The three themes that are believed to determine the direction of share prices from here onward are:

- the RBA back in hiking mode

- AI transitioning to an earnings driver
- A structural capex cycle sustaining commodity prices and keeping domestic inflation elevated

The FY26 EPS growth forecast has accumulated to 14%, but is largely supported by miners and commodity pricing increases. At current spot prices, Bell Potter points out, there remains further upside on the horizon.

This broker's base case is that commodity prices will broadly hold around these levels.

The past season also marks a fundamental pivot in the AI narrative, with Bell Potter commenting:

*"The market is starting to reward companies that can use AI with tangible benefits. Household names like CBA, Telstra, Woolworths are now quantifying measurable improvements in profitability from their AI investments, a step change from the prior two years where AI was discussed but not demonstrated."*

Stocks currently Overweighted in Bell Potter's Model Portfolio include:

- Life360 ((360))
- Amcor ((AMC))
- ANZ Bank ((ANZ))
- Bega Cheese ((BGA))
- BHP Group ((BHP))
- Car Group ((CAR))
- Challenger ((CGF))
- Capricorn Metals ((CMM))
- Cedar Woods Properties ((CWP))
- Dalrymple Bay Infrastructure ((DBI))
- Develop Global ((DVP))
- Evolution Mining ((EVN))
- Flight Centre ((FLT))
- Generation Development ((GDG))
- Goodman Group ((GMG))
- Harvey Norman ((HVN))
- Light & Wonder ((LNW))
- Macquarie Group ((MQG))
- News Corp ((NWS))
- Rio Tinto ((RIO))
- ResMed ((RMD))
- SGH Ltd ((SGH))
- Sonic Healthcare ((SHL))
- Santos ((STO))
- Woolworths ((WOW))
- WiseTech Global ((WTC))

Some interesting statistics were published by stockbroker Morgans suggesting MidCap stocks have both been rewarded and punished more than larger cap and smaller cap peers in February.

On the broker's data, the average punishment for Midcap disappointment was -13% (ouch!) versus positive surprise being rewarded by 7.5%.

For smaller cap companies the comparable numbers are -8.6% (disappointment) and 5.1% (positive surprise).

'Beats' and "misses' for ASX50 companies saw share prices on average moving by respectively -10.2% and 5.8% on results day.

Viewed through a different lens, Midcap Growth crowned itself the surprise winner, led by the likes of Hub24 ((HUB)), Netwealth Group ((NWL)), IDP Education ((IEL)), and Reliance Worldwide ((RWC)).

The worst performing segment for the season were large cap cyclicals, on the back of weakening share prices in Qantas Airways ((QAN)), Computershare ((CPU)), and Treasury Wine Estates ((TWE)).

The season's pain trade was reserved for retailers with only two companies beating expectations against savage market responses following disappointments from Adore Beauty ((ABY)), Temple & Webster ((TPW)), and Nick Scali ((NCK)).

Healthcare, travel, US housing and technology all sat in the naughty corner in February.

One metric that defines February as one of the best seasons in a very long time is 69% of dividend-paying companies increasing their distribution in February.

Morgans reports this is a meaningful 'beat' from the prior 55%. The offset is the ASX200 exited the month at a 24% premium versus its 10-year PE average.

The latter is rapidly correcting since.

For more ideas and insights: see Thursday.

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*Dividend Investing, The Smart Way\_250(1)*



*Cover Investing in GenAi - medium sized*

(This story was written on Monday, 9th 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: Post-February Conviction Calls

Conviction Buys and sector favourites post the February results season in Australia (including those best to avoid).

By Rudi Filapek-Vandyck, Editor

One of the key dynamics that characterised the February results season is investors/traders seemed of the intent to sell certain market segments, no matter what, and a good or even excellent result release was only slowing down that process.

It hasn't gone unnoticed. **Datt Capital**, in a press release delivered into the FN Arena inbox, suggests investors should pay attention, and treat such behaviour as longer-term opportunities.

This too shall pass?

The asset manager assures a time will come when fundamentally sound companies will again start trading in line with their profits and fundamentals. The divergence currently occurring should be seen within such framework.

*"What surprised us most this reporting season was the clear divergence between the underlying earnings delivered by companies and the way markets reacted to those results."*

Another snippet worth highlighting:

*"Businesses with structurally strong earnings drivers were not necessarily rewarded in the short term. In our view, that has opened a broader opportunity set for disciplined investors. Over time, markets will once again differentiate between companies with durable competitive advantages and those facing deeper structural challenges."*

One of the themes that has kept a firm lid on technology and software companies in particular is the threat of industry disruption through AI development. Datt does not hesitate to take the opposing side of the public debate:

*"(...) many technology companies remain strongly positioned as they possess access to proprietary or regulated data sets that cannot easily be replicated. These data sets effectively form a structural moat that is hard to compete against."*

*"Many of these businesses also operate under multi-year contracts with customers, creating a stable revenue base."*

*"As AI tools improve productivity, operating margins can actually expand significantly over time."*

Equally interesting is analysis by **UBS** has come to the conclusion AI will actually increase (not decrease) demand for software developers, and for software applications too. Peers at **Citi** have formed the same conclusion with regards to data centres and AI-supporting hardware and infrastructure.

As reported multiple times over in my writings, many a clear-headed sector analyst has nominated global logistics infrastructure services provider **WiseTech Global** ((WTC)) as one prime candidate whose share price punishment (if we can call it that) seems overcooked, even if there is no short-term relief on the horizon when Iran, Hormuz, inflation, bond yields and RBA tightening continue to dominate investors' mindset.

Datt too has nominated **WiseTech Global** as structurally "well positioned", in contrast to the steep weakening

that has pulled down the share price to circa \$47 from \$115-plus in July last year.

Another trend highlighted is an increase in M&A for smaller cap companies, equally seen as yet more evidence current market sentiment is too short-term focused.

And yes, history does show this too shall pass, eventually.

See also:

<https://fnarena.com/index.php/2026/03/11/rudis-view-taco-time/>

<https://fnarena.com/index.php/2026/03/04/rudis-view-a-season-of-large-cap-winners/>

<https://fnarena.com/index.php/2026/02/26/rudis-view-positives-from-february-results/>

<https://fnarena.com/index.php/2026/02/19/rudis-view-more-surprises-led-by-cba-bhp/>

## Conviction Calls & Best Buys

Let's start with the first (or second) most important sector for the local market:

**Morgan Stanley** on Australian banks:

*"Despite a good February 2026 reporting season, we think the combination of high expectations and high multiples indicates the probability of underperformance vs the ASX200 in 2026 is greater than the likelihood of another year of outperformance."*

\*\*\*\*

RBA rate hikes are 'a-comin'. Better not to expect any miracles from retailers and companies reliant on discretionary household spending.

**Macquarie** has lined up its sector favourites:

- Coles Group ((COL))
- Wesfarmers ((WES))
- Bega Cheese ((BGA))

Remain Least Preferred:

- Endeavour Group ((EDV))
- Inghams Group ((ING))
- Domino's Pizza ((DMP))

\*\*\*\*

Sector analysts at stockbroker **Morgans** have two key picks:

- Lovisa Holdings ((LOV))
- Universal Store Holdings ((UNI))

\*\*\*\*

Peers at **Jarden** much like:

- Sigma Healthcare
- Woolworths Group ((WOW))
- Coles Group
- Harvey Norman ((HVN))
- JB Hi-Fi ((JBH))
- Temple & Webster ((TPW))
- Flight Centre Travel ((FLT))
- Beacon Lighting Group ((BLX))

- Helloworld Travel ((HLO))

Junk food, erm sorry, quick service restaurant operators and those in the liquor business are considered "most challenged" and thus least preferred at Jarden.

\*\*\*\*

UBS has Buy ratings for:

- Breville Group ((BRG))
- Coles Group
- Domino's Pizza
- Guzman y Gomez ((GYG))
- JB Hi-Fi
- Metcash ((MTS))
- Premier Investments ((PMV))
- Sigma Healthcare
- Universal Store Holdings

UBS's one and only Sell rating is reserved for:

Treasury Wine Estates ((TWE)).

\*\*\*\*

When it comes to online classifieds, **Macquarie** analysts might well be the most hesitant to call the local sector an opportunity. Too early to call whether AI will prove a threat or a blessing remains the in-house non-conviction.

On that basis, most risk is seen with jobs platform Seek ((SEK)), while Car Group ((CAR)) and REA Group ((REA)) are equally classified as under "lack of identifiable re-rating catalysts".

Elsewhere, Macquarie's favourites among ASX-listed contractors are identified as:

- NRW Holdings ((NRW))
- Ventia Services ((VNT))
- Downer EDI ((DOW))
- Service Stream ((SSM))

Here one can sense a retreat in overall enthusiasm, generally speaking, among analysts for Worley ((WOR)) after a particularly disappointing February result release.

\*\*\*\*

The healthcare sector, yet again, could not deliver the goods in February. It has been a tough experience for investors in this sector post-covid lockdowns stimulus.

And it most certainly is not just because the local leader CSL ((CSL)) is having its own set of persistent challenges.

The good news, according to healthcare analysts at stockbroker **Morgans**, is February results did not provide evidence of structural deterioration for CSL & Co.

To the contrary, these analysts argue revenue growth was widespread, while also acknowledging the debate about sustainability rages on.

Morgans considers the sector undervalued, but admits share price performance now directly correlates with actual deliveries. February was not the season for that, alas (unlike a few examples such as ResMed ((RMD)), Sigma Healthcare ((SIG)), Fisher & Paykel Healthcare ((FPH)) and --maybe-- Ramsay Health Care ((RHC)).

Sector analysts at **Wilson's** point out there remain pockets of strength inside the sector, with both ResMed and Fisher & Paykel Healthcare continuing to operate inside an earnings upgrade cycle.

Morgans currently has positive ratings on:

- CSL
- Nanosonics ((NAN))
- Pro Medicus ((PME))
- ResMed
- Sonic Healthcare ((SHL))
- Sigma Healthcare

Wilson's highlights the sector overall is now trading on de-rated valuations not seen in many years, which also explains why its Model Portfolio is overweighted the sector.

Specifically highlighted are:

- ResMed
- Cochlear
- Telix Pharmaceuticals ((TLX))
- CSL

In case anyone wonders: Wilson's is of the view that ongoing challenges for CSL are now priced-in through a very cheap valuation.

Over at **Morgan Stanley**, positive ratings rule for:

- Telix Pharmaceuticals
- CSL
- ResMed
- Fisher & Paykel Healthcare

Least liked:

- Ramsay Health Care
- Cochlear

**Macquarie's** sector Top Picks:

- ResMed
- Sonic Healthcare
- Regis Healthcare ((REG))
- Pro Medicus
- Integral Diagnostics ((IDX))

Least picks:

- Cochlear
- CSL
- Australian Clinical Labs ((ACL))
- Healius ((HLS))

**Jarden's** favourites:

- Ramsay Health Care
- ResMed
- CSL

With ongoing risks seen for:

- Cochlear
- Sonic Healthcare

UBS: *"We believe that Healthcare stocks show the most compelling valuation story amongst ASX sectors."*

\*\*\*\*

**Citi's** order of preference for Australia's **diversified financials** is:

- Challenger ((CGF))
- AMP ((AMP))
- Generation Development ((GDG))
- Computershare ((CPU))

All are rated Buy, followed by:

- Perpetual ((PPT))
- ASX ((ASX))
- Resimac Group ((RMC)); this is the only Sell-rated to date.

\*\*\*\*

**Morgan Stanley's Australia Macro+ Focus List** has remained unchanged since September last year, with the following ten constituents:

- Aristocrat Leisure ((ALL))
- AMP ((AMP))
- ANZ Bank ((ANZ))
- BlueScope Steel ((BSL))
- GemLife Communities Group ((GLF))
- Goodman Group ((GMG))
- Iluka Resources ((ILU))
- Seek ((SEK))
- The Lottery Corp ((TLC))
- Xero ((XRO))

\*\*\*\*

**Morgan Stanley's Australia Macro+ Model Portfolio:**

- ANZ Bank ((ANZ))
- CommBank ((CBA))
- National Australia Bank ((NAB))
- Westpac Bank ((WBC))
- Macquarie Group ((MQG))
- AMP ((AMP))
- Generation Development Group ((GDG))
- Suncorp Group ((SUN))
- GemLife Communities Group ((GLF))
- Goodman Group ((GMG))
- Scentre Group ((SCG))
- Stockland ((SGP))
- Aristocrat Leisure ((ALL))
- Domino's Pizza ((DMP))
- The Lottery Corp ((TLC))
- Wesfarmers ((WES))
- Xero ((XRO))
- James Hardie ((JHX))
- REA Group ((REA))
- Orica ((ORI))
- Qube Holdings ((QUB))
- Seek ((SEK))
- Coles Group ((COL))
- Sigma Healthcare ((SIG))
- CSL ((CSL))
- ResMed ((RMD))
- Telstra ((TLS))
- Transurban ((TCL))
- Tuas ((TUA))
- BHP Group ((BHP))
- BlueScope Steel ((BSL))
- Iluka Resources ((ILU))
- Newmont Corp ((NEM))
- Rio Tinto ((RIO))
- PLS Group ((PLS))
- South32 ((S32))
- Santos ((STO))
- Woodside Energy ((WDS))

\*\*\*\*

As reported in Monday's Weekly Insights, stockbroker **Morgans** added the following inclusions to its selection of **Best Stock Ideas** in Australia:

- Sigma Healthcare (([SIG](#)))
- Generation Development (([GDG](#)))
- GemLife Communities (([GLF](#)))
- Judo Bank (([JDO](#)))

The rest of the selection:

- CSL (([CSL](#)))
- Sigma Healthcare (([SIG](#)))
- Amcor (([AMC](#)))
- Woodside Energy (([WDS](#)))
- GPT Group (([GPT](#)))
- Goodman Group (([GMG](#)))
- REA Group (([REA](#)))
- Pinnacle Investment Management (([PNI](#)))
- ALS Ltd (([ALQ](#)))
- Orica (([ORI](#)))
- ARB Corp (([ARB](#)))
- Lovisa Holdings (([LOV](#)))
- Universal Store Holdings (([UNI](#)))
- Judo Capital (([JDO](#)))
- Elders (([ELD](#)))
- Flight Centre Travel (([FLT](#)))
- Aristocrat Leisure (([ALL](#)))
- ResMed (([RMD](#)))
- TechnologyOne (([TNE](#)))
- Generation Development (([GDG](#)))
- Megaport (([MP1](#)))
- Pro Medicus (([PME](#)))
- MA Financial Group (([MAF](#)))
- EBR Systems (([EBR](#)))
- Newmont Corp (([NEM](#)))
- Ramelius Resources (([RMS](#)))
- Capstone Copper (([CSC](#)))
- Dalrymple Bay Infrastructure (([DBI](#)))
- GemLife Communities Group (([GLF](#)))
- LGI Ltd (([LGI](#)))

\*\*\*\*

Stocks currently Overweighted in **Bell Potter's Model Portfolio** include:

- Life360 (([360](#)))
- Amcor (([AMC](#)))
- ANZ Bank (([ANZ](#)))
- Bega Cheese (([BGA](#)))
- BHP Group (([BHP](#)))
- Car Group (([CAR](#)))
- Challenger (([CGF](#)))
- Capricorn Metals (([CMM](#)))
- Cedar Woods Properties (([CWP](#)))
- Dalrymple Bay Infrastructure (([DBI](#)))
- Develop Global (([DVP](#)))
- Evolution Mining (([EVN](#)))
- Flight Centre (([FLT](#)))
- Generation Development (([GDG](#)))
- Goodman Group (([GMG](#)))
- Harvey Norman (([HVN](#)))
- Light & Wonder (([LNW](#)))

- Macquarie Group (([MOG](#)))
- News Corp (([NWS](#)))
- Rio Tinto (([RIO](#)))
- ResMed (([RMD](#)))
- SGH Ltd (([SGH](#)))
- Sonic Healthcare (([SHL](#)))
- Santos (([STO](#)))
- Woolworths (([WOW](#)))
- WiseTech Global (([WTC](#)))

\*\*\*\*

Another disappointment in February has --finally one might say-- led to the removal of Bapcor ((BAP)) from Morningstar's list of **Best Stock Ideas** in Australia & New Zealand.

Remain selected:

- AGL Energy ((AGL))
- Auckland International Airport ((AIA))
- Amcor ((AMC))
- ASX ((ASX))
- Domino's Pizza ((DMP))
- Dexus ((DXS))
- Endeavour Group ((EDV))
- James Hardie ((JHX))
- Ramsay Health Care ((RHC))
- SiteMinder ((SDR))
- Spark New Zealand ((SPK))
- Woodside Energy ((WDS))
- WiseTech Global ((WTC))

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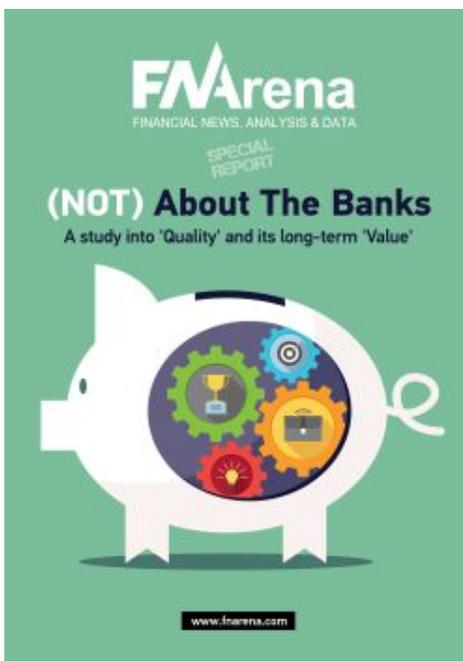
P.S. I - All paying members at FNArena are being reminded they can set an email alert for my Rudi's View stories. Go to My Alerts (top bar of the website) and tick the box in front of 'Rudi's View'. You will receive an email alert every time a new Rudi's View story has been published on the website.

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FN Arena is proud about its track record and past achievements: [Ten Years On](#)

**SMALL CAPS**

# Dicker Data Counts On IT Spending, Data Centres

FY25 results for Dicker Data slightly disappointed investors, mainly due to a new dividend payout strategy, but management anticipates significant AI-related growth opportunities.

- Dicker Data's FY25 results slightly missed expectations on a cut in dividend and lower-margin outlook
- Dividend payout policy reduced to create more flexibility to fund growth opportunities
- Anticipated recovery in spending by small and medium-sized businesses (SMB) central in company's outlook
- Management has identified AI factories and data centre infrastructure as future growth drivers

By Mark Woodruff



*A significant part of Dicker Data's fortune depends on SME's spending and financial health*

After reviewing a “robust” FY25 result, UBS believes specialist hardware distributor and small and medium-sized enterprise services provider Dicker Data (DDR) is entering the early stages of a multi-year growth story driven by data centre upgrades and AI-related deals.

The company has partnered with several NeoCloud vendors, including SharonAI, Firmus and ResetData, to scale its AI infrastructure segment, but UBS suggests it is still too early to fully price in the longer-term benefits for Dicker Data.

Even so, the broker believes these tie-ups position the company favourably in the AI landscape.

“AI factories and data centre infrastructure on the AI platforms is going to be one of the biggest growth opportunities” for the company in 2026, management noted.

From the analysts’ earnings call following the FY25 results presentation, Macquarie highlights management’s aim to sacrifice margin in the near term to strategically position the company for AI leadership in its market segment, to drive a long-term upgrade cycle.

UBS also garners from management commentary the software business remains well protected from potential long-term AI-driven shifts in the software-as-a-service (SaaS) landscape, with most spending non-discretionary and enterprise customers deeply embedded.

In the near term, it's noted investors remain focused on the impact of higher memory pricing, which could create a volume headwind if supply chain constraints are exacerbated.

In line with expectation, earnings rose by 6% on the prior year to \$159.4m, while pre-tax profit (PBT) of \$124.7m increased by 10.2% and came in above prior guidance of \$120-124m.

Revenue also exceeded the top end of prior guidance, supported by PC refresh tailwinds as customers moved to Windows 11 from 10, along with solid execution across the business, Morgan Stanley comments.

Jarden believes we are still only 60-70% of the way through the PC refresh.

Management pointed to mid-high single-digit revenue growth into 2026 (helped in part by price, observes Morgan Stanley) despite having to cycle strong PC refresh headwinds.

As per usual practice, no specific 2026 guidance was provided. Management did, however, emphasise ongoing momentum as AI, data infrastructure, cybersecurity and software spending accelerates, alongside expectations for a small and medium-sized businesses (SMB) spending recovery.

Formally known as a specialist IT hardware distributor, Dicker Data's modern day offering extends well beyond hardware.

While global distributors like Ingram Micro compete for bulk deals with Harvey Norman (([HVN](#))) and JB Hi-Fi (([JBH](#))), Dicker Data aims to help smaller businesses migrate to the cloud, strengthen their cybersecurity, and access a broader suite of IT solutions.

By working through resellers, the company has traditionally focused on small to mid-sized (SMB) segment enterprises, providing tailored support rather than chasing large-volume retail contracts.

## Margins

Balancing subdued SME spending against growing enterprise demand for AI PCs, Macquarie retains a Neutral rating for Dicker Data. While enterprise deals are typically lower margin and may weigh on margins, the associated increase in gross profit from larger contracts is expected to support earnings growth into FY26.

Morgan Stanley also describes a "solid" FY25 result, beating the top end of guidance and displaying solid momentum into 2026, yet this analyst cautions Dicker Data remains exposed to pressure and uncertainty stemming from the consumer macro environment.

Such consumer caution is reflected in a gross profit margin of 13.5% (calculated as a percentage of statutory revenue), around -20bps below the consensus forecast.

Management attributed the gross margin decline to 9.0% (calculated as a percentage of gross revenue) from 9.6% primarily to a customer mix shift toward higher-value, lower-margin enterprise transactions amid ongoing softness and competitive intensity in the Australian SMB segment.

## Segment reporting

Growth accelerated in the Advanced Solutions segment and in Software. The latter accounts for circa 30% of group revenue and continues to benefit from structural tailwinds, explains Morgan Stanley.

Macquarie also highlights strength in the Infrastructure segment, within Advanced Solutions, helping statutory revenue of \$2,569.1m exceed the consensus expectation by 2%. Data Centre, Storage and Networking are also within Advanced Solutions.

Other segments are Access & Surveillance, Audio Visual, Retail/Consumer technology, and Services.

Dicker Data achieved a strong result in New Zealand despite softer top-line growth from consumer segment rebalancing, Macquarie comments.

This analyst also notes New Zealand profit rose 37.2% year-on-year supported by disciplined cost management and lower interest expenses, compared to the 8.2% uplift in Australia. Gross revenue grew by 3.6% y/y, with the 8.5% gross margin flat versus the prior year.

Across Australia and New Zealand Dicker Data offers a broad range of hardware, software, cloud services, cybersecurity, and emerging technology products on behalf of over 70 global and local vendors.

The company sells exclusively to a network of thousands of IT resellers and integrators (over 10,000 active partners) rather than to end-users.

## Growth opportunities

UBS observes global research and advisory firm Gartner's 2026 market data forecasts Australian IT spending to reach \$172bn, a rise of 8.9% year-on-year, with data centre systems spending expected to grow 22.5% and software spending to increase 13.6%.

In New Zealand, total IT spending for 2026 is projected to jump by 10.4% to \$25.6bn.

As a potential offset, Macquarie notes Gartner's forecasts were set in early September 2025 following rate cuts and may prove difficult to achieve if SME spending remains subdued. Jarden estimates a small business recovery is a greater than \$35m annual gross profit opportunity over time.

Management is also focused on establishing a longer-term presence in the ASEAN market. If successful, this could provide not only a new source of revenue, but also upside to longer-term gross margins, UBS explains, given the company already holds around a 70% market share in the higher-margin SMB IT segment in Australia.

## Balance Sheet

Balance sheet indicators improved modestly despite higher absolute working capital. Cash ended FY25 at \$66.4m (FY24: \$45.8m), inventory at \$312.4m with inventory days improving to 32 from 34, and net debt reduced to \$293m.

**Capital management disappointed investors.** Management will transition to a new dividend payout framework of 80%-100% (from 100%) of net profit from FY26, retaining quarterly dividends but adding flexibility to retain capital.

The board declared an 11-cent dividend for the fourth quarter, bringing the 2025 dividend to 44c, a -9% decline compared to 2024.

## Outlook

Three of the daily monitored brokers conduct research on Dicker Data inside the FN Arena universe.

UBS has a Buy rating. Morgan Stanley has joined Macquarie on a Hold or equivalent rating after downgrading from Buy, given the stock price traded up to its target (it has sold off since).

Also, this broker previously estimated above-system growth from market share gains, but strong execution and historical growth likely mean there is now less incremental upside.

Morgan Stanley concedes it could be wrong if medium-term growth proves stronger and more sustainable, supported by a rebound in smaller customer spending.

The company may also attract interest as a small-cap AI hardware exposure, which could support or lift valuation multiples if AI/data centre activity accelerates.

It's felt ongoing strong execution and delivery on long-term incentive targets could also be potential upside drivers, along with greater clarity on the scale and cadence of AI/data centre deals, and potential offshore expansion.

Morgan Stanley leaves its 12-month target price unchanged, while UBS moves to \$11.30 from \$10.20 and

Macquarie raises its target by 9.5% to \$10.35.

Outside of daily coverage, Jarden keeps its \$11.20 target but downgrades to Overweight from Buy given the risk further rate hikes could slow the small business recovery and volumes may decline faster than expected following price rises.

PC prices are up 30-35% (and growing) since December, the analysts note.

Since Dicker Data released its financial result in late February, market sentiment has soured quickly and dramatically, in particular towards smaller cap stocks. The shares are trading around \$8.42 on Monday, circa -26.50% below the consensus price target of \$10.65.

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

*FNArena is proud about its track record and past achievements: [Ten Years On](#)*

**WEEKLY REPORTS**

# Weekly Ratings, Targets, Forecast Changes - 06-03-26

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 2 to Friday March 6, 2026*

*Total Upgrades: 15*

*Total Downgrades: 7*

*Net Ratings Breakdown: Buy 65.51%; Hold 26.75%; Sell 7.74%*

In what was the final week of the reporting season, FN Arena recorded fifteen upgrades and seven downgrades across ASX-listed companies for the week ending Friday, March 6, 2026, from brokers monitored daily.

Percentage falls in average target prices slightly exceeded rises in the tables below while changes in average earnings forecasts were broadly equal.

Woodside Energy, Santos and Beach Energy received material increases in average earnings forecasts after brokers reacted to news of the US/Israel-Iran conflict, and the surging prices for oil and gas in response.

Based on the assumption the war continues for the next couple of weeks and oil flows via the Strait of Hormuz are severely disrupted, UBS raised its near-term oil price forecasts.

While recognising the surge in oil and LNG prices may be short-lived, the broker noted the situation provides companies like Woodside with an unexpected source of cash flow.

Among stocks under coverage, Morgans favours Woodside and Amplitude Energy, highlighting their operational and strategic investment case has not changed.

Noting a prolonged disruption could push prices above the US\$90-100/bbl range, this broker applied an oil shock premium of 10% to its 12-month target prices for Woodside, Santos, and Karoon Energy. The premium added for Beach Energy was 5% given oil's rise could potentially close the mergers and acquisitions market.

It's recommended active investors take partial profits but retain exposure, avoiding chasing the rally and adding on pullbacks. Longer-term holders should trim modestly, Morgans suggested, as higher oil prices support LNG earnings, balance sheets and growth optionality.

Comparing the potential implications for Neutral-rated Woodside and Santos (Buy) from further supply disruptions, Citi noted while both companies benefit from elevated crude prices, Woodside is more leveraged to spot LNG pricing.

Santos has greater oil exposure through its contracted LNG portfolio and liquids sales, which account for around 90% of total sales, the analysts explained.

Despite a December quarter 2025 adjusted earnings 'miss' for Capstone Copper, according to FN Arena's Corporate Results Monitor (<https://fnarena.com/index.php/2026/03/05/fnarena-corporate-results-monitor-05-03-2026/>), the company, which has a December year-end, tops the earnings upgrade table as broker models roll forward from 2025 forecasts to an improved outlook for 2026.

For similar reasons, Life360 appears second on the earnings upgrade table despite a result 'miss' partly due to market scepticism around monthly active user (MAU) guidance. See <https://fnarena.com/index.php/2026/03/05/life360-growth-deferred-or-denied/> for broker views and why the share price reacted so negatively on results day.

Following interim results, average FY26 earnings forecasts for global networking infrastructure company Megaport and Australian property-technology company Pexa Group also rose by 38% and 23%, respectively.

Megaport's result disappointed due to weak earnings guidance.

Pexa's result did materially exceed consensus expectations as detailed at <https://fnarena.com/index.php/2026/03/05/pexa-preparing-for-a-big-year-ahead/>

Bapcor, Life360, and Objective Corp registered the top three falls in average target prices last week of -33%, -17% and -15%, respectively, corresponding with 'misses' in the Monitor.

On the flipside, the largest percentage increase in target last week was only 7% for Newmont Corp after Morgans raised its gold price forecasts.

The broker remains bullish on precious metals following the reporting season, arguing the key opportunity lays in broader sector exposure rather than stock selection.

It's noted spot gold continues to trade near record highs, balance sheets are strengthening and, aside from elevated royalty payments, material margin compression has not emerged.

In short, Morgans suggested the sector remains positioned for a further re-rating. The broker's target for Newmont was raised to \$214 from \$187 and the rating upgraded to Buy from Accumulate.

For reasons discussed in the Monitor, Lendlease (miss), TPG Telecom (in line), and Strike Energy (miss) head up the earnings downgrade table below.

Despite an impressive earnings beat, Neuren Pharmaceuticals appears fourth on the earnings downgrade list. As with other companies with a December year-end, the rollover of broker forecasts into a new financial year can result in a weaker forecast for the new year replacing the previous period in financial modeling.

Total Buy ratings for the seven stockbrokerages daily monitored by FN Arena still sit at an historically elevated percentage of 65.51%.

With only 7.74% in Sell ratings, this leaves 26.75% for Neutral/Holds.

## Upgrade

### **BAPCOR LIMITED ((BAP)) Upgrade to Neutral from Sell by Citi .B/H/S: 0/4/1**

Citi's updated modeling (post cap raise) has resulted in a target price cut to 76c. Two days ago, before taking into account the significant dilution, that price target was set at \$1.25.

The other change is an upgrade to Neutral from Sell, as the share price has quickly de-rated to 71c.

See also BAP downgrade.

### **BOSS ENERGY LIMITED ((BOE)) Upgrade to Buy from Hold by Bell Potter .B/H/S: 2/2/2**

Bell Potter found the first half results from Boss Energy "lacklustre", impacted by the accounting treatment of inventory sales. Operating cash flow remains robust while costs were higher than expected.

The review of the Honeymoon project is progressing with drill configurations underway targeting areas around well fields B1-B5. The broker expects results will begin to filter through at the beginning of April and should it prove successful the stock could re-rate strongly.

Rating is upgraded to Buy from Hold following a deterioration in the share price. Target is \$1.95.

### **BEACH ENERGY LIMITED ((BPT)) Upgrade to Hold from Trim by Morgans .B/H/S: 0/3/4**

The US/Israel/Iran conflict has triggered one of the largest oil shocks in decades, notes Morgans, freezing tanker traffic through the Strait of Hormuz and lifting Brent to circa US\$82/bbl, with around -13mb/d of oil flows disrupted.

The analyst explains pre-conflict fundamentals were bearish, but the outlook is now binary: a swift reopening could see Brent at US\$75-80/bbl, while prolonged disruption could push prices above US\$90-100/bbl.

It's recommended active investors take partial profits but retain exposure, avoiding chasing the rally and adding on pullbacks. Longer-term holders should trim modestly, as higher oil prices support LNG earnings, balance sheets and growth optionality, notes the broker.

Among stocks under coverage, Morgans favours Woodside Energy and Amplitude Energy, noting their operational and strategic investment case has not changed.

Overall, the analysts apply an oil shock premium of 10% to their 12-month target prices for Woodside, Santos and Karoon Energy shares.

The target for Beach Energy rises to \$1.25 from \$1.09 and the rating is upgraded to Hold from Trim.

#### **COLES GROUP LIMITED ((COL)) Upgrade to Accumulate from Hold by Morgans .B/H/S: 7/0/0**

Coles Group delivered the first half result that was slightly softer than Morgans expected. The liquor segment remains subdued amid competitive intensity, the broker notes, particularly in the second quarter as Endeavour Group ((EDV)) raised its investment in pricing and promotions.

Morgans downgrades earnings estimates for FY26-28 slightly and retains an unchanged target of \$22.90 as valuation is rolled forward.

The business continues to perform well within key supermarket metrics and the recent pullback in the share price provides an attractive entry point so the rating is upgraded to Accumulate from Hold.

#### **HARVEY NORMAN HOLDINGS LIMITED ((HVN)) Upgrade to Hold from Lighten by Ord Minnett .B/H/S: 3/3/0**

Harvey Norman reported a sharp slowdown in sales growth in the dominant Australian business in the last six weeks of 1H26 to -1.2% from 6.4% earlier in the half, with first-half profit before tax missing market expectations, Ord Minnett notes, sparking a -9% sell-off.

Further denting sentiment towards Harvey Norman was the weak start to the second half, with sales growth in January of 3.6%, well short of the market's forecast for 5.7% growth in the second half of FY26.

Ord Minnett has cut its earnings estimates to incorporate the rising interest rate environment, which has a deeper impact on Harvey Norman's customers than those of its rivals, the negative effect of the stronger Australian dollar on translation of offshore earnings, and delays to achieving profitability in the UK.

Target falls to \$5.80 from \$6.20. The share price sell-off leads to an upgrade to Hold from Lighten.

#### **LIFESTYLE COMMUNITIES LIMITED ((LIC)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 1/3/0**

Ord Minnett reviews its Property sector coverage following the reporting season.

The target for Lifestyle Communities rises to \$5.35 from \$5.10 and the rating is upgraded to Accumulate from Hold.

#### **LIGHT & WONDER INC ((LNW)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 6/0/0**

Light & Wonder produced a 2025 result that was largely in line. Morgans notes Grover continues to track ahead of expectations and North American outright sales hit a record.

The broker was encouraged by management's comments that AI was both a growth opportunity and a defensive moat.

Morgans believes the technology will enhance the competitive edge of the business rather than erode, while the recent weakness in the share price appears disconnected from the durability of land-based earnings.

Rating is upgraded to Buy from Accumulate while the target is lowered to \$195 from \$200.

#### **MAGELLAN FINANCIAL GROUP LIMITED ((MFG)) Upgrade to Equal-weight from Underweight by Morgan Stanley .B/H/S: 0/4/0**

Morgan Stanley suggests Magellan Financial's plan to merge with Barrenjoey will improve its earnings growth prospects. The broker upgrades FY27-28 EPS estimates by 6-11% to reflect higher Barrenjoey earnings and a

higher equity stake.

The broker's pro forma analysis shows a complete merger would be modestly dilutive at first but lift medium-term growth. On completion of the merger, Barrenjoey and Barclays will own 32% and 5% of the new Magellan Financial, respectively, with 63.5% of the latter in free float.

Barrenjoey is a market facing business which has less diversity compared with larger peers such as Macquarie Group ((MQG)), making it potentially more cyclical, Morgan Stanley comments.

Rating is upgraded to Equal-weight from Underweight and the target is lifted to \$9.20 from \$8.35. Industry view is In-Line.

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

Morgans remains bullish on precious metals following the reporting season, arguing the key opportunity lays in broader sector exposure rather than stock selection.

The broker notes spot gold continues to trade near record highs, balance sheets are strengthening and, aside from elevated royalty payments, material margin compression has not emerged.

At current spot prices and given the prevailing macro backdrop, the analysts believe the sector remains positioned for further re-rating despite recent share price gains.

Gold price forecasts are raised by 5% for FY26, 11% for FY27, 10% for FY28, 1% for FY29 and 23% on a long-term basis.

The target price for Newmont Corp rises to \$214 from \$187 and the rating is upgraded to Buy from Accumulate.

#### **OBJECTIVE CORPORATION LIMITED ((OCL)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 2/1/0**

Morgans notes first half results from Objective Corp were slightly ahead of forecasts at the net profit and EBITDA lines. Annual recurring revenue grew 12% although this was -3.2% below expectations largely because of timing.

Forecasts for EBITDA are reduced by -4% across FY26-28 amid adjustments for ARR guidance and expectations around the timing of investment as well as currency movements.

The broker envisages significant opportunity for the business to scale its divisions, having a defensive government customer base and long history of growth. Rating is upgraded to Buy from Accumulate and the target lowered to \$16.70 from \$20.00.

#### **STOCKLAND ((SGP)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 4/1/0**

Ord Minnett reviews its Property sector coverage following the reporting season.

For Stockland, the broker upgrades to Buy from Accumulate with its target price unchanged at \$5.90, noting the share price has fallen -16% year to date.

The stock is trading on a price to net tangible assets multiple of around 1.1x, which Ord Minnett views as attractive given the quality of earnings and growth prospects.

The residential development portfolio is expected to generate a post-tax FY26 operating margin above 15%, implying a return on invested capital of around 11%.

#### **VICINITY CENTRES ((VCX)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 2/2/1**

Ord Minnett reviews its Property sector coverage following the reporting season.

The target for Vicinity Centres is kept at \$2.50 and the rating is upgraded to Accumulate from Hold.

#### **VISTA GROUP INTERNATIONAL LIMITED ((VGL)) Upgrade to Buy from Neutral by UBS .B/H/S: 2/0/0**

Following Vista International's FY25 results, UBS lowers its target price to NZ\$2.50 from NZ\$2.80 and upgrades to Buy from Neutral.

The broker argues concerns around weak box office and SaaS sustainability are overdone after share price underperformance of nearly -30% year to date versus the NZX50.

FY25 revenue of \$164m rose 10% and earnings (EBITDA) of NZ\$28m were in line with the consensus estimate and ahead of UBS's \$26m forecast, with margins expanding to 17% from 14%.

FY26 revenue guidance of NZ\$176-182m and an 18-20% EBITDA margin implies to the analyst earnings (EBITDA)

of NZ\$31.5-36m, broadly in line with the consensus estimate.

#### **WHITEHAVEN COAL LIMITED ((WHC)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 2/3/1**

Ord Minnett upgrades Whitehaven Coal to Buy from Accumulate and lifts its target price to \$9.80/sh from \$9.40 (+4%) as the broker assesses energy-supply risks tied to the Iran-US conflict and disruptions through the Hormuz Strait.

Ord Minnett notes thermal coal futures' rise by around 12% to roughly US\$140/t and argues Whitehaven's seaborne thermal coal exposure (about 36% of revenue) provides leverage to higher prices.

A key metric is the broker's scenario analysis suggesting an underlying 13% FCF yield if prices track futures, versus an 8% base-case yield.

#### **WAYPOINT REIT LIMITED ((WPR)) Upgrade to Accumulate from Hold by Morgans .B/H/S: 2/0/1**

Morgans raises its target for Waypoint REIT to \$2.75 from \$2.70 and upgrades to Accumulate from Hold following "solid" FY25 results.

Funds from operations (FFO) of 16.64cpu were in line with upgraded guidance, while FY26 guidance of 17.14cpu implies around 3% growth and sits modestly ahead of the broker's prior forecast.

Rental income rose to \$165.5m and the net tangible asset (NTA) metric increased 5% to \$2.90, supported by revaluation gains, the analyst explains.

Morgans highlights the portfolio's defensive profile, with 99.9% occupancy and 94.1% of income derived from Viva Energy ((VEA), which supplies circa 25% of Australia's fuel needs.

### Downgrade

#### **AI-MEDIA TECHNOLOGIES LIMITED ((AIM)) Downgrade to Hold from Buy by Morgans .B/H/S: 0/1/0**

Ai-Media Technologies provided a first half result that was largely in line with expectations at the revenue line while higher expenses meant underlying EBITDA was materially below. Morgans reduces FY26 and FY27 estimates for EBITDA by -106% and -80%, respectively.

A -25% discount is now applied to valuation and the target is reduced to \$0.35 from \$0.80. The discount reflects uncertainty and a view that it will take time for management to rebuild investor confidence.

Earnings continue to disappoint relative to expectations despite fundamental value and Morgans downgrades to Hold from Buy.

#### **BAPCOR LIMITED ((BAP)) Downgrade to Sell from Neutral by Citi .B/H/S: 0/4/1**

On further inspection, Citi downgrades Bapcor to Sell from Neutral following what is viewed as three "false starts" from CEOs trying to turn around what is considered a relatively "simple" business and "reasonable" industry structure.

The target price falls to \$1.25 from \$1.65. The analyst thinks it is better to wait to see evidence of sustained signs of improvement before investors buy the stock.

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At first glance, Citi points to Bapcor announcing a 1H26 statutory loss of -\$104.8m which was materially worse than consensus due largely to a circa -\$100m impairment of New Zealand assets and other write-offs.

Underlying NPAT of \$5.5m was broadly in line and no dividend was declared. Bapcor is raising \$200m through a fully underwritten equity issue at 60c per share, a -65% discount to the last close.

Some 333m new shares or around 98% of existing capital is being issued, to address leverage of 3.39x at 1H26.

Divisional performance was weak, with Trade EBITDA down -33%, Retail down -29% and New Zealand down -31%, alongside a pricing reset, and a circa -\$5m payroll issue and further covenant relief required.

While management points to early sales momentum in some segments, the broker remains cautious given competitive pressures, earnings volatility and balance sheet risk.

Target \$2.28. Neutral.

See also BAP upgrade.

**DICKER DATA LIMITED ((DDR)) Downgrade to Equal-weight from Overweight by Morgan Stanley .B/H/S: 1/2/0**

On further inspection, Morgan Stanley downgrades Dicker Data to Equal-weight from Outperform while retaining a \$10.30 target.

While execution remains solid and the business retains structural IT spend tailwinds, the broker believes the current valuation of circa 18-19x 2026-27 EPS fairly reflects the earnings trajectory. Longer term growth expectations have been moderated, with less scope for incremental share gains beyond system growth.

Industry-view: In-line.

\*\*\*\*

Dicker Data's 2025 result that beat the top end of guidance and shifts focus to 2026 growth pillars beyond PCs, on the broker's assessment.

Commentary highlights revenue up by 15% to \$3,866m (above the \$3.7-3.8bn guide), driven by Endpoint Solutions (+19%), Advanced Solutions (+11.8%) and Software (+21%), while EBITDA of \$159.4m (+6%) is in line and pre-tax profit of \$124.7m (+10.2%) beats the \$120-124m guide.

The broker notes gross margin eased to 9% but argues this is a positive signal for an SMB rebound that could add circa 40bp, alongside stable working-capital days and more payout flexibility.

The broker highlights growing AI exposure as a distribution partner for AI data centres and sees scope for further vendor adds and medium-term offshore expansion.

Catalysts are identified as continued ex-PC refresh momentum and incremental AI wins, while the key risk is lumpy hardware demand and margin volatility.

**EQ RESOURCES LIMITED ((EQR)) Downgrade to Trim from Speculative Buy by Morgans .B/H/S: 0/0/0**

The ammonium paratungstate price continues to climb, above US\$1,600/mtu. Morgans has lifted the modelled short-term price to US\$1,300/mtu, and its long-term price to US\$700/mtu from US\$600/mtu.

This leads the broker to increase its target for EQ Resources to 23c from 16c. Continued strength in the tungsten price, a most critical metal Morgans notes, could lead to a further increase.

However with the share price above the broker's target price, Morgans downgrades to Trim from Speculative Buy.

**GREATLAND RESOURCES LIMITED ((GGP)) Downgrade to Neutral from Buy by Citi .B/H/S: 1/2/0**

Citi reduces its target price for Greatland Resources to \$15.30 from \$16.00 and downgrades to Neutral from Buy, citing higher Telfer growth capital expenditure relative to consensus expectations.

The broker now models -\$981m in growth capital expenditure across FY26-29, -43% worse than/above consensus, to support tailings dam lifts, open-pit cutbacks and underground development.

Consensus forecasts project around 285koz gold production per annum over FY26-30.

The key challenge, in the broker's view, is converting 87Mt of inferred resource at West Dome into reserve, with an updated resource due in the March quarter..

**READYTECH HOLDINGS LIMITED ((RDY)) Downgrade to Speculative Buy from Buy by Morgans .B/H/S: 2/0/0**

ReadyTech Holdings' interim underlying earnings (EBITDA) of \$17.5m and cash earnings of \$7.5m were respectively around -6 and -9% below Morgans' forecasts.

Subscription revenue rose 4% on the prior year to \$51.8m, though declined -1.7% compared with 2H25. Profit of \$4.1m was a -42.7% decline on the prior year amid higher churn and slower sales conversion, the analyst explains.

FY26 revenue guidance is \$125-127m, down -5% on prior guidance, with cash earnings margins now expected in the low-mid teens, and longer-term targets withdrawn.

FY26-28 earnings forecasts are lowered by between -10-20% to reflect softer growth momentum. The broker's target falls to \$2.20 from \$3.00. Downgrade to Speculative Buy from Buy

**WOODSIDE ENERGY GROUP LIMITED ((WDS)) Downgrade to Accumulate from Buy by Morgans .B/H/S: 1/4/0**

The US/Israel/Iran conflict has triggered one of the largest oil shocks in decades, notes Morgans, freezing

tanker traffic through the Strait of Hormuz and lifting Brent to circa US\$82/bbl, with around -13mb/d of oil flows disrupted.

The analyst explains pre-conflict fundamentals were bearish, but the outlook is now binary: a swift reopening could see Brent at US\$75-80/bbl, while prolonged disruption could push prices above US\$90-100/bbl.

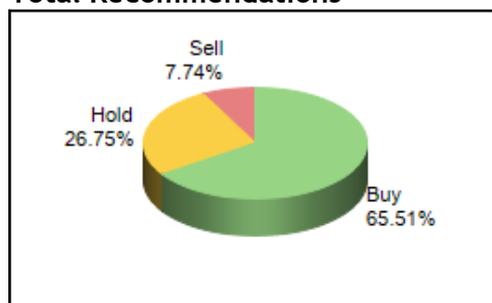
It's recommended active investors take partial profits but retain exposure, avoiding chasing the rally and adding on pullbacks. Longer-term holders should trim modestly, as higher oil prices support LNG earnings, balance sheets and growth optionality, notes the broker.

Among stocks under coverage, Morgans favours Woodside Energy and Amplitude Energy, noting their operational and strategic investment case has not changed.

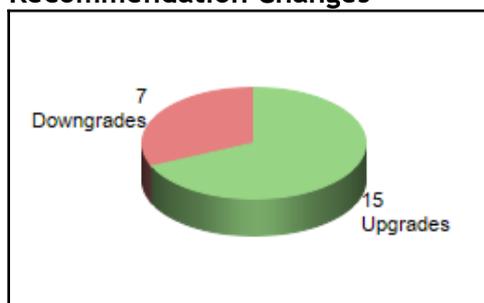
Overall, the analysts apply an oil shock premium of 10% to their 12-month target prices for Woodside, Santos and Karoon Energy shares.

The target for Woodside Energy rises to \$33.55 from \$30.50. The rating is downgraded to Accumulate from Buy.

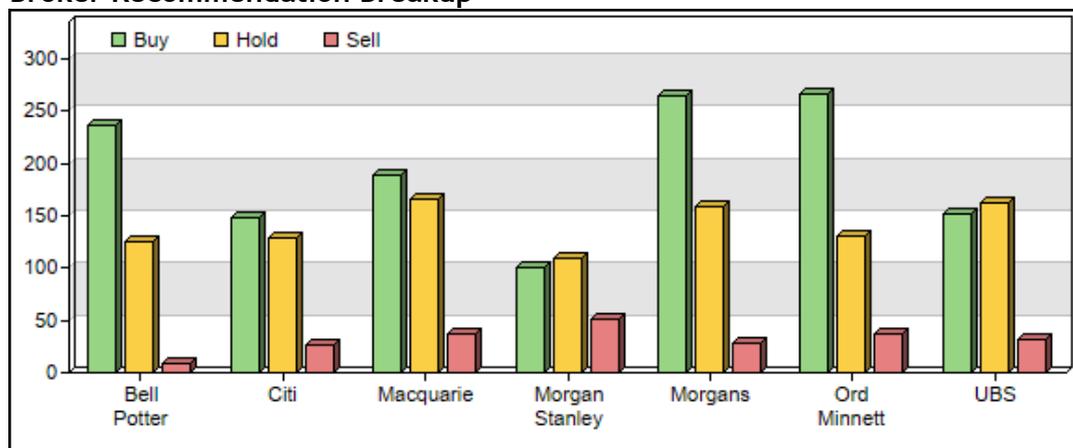
### Total Recommendations



### Recommendation Changes



### Broker Recommendation Breakup



## Broker Rating

Order	Company	New Rating	Old Rating	Broker
<b>Upgrade</b>				
1	<a href="#">BAPCOR LIMITED</a>	Neutral	Sell	Citi
2	<a href="#">BEACH ENERGY LIMITED</a>	Neutral	Sell	Morgans
3	<a href="#">BOSS ENERGY LIMITED</a>	Buy	Neutral	Bell Potter
4	<a href="#">COLES GROUP LIMITED</a>	Buy	Neutral	Morgans
5	<a href="#">HARVEY NORMAN HOLDINGS LIMITED</a>	Neutral	Sell	Ord Minnett
6	<a href="#">LIFESTYLE COMMUNITIES LIMITED</a>	Buy	Neutral	Ord Minnett
7	<a href="#">LIGHT &amp; WONDER INC</a>	Buy	Buy	Morgans
8	<a href="#">MAGELLAN FINANCIAL GROUP LIMITED</a>	Neutral	Sell	Morgan Stanley
9	<a href="#">NEWMONT CORPORATION REGISTERED</a>	Buy	Buy	Morgans
10	<a href="#">OBJECTIVE CORPORATION LIMITED</a>	Buy	Buy	Morgans
11	<a href="#">STOCKLAND</a>	Buy	Buy	Ord Minnett
12	<a href="#">VICINITY CENTRES</a>	Buy	Neutral	Ord Minnett
13	<a href="#">VISTA GROUP INTERNATIONAL LIMITED</a>	Buy	Neutral	UBS
14	<a href="#">WAYPOINT REIT LIMITED</a>	Buy	Neutral	Morgans
15	<a href="#">WHITEHAVEN COAL LIMITED</a>	Buy	Buy	Ord Minnett
<b>Downgrade</b>				
16	<a href="#">AI-MEDIA TECHNOLOGIES LIMITED</a>	Neutral	Buy	Morgans

17	<a href="#">BAPCOR LIMITED</a>	Sell	Neutral	Citi
18	<a href="#">DICKER DATA LIMITED</a>	Neutral	Buy	Morgan Stanley
19	<a href="#">EQ RESOURCES LIMITED</a>	Sell	Buy	Morgans
20	<a href="#">GREATLAND RESOURCES LIMITED</a>	Neutral	Buy	Citi
21	<a href="#">READYTECH HOLDINGS LIMITED</a>	Buy	Buy	Morgans
22	<a href="#">WOODSIDE ENERGY GROUP LIMITED</a>	Buy	Buy	Morgans

## Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	<a href="#">NEM</a>	NEWMONT CORPORATION REGISTERED	210.800	197.800	6.57%	5
2	<a href="#">BSL</a>	BLUESCOPE STEEL LIMITED	30.433	28.575	6.50%	3
3	<a href="#">SFR</a>	SANDFIRE RESOURCES LIMITED	19.180	18.017	6.46%	5
4	<a href="#">SIQ</a>	SMARTGROUP CORPORATION LIMITED	9.833	9.358	5.08%	3
5	<a href="#">RHC</a>	RAMSAY HEALTH CARE LIMITED	39.553	37.673	4.99%	6
6	<a href="#">JIN</a>	JUMBO INTERACTIVE LIMITED	13.650	13.050	4.60%	4
7	<a href="#">JHX</a>	JAMES HARDIE INDUSTRIES PLC	42.270	40.558	4.22%	5
8	<a href="#">PNR</a>	PANTORO GOLD LIMITED	6.660	6.397	4.11%	3
9	<a href="#">VNT</a>	VENTIA SERVICES GROUP LIMITED	6.400	6.163	3.85%	3
10	<a href="#">SXL</a>	SOUTHERN CROSS MEDIA GROUP LIMITED	0.700	0.675	3.70%	3

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	<a href="#">BAP</a>	BAPCOR LIMITED	1.186	1.758	-32.54%	5
2	<a href="#">360</a>	LIFE360 INC	39.438	47.688	-17.30%	5
3	<a href="#">OCL</a>	OBJECTIVE CORPORATION LIMITED	18.600	21.833	-14.81%	3
4	<a href="#">HVN</a>	HARVEY NORMAN HOLDINGS LIMITED	6.908	7.517	-8.10%	6
5	<a href="#">COG</a>	COG FINANCIAL SERVICES LIMITED	2.097	2.230	-5.96%	3
6	<a href="#">COL</a>	COLES GROUP LIMITED	23.407	24.671	-5.12%	7
7	<a href="#">JBH</a>	JB HI-FI LIMITED	91.980	96.557	-4.74%	5
8	<a href="#">LLC</a>	LENDLEASE GROUP	5.265	5.482	-3.96%	4
9	<a href="#">SEK</a>	SEEK LIMITED	24.867	25.743	-3.40%	6
10	<a href="#">TPG</a>	TPG TELECOM LIMITED	4.038	4.180	-3.40%	5

## Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	<a href="#">CSC</a>	CAPSTONE COPPER CORP.	67.093	38.094	76.12%	5
2	<a href="#">360</a>	LIFE360 INC	79.943	47.655	67.75%	5
3	<a href="#">WDS</a>	WOODSIDE ENERGY GROUP LIMITED	152.331	104.783	45.38%	6
4	<a href="#">MP1</a>	MEGAPORT LIMITED	-1.650	-2.640	37.50%	5
5	<a href="#">PXA</a>	PEXA GROUP LIMITED	28.625	23.333	22.68%	4
6	<a href="#">STO</a>	SANTOS LIMITED	48.331	43.393	11.38%	6
7	<a href="#">BPT</a>	BEACH ENERGY LIMITED	16.229	14.771	9.87%	7
8	<a href="#">WPR</a>	WAYPOINT REIT LIMITED	17.000	16.000	6.25%	3
9	<a href="#">NXT</a>	NEXTDC LIMITED	-17.600	-18.650	5.63%	6
10	<a href="#">PNR</a>	PANTORO GOLD LIMITED	82.233	77.967	5.47%	3

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	<a href="#">LLC</a>	LENDLEASE GROUP	-9.467	1.650	-673.76%	4
2	<a href="#">TPG</a>	TPG TELECOM LIMITED	9.125	16.350	-44.19%	5
3	<a href="#">STX</a>	STRIKE ENERGY LIMITED	-0.950	-0.700	-35.71%	3
4	<a href="#">NEU</a>	NEUREN PHARMACEUTICALS LIMITED	9.250	13.650	-32.23%	3
5	<a href="#">KAR</a>	KAROON ENERGY LIMITED	13.980	20.369	-31.37%	5
6	<a href="#">BAP</a>	BAPCOR LIMITED	6.875	9.625	-28.57%	5
7	<a href="#">TCL</a>	TRANSURBAN GROUP LIMITED	33.000	35.600	-7.30%	6

8	<a href="#">VEA</a>	VIVA ENERGY GROUP LIMITED	16.700	17.700	-5.65%	4
9	<a href="#">LNW</a>	LIGHT & WONDER INC	1126.985	1185.200	-4.91%	6
10	<a href="#">TLX</a>	TELIX PHARMACEUTICALS LIMITED	-11.432	-11.062	-3.34%	5

### Technical limitations

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

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**WEEKLY REPORTS**

# Uranium Week: NexGen Energy A Key Pick

As Middle East war rolled markets, the U308 spot market took volatility in its stride while UBS points to NexGen as preferred stock exposure.

- Confidence in Paladin grows post site visit while Namibia's U308 supply roll set to grow
- NexGen Energy ticks lots of boxes and Rook 1 could be in the line of site for mining majors
- Weekly uranium price is stable against a global backdrop of uncertainty and energy market chaos
- Boss Energy no longer most shorted on the ASX

By Danielle Ecuyer

## Namibia's roll as a strategic U308 supplier

The conflict in the Middle East has focused investors' attention again on the fragility of global energy supplies in a world of heightened geo-political tensions.

A point that is not lost on UBS post site visits to Namibia and Malawi, visiting the uranium operations of **Paladin Energy** ((PDN)), **Bannerman Energy** ((BMN)), **Lotus Resources** ((LOT)) and **Deep Yellow** ((DYL)).

Only Paladin is actively covered by the broker.

Although the projects on a company-specific level are at varying stages of development, UBS analysts project Namibian production to grow to 15% of global primary U308 supply by 2030, from 13% currently.

Observing some of the projects are not likely to challenge the cost curve to rival major suppliers, Canada and Kazakhstan, they are well positioned for the broker's more upbeat stance on the outlook for nuclear energy, as well as the "strategic significance in an increasingly polarised world".

Thirdly, the region, as more marginal cost producers, provides a role in incentive price formation for the industry. In other words, if uranium prices rise above the economic threshold for Namibian projects, developers are more likely to sanction new mines or expansions.

That price level becomes an indicator of where new supply enters the market.

The recent transaction between Bannerman Energy and China's China National Nuclear Corporation (CNNC) is considered indicative of the rising competition between major U308 consuming countries to secure supply in Namibia.

Like UBS, Canaccord Genuity sees the deal between Bannerman and CNNC, whereby the latter party would subscribe for a 45% interest in Bannerman's UK subsidiary which owns 95% of Etango, as a "watershed event" which drops funding risk and provides offtake certainty.

Consideration includes US\$294.5m into the joint venture company to be used towards construction funding for Etango and a direct payment of US\$27m to Bannerman. A final investment decision is expected in the second half of 2026.

As stated, UBS does not cover Bannerman, but Canaccord retains a Speculative Buy rating with a slightly lower target of \$5.80 from \$5.99.

Post visit to Paladin's operation, UBS gained greater confidence in the company's water allocation, importantly not just for current needs but also for reaching nameplate capacity.

Equally, UBS analysts highlighted how impressed they were by the local/expat workforce and the oversight of contractors.

Langer Heinrich (Namibia) holds over a 233mlb resource while Patterson Lake South (Canada) could combine to

produce nameplate capacity around 15mlbs.

Management is focusing on Langer Heinrich 2H26 production of 2.3mlb versus FY26 guidance of 4-4.4mlb, which is viewed as conservative, and UBS forecasts 4.55mlb production in FY26.

A Neutral rating and \$12.60 target are retained.

## A world class project with a big capex price tag

UBS initiated coverage of **NexGen Energy** ((NXG)) with a Buy rating and \$21 target and sees it as the preferred exposure in the sector with exposure to a tier-1 project, including exploration upside.

The Rook 1 project is highlighted as multi-decadal in scale with capacity to produce CA\$2.2bn/year in real steady-state earnings (EBITDA) as a base case estimate.

Sales are forecast to ramp up to around 20mlbs/year from 2033 compared to consensus estimates of circa 25mlbs/year for the first five years.

The spend is almost -CA\$3bn and resource conversion is seen as able to move the project life over 20 years, which would assist with the large capex investment.

Real capex of -CA\$2.85bn required is expected to be funded from multiple sources to obviate the need for further large equity raisings and significant debt leverage.

The updated forecast for real all-in-sustaining costs stands at around CA\$28/lb, which offers potential circa US\$70/lb margins in around 10 years.

UBS believes the market is far too concentrated on short-term headlines versus the upside potential this project's leverage offers from higher uranium prices.

A rise of US\$25/lb in U308 prices equals a lift in valuation of over 35% (all else remaining equal).

Canaccord also offered an update on NexGen, noting the licence to construct the Rook 1 uranium project from the Canadian Nuclear Safety Commission had been received after 14 days of being submitted.

The developer can now start construction, anticipated to take four years and could generate interest from the likes of Cameco, BHP Group ((BHP)) and Rio Tinto ((RIO)).

The broker points to Rook 1 uranium supply at full production capacity of circa 30mlbs, or around 20% of global primary mine supply.

Speculative Buy rated with a \$22.90 target price.

NexGen Energy is equally one of favoured industry exposures at Shaw and Partners whose view remains that uranium is in the early stages of a supercycle.

Shaw has a Buy, High Risk rating and \$22.90 price target.

## Boss encounters wet weather problems

Canaccord and Macquarie noted Boss Energy has flagged drummed production between 240-270klbs post heavy rain, limiting site access, and a step down in tenors due to a lack of new wellfields coming onstream.

Management has retained FY26 production guidance of 1.6mlbs, implying around 490-520klbs in 4Q26 which sits above Canaccord and consensus estimates of circa 430klbs.

The increase is identified as likely to come from the ramp-up of wellfield B5, which was commissioned earlier this year, and additional capacity via IX columns four and five.

Macquarie tweaks EPS lower for FY26 post uptake and up slightly for FY27 on reduced operating cost assumptions (due to lower production). Production is expected to restart post maintenance on March 14 and forecasts for 3Q26 are lowered to 270klbs drummed from 420klbs previously.

A new definitive feasibility study is expected with FY27 guidance in the September quarter, with Macquarie retaining an Underperform rating and \$1.30 target price.

Honeymoon is seen as remaining a challenging project with wide spacing trials risky. Investors should await more clarity around results.

Canaccord conversely retains a Speculative Buy rating and unchanged \$2.80 target, pointing to cash and liquid assets of \$208m at the end of 2025, placing the company in a resilient position.

Compared to volatility in the oil and gas sector, the U308 spot price was relatively flat last week.

## U308 market remained a relative sea of calm amidst global volatility

As highlighted by industry consultants TradeTech, the uranium spot price was unchanged over last week at US\$85/lb with four transactions over the period.

One deal was conducted on the Monday at US\$87/lb which remained the price until Thursday when Middle East tensions ratcheted up.

Three transactions are noted for Friday. One for 50klbs U308 at US\$85.75/lb for delivery at ConverDyn.

A third for 50klbs at US\$84.50/lb for delivery at Cameco and a further 50klbs also for delivery at Cameco at US\$85/lb to close out the week.

TradeTech's weekly spot price is up 3.7% in 2026 and up 33.9% from a year ago.

The consultants highlight new demand over the week in the long-term U308 market with a Request for Proposal seeking up to 1.5mlbs of U308 for delivery between 2031 and 2036, with offers to the utility due no later than March 16.

Other transactions which are being concluded align with TradeTech's long-term price indicator of US\$90/lb; the mid-term price indicator stands at US\$88/lb.

## Short interests over the week that was:

Boss Energy has slipped from being the most shorted stock on the ASX to fifth position with short interests declining by -3.57% to 12.76% at at March 3, 2026.

Paladin Energy sits in twelfth position with a slight reduction in short positions to 9.57%, down -0.06%, and Silex Systems' ((SLX)) fell by -0.69% to 2.25%.

For more reading on U308 from FNArena, see

<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/>

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

## Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	06/03/2026	0.0600	▼ -9.21%	\$0.16	\$0.03			
AEE	06/03/2026	0.1200	▼ -6.90%	\$0.28	\$0.10			
AGE	06/03/2026	0.0400	▲ 4.55%	\$0.06	\$0.02		\$0.070	▲75.0%
AKN	06/03/2026	0.0100	▲20.00%	\$0.01	\$0.01			

ASN	06/03/2026	0.0500	▼- 8.47%	\$0.13	\$0.04			
BKY	06/03/2026	0.4600	▼- 8.00%	\$0.70	\$0.37			
BMN	06/03/2026	3.9300	▼-14.08%	\$5.25	\$1.76		\$5.600	▲42.5%
BOE	06/03/2026	1.5200	▼-10.74%	\$4.75	\$1.07	14.9	\$1.600	▲5.3%
BSN	06/03/2026	0.0300	▼-18.18%	\$0.08	\$0.01			
C29	06/03/2026	0.0300	▼- 2.78%	\$0.06	\$0.01			
CXO	06/03/2026	0.2200	▼- 7.27%	\$0.36	\$0.06		\$0.350	▲59.1%
CXU	06/03/2026	0.0300	▼-12.12%	\$0.04	\$0.01			
DEV	06/03/2026	0.1900	▼-12.00%	\$0.28	\$0.07			
DYL	06/03/2026	1.9900	▼-17.80%	\$2.97	\$0.75	-78.1	\$2.290	▲15.1%
EL8	06/03/2026	0.3000	▼-12.00%	\$0.50	\$0.19			
GUE	06/03/2026	0.0700	0.00%	\$0.09	\$0.05			
HAR	06/03/2026	0.1400	0.00%	\$0.25	\$0.04			
I88	06/03/2026	0.1400	▲ 7.14%	\$0.76	\$0.08			
KOB	06/03/2026	0.0400	▼-13.04%	\$0.09	\$0.03			
LAM	06/03/2026	0.8400	▼- 6.86%	\$0.93	\$0.56			
LOT	06/03/2026	1.6500	▼-15.63%	\$3.20	\$1.56		\$3.533	▲114.1%
MEU	06/03/2026	0.1200	▼- 7.14%	\$0.19	\$0.03			
NXG	06/03/2026	16.6900	▼- 1.72%	\$20.47	\$6.44	-13859.5	\$20.150	▲20.7%
ORP	06/03/2026	0.0600	▲ 1.59%	\$0.07	\$0.02			
PDN	06/03/2026	11.3200	▼-10.32%	\$14.44	\$3.93	134.9	\$12.458	▲10.1%
PEN	06/03/2026	0.6100	▼-14.67%	\$1.08	\$0.28			
SLX	06/03/2026	5.4100	▼-13.60%	\$10.85	\$2.28			
TOE	06/03/2026	0.5100	▼- 5.36%	\$0.63	\$0.15			
WCN	06/03/2026	0.0200	▼-11.11%	\$0.04	\$0.01			

Uranium - U3O8



wp market price history u3o8

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**WEEKLY REPORTS**

# The Short Report - 12 Mar 2026

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

**Summary:**

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

**10%+**

DMP 15.79%  
TWE 14.75%  
TLX 14.08%  
GYG 13.52%  
PNV 12.75%  
NAN 11.31%  
BOE 11.27%  
IEL 10.85%  
LYC 10.45%

**9.0-9.9%**

FLT 9.65%  
PDN 9.61%  
DRO 9.28%  
NXT 9.14%

In: **NXT**

Out: **KAR, IPH, PWH**

**8.0-8.9%**

PWH 8.95%  
KAR 8.76%  
IPH 8.67%  
LIC 8.66%  
CTD 8.48%  
SLX 8.29%  
BRG 8.12%

In: **PWH, KAR, IPH**

Out: **NXT, ING, ILU**

**7.0-7.9%**

ING 7.96%

MSB 7.93%  
 CUV 7.89%  
 ILU 7.86%  
 CU6 7.84%  
 DGT 7.83%  
 IPX 7.70%  
 ZIP 7.65%  
 PLS 7.41%  
 DYL 7.35%

In: **ING, ILU, DGT, ZIP**

Out: **BAP**

**6.0-6.9%**

CAT 6.83%  
 PNI 6.82%  
 EDV 6.71%  
 MMS 6.66%  
 HLS 6.29%  
 RIO 6.23%  
 BPT 6.10%

In: **MMS, RIO**

Out: **ZIP**

**5.0-5.9%**

MIN 5.94%  
 LOT 5.92%  
 ACL 5.91%  
 AD8 5.64%  
 BAP 5.57%  
 ELD 5.41%  
 WTC 5.39%  
 NEU 5.26%  
 GMD 5.21%  
 HMC 5.10%  
 REA 5.08%  
 ADH 5.04%  
 RFF 5.02%  
 JIN 5.01%

In: **BAP, HMC, REA, ADH, RFF**

Out: **AX1, RIO, NXL, MMS, GEM**

**ASX20 Short Positions (%)**

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.5	0.4	NAB	1.1	1.1
ANZ	0.6	0.6	QBE	0.3	0.2
BHP	1.3	1.1	RIO	6.2	5.7

BXB	0.4	0.5	STO	0.8	0.6
CBA	1.2	1.2	TCL	0.7	0.5
COL	0.7	0.4	TLS	0.3	0.3
CSL	0.5	0.5	WBC	1.0	0.9
FMG	2.6	2.7	WDS	4.1	4.0
GMG	1.2	1.1	WES	0.3	0.4
MQG	0.6	0.6	WOW	2.2	2.1

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: Avecho, Alcidion, Great Divide Mining

This week brokers took the magnifying lens out to focus on three micro/small caps with transcend biotech, software and gold mining, what else does an investor need?

- Cannabinoid (CBD) sleep treatment advances toward pivotal interim trial outcome
- Digital health platform gains traction as hospital IT modernisation accelerates
- Historic NSW gold field revival drives transition from explorer to producer

By Danielle Ecuyer

This week's quote comes from ANZ Bank:

*"Once a conflict extends beyond the initial shock phase, oil markets tend to shift from pricing uncertainty to pricing endurance.*

*"At that point, the key question is no longer whether supply is disrupted, but how long producers can physically sustain output under deteriorating operating conditions."*

## Sandoz partnership and June trial catalyst underpin investment case

**Avecho Biotechnology** ((AVE)) is an Australian biotech company developing a cannabidiol (CBD) soft-gel capsule for insomnia using its proprietary TPM (Tocopheryl Phosphate Mixture) technology, which enhances the absorption and bioavailability of drugs.

Research as a Service (RaaS) notes the lead program is currently in a pivotal Phase III clinical trial, with an interim analysis expected in June this year after the company completed recruitment of about 210 patients.

This milestone followed a lengthy recruitment process due to strict patient inclusion criteria designed to improve the quality of the data.

RaaS highlights the challenges this creates for both Avecho and shareholders. While strict criteria can produce higher quality datasets and clearer trial outcomes, they often lengthen recruitment timelines and place pressure on funding and share price performance.

The interim results will determine whether the trial continues toward the full planned enrollment of 519 patients or is stopped early if the treatment shows insufficient efficacy.

Management's commercial strategy is to develop drugs and license them to large pharmaceutical partners with established distribution networks.

The analyst notes Avecho has already secured a 10-year licensing agreement with Sandoz to commercialise its insomnia CBD product in Australia. The deal includes a US\$3m upfront payment, up to US\$16m in development milestones, and tiered royalties of 14%-19% on net sales.

Avecho retains rights to global markets outside Australia and management is currently in discussions with potential partners regarding further licensing agreements. RaaS believes a positive interim trial result would represent a significant de-risking event for the program and could accelerate additional licensing deals and funding opportunities.

The investment case centres on the upcoming trial results and the potential advantages of Avecho's TPM technology. The company argues the technology improves CBD absorption, with animal studies showing up to a 400% increase in bioavailability when combined with TPM.

The analyst highlights this could allow the product to achieve therapeutic efficacy within the TGA's 150mg dose limit for over-the-counter CBD medicines, a hurdle that has limited other CBD insomnia treatments. If successful, the product could become the first TGA-approved OTC CBD sleep aid in Australia, and potentially expand into large global insomnia markets.

From a funding perspective, Avecho had about \$4.7m in cash at December 2025 and expects around \$1.8m in R&D tax credits. With a cash burn of roughly -\$1m per quarter, this should be sufficient to reach the interim trial results.

If the trial continues, additional funding may be required, although positive results would likely improve access to capital or enable non-dilutive funding through licensing agreements.

The report also notes Avecho's market capitalisation of around \$38m remains low compared with other ASX-listed biotechs at the Phase III stage, suggesting potential valuation upside if the clinical program proves successful.

RaaS does not assign a rating or target price, although the analyst holds shares.

## Macro tailwinds and positive earnings a boost for an emerging health tech company

Moelis initiated coverage of **Alcidion** ((ALC)) this week with a Buy rating.

The emerging health technology company provides software designed to improve how hospitals manage patient information, clinical workflows and operational decision-making.

The analyst explains the company's core product is the Miya Precision platform, which integrates data from multiple hospital systems such as patient administration systems, pathology, radiology and medical devices. This allows clinicians to access real-time patient information and receive alerts or insights within their workflows, unlike traditional health IT systems which are largely passive.

The platform sits on top of existing hospital IT infrastructure rather than replacing it, enabling hospitals to improve interoperability and adopt new technologies such as AI-driven clinical decision support without undertaking large-scale system replacements.

Against a macro backdrop of governments and hospital systems seeking to improve efficiency and patient outcomes while managing rising healthcare costs, demand for healthcare digitisation is increasing, providing a tailwind for platforms like Miya.

Many legacy electronic health record systems were originally designed for record keeping rather than real-time clinical decision-making, which further supports demand for interoperable platforms.

Alcidion has increasingly secured large contracts with NHS trusts in the UK to deliver electronic patient record (EPR) systems, and successful delivery of these deployments could help build reference sites that support further business development and larger contract opportunities.

The company has also generated momentum through several recent contracts and preferred supplier arrangements across the UK and Australia, including projects with University Hospitals Sussex, North Cumbria Integrated Care and South Tees Hospitals.

Alcidion's base of recurring revenue continues to expand through these contracts and demonstrates the company's "land and expand" strategy, where hospitals initially deploy individual modules before expanding to broader system implementations.

Contract sizes and durations have also increased, with average contract terms extending to around six years and larger integrated EPR deployments typically valued at roughly \$20m to \$40m over multi-year periods.

FY25 marked the company's transition to positive EBITDA and operating cash flow, supported partly by licence revenues from large EPR contracts.

Moelis forecasts EBITDA to exceed \$5m as the company continues scaling its installed customer base. The business model combines upfront licence and implementation fees with recurring support and maintenance revenue over contract terms typically lasting five to ten years, which could support margin expansion as deployments mature.

Moelis has set a target price of \$0.15.

# Challenger gold project restart positions miner for near term production

PAC Partners has initiated coverage of **Great Divide Mining** ((GDM)) with a Buy rating.

The company (market cap circa \$25m) is an Australian gold and antimony developer transitioning from exploration to production, with assets across NSW and Queensland.

The strategy focuses on acquiring historical mining areas with existing infrastructure or permits, allowing projects to be re-activated quickly and at relatively low capital cost.

Its portfolio includes the Challenger Gold Project in NSW as the primary near-term production asset, alongside development and exploration projects such as Yellow Jack, Coonambula, Devils Mountain and the Cape project in Queensland.

The Challenger Gold Project near Adelong in NSW was recently acquired and includes an existing processing plant, mining leases and exploration licences. The project hosts a JORC resource of about 0.664Mt at 3.07g/t gold.

Across the broader Challenger area and nearby deposits, the report references roughly 188,000oz of gold resources, while the district historically produced more than 800,000oz.

Production is expected to restart using surface mineralised mullock before transitioning to open pit and underground mining as operations scale.

Management aims to generate early cashflow using the existing processing plant and gravity circuit to produce gold-in-concentrate rather than building a more complex chemical processing facility.

Production could ramp toward roughly 18koz per year as operations scale, with potential for more than 20koz annually if additional satellite deposits such as Caledonia and Currajong are incorporated into the mine plan.

Beyond Challenger, the next potential development is the Yellow Jack project in Queensland, which hosts a gold resource of about 51koz.

Great Divide has entered a binding term sheet with Native Mineral Resources to form a 50:50 joint venture that would mine the deposit and process ore at the Black Jack processing plant near Charters Towers.

The arrangement could allow relatively quick monetisation of the project without requiring the construction of a new processing plant, with potential production targeted around 2027, once mining leases and approvals are secured.

Other assets across the portfolio provide exploration upside and optionality for future development funded by cashflow from initial operations.

In the broker's base case scenario, the Challenger Project restart alone is expected to produce about 76koz of gold over the life of mine from roughly 0.776Mt of ore at about 3.05g/t.

In an upside case incorporating satellite deposits such as Caledonia and Currajong, life-of-mine production could increase to about 110koz, with peak production exceeding 20,000oz per year in concentrate.

PAC Partners has set a target price of \$0.365.

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**WEEKLY REPORTS**

# In Case You Missed It - BC Extra Upgrades & Downgrades - 13-03-26

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

## Broker Rating Changes (Post Thursday Last Week)

### Upgrade

**COLES GROUP LIMITED ((COL)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0**

Coles Group's 1H26 result was in line, with earnings 3% ahead of Jarden, with cash-realisation up, margins up, and progress on key strategic initiatives. The focus, however, was on the outlook, with the sustainability of margin in question.

There was also a weaker trading update. Jarden's industry discussions suggest Coles is still gaining share, with exit rates stronger, improving trends in non-food and growth in online supportive of a strong second half. The key risk the broker sees is liquor.

Upgrade to Overweight from Neutral, target falls to \$21.60 from \$23.00.

**CLEANAWAY WASTE MANAGEMENT LIMITED ((CWY)) Upgrade to Buy from Overweight by Jarden.B/H/S: 0/0/0**

Cleanaway Waste Management delivered 1H26 underlying earnings 2.8% ahead of consensus. Importantly, notes Jarden, and for the first time in some time, this equated to stronger core profit and earnings, which were also ahead of consensus.

Positively for the broker, Solid Waste operating performance was strong. On the opposite side, free cash flow generation softened compared to 1H25, earnings cash conversion was soft and 'one-offs' once again featured prominently in the disclosure materials.

Commentary highlights Cleanaway's earnings guidance has consistently been for a 2H26 skew.

Solid Waste will likely remain strong, Jarden suggests, Health Services should recover, Contract Resources is reportedly delivering ahead of expectations and the safety investment required is within the -\$400m capex guidance.

Upgrade to Buy from Overweight. Target rises to \$3.10 from \$3.00.

**IDP EDUCATION LIMITED ((IEL)) Overweight by Jarden.B/H/S: 0/0/0**

After consistent earnings downgrades over the past couple of years, it is a welcome sight to see IDP Education's FY26 guidance upgraded 4% at the midpoint, Jarden comments.

However, guidance implies a -25% downgrade to previous 2H26 earnings assumptions.

Jarden remains cautious on the wider volumes recovery, with momentum in the UK and Canada worse than anticipated.

The broker does expect volumes to recover in the long term, with further upside possible if the company is able to execute in China, New Zealand and Ireland.

Target falls to \$6.00 from \$6.40, Overweight retained.

**REECE LIMITED ((REH)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0**

Jarden estimates mature US stores operated at an EBIT margin of 5.4% through the first half for Reece and, with store openings expected to moderate from the second half, the first represents a "peak drag" on reported margins. Rating is upgraded to Overweight from Neutral.

The broker's forecasts incorporate a modest volume recovery from the first half in FY27 with US EBIT margins reaching 5.7% from FY30. Target is revised up to \$16.40 from \$13.90 and EPS estimates are increased by 4.8% for FY26 and 3.6% for FY27.

**VAULT MINERALS LIMITED ((VAU)) Upgrade to Buy from Hold by Canaccord Genuity.B/H/S: 0/0/0**

Vault Minerals delivered H1 underlying EBITDA of \$385m that substantially beat Canaccord Genuity's estimates.

FY26 guidance has been maintained with production of 332-360,000 ounces at AISC of \$2650-2850/oz. A maiden interim unfranked dividend of seven cents was declared.

The broker updates its modelling and upgrades the rating to Buy from Hold. Target is steady at \$6.45.

**VIRGIN AUSTRALIA HOLDINGS LIMITED ((VGN)) Upgrade to Buy from Overweight by Jarden.B/H/S: 0/0/0**

Jarden was impressed with the first half result from Virgin Australia amid lower depreciation and with the timing of capital expenditure skewed more heavily to the second half.

Commentary identifies the highlight in the strong RASK performance, largely driven by yield improvements.

The outlook appears to offer more of the same, with the broker noting execution is running to plan.

Given the recent pull back in the share price since initiating coverage, Jarden upgrades to Buy from Overweight while keeping its target at \$4.

**Downgrade**

**AIR NEW ZEALAND LIMITED ((AIZ)) Downgrade to Sell from Underweight by Jarden.B/H/S: 0/0/0**

Jarden lowers its target for Air New Zealand to NZ47c from NZ55c and downgrades to Sell from Underweight after a worse-than-expected interim result.

The airline reported a profit before tax loss of -NZ\$59m, worse than guidance of -NZ\$30m to -\$55m, the broker notes, reflecting higher fuel prices.

It's noted engine maintenance issues, weak domestic demand, rising aviation charges and a weaker NZ dollar also pressured earnings.

The analysts expect a similar or slightly weaker second-half outcome, with Air New Zealand guiding to comparable earnings performance and capacity rising 3-4%.

Jarden forecasts a FY26 net loss of -NZ\$134m and a FY27 loss of -NZ\$60m, with profit recovery delayed until FY28 and dividends returning in FY29.

**KAROON ENERGY LIMITED ((KAR)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0**

While Karoon Energy's result beat consensus earnings and dividend estimates, most of the incremental asset updates were neutral to negative, Jarden notes. While 2026 production guidance was left unchanged, production issues at Who Dat will impact forecast output in 2026.

As Karoon enters into a critical six-month period in Brazil, the company has announced it will moderate its buyback. Jarden turns similarly cautious and downgrades to Neutral from Overweight with a revised \$1.57 target, down from \$1.75, on lower Brazil and risked Neon values.

**SMARTGROUP CORPORATION LIMITED ((SIQ)) Downgrade to Hold from Buy by Canaccord Genuity.B/H/S: 0/0/0**

FY25 revenue for Smartgroup Corp of \$329.3m came in 3% ahead of Canaccord Genuity's \$319.3m forecast and 1.5% above the consensus estimate, leading to stronger profitability.

Earnings (EBITDA) exceeded the broker's forecast by 6.7% and the consensus estimate by 3.6%, while profit also beat the analysts' estimate by 5.2%.

Canaccord attributes the 'beats' to new contract wins, a 10% increase in salary packaging customers and favourable settlement mix, though cautions this mix may moderate in FY26.

FY26 and FY27 profit forecasts are raised by 2.4% and 0.6% respectively.

Unchanged \$9.10 target price. The broker's rating is downgraded to Hold from Buy on valuation and the risk of negative sentiment from the government's review of the FBT exemption for BEV novated leases over the next six months.

#### SUMMERSET GROUP HOLDINGS LIMITED ((SNZ)) Neutral by Jarden.B/H/S: 0/0/0

Summerset Group is moving slowly and selectively to a changing sector narrative, Jarden notes. The market seems to be increasingly concerned despite record growth in underlying profit.

This despite unit prices up in line with the broker's long-term expectations over this period while development delivery has been impressive. Summerset is addressing the question of cost but needs to do more, Jarden suggests.

The broker is waiting for the turnaround. Target falls to NZ\$11.44 from NZ\$11.90, Neutral retained.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	<a href="#">CLEANAWAY WASTE MANAGEMENT LIMITED</a>	Buy	Buy	Jarden
2	<a href="#">COLES GROUP LIMITED</a>	Buy	Neutral	Jarden
3	<a href="#">IDP EDUCATION LIMITED</a>	Buy	Neutral	Jarden
4	<a href="#">REECE LIMITED</a>	Buy	Neutral	Jarden
5	<a href="#">VAULT MINERALS LIMITED</a>	Buy	Neutral	Canaccord Genuity
6	<a href="#">VIRGIN AUSTRALIA HOLDINGS LIMITED</a>	Buy	Buy	Jarden
Downgrade				
7	<a href="#">AIR NEW ZEALAND LIMITED</a>	Sell	Sell	Jarden
8	<a href="#">KAROON ENERGY LIMITED</a>	Neutral	Buy	Jarden
9	<a href="#">SMARTGROUP CORPORATION LIMITED</a>	Neutral	Buy	Canaccord Genuity
10	<a href="#">SUMMERSET GROUP HOLDINGS LIMITED</a>	Neutral	Buy	Jarden

## Price Target Changes (Post Thursday Last Week)

Company	Last Price	Broker	New Target	Old Target	Change
29M 29Metals	\$0.38	Jarden	0.35	0.37	-5.41%
ACE Acusensus	\$1.56	Canaccord Genuity	2.50	2.30	8.70%
AEL Amplitude Energy	\$2.62	Canaccord Genuity	3.65	3.35	8.96%
		Jarden	2.85	2.75	3.64%
ALC Alcidity Group	\$0.10	Canaccord Genuity	0.14	0.13	7.69%
APE Eagers Automotive	\$21.00	Canaccord Genuity	32.00	33.60	-4.76%
ART Airtasker	\$0.23	Research as a Service (RaaS)	0.48	0.51	-5.88%
ASG Autosports Group	\$2.46	Canaccord Genuity	4.84	4.94	-2.02%
BAP Bapcor	\$0.67	Canaccord Genuity	N/A	2.00	-100.00%
BET Betmakers Technology	\$0.19	Canaccord Genuity	0.24	0.22	9.09%
BMN Bannerman Energy	\$4.01	Canaccord Genuity	5.80	5.99	-3.17%
BSL BlueScope Steel	\$26.57	Jarden	28.50	30.00	-5.00%
CNI Centuria Capital	\$1.60	Jarden	2.18	2.40	-9.17%
COL Coles Group	\$20.42	Jarden	21.60	23.00	-6.09%
CSL CSL	\$141.04	Canaccord Genuity	180.00	225.00	-20.00%
CUV Clinuvell Pharmaceuticals	\$10.13	Canaccord Genuity	27.90	32.84	-15.04%
CWY Cleanaway Waste Management	\$2.39	Jarden	3.10	3.00	3.33%
DUG Dug Technology	\$2.00	Canaccord Genuity	3.00	2.90	3.45%
EDV Endeavour Group	\$3.76	Jarden	3.10	3.20	-3.13%
ELD Elders	\$6.80	Canaccord Genuity	8.64	8.08	6.93%
EXP Experience Co	\$0.10	Canaccord Genuity	0.16	0.23	-30.43%
GNP GenusPlus Group	\$7.67	Moelis	9.49	8.88	6.87%
GOZ Growthpoint Properties Australia	\$2.11	Moelis	2.98	3.09	-3.56%

HVN Harvey Norman	\$5.16	Jarden	6.60	7.60	-13.16%
IEL IDP Education	\$4.09	Jarden	6.00	6.25	-4.00%
KAR Karoon Energy	\$1.98	Jarden	1.57	1.75	-10.29%
LYC Lynas Rare Earths	\$21.17	Canaccord Genuity	18.60	18.10	2.76%
MM8 Medallion Metals	\$0.46	Canaccord Genuity	0.95	1.05	-9.52%
MSB Mesoblast	\$2.14	Canaccord Genuity	3.23	3.32	-2.71%
MVF Monash IVF	\$0.64	Canaccord Genuity	0.69	0.65	6.15%
NDO Nido Education	\$0.43	Canaccord Genuity	0.73	0.81	-9.88%
NEU Neuren Pharmaceuticals	\$11.95	Canaccord Genuity	24.35	23.00	5.87%
NXT NextDC	\$12.70	Canaccord Genuity	20.40	22.55	-9.53%
OBM Ora Banda Mining	\$1.44	Moelis	1.30	1.27	2.36%
ORE Orezone Gold	\$2.37	Canaccord Genuity	4.00	3.75	6.67%
PPE PeopleIN	\$0.64	Canaccord Genuity	1.00	1.30	-23.08%
PXA Pexa Group	\$14.69	Jarden	17.60	17.40	1.15%
RDY ReadyTech Holdings	\$1.24	Canaccord Genuity	1.34	2.63	-49.05%
REH Reece	\$14.49	Jarden	16.40	13.90	17.99%
RHC Ramsay Health Care	\$41.80	Jarden	45.20	40.60	11.33%
RIC Ridley Corp	\$2.67	Canaccord Genuity	3.52	3.47	1.44%
RWL Rubicon Water	\$0.17	Canaccord Genuity	0.33	0.44	-25.00%
SHJ Shine Justice	\$0.70	Moelis	0.95	0.99	-4.04%
SPG SPC Global	\$0.32	Canaccord Genuity	0.80	0.85	-5.88%
SUN Suncorp Group	\$15.23	Jarden	18.80	18.60	1.08%
TCL Transurban Group	\$14.20	Jarden	13.50	13.60	-0.74%
WGX Westgold Resources Company	\$6.21	Canaccord Genuity Last Price Broker	8.50	8.35	1.80%
			New Target	Old Target	Change

## More Highlights

# ACE ACUSENSUS LIMITED

### Transportation & Logistics - Overnight Price: \$1.61

Canaccord Genuity rates ((ACE)) as Buy (1) -

Acusensus delivered a first half result that was in line with estimates and reiterated FY26 guidance for revenue to increase 40-46% to \$83-87m.

The company is investing, increasing its “innovation activities” to \$4m with operating and capital expenditure stepping up to -\$22m, announcing the expansion of its multifunction fixed enforcement contract in Western Australia with incremental value of \$11m to the original contract worth \$9m.

Canaccord Genuity asserts the business has a bespoke, proprietary and industry-specific AI model that should provide significant protection against potential competitor-driven disruption. Buy rating unchanged. Target rises to \$2.50 from \$2.30.

This report was published on February 26, 2026.

Target price is **\$2.50** Current Price is **\$1.61** Difference: **\$0.89**

If **ACE** meets the Canaccord Genuity target it will return approximately **55%** (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.

### Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** dividend 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

## CYG COVENTRY GROUP LIMITED

**Hardware & Equipment - Overnight Price: \$0.44**

Taylor Collison rates ((CYG)) as Hold (3) -

Coventry Group delivered first half results that were "optically" very weak, Taylor Collison asserts.

Several non-recurring factors affected the results including the unwinding of -\$5m in accounts payable and ERP costs of -\$800,000 as well as restructuring costs of -\$600,000. Additional expenditure of -\$2m followed the relocation of a store in Mackay.

The broker weighs the potential breakup of the company's divisions, maintaining when separated they are more valuable than the current share price implies.

If the company can rectify the cash drain, the breakup thesis can be achieved and the broker has a Hold rating, with improving operating performance required to review its stance. No target is provided.

This report was published on March 5, 2026.

Current Price is **\$0.44**. Target price not assessed.

The company's fiscal year ends in June.

### Forecast for FY26:

Taylor Collison forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 8.70** cents.  
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 5.06**.

### Forecast for FY27:

Taylor Collison forecasts a full year **FY27** dividend of **0.00** cents and EPS of **5.80** cents.  
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **7.59**.

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

## EGH EUREKA GROUP HOLDINGS LIMITED

**Aged Care & Seniors - Overnight Price: \$0.53**

Moelis rates ((EGH)) as Buy (1) -

First-half underlying earnings of 1.44c for Eureka Group fell -8% on the prior year. Moelis explains this fall reflects the impact of the November 2024 equity raise, the timing of capital deployment and repositioning of newly acquired assets.

FY26 guidance was maintained at 3.37-3.44c, implying to the broker a stronger H2 as new acquisitions stabilise and contribute for a full period.

The analysts highlight like-for-like rental growth of 5.7% in the seniors rental portfolio with an earnings (EBITDA) margin of 55%, while loan-to-value rose to 33.5% following recent acquisitions.

A development pipeline of around 830 sites is noted along with ongoing acquisition opportunities supporting future growth.

Buy rating and \$0.69 target reiterated.

This report was published on March 2, 2026.

Target price is **\$0.69** Current Price is **\$0.53** Difference: **\$0.165**

If **EGH** meets the Moelis target it will return approximately **31%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

#### Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **1.60** cents and EPS of **3.40** cents.  
At the last closing share price the estimated dividend yield is **3.05%**.  
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **15.44**.

#### Forecast for FY27:

Moelis forecasts a full year **FY27** dividend of **1.90** cents and EPS of **4.00** cents.  
At the last closing share price the estimated dividend yield is **3.62%**.  
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **13.13**.

Market Sentiment: **1.0**

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

## GNP GENUSPLUS GROUP LIMITED

### Infrastructure & Utilities - Overnight Price: \$7.91

Moelis rates ((GNP)) as Buy (1) -

GenusPlus Group's acquisition of Railtrain Holdings (for -\$36.5m and up to -\$18m in contingent earnout payments) strengthens its exposure to rail infrastructure services, Moelis notes.

Railtrain generates around \$96m in revenue and \$16m in earnings.

The deal supports growth across transmission, energy transition infrastructure and communications, the broker highlights, with upside risk to outer-year forecasts.

EPS forecasts across FY26-FY28 rise by 2-10% following the acquisition, reflecting stronger pipeline conversion.

Moelis retains a Buy rating and \$9.49 target.

This report was published on March 5, 2026.

Target price is **\$9.49** Current Price is **\$7.91** Difference: **\$1.58**

If **GNP** meets the Moelis target it will return approximately **20%** (excluding dividends, fees and charges).  
The company's fiscal year ends in June.

#### Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **6.50** cents and EPS of **27.10** cents.  
At the last closing share price the estimated dividend yield is **0.82%**.  
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **29.19**.

#### Forecast for FY27:

Moelis forecasts a full year **FY27** dividend of **7.30** cents and EPS of **30.40** cents.  
At the last closing share price the estimated dividend yield is **0.92%**.  
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **26.02**.

Market Sentiment: **1.0**

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

## IEL IDP EDUCATION LIMITED

### Education & Tuition - Overnight Price: \$4.64

Jarden rates ((IEL)) as Overweight (2) -

After consistent earnings downgrades over the past couple of years, it is a welcome sight to see IDP Education's FY26 guidance upgraded 4% at the midpoint, Jarden comments.

However, guidance implies a -25% downgrade to previous 2H26 earnings assumptions.

Jarden remains cautious on the wider volumes recovery, with momentum in the UK and Canada worse than anticipated.

The broker does expect volumes to recover in the long term, with further upside possible if the company is able to execute in China, New Zealand and Ireland.

Target falls to \$6.00 from \$6.40, Overweight retained.

This report was published on February 27, 2026.

Target price is **\$6.00** Current Price is **\$4.64** Difference: **\$1.36**

If IEL meets the Jarden target it will return approximately **29%** (excluding dividends, fees and charges).

Current consensus price target is **\$6.12**, suggesting upside of **31.8%**(ex-dividends)

The company's fiscal year ends in June.

#### Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **4.50** cents and EPS of **25.40** cents.

At the last closing share price the estimated dividend yield is **0.97%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **18.27**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **23.7**, implying annual growth of **48.2%**.

Current consensus DPS estimate is **5.3**, implying a prospective dividend yield of **1.1%**.

Current consensus EPS estimate suggests the PER is **19.6**.

#### Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **5.30** cents and EPS of **29.50** cents.

At the last closing share price the estimated dividend yield is **1.14%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **15.73**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **30.4**, implying annual growth of **28.3%**.

Current consensus DPS estimate is **12.1**, implying a prospective dividend yield of **2.6%**.

Current consensus EPS estimate suggests the PER is **15.3**.

Market Sentiment: **0.3**

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

## LNQ LINQ MINERALS LIMITED

**Mining - Overnight Price: \$0.45**

Research as a Service (RaaS) rates ((LNQ)) as No Rating (-1) -

Linq Minerals, focused on development and exploration at the Gilmore project, has completed 4km of the initial 16km of proposed drilling and is expanding forward drilling to 30km after recently raising capital. The project possesses a significant copper-gold resource with close proximity to infrastructure.

Research as a Service (RaaS) highlights there is now \$20m in cash which should provide the company with sufficient funding to continue progressing planned activities.

On comparable metrics the broker believes the stock is undervalued and investors do not fully appreciate the scale and economic potential of Gilmore.

Research as a Service (RaaS) research doesn't carry any targets, ratings or recommendations. Investors can

draw conclusions from valuations and commentary.

This report was published on March 2, 2026.

Current Price is **\$0.45**. Target price not assessed.

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: \$61.21**

Canaccord Genuity rates ((MAQ)) as Buy (1) -

Macquarie Technology's first-half FY26 earnings (EBITDA) of \$57.9m modestly exceeded Canaccord Genuity's expectation and came in slightly ahead of consensus.

The broker highlights revenue growth of 5% year-on-year, supported by double-digit expansion in Cloud Services & Government and Data Centres.

While Telecom revenue declined -8% year-on-year, strong cash conversion of 109% and solid free cash flow (FCF) generation are noted.

The FY26 earnings forecast is raised by 2% though first earnings are delayed from the IC3 Super West data centre to FY28.

Canaccord reiterates a Buy rating on Macquarie Technology with its target price unchanged at \$95.

This report was published on February 27, 2026.

Target price is **\$95.00** Current Price is **\$61.21** Difference: **\$33.79**

If **MAQ** meets the Canaccord Genuity target it will return approximately **55%** (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 **58.30**.

**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 **145.74**.

Market Sentiment: **1.0**

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

## **PDN PALADIN ENERGY LIMITED**

**Uranium - Overnight Price: \$11.95**

Shaw and Partners rates ((PDN)) as Buy (1) -

Shaw and Partners assesses the uranium market is in the early stages of a "super cycle" and expects prices will increase to around US\$200/lb before reverting to a long-term sustainable price of US\$120/lb next decade.

Paladin Energy will shift the focus to Patterson Lake South after completing a successful ramp up of Langer

Heinrich to full capacity in mid 2026.

The broker notes the share price has re-rated as the market recognises the commissioning issues at the latter were temporary. The next phase of outperformance is expected to be driven by the strengthening uranium market.

Buy, High Risk rating retained. Target is \$17.50.

This report was published on March 5, 2026.

Target price is **\$17.50** Current Price is **\$11.95** Difference: **\$5.55**

If **PDN** meets the Shaw and Partners target it will return approximately **46%** (excluding dividends, fees and charges).

Current consensus price target is **\$12.46**, suggesting upside of **2.1%**(ex-dividends)

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 **25.86** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **46.21**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **7.7**, 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 **158.4**.

#### Forecast for FY27:

Shaw and Partners forecasts a full year **FY27** dividend of **15.70** cents and EPS of **126.71** cents.

At the last closing share price the estimated dividend yield is **1.31%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **9.43**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **37.1**, implying annual growth of **381.8%**.

Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.

Current consensus EPS estimate suggests the PER is **32.9**.

This company reports in **USD**. All estimates have been converted into AUD by FNArena at present FX values.

Market Sentiment: **0.3**

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

## PNC PIONEER CREDIT LIMITED

#### Business & Consumer Credit - Overnight Price: \$0.72

Shaw and Partners rates ((PNC)) as Buy (1) -

Pioneer Credit has upgraded FY26 net profit guidance to at least \$23m following the repricing of its \$55.5m medium term note. Shaw and Partners upgrades estimates to reflect interest savings and the gain on loan modification.

The FY27 and FY28 upgrades to EPS of 1-2% reflect more interest savings, having already assumed 200 basis points of savings.

The broker suggests the upgrade demonstrates management's confidence it can deliver on cash collections, debt purchases and free cash flow.

Buy rating retained. Target is steady at \$1.

This report was published on March 10, 2026.

Target price is **\$1.00** Current Price is **\$0.72** Difference: **\$0.28**

If **PNC** meets the Shaw and Partners target it will return approximately **39%** (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 **12.40** cents. At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **5.81**.

#### Forecast for FY27:

Shaw and Partners forecasts a full year FY27 dividend of **0.00** cents and EPS of **13.70** cents. At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **5.26**.

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

## WA1 WA1 RESOURCES LIMITED

### Industrial Metals - Overnight Price: \$15.61

Canaccord Genuity rates ((WA1)) as Speculative Buy (1) -

WA1 Resources' drilling at the Luni niobium (Nb) project continues to reinforce the scale and quality of the deposit, Canaccord Genuity suggests, with results broadly consistent with previous high-grade intersections.

The broker highlights recent assays from 32 holes within the 85,000m drilling campaign, targeting resource definition across eastern and western high-grade zones.

The drilling grid is designed to support conversion of mineralisation into higher-confidence resource categories ahead of an updated Mineral Resource Estimate in the June quarter.

Development activities are progressing, with further drilling planned to support metallurgical, geotechnical and resource definition workstreams, explain the analysts.

Speculative Buy rating and target of \$32 maintained.

This report was published on March 3, 2026.

Target price is **\$32.00** Current Price is **\$15.61** Difference: **\$16.39**

If **WA1** meets the Canaccord Genuity target it will return approximately **105%** (excluding dividends, fees and charges).

Market Sentiment: **1.0**

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

## WOW WOOLWORTHS GROUP LIMITED

### Food, Beverages & Tobacco - Overnight Price: \$35.82

Jarden rates ((WOW)) as Overweight (2) -

Jarden favours structural growers in Australian retail with market share opportunities, including the category of Defensive growth incorporating Woolworths Group, Coles Group and Sigma Healthcare ((SIG)).

It's noted AI and Agentic commerce are driving a strategic shift in company strategies, with respect to productivity, data and transactions.

Sigma is also mentioned under Structural Growers, along with Temple & Webter ((TPW)) for its online qualities and consolidation prospects for Flight Centre Travel ((FLT)).

Tech and AI supercycle exposures like Harvey Norman ((HVN)) and JB Hi-Fi ((JBH)) are also recommended.

The broker's Market Share Winners include Temple & Webster, Beacon Lighting ((BLX)), JB Hi-Fi, Sigma (again)

and Helloworld Travel ((HLO)).

As consumption structurally declines while store growth outpaces demand, quick service restaurants (QSR) and liquor appear most challenged, in the analysts' view.

These exposures include Endeavour Group ((EDV)), Treasury Wine Estates ((TWE)), Domino's Pizza Enterprises ((DMP)), Guzman y Gomez ((GYG)) and Collins Foods ((CKF)).

Woolworths' Overweight rating and \$35.30 target are maintained.

This report was published on March 10, 2026.

Target price is **\$35.30** Current Price is **\$35.82** Difference: **minus \$0.52** (current price is over target).

If **WOW** meets the Jarden target it will return approximately **minus 1%** (excluding dividends, fees and charges - negative figures indicate an expected loss).

Current consensus price target is **\$36.26**, suggesting upside of **1.9%**(ex-dividends)

The company's fiscal year ends in June.

#### Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **92.00** cents and EPS of **131.90** cents.

At the last closing share price the estimated dividend yield is **2.57%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **27.16**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **129.5**, implying annual growth of **64.2%**.

Current consensus DPS estimate is **97.5**, implying a prospective dividend yield of **2.7%**.

Current consensus EPS estimate suggests the PER is **27.5**.

#### Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **103.00** cents and EPS of **146.70** cents.

At the last closing share price the estimated dividend yield is **2.88%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **24.42**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **145.7**, implying annual growth of **12.5%**.

Current consensus DPS estimate is **108.7**, implying a prospective dividend yield of **3.1%**.

Current consensus EPS estimate suggests the PER is **24.4**.

#### Market Sentiment: **0.2**

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

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