WEEK 40

FINANCIAL NEWS, ANALYSIS & DATA

# STORIES TO READ FROM FNArena

Friday, 3 October 2025

Infratil's Digital & Decarbonisation Drive

Rudi's View: Amcor, Generation Development, Life360, Redox, Worley & More


Premier Investments' FY26 Turnaround Potential

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Financial News, Data & Analysis

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AUSTRALIA

# The Market In Numbers - 27 Sep 2025

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

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

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

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

## Australia & NZ

| Index | 27 Sep 2025 | Week To Date | Month To Date (Sep) | Quarter To Date (Jul-Sep) | Year To Date (2025) | Financial Year To Date (FY26) |
|---|---|---|---|---|---|---|
| NZ50 | 13111.730 | -0.91% | 1.40% | 4.04% | 0.01% | 4.04% |
| All Ordinaries | 9079.20 | 0.20% | -1.77% | 3.49% | 7.82% | 3.49% |
| S&P ASX 200 | 8787.70 | 0.16% | -2.07% | 2.87% | 7.70% | 2.87% |
| S&P ASX 300 | 8741.50 | 0.19% | -1.93% | 3.16% | 7.93% | 3.16% |
| Communication Services | 1865.40 | -0.37% | -2.97% | 0.67% | 14.62% | 0.67% |
| Consumer Discretionary | 4503.00 | -0.93% | -1.98% | 8.69% | 15.13% | 8.69% |
| Consumer Staples | 11747.40 | -1.76% | -5.57% | -3.06% | -0.19% | -3.06% |
| Energy | 8502.40 | 1.53% | -8.73% | -1.99% | -1.40% | -1.99% |
| Financials | 9460.70 | -1.14% | -2.65% | -0.72% | 9.82% | -0.72% |
| Health Care | 36997.20 | -2.52% | -6.00% | -11.07% | -17.57% | -11.07% |
| Industrials | 8390.90 | -0.91% | -3.67% | 0.87% | 9.74% | 0.87% |
| Info Technology | 2965.10 | -1.32% | -0.95% | 2.22% | 8.18% | 2.22% |
| Materials | 18600.20 | 5.91% | 3.42% | 17.29% | 15.35% | 17.29% |
| Real Estate | 4056.50 | -2.47% | -3.05% | 4.05% | 7.85% | 4.05% |
| Utilities | 10026.60 | 0.26% | -0.50% | 9.68% | 11.00% | 9.68% |
| A-REITs | 1865.10 | -2.46% | -3.10% | 4.14% | 8.54% | 4.14% |
| All Technology Index | 4231.40 | -1.84% | -1.67% | 4.63% | 11.19% | 4.63% |
| Banks | 4056.90 | -0.67% | -1.61% | 0.85% | 12.49% | 0.85% |
| Gold Index | 15502.50 | 8.25% | 19.93% | 34.14% | 84.03% | 34.14% |
| Metals & Mining | 6372.20 | 6.71% | 4.82% | 22.05% | 21.25% | 22.05% |

## The World

| Index | 27 Sep 2025 | Week To Date | Month To Date (Sep) | Quarter To Date (Jul-Sep) | Year To Date (2025) | Financial Year To Date (FY26) |
|---|---|---|---|---|---|---|
| FTSE100 | 9284.83 | 0.74% | 1.06% | 5.98% | 13.60% | 5.98% |
| DAX30 | 23739.47 | 0.42% | -0.68% | -0.71% | 19.24% | -0.71% |
| Hang Seng | 26128.20 | -1.57% | 4.19% | 8.54% | 30.25% | 8.54% |
| Nikkei 225 | 45354.99 | 0.69% | 6.17% | 12.02% | 13.69% | 12.02% |
| DJIA | 46247.29 | -0.15% | 1.54% | 4.88% | 8.70% | 4.88% |
| S&P500 | 6643.70 | -0.31% | 2.84% | 7.07% | 12.96% | 7.07% |
| Nasdaq Comp | 22484.07 | -0.65% | 4.79% | 10.38% | 16.43% | 10.38% |

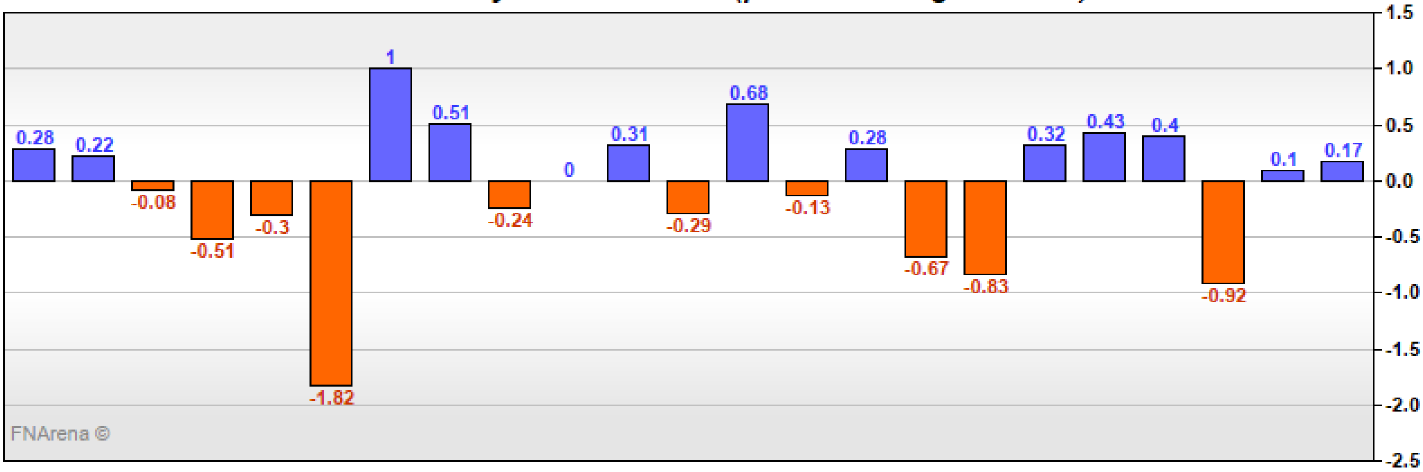
## Metals & Minerals

| Index | 27 Sep 2025 | Week To Date | Month To Date (Sep) | Quarter To Date (Jul-Sep) | Year To Date (2025) | Financial Year To Date (FY26) |
|---|---|---|---|---|---|---|
| Gold (oz) | 3781.85 | 2.82% | 8.77% | 14.52% | 43.98% | 14.52% |
| Silver (oz) | 45.48 | 8.00% | 15.89% | 25.61% | 50.46% | 25.61% |
| Copper (lb) | 4.7880 | 4.13% | 5.39% | -6.03% | 16.88% | -6.03% |
| Aluminium (lb) | 1.2074 | -1.32% | 1.98% | 2.39% | 5.63% | 2.39% |
| Nickel (lb) | 6.9351 | 1.22% | 1.80% | 1.70% | -2.94% | 1.70% |
| Zinc (lb) | 1.3285 | 0.54% | 4.95% | 5.23% | -1.69% | 5.23% |
| Uranium (lb) weekly | 77.75 | 3.67% | 3.67% | -1.14% | 7.99% | -1.14% |
| Iron Ore (t) | 105.54 | 0.29% | 3.77% | 11.69% | 1.64% | 11.69% |

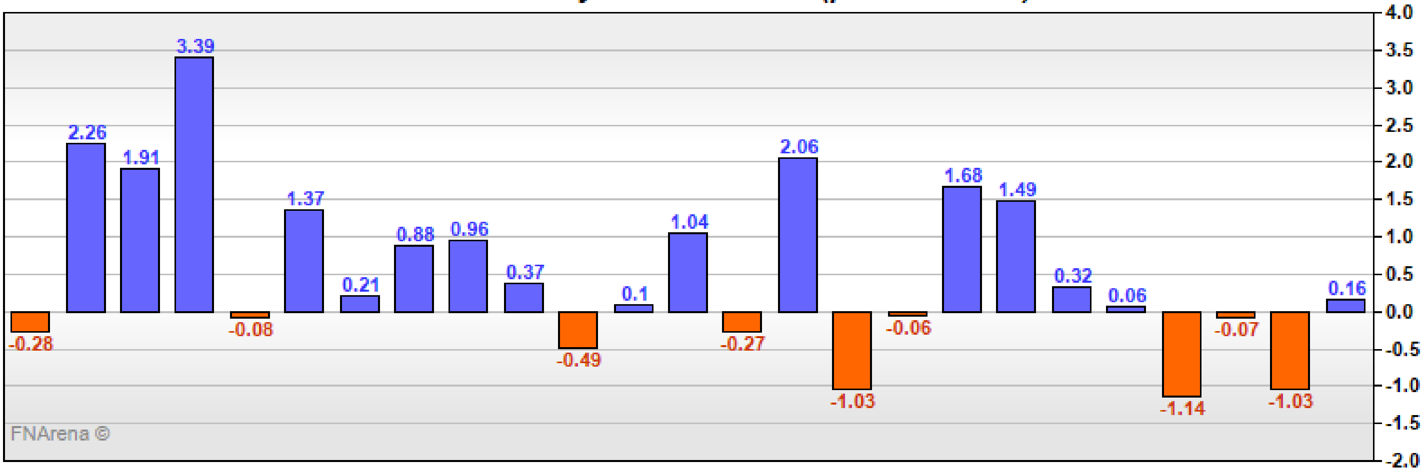
## Energy

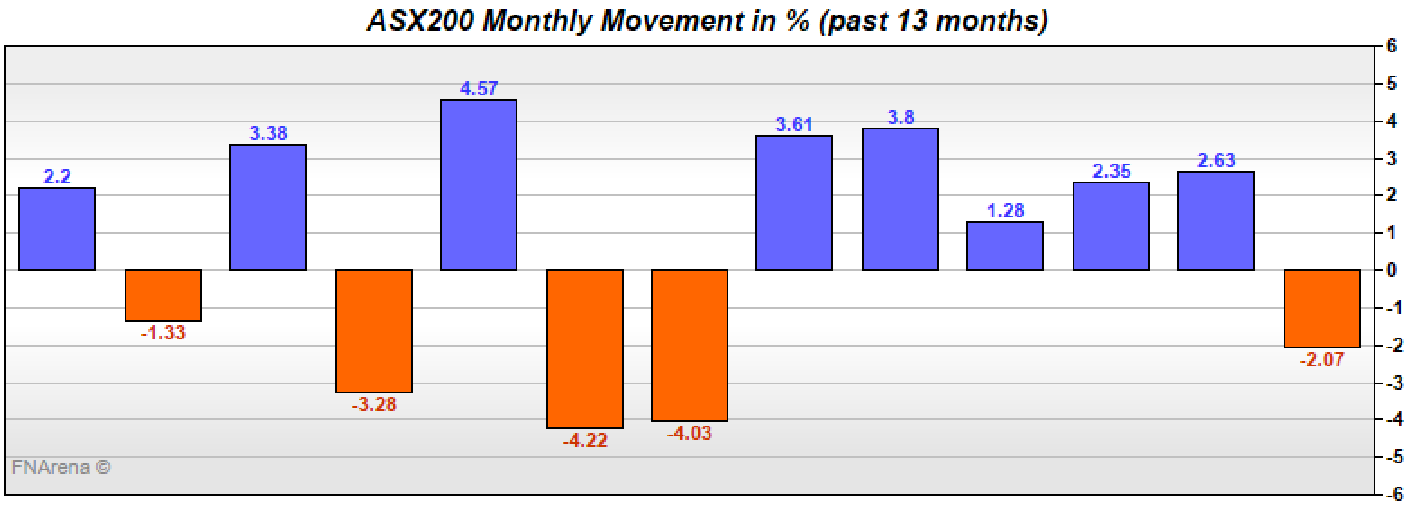
| Index | 27 Sep 2025 | Week To Date | Month To Date (Sep) | Quarter To Date (Jul-Sep) | Year To Date (2025) | Financial Year To Date (FY26) |
|---|---|---|---|---|---|---|
| West Texas Crude | 65.25 | 2.51% | 1.54% | -0.41% | -6.09% | -0.41% |
| Brent Crude | 69.60 | 3.10% | 2.85% | 4.19% | -4.08% | 4.19% |

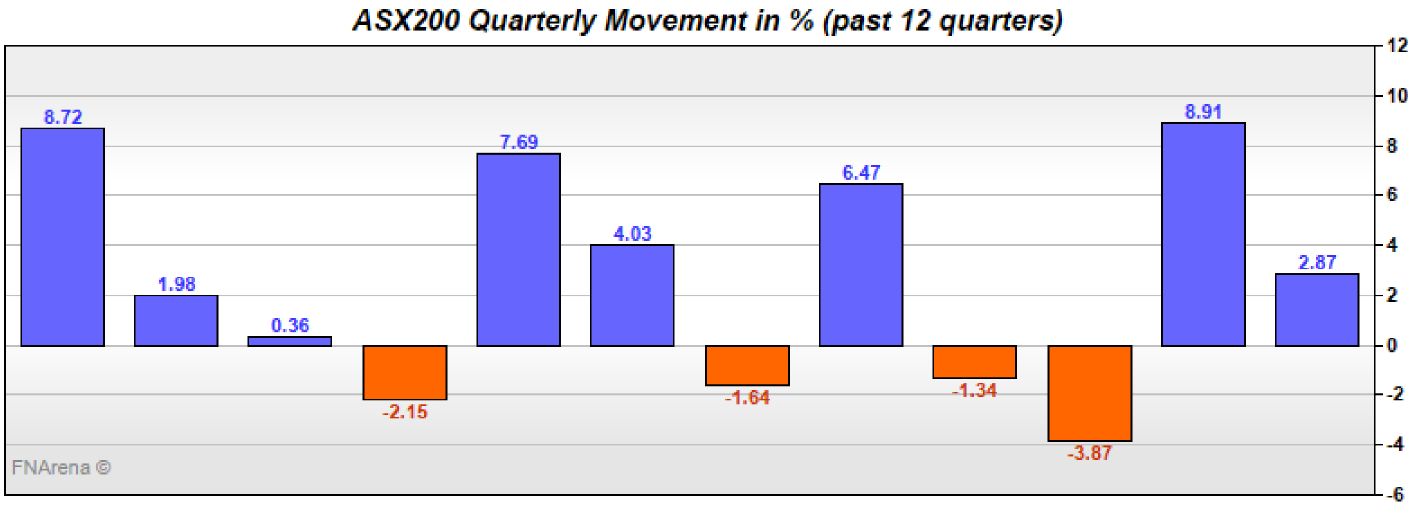
***ASX200 Daily Movement in % (past 23 trading sessions)***




***ASX200 Weekly Movement in % (past 25 weeks)***






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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FNArena welcomes comments and suggestions at info@fnarena.com

AUSTRALIA

# September In Review: Winning Streak Broken

After five months of consecutive gains, the ASX200 went backwards in September despite a courageous effort from gold miners.

**-ASX200 loses -0.8% (total return) in September**
**-Materials the only winning sector**
**-Gold the substantial driver of materials**
**-Weak month for some favoured heavyweights**

By Greg Peel

September is, historically, the worst month of the year for the stock market. However, that trend has become diluted over recent years.

The trend more specifically pertains to Wall Street, to which the ASX200 has historically been anchored, but that correlation has also become diluted in recent years on a divergence of market-driving sectors.

Yet, September this year was indeed a weak month for the Australian stock market, breaking a five-month winning streak for the ASX200. The index closed down -1.4% for the month, for a total return of -0.8% (including dividends).

By contrast, the S&P500 rose 3.5%, underscoring diminishing correlation. The clue here is in the Nasdaq, which shares the Magnificent Seven with the wider index and rose 5.6% on the ever-inflating AI theme.

For Australia, index performance would have been substantially worse if not for the contribution of the materials sector, completely dominated in the month by the ongoing surge in the gold price.

Excluding dividends, the ASX200 materials sector rose 4.6% in September, to be the only sector with a positive performance for the month. All other sectors saw losses, led by energy (-10.6%), consumer staples (-5.6%) and healthcare (-4.9%) in terms of percentage moves, and financials (-1.5%) in terms of market cap impact.

## Glittering

Within materials, the gold miner sub-index rose 24.4%. History shows gains in gold mining stocks typically lag gains in the gold price. This has again been the case in 2025. It takes a while for investors to cotton on.

While the energy sector is beholden to oil prices, September's withdrawal of Abu Dhabi National Oil Co's (consortium) takeover bid for Australia's second largest oil & gas producer Santos ((STO)) dragged down all energy peers. It is questionable whether the bid would have ever made it past the FIRB.

In staples, woes continued for Woolworths Group ((WOW)) post a shock FY25 result and guidance in August. In healthcare, sector behemoth CSL's ((CSL)) share price was trashed in August on the withdrawal of margin recovery guidance and restructure plans, and the mood did not improve in September following Trump's social media announcement of 100% tariffs on imported pharmaceuticals (CSL has since played down the impact).

Within financials, falls in financial services and insurance companies drove weakness more so than banks, albeit some of the gloss came off Commonwealth Bank ((CBA)) in the month. The RBA's on-hold September rate decision was also a drag.

Returning to gold, outperformance was not constrained to ASX200-listed miners. Morgan Stanley points out while there were 30 gold miners in the Small Ordinaries index in 2012 and only 18 now, gold's weighting within the sector has reached 14% of all small caps.

Within large caps, the addition of Genisis Minerals ((GMD)) and Ramelius Resources ((RMS)) into the ASX100 has taken gold stocks to 3.6% of all large caps, eclipsing 2012 levels and matching the covid peak.

# Individuals

Morgan Stanley notes the most value for the ASX200 was added in September by gold miners Northern Star Resources ((NST)) (up 27.0 basis points) and Evolution Mining ((EVN)) (17.2). While the winners on pure percentage were gold miner Regis Resources ((RRL)) (33.7%) and, bucking the trend, Droneshield ((DRO)) (44.7%). Thank you Ukraine.

The most index value was lost by heavyweights Woodside Energy ((WDS)) (-24.0 basis points) and CSL (-22.0), while the worst performers were intellectual property services company IPH Ltd ((IPH)) (-21.9%) and still struggling autoparts distributor Bapcor ((BAP)) (-19.1%).

Morgan Stanley cites likely switching amongst the banks, with CBA down -21.2 basis points while National Bank ((NAB)) outperformed.

Macquarie Group ((MQG)) also had a weak month as did another index heavyweight, data centre star Goodman Group ((GMG)).

# Commodities

A down-month for the ASX200 for September belies the performance of commodity prices for the month -- typically an index driver.

I might have mentioned gold – that was up (USD terms) 11.0% in the month to be up 47.0% in 2025, but outshone by little brother silver (19.9% and 55.7%).

Copper starred among the base metals (8.0%; 19.8%), aided by a temporary shutdown of a major mine in Peru. There were contrasts among the others, with zinc up 5.6% for the month, but down -1.1% for the year to date, and nickel up a mere 0.3% and down -4.3% for the year. Aluminium put together a double; up 2.7% and 6.3%.

Uranium went nuclear in September with a 10.3% monthly gain within a 14.9% gain year to date, while iron ore has been largely static of late, up 3.6% for the month but only 1.5% for the year.

Fears of global slowing brought about by you know who have seen West Texas crude down -9.1% for the year and -1.7% in September, with Brent down -8.0% and -1.4%.

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

| Company | Change | Company | Change |
|---|---|---|---|
| GMD - GENESIS MINERALS LIMITED | 30.60 | PNI - PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED | -16.39 |
| PRU - PERSEUS MINING LIMITED | 29.63 | STO - SANTOS LIMITED | -16.08 |
| NST - NORTHERN STAR RESOURCES LIMITED | 25.62 | NWL - NETWEALTH GROUP LIMITED | -14.74 |
| EVN - EVOLUTION MINING LIMITED | 25.06 | WDS - WOODSIDE ENERGY GROUP LIMITED | -12.80 |
| RMS - RAMELIUS RESOURCES LIMITED | 22.40 | SOL - WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED | -12.04 |

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

| Company | Change | Company | Change |
|---|---|---|---|
| DRO - DRONESHIELD LIMITED | 41.21 | NEC - NINE ENTERTAINMENT CO. HOLDINGS LIMITED | -27.54 |
| GGP - GREATLAND RESOURCES LIMITED | 34.96 | IPH - IPH LIMITED | -21.88 |
| BGL - BELLEVUE GOLD LIMITED | 33.14 | BAP - BAPCOR LIMITED | -20.35 |
| EMR - EMERALD RESOURCES NL | 32.80 | HMC - HMC CAPITAL LIMITED | -17.40 |
| RRL - REGIS RESOURCES LIMITED | 32.38 | PNI - PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED | -16.39 |

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

| Company | Change | Company | Change |
|---|---|---|---|

| | | | |
|---|---|---|---|
| EOS - ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED | 76.21 | MYR - MYER HOLDINGS LIMITED | -28.36 |
| RSG - RESOLUTE MINING LIMITED | 58.46 | NEC - NINE ENTERTAINMENT CO. HOLDINGS LIMITED | -27.54 |
| SLX - SILEX SYSTEMS LIMITED | 58.31 | REG - REGIS HEALTHCARE LIMITED | -23.31 |
| BC8 - BLACK CAT SYNDICATE LIMITED | 56.11 | IPH - IPH LIMITED | -21.88 |
| VUL - VULCAN ENERGY RESOURCES LIMITED | 44.93 | BAP - BAPCOR LIMITED | -20.35 |

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

| Company | Change | Company | Change |
|---|---|---|---|
| 4DX - 4DMEDICAL LIMITED | 247.37 | NVX - NOVONIX LIMITED | -20.18 |
| DUG - DUG TECHNOLOGY LIMITED | 68.52 | EIQ - ECHOIQ LIMITED | -19.05 |
| EOL - ENERGY ONE LIMITED | 24.54 | EML - EML PAYMENTS LIMITED | -11.95 |
| RUL - RPMGLOBAL HOLDINGS LIMITED | 22.55 | WTC - WISETECH GLOBAL LIMITED | -11.34 |
| 360 - LIFE360 INC | 14.45 | FND - FINDI LIMITED | -10.16 |

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

## Australia & NZ

| Index | 30 Sep 2025 | Month Of Sep | Quarter To Date (Jul-Sep) | Year To Date (2025) |
|---|---|---|---|---|
| NZ50 | 13292.360 | 2.80% | 5.47% | 1.39% |
| All Ordinaries | 9135.90 | -1.16% | 4.14% | 8.50% |
| S&P ASX 200 | 8848.80 | -1.39% | 3.59% | 8.45% |
| S&P ASX 300 | 8802.20 | -1.25% | 3.87% | 8.68% |
| Communication Services | 1861.40 | -3.17% | 0.45% | 14.38% |
| Consumer Discretionary | 4518.40 | -1.65% | 9.06% | 15.52% |
| Consumer Staples | 11743.80 | -5.60% | -3.09% | -0.22% |
| Energy | 8332.70 | -10.55% | -3.95% | -3.36% |
| Financials | 9574.20 | -1.48% | 0.47% | 11.14% |
| Health Care | 37417.20 | -4.93% | -10.06% | -16.64% |
| Industrials | 8470.60 | -2.76% | 1.82% | 10.78% |
| Info Technology | 2927.50 | -2.20% | 0.92% | 6.81% |
| Materials | 18815.70 | 4.62% | 18.65% | 16.69% |
| Real Estate | 4055.20 | -3.08% | 4.02% | 7.81% |
| Utilities | 10010.00 | -0.67% | 9.50% | 10.82% |
| A-REITs | 1863.20 | -3.20% | 4.04% | 8.43% |
| All Technology Index | 4226.60 | -1.78% | 4.52% | 11.07% |
| Banks | 4112.40 | -0.27% | 2.23% | 14.03% |
| Gold Index | 16080.60 | 24.40% | 39.14% | 90.90% |
| Metals & Mining | 6453.80 | 6.17% | 23.62% | 22.80% |

## The World

| Index | 30 Sep 2025 | Month Of Sep | Quarter To Date (Jul-Sep) | Year To Date (2025) |
|---|---|---|---|---|
| FTSE100 | 9350.43 | 1.78% | 6.73% | 14.41% |
| DAX30 | 23880.72 | -0.09% | -0.12% | 19.95% |
| Hang Seng | 26855.56 | 7.09% | 11.56% | 33.88% |
| Nikkei 225 | 44932.63 | 5.18% | 10.98% | 12.63% |
| DJIA | 46397.89 | 1.87% | 5.22% | 9.06% |
| S&P500 | 6688.46 | 3.53% | 7.79% | 13.72% |
| Nasdaq Comp | 22660.01 | 5.61% | 11.24% | 17.34% |

## Metals & Minerals

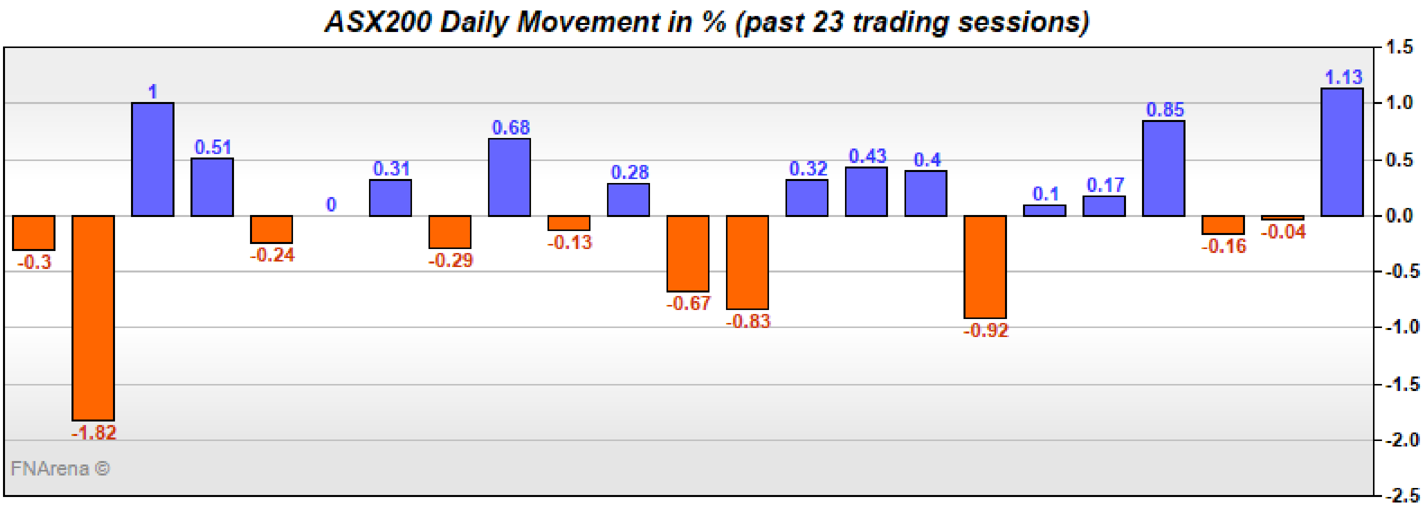
| Index | 30 Sep 2025 | Month Of Sep | Quarter To Date (Jul-Sep) | Year To Date (2025) |
|---|---|---|---|---|
| Gold (oz) | 3861.02 | 11.04% | 16.92% | 46.99% |
| Silver (oz) | 47.05 | 19.91% | 29.97% | 55.69% |
| Copper (lb) | 4.9060 | 7.98% | -3.72% | 19.76% |

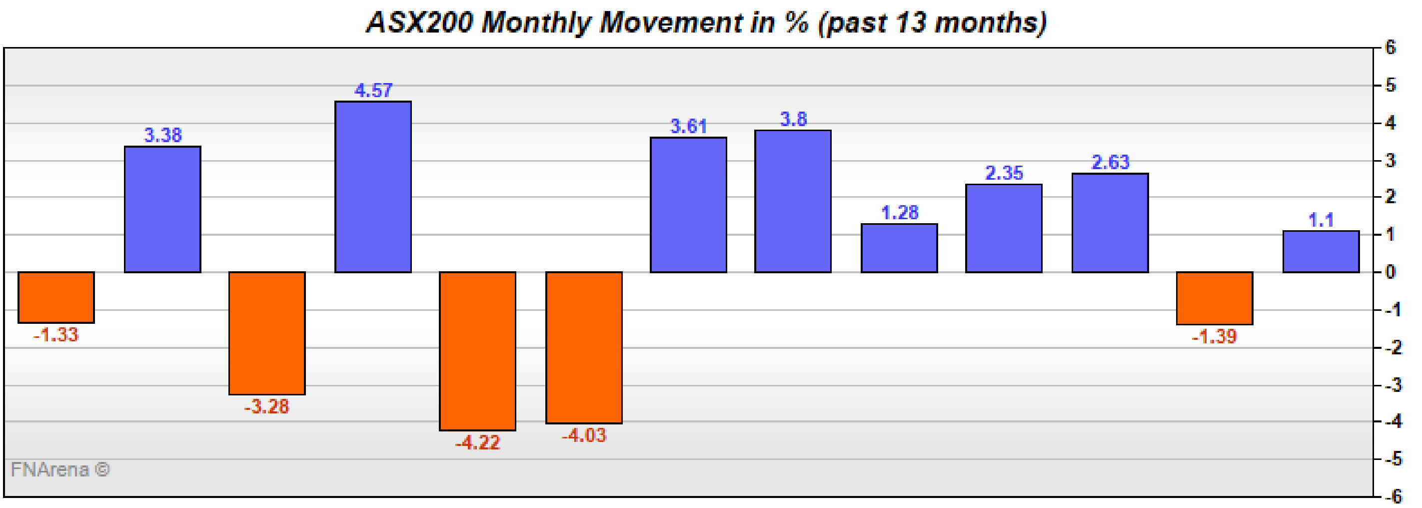
| | | | | |
|---|---|---|---|---|
| Aluminium (lb) | 1.2156 | 2.67% | 3.09% | 6.34% |
| Nickel (lb) | 6.8353 | 0.33% | 0.23% | -4.33% |
| Zinc (lb) | 1.3362 | 5.55% | 5.84% | -1.12% |
| Uranium (lb) weekly | 82.75 | 10.33% | 5.21% | 14.93% |
| Iron Ore (t) | 105.35 | 3.58% | 11.49% | 1.45% |

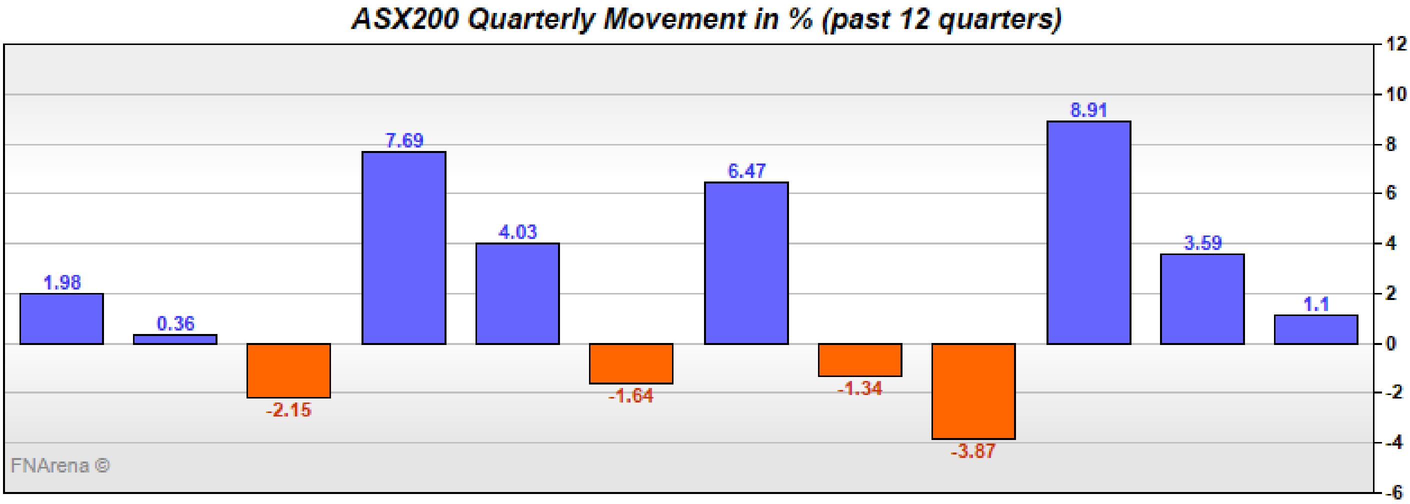
### Energy

| Index | 30 Sep 2025 | Month Of Sep | Quarter To Date (Jul-Sep) | Year To Date (2025) |
|---|---|---|---|---|
| West Texas Crude | 63.14 | -1.74% | -3.63% | -9.12% |
| Brent Crude | 66.74 | -1.37% | -0.09% | -8.02% |

# Editor's Note when viewing the graphics below: all updates include early trading sessions in September.



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AUSTRALIA

# Infratil's Digital & Decarbonisation Drive

Infratil outlined ambitious plans at its recent investor day. A subsequent data centre contract win and AUKUS anticipation raised market expectations further.

**-Infratil's share price supported by mid-September investor day and data centre contract**
**-Growth prioritised via digital infrastructure and renewables**
**-Management's ambition is to lift market cap to $20bn from the current $10.51bn**
**-Potential for AUKUS-related OpenAI contract**

By Mark Woodruff

Amidst portfolio rotation into small caps and resources, shares in New Zealand-based infrastructure investor and operator Infratil ((IFT)) --market cap $10bn-plus-- managed to buck the trend in September, stimulated by an investor briefing mid-month and the announcement of a significant new data centre contract.

Potentially adding more impetus to the rising share price, an independent valuation is due shortly for the company's 49.75%-owned CDC Data Centres (CDC), originally known as Canberra Data Centres.

A large share of Infratil's portfolio is tied to Australia, anchored by CDC. This business is gaining from the Federal Government's increased backing of digital infrastructure and is progressing a 200MW high-density data centre project located south-east of Perth's CBD.

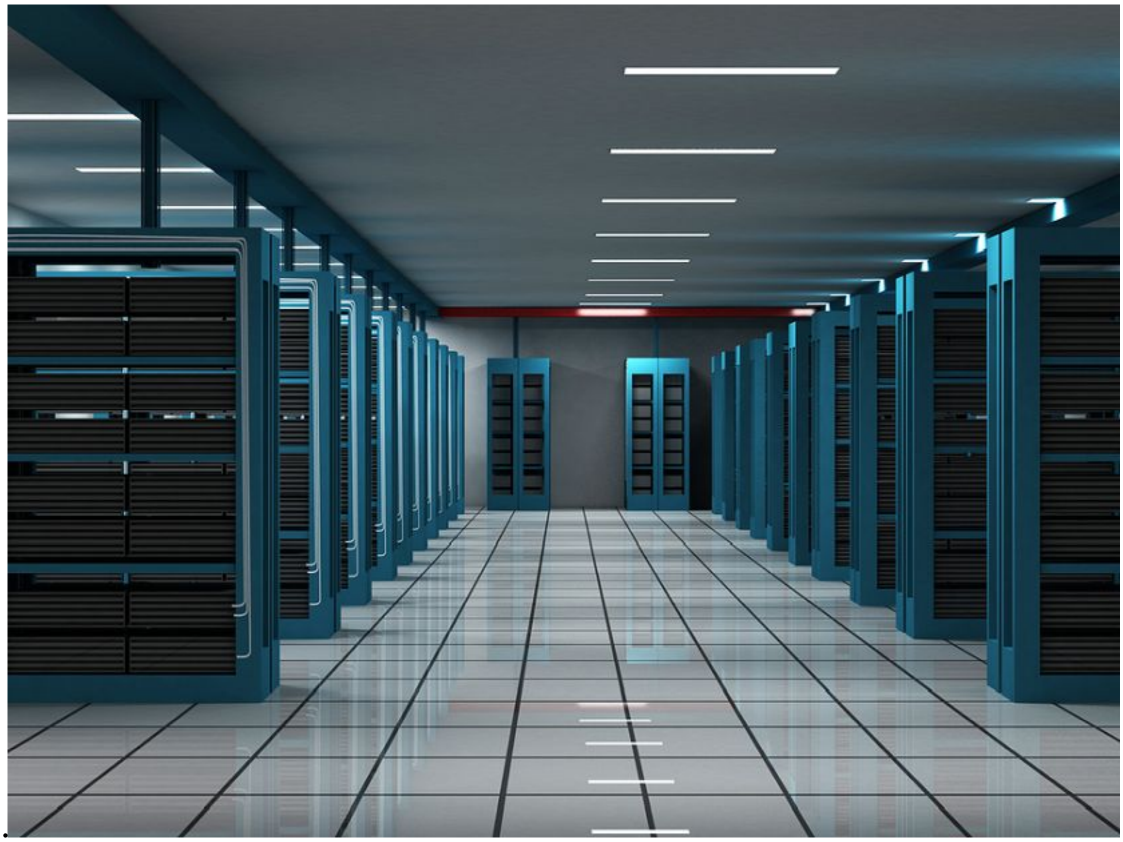
The facility is strategically positioned to support AI and security workloads linked to AUKUS defence cooperation, leveraging its secure infrastructure and close proximity to the Henderson Naval Base.

Overall, the investor day underlined a strong portfolio performance and a sharpened strategic focus on digital infrastructure and renewable energy, alongside active capital recycling.

Management reaffirmed FY26 guidance, including lower capex and higher cash flows.

CEO Jason Boyes explained management is prioritising growth in fast-growing digital infrastructure and renewables while simplifying its portfolio, targeting 11-15% annual returns over a rolling 10-year period.

Regarding digital infrastructure, CDC reported surging demand during FY25 (March year-end), driven by cloud and AI workloads. The platform has 15 sites live and seven under construction.

CDC remains on track to double FY25 earnings by FY27, with customer contracting for the remaining capacity nearly complete.

# Contract win

Following the investor day, Buy-rated Citi anticipated a near-term CDC contract win and opened a short-term upside view on the Infratil stock price.

Just days later, management at CDC announced a major contract win, securing around 100MW of new capacity and validating Investor Day commentary on AI and cloud-driven growth.

Following the announcement, Jarden has greater confidence in CDC's accelerating profit momentum. It's thought hyperscale contract wins highlight the company's advantage in sovereign-grade credentials, specialised cooling capabilities, and long weighted average lease expiries (WALEs).

This latest contract lifts total contracted capacity to 575MW, up from 372MW of operational capacity in May 2025. Importantly, Citi highlights, CDC has now locked in 95% of the incremental earnings needed to deliver on its goal of doubling EBITDA by FY27 versus FY25.

Progress toward securing CDC’s FY27 targets should lift market confidence and support a narrowing of the discount to reported net asset value (NAV), in Citi’s view.

Infratil’s overall portfolio exceeds NZ$18bn, concentrated in high-growth infrastructure sectors. Data centres and renewables make up more than 80% of assets, accompanied by additional stable cash flow from airports, telecommunications, and healthcare assets.

For further background on Infratil see FNArena's recent article at [https://fnarena.com/index.php/2025/09/10/infratils-growing-undervalued-digital-exposure/](https://fnarena.com/index.php/2025/09/10/infratils-growing-undervalued-digital-exposure/)

# ‘Big 3’ assets

Infratil’s largest business exposures are CDC at 40% of book value (NZ$7.2bn), New Zealand telco provider One NZ (telecom and broadband services) at 20% (NZ$3.7bn), and Longroad Energy at 12% (NZ$2.1bn).

Alongside CDC, three other major portfolio companies presented at the Investor Day: US renewable developer Longroad Energy; One NZ, Infratil’s 49%-owned telecommunications business; and Gurin Energy, the Singapore-based Asian renewables platform.

UBS believes there is further growth in Infratil's net asset value (NAV) via Longroad due to strong demand and tax qualification post 2030, and via One NZ owing to better execution and a refocus by management on return on invested capital (ROIC).

Management's ambition to lift market capitalisation to $20bn from the current $10.51bn within five years depends on delivery from the 'Big 3' assets (CDC, Longroad and One NZ), while also creating room for Asian renewables to contribute more meaningfully to value creation.

UBS comments key assets to support this ambition include Project Vanda (within Gurin), a renewable energy initiative with potential to create up to US$500m in value, along with expansion into new sectors such as transportation and fleets, logistics and automation, and financial systems.

On Longroad, UBS highlights recent Internal Revenue Service (IRS) guidance on the Inflation Reduction Act (IRA) restores project economics through 2030 and beyond, a positive development after 12 months of uncertainty. Potential M&A opportunities are also noted, as smaller developers struggle with the scale of capital required.

Following the September investor day, Macquarie lowered the discount applied to its valuation of Longroad partly because management reaffirmed its 2028 Opco targets of 10GW (operational or under construction) and US$700m of earnings.

Opco, short for operating company, is that part of Longroad which owns and operates renewable assets (solar, wind, storage) over the long term. It generates recurring earnings from contracted power sales, making it a more stable base for valuation.

The development company, or Devco, originates, designs, and sells projects and its earnings are lumpier, depending on development sales.

Despite a challenging economy, the One NZ business is targeting stronger returns on invested capital by driving cost savings through IT transformation and AI initiatives, while also reducing capital intensity, explains Macquarie.

Citi also describes Gurin as a key future growth platform.

Management emphasised Gurin's scale and potential in Asian renewables at the investor day, citing a team of around 100 people, including 45 based in Singapore. Gurin is active across seven markets including Japan, South Korea, Thailand, Singapore, and Malaysia.

Citi explains the business has 8GW of projects under development and is targeting more than 250GW of opportunities by 2030, with over half focused on OECD Asia and the balance in emerging Asian markets.

# Capital recycling

Infratil is actively recycling capital from mature assets to fund its growth strategy.

At the investor day, management announced a strategic review of Qscan, its Australian diagnostic imaging business. Infratil's 57% stake was last valued at circa NZ$460m.

This move follows the August agreement to sell Infratil's 50% stake in RetireAustralia (retirement living) for NZ$328m, with the transaction expected to complete by year-end.

Management has signalled a target of roughly NZ$1bn in total divestment proceeds from such portfolio simplification initiatives.

# CDC Valuation

Yesterday, Macquarie raised its CDC equity valuation by 5% to $14.9bn (on a 100%-basis), now 10% above the June 2025 independent equity valuation of $13.6bn.

The analyst explains four key sensitivities drive near-term outcomes for CDC: demand growth, the capitalisation rate, margins, and build costs.

Macquarie assumes a 19% compound annual growth rate (CAGR) to 2037, excluding potential AI-training demand, with each 100bps shift moving valuation by around 6%.

Regarding potential AI-training demand, Macquarie first flagged a potential Australian Stargate Global deal in May. Since then, OpenAI has signed agreements with the UAE, Norway, and the UK, while the US and UK AI Safety Institutes have also partnered with OpenAI.

In the broker's view, these agreements support the **strategic value of CDC's Perth asset**, expected to service **AUKUS-related demand** as Australia remains the only AUKUS nation yet to secure a formal OpenAI partnership.

# Outlook

The reaffirmation of FY26 guidance and CDC's new contract help bolster confidence in Infratil's near-term outlook.

Citi expects the new contracted capacity to be reflected in a higher CDC valuation when Infratil reports interim results in mid-November. CDC's upside is considered a key driver of NAV growth for Infratil.

Additionally, the push to expand Infratil's Australian investor base (aided by Infratil's ASX200 index inclusion) is expected to improve market visibility and liquidity.

Following the investor day and new CDC contract win, the average target of four daily covered brokers in the FNArena database increased to NZ$14.03 from NZ$13.79.

Outside of daily coverage Jarden maintains its NZ$14.79 target.

All five brokers mentioned have Buy (or equivalent) ratings.

ESG FOCUS

# ESG Focus: The Little Big Things - 23-09-2025

Little Big Things focuses on some of the biggest ESG issues, from challenges around Data Centre growth, to emissions targets and sustainable seafood.

**-Data centres, AI and the strain on power and water**
**-Supermarket giants face AGM pressure on seafood sourcing**
**-Balancing ambition and achievability in Australia's climate targets**

By Danielle Ecuyer

***FNArena's dedicated ESG Focus news section zooms in on matters Environmental, Social & Governance (ESG) that are increasingly guiding investors preferences and decisions globally. For more news updates, past and future:***
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## The AI megatrend poses challenges for energy, water and carbon abatement

Carbon Brief reports data centres currently account for just over 1% of global electricity demand and around 0.5% of CO2 emissions, but usage has been growing rapidly at roughly 12% a year since 2017.

The International Energy Agency (IEA) projects consumption will more than double to around 945TWh by 2030, equal to Japan's current electricity use. Artificial intelligence is the key driver, with its share of data centre power expected to rise from 5–15% today to as much as 35–50% by the end of the decade.

This would see data centres contribute 8–12% of growth in global electricity demand by 2030, alongside other major factors such as electric vehicles and air conditioning.

The impact will be especially acute in advanced economies.

In the US, data centre demand is forecast to climb from 4% of national electricity use in 2023 to 7–12% by 2028, while in Ireland it could reach 32% by 2026, with Dublin already close to 80%.

Although renewables are expected to supply the majority of data centre power by 2035, fossil fuel use is still set to rise in absolute terms, with gas-fired generation potentially more than doubling.

Without substantial investment in grids and clean energy, this growth risks straining electricity systems and slowing progress towards climate targets.

## Findings on expected data centre energy and water demand

Morgan Stanley recently met with JPMorgan's Infrastructure Investment Banking and Centre for Carbon Transitions (CTT) in New York to discuss the forecast US$3trn of data centre capex from 2025 to 2028, how it will be funded, and the ability to align carbon abatement targets.

Hyperscalers, think Big Tech cloud providers like Microsoft, Google, and Amazon, remain focused and "serious" on staying with net zero goals. JP Morgan anticipates the hyperscalers will continue to add renewables to the electricity grid, as well as increasing nuclear exposure, as seen with recent updates, while also looking at geothermal and carbon offsets.

Specifically, a wide range of new power generation will be needed to feed the large volumes of electricity from growing AI infrastructure demand. The growth is anticipated to be very robust for natural gas, geothermal, and solar power, as well as boosting investment in energy storage and transmission.

Nuclear will fill demand over the next decade, with pressure on power grid reliability likely to underpin natural gas-fired generation as a source of baseload power. The growth in demand is already challenging turbine volumes. The US government has also been putting in place energy policies to advance and support the growth in nuclear power and the development of new technologies, like small modular reactors.

For those interested in some of the changes, FNArena has a dedicated weekly Uranium update which has been highlighting the global shift to expanding nuclear power generation as a zero-emission energy technology. For more reading see https://fnarena.com/index.php/financial-news/fnarena-windows/?sector=70

Morgan Stanley has also raised the question of water usage and the growth in artificial intelligence. Water is a critical component for data centre cooling, electricity generation, and semiconductor manufacturing.

The broker estimates AI will underpin a rise in annual water consumption to circa 1,068bn litres by 2028 as a base case scenario, which is an eleven fold rise from 2024 estimates for data centres and electricity generation. Semiconductor manufacturing is also water intensive, and what is considered a "typical" facility needs up to 5m gallons of ultrapure water per day.

Notably, while water usage is rising substantially, the analyst suggests in relative terms the demand will be conservative compared to traditional water extraction and use from major sectors such as irrigation, the dominant demand source which has seen the largest increase from 1960–2024, beating heavy users such as industrials and live stock.

The increase in AI data centre water consumption estimated for 2024–2028 is less than 1% of the average irrigation withdrawals increase from 1960–2024. However, Morgan Stanley adds the rate of growth will necessitate appropriate water management and stewardship as AI infrastructure scales, particularly at a local level where the impacts can be more acutely felt.

When potential data centre water usage conflicts with drought-prone areas, local, state, and federal authorities have already limited or knocked back data centre developments and cut water usage for semiconductor manufacturing.

Increasingly, regulations are evolving to manage water usage standards over data centre Water Usage Effectiveness, and incentives are being implemented to develop more sustainable practices.

# Major food retailers remain in the Maugean Skate spotlight

Jarden homes in on sustainable seafood practices at the upcoming 2025 AGMs of **Coles Group** ((COL)) and **Woolworths Group** ((WOW)), where shareholders will vote on two seafood-related resolutions.

The first resolution calls for each company to report on risks their sourcing poses to endangered species listed under the EPBC Act (Environment Protection and Biodiversity Conservation Act), while the second asks them to align seafood policies with global best-practice standards, such as the Conservation Alliance for Seafood Solutions guidance, and disclose progress in 2026 sustainability reports.

The analyst considers Coles has taken a more proactive approach by conducting a species-level review against the EPBC Act, identifying risks to the Maugean skate at Macquarie Harbour (Tasmania) and the Southern Right Whale.

It has integrated TNFD (Taskforce on Nature-related Financial Disclosures) into risk management, benchmarked against peers, and requires Own Brand seafood to be certified by schemes such as BAP (Best Aquaculture Practices), ASC (Aquaculture Stewardship Council), MSC (Marine Stewardship Council), or GLOBALG.A.P. (Good Agricultural Practice). Coles also reports reducing exposure to Macquarie Harbour, though it has not set quantified reduction targets or a timeline.

While elements of its program align with best-practice guidance, Jarden highlights management has not committed to full alignment, and accountability is diluted by attributing risks partly to broader environmental pressures.

Woolworths has also reviewed seafood sourcing, but unlike Coles, its TNFD-informed assessment was not benchmarked against the EPBC Act.

The latter company concluded no new material risks were identified, a stance investors are likely to see as underplaying concerns around the Maugean skate.

Woolworths continues to rely heavily on certification schemes and has expanded customer-facing labelling, such as MSC-certified tuna products, while reviewing the new ASC standard. However, it has not disclosed reductions in Macquarie Harbour sourcing, set phase-out commitments, or aligned policies with best-practice standards.

The analyst also notes Woolworhs faces an OECD (Organisation for Economic Co-operation and Development) complaint over alleged due diligence failures and the use of "responsibly sourced" labeling.

Overall, Jarden believes both supermarket operators have strengthened due diligence and certification reliance, but neither has committed to time-bound targets or full best-practice alignment.

Currently, Coles is more transparent and engaged with stakeholders, while Woolworths remains more compliance-driven and focused on labeling.

The lack of measurable commitments leaves both companies exposed to continued investor and regulatory pressure on seafood sustainability.

# How realistic are Australia's new emission reduction targets?

Macquarie throws out a catchy title **"Emission Impossible? Balancing Achievable & Ambitious"** regarding the Australian Federal Government's -62%-70% emission reduction target by 2035 from 2005 levels.

The 62% is viewed as achievable by the government and 70% as ambitious. Both are set against the -43% emission reduction target for 2030.

The broker notes emissions need to fall by around -230Mt CO2 over the next decade and argues more ambitious state government targets should assist the Federal Government.

NSW is targeting a -70% reduction by 2035 and Victoria's target is -75% to -80% reduction by 2035. The Queensland targets are currently under review.

The Climate Change Authority's modeling reflects around 50% of emissions reductions to come from the electricity grid over the next 10 years, with the Federal Government announcing a further $2bn to the Clean Energy Finance Corporation (CEFC) to assist large-scale solar and wind projects.

There is a notable gap between the 2030 renewable energy target of 82% and circa 40% currently, as the transition is taking longer than anticipated. With the recent announcement of **Origin Energy's** ((ORG)) plan to put its -$8bn Gippsland wind project on hold due to an uncertain macro backdrop, the development of wind projects has become more challenged.

For industry, the Federal Government will establish a $5bn Net Zero Fund within the National Reconstruction Fund (NRF) to help heavy industry decarbonise, alongside a review of the Safeguard Mechanism in 2026, which currently regulates around 56% of industrial scope 1 emissions.

The Productivity Commission has recommended lowering the coverage threshold from 100,000 to 25,000 tonnes of CO2e, which would bring more facilities under the scheme, while the Climate Change Authority (CCA) has suggested extending the baseline decline rate from 2030 to 2035, giving industry more time to adjust.

Together, the fund provides financial support to aid the transition, while the review could tighten compliance and broaden the scheme's reach.

Regarding the transport sector, the government has announced a $1.1bn investment in green fuels, which is seen as a positive step but will only deliver a material benefit for **Qantas Airways** ((QAN)) if paired with a mandate requiring the use of sustainable aviation fuel.

A review of the New Vehicle Efficiency Standard (NVES) is scheduled for 2026, while an additional $40m has been committed to expand the rollout of curbside fast electric vehicle (EV) chargers, supporting broader transport sector decarbonisation.

On balance, Macquarie views the more ambitious state targets as supportive, while the key for emissions-intensive companies will be the review of the Safeguard Mechanism, which could be a positive for larger emitters by creating a more level playing field with smaller emitters that are currently excluded from the mechanism.

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ESG FOCUS

# ESG Focus: Australia’s Energy Transition - Who Wins, Who Loses, And What To Watch

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The Albanese government has set an ambitious power supply target for 2035 and the challenge is on for major utilities to prevent blackouts and add new capacity on schedule.

**-Australia has legislated a -43% emissions cut by 2030 and net-zero by 2050**
**-Policy target includes an ambitious 82% renewable electricity target by decade's end**
**-Targets can only be met if construction of power supply from renewables accelerates sharply**
**-Tension between coal’s exit and the need for new supply sets the stage for the big utilities**

By Lily Brown

## Australia’s Energy Transition: Who Wins, Who Loses, and What Investors Should Watch

Australia is rewriting its energy playbook. After decades of resistance, the country has legislated a -43% emissions cut by 2030 and net-zero by 2050, with an ambitious 82% renewable electricity target by decade's end.

For a nation whose former Prime Minister famously waved coal in Parliament in 2017, this represents a fundamental federal strategy shift.

The pivot is substantive; the Albanese government's Capacity Investment Scheme (CIS) aims to underwrite 32GW of new renewable capacity, while the Rewiring the Nation program has committed $20bn to transmission infrastructure, and state governments are accelerating grid connections.

## Why Now? The Converging Pressures

Multiple forces have made the status quo untenable. Solar and wind are now among Australia's cheapest forms of new generation, though system integration costs add complexity. Coal plants averaging over 30 years face surging unplanned outages and escalating maintenance costs.

International pressure has intensified as Australia's major trading partners —Japan, South Korea, and China— set net-zero targets, reshaping demand patterns. Global institutional investors are increasingly excluding coal financing, making it scarcer and more expensive.

The technology equation has also fundamentally changed. Battery storage costs have plummeted, making grid-scale storage commercially viable. Corporate Australia has moved decisively, with major energy users demanding renewable power purchase agreements, driving new projects despite grid congestion and connection delays.

Yet, expert warnings are explicit: Australia will likely fall short of its 82% renewable target unless construction accelerates sharply. CIS's contracted capacity remains well below target, while state governments are making varying levels of progress.

Amid this uncertainty, the question isn't whether the grid will transform; it's whether build-out can keep pace with coal closures without triggering reliability crises or bill shocks that could undermine public support.

As Clean Energy Council's outgoing CEO Kane Thornton put it, *"The time for complacency is over, it's time to remove the hand brakes and get on with building what is required"*.

# Where the Grid Stands Now

Renewables supplied an estimated 61% of National Electricity Market (NEM) generation in FY2024, with wind and solar hitting a record 75.6% share for a half-hour period in November. That momentum is visible in the project pipeline as well as on the day-to-day grid.

Daniel Westerman, Australia Energy Market Operator's (AEMO) CEO, has spelled out the delivery task and the line between ambition and reality:

*"The pipeline of new developments is strong, with 26GW considered as either committed or anticipated generation and storage… [implying] a step-up in delivery of new projects from the record 4.4GW commissioned in FY25, to between 5.2GW and 10.1GW each year for the next five years."*

The reliability caveat is explicit: *"If these planned investments are delivered on time and in full, reliability can be managed within the standard for the 10-year outlook"*.

That "if" is the story. Connection queues, transmission bottlenecks and local permitting remain the choke points.

# Gas: Why It's Still Central (And Still Contested)

While politics flare over nuclear, the operational debate is about firming. AGL CEO Damien Nicks framed it plainly:

*"A strong reminder of the importance of gas through Australia's energy transition… ensuring essential system services are still available to the power system during periods of renewable intermittency, which can be fired up and down quickly when needed"*.

The economics remain compelling. Graeme Bethune of EnergyQuest notes Australian LNG exports realised $15.87/gigajoule in Q2 versus $7.73/GJ for domestic East Coast gas, explaining continued LNG focus despite questions about long-term Asian demand.

Producers are positioning around that window. Woodside's CEO Meg O'Neill explained:

*"Woodside Energy is making investments designed to set us up for profitable cash generation through the 2030s,"* including Beaumont New Ammonia in Texas, the Scarborough Energy Project in Western Australia, Trion off Mexico and Louisiana LNG, reflecting Woodside's strategy to *"thrive through the energy transition by developing a low cost, lower-carbon, profitable, resilient and diversified portfolio"*.

# Coal Exits and the Reliability Tightrope

Coal closures are now dated: Liddell is done; Eraring is slated to shut by 2030; Loy Yang A by 2035. AEMO expects around 14GW of coal capacity to leave by 2030. The official line is that reliability risks are manageable if new projects arrive on time.

But shifting closure dates betray the uncertainty. Eraring was due to close in 2025, then 2029, and now 2030 or later. Loy Yang A's revised date is 10 years earlier than once expected but still slower than activists wanted. The extensions reflect the same concern: preventing blackouts and price spikes if replacement capacity lags.

The tension between coal's exit and the need for new supply sets the stage for the big utilities. Policymakers can tinker with timelines, but it is companies like AGL Energy ((AGL)) and Origin Energy ((ORG)) that must deliver the assets to fill the gap.

# Case Study: Utilities Straddling Transition and Bills

AGL remains the bellwether because it touches generation, firming and retail. Nicks has tied strategy to hard targets and sequencing:

*"Our 2025 Climate Transition Action Plan (CTAP) represents a major milestone… Decarbonisation is at the heart of our strategy"*.

That plan has been backed by spend and asset moves. Nicks said FY25 had been a year of strong execution, with the development pipeline tripling to 9.6GW since 2022.

He pointed to more than -$900m deployed into batteries and strategic deals, including the Liddell Battery, Firm Power, and Terrain Solar.

*"Our results reflect the flexibility and resilience of our generation portfolio and retail business",* he added, noting underlying net profit of $640m, EBITDA of $2.01bn, and a 48c dividend.

For investors, vertical integration provides the edge. AGL and Origin's retail arms generate predictable cashflow when wholesale markets swing. Along with EnergyAustralia, the 'big three' hold majority residential market share, providing ballast for funding asset build-out while managing the political firing line of balancing customer affordability, regulatory scrutiny, and transition costs.

Vertical integration is less about legacy than survival; retail profits cushion capital-intensive generation shifts, differentiating companies that can ride out transition from those risking stranding.

# Global Cross-currents and the Sentiment Squeeze

The survival advantage matters because Australia's integrated utilities may be able to lean on retail earnings to fund the transition, but they still compete for the same turbines, cables, and batteries as their global peers.

And here, sentiment becomes a binding constraint. As Bethune put it, *“2024 was a terrible year for investing in energy, anywhere and of any kind… Investors are happy to pile into AI stocks but not energy.”*

That mood is already reflected in equity pricing: the ASX Energy Index fell nearly 19% in 2024, underperforming every other sector despite strong LNG revenues and utilities’ transition rhetoric.

Vertical integration may give AGL and Origin a cushion, but if capital markets stay this sceptical, even the best-prepared players will find it harder to deliver projects at speed.

# What to Watch Next (Signals, Not Slogans)

-**Delivery pace vs closure pace**: monthly additions of renewables and storage compared with notified coal exits.

-**Connection milestones**: fewer late-stage connection delays for large projects would be the clearest proof of process reform.

-**Firming mix**: how much firming is coming from gas peakers versus batteries and demand-side resources, and where it’s located relative to constraints.

-**Transmission progress**: tangible movement on priority corridors; otherwise, stranded generation risk persists.

-**Household economics**: bill trends and uptake of rooftop solar and behind-the-meter batteries; policy there moves public acceptance.

-**Export dynamics**: LNG contract flows into Japan, China, Korea and Taiwan; any softening would ripple through producer strategies.

# Investor Takeaway: Execution, Not Aspiration

The transition story is alive and well; the policy, the targets, and the capital are all in place. But the equity market’s verdict is unambiguous: **delivery is everything**.

The winners won’t necessarily be those with the boldest announcements. They’ll be the companies that actually bring capacity online, manage customer costs, and navigate regulatory complexity without blowing out budgets or timelines.

Interestingly, while the energy sector was facing its lowest point in 2024, AGL bucked the trend. Bethune noted,

*“In Australia… AGL was up 46% and Origin Energy up 29%. It is clearly better to be a buyer of renewable energy than a wind or solar project developer and owner”*.

For investors, the dilemma is balancing conviction in the structural trend with caution about execution risk.

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INTERNATIONAL

# What Could a US-China Trade Deal Mean For Investors?

Strategic competition between the U.S. and China is of critical importance to geopolitics, the global economy, and markets.

What should investors be watching over the near term and the longer term as the U.S.-China relationship evolves?

By Gil Fortgang, Associate Analyst, U.S Equity Division at T. Rowe Price

## How long could the U.S.-China trade détente last?

Trade tensions between the two countries have cooled somewhat in the months since the unilateral import duties imposed by the U.S. on Chinese goods led to a rapidly escalating exchange of tit-for-tat tariffs between the two nations.

— **De-escalation**: China and the U.S. have walked back or paused the extreme tariffs that they had threatened to impose.

— **Ongoing dialogue**: Bilateral talks between cabinet members from both countries have followed.

— **Acts of goodwill**: The U.S. took steps to reduce restrictions on access to chip design software, for example, while China resumed export licensing for critical minerals on a limited basis.

The roller coaster of news flow related to the Trump administration's trade policies hasn't slowed, from agreements with some countries to the possibility of additional U.S. tariffs for others.

Amid these twists and turns, markets have welcomed the apparent détente between the U.S. and China on trade matters.

The situation remains highly fluid. However, planned in-person discussions between President Trump and President Xi Jinping —the first of which is slated to take place this fall at the Asia-Pacific Economic Cooperation Summit— could have a moderating effect on U.S. policy actions related to China.

## Highly important meetings with a highly variable range of outcomes

The results of these expected meetings between President Xi and President Trump are indeterminable at this juncture.

Markets would likely react favorably to a trade agreement that builds upon the "Phase One" deal that the two countries inked during President Trump's first term in the White House.

Terms of that agreement, signed in January 2020, included a commitment from China to expand its imports of U.S. goods and services by US$200bn from 2017 levels.

The market’s reaction would be even more positive if a deal were to lower the effective U.S. tariff rate on imports from China.

At the same time, investors must consider the possibility that the talks could go poorly, leading to a tariff increase.

Here are some areas to watch in the run-up to a possible meeting between the two leaders.

**1. Diplomacy**: The cadence of cabinet-level discussions between the U.S. and China and surrounding news flow over the coming months could provide insights into the meetings’ tenor.

**2. U.S. economy**: Incoming data could shape the conversation. It will be important to gauge the extent to which higher effective tariff rates translate into higher inflation or economic weakness in the near term.

I am also monitoring legal challenges to the Trump administration’s so-called reciprocal tariffs and import levies that ostensibly aimed to pressure targeted countries into curbing fentanyl trafficking.

However, even if the Supreme Court were to strike down these tariffs as unlawful (not a given), the Trump administration could replicate them using other authorities, albeit with some limitations.


# Focus on the structural issues at the heart of U.S.-China economic competition

A trade agreement with China, were it to materialize, is unlikely to resolve the complex sticking points shaping U.S. policy over the medium to longer term.

Both Democratic and Republican lawmakers increasingly view economic policy through the lens of strategic competition with China, with an emphasis on national security and gaining an innovation edge.

1. Shoring up U.S. industry

Supply chain disruptions during the pandemic called attention to the vulnerabilities created by decades of globalization.

Temporary Chinese export restrictions on critical minerals earlier this year underscored this point. China’s dominant position in mining and processing rare earth elements and other minerals critical to modern industry meant that these curtailments halted work or led to near stoppages at some auto factories and other production facilities.

The Trump administration has deployed various sticks and carrots as it tries to incentivize the expensive and time-consuming process of onshoring of strategic industries.

For example, the threat of high tariffs on semiconductors and pharmaceuticals appears to be designed to encourage the buildout of production capacity in the U.S. Meanwhile, tax changes passed earlier this year could help to spur business investment in plants, equipment, and research and development.

In the case of critical minerals, the federal government even took an equity stake in a U.S.-based miner focused on rare earth metals and signed a long-term agreement to purchase its output at prices above current levels. These unusual actions highlight the challenge and the perceived strategic importance of resolving this bottleneck.

2. Innovation leadership

Lawmakers in Washington view technology leadership, including advanced artificial intelligence (AI), as critical to national security and U.S. economic competitiveness with China.

This theme arguably runs through much of the major trade and economic policies that the U.S. has pursued over the past half decade.

Recall the first Trump administration's push to limit China-based telecom equipment company Huawei's access to critical components from the U.S. Refer also to the Biden administration's restrictions on exports of advanced semiconductors and chipmaking equipment to China.

We could see the current Trump administration roll out additional policies that seek to give the U.S. a leg up in AI and other areas of rapid innovation, such as biopharma.

# Investing in a dynamic policy and geopolitical environment

An expansion and broadening of capital spending could be a tailwind for parts of the industrials sector. At the same time, these investments and higher input costs from tariffs could add to inflationary pressures or weigh on some companies' profit margins.

Bottom line: A deep understanding of individual companies and industries will be critical to assessing the investment risks and opportunities that emerge as the U.S. and China jockey for an economic edge.

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INTERNATIONAL

# As The Paradigm Shifts, Liquidity Is Here To Stay

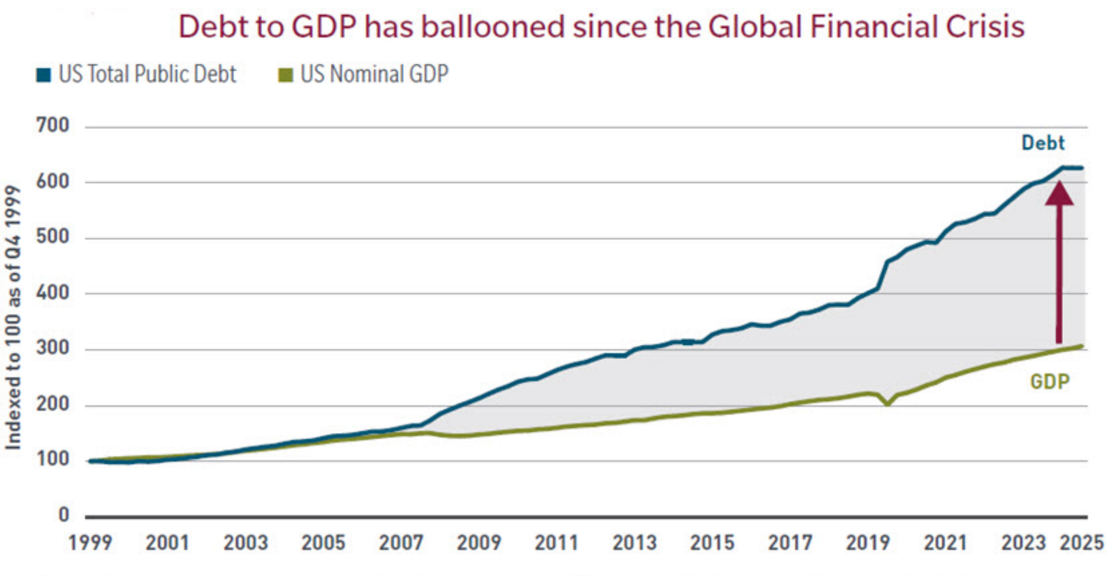
**-History teaches us that governments struggle to rein in liquidity once it's been unleashed**
**-We're entering a new paradigm in which tangible fixed investment is replacing financial engineering**
**-In this new environment, the disruption of profit pools may advantage active managers**

By Robert M. Almeida, Portfolio Manager and Global Investment Strategist, MFS Investment Management

While the US government's indebtedness is no secret, investors may underappreciate its potential drag on the economy in the future.

The chart below shows the growth of total US public debt compared with the size of the US economy over the past several decades.

Unsurprisingly, the lines begin to diverge following the 2008 global financial crisis.



Source: Bloomberg. Quarterly data from 31 December 1999 through 30 June 2025 (latest available). Data is normalized as of 31 December 1999.

What is happening in the US is nothing new, and while history can help us think about its potential consequences, I think investors expecting a drain in liquidity to address this imbalance may be disappointed.

I offer another outcome, one that isn't without costs, but one that may upend the recent and growing trend of how investors think about the price of portfolio advice.

## Governments have often debased the money supply

Dating back centuries, governments have increased the money supply to fund various initiatives.

This can be achieved through different methods — methods that often end up impacting the broader economy and financial markets. Two examples among the hundreds are ancient Rome and 16th century England.

Starting around 200 B.C. through 265 A.D., to fund wars, the silver content of the Roman denarius was reduced from 100% to 1%, leading to hyperinflation and contributing to the eventual decline of the Roman Empire.

Centuries later, in 16th century England, King Henry VIII ordered the precious metal content of gold and silver coins to be reduced, also to fund costly wars. Beginning in the 1540s, “The Great Debasement” replaced precious metals with cheaper copper. This led to significant inflation, damaged England’s international trade reputation and created economic turmoil that lasted for many years.

Since 2008, the US government has created money in a different way: through quantitative easing (QE). Because lowering interest rates to 5,000-year lows was not enough to stimulate economic growth, the US Federal Reserve purchased large amounts of Treasury and mortgage-backed securities in the open market.

To pay for these assets, it created reserves, which increased the money supply.

However, as evidenced by the GDP line in the chart above, QE doesn’t always lead to economic growth or inflation. When money is debased, whether by diluting the percent of silver or by creating bank reserves that are not dedicated to economically productive purposes, it leads to debt imbalances.

This is important because to support this imbalance, the Fed cannot meaningfully pull back liquidity.

The money supply needs to be ample relative to the debt load, and not to GDP, as commonly believed.

Until the economy grows to a level that can service this debt, excess liquidity is likely here to stay in order to avoid a debt crisis.

# The more likely pathway and the changes it may bring

It’s not only caesars, kings or central banks that create money. Fractional reserve banking allows commercial banks to create money, as well. In modern times, up until the financial crisis, this is how most money was created.

Here’s a refresher on how it works:

When banks lend out a portion of their deposits, a loan contract is signed and a promissory note is created. That account payable is then discharged, which creates money.

For example, when a customer takes out a $100 loan, they sign a loan contract and a promissory note, representing a promise of repayment. The bank’s assets increase by $100 in the form of the promissory note and so do its liabilities, via accounts payable.

The bank discharges its commitment by crediting the borrower’s account with the loan amount, which effectively creates a new deposit. The promissory note remains a bank asset while the liability is replaced by a deposit of $100. This deposit represents new money in the economy that previously didn’t exist.

This system has been vital for modern economies, allowing banks to generate returns and stimulate economic growth. Of course, it stalled following the 2008 crisis, when it was needed the most. The US government’s QE programs were designed to “prime the economic pump,” but obviously didn’t produce the intended outcome, as the liquidity went instead into financial asset prices via stock buybacks, higher dividends, and mergers and acquisitions.

Since 2022, however, some of the new money has come from this private sector mechanism, funding investment in supply chain adjustments, the digital economy and, most specifically, the infrastructure for artificial intelligence.

These are projects with potential economic utility, which contrasts with what, in hindsight, can be viewed largely as a wealth transfer from savers to borrowers from 2009-2021 that mostly enriched the owners of financial assets.

While circumstances can change, going forward we expect economic growth will be superior to the decade of stagnation of the 2010s. However, that will likely keep inflation and long-term borrowing costs at or around current levels.

Depending on the rate of real growth, excessive US government debt levels are likely to persist, which will make it much more difficult for policymakers to ease financial conditions in future periods of economic or market stress.

# Conclusion

Government-created liquidity is a persistent feature of economies, past and present. History suggests that once increased, liquidity is hard to pull back, because leaders don't like disappointing their citizens with spending cuts.

In the absence of austerity, massive central bank balance sheets need to be maintained to support excessive debt loads.

While liquidity is probably here to stay, a new capital cycle has emerged. Tangible fixed investment is rising. While it may be cut short and/or not be enough to reduce the debt burden, I believe there are three important changes entrepreneurs and investors will face that will be quite different than the 2010s.

1. While the Fed may cut short rates, long-term borrowing costs will probably anchor around present levels due to new economic activity. Specifically, I don't think we should expect 10-year Treasury yields to fall meaningfully, if at all. They could even rise.

2. The cost of running a business is, and will remain, much higher. It isn't just capital — goods are also more expensive than in the 2010s due to policy changes and economic activity. At the same time, technology has created a competitive explosion, challenging industry incumbents across multiple sectors and forcing spending on product innovation and better customer engagement.

3. We believe the combination of points one and two means that profit generation will likely become more difficult, creating greater profit dispersion within sectors and industries.

Businesses with goods or services that customers need —and that can raise prices in the face of higher input costs— will thrive. Those without, however, will disappoint current lofty profit expectations, particularly without the economic safety net of artificially low interest rates and cheap labor.

Taken together, I think these factors will pull forward a new paradigm in which security selection finally matters again.

**Technical limitations**

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

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INTERNATIONAL

# The End Of The Strong Dollar Cycle

The dollar appears to be under significant pressure, in our view. Not only in the near term, but also in the context of global investors' strategic asset allocations.

The only silver lining is that we do not believe that the dollar will lose its status as the primary reserve currency in the foreseeable future. Against this backdrop, we believe that the case for global diversification is as strong as it has ever been.

Looking ahead, asset classes in the rest of the world —including non-US equities, European fixed income and emerging market debt— may stand to benefit from the ongoing pressures on the USD.

****

By Benoit Anne, Senior Managing Director Strategy and Insights Group and Trisha Guchait, Quantitative Research Analyst, MFS Investment Management

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## The tactical view: Further risks for the USD in the near term

The current macro and market backdrop points to further downside risks to the USD, in our view.

First, looking at growth fundamentals, we believe that the risks of slowdown are more pronounced in the US than for most of its major partners. To a large extent, this reflects the uncertainty surrounding the growth impact of the immigration freeze and trade tariffs, two major policy initiatives undertaken by US authorities over the past few months.

While we do not foresee a major risk of US recession, the outlook does nonetheless point to a growth slowdown. In contrast, other regions such as the eurozone are now enjoying a growth recovery phase. This diverging growth outlook between the US and the rest of the world is one of the key negative drivers for the USD.

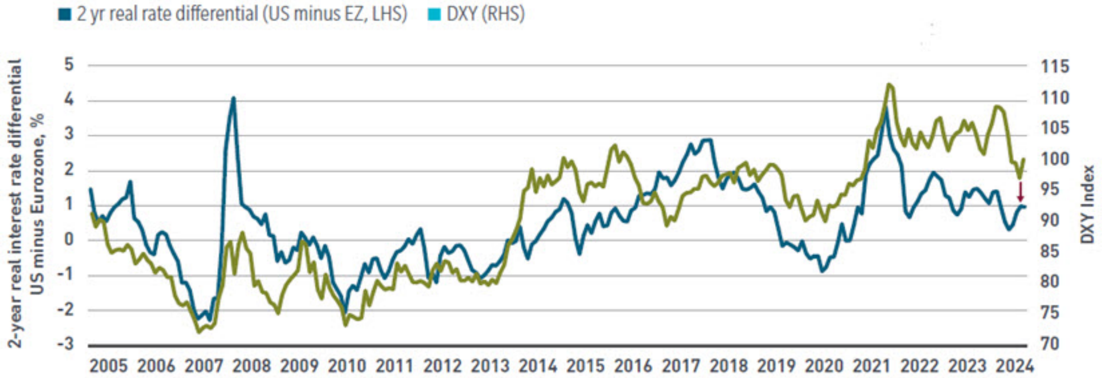
The outlook for relative interest rates also suggests that the USD may weaken in the period ahead. At this juncture, it is highly likely that over the next few quarters, the US Federal Reserve will lower its policy rate by more than most of the other major central banks.

In contrast, the European Central Bank is near the end of its easing cycle, while at the same time, the Bank of Japan is likely to consider further tightening in the period ahead.

It strikes us that the global monetary policy cycle is much less synchronized than a few quarters ago. This all means that the interest rate differential between the US and its partners is likely to compress further, thereby applying additional downward pressure on the USD.

As illustrated by Exhibit 1, the dollar has recently been trading against the euro at stronger levels than what would be implied by the real interest rate differential with the eurozone. But this may course correct going forward with the Fed resuming its policy rate cuts.

Exhibit 1: The interest rate differential between the US and the eurozone points to further USD downside risks




Sources: Bloomberg. Real rate differential is estimated as the difference between the US 2y real rates (nominal minus breakeven inflation) and the EUR swap (nominal minus inflation swap). Monthly data. Up to July 2025.

We believe that the current policy backdrop in the US represents an additional risk. For a start, concerns over excessive fiscal largesse may undermine the global investor's appetite for USD-denominated assets, as this may cause long-end rates to rise, triggering a correction in both US fixed income and equities.

The credibility of the broader US macro policy framework also appears to be challenged amid a significant increase in political pressure on the Fed. We view central bank independence as one of the foundational principles of a credible macro-policy system.

In fact, a number of emerging market countries have learned that lesson the hard way in the past, with the subordination of central bank policy to political concerns strongly correlated with poor inflation-fighting records and elevated capital outflow risks.

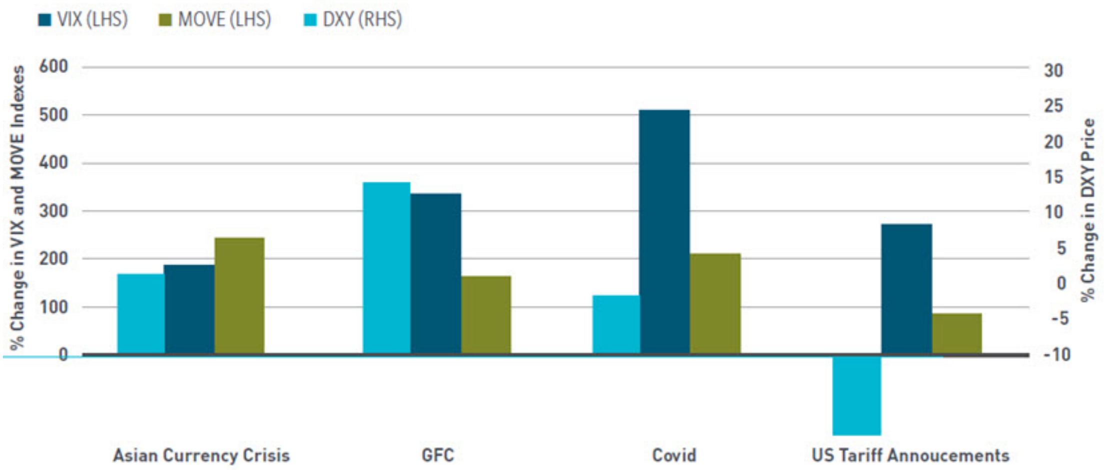
Against this backdrop, the dollar has recently experienced some erosion of its safe-haven attributes.

This was particularly evident in early April when the trade war escalated. At the time, the resulting severe aversion shock was associated with a large downward dollar move (Exhibit 2).

Likewise, the dollar weakened in tandem with US equities in early August following the release of the poor July nonfarm payroll data, signaling that it was behaving more like a risk-on currency.

It is worth stressing that historically, the dollar has benefited from shocks to risk appetite, with US Treasuries typically acting as the ultimate safe-haven asset.

Exhibit 2: Deteriorating US fundamentals have eroded USD's safe-haven status




Source: Bloomberg. Daily Data for each episode. Safe haven reactions for each asset class represent the max upturn or drawdown that occurred in the following respective periods: Asian Currency Crisis = 01 July 1997 through 31 December 1998; GFC = 01 July 2008 through 31 March 2009; Covid = 01 February 2020 through 30 April 2020; Liberation Day = 01 January 2025 through 11 April 2025.

Our quant investment team model does not point to near-term USD appreciation. Our quant process relies on a diverse set of indicators to allocate across developed currencies. The model includes value and carry factors, which are more persistent in nature, as well as shorter horizon signals like momentum and sentiment.

The USD screens as overvalued, but carry remains attractive. The short horizon signals are mixed but have been leaning short, although it should be noted that these factors experience higher turnover. In all, the tactical factors are neutral to slightly short USD and not strongly supportive of near-term USD appreciation.

The only factor supportive of the USD in the near term are technicals. Specifically, being short the USD is amongst the most crowded trades at this juncture. The market is as net short the USD as it has been since 2021 (Exhibit 3).

While this favorable technical backdrop may trigger some volatility and even possibly a temporary USD bounce, we believe that going forward, unsupportive macro fundamentals will likely prevail as the primary driver of the dollar.

Exhibit 3: The market is short USD


Source: Bloomberg CFTC. NYCE US Dollar Index Net Non-Commercial Combined Positions

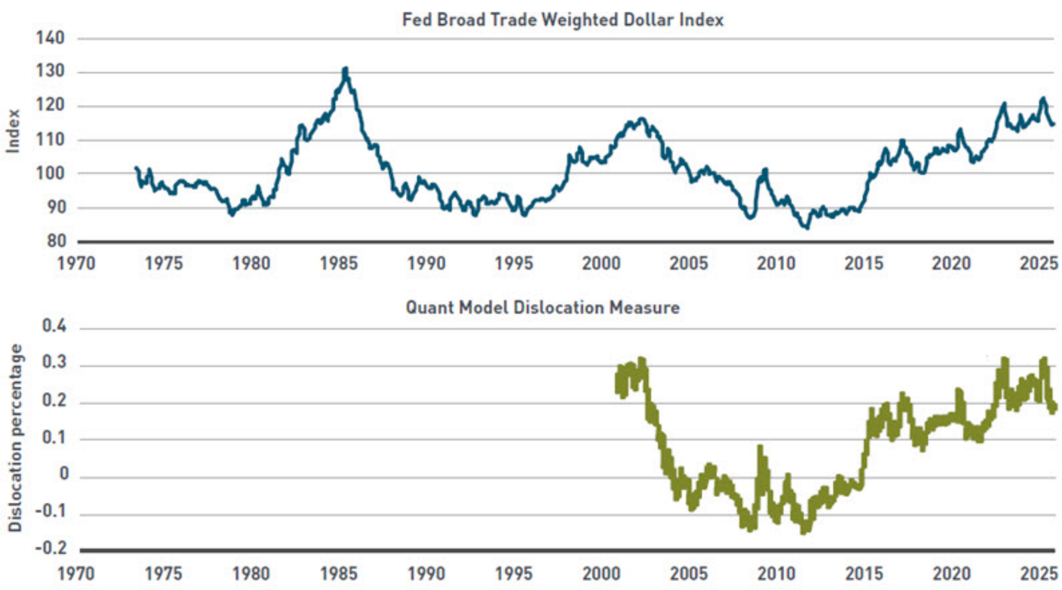
# The strategic view: Valuation and global investor behavior are not USD supportive beyond the near term

By historical standards, most currency valuation metrics point to the dollar being overvalued by at least 10%. For instance, measured since the 1970s, the Fed's real dollar index currently stands some 13% above its long-term average.

Looking back, it appears that the strong dollar cycle peaked in January 2025.

The combination of an expensive dollar and the fact that the currency has started to demonstrate signs of weakening may exert significant influence on global investor behavior.

Exhibit 4: USD value and quant model dislocation




Sources: Datastream, Fed. Monthly data for the Fed broad trade weighted index. Up to Aug 2025. Daily data for our quant model, up to 12 Sept. 2025.

The quant behavioral equilibrium exchange rate (BEER) model generates a similar result. The BEER model calculates currency fair value, starting with long-term real exchange rates. These rates are adjusted for current differentials in productivity and terms of trade, which helps account for deviations from long-term averages.

An overvalued currency may be supported by relatively strong economic fundamentals. Using a narrow tradeweighted index of G10 countries, the BEER model suggests an 18.7% dollar overvaluation, implying that even after accounting for economic differentials, the dollar is expected to continue to weaken (Exhibit 4).

Furthermore, currency value plays a role in future equity returns — and the forecasted cheapening of the dollar may act as a headwind for US equities.[1]

Two key investor behaviors may drive further dollar weakness in the near term. These behaviors relate to global allocation and currency hedging. In terms of global allocation, there is a risk that investors in their strategic asset allocation may elect to diversify away from USD-denominated assets.

That rebalancing would in turn trigger a reduction to USD exposure, benefitting the rest of the world. To a large extent, this phenomenon has already been observed over the past few months, but it may well persist if the macro and market backdrop —as discussed above— remains unsupportive.

We believe that global investors have been substantially over-indexed to US markets, so this rebalancing may take some time, given the investment processes of large institutional investors.

Currency hedging may put additional pressure on the dollar. Between 2022 and 2024, the high cost of hedging dollar exposure —due to the rise in US interest rates from 2022 onward— led some Asian and European institutional investors to lower their hedge ratios.

Specifically, the Bank of Japan indicated that the hedge ratio for major Japanese life insurers declined from about 60% in 2021 to 40% in 2024.[2] Looking ahead, this behavior is now likely to reverse.

As highlighted by the Bank for International Settlements (BIS) in a June 2025 report, currency hedging by non-US investors holding US assets appears to have contributed to dollar weakness over the past couple of months.[3]

Technically, it is the adjustment in the dollar hedge ratio that creates the biggest risk to the dollar, as opposed to the purchase of a USD asset on an FX-hedged basis. Against this backdrop, monitoring the FX hedging strategy of the large global investors is going to be critical going forward.

# The structural view: The role of the USD as a reserve currency

Looking at the longer term, particularly the status of the US dollar in the international financial system, the prospects are considerably more positive. We do not believe that the USD will face a severe challenge to its role as the primary reserve currency.

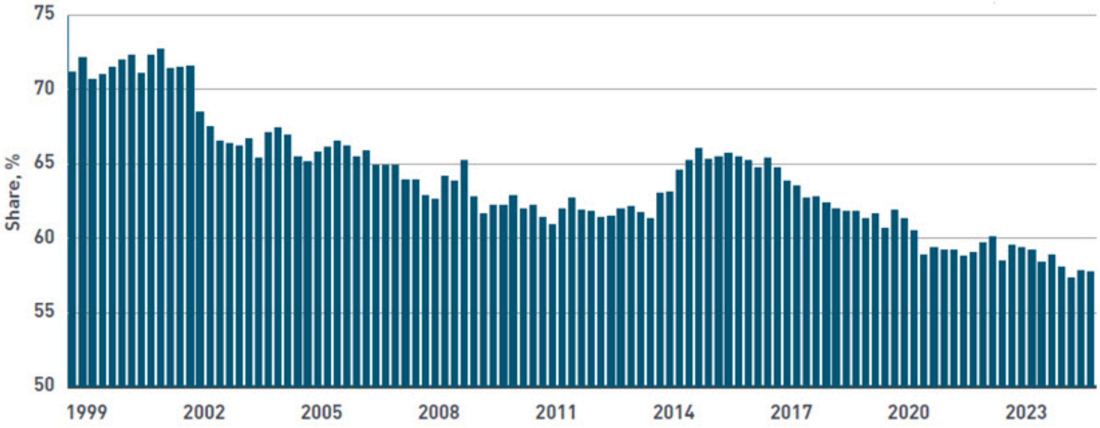
It is true that the share of the dollar in global reserves has gone down over time. According to the latest IMF data, the USD accounts for about 58% of global official reserves,[4] down from about 70% 20 years ago (Exhibit 5).

We do not foresee any major competition to the dollar's status, however. With a share of about 20% of global official reserves, the euro is a distant second, followed by the Japanese yen with 5.8%. It is probable that the share of the US dollar will continue to fall in the period ahead, but this is likely to be a slow, gradual process.

The main obstacle for potential competitors is market size and liquidity. Whatever your view on US Treasuries is these days, the reality is that the market is more than 10 times bigger than that for German bunds.

In terms of the average daily volume —a useful measure of liquidity— the US Treasury market's liquidity is 30 times as large as its European peer. In other words, the dollar and the US Treasury market are here to stay as critical global investment vehicles.

Exhibit 5: The share of the dollar in global reserves remains significant, but it has gradually declined




Sources: IMF, Cofer dataset. Quarterly data up to March 2025.

# Investment implications: The case for global diversification

The case for global diversification has been reinforced by the negative outlook for the US dollar.

One of the key lessons we have learned so far in 2025 is the importance of global diversification. Due to perceived US exceptionalism in recent years, global investors were perhaps over-allocated to the US, but that narrative is now facing significant challenges, which is likely to be reflected in some rotation away from the US.

Looking ahead, asset classes in the rest of the world such as non-US equities, European fixed income and emerging market (EM) debt may stand to benefit from ongoing pressures on the USD. In particular, we believe that the stars are aligned for EM local currency debt.

By construct, EM local debt offers substantial country diversification. Indeed, the main reference index —the J.P. Morgan GBI EM Diversified— includes 19 countries across Asia, EMEA and Latin America.

More importantly, while the global macro environment remains critical for the asset class, local macro drivers, especially central bank policy and domestic inflation, tend to have a major influence on local market performance.

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[1] Our quant developed equity allocation model uses currency value as one of its factors. With the dollar overvaluation, the factor is currently recommending non-US equities.
[2] Source: Bank of Japan, Financial System Report (April 2025)
[3] Source: The Bank for International Settlements (BIS), BIS Bulletin, No 105, 20 June 2025.
[4] Source: IMF, IMF data brief: Currency Composition of Official Foreign Exchange Reserves, 17 July 2025

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

RUDI'S VIEWS

# Rudi's View: AI Boom Reveals Our Inner Bias

A strong rise in price does not by default mean irrational investors have created an unsustainable bubble, or that a sharp price reversal is but the sole logical outcome, inevitably, and just around the next bend in the relentless up-trend.

By Rudi Filapek-Vandyck, Editor

Probably the most obvious example of that statement are Australian property prices. Yes, they are 'expensive'. Yes, the multiples and ratios have expanded significantly from comparable times in the past. But isn't it remarkable how all the doom and gloom forecasters have gone silent on their previous conviction forecasts?

Property prices haven't fallen into the abys. If anything, they've kept on rising, with the occasional pause/brief pull back along the way.

My own conclusion has always been that too many of such forecasts are made on too flimsy justifications; simply looking at asset prices without the broader context surrounding them is by definition a flawed, unscientific way of analysing and making forecasts.

Quod erat demonstrandum.

Admittedly, things are not always straightforward and seeing the forest through the trees is not easy when in the eye of the action. Plus, when it comes to the share market, narratives, FOMO and bubbles are always firmly embedded and part of what creates broad-based enthusiasm for market participation.

In simple terms: bubbles, in all kinds of lengths and varieties, are part and parcel of what makes investing both treacherous and exciting.

The years past have offered plenty of examples, from electric vehicles and lithium, to 3D printing, cannabis, covid beneficiaries, and GLP-1s. In all cases, lots of money was made, during the good times, but it didn't last and those who stayed the course, or returned too soon, suffered the consequences.

The situation in late September 2025 is that equities have --without debate-- experienced a truly fantastic run since bottoming on the back of a global reset in bond yields in late 2022; particularly in the US where "exceptionalism" has become the new buzzword for investors and financial commentators.

The S&P500 is up 86% since its closing low on 12 October 2022, while the Nasdaq Composite has risen 121% since the 28th of December that year. Achieved over less than three years, those returns are well above historical averages. Equally important: after such a run, multiples and ratios are well above historical averages too; in some cases they are near or at an all-time high.

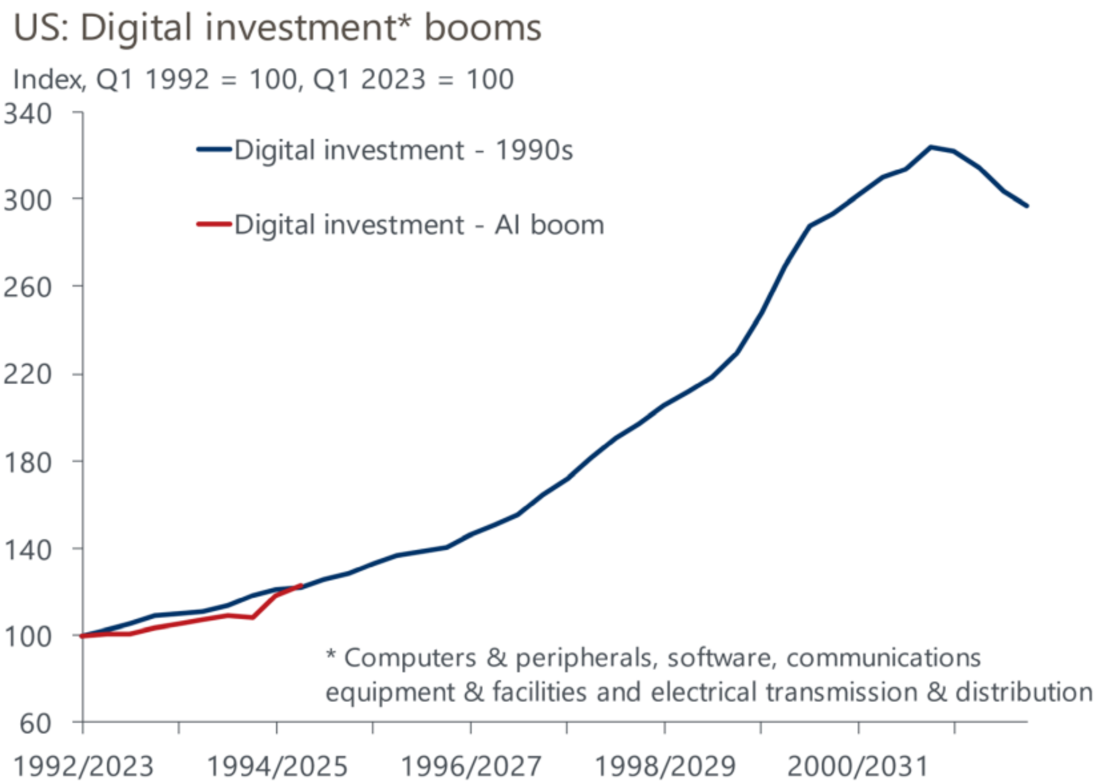
Hence, it's understandable for your average level-headed market participant to start asking questions, like: is this experience too good to remain true? US equities haven't experienced one negative month since the tariff-related sell-off in April. The up-trend has remained so strong, even a seasonally treacherous September has gone by without a dent in the trend.

US markets have been flashing 'overbought' signals for a number of weeks, but to no avail. At least up until now. Markets do not necessarily follow a set script (see September) but maybe they'll find something to unwind some of this year's bubbled-up exuberance when we least expect it throughout the weeks ahead.

But contrary to what general commentary might look like (I suspect), any temporary unwinding of too much hot money chasing the same narratives tells us nothing about the elasticity and durability of what has --at its core-- fuelled today's bull market; artificial intelligence, or AI.

For those aiming to draw parallels with similar-looking times prior to significant bear markets a la 2000 and 2008, there are multiple similarities that can be highlighted, including strong upward momentum and elevated valuations, but that, still, might not be the full picture.

Indeed, a recent update by Oxford Economics (hardly the kind of analysis source that can be accused as biased towards pulling more clients' money into the market to keep the trend going for longer) suggests rather than approaching its final destination, today's investment boom in AI and its underlying infrastructure might only have just started (see the comparative chart with the 1990s below).




[source: Oxford Economics]

Leaving negative biases aside in favour of a glass half-full approach, there are at least as many signals and indicators available to support conclusions and projections from Oxford Economics and others in favour of ongoing AI 'exceptionalism'; and they are worth highlighting lest investors are wrongly presented with the conclusion all the good news has occurred already and the only possible outcome is now for a return to the mean (or worse).

Recent media reports on a survey conducted by MIT concluding 95% of all enterprises investing in AI had failed to achieve tangible results is an excellent example of how much the bias has turned in favour of AI disbelief and warnings about the next bear market post share market exuberance.

While that was indeed one of the conclusions drawn, the same survey also suggested the 95% could learn from the successful 5% who'd chosen not to develop the entire AI process in-house, but instead hired experience and insights from outside. This also immediately counters one of the emerging narratives that saw share prices in software companies sold off on Wall Street and locally.

The idea that today's equivalents of Hewlett and Packard, hibernating in their parents' garage, rewriting software applications with support of AI, might soon make established software services providers redundant, now that sounds a lot like science fiction-alike wishful thinking to me.

It also completely underestimates what else is needed to become a multi-million dollar success-story with sticky customers that have become dependent on their products and services. I don't think today's shareholders in Data#3 ((DTL)), TechnologyOne ((TNE)), WiseTech Global ((WTC)) or Xero ((XRO)) need to worry; not for this particular reason.

The direct AI-impact thesis does seem valid in specific cases like for Adobe whose product suite includes pricey software for designing images which can now be done through generic AI applications.

If anything, it appears a lot more likely today's software companies with a sticky customer base attached to their platform will be among the second-stage winners of this further developing megatrend. Morgan Stanley has just elevated Microsoft to Top Pick status.

Keep an eye out for October 9 when TechOne is planning to make its next announcement to clients and the financial market at large. TechOne's Showcase event in Melbourne this year is scheduled to include the "launch of groundbreaking AI-driven functionality" with a follow-up Q&A session for investors.

As most readers are probably all too aware, I am a long-time shareholder in TechOne, but most importantly; such announcements rather support the view that megatrend AI is only just getting started.

In equal fashion, the recent August results season was the very first in which many ASX-listed companies started to communicate their own intentions and investment in AI.

Those who stepped on a podium include the usual suspects of Car Group ((CAR)), Hub24 ((HUB)), Pro Medicus ((PME)), REA Group ((REA)) and Temple & Webster ((TPW)) --all platform operators embedded in software--but also a widening range of more traditional business models including ALS Ltd ((ALQ)), CommBank ((CBA)), Fortescue ((FMG)), Imdex ((IMD)), Myer ((MYR)), Scentre Group ((SCG)), Sonic Healthcare ((SHL)), and Telstra ((TLS)).

BHP's Chief Technical Officer, Johan van Jaarsveld, flagged in an interview with me earlier this year applying AI at Escondida had achieved an additional US$200m worth of copper extraction, annually. No tangible results?

Probably the best thing that could happen, and that would substantially change the negative bias that has crept into AI market commentary recently, is for more traditional businesses to start exhibiting their success stories. Having said that, one also senses it is simply still too early for that.

TechnologyOne hasn't even made its first big announcement yet and its bread and butter is software.

As the centre of today's megatrend is located in the US, chances are American companies generally will keep leading the rest of the world. Here the promise remains for lower costs and higher margins, which could easily justify today's valuations -- if such potential does materialise.

Consider, for example, that on today's assumptions struggling funds and asset managers could reduce their operational costs by up to -40% by reducing admin and red tape, speeding up processes and, yes, by including AI for menial tasks and chores that go with the investment research and decisions.

If the coming years see only half, or even a third, of that potential realised, today's share prices will look like an absolute steal (in hindsight, of course, when looking back in three or four years).

Such examples also highlight why most skeptics' focus is in the wrong places; adopting AI may not necessarily bring about a step-change in revenues for companies, but if it helps lifting margins and profits, valuations will rise (all else remaining equal).

By the way; you want more evidence of the-end-is-nigh bias from the media? Today (Monday), the Australian Financial Review is quoting research by Macquarie to warn about potential damage from the AI-led share market selling off, while in fact Macquarie strategists are POSITIVE about equities and the AI boom.

Macquarie's portfolio is Overweight AI-related exposures like NextDC ((NXT)), Megaport ((MP1)) and Goodman Group ((GMG)).

For good measure: traditional media still function as a broad-based utility source of information and there is nothing wrong with offering alternative, sobering views and projections, as that, at the end of the day, is what makes the market. We all like to show our readers and viewers we did warn you once the tide has turned.

I nevertheless sense an eagerness among some to see share markets collapse that is, frankly, over the top. We all have witnessed market narratives come to a sorry end --think the GFC but also the Nasdaq in 2000-- but at the same time: see Australian property values.

The current AI-led investment boom has effectively kept the US economy out of recession. It is underpinned by ‘gigantonormous’ amounts of spending by mega-profitable tech giants who don't care about short-term returns, as also yet again confirmed by Meta's Mark Zuckerberg recently, but who do have the cash and flow to finance it.

This newly emerged megatrend is equally supported by governments the world around who do not want to be left behind in what is broadly considered a crucial race to technological leadership. Nobody wants to be left behind, in particular not the US or China.

Those who operate closer to the centre of today's technological break-through, with a glass half-full approach, cannot but admire the step-changes that are occurring in the development of AI.

In the words of Neil Jacobstein, Chair of AI and Robotics at Singularity University: AI is moving so fast it is now a blur.

Will this technology end up re-shaping the world? That process has already started, so yes.

Is this likely to end in tears, eventually? If history is our guide, the answer is probably 'yes'. Simply because it always has.

But if 2025 is the historical equivalent of 1925 or --reflecting back on the suggestion put forward by Oxford Economics-- more 1995 than 1999, than today's fear mongers cannot possibly claim many more years into the future they told us so.

That would not be an accurate or honest assessment of their actions today.

**Review All-Weather Model Portfolio**

The financial year ending on June 30th 2025 featured the return of Donald Trump in the White House and of extreme market volatility.

The second half of the year also saw doubt creeping into general sentiment towards AI and demand for data centres.

All in all, a gain of 13.85% (pre-fees) for the twelve months is not something to be unhappy about, right?

**FY25 review of the All-Weather Model Portfolio**: https://fnarena.com/index.php/download-article/?n=4B38C0EF-A173-8CE6-736A7AFC7B19FC49

**Model Portfolios, Best Buys & Conviction Calls**

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

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**(This story was written on Monday, 29th September 2025. It was published on the day in the form of an email to paying subscribers, and again on Wednesday as a story on the website).**

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

RUDI'S VIEWS

# Rudi's View: Amcor, Generation Development, Life360, Redox, Worley & More

Update on expert views, favourite stocks and Top Picks post the August results season in Australia.

By Rudi Filapek-Vandyck, Editor

**Morgan Stanley** has nominated its post-August key small-/mid-cap ideas, supported by conviction on earnings and outlook:

-Redox ((RDX))

-Baby Bunting ((BBN))

-Life360 ((360))

As the in-house view has grown more confident about a more resilient global growth outlook, multiple changes have been made to the Australia Macro+ Model Portfolio and the Focus List.

A better growth outlook domestically translates into improved attractiveness for selected small and midcap companies, which is reflected in the changes made.

For the **Australia Macro+ Model Portfolio**:

Have been added in September:

-AMP ((AMP))
-BlueScope Steel ((BSL))
-Generation Development ((GDG))
-GemLife Communities Group ((GLF))
-Iluka Resources ((ILU))
-Qube Holdings ((QUB))
-Seek ((SEK))
-Tuas Ltd ((TUA))

Have been removed:

-AGL Energy ((AGL))
-Amcor ((AMC))
-Cleanaway Waste Management ((CWY))
-WiseTech Global ((WTC))

Additions made to the **Australia Macro+ Focus List**:

-AMP
-BlueScope Steel
-GemLife Communities Group
-Iluka Resources
-Seek
-The Lottery Company ((TLC))

Have been removed:

-Car Group ((CAR))
-GPT Group ((GPT))
-James Hardie ((JHX))
-Orica ((ORI))

-Santos ((STO))
-Suncorp Group ((SUN))

****

Contrary to many an offshore market, the ASX suffered from post-August reporting disappointment with a little bit of RBA hawkishness added into the mix, strategists at **Wilsons** have observed.

Consensus earnings forecasts have been reduced throughout the month to 3.3% growth only for FY26 (was 4.8%) and this has been reflected in a net negative outcome for the ASX200 in September.

Mind you, minus -0.8% on a total return (dividends included) is hardly the stuff to be overly depressed about, though we know from personal observation many an individual stock has performed a lot worse over the past four weeks.

Wilsons strategists suggest post-August weakness has opened up opportunities in Brambles ((BXB)), The Lottery Corp ((TLC)) and Worley ((WOR)).

Wilsons' **Focus Portfolio**'s largest overweight positions include ANZ Bank ((ANZ)), ResMed ((RMD)), Pinnacle Investment Management ((PNI)) and Goodman Group ((GMG)).

Other high conviction holdings include Collins Foods ((CKF)), Telix Pharmaceuticals ((TLX)), Sandfire Resources ((SFR)), Worley, TechnologyOne ((TNE)) and WiseTech Global ((WTC)).

Having said all that, **Macquarie** strategists spotted the early beginnings of a new positive uptrend with the broker's EPS forecasts actually improving throughout September.

Macquarie, as indicated earlier, is looking for forecasts to rise throughout FY26, which underpins this broker's positive outlook for the market.

Macquarie is expecting a net positive outcome from the upcoming AGM season with the team of quant analysts favouring Aussie Broadband ((ABB)), Stockland ((SGP)), Australian Finance Group ((AFG)), JB Hi-Fi ((JBH)) and Downer EDI ((DOW)) for positive market update (among others).

The same quant analysis has identified Treasury Wine Estates ((TWE)), nib Holdings ((NHF)) and WiseTech Global ((WTC)) for negative news (among others).

****

Strategists at **UBS** believe smaller cap Australian stocks remain circa -10% undervalued against the top class of the index which could open up the prospect of a larger-than-usual re-rate.

UBS has tried to identify industrial companies trading at relatively depressed valuations versus history and with a reasonable correlation to the Australian economic cycle (expected to improve).

Companies that fit the mould include Superloop ((SLC)), oOh!media ((OML)), REA Group ((REA)), Aussie Broadband ((ABB)), National Storage REIT ((NSR)), Rural Funds ((RRL)), Dexus ((DXS)), Metcash ((MTS)), Premier Investments ((PMV)), and Harvey Norman ((HVN)).

****

Strategists at **stockbroker Morgans** have zoomed in on Quality stocks that have run into selling pressure of late and whose underperformance is now seen as an opportunity.

Morgans has highlighted Amcor ((AMC)), CSL ((CSL)), Pinnacle Investment Management ((PNI)), PWR Holdings ((PWH)), Sonic Healthcare ((SHL)), Treasury Wine Estates ((TWE)), and Xero ((XRO)).

****

**Jarden** has revisited its thesis that the backdrop for Australian consumer electronics companies is the most favourable it has been in years, and believes that conclusion still stands.

Positive factors include the replacement cycle post-covid, new home activity and new product development.

Most likely to benefit most in the two years ahead:

-Breville Group ((BRG))
-Harvey Norman ((HVN))
-JB Hi-Fi ((JBH))
-Officeworks ((WES))

****

The latest strategy update by **Bell Potter** has revealed the addition of Generation Development ((GDG)) to the **Core Portfolio** and the removal of Hub24 ((HUB)).

Platform operator Hub24's share price has no doubt surprised both friend and foe over the twelve months past by roughly surging 70%.

Bell Potter's investment case for Generation Development is predicated on exposure to structural tailwinds in the Australian superannuation and managed accounts sector, combined with the scalability of the business.

In communicating its top five top and bottom portfolio positions, the strategists are showing their current convictions.

Top Five Portfolio Exposures (Largest first):

-WiseTech Global ((WTC))
-News Corp ((NWS))
-Light & Wonder ((LNW))
-Whitehaven Coal ((WHC))
-Worley ((WOR))

Bottom Five Portfolio Exposures (smallest exposure first)

-Wesfarmers ((WES))
-CSL ((CSL))
-CommBank ((CBA))
-Telstra ((TLS))
-Rio Tinto ((RIO))

In general terms, Bell Potter strategists retain a positive outlook for Australian equities with RBA rate cuts expected to deliver an improving economic outlook that should, all else remaining equal, benefit mid and small cap companies in particular.

Elevated valuations for growth stocks in combination with the risk for stagflation in the US is seen as less favourable for equities generally.

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**Morningstar's** selection of **Best Stock Ideas** currently consists of:

-Auckland International Airport ((AIA))
-ASX ((ASX))
-Aurizon Holdings ((AZJ))
-Bapcor ((BAP))
-Domino's Pizza ((DMP))
-Dexus ((DXS))
-Endeavour Group ((EDV))
-Fineos Corp ((FCL))
-IDP Education ((IEL))
-Pilbara Minerals ((PLS))
-Ramsay Health Care ((RHC))
-SiteMinder ((SDR))
-Spark New Zealand ((SPK))
-Woodside Energy ((WDS))

**(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.)**

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

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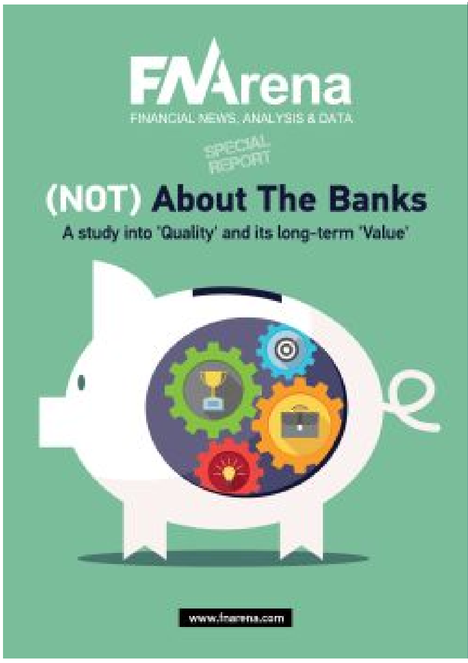




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*FNArena is proud about its track record and past achievements: Ten Years On*

SMALL CAPS

# Premier Investments' FY26 Turnaround Potential

Premier Investments’ Peter Alexander Brand is firing domestically and is just getting going in the UK. Smiggle has struggled, but analysts see a turnaround ahead.

**-Premier Investments’ FY25 sees Peter Alexander outperform and Smiggle underperform**
**-Margins reduced due to expansion and start-up costs**
**-Consumer environment improving for Smiggle**
**-FY26 turnaround thesis suggests shares are cheaply priced**

By Greg Peel

Premier Investments ((PMV)) wholly owns sleepwear retailer Peter Alexander and kids’ school supplies retailer Smiggle, has a 25% stake in home appliances manufacturer Breville Group ((BRG)) and strategic property investments.

The company reported largely in-line FY25 results (July year-end), which showed ongoing strong momentum in Peter Alexander with sales up 7.7%, partially offset by a -10.7% decline in Smiggle sales driven by a high single-digit sales decline and second half store network rationalisation.

Retail earnings were down -18% to $195m, reflecting gross profit margin declines from a tougher consumer trading environment (notably in the second half) and opex deleverage.


## Peter Alexander

Peter Alexander Australia & New Zealand was the jewel in the crown in FY25. Sales rose 9% and have risen another 9.2% year to date in FY26, driven, Morgan Stanley notes, by store footprint growth, range expansion and an improving consumer, showing the enduring brand strength in A&NZ.

Six new stores were added in the period while nine others were relocated or expanded. Expansion of the average store size from smaller (100-150sqm) to larger (200sqm-plus) stores is a multi-year growth driver, UBS suggests, supported by focused execution.

Management confirmed at least seven new or upsized stores for the first half FY26, with further opportunity for 15-plus locations.

Peter Alexander UK remains in its early stages, having commenced only ten months ago, showing second half earnings losses of -$5m and annualised sales per store of $1.6m versus $4m in A&NZ. While early metrics are weak, the UK remains a longer-term option, UBS believes, potentially contributing $29–77m in earnings by FY30, assuming successful execution.

Thus far, UK expansion looks to be on track, with no change to medium-term store network growth potential.

Peter Alexander in general appears well poised for the gift-giving season. Citi expects the store rollout in FY26 to be similar to prior years.

This broker is attracted to the upside potential of the UK market, but agrees with management's prudent approach to first prove the concept works.

# Smiggle

Smiggle's second half sales were down -4.7%, but this was a better-than-expected result considering first half sales were down -14.5%, although H2 was measured against easier comparables.

The trading update was disappointing, with sales down -4% in FY26 to date. Momentum was impacted by a shipping delay, with product since arriving.

Brokers agree Smiggle's core customers, being young families, have been among the most impacted by cost-of-living pressures.

However, Citi's recent grocery & liquor survey as well as other indicators (eg consumer sentiment) suggest conditions are improving. Still, Citi thinks the appointment of a new leader of the business is critical to get the most out of the brand.

Investor sentiment is increasingly shifting toward structural concerns, although management maintains the issues are execution-related – understandable, says Ord Minnett, given the brand has lacked a CEO for some 15 months.

Notably, Smiggle's A&NZ sales grew 2% in FY25, with offshore markets (-19%) driving the weakness.

Analysts agree Smiggle will continue to struggle in FY26 but less so than in FY25. Momentum is considered to be to the upside, but it will be a slow-moving turnaround story.

Macquarie suggests a strong Christmas period trading update will be a key catalyst watchpoint for a return to growth in Smiggle.

# Margins

Premier Investments' gross margins at 65.6% were down -154bps in FY25 (down -250bps in the second half) due to clearance given weaker sales (Smiggle) and mix to lower margin PA UK (45.7%), UBS notes.

Cost of doing business to sales rose due to rising rent (larger PA stores, new leases) and employee expenses (one-off in the first half, minimum wage increase), start-up PA UK losses (-$10.9m FY25) and soft sales in Smiggle.

UBS forecasts earnings margin expansion as the Smiggle product and external environment improve which support sales growth, Peter Alexander UK losses reduce and Peter Alexander sales growth generally continues.

Citi believes gross margins should improve in FY26 considering a better consumer environment lessens the chance of inventory markdowns as occurred in the second half FY25.

Moreover, the strengthening currency is favourable and there is upside from renegotiation of supplier terms given reduced demand from the US in light of tariffs.

On costs, the exit of unprofitable Smiggle stores should be favourable. However, with costs largely fixed in this brand, Citi needs to see positive sales to offset underlying wage inflation.

# Value Opportunity

Macquarie sees valuation opportunity in the event of a turnaround, with Premier Investments Retail trading at an implied enterprise value to earnings multiple of 11.8x despite an outperforming Peter Alexander A&NZ business, potential for offshore rollout success (in both Peter Alexander and Smiggle), and net cash balance sheet deployment. The company was $333m net cash positive at end-FY25.

Macquarie maintains a Neutral rating, but cites improving risk/reward symmetry and an upside-catalyst rich FY26, macro tailwinds to Australian consumption balanced and growth in Peter Alexander offset by headwinds to Smiggle from trading weakness.

Premier Investments will benefit from an improved consumer environment, Citi agrees, and there is some valuation upside. However, with question marks remaining on Smiggle, Citi retains its Neutral rating.

Ord Minnett (Buy) notes Premier Investments trades at a circa -30% PE discount to the average ASX retailer (circa 19x). At current levels, the market is seen attributing minimal value to Smiggle.

Morgan Stanley applies a 12x multiple for Smiggle and a 23x multiple for Peter Alexander. This broker maintains an Overweight rating given: i) ample growth runway in Peter Alexander from store size expansion, network growth, and international optionality, ii) a turnaround opportunity in Smiggle, and iii) attractive valuation for the retail business at 13x when adjusting for investments and cash reserve.

UBS retains Buy due to the strong core A&NZ Peter Alexander business, and also the extent Breville Group is underappreciated within Premier Investments' valuation. This combination makes the risk/reward attractive in UBS' view, despite a more challenged Smiggle and start-up losses in Peter Alexander UK.

Bell Potter views the stock as trading at a discount to its sector coverage, considering the Premier Retail division with two global roll-out worthy brands offering some 7% EBIT growth in FY26 and a PE of 12x excluding equity investments, land bank and cash, while retaining a strong balance sheet supportive of M&A as attractive. Bell Potter maintains Buy.

The six brokers monitored daily by FNArena covering Premier Investments have four Buy or equivalent and two Hold ratings between them. The average target has fallen to $24.12 post the FY25 result from $25.23 prior, on a spread from $20.80 (Macquarie) to $26.50 (Bell Potter).

SMALL CAPS

# SiteMinder's Deeper Connectivity For Growth

The trillion dollar global accommodation market is ripe for disruption with improved revenue generation as SiteMinder aims to grow its share.

**-Channel Manager to Smart Platform: Becoming the central nervous system for hotels**
**-Unlocking a trillion-dollar opportunity through deeper connectivity**
**-Growth Drivers from Channels Plus, Dynamic Revenue Plus, and the Push Into Real-Time Pricing**
**-Analysts' Perspectives highlight monetisation potential and long-term upside**

By Danielle Ecuyer

## Positioning itself for growth amidst an enormous market opportunity

Listing on the Australian stock exchange in 2021, **SiteMinder** ((SDR)) has evolved into a smart cloud-based platform for the global hotel/accommodation sector that could be described as the central nervous system for a very disaggregated industry ripe for disruption in terms of booking solutions and revenue maximisation.

Analysts envisage the potential for SiteMinder to build on its existing successes from start-up to a technology solutions company with over a $2bn market capitalisation, most importantly turning cashflow positive at the latest August FY25 results.

Investors are always looking for the next *TechnologyOne* ((TNE)) or *WiseTech Global* ((WTC)) at earlier stages of corporate development to catch the next ten-bagger.

Whilst brokers are not promising the success can definitively be replicated, SiteMinder has been putting in place the infrastructure and platform blocks to build on its achievements and accelerate the monetisation of its platform.

## Building the positive case for product add-ons

Prior to its recent Investor Day in late September, the company delivered its latest research on the global hotel industry which outlined future potential revenue via **"deepened system connectivity".**

Some 65% of hoteliers believe faster fully integrated systems could generate a minimum of 6% additional annual revenue, which equates to billions in extra revenue for the global accommodation sector with an estimated value of US$1.2trn.

The survey also revealed 92% of hoteliers say speed has emerged as highly significant, with 58% believing it is *"business critical"*. While manual data inputs for the industry remain commonplace, some 36% of hoteliers reported updating pricing monthly or less, and 70% spend over eleven hours a week on tasks that could be automated.

AI solutions also have a place, with 43% open to exploring AI-driven solutions.

As often stated by technology investor Cathie Wood of ARK Invest, technological shifts are happening **"faster, cheaper, better"** — but are they in the case of SiteMinder?

# Investor Day left some unanswered questions

The Investor Day update illustrated SiteMinder IQ of $85bn-plus in gross booking value; 2.4m rooms; 130m-plus reservations; and 250m-plus room nights across the platform of revenue management, guest acquisition, and guest experience.

For context, there are two major aspects to the company: one is the evolution of the Smart Platform, which is the engine room for customers, and the second is connectivity for customers to other distribution channels.

Management has cleverly framed the customer experience through what it refers to as the **"Revenue Flight Deck"** — a dashboard of services to enhance the user experience.

Morgan Stanley liked the analogy to a flight deck, which integrates the dashboard and toolkit hotel revenue managers depend on, while countenancing the destination to realising monetisation was a little less certain.

Acknowledging management's message to investors the global hotel sector is under-resourced and "tooled," which lays bare an opportunity cost for revenue generation due to an absence of systems heightened by obstacles and inertia; the broker accepts the opportunity to tap into a $1.2trn total addressable market is there.

Citi was quick to point out the first Investor Day in 2023 outlined the new products, Direct Revenue Plus (DR+) and Channels Plus (C+), and the September presentation focused on execution and scaling to expand SiteMinder's development to a revenue platform as well as a software-as-a-service business.

# Channels Plus unwrapped

Taking a step back, Channels Plus is a cloud-based channel management solution aimed to help hotels and accommodation providers integrate their property management systems (PMS — the core back-office system hotels use to manage operations like reservations, check-in/check-out, housekeeping, billing, and guest profiles) with online travel agencies (OTAs), global distribution systems (GDS), and other booking platforms.

Citi sees Channels Plus as allowing hotels to bring on board new OTA channels without having to sign agreements with each of them. Equally, OTAs can offer special campaigns or discounted commissions to hotels.

Channels Plus is signing up new customers at the fastest rate of any prior product introduction. Management's case study showed C-Plus able to generate 3% of a property's bookings, which Moelis estimates can produce an additional 9bps of the property's booking value for the platform.

As at June, Jarden noted C-Plus had expanded to 5,000-plus properties and 240k-plus rooms from 4,000-plus properties and 220k-plus rooms and is adding 500-plus properties a month. The product offers an opt-out setting, presenting lower barriers to entry on adoption.

Both Citi and Moelis concur C-Plus has the potential to be a *"material revenue"* contributor in FY27, as cited by management, particularly with the two-sided marketplace.

Channel checks by Ord Minnett suggest C-Plus has the capacity to significantly disrupt the hotel distribution chain over the medium term.

# Dynamic Revenue unwrapped

Dynamic Revenue Plus, which launched in A&NZ in September 2024 and expanded to other countries in March this year, has partnered with IDeaS to combine live market data, demand signals, and the ability for hotels to act swiftly on pricing, length of stay, and inventory as well as competitor performance. The rollout should be finished in FY26.

SiteMinder noted the upselling of existing customers to DR-Plus was going well, albeit at a *"measured pace"*, Moelis adds. The product has the potential to snag 0.9% of Gross Booking Value (GBV) but remains at an early development stage.

Jarden pointed to the release of UltraSync integrated with DR-Plus, which permits rate plans to be automatically updated in the property management system from the revenue manager. This allows for better real-time price management.

Management is hiring sales staff with hotel industry experience as the go-to-market strategy for DR-Plus, as the product is considered more of a consultative, solution sale.

While Ord Minnett's assessment is that DR-Plus could be a *"transformational product"*, the major resistance or criticism is whether the product can be rolled out on a cost-effective basis, along with other products at scale. This analyst believes some of what was outlined at the strategy day went some way to addressing concerns.

Monetisation may take time.

Citi notes IDeaS' pricing engine is optimised within seven days and UltraSync has dealt with the data gap. This has resulted in the analyst lifting DR-Plus revenue forecasts, which are anticipated to grow to around $33m by FY28. Smart Platform revenue forecasts are upgraded by 5% for FY27 and 8% for FY28.

The scope for growth in revenue management systems is considerable, as noted by Citi, with industry share only at 20% and traditional revenue management systems focused on price prediction and not execution. This results in manual price adjustments in the channel and is susceptible to error.

Morgan Stanley was disappointed by the absence of detail on the relative contributions of existing subscription revenues (SaaS) and the transactional product growth versus Smart Distribution versus Channels Plus versus Dynamic Revenue Plus, to achieving incremental annual recurring revenue of around $75m, which aligns with management's FY26 outlook.

Currently, subscription revenue is the mainstay for SiteMinder's platform, and new products are adding transaction-based revenue to the mix, linked to booking activity.

Management explained significant value can be unlocked from its existing customer base by upselling and increasing take-up and usage of new products.

If all SiteMinder's customers took up all its products, Jarden estimates it would result in a five times lift in gross booking value, which equates to ARR/GBV of 1.5% from 0.3%.

Such a scenario is not considered likely but exemplifies that only a moderate take-up rate would support ARR to $1bn.

Morgan Stanley highlighted management confirmed Smart Distribution (SiteMinder's evolution of the original Channel Manager) will generate FY26 revenue, followed by Channel Plus and Direct Revenue Plus.

On agentic AI, the company is seeking to apply it across reporting/insights as well as applications to update rate plans and inventory.

For Citi, more details on the use of AI and possible product improvements would have been welcome.

# Analysts views and outlook

On balance, Citi believes SiteMinder's data and insights capabilities are not yet fully appreciated. While there are risks attached to the scaling of Channel Plus revenue, the broker reiterates a Buy rating with a higher target price by 5% to $8.40.

Ord Minnett retained its $7.97 target price and Buy rating, noting on the application of an Enterprise Value/Revenue methodology the share price could appreciate to circa $9 to $10 over the next one to two years.

The other daily monitored broker which updated post Investor Day, Morgan Stanley retains an Overweight rating and $7.70 target.

While positive on the company's proven track record of ARR growth and customers as well as incumbent market position, this analyst remains cautious on the lack of details around scaling the new products to achieve FY26 targets — even more so after the prior Investor Day when the products were announced but management's guidance implies they don't contribute to ARR for nearly two years.

Moelis is Buy rated with an $8.51 target and Jarden is also Buy rated with a $7.65 target.

FNArena's consensus target is $8.097 with six Buy-equivalent ratings including from Citi and Morgan Stanley.

SMALL CAPS

# Eroad Promises Profitable Growth Ahead

New research points to upside from connected and autonomous vehicles for Eroad's transport technology business, especially from new regulations in New Zealand.

**-Eroad a beneficiary of connected and autonomous vehicles**
**-Potential regulatory win via New Zealand incumbency**
**-Move to profitability and FCF positivity in FY25**
**-Inaugural Moelis research highlights multiple growth options**

By Mark Woodruff

Since reporting FY25 results in May, shares in New Zealand-based transport technology business Eroad ((ERD)) have staged a strong rally on the ASX, with the share price climbing from around 80c to $2.29 at yesterday's close, having peaked at $2.60 earlier in September.

The company's evolution to a broader vehicle fleet operations platform from a pure telematics provider is being aided by the significant growth opportunity from new road use-based excise charges. There is also potential upside from autonomous vehicles in the longer-term.

In this context, telematics refers to onboard hardware such as GPS, sensors, and diagnostics units that capture and transmit data via wireless networks.

Eroad's hardware-enabled SaaS platform allows commercial and government fleets to monitor emissions, improve safety, and comply with increasingly complex regulations.

Gathered data can relate to vehicle location, routes, utilisation, driver behaviour, fuel consumption, engine performance and compliance requirements including road user charges (RUC), hours of service, and tax reporting.

Pioneering the world's first nationwide GPS-based electronic road user charging (eRUC) system in New Zealand, Eroad remains the market leader in such compliance.

The company's connected platform helps manage vehicles, assets, and drivers with real-time visibility and control, serving highly regulated industries such as freight, construction, and food transport across New Zealand, Australia, and North America.

Services are integrated into customers' core fleet operations. Moelis, in new research coverage released just last week, believes these services present multiple growth opportunities.

In recent years the company has pivoted from rapid expansion to a "growth with discipline" strategy, focusing on core markets, enterprise customers, and product innovation while improving profitability.

Moelis explains management has also refined its strategy to align with shifting industry dynamics, driven by the transition to electrification and the advent of connected vehicles.

The growing adoption of connected, and eventually autonomous, vehicles is generating vast amounts of data, explains the analyst, which telematics solutions can capture and analyse.

## Potential regulatory bonus

Regulatory developments in Eroad's home market are set to unlock significant long-term upside, with the company already processing 90% of New Zealand's heavy vehicle eRUC kilometres.

In early-August, the New Zealand government announced a landmark policy to transition all vehicles (not just heavy trucks) to electronic Road User Charges by 2027, phasing out fuel taxes. This upcoming reform will add an estimated 3.5m additional vehicles into the eRUC system and will likely be passed within the next 12 months, Shaw and Partners suggests, given existing bipartisan support.

Eroad's core business is centred on both heavy vehicles and trucking fleets, but many clients also manage light commercial fleets, hence, Moelis sees a sizeable growth opportunity with the introduction of new road-use excise charges.

Shaw also points out the New Zealand government is highly motivated to ensure strong compliance, as road user charges generate more than NZ$1.5bn annually, making even small revenue leakages significant.

Canaccord Genuity explains the eRUC system will replace the long-standing fuel excise duty on petrol (currently around NZ70c per litre), reflecting the rapid growth of electric and hybrid vehicles, as well as the widening gap between road infrastructure costs and declining fuel excise revenue.

Eroad holds around 92% market share of electronic road user charges in New Zealand and is Canaccord Genuity considers it well positioned to benefit from first-mover advantage, incumbency, and integration with key public and private stakeholders.

Including the conversion of 800,000 vehicles on paper-based RUC and 3.5m passenger vehicles, the addressable market would increase by 4.3m vehicles should Eroad win the contract.

Anticipating a model similar to Australia’s eTag system, with an upfront hardware charge and recurring top-up or connection fees, the broker forecasts between $3-5 per vehicle per month, which could generate more than $150m in revenue for Eroad, delivered at elevated gross profit margins.

# New products

Shaw highlights Eroad has demonstrated an ability to deliver relevant new products on a modern release cycle.

New products have included the Clarity Edge AI Dashcam (September 2024), Cold Chain Assurance Solution (August 2025), and Concrete Workflows, a suite of digital tools tailored for ready-mix concrete operations.

# Past performance and contract wins

In FY24, the company achieved positive free cash flow of NZ$1.3m, a major improvement from the -NZ$29.9m cash outflow in FY23.

Adding thousands of subscriptions, but more importantly validating Eroad's value proposition for large fleet operators, the company secured its largest-ever Australasian customer contract in June last year. A three-year deal was struck to deploy at least 5,000 units in a client's Australian fleet and to renew 6,000 units in its New Zealand fleet.

In October 2024, Eroad teamed up with global telematics leader Geotab to introduce "Eroad Locate," a simple and affordable tracking solution for light commercial vehicle fleets in A&NZ. This partnership integrates Geotab's low-cost hardware with Eroad's platform, allowing Eroad to tap into a largely underserved small-fleet segment which had previously been priced out of telematics.

Management also forged strategic partnerships in mid-2025 with maintenance software providers Fleetpal and Whip Around to offer integrated fleet maintenance and compliance solutions.

These collaborations combine Eroad's real-time vehicle data with maintenance workflows, enabling fleet customers to automate inspections, schedule repairs by odometer triggers, reduce downtime, and ensure regulatory compliance via a single interface.

# FY25 results

Eroad's FY25 result (March year-end) showed revenue climbed by 6.8% year-on-year to NZ$194.4m and free cash flow (FCF) surged to NZ$16m. The business posted a net profit of NZ$1.4m for the period versus a -NZ$0.8m loss in the prior financial year.

Jarden identified the move to profitability as the key highlight.

This analyst explained revenue growth was supported by price increases and deeper penetration within existing customers, which offset churn in North America and softer new wins in a difficult macro environment.

North American units declined -2% as the company prioritised higher-value enterprise accounts and scaled back sales efforts in the smaller, more price-sensitive segment.

After embedding changes to the cost base and operating model, management delivered the first FCF positive result since FY21, and the second since listing in August 2014.

Jarden notes cash flow dynamics are improving through a shift, underway in 1H25, to a "build-to-contract" model that secures upfront payments at signing for large deals.

Around 17% of total revenue is now billed on an annualised basis.

Management has framed FY26 as another year of profitable growth with further improvement in free cash flow, driven by contract expansion, new wins, pricing discipline, and ongoing cost control.

# Outlook

Yesterday, Shaw and Partners raised its price target to $3.20 from $2.70 on increased confidence around the eRUC opportunity.

Key investor concerns include the potential for mobile phones being used as a substitute, the (in)ability to deliver a device for light vehicles, and potential delays, notes the broker.

Shaw begs to differ, citing New Zealand's strong compliance culture, government reliance on RUC revenues, and impracticality of phone-only solutions as limiting substitution risk.

The only daily monitored broker by FNArena that actively covers Eroad, Shaw maintains its Buy, High Risk rating (new target $3.20).

Outside of daily coverage, Moelis and Canaccord Genuity have Buy ratings with respective targets of $3.00 and NZ$3.00.

Neutral-rated Jarden has a target of NZ$1.20, raised from NZ$1.05 after the broker assessed FY25 results in May.

*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 - 26-09-25

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

By Mark Woodruff

***Guide:***

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

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

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

## *Summary*

*Period: Monday September 22 to Friday September 26, 2025*
*Total Upgrades: 5*
*Total Downgrades: 5*
*Net Ratings Breakdown: Buy 59.29%; Hold 32.03%; Sell 8.67%*

For the week ending Friday, September 26, 2025, FNArena tracked five upgrades and five downgrades for ASX-listed companies from brokers monitored daily.

The size of percentage rises in average target prices outweighed reductions for the fifth week in a row.

The opposite was true for average earnings forecasts led by lithium miners IGO Ltd, PMET Resources, and Liontown Resources which appear first, third and fourth on the week's table for negative change to earnings estimates.

Forecasts were dragged lower after UBS reduced its lithium price forecasts following feedback indicating Chinese battery manufacturer Contemporary Amperex Technology Co Limited’s (CATL’s) outage will be shorter than expected.

It is now believed CATL’s Jianxiawo mine, which accounts for around 5% of global supply, could secure licence updates and restart operations within three-to-four months, compared with prior expectations of six-to-twelve months.

Macquarie agreed, suggesting the market may have previously overreacted.

Across 2025-26, the UBS spodumene price forecasts were cut by between -7-12% and lithium chemical prices by -4-10%, reflecting greater than previously assumed Chinese supply. Lithium prices are now expected to rise sequentially by between 17-32% in 2026.

Macquarie noted lithium prices rebounded in August, after falling -17% in the first half of the year, regaining momentum following a near-continuous 24-month decline since mid-2023.

This broker sees emerging signs of a new lithium cycle, underpinned by a widening gap between supply and demand.

IGO Ltd and Pilbara Minerals are Macquarie’s preferred lithium producer exposures while Sayona Mining and

Liontown Resources also offer leverage to lithium price upside.

Liontown Resources also released its FY25 results last week. Net profit missed prior forecasts by Macquarie and consensus by -33% and -88%, respectively, due to higher depreciation and amortisation, higher net interest charges, and a write-down of non-cash inventory.

Ord Minnett views FY26 as a transition year for Liontown with the finalisation of open-pit mining by December and a transition to 100% underground operations.

The average target for Liontown rose, after UBS reinstated coverage following a period of research restriction with a new target set at 80c, up from 50c previously, after the broker factored in its latest lithium price forecast changes plus the completion of a $372m equity raising in late-August.

Both the average earnings forecast and average target for Telix Pharmaceuticals fell last week, appearing second on the lists below.

Telix has received US Centers for Medicare and Medicaid Services' transitional approval from October 1 for pass-through pricing of Gozellix, a second-generation prostate-specific membrane antigen (PSMA) PET imaging agent.

This outcome provides a reimbursement advantage versus lower-priced F-18 PET competitors like Pylarify and Posluma, explained UBS. These are other PSMA-targeted imaging agents used in PET scans, but they are labelled with Fluorine-18 (F-18) isotopes rather than Gallium-68.

A transitional pass through permits a separate payment in addition to payment for imaging in outpatients, explained Morgan Stanley.

Bell Potter agreed with UBS the announcement was a competitive win in the PSMA imaging market and provides relief following a difficult year marked by two complete response letters from the US Food and Drug Administration (FDA) issued when the agency cannot approve a drug or product in its current form.

FY25 revenue guidance remains intact, though analysts at UBS expect third-quarter sales to soften.

Bell Potter highlighted the Zircaix opportunity, one of Telix's radiopharmaceutical imaging agents in development, and maintained a Buy rating with a $23 target price.

Vault Minerals and SiteMinder also received reduced average earnings forecasts.

Early in the week, gold producer Vault Minerals released a new three-year plan pointing to rising gold production and a pivot for free cash flow as explained at
https://fnarena.com/index.php/2025/09/25/vaults-cash-flow-potential-under-appreciated/

SiteMinder's investor day reinforced Ord Minnett's view the current share price reflects little value for potential upside from Channels Plus and Dynamic Revenue Plus.

Industry feedback over 18 months suggested to the broker Channels Plus could disrupt hotel distribution by streamlining rate and room management across online travel agents.

While Dynamic Revenue Plus has transformational potential, the analysts added achieving cost-effective scale remains a hurdle, though the outlined go-to-market strategy provided some reassurance.

Morgan Stanley highlighted hotels' under-monetisation and SiteMinder's 50,000 customer base, cross-sell potential, and proprietary data. Monetisation is just 0.3% of gross booking value versus 1.5% if all products were adopted.

This broker also pointed to momentum behind annual recurring revenue, with FY26 growth guided in line with the 27% achieved in FY25, alongside margin gains in earnings and free cash flow.

Risk in the near term for SiteMinder, according to Citi, is a slower-than-expected revenue ramp-up for Channels Plus, which is still in the scaling phase.

Strike Energy received the largest fall (down nearly-14%) in average target from brokers last week after Macquarie lowered its near-term EPS estimates for FY27 and FY28 by -29% and -39%, respectively, on reduced production estimates for the company's Walyering gas field in the Perth Basin.

Management has been re-basing reserves/resource estimates across its portfolio, including Walyering 2P gas reserves, down -55% and Ocean Hill, down -41%. The analyst has lowered its EP469 forecast gross production to 572PJ from 700PJ, including Erregulla Deep.

The 85MW gas peaker plant is expected to commence in late-2026, with management contemplating an expansion of 15MW.

After a period of research restriction, the analyst resumed with a 10c target, down from 19c, reflecting both the Walyering downgrade and a recent $84m equity raise at 12c.

On the flipside, gold miner Persius Mining’s average target rose nearly 7%, coming in second behind Liontown Resources, after Citi raised its FY26 sector earnings forecasts by 20-30% on higher gold price assumptions. Changes resulted in higher target prices for stocks under the broker's coverage.

The December quarter forecast increased by US$200/oz to US$3,700/oz, while the 2026 estimated average rose to US$3,250/oz, up US$500/oz.

Long-term real prices are now set at US$2,500/oz from US$2,200/oz, while Citi also increased its long-term equity model pricing to US$2,600/oz from US$2,300/oz, in line with consensus.

EPS momentum versus consensus remains positive, explained the analysts, with equities yet to fully reflect spot pricing as seen in prior cycles.

It’s noted gold miners have expanded margins, are showing no appetite for potentially value-destructive M&A activity, and are generating around $11bn of positive free cash flow in the current cycle, compared to around -$16bn burnt between 2000-2013.

Citi’s preferred ASX100 pick remains Evolution Mining, supported by organic growth options, high-quality long-life assets, consistent operational delivery, and copper exposure. Outside the ASX100, a Buy rating is maintained on Greatland Resources.

Average earnings forecasts by brokers for copper miners Aurelia Metals and AIC Mines also increased materially last week.

Shaw and Partners explained 2025 has been all about strong demand colliding with fragile supply, with geopolitics adding plenty of volatility.

Prices have jumped around on tariff headlines, but the analysts note fundamentals remain tight with inventories at historic lows.

Fresh demand from AI data centres and resource nationalism is expected to build on the electrification trend, further strengthening the bullish outlook.

With costs climbing, discoveries scarce, and higher standards slowing new projects, Shaw believes copper prices will need to rise a lot further to unlock fresh supply.

Shaw is sticking with its Buy, High Risk rating and 42c target for Aurelia Metals, after management displayed strong execution and discipline in meeting FY25 production and cost guidance across gold, copper, zinc, and lead. Aurelia is seen to offer a good entry into a diversified producer with growth on the horizon.

On AIC Mines, Shaw highlights leverage to the Australian dollar copper price, supported by steady production and a fully funded growth pipeline.

Shaw sees this company becoming a meaningful ASX copper producer. Buy, High Risk rating and 75c target maintained.

Total Buy ratings in the database comprises 59.29% of the total, versus 32.03% on Neutral/Hold, while Sell ratings account for the remaining 8.67%.

# Upgrade

**CHARTER HALL RETAIL REIT ((CQR)) Upgrade to Outperform from Neutral by Macquarie** .B/H/S: 2/1/0

Macquarie has increased valuation and target price for the majority of its listed property sector coverage on stronger income fundamentals, together with improved access to and cost of capital.

Weighted average cap rate assumptions lowered by -25bps to -50bps across retail, office, and industrial, reflecting tighter spreads to bonds.

The broker notes commercial real estate transactions rose 19.1% y/y to $28.7bn in the year to June, with retail the standout, up 56% y/y.

The broker highlights equity inflow in some sectors beat expectations, with Charter Hall a good example, raising $1.75bn (with more demand) when it was seeking $300m.

The broker updated the spread to bonds for Charter Hall Retail REIT to a modest +6bps expansion, compared with the +31bps widening previously assumed.

Rating upgraded to Outperform from Neutral. Target rises to $4.41 from $4.12 (was $3.91 on August 19).

**GPT GROUP ((GPT)) Outperform by Macquarie** .B/H/S: 3/2/0

GWSCF and GWOF are both unlisted wholesale property funds managed by GPT Group.

Macquarie reviewed the ASIC lodged accounts and constitution for both which provided details of the GWSCF revised fee structure and liquidity terms.

GWSCF adopts a tiered fee structure from January 2025 and plans to raise up to $500m equity, creating around $620m acquisition capacity at 30% gearing, highlights the broker.

The analyst warns GWOF's modernised terms risk GPT Group's earnings via lower fees and reduced gross asset value (GAV) from asset sales, assuming a -37.5bps fee cut from December 2026, and 30% GAV redemptions.

Macquarie cuts its target price to $5.67 from $5.77 on lower assumed funds multiples and retains an Outperform rating.

**PENINSULA ENERGY LIMITED ((PEN)) Upgrade to Buy, High Risk from Hold by Shaw and Partners** .B/H/S: 1/0/0

Peninsula Energy achieved first U308 production at the Lance Project and conducted a successful $70m equity raise.

Shaw and Partners believes the project is positioned to become the largest source of domestic uranium in the US and thus a highly strategic asset for nuclear fuel security.

The broker revised forecasts to factor in a production profile that increases sequentially but at the low end of the company's guidance to 2030.

Contract book forecasts were updated to incorporate expectations of a higher achieved price of around US$80/lb linked to the spot price. The net result, including the share dilution, was a higher target price of $1.33 from $1.00.

Rating upgraded to Buy, High Risk from Hold.

**SCENTRE GROUP ((SCG)) Upgrade to Neutral from Underperform by Macquarie** .B/H/S: 2/3/0

Macquarie has increased valuation and target price for the majority of its listed property sector coverage on stronger income fundamentals, together with improved access to and cost of capital.

Weighted average cap rate assumptions lowered by -25bps to -50bps across retail, office, and industrial, reflecting tighter spreads to bonds.

The broker notes commercial real estate transactions rose 19.1% y/y to $28.7bn in the year to June, with retail the standout, up 56% y/y.

The broker highlights equity inflow in some sectors beat expectations, with Charter Hall a good example, raising $1.75bn (with more demand) when it was seeking $300m.

The broker updated the spread to bonds for Scentre Group to -27bps compression, compared with the +23bps widening previously assumed.

Rating upgraded to Neutral from Underperform. Target rises to $4.15 from $3.51 (was $3.37 on August 27).

**VICINITY CENTRES ((VCX)) Upgrade to Neutral from Underperform by Macquarie** .B/H/S: 1/2/2

Macquarie has increased valuation and target price for the majority of its listed property sector coverage on stronger income fundamentals, together with improved access to and cost of capital.

Weighted average cap rate assumptions lowered by -25bps to -50bps across retail, office, and industrial, reflecting tighter spreads to bonds.

The broker notes commercial real estate transactions rose 19.1% y/y to $28.7bn in the year to June, with retail the standout, up 56% y/y.

The broker highlights equity inflow in some sectors beat expectations, with Charter Hall a good example, raising $1.75bn (with more demand) when it was seeking $300m.

The broker updated the spread to bonds for Vicinity Centres to a modest -13bps compression, compared with the +31bps widening previously assumed.

Rating upgraded to Neutral from Underperform. Target rises to $2.49 from $2.21.

# Downgrade

**CHARTER HALL LONG WALE REIT ((CLW)) Downgrade to Neutral from Buy by Citi** .B/H/S: 0/4/1

Citi sees limited near-term earnings growth for Charter Hall Long WALE REIT despite a strong share price rally. Operational earnings growth is expected to be around 3% over coming years as inflation returns to more normal levels.

Acquisitions have historically driven growth, notes the broker, but gearing has risen to around 40% following recent deals, above peers and near management's tolerance. It's felt this factor could restrict further acquisitions.

Some asset value upside is possible through cap rate compression, though the analysts believe progress will be slower than peers.

Macquarie raises its target price to $4.70 from $4.40 and downgrades to Neutral from Buy.

**MYER HOLDINGS LIMITED ((MYR)) Downgrade to Hold from Accumulate by Ord Minnett** .B/H/S: 1/1/0

Myer's FY25 profit of $36.8m was well below forecasts by Ord Minnett and consensus, with no final dividend as higher cost-of-doing-business (CODB) offset stronger 2H like-for-like sales.

Cost pressures have persisted into FY26, highlights the analyst, though early sales growth of 3.1% year-on-year was ahead of forecasts.

FY26 guidance for a 29-30% CODB margin signals to Ord Minnett further increases from the Apparel Brands integration and higher office spending.

The broker estimates -$15–20m in additional costs will be embedded, while distribution centre issues reduced FY25 earnings by -$16m.

Ord Minnett lowers its target price to 67c from 86c and downgrades to Hold from Accumulate.

**PILBARA MINERALS LIMITED ((PLS)) Downgrade to Sell from Neutral by UBS** .B/H/S: 3/2/2

UBS highlights its two-year bearish stance on the lithium sector, but supply disruptions from the Chinese lepidolite producers resulted in significant price upgrades recently.

A recovery is still expected, but the broker has shortened the length of producers' outages. This follows leads from the UBS China team about CATL Jianxiawo and seven other mines renewing their mining permits and restarting either Nov/Dec 2025 or March 2026.

The broker lowers spodumene price forecasts by -7% for 2025 to US$835/t and by -12% for 2026 to US$1,100/t.

Pilbara Minerals is downgraded to Sell from Neutral, following the 100% rise in the share price since the start of June. UBS cut its FY26 EPS estimates by -57% and FY27 by -9%.

Target falls to $2.25 from $2.30.

**PLATINUM ASSET MANAGEMENT LIMITED ((PTM)) Downgrade to Hold from Buy by Bell Potter** .B/H/S: 0/2/0

Bell Potter notes all major resolutions regarding Platinum Asset Management's merger with L1 Capital ((LSF)) were passed at the September 22 AGM, paving the way for the merger by month-end, forming L1 Group. The ASX code will be L1G.

The company made several announcements since July, with a key one being a significant client redemption of -$580m expected in October and November. FY25 result, published in late August, was in line with the broker's expectations.

The broker updated the model to incorporate FY25 results, disclosures and fund flow updates, resulting in a

10.5% increase to FY26 net profit forecast and a 5% increase to FY27.

Target rises to 70c from 60c. Rating downgraded to Hold from Buy.

**VAULT MINERALS LIMITED ((VAU)) Downgrade to Neutral from Buy by UBS** .B/H/S: 2/1/0

UBS lowers its target for Vault Minerals to 72c from 75c and downgrades to Neutral from Buy after three-year production guidance came in lower than the broker's expectation.

Consequently, the broker trims its FY26-28 production forecasts by an average of -7%.

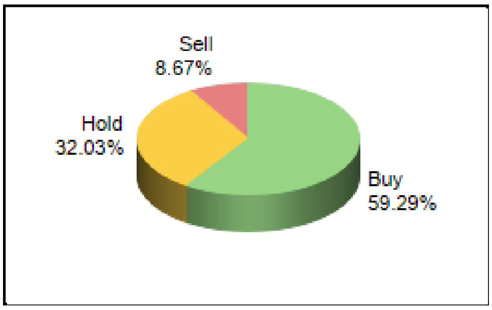
FY26 guidance of around 346koz is down from 385koz in FY25, impacted by Deflector's transition to owner mining, development at Spanish Galleon, and Leonora's plant expansion, explains the broker.

More positively, the analysts note FY28 includes 42koz from Sugar Zone on an earlier restart.

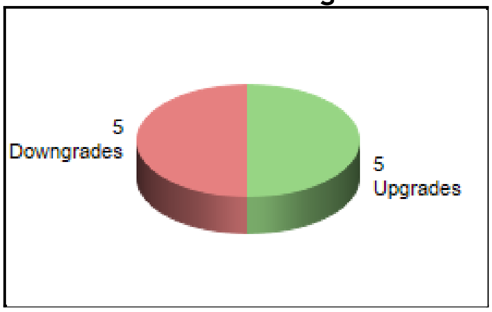
Cost (AISC) guidance proved resilient, according to UBS, at around -$2,900/oz despite weaker output, with Leonora at -$2,350/oz including inventory charges. FY26 capex of -$278m was only slightly above the UBS forecast.

Despite a strong balance sheet with $686m cash and bullion, recent share price strength and slower buy-back execution contribute to the broker's material downgrades to forecast earnings.

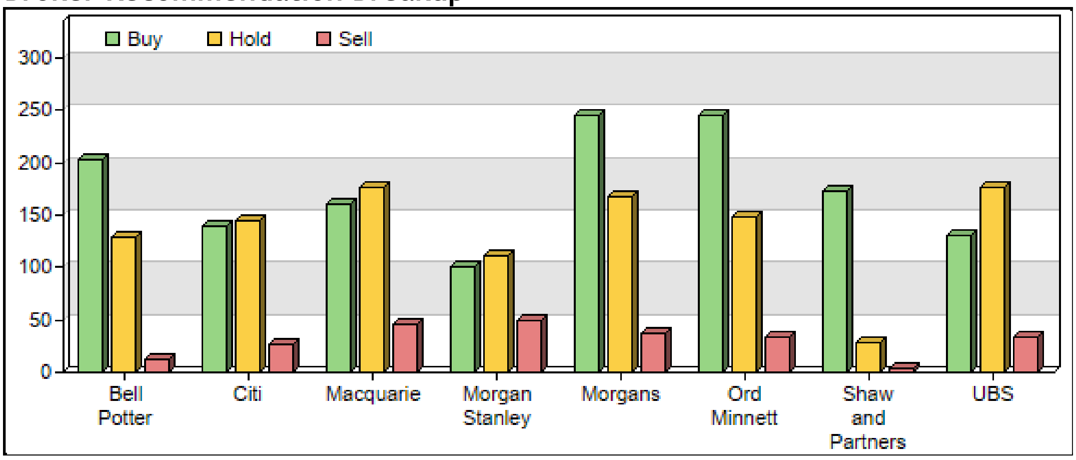
**Total Recommendations**




**Recommendation Changes**




**Broker Recommendation Breakup**




# Broker Rating

| Order | Company | New Rating | Old Rating | Broker |
|---|---|---|---|---|
| Upgrade | | | | |
| 1 | CHARTER HALL RETAIL REIT | Buy | Neutral | Macquarie |
| 2 | GPT GROUP | Buy | Buy | Macquarie |
| 3 | PENINSULA ENERGY LIMITED | Buy | Neutral | Shaw and Partners |
| 4 | SCENTRE GROUP | Neutral | Sell | Macquarie |
| 5 | VICINITY CENTRES | Neutral | Sell | Macquarie |
| Downgrade | | | | |
| 6 | CHARTER HALL LONG WALE REIT | Neutral | Buy | Citi |
| 7 | MYER HOLDINGS LIMITED | Neutral | Buy | Ord Minnett |
| 8 | PILBARA MINERALS LIMITED | Sell | Neutral | UBS |
| 9 | PLATINUM ASSET MANAGEMENT LIMITED | Neutral | Buy | Bell Potter |
| 10 | VAULT MINERALS LIMITED | Neutral | Buy | UBS |

# Target Price

### Positive Change Covered by at least 3 Brokers

| Order | Symbol | Company | New Target | Previous Target | Change | Recs |
|---|---|---|---|---|---|---|
| 1 | LTR | LIONTOWN RESOURCES LIMITED | 0.727 | 0.618 | 17.64% | 6 |
| 2 | PRU | PERSEUS MINING LIMITED | 4.475 | 4.200 | 6.55% | 4 |
| 3 | GOZ | GROWTHPOINT PROPERTIES AUSTRALIA | 2.563 | 2.427 | 5.60% | 3 |
| 4 | NEM | NEWMONT CORPORATION REGISTERED | 121.000 | 115.000 | 5.22% | 5 |
| 5 | GMD | GENESIS MINERALS LIMITED | 5.440 | 5.180 | 5.02% | 5 |
| 6 | RPL | REGAL PARTNERS LIMITED | 3.933 | 3.750 | 4.88% | 3 |
| 7 | LOV | LOVISA HOLDINGS LIMITED | 42.317 | 40.414 | 4.71% | 6 |
| 8 | EVN | EVOLUTION MINING LIMITED | 8.029 | 7.671 | 4.67% | 7 |
| 9 | BBN | BABY BUNTING GROUP LIMITED | 2.928 | 2.808 | 4.27% | 5 |
| 10 | CLW | CHARTER HALL LONG WALE REIT | 4.430 | 4.254 | 4.14% | 5 |

### Negative Change Covered by at least 3 Brokers

| Order | Symbol | Company | New Target | Previous Target | Change | Recs |
|---|---|---|---|---|---|---|
| 1 | STX | STRIKE ENERGY LIMITED | 0.187 | 0.217 | -13.82% | 3 |
| 2 | TLX | TELIX PHARMACEUTICALS LIMITED | 28.400 | 29.650 | -4.22% | 4 |
| 3 | HCW | HEALTHCO HEALTHCARE & WELLNESS REIT | 0.855 | 0.888 | -3.72% | 4 |
| 4 | STO | SANTOS LIMITED | 7.800 | 8.017 | -2.71% | 6 |
| 5 | WEB | WEB TRAVEL GROUP LIMITED | 5.827 | 5.984 | -2.62% | 7 |
| 6 | PWH | PWR HOLDINGS LIMITED | 8.050 | 8.225 | -2.13% | 3 |
| 7 | PMV | PREMIER INVESTMENTS LIMITED | 24.700 | 25.233 | -2.11% | 6 |
| 8 | VAU | VAULT MINERALS LIMITED | 0.640 | 0.650 | -1.54% | 3 |
| 9 | JHX | JAMES HARDIE INDUSTRIES PLC | 35.550 | 35.883 | -0.93% | 6 |
| 10 | GOR | GOLD ROAD RESOURCES LIMITED | 3.217 | 3.238 | -0.65% | 3 |

# Earnings Forecast

### Positive Change Covered by at least 3 Brokers

| Order | Symbol | Company | New EF | Previous EF | Change | Recs |
|---|---|---|---|---|---|---|
| 1 | AMI | AURELIA METALS LIMITED | 2.800 | 2.367 | 18.29% | 3 |
| 2 | PRU | PERSEUS MINING LIMITED | 40.148 | 36.353 | 10.44% | 4 |
| 3 | A1M | AIC MINES LIMITED | 3.200 | 2.967 | 7.85% | 3 |
| 4 | RRL | REGIS RESOURCES LIMITED | 60.050 | 56.083 | 7.07% | 7 |
| 5 | GMD | GENESIS MINERALS LIMITED | 37.360 | 35.220 | 6.08% | 5 |
| 6 | PMV | PREMIER INVESTMENTS LIMITED | 119.980 | 114.180 | 5.08% | 6 |
| 7 | NST | NORTHERN STAR RESOURCES LIMITED | 120.483 | 115.183 | 4.60% | 6 |
| 8 | EVN | EVOLUTION MINING LIMITED | 70.621 | 67.840 | 4.10% | 7 |
| 9 | DNL | DYNO NOBEL LIMITED | 18.425 | 17.825 | 3.37% | 5 |
| 10 | GOR | GOLD ROAD RESOURCES LIMITED | 28.750 | 27.967 | 2.80% | 3 |

### Negative Change Covered by at least 3 Brokers

| Order | Symbol | Company | New EF | Previous EF | Change | Recs |
|---|---|---|---|---|---|---|
| 1 | IGO | IGO LIMITED | -0.825 | 1.175 | -170.21% | 5 |
| 2 | TLX | TELIX PHARMACEUTICALS LIMITED | -2.899 | 7.481 | -138.75% | 4 |
| 3 | PMT | PMET RESOURCES INC | -21.819 | -9.288 | -134.92% | 5 |
| 4 | LTR | LIONTOWN RESOURCES LIMITED | -4.300 | -2.250 | -91.11% | 6 |
| 5 | VAU | VAULT MINERALS LIMITED | 3.267 | 4.733 | -30.97% | 3 |
| 6 | SDR | SITEMINDER LIMITED | -0.567 | -0.450 | -26.00% | 6 |
| 7 | HCW | HEALTHCO HEALTHCARE & WELLNESS REIT | 7.735 | 8.850 | -12.60% | 4 |
| 8 | MIN | MINERAL RESOURCES LIMITED | 119.500 | 129.250 | -7.54% | 6 |
| 9 | NAN | NANOSONICS LIMITED | 6.750 | 7.200 | -6.25% | 3 |
| 10 | AEL | AMPLITUDE ENERGY LIMITED | 1.767 | 1.833 | -3.60% | 4 |

**Technical limitations**

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WEEKLY REPORTS

# Uranium Week: Sprott Spurs Spot Price Glow

The U308 spot price surged on robust buying from Sprott and London-listed Yellow Cake with volumes hitting a two-year high.

**-Uranium's price rally underpinned by soaring demand and supply supply challenges**
**-Nuclear ambitions collide with U308 mining realities**
**-Sprott stirs the market while utilities continue to hold back**
**-ASX short interests back off for now**

By Danielle Ecuyer

## Canaccord Genuity ponders the looming supply shortage

While news and updates from Australia's uranium companies has been light on, the same cannot be said for the U3O8 spot and term markets, continuing the **"turbulent"** trend in 2025 in markets, Canaccord Genuity reports.

The first part of 2025 saw a considerable sell-off in uranium equities irrespective of fundamentals. Over the last few months, on average stocks under the broker's uranium equity coverage have appreciated 70%-80% from April 1 lows.

As a group the uranium sector is averaging around a 35% return on the prior year.

In its latest update on the outlook for uranium, the broker broaches the structural issues facing the market, described as a **"tug-of-war"** scenario between demand and supply dynamics.

Canaccord's long-term U3O8 price target remains unchanged at US$90/lb but the near to medium-term dynamics see a shifting landscape of rising demand pitted against the challenges of bringing supply on stream.

As FNArena wrote a few weeks ago, the launch of the 2025 WNA Fuel Report offered upgraded forecasts for global nuclear capacity post the 2023 report.
((https://fnarena.com/index.php/2025/09/09/uranium-week-tripling-nuclear-capacity-by-2050/).

The Executive Plenary Program opened with the WNA Director General, Dr Sama Bilbao y Leon, requesting "bold, visionary leadership" for the nuclear sector.

**"Tripling capacity by 2050 is ambitious, but as many noted, it is the bare minimum required"**… she went on to point out a previous statement from the International Energy Agency that global data centre electricity consumption could reach around 945 TWh by 2030, which is roughly equivalent to Japan's current electricity consumption.

Canaccord also emphasises the altered macro backdrop for uranium as the travails of the past thirty years of regulatory headwinds, shutdowns and suspended capacity for the nuclear industry have given way to multiple tailwinds.

The outlook is being driven by a suite of factors including energy security, post Russia's invasion of Ukraine, to the need for robust zero-emission energy production, as well as burgeoning demand for energy from AI and cloud infrastructure.

The latter is directing policies in the US, China, India and other countries to new builds, deregulation of development bottlenecks, as well as existing plant extensions and restarts.

Although Canaccord expects some delays to the expected connections to the grid in the near term, demand is nevertheless forecast to grow at a compound average rate of 4% to 2030 and 2035.

Under the WNA outlook, projected nuclear capacity of 746GW by 2040 equals annual U3O8 demand of 391mlb, compared to demand in 2025 of 179mlb.

Arguably, Canaccord's question *"Where are we going to find over 300mlbs of incremental supply per year, in just 15 years?"* , rings true at face value, assuming the demand and supply assumptions hold.

# Bringing supply on stream ain't so easy

As Australian investors have discovered much to their chagrin, uranium mining is far from easy, even for larger, established producers like Canada's Cameco and Kazakhstan's Kazatomprom.

Over the last year, **Paladin Energy** ((PDN)) was hit with water issues and inventory problems in the scale up of its restarted Langer Heinrich mine

**Boss Energy's** ((BOE)) shock announcement on the nameplate capacity and mine life of restarted Honeymoon was a more recent 'nasty' event for shareholders.

Canaccord stresses the last year has seen a suite of downgrades across new operators and incumbents relating to supply of U3O8.

Cameco recently downgraded McArthur River production guidance by around -19% for 2025. Kazatomprom's reduction in subsoil use agreement (SUA) has created concerns over its 2026 volumes. The latter also highlighted the current long-term price at US$80/lb is insufficient to return production to 100% levels.

In other supply setbacks, Uranium Energy has lowered its 2025-2027 production forecasts for its Wyoming hub and spoke operations; **Deep Yellow** ((DYL)) has deferred first production at Tumas to 2028 from 2027 with final investment decision subject to higher uranium prices.

**Bannerman Energy's** ((BMN)) first production has also been put on hold until 2029 from 2028 earlier, with the final investment decision subject to (higher) uranium prices.

Orano has suspended production at its Somair uranium mine in Niger as the company lost control of the mine to the local junta. Global Atomic has pushed back first production to 2028 from 2027 due to problems with project financing.

As stressed by Canaccord, uranium mining isn't easy and inflation on mining costs has also impacted the financial metrics for new capacity, creating a 'chicken and egg' situation, the author posits.

The analyst describes the situation as a **"tug-of-war"** of utilities versus miners on price. The term price has remained steady at around US$80/lb over the last 15 months and reported contract volumes have remained low at under 42.5mlbs versus 116mlbs in 2024, even when considering under-reporting from utilities.

A structural deficit is estimated between demand and available supply of -10mlbs in 2025, -17mlb in 2026 and -16mlb in 2027 with a return to market equilibrium dependent on new supply and large greenfield projects coming on stream from the likes of NexGen Energy ((NXG)) which could still encounter permitting, financing and construction hurdles.

Canaccord Genuity's preferred uranium stocks are **Silex Systems** ((SLX)), Speculative Buy rated with a $6.90 target, and NexGen Energy, Speculative Buy rated with a CA$16 target, up from CA$15.

The target price of Deep Yellow was also raised to $1.98 from $1.61 on changes in modeling and valuation rolled forward by six months. This stock retains a Speculative Buy rating.

# Sprott Uranium Trust raises even more funds to purchase U308

With such challenging demand and supply dynamics, the Sprott Physical Uranium Trust (SPUT) has capitalised on the positive macro backdrop and raised another US$242m since September 15, with almost half of the circa US$525m raised in 2025 achieved in the last month.

As noted by Canaccord, SPUT was trading at a 4% premium on September 22, and at its highest level since February 2022, a far cry from hedge fund narrative earlier this year that the Trust was going to be forced to sell U3O8 to cover its annual operating costs of circa US$40m.

Industry consultants TradeTech pointed to a US$5/lb rise in the spot price last week to US$82.75/lb, boosted by demand pressures on both volumes and price from Sprott, as well as from other industry participants.

Since early August, the spot price indicator has risen 1.7% eight of the last nine weeks, pushing the price up by 8.9% year-to-date in 2025 and by 0.9% on a year ago.

The Trust has acquired over 3mlbs since September 15 and still holds US$56.5m in cash with over 72mlbs of U3O8.

London-listed **Yellow Cake plc** raised around $125m to purchase 1.33mlbs of U3O8 using its purchase option for 2025 under the agreement with uranium producer Kazatomprom at a price of US$78.08/lb.

Transactions in the spot market came in at twenty-four with TradeTech reporting 4.7mlbs trading hands in the spot market over September, which is the **highest monthly volume in over two years**.

Thursday last week was the most active day with 1.1mlbs of U3O8 changing hands. While Sprott was a major buyer, seven other parties were iequally active n the spot market.

In the term market, utilities moved forward with informal Requests for Proposals with two transactions taking place. Offers are due, the industry consultants note, in coming days to several non-US utilities with one seeking uranium containing UF6 or enriched product over 2026-2029.

Other utilities are considering off-market offers with one utility agreeing to an 800klbs commitment over 2026-2029.

The TradeTech Mid-term price indicator stands at US$80/lb and the Long-term price indicator at US$82/lb.

# Some large moves in short interests

As of September 23, there were some sizable downward moves on a weekly basis for short interests in Boss and Paladin Energy.

Boss has moved to second most highly shorted stock on the ASX200 at 17.67%, down -2.25% while Paladin has slipped to sixth from third position a week earlier, down -5.22%.

Silex is sitting in fifteenth position at 8.49% from 8.66% and Deep Yellow at nineteenth at 7.25% from 7.6%.

# For more reading on uranium, check out the lasts from FNArena

-https://fnarena.com/index.php/2025/09/23/uranium-week-bulls-run-on-good-news/

-https://fnarena.com/index.php/2025/09/16/uranium-week-buyers-strike-pre-major-deals/

-https://fnarena.com/index.php/2025/08/26/uranium-week-kazatomprom-sparks-a-rally/

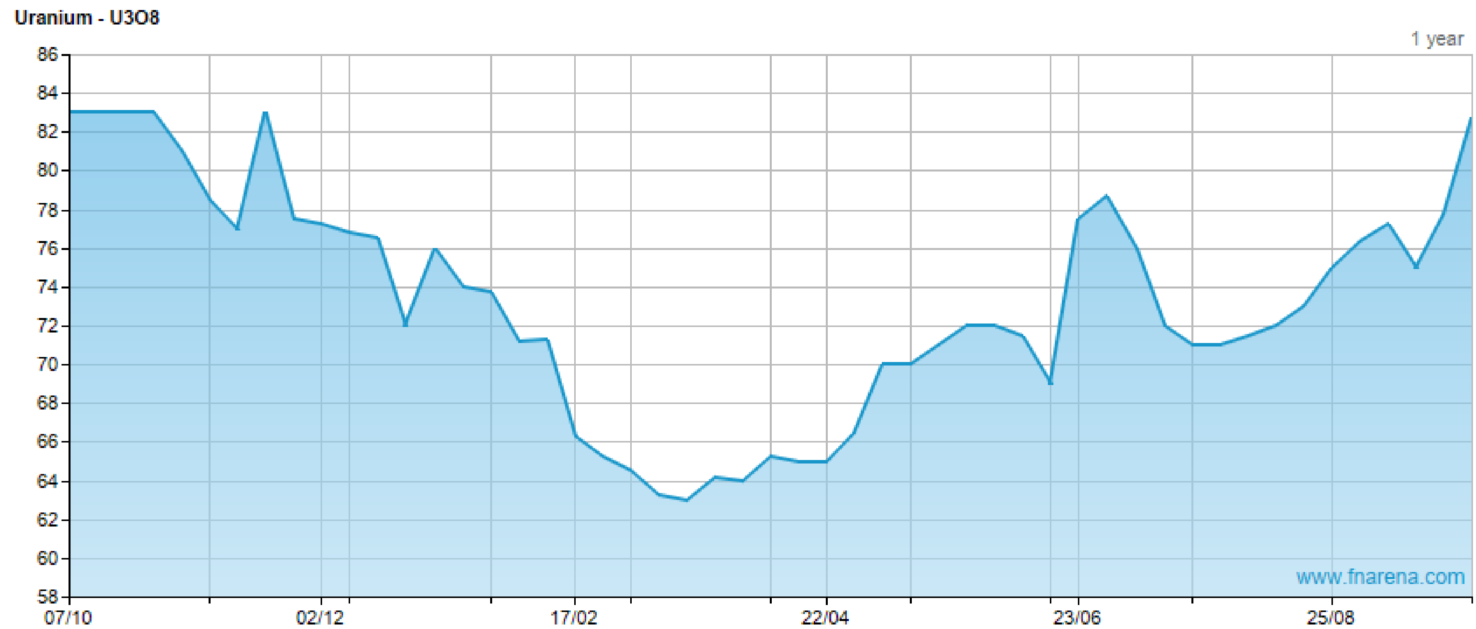
-https://fnarena.com/index.php/2025/08/05/uranium-week-supply-challenges-are-mounting/

-https://fnarena.com/index.php/2025/07/22/uranium-week-utilities-swing-into-gear/

# Uranium companies listed on the ASX:

| ASX CODE | DATE | LAST PRICE | WEEKLY % MOVE | 52WK HIGH | 52WK LOW | P/E | CONSENSUS TARGET | UPSIDE/DOWNSIDE |
|---|---|---|---|---|---|---|---|---|
| 1AE | 26/09/2025 | 0.1100 | ▲28.57% | $0.11 | $0.03 | | | |
| AEE | 26/09/2025 | 0.2800 | ▲ 3.85% | $0.28 | $0.10 | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| AGE | 26/09/2025 | 0.0300 | ▲ 3.70% | $0.05 | $0.02 | | $0.070 | ▲133.3% |
| AKN | 26/09/2025 | 0.0100 | 0.00% | $0.01 | $0.01 | | | |
| ASN | 26/09/2025 | 0.0900 | ▲10.39% | $0.13 | $0.04 | | | |
| BKY | 26/09/2025 | 0.5500 | ▲ 3.51% | $0.67 | $0.31 | | | |
| BMN | 26/09/2025 | 3.7400 | ▲ 2.72% | $3.91 | $1.76 | | $4.700 | ▲25.7% |
| BOE | 26/09/2025 | 2.0600 | ▲ 3.92% | $4.75 | $1.57 | 11.1 | $2.343 | ▲13.7% |
| BSN | 26/09/2025 | 0.0600 | ▲47.62% | $0.08 | $0.01 | | | |
| C29 | 26/09/2025 | 0.0240 | ▲ 4.35% | $0.13 | $0.01 | | | |
| CXO | 26/09/2025 | 0.1100 | ▲15.00% | $0.14 | $0.06 | | $0.110 | |
| CXU | 26/09/2025 | 0.0200 | 0.00% | $0.02 | $0.01 | | | |
| DEV | 26/09/2025 | 0.1400 | ▲47.62% | $0.18 | $0.07 | | | |
| DYL | 26/09/2025 | 1.9600 | ▼- 1.73% | $2.11 | $0.75 | -386.0 | $1.940 | ▼- 1.0% |
| EL8 | 26/09/2025 | 0.4100 | ▲17.65% | $0.43 | $0.19 | | | |
| ERA | 26/09/2025 | 0.0020 | 0.00% | $0.01 | $0.00 | | | |
| GLA | 26/09/2025 | 0.0300 | 0.00% | $0.04 | $0.01 | | | |
| GTR | 26/09/2025 | 0.1300 | 0.00% | $0.13 | $0.00 | | | |
| GUE | 26/09/2025 | 0.0700 | 0.00% | $0.10 | $0.05 | | | |
| HAR | 26/09/2025 | 0.1100 | ▲ 4.76% | $0.13 | $0.04 | | | |
| I88 | 26/09/2025 | 0.2600 | ▲16.67% | $0.72 | $0.08 | | | |
| KOB | 26/09/2025 | 0.0700 | ▲20.00% | $0.14 | $0.03 | | | |
| LAM | 26/09/2025 | 0.7200 | ▲ 2.11% | $0.90 | $0.55 | | | |
| LOT | 26/09/2025 | 0.2300 | 0.00% | $0.32 | $0.13 | | $0.295 | ▲28.3% |
| MEU | 26/09/2025 | 0.0500 | ▼- 5.36% | $0.06 | $0.03 | | | |
| NXG | 26/09/2025 | 13.9300 | ▲ 3.47% | $14.00 | $6.44 | | $12.925 | ▼- 7.2% |
| ORP | 26/09/2025 | 0.0400 | 0.00% | $0.05 | $0.02 | | | |
| PDN | 26/09/2025 | 8.3000 | ▼- 0.12% | $13.27 | $3.93 | 63.5 | $8.671 | ▲4.5% |
| PEN | 26/09/2025 | 0.5700 | ▲18.89% | $2.20 | $0.28 | | $1.330 | ▲133.3% |
| SLX | 26/09/2025 | 6.4600 | ▲ 8.99% | $6.62 | $2.28 | | $6.500 | ▲0.6% |
| TOE | 26/09/2025 | 0.3400 | ▲37.78% | $0.36 | $0.15 | | | |
| WCN | 26/09/2025 | 0.0200 | ▼- 4.17% | $0.04 | $0.01 | | | |

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WEEKLY REPORTS

# The Short Report - 02 Oct 2025

FNArena's weekly update on short positions in the Australian share market.

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

**Summary:**

Week Ending September 25th, 2025 (most recent data available through ASIC).

**10%+**

| | |
|---|---|
| PLS | 17.93% |
| BOE | 16.63% |
| IEL | 13.11% |
| GYG | 11.57% |
| DMP | 11.40% |
| PDN | 11.38% |
| ILU | 10.84% |
| PWH | 10.41% |
| MIN | 10.40% |

Out: PNV

**9.0-9.9%**

| | |
|---|---|
| FLT | 9.94% |
| PNV | 9.89% |
| CTD | 9.81% |
| CUV | 9.25% |

In: PNV, CUV
Out: LIC

**8.0-8.9%**

| | |
|---|---|
| VUL | 8.62% |
| SLX | 8.54% |
| NAN | 8.47% |
| TLX | 8.04% |

In: VUL, TLX
Out: CU6

**7.0-7.9%**

| | |
|---|---|
| LIC | 7.86% |
| DYL | 7.37% |
| DGT | 7.36% |

In: LIC, DGT

**6.0-6.9%**

MSB 6.63%
BRG 6.43%
CU6 6.30%
KAR 6.29%
NXT 6.01%
IPX 6.01%

In: CU6, IPX
Out: CTT, CUV, MVF, LTR, TLX, VUL

**5.0-5.9%**

RIO 5.98%
CIA 5.77%
IPH 5.69%
DRO 5.67%
ARB 5.57%
GMD 5.29%
LOT 5.22%
TWE 5.21%
NEU 5.18%
NCK 5.11%

In: DRO, TWE, NCK
Out: SGR, BGL, DGT

**ASX20 Short Positions (%)**

| Code | Last Week | Week Before | Code | Last Week | Week Before |
|---|---|---|---|---|---|
| ALL | 0.4 | 0.4 | NAB | 0.7 | 0.7 |
| ANZ | 0.6 | 0.6 | QBE | 0.3 | 0.3 |
| BHP | 1.0 | 1.0 | RIO | 6.0 | 5.7 |
| BXB | 0.5 | 0.7 | STO | 0.4 | 0.2 |
| CBA | 0.7 | 0.7 | TCL | 0.2 | 0.4 |
| COL | 0.3 | 0.3 | TLS | 0.4 | 0.4 |
| CSL | 0.3 | 0.3 | WBC | 0.6 | 0.7 |
| FMG | 1.8 | 2.0 | WDS | 3.2 | 3.3 |
| GMG | 0.5 | 0.6 | WES | 0.4 | 0.5 |
| MQG | 0.6 | 0.6 | WOW | 1.2 | 1.3 |

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

**Guide:**

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

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

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

***IMPORTANT INFORMATION ABOUT THIS REPORT***

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

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

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

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

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

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

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

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

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WEEKLY REPORTS

# In Brief: Kingsgate, Electro Optics & Bhagwan Marine

This week's In Brief focuses on three stocks across three hot sectors; gold mining, defence, and contracting.

**-Gold revival drives Kingsgate's turnaround as Chatree mine ramps up**
**-Defence stock Electro Optics rides momentum on contract pipeline and laser weapon prospects**
**-Tight vessel markets boost outlook for Bhagwan Marine**

By Danielle Ecuyer

This week's quote comes from the RBA's Financial Stability Assessment.

*"The international outlook remains clouded in uncertainty, including in relation to fiscal sustainability concerns in some advanced economies and the possible lagged effects of tariff increases on prices and activity in the United States.*

*The risk of regulatory fragmentation across the international financial system has also increased, as jurisdictions pursue diverging priorities, including in banking and digital assets regulation.*

*"These uncertainties add to the growing risks to the financial system stemming from cyber and operational incidents."*

## Thailand's only gold mine is firing on all cylinders

With precious metals flavour of the month, or should that be the year, Moelis' latest initiation is on **Kingsgate Consolidated** ((KCN)), which operates Thailand's only gold mine, Chatree Gold, around 280km north of Bangkok.

The gold producer is capitalised at around $987m.

Under what the analyst postures as a de-facto nationalisation, the Thai Government shut down the mine in 2016 citing emergency powers over environmental concerns.

Kingsgate's management placed the mine into years of care and maintenance and ultimately, through international legal arbitration, reached a settlement in 2022, returning the miner full rights to Chatree.

Under care and maintenance, the mine produced 1.8moz of gold and 10moz of silver. Post the reinstatement, major refurbishment of the processing plant and fleet upgrades, Kingsgate restarted mining in mid-2024.

The mine has processing capacity of over 5mtpa with a significant landholding to potentially extend the mine life.

Production for FY25 came in at around 75koz gold and over 600koz of silver, with FY26 guidance at 85-95koz gold or 93-103koz AuEq. The analyst flags this is expected to lift with management's outlook at 95-120koz gold production between FY26 and FY28.

The site has two parallel plants originally developed for nameplate capacity of around 5mtpa. The plants have been refurbished, and processing recoveries have averaged around 82% for gold and 58% for silver since the restart.

Throughput has already come in above nameplate at 5.4mt for FY25. Exit rates for 4Q25 inferred annualised capacity of around 5.7mtpa. Power is sourced from the national grid with a substation some 2km away from the site.

Kingsgate also holds the Nueva Esperanza project in Chile, which remains at pre-feasibility stage and offers long-term optionality to develop a “silver-rich” mining operation.

Moelis forecasts free cash flow of $135m/$166m in FY26/FY27, respectively, which equates to a free cash flow yield of 15%-18%.

The balance sheet has been re-structured positively via recent equity raisings and debt financing with net debt of $40m and cash of $24m.

An on-market buyback has already started which, in the analyst’s opinion, offsets returns to potentially balance any geopolitical risks, either real or perceived.

The stock is Buy rated with a $4.40 target price and assumes a peak in the gold price of US$3,282/oz in mid-2026 before moving back to a long-term price of US$2,598 by September 2029.

In terms of sensitivity, Moelis points to a valuation of around $6.15, suggesting some 79% upside, if the spot gold price were to remain around current levels in perpetuity.

# Contracts deferred and not denied is a win

Gold is not the only sector to have been in the momentum box of late, with share prices of Australian defense stocks like Electro Optic Systems ((EOS)) and Droneshield ((DRO)) equally on a tear.

Electro Optic recently rebased its 2025 revenue outlook to $115-$125m, a downgrade of -24% on the delay in specific “advanced opportunities". Canaccord Genuity clarified this implies second half 2025 revenue of $76m versus the analyst’s forecast/consensus at $114m/$116m, respectively, at the midpoint.

Around 50% of the forecast 2H2025 revenue is underwritten by the existing $299m order backlog, which stood at $307m as at Aug 22.

The deferred contracts are now expected to be signed either in 4Q2025 or 1Q2026/1H2026, and assuming all three are brought over the line, the order backlog would rise to around $420m for FY26.

The three cited are the Land 400 phase 3 remote weapons system (RWS) contract, around a $100m opportunity; a new RWS for a European customer at circa $20m; and a vehicle-mounted R400 ‘Slinger’ counter-drone system for a North American customer worth over $50m.

Canaccord anticipates circa 50% of the backlog to be delivered in FY26, at an estimated $188m of revenue, or an upgrade of around 12%.

Post the first order from a NATO member for a 100kw ‘Apollo’ high-energy laser weapon (HELW) last month at $125m (EUR71m), there have been no new announcements.

Management contends it has 50% of this emerging market up for grabs, and Canaccord believes its competitive advantage exists in intellectual property and expertise along the HELW production chain, including independent manufacturing in the company’s laser facility to work around import restrictions.

Market expectations are pitched high for HELW’s growth, and the broker sees a near-term catalyst as a second HELW contract to be achieved in 2026 for between $50-$100m.

Canaccord has raised its target price to $10 from $5.45 and downgraded to a Speculative Buy from Buy rating.

FNArena recently published a technical update on the stock:

https://fnarena.com/index.php/2025/09/23/electric-optic-systems-poised-for-a-breakout/

# A small cap marine contractor

Bhagwan Marine ((BWN)) is an Australian marine services company operating a diverse fleet across offshore, subsea, port, and civil sectors. It listed on the ASX on July 30, 2024 at an offer price of 63c and is currently capitalised at around $153m.

Post management's update on the FY26 outlook, Petra Capital has lifted its growth expectations due to an improved outlook for Australian vessel demand and supply, and the company's ability to maximise earnings from growing the business size either vertically or horizontally across geographies.

The analyst notes vessel supply is forecast to remain "tight" over the next three-to-four years. Any upward rise in demand and upward pressure on utilisation rates and vessel day rates is a positive for Bhagwan.

Currently its core markets are operating under peak levels, underpinned by a stable outlook across energy and port services and expectations of an improving trend for defense, decommissioning, and civil.

Looking ahead to 1H26, the analyst points to pipeline conversions and long-term contract award for Coral Knight at over 20% return on capital employed.

There is also scope for M&A activity into new geographies, including Sydney, or new markets.

Canaccord lifts its EPS forecasts by 0.1% for FY26, and by 2.5% for FY27 and FY28.

The stock is Buy rated with a 61c target price.

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WEEKLY REPORTS

# In Case You Missed It - BC Extra Upgrades & Downgrades - 03-10-25

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

## Broker Rating Changes (Post Thursday Last Week)

**Downgrade**

**EVOLUTION MINING LIMITED ((EVN)) Downgrade to Hold from Buy by Canaccord Genuity**.B/H/S: 0/0/0

Canaccord Genuity has updated its long-term (from 2029) gold price forecast by 8.2% to US$4,173/oz, and the medium-term 2026/27/28 by 8.9%/8.5%/8.2%, respectively, in line with the forward curve.

For silver, the broker lifted the long-term price forecast by 14.5% to US$47.8/oz while long-term forex forecasts were left unchanged.

This has resulted in an average 13% rise in the broker's target price for senior producers, 12% for intermediate/junior producers, and 12% for explorers/developers.

Ahead of the September quarterly, the broker expects Evolution Mining's production at 178koz, -3% below consensus. Cost forecast of $1,663/oz is -8% below consensus.

Rating downgraded to Hold from Buy. Target rises to $9.50 from $8.50.

| Order | Company | New Rating | Old Rating | Broker |
|---|---|---|---|---|
| Downgrade | | | | |
| 1 | EVOLUTION MINING LIMITED | Neutral | Buy | Canaccord Genuity |

## Price Target Changes (Post Thursday Last Week)

| | Company | Last Price | Broker | New Target | Old Target | Change |
|---|---|---|---|---|---|---|
| AAR | Astral Resources | $0.25 | Canaccord Genuity | 0.73 | 0.64 | 14.06% |
| AEL | Amplitude Energy | $0.24 | Jarden | 0.28 | 0.29 | -3.45% |
| ASB | Austal | $8.03 | Petra Capital | 7.07 | 6.67 | 6.00% |
| ASL | Andean Silver | $2.10 | Canaccord Genuity | 3.80 | 3.45 | 10.14% |
| AUC | Ausgold | $1.01 | Canaccord Genuity | 2.05 | 1.80 | 13.89% |
| AZY | Antipa Minerals | $0.66 | Canaccord Genuity | 1.25 | 1.10 | 13.64% |
| BGL | Bellevue Gold | $1.21 | Canaccord Genuity | 1.75 | 1.65 | 6.06% |
| BTR | Brightstar Resources | $0.54 | Canaccord Genuity | 2.10 | 1.75 | 20.00% |
| CMM | Capricorn Metals | $13.54 | Canaccord Genuity | 13.55 | 12.15 | 11.52% |
| CYL | Catalyst Metals | $8.36 | Canaccord Genuity | 11.80 | 10.45 | 12.92% |
| EMR | Emerald Resources | $5.21 | Canaccord Genuity | 6.00 | 5.50 | 9.09% |
| EVN | Evolution Mining | $11.15 | Canaccord Genuity | 9.50 | 8.50 | 11.76% |

| | | | | | | |
|---|---|---|---|---|---|---|
| GBZ | GBM Resources | $0.07 | Canaccord Genuity | 0.09 | 0.08 | 12.50% |
| GMD | Genesis Minerals | $6.14 | Canaccord Genuity | 6.15 | 5.55 | 10.81% |
| GOR | Gold Road Resources | $3.48 | Canaccord Genuity | N/A | 3.40 | -100.00% |
| KCN | Kingsgate Consolidated | $3.83 | Canaccord Genuity | 6.15 | 4.95 | 24.24% |
| KMD | KMD Brands | $0.25 | Canaccord Genuity | 0.25 | 0.27 | -7.41% |
| LTR | Liontown Resources | $0.97 | Canaccord Genuity | 0.85 | 0.80 | 6.25% |
| MM8 | Medallion Metal | $0.54 | Canaccord Genuity | 0.85 | 0.80 | 6.25% |
| MYR | Myer | $0.48 | Canaccord Genuity | 0.79 | 1.05 | -24.76% |
| NST | Northern Star Resources | $24.83 | Canaccord Genuity | 27.90 | 24.40 | 14.34% |
| OBM | Ora Banda Mining | $1.29 | Canaccord Genuity | 1.30 | 1.20 | 8.33% |
| PDI | Predictive Discovery | $0.45 | Canaccord Genuity | 0.74 | 0.56 | 32.14% |
| PMV | Premier Investments | $19.49 | Jarden | 21.30 | 21.70 | -1.84% |
| | | | Petra Capital | 21.25 | 22.90 | -7.21% |
| PNR | Pantoro Gold | $6.16 | Canaccord Genuity | 6.30 | 5.45 | 15.60% |
| PRU | Perseus Mining | $4.94 | Canaccord Genuity | 6.40 | 5.80 | 10.34% |
| RMS | Ramelius Resources | $4.06 | Canaccord Genuity | 4.40 | 3.85 | 14.29% |
| RRL | Regis Resources | $5.96 | Canaccord Genuity | 5.45 | 4.25 | 28.24% |
| RSG | Resolute Mining | $1.08 | Canaccord Genuity | 1.85 | 1.60 | 15.63% |
| RXL | Rox Resources | $0.53 | Canaccord Genuity | 0.80 | 0.70 | 14.29% |
| RXR | Robex Resources | $4.23 | Canaccord Genuity | 6.15 | 5.70 | 7.89% |
| SMI | Santana Minerals | $0.80 | Canaccord Genuity | 1.85 | 1.60 | 15.63% |
| STK | Strickland Metals | $0.16 | Canaccord Genuity | 0.50 | 0.43 | 16.28% |
| TCG | Turaco Gold | $0.45 | Canaccord Genuity | 1.15 | 1.10 | 4.55% |
| TRE | Toubani Resources | $0.41 | Canaccord Genuity | 1.50 | 1.25 | 20.00% |
| TTM | Titan Minerals | $0.45 | Canaccord Genuity | 1.55 | 1.45 | 6.90% |
| VAU | Vault Minerals | $0.69 | Canaccord Genuity | 0.83 | 0.75 | 10.67% |
| WAF | West African Resources | $3.04 | Canaccord Genuity | N/A | 5.00 | -100.00% |
| WGX | Westgold Resources | $5.37 | Canaccord Genuity | 5.95 | 5.10 | 16.67% |
| Company | | Last Price | Broker | New Target | Old Target | Change |

# More Highlights

# AR9    ARCHTIS LIMITED

**Software & Services – Overnight Price: $0.14**

Canaccord Genuity rates ((AR9)) as Buy (1) –

FY25 results for archTIS were in line with Canaccord Genuity's expectations, with annual recurring revenue (ARR) up 17% year-on-year to $5m. Earnings (EBITDA) of -$0.4m were supported by higher gross margin and lower operating costs, explain the analysts.

Management announced the acquisition of US-based Spirion for -US$10.1m, adding US$11m ARR and over 150 enterprise customers, which the broker views as transformational for US expansion.

Canaccord highlights upside from the recently secured US Department of Defense contract, with potential expansion of up to 150,000 users in the near term, up from from 1,000, and possibly 4m in the longer term.

The broker retains a Buy rating and 35c target price.

This report was published on September 26, 2025.

Target price is **$0.35** Current Price is **$0.14** Difference: **$0.205**
If **AR9** meets the Canaccord Genuity target it will return approximately **141%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

**Forecast for FY26:**

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 1.50** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 9.67**.

**Forecast for FY27:**

> Canaccord Genuity forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 0.80** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 18.13**.

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

# BGL BELLEVUE GOLD LIMITED

**Gold & Silver - Overnight Price: $1.07**

Canaccord Genuity rates ((BGL)) as Speculative Buy (1) -

Canaccord Genuity has updated its long-term (from 2029) gold price forecast by 8.2% to US$4,173/oz, and the medium-term 2026/27/28 by 8.9%/8.5%/8.2%, respectively, in line with the forward curve.

For silver, the broker lifted the long-term price forecast by 14.5% to US$47.8/oz while long-term forex forecasts were left unchanged.

This has resulted in an average 13% rise in the broker's target price for senior producers, 12% for intermediate/junior producers, and 12% for explorers/developers.

For the September quarter, the broker forecasts Bellevue Gold's production to be -25% lower vs the June quarter and in line with the consensus. Cost forecast of $3,102/oz is -4% below consensus.

Speculatie Buy. Target rises to $1.75 from $1.65.

This report was published on September 26, 2025.

Target price is **$1.75** Current Price is **$1.07** Difference: **$0.675**
If **BGL** meets the Canaccord Genuity target it will return approximately **63%** (excluding dividends, fees and charges).
Current consensus price target is **$1.15**, suggesting upside of **4.5%**(ex-dividends)
The company's fiscal year ends in June.

**Forecast for FY26:**

> Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **9.00** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **11.94**.
>
> How do these forecasts compare to market consensus projections?
>
> Current consensus EPS estimate is **10.8**, 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 **10.2**.

**Forecast for FY27:**

> Canaccord Genuity forecasts a full year **FY27** dividend of **0.00** cents and EPS of **14.00** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **7.68**.
>
> How do these forecasts compare to market consensus projections?
>
> Current consensus EPS estimate is **5.8**, implying annual growth of **-46.3%**.
> Current consensus DPS estimate is **2.0**, implying a prospective dividend yield of **1.8%**.
> Current consensus EPS estimate suggests the PER is **19.0**.

Market Sentiment: **0.5**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# CUV CLINUVEL PHARMACEUTICALS LIMITED

**Pharmaceuticals & Biotech/Lifesciences – Overnight Price: $11.30**

Wilsons rates ((CUV)) as Overweight (1) –

Clinuvel Pharmaceuticals has gained European Medicines Agency approval to expand Scenesse dosing for erythropoietic protoporphyria to six implants per year, aligning practice with the US, notes Wilsons.

The decision is supported by long-term clinical and real-world safety data, which the broker regards as a key defensive asset for the franchise.

The commercial impact will be modest, expect the analysts, with potential for around 12% uplift to forecasts if utilisation matches US levels, though benefits are likely to take years as payer and prescribing habits evolve.

Wilsons makes no forecast changes and maintains an Overweight rating with a $32.84 target price.

This report was published on September 24, 2025.

Target price is **$32.84** Current Price is **$11.30** Difference: **$21.54**
If **CUV** meets the Wilsons target it will return approximately **191%** (excluding dividends, fees and charges).
Current consensus price target is **$18.53**, suggesting upside of **59.9%**(ex-dividends)
The company's fiscal year ends in June.

**Forecast for FY26:**

Wilsons forecasts a full year **FY26** dividend of **7.00** cents and EPS of **82.10** cents.
At the last closing share price the estimated dividend yield is **0.62%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **13.76**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **69.8**, implying annual growth of **-3.4%**.
Current consensus DPS estimate is **5.5**, implying a prospective dividend yield of **0.5%**.
Current consensus EPS estimate suggests the PER is **16.6**.

**Forecast for FY27:**

Wilsons forecasts a full year **FY27** dividend of **17.60** cents and EPS of **92.60** cents.
At the last closing share price the estimated dividend yield is **1.56%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **12.20**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **69.5**, implying annual growth of **-0.4%**.
Current consensus DPS estimate is **6.5**, implying a prospective dividend yield of **0.6%**.
Current consensus EPS estimate suggests the PER is **16.7**.

Market Sentiment: **0.7**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# FPR FLEETPARTNERS GROUP LIMITED

**Vehicle Leasing & Salary Packaging – Overnight Price: $2.89**

Canaccord Genuity rates ((FPR)) as Buy (1) –

Management at FleetPartners Group issued an FY25 trading update ahead of its September 30 year-end, with outcomes broadly in line with consensus, Citi notes.

The broker highlights disruption from the company's Accelerate program cutover has now cleared, with backlogs resolved, service levels normalised, and net promoter score (NPS) improving.

New business written (NBW) of -16-17% matches prior guidance, while assets under management and originations funding (AUMOF) and net operating income (NOI) are expected by management to grow year-on-year.

The broker maintains forecasts, a Buy rating, and a $3.70 target price.

This report was published on September 26, 2025.

Target price is **$3.70** Current Price is **$2.89** Difference: **$0.81**
If **FPR** meets the Canaccord Genuity target it will return approximately **28%** (excluding dividends, fees and charges).
Current consensus price target is **$3.66**, suggesting upside of **26.6%**(ex-dividends)
The company's fiscal year ends in September.

**Forecast for FY25:**

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **33.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.76**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **34.0**, implying annual growth of **4.9%**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **8.5**.

**Forecast for FY26:**

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **38.90** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **7.43**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **34.4**, implying annual growth of **1.2%**.
Current consensus DPS estimate is **6.6**, implying a prospective dividend yield of **2.3%**.
Current consensus EPS estimate suggests the PER is **8.4**.

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

# IMM IMMUTEP LIMITED

**Pharmaceuticals & Biotech/Lifesciences – Overnight Price: $0.26**

Wilsons rates ((IMM)) as Overweight (1) –

Immutep has announced a new investigator-initiated Phase II trial with George Washington University.

The aim is evaluating efti in combination with chemotherapy as a neoadjuvant (treatment before the main treatment, usually surgery) in HR+/HER2- breast cancer, explains Wilsons.

This subtype means the tumour is hormone receptor positive (HR+). It grows in response to hormones like oestrogen and/or progesterone, and HER2 negative (HER2-), meaning it does not overexpress the HER2 protein.

Efti's immune priming could improve pathological complete response rates, observes the broker, potentially enabling more breast-conserving surgery and better survival outcomes.

Separately, Wilsons notes Merck has received approval for subcutaneous Keytruda (QLEX), a new formulation of its blockbuster drug, joining Roche and BMS in this space.

With faster administration times, Merck aims to shift around 30% of patients to QLEX, reinforcing the industry trend towards subcutaneous delivery, in line with efti's mode of administration.

Wilsons makes no changes to forecasts and maintains an Overweight rating with a $1.20 target price.

This report was published on September 23, 2025.

Target price is **$1.20** Current Price is **$0.26** Difference: **$0.945**
If **IMM** meets the Wilsons target it will return approximately **371%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

**Forecast for FY26:**

> Wilsons forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 5.70** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 4.47**.

**Forecast for FY27:**

> Wilsons forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 4.40** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 5.80**.

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

# OCA OCEANIA HEALTHCARE LIMITED

**Aged Care & Seniors – Overnight Price: $0.55**

Jarden rates ((OCA)) as Neutral (3) –

Management at Oceania Healthcare presented at the company's investor day with Jarden noting confidence around intent and capability despite portfolio and capital structure constraints.

Oceania aims for an integrated care model across its portfolio by FY30, with divestments of between -4-6 sites planned and annual development delivery of 100-150 units in FY27-31.

Cost savings were at the top end of Jarden's expectations, lifting care profitability to around $20k per bed in FY26 and $25k in FY27 from $13k in FY25.

The broker trims forecasts slightly and revises its target to NZ$0.72 from NZ$0.73 while retaining a Neutral rating.

This report was published on September 23, 2025.

Current Price is **$0.55**. Target price not assessed.
The company's fiscal year ends in March.

**Forecast for FY26:**

> Jarden forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 5.50** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 10.00**.

**Forecast for FY27:**

> Jarden forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 1.00** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 55.00**.

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

# PRU PERSEUS MINING LIMITED

**Gold & Silver – Overnight Price: $4.90**

Canaccord Genuity rates ((PRU)) as Buy (1) –

Canaccord Genuity has updated its long-term (from 2029) gold price forecast by 8.2% to US$4,173/oz, and the medium-term 2026/27/28 by 8.9%/8.5%/8.2%, respectively, in line with the forward curve.

For silver, the broker lifted the long-term price forecast by 14.5% to US$47.8/oz while long-term forex forecasts were left unchanged.

This has resulted in an average 13% rise in the broker's target price for senior producers, 12% for intermediate/junior producers, and 12% for explorers/developers.

The broker expects Perseus Mining to report a -14% q/q fall in the September quarter to 104koz, 2% above the consensus. Cost forecast of US$1,469/oz is -4% lower than the consensus.

Buy. Target rises to $6.40 from $5.80.

This report was published on September 26, 2025.

Target price is **$6.40** Current Price is **$4.90** Difference: **$1.5**
If **PRU** meets the Canaccord Genuity target it will return approximately **31%** (excluding dividends, fees and charges).
Current consensus price target is **$4.65**, suggesting downside of **-5.1%**(ex-dividends)
The company's fiscal year ends in June.

**Forecast for FY26:**

Canaccord Genuity forecasts a full year **FY26** dividend of **6.21** cents and EPS of **49.71** cents.
At the last closing share price the estimated dividend yield is **1.27%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **9.86**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **39.1**, implying annual growth of **N/A**.
Current consensus DPS estimate is **15.1**, implying a prospective dividend yield of **3.1%**.
Current consensus EPS estimate suggests the PER is **12.5**.

**Forecast for FY27:**

Canaccord Genuity forecasts a full year **FY27** dividend of **6.21** cents and EPS of **48.15** cents.
At the last closing share price the estimated dividend yield is **1.27%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **10.18**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **31.4**, implying annual growth of **-19.7%**.
Current consensus DPS estimate is **5.6**, implying a prospective dividend yield of **1.1%**.
Current consensus EPS estimate suggests the PER is **15.6**.

This company reports in **USD**. All estimates have been converted into AUD by FNArena at present FX values.
Market Sentiment: **0.5**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# TLX TELIX PHARMACEUTICALS LIMITED

**Pharmaceuticals & Biotech/Lifesciences – Overnight Price: $14.85**

Jarden rates ((TLX)) as Buy (1) –

Telix Pharmaceuticals has received transitional pass-through (TPT) status for its second-generation prostate cancer diagnostic Gozellix, offsetting the loss of TPT for Illuccix from June 30, 2025, notes Jarden.

The analysts highlight the decision underpins Telix's two-product strategy and secures reimbursement for 2-3 years. The recent share price retreat is seen as excessive.

No earnings revisions are made by the broker as TPT approval was assumed. Gozellix has a longer shelf life, enabling greater distribution, and is expected to ramp sales quickly.

Jarden maintains a Buy rating and $28.13 target price.

This report was published on September 23, 2025.

Target price is **$28.13** Current Price is **$14.85** Difference: **$13.28**
If **TLX** meets the Jarden target it will return approximately **89%** (excluding dividends, fees and charges).

Current consensus price target is **$28.40**, suggesting upside of **88.7%**(ex-dividends)
The company's fiscal year ends in December.

**Forecast for FY25:**

Jarden forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 1.86** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 796.67**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **-2.4**, implying annual growth of **N/A**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **N/A**.

**Forecast for FY26:**

Jarden forecasts a full year **FY26** dividend of **0.00** cents and EPS of **16.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **92.84**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **10.2**, implying annual growth of **N/A**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **147.5**.

This company reports in **USD**. All estimates have been converted into AUD by FNArena at present FX values.
Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

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