

# STORIES TO READ FROM FN Arena

Friday, 15 May 2026



| [News Corp En Route for Record FY26 Profit](#)



| [New-Look Dyno Nobel's Explosive First Half](#)



| [Rudi's View: Outlook Positive, Australia Lagging](#)

## CONTENTS

### AUSTRALIA

1. [The Market In Numbers - 9 May 2026](#)
2. [ASIC Watch: Auditor Independence Crackdown](#)
3. [Mining, Value-adds Underpin Orica's Outlook](#)
4. [CSL Challenges Pile On, Where's The Upside?](#)
5. [News Corp En Route for Record FY26 Profit](#)
6. [New-Look Dyno Nobel's Explosive First Half](#)

### RUDI'S VIEWS

7. [Rudi's View: AI Is Making A Come-Back](#)
8. [Rudi's View: Outlook Positive, Australia Lagging](#)

### SMALL CAPS

9. [Ventia Services Targeting Key Growth Sectors](#)

### WEEKLY REPORTS

10. [Weekly Ratings, Targets, Forecast Changes - 08-05-26](#)
11. [Uranium Week: Shorts Surge In U308 Stocks](#)
12. [The Short Report - 14 May 2026](#)
13. [In Brief: SKS Technologies, Adrad & Shape](#)
14. [In Case You Missed It - BC Extra Upgrades & Downgrades - 15-05-26](#)

**AUSTRALIA**

# The Market In Numbers - 9 May 2026

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

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

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

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

**Australia & NZ**

Index	09 May 2026	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2026)	Financial Year To Date (FY26)
NZ50	13175.130	1.04%	2.11%	2.04%	-2.75%	4.54%
All Ordinaries	8980.50	0.29%	1.05%	3.42%	-0.46%	2.37%
S&P ASX 200	8744.40	0.17%	0.91%	3.10%	0.35%	2.37%
S&P ASX 300	8683.50	0.24%	0.97%	3.23%	0.01%	2.47%
Communication Services	1736.80	0.08%	0.82%	2.63%	-0.22%	-6.27%
Consumer Discretionary	3342.60	-2.64%	-1.88%	-0.69%	-16.29%	-19.32%
Consumer Staples	11733.70	-3.56%	-2.47%	-6.45%	1.00%	-3.18%
Energy	10223.80	-7.62%	-7.60%	-10.06%	22.21%	17.85%
Financials	9514.00	-0.19%	-0.44%	2.41%	1.90%	-0.16%
Health Care	24633.00	-2.92%	-2.72%	-11.15%	-27.10%	-40.79%
Industrials	8179.80	1.02%	2.31%	3.92%	-2.91%	-1.67%
Info Technology	1790.00	0.79%	1.53%	14.98%	-16.90%	-38.29%
Materials	24161.30	4.26%	6.44%	10.99%	14.39%	52.36%
Real Estate	3538.90	-0.97%	0.03%	8.15%	-10.77%	-9.23%
Utilities	10031.20	-4.46%	-3.93%	-4.25%	3.87%	9.73%
A-REITs	1638.70	-0.94%	0.10%	8.69%	-10.25%	-8.50%
All Technology Index	2829.70	0.52%	1.30%	11.17%	-16.69%	-30.03%
Banks	4115.80	0.02%	-0.64%	0.03%	1.17%	2.32%
Gold Index	17637.20	4.52%	5.57%	5.88%	-5.55%	52.61%
Metals & Mining	8408.10	4.49%	6.66%	11.57%	15.70%	61.05%

**The World**

Index	09 May 2026	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2026)	Financial Year To Date (FY26)
FTSE100	10233.07	-1.26%	-1.40%	0.56%	2.94%	16.80%
DAX30	24338.63	0.19%	0.19%	7.31%	-0.62%	1.79%
Hang Seng	26393.71	2.39%	2.39%	6.48%	2.09%	9.64%
Nikkei 225	62713.65	5.38%	5.78%	22.81%	24.58%	54.90%
NZ50	13175.130	1.04%	2.11%	2.04%	-2.75%	4.54%
DJIA	49609.16	0.22%	-0.09%	7.05%	2.57%	12.51%
S&P500	7398.93	2.33%	2.63%	13.33%	7.29%	19.24%
Nasdaq Comp	26247.08	4.51%	5.44%	21.57%	12.08%	28.85%

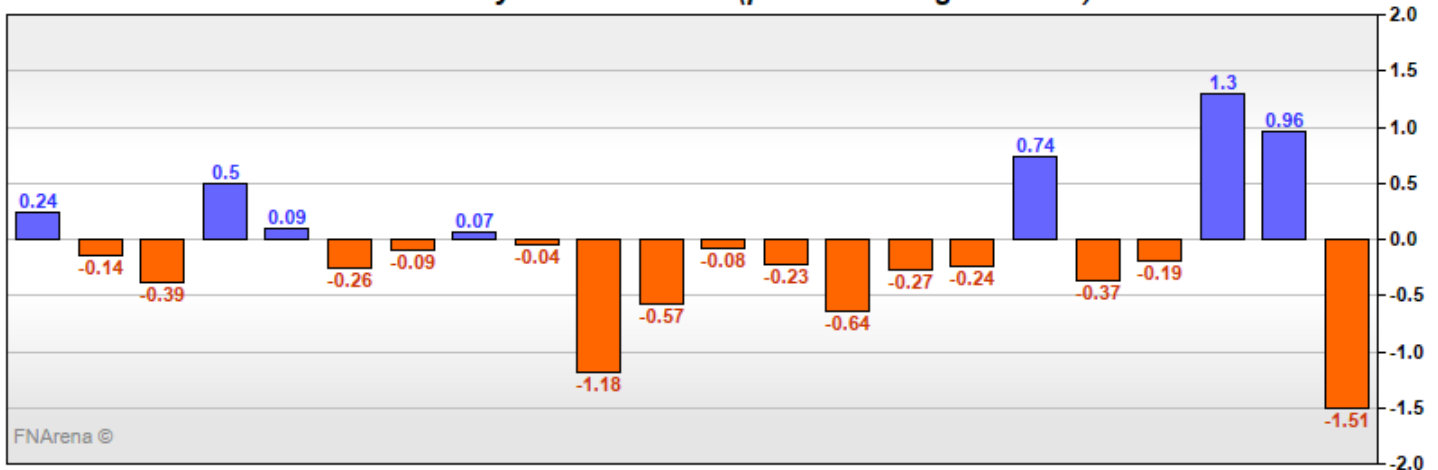
**Metals & Minerals**

Index	09 May 2026	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2026)	Financial Year To Date (FY26)
Gold (oz)	4696.00	1.29%	3.05%	3.47%	7.06%	42.20%
Silver (oz)	78.92	6.29%	9.88%	12.56%	1.28%	117.98%
Copper (lb)	6.1243	1.59%	3.27%	11.66%	7.78%	20.19%
Aluminium (lb)	1.5804	-0.01%	0.05%	1.51%	18.16%	34.02%
Nickel (lb)	8.5413	-2.59%	-2.31%	10.71%	14.07%	25.25%
Zinc (lb)	1.5658	2.45%	4.07%	7.82%	12.36%	24.02%
Uranium (lb) weekly	86.25	0.00%	0.00%	3.60%	5.18%	9.66%
Iron Ore (t)	110.95	3.52%	3.55%	4.35%	3.57%	17.42%

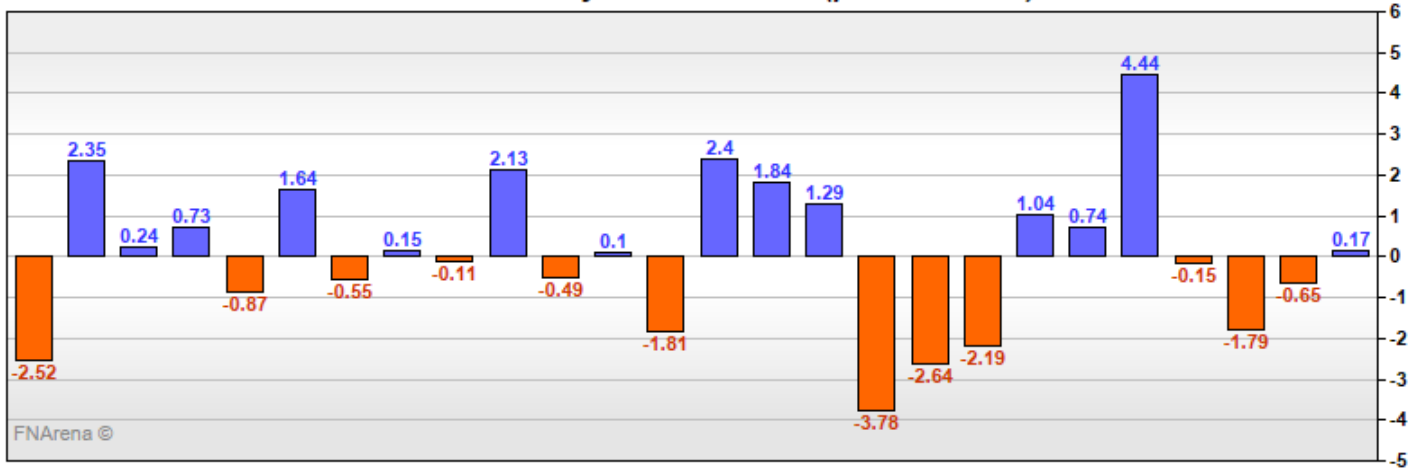
## Energy

Index	09 May 2026	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2026)	Financial Year To Date (FY26)
West Texas Crude	97.75	-7.30%	-9.55%	-6.89%	70.24%	49.19%
Brent Crude	103.41	-7.02%	-8.04%	-4.85%	69.94%	54.81%

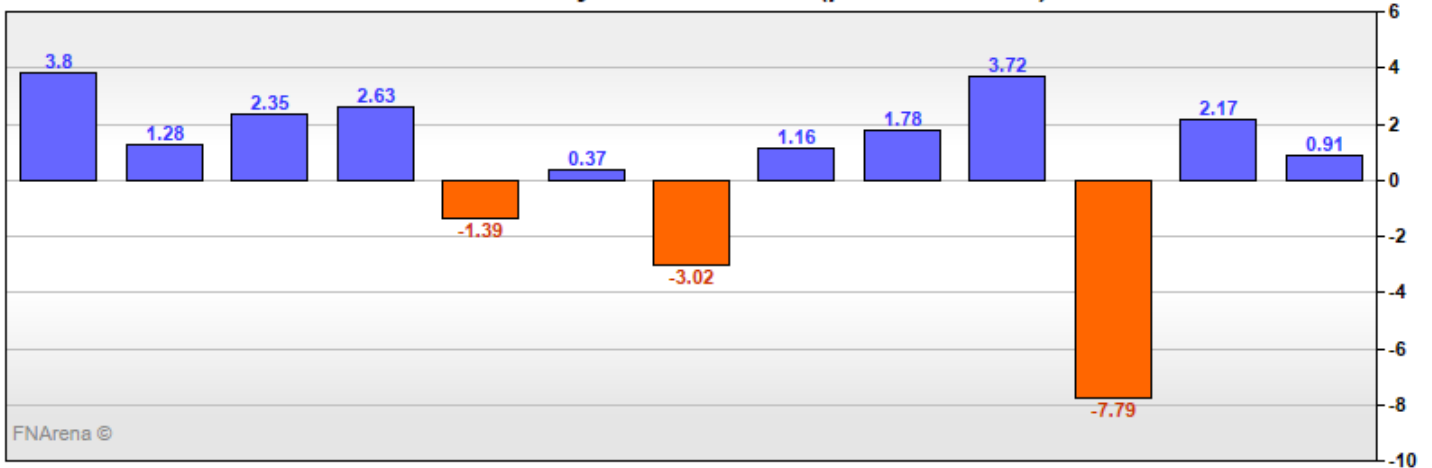
**ASX200 Daily Movement in % (past 22 trading sessions)**



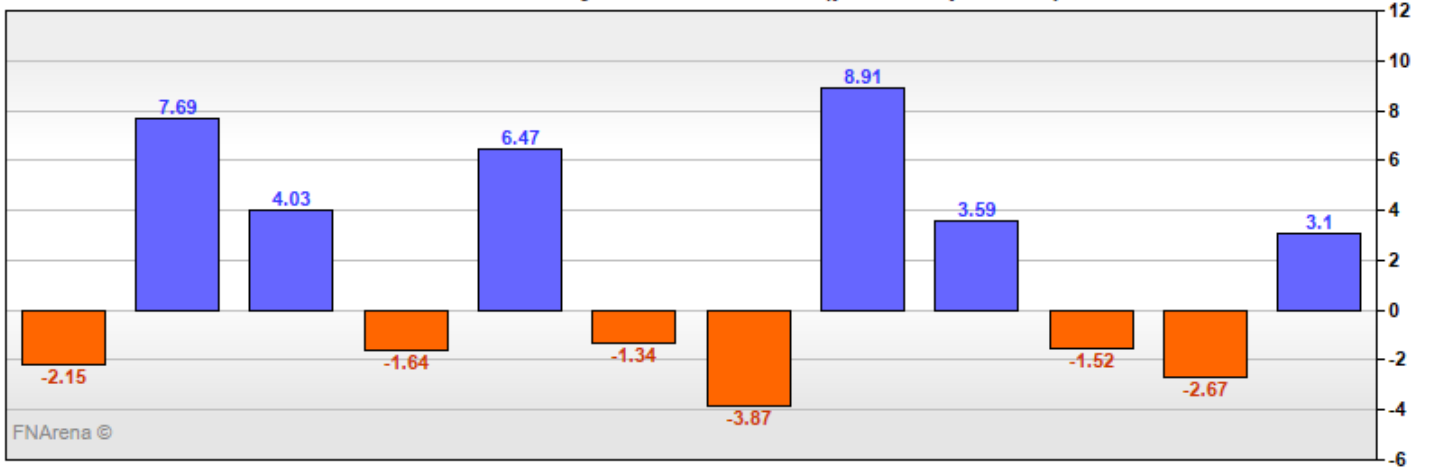
**ASX200 Weekly Movement in % (past 26 weeks)**



**ASX200 Monthly Movement in % (past 13 months)**



**ASX200 Quarterly Movement in % (past 12 quarters)**



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

FNArena is not responsible for any glitches, omissions or data errors. This feature is not investment advice. It is offering a quick status on raw price movements for information purposes only.

FNArena welcomes comments and suggestions at [info@fnarena.com](mailto:info@fnarena.com)

AUSTRALIA

# ASIC Watch: Auditor Independence Crackdown

ASIC has launched a targeted crackdown on market gatekeepers, cancelling auditor registrations for independence breaches and removing licences from fund managers failing basic reporting obligations.

- Auditor Douglas Trood's registration was cancelled after a 34-year relationship with a single client
- ABL Funds Management loses an AFS licence for three years due to missing audited reports
- Former Berndale director pleads guilty to \$681k dishonest fund transfer
- ASIC discontinues Liberty Bell Bay wind-up after the company enters voluntary administration
- NSW director Lambros Hilellis disqualified for a maximum 5-year period

By Valery Prihartono



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

*This story features regulatory enforcement affecting auditor independence, ABL FUNDS MANAGEMENT, BERNDALE CAPITAL, LIBERTY BELL BAY, and systemic reporting failures.*

## Auditor Independence: The 34-Year Relationship Problem

ASIC Commissioner Kate O'Rourke recently warned "auditor independence is fundamental to trust in Australia's financial reporting system".

This principle drove the regulator's cancellation of Douglas Trood's registration following review of his 34-year relationship with a single audit client.

ASIC raised concerns that concurrently holding roles as lead auditor, non-executive director, and company secretary for the same client created "familiarity threats" that were not appropriately addressed.

## The Independence Framework Breakdown

Auditor independence standards prohibit relationships that could compromise objectivity or create an appearance of bias. Trood's situation violated multiple independence principles:

**Dual Roles Conflict:** Serving simultaneously as auditor (providing independent assurance) and non-executive director (making governance decisions) creates fundamental conflict. The auditor would effectively be auditing their own board decisions.

**Secretary Function:** Adding company secretary responsibilities --typically involving document preparation and corporate administration-- further entangles the auditor in management functions they're meant to independently assess.

**34-Year Familiarity:** While long-standing relationships can provide valuable institutional knowledge, they also create familiarity bias where auditors may become too comfortable with client management and less willing to challenge questionable practices.

# Investment Implications: Gatekeeper Risk

For investors, auditor independence failures create material risk:

**Financial Report Reliability:** When auditors lack independence, financial reports lose reliability. Investors cannot trust that the reported numbers accurately reflect the company's financial position.

**Hidden Problems:** Independent auditors serve as a critical early-warning system for emerging financial distress or misconduct. Compromised auditors may miss or ignore warning signs.

**Restatement Risk:** Independence failures discovered later often trigger financial restatements, destroying shareholder value when markets reprice stocks based on corrected information.

**Litigation Exposure:** Companies with compromised auditors face elevated litigation risk from shareholders claiming they relied on unreliable financial information.

## How to Identify Auditor Independence Risk

Investors can assess auditor independence through publicly available information:

**Check Auditor Tenure:** Review annual reports for auditor appointment dates. Relationships exceeding 10-15 years warrant scrutiny regarding partner rotation and independence safeguards.

**Audit Fee Analysis:** Compare audit fees to non-audit fees paid to the same firm. When non-audit fees exceed audit fees, independence concerns arise as the relationship becomes economically dependent on advisory rather than assurance services.

**Related Party Disclosures:** Review notes to financial statements for any disclosed relationships between auditors and company directors or management.

**Audit Committee Disclosure:** Quality audit committee reports discuss auditor independence assessments and rotation policies, signalling robust governance oversight.

# ABL Funds Management: The Licence Cancellation

ASIC has cancelled the Australian Financial Services licence of ABL Funds Management for failing to meet statutory audit and reporting obligations for three consecutive years.

## The Three-Year Reporting Failure

Fund managers hold AFS licences conditionally on meeting ongoing obligations, including:

- Preparation of annual financial reports
- Audit by registered company auditors
- Lodgment with ASIC within specified timeframes
- Compliance with Australian Accounting Standards

ABL's three-year failure to lodge audited financial reports demonstrates a complete breakdown of basic corporate governance and compliance infrastructure.

### Why This Matters for Investors

The licence cancellation reinforces ASIC's position that financial services licences are privileges, not rights, with transparency as the mandatory price of admission.

For investors in managed funds, the ABL case highlights the importance of:

**Manager Due Diligence:** Before investing, verify fund managers have current, valid AFS licences and clean regulatory records via ASIC's professional registers.

**Financial Report Currency:** Check when the fund manager's most recent audited financial reports were lodged. Delays signal potential governance or financial problems.

**Regulatory Compliance Culture:** Fund managers unable to meet basic reporting obligations likely have broader compliance deficiencies affecting investor protection.

**Exit Strategy Importance:** When fund managers lose licences, investors may face frozen redemptions or forced fund wind-ups, making exit timing critical.

The cancellation demonstrates ASIC will remove market participants who cannot demonstrate basic governance competence, regardless of whether specific investor harm occurred.

## Berndale Capital: The \$681k Criminal Prosecution

Former Berndale Capital Securities director Stavro D'Amore has pleaded guilty to multiple dishonesty offences involving the illegal transfer of \$681,496 in company funds derived primarily from retail client deposits.

### The Dishonest Fund Transfer

The charges involve D'Amore transferring funds he knew belonged to clients rather than the company. With former clients owed over \$8.9m, the transfers represented systematic misappropriation from an already-failed business.

The guilty plea demonstrates D'Amore acknowledged he:

- Knew the funds were client money, not company assets
- Transferred them anyway for purposes other than client benefit
- Engaged in dishonest conduct, given his knowledge of the true ownership

### Sentencing and Penalties

D'Amore faces a sentence hearing on July 2, 2026, with maximum penalties of up to 10 years' imprisonment. The actual sentence will depend on:

- Amount involved (\$681k represents substantial sum)
- Number of victims affected (clients owed \$8.9M total)
- Breach of trust in a director's position
- Whether funds can be recovered for victim compensation
- Guilty plea (typically results in sentencing discount)

### Derivatives Provider Collapse Context

Berndale operated as a derivatives provider serving retail clients. The collapse and subsequent director misappropriation highlight risks in the retail derivatives sector:

**Segregation Failures:** Client funds should be held in trust accounts separate from company operating funds. The fact that D'Amore could transfer client money indicates segregation failures.

**Retail Exposure:** The \$8.9 million owed to clients represents retail investors who may have limited financial resources to absorb losses.

**Sector Scrutiny:** The case reinforces regulatory concerns about retail derivatives providers, contributing to ongoing scrutiny of CFD providers and similar businesses.

For investors, the Berndale collapse demonstrates the importance of understanding client money protection frameworks and avoiding providers with unclear segregation practices.

## Liberty Bell Bay: From Wind-Up to Voluntary Administration

ASIC has discontinued its Supreme Court proceedings to wind up Liberty Bell Bay Pty Ltd after the company entered voluntary administration.

### The Reporting Failure Background

As previously covered in April 2026 ASIC Watch, ASIC sought Liberty Bell Bay's liquidation for failing to lodge financial reports from 2021 to 2024 - four consecutive years of non-compliance despite court orders.

Liberty Bell Bay operates within Sanjeev Gupta's GFG Alliance, with Australian operations including Whyalla Steelworks and Tahmoor Coal.

### Voluntary Administration Alternative

The appointment of voluntary administrators achieves ASIC's core objective --forcing the company into external oversight-- through a different mechanism than court-ordered wind-up:

**Administrator Control:** Voluntary administrators take control of the company, assessing its financial position and exploring options including sale, restructuring, or liquidation.

**Reporting Deferral:** Administration temporarily defers some reporting obligations while administrators determine the company's future.

**Sale Opportunity:** For Liberty Bell Bay, administration enables seeking a buyer for the Tasmanian smelter operations, potentially preserving jobs and industrial capacity.

**Creditor Protection:** Administrators owe duties to creditors collectively, providing protection superior to continued operation under previous management.

## Investment Implications

The Liberty Bell Bay outcome demonstrates regulatory pressure can force "zombie" companies --those operating without proper reporting-- into administration rather than allowing them to continue in reporting darkness.

For investors, this creates important precedent:

**Reporting Failures Have Consequences:** Companies cannot indefinitely defer reporting obligations. Eventually, regulatory or creditor action forces resolution.

**Administration Provides Breathing Room:** While wind-up means immediate liquidation, administration allows exploration of alternatives, including sales or restructuring.

**GFG Alliance Context:** Liberty Bell Bay's administration adds to the list of GFG Alliance entities facing external administration, creating questions about the broader group's financial health.

**Industrial Asset Implications:** For companies operating critical industrial assets (smelters, steelworks), administration may enable asset preservation through sales where wind-up would mean closure.

The case shows ASIC's willingness to discontinue wind-up applications when companies enter voluntary administration, demonstrating regulatory pragmatism -- the goal is oversight and transparency, not necessarily destruction.

## Director Disqualifications Continue

ASIC has disqualified NSW director Lambros Hilellis for the maximum five-year period, continuing the pattern of maximum administrative bans for recidivist directors.

While specific details of Hilellis's disqualification weren't provided, the maximum five-year period indicates serious or systematic contraventions warranting the strongest administrative sanction available.

The continuing stream of maximum director disqualifications reinforces ASIC's approach of removing directors who demonstrate:

- Systematic failures across multiple companies
- Inability to understand or discharge director duties
- Patterns of insolvent trading or phoenixing behaviour
- Failures to cooperate with liquidators or regulators

## AI-Enhanced Finfluencer Scams

ASIC is working with 16 global regulators to combat a new wave of AI-generated "finfluencer" content promoting high-risk, unregulated investments to younger Australians.

### The AI Finfluencer Threat

Scammers now use AI tools to generate "finfluencer" content at scale:

**Volume:** AI can produce unlimited investment pitch content --videos, social posts, analysis-- without human labour constraints traditional scammers face.

**Quality:** Modern AI generates human-quality content indistinguishable from legitimate financial commentary, making scam detection harder.

**Personalisation:** AI analyses victim social media profiles and interactions to customise pitches exploiting specific interests and vulnerabilities.

**Coordination:** AI influencers often direct victims to "pump and dump" schemes or fake cryptocurrency platforms, with AI coordinating timing across thousands of victims.

### Gen Z Targeting

ASIC warns nearly one in five Gen Z Australians now use AI to make financial decisions, creating particular vulnerability:

**Platform Preference:** Gen Z investors heavily use social media and AI tools for information, making them primary targets for AI-generated scam content.

**Limited Experience:** Younger investors may lack the experience to distinguish legitimate analysis from AI-generated promotional content disguised as advice.

**Risk Tolerance:** Gen Z investors often show higher risk tolerance, making them receptive to aggressive investment pitches from AI influencers.

### Defensive Measures

Investors of all ages should "sense-check" online advice against trusted, evidence-based sources:

**Verify Source Credentials:** Check whether apparent influencers hold valid AFS licences via ASIC registers. Unlicensed individuals cannot legally provide personal financial advice.

**Question Unrealistic Claims:** AI-generated content often promises unrealistic returns or guaranteed profits - immediate red flags for scams.

**Seek Independent Verification:** Any investment opportunity promoted by social media personalities should be independently verified through licensed advisers or company research.

**Understand AI Limitations:** AI tools provide information based on training data that may be incomplete, outdated, or misleading. They cannot replace personalised financial advice considering individual circumstances.

## Investment Strategy: Gatekeeper Quality as Primary Filter

The May 2026 enforcement activity creates a clear framework for using gatekeeper quality as an investment filter:

### Assess Auditor Independence

Before investing, evaluate whether companies demonstrate robust auditor independence:

**Reasonable Tenure:** Auditor relationships should involve regular partner rotation and periodic firm rotation consideration. Relationships exceeding 15-20 years require scrutiny.

**Fee Balance:** Audit fees should materially exceed non-audit fees paid to the same firm. When non-audit fees dominate, independence questions arise.

**Audit Committee Quality:** Strong audit committees actively assess and report on auditor independence, providing public disclosure of rotation policies and independence frameworks.

**No Dual Roles:** Auditors should not serve in management or governance roles for audit clients, even in non-executive capacities.

### Verify Fund Manager Compliance

For managed fund investments, verify manager compliance with basic obligations:

**Current Licences:** Confirm fund managers hold valid, current AFS licences via ASIC's professional registers.

**Reporting Currency:** Check when the most recent audited financial reports were lodged. Delays beyond statutory timeframes signal problems.

**Regulatory History:** Review ASIC enforcement databases for any prior actions, licence conditions, or infringement notices.

**Audit Quality:** Verify funds are audited by reputable, appropriately registered audit firms with clean regulatory records.

### Avoid Reporting-Delinquent Companies

The Liberty Bell Bay and ABL cases reinforce that reporting delays signal deeper problems:

**Multiple-Year Delays Are Disqualifying:** Companies missing reports for multiple consecutive years face severe operational, financial, or governance crises. These should be considered uninvestable.

**Court Orders Indicate Escalation:** When companies miss reports despite court orders, regulatory or creditor action becomes inevitable.

**Administration Risk:** Companies with extended reporting delays face an elevated risk of administration or

wind-up, potentially leaving investors with frozen or lost capital.

## Director Disqualification as Counterparty Screen

Before material business relationships, verify counterparties aren't subject to director disqualifications:

**Check Banned Registers:** ASIC publishes disqualified director notices and maintains a banned persons register searchable by name.

**Systematic Patterns Matter:** Directors with multiple company failures or maximum disqualification periods represent elevated counterparty risk.

**Post-Ban Timing:** Even after disqualification periods expire, directors with serious prior bans warrant enhanced due diligence before engagement.

# Looking Ahead: The Gatekeeper Accountability Era

The May 2026 enforcement activity signals ASIC's determination to hold market gatekeepers --auditors, fund managers, directors-- accountable for failures enabling misconduct or opacity.

Expect continued focus on:

**Auditor Independence Surveillance:** ASIC's data-driven surveillance will identify additional independence compromises that previously remained hidden for decades.

**Licence Cancellations:** Fund managers and other licensees failing basic compliance obligations will face licence removal regardless of whether specific investor harm occurred.

**Criminal Prosecutions:** Directors misappropriating client or company funds will face criminal charges with custodial sentences, not merely civil penalties.

**Reporting Enforcement:** Companies unable or unwilling to meet reporting obligations will face wind-up applications or be forced into administration.

**Technology-Enhanced Scams:** As AI enables more sophisticated scam operations, regulatory warnings and international cooperation will intensify.

## Conclusion: Gatekeepers Under Microscope

The May 2026 enforcement wave delivers a clear message: the professionals responsible for market integrity --auditors, fund managers, directors-- face immediate removal for negligence or misconduct.

The Douglas Trood auditor cancellation, ABL licence removal, Berndale criminal prosecution, and Liberty Bell Bay administration demonstrate that:

**Independence Is Non-Negotiable:** Auditors compromising independence through dual roles or excessive familiarity face registration cancellation.

**Basic Compliance Is Mandatory:** Fund managers and companies cannot defer or avoid reporting obligations without losing their licences or facing wind-up.

**Criminal Accountability Is Real:** Directors misappropriating funds face criminal prosecution and imprisonment, not merely civil consequences.

**Regulatory Pragmatism Exists:** ASIC will accept voluntary administration as an alternative to court-ordered wind-up when it achieves oversight objectives.

For investors, the gatekeeper crackdown provides an actionable framework: before assessing a company's financials, assess the quality of professionals providing oversight and assurance.

Companies with compromised auditors, delinquent reporting, or directors with failure histories represent

elevated regulatory risk, warranting avoidance regardless of apparent business opportunities.

The integrity infrastructure supporting financial markets is under intensive regulatory scrutiny. Position portfolios to favour companies demonstrating robust gatekeeper quality and avoid those treating independence and reporting as optional obligations.

*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](#)*

**AUSTRALIA**

# Mining, Value-adds Underpin Orica's Outlook

Flat first half earnings growth for Orica's core explosives business was better than feared, while other divisions offer solid growth.

- Orica's first half result beat consensus across all business units
- Flat, rather than lower, growth for Blasting is welcomed
- New sources of ammonium nitrate being sought
- Acquisitions provide diversity

By Greg Peel



*Explosive-works-on-a-coal-mine*

Orica ((ORI)) is a major products and services supplier to the mining industry in particular, and also to civil construction.

The company operates under three main segments of Blasting Solutions (ie explosives), Digital Solutions (integrates digital workflows) and Specialty Mining Chemicals (for minerals processing).

Orica provided a trading update in March which disappointed the market, largely because Blasting Solutions, which up until FY25 represented some 60% of group earnings, was guided to produce "slightly lower" earnings in the first half (September year-end).

Management said at the time underlying demand for its premium blasting products and technology remained strong, but the strength of the Aussie dollar and lower coal production quotas in Indonesia would drag on that division.

The market looked past Digital Solutions guidance of 15% year on year growth and Specialty Mining Chemicals of 20%. The stock fell around -24% through March before finding a bottom and rallying 16% into May.

Last week Orica delivered its first half FY26 result.

# It's A Beat

The interim result beat consensus estimates across all business units.

Cashflow was much stronger than feared and the balance sheet is in strong shape, Morgans notes. Consequently, the board rewarded shareholders with a step-up in the dividend to 28.5cps (unfranked), up from 25cps in the first half FY25.

Underlying earnings and profit increased 5% and 8% year on year. In Morgans' view, modest growth at a group level is a reasonable outcome given last year included a \$15m one-off carbon credit benefit and the first half FY26 was impacted by a higher AUD (-\$10m earnings hit) and lower Indonesian coal production.

At a divisional level, Blasting Solutions earnings were flat, compared to March trading update guidance of "slightly lower".

Digital Solutions increased earnings by 25% (strong leverage to improved exploration activity) and Specialty Mining Chemicals earnings were up 20% (strong demand for sodium cyanide given high gold prices and improved manufacturing performance).

Pleasingly for brokers, Global Support costs fell -12.6% due to the initial benefits from Orica's cost out program. The group earnings margin rose to 13.2% from 12.4%.

In line with guidance but materially better than Morgans expected, cashflow was down -6% year on year given adverse FX, one-off costs and higher working capital.

Importantly, the balance sheet is strong with gearing towards the lower end of management's target range despite the company completing its \$500m on-market share buyback.

Return on net assets increased to 14.7% from 13.8% a year ago.

## Disclosure

Orica's first half earnings came in around 3% ahead of market expectations. Importantly, the earnings beat was high quality, Ord Minnett suggests, underpinned by stronger operating cash flow and constructive outlook commentary from management.

Ord Minnett was encouraged by how management addressed key investor concerns, particularly around the transition away from the CF Industries ammonium nitrate contract in the US and recent plant disruptions in Australia, while also highlighting several attractive growth opportunities.

Jarden nevertheless has a nit to pick.

Orica has reduced the level of disclosure across the Blasting Solutions business, no longer providing volume or regional performance splits, hampering investor visibility of underlying performance, in Jarden's view.

Jarden sees this occurring at a critically important juncture given:

- 1) considerable evolution of the North Americas Blasting Solutions operations (exit from CF Industries contract; acquisition of US explosives business Nelson Brothers);
- 2) the prospect that Blasting Solutions has seen considerable margin benefits from re-contracting and potential positive developments in Indonesian markets; and
- 3) the underlying performance of Europe, Middle East & Africa operations.

While business performance remains more leveraged to price/mix and cost-out than history, Jarden thinks the lessening disclosure introduces a greater degree of forecasting error to Orica's largest segment.

## Ammonium Nitrate

The end of the CF Industries ammonium nitrate (AN) contract left investors concerned about Orica's ability to source sufficient AN supply to feed its explosives business, which was evident in the -24% share price fall in

March.

In the US, Orica has been sourcing AN on the spot market since November 2025 following the expiry of the contract.

Despite tightening conditions in the North American AN market, exacerbated by CF Industries' Yazoo City (Mississippi) plant outage in November, and global nitrogen disruptions linked to ongoing geopolitical conflicts, management described discussions with potential new suppliers as "very, very positive", Ord Minnett reports.

Orica expects to secure new supply contracts by September.

While the previous CF Industries arrangement was economically attractive, management noted it was operationally inefficient, given restrictions on imports and reliance on a single plant.

Future supply is expected to be sourced from multiple North American locations, with potential incremental volume from debottlenecking nitric acid and AN capacity at the Carseland plant in Canada, which comes back on line in June.

Orica has commenced a request-for-proposal process with potential suppliers for long term AN offtake in the US, and has emphasised it will focus on diversifying its supply network to reduce freight/transport costs.

Outcomes are expected over next few months (likely a mix of domestic and global sourcing). Diversity of supply is a key focus as well as low cost delivered-to-customer via optimised logistics.

In this regard, the company expects to source closer to customers, Citi notes, which should reduce logistics and increase reliability.

In Australia, recent outages at the Kooragang Island and Pilbara ammonia plants have not had a material earnings impact, Ord Minnett reports.

Orica has mitigated disruption through imports from Indonesia and appears well positioned to benefit from global ammonia shortages and elevated freight costs.

With roughly one-third of the east coast contract book repricing each year, Ord Minnett notes there is scope for margin expansion.

## Acquisitions

In early 2024, Orica acquired US-based Cyanco, a leading manufacturer and distributor of sodium cyanide, necessary for gold processing.

Cyanco has been a transformative acquisition for Orica, Jarden suggests, and continues to perform strongly. First half underlying earnings grew 20% and underlying earnings margins lifted 186bps, driven by gold/copper miner demand amidst elevated prices.

Orica remains committed to its mid-term target to deliver "high single digit" earnings growth for the segment, but Jarden thinks this could prove conservative given:

- 1) underlying demand strength in gold and copper markets;
- 2) the ability to unlock latent capacity from de bottlenecking at chemical plants in Winnemucca (Nevada) and Yarwun (Queensland); and
- 3) margin mix benefits from less reliance on external suppliers when market demand exceeds Cyanco's productive capacity (higher network costs).

Back in March, Orica confirmed it has reached a settlement agreement with CF Industries, effectively ending litigation that commenced in October 2023.

That settlement was designed to remove persistent litigation uncertainty and allow the firm to establish a more diversified and secure supply base for AN within the US.

Simultaneously, Orica has reached an agreement with its joint venture partner, Nelson Brothers (Alabama), to acquire 100% of their explosives business.

Last month, Orica announced it has expanded into copper processing chemistry with the acquisition of the Danafloat, which has an established mining industry customer base across Europe, Middle East and Africa and

Latin America.

The acquisition of Danafloat further strengthens Orica's portfolio, Ord Minnett notes, expanding its exposure to zinc and copper processing chemistry. The transaction is capital-light, involves acquiring intellectual property and licensing only, and targets a total addressable market estimated at US\$5bn.

Ord Minnett views this as disciplined, high-return merger and acquisition activity.

Danafloat diversifies Orica's Specialty Chemicals division away from reliance on Cyanco's sodium nitrate production.

Together, these adjacencies are delivering faster growth, stronger margins and greater earnings resilience, Morgan Stanley notes, helping to offset lower growth in the core Blasting business (flat in the first half).

## Guidance

At its result release, Orica reiterated its medium-term growth targets for Digital Solutions (mid-teen earnings growth) and Specialty Mining Chemicals (high single digit).

The core Blasting business is expected to deliver GDP-plus earnings growth over the medium term. Management also reiterated its three-year (FY26-28) return on net assets target of 13.5-15.5%.

Management assured the direct impact of the Middle East conflict is limited, with no material disruption to Orica's operations or supply chains.

Indirectly, higher energy and ammonia prices have lifted input costs, but also support import parity pricing on recontracting, particularly for traded AN volumes, Morgan Stanley notes.

Orica retains contractual pass-through mechanisms (lags now typically one-two months versus three months historically) and premium-mix benefits to help manage margins.

Indonesian demand, which was noted back in March as a drag on Blasting Solutions demand, should improve from here, Macquarie suggests, with coal customers looking to ramp up production given strong coal prices.

There is a lag given permit requirements but Macquarie believes the headwind over the last 12 months should turn into a tailwind going forward.

At least \$100m in cost-outs are targeted over next three years via reducing non-billable costs. This is designed to more than offset inflation and improve business resilience.

The benefits should start to flow meaningfully in FY27, Macquarie notes.

## No Change

After Orica delivered its poorly received trading update in March, the seven brokers monitored daily by FNArena covering Orica all retained Buy or equivalent ratings, as did Jarden and RBC Capital, noting the stock fell sharply on the day.

Following the first half result, nothing has changed ratings-wise.

The consensus target among the seven brokers fell to \$27.08 from \$27.51 following the trading update and continued to be revised lower to \$26.19 ahead of the first half result. Following the result, the consensus target has lifted ever so slightly to \$26.27.

Jarden has lifted its target to \$26.00 from \$24.20, and RBC Capital to \$28.00 from \$27.00.

Morgan Stanley sums up the general mood amongst brokers in citing robust near-term demand in mining end-markets, longer-term upside from Orica's dominant market position, continued penetration of value-added products, and growth optionality across Digital Solutions and Specialty Chemicals.

Morgan Stanley sees an attractive risk/reward with Orica trading on 16.2x forecast FY27 PE versus a long term average of 17.7x, and offering 11% earnings per share compound annual growth over (FY25-28).

Macquarie acknowledges the stock has sold off on concerns around North American AN sourcing, thus finalised

outcomes are a key focus area over next few months.

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

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

**AUSTRALIA**

# CSL Challenges Pile On, Where's The Upside?

CSL surprised even the most cautious commentators with (yet again) a hefty downgrade for future earnings. Analysts are questioning where to now?

- Weakness in immunoglobulin and albumin drives another major earnings reset
- Analysts question whether CSL's Behring challenges are cyclical or structural
- Competition, pricing pressure and NHS contract loss weigh on outlook
- CSL's valuation premium has evaporated amid ongoing downgrades

By Danielle Ecuyer



*The plasma market is currently challenged from multiple directions*

## Harsh words from analysts: not happy!

Australia's largest biotech CSL ((CSL)) has endured one of the more dramatic de-ratings among Australia's once revered blue chip companies, with the decline reflecting not just weaker earnings but a broader erosion of investor confidence in what was once viewed as one of the ASX's most dependable long term compounders.

The latest downgrade saw the share price tumble -16% in a single session after management cut revenue expectations by around -4% at the lower end of prior guidance, while net profit after tax guidance was reduced by around -7%.

More troubling for investors was the weakness came primarily from immunoglobulin (Ig) and albumin sales, the core earnings engines of CSL Behring.

Jarden commented CSL's FY26 ambitions for both products had proven overly optimistic and ultimately unrealistic.

The downgrade also re-inforced concerns around management execution following multiple downgrades since

the August 2025 result.

Investors historically paid a premium valuation for CSL because of its reputation for reliable earnings growth and defensive qualities, however, that trust has weakened as earnings expectations have continued to deteriorate.

The current interim CFO's 90 day review triggered the latest reset, which Canaccord Genuity described as a "*clear eyed dose of operational frankness*".

This broker was particularly critical of what it viewed as costly misdirected innovation and investment decisions, arguing these have weighed heavily on both company performance and shareholder returns.

UBS points to an additional -US\$5bn in impairments on top of the -US\$1.6bn recorded in 1H26, reflecting earnings erosion since the Vifor acquisition across intangible assets and lower utilisation assumptions for property, plant and equipment.

Investors are now increasingly questioning whether CSL's challenges are cyclical or more structural, including slowing growth in immunoglobulin, rising competition from newer therapies, ongoing weakness in China's albumin sales, and whether the Vifor acquisition has delivered the expected strategic benefits.

## CSL Behring's pain just keeps on coming

Taking a deeper dive into the latest downgrade, Bell Potter details how ADMA Biologics flagged a week earlier there had been an oversupply of Ig in the US market.

Arguably, the factors include rising supply from competitors Grifols, Takeda and others, the analyst states.

Interim CEO Gordon Naylor referred to the market as increasingly competitive, where CSL has lost market share to Grifols and Takeda through 2025 and into 2026.

Other analysts highlight management's comments around a "destocking" event in the market, which has resulted in a revenue downgrade of -US\$300m.

Consideration by analysts has also been given to what is referred to as 340B. As articulated by Ord Minnett, 340B relates to the participation of pharmaceutical manufacturers in Medicaid to sell outpatient drugs at discounted prices to healthcare operators which care for uninsured and low income patients.

As demand has subsided, so too has the problem of excess supply emerged. In CSL's case, the issue may have been exacerbated by the loss of the UK's NHS' primary immunoglobulin supply contract in January 2025.

Bell Potter finds the ongoing "degradation" in Behring's gross margin very concerning and queries whether margins can improve back to the pre-covid level of circa 57%, as CSL has lost market share amid oversupply challenges.

Management infers to excess inventory as transitory in nature, citing demand for Ig continues to grow.

Morgans explained management repeatedly stated underlying plasma demand remains healthy, with Ig volumes continuing to grow in the mid-to-high single digits globally. Equally, the overall market is viewed as "*rational and oligopolistic*".

Analysts are not so convinced. Bell Potter sees further competitive pressures coming from the approval by EU regulators of Grifols' Egyptian based plasma supply chain, which is expected to boost global supply.

Equally, the broker envisages it will be challenging for Behring to re-establish market share without conceding too much on price, resulting in downgraded Ig sales estimates for FY27-FY28.

Citi warns the Ig market is not on "*firm footing*" and makes additional downgrades to Behring gross margins, resulting in more aggressive net profit after tax downgrades compared to peers.

Macquarie also cautions around the potential extent and longevity of weakness in the Ig business, despite management guiding to high single digit revenue growth for FY27.

Jarden believes CSL has considerable displaced Ig volume, including the effect of the NHS contract loss, which could result in further pricing pressure.

Ord Minnett is equally pondering where growth will come from in FY27, lowering assumptions around Ig revenue growth.

Morgan Stanley is less fazed and adjusts Ig revenue growth forecasts in line with expected market growth of circa 7% for FY27. UBS details how the deeply discounted Medicare program, the 340B channel, has been a structural headwind for CSL pricing.

A reduction in inventory should assist with better control, albeit the bar for FY27 growth is now lower.

Specialty product Hizentra was noted by Jarden as a large contributor to the Ig downgrade, as it commands a higher margin than Privigen, contributing in part to the reduction in FY26 gross margin guidance by -100bps.

Morgan Stanley points out the Behring gross margin is now implied post update at around 47.9% in 2H26, down around -200bps year-on-year and circa -330bps on the prior half.

Hizentra is also facing new competitors which, according to Jarden, are expected to challenge both volumes and pricing.

## Chinese albumin market also under pressure

The Chinese albumin market value has been downgraded by around -US\$200m. As highlighted by Macquarie, CSL's China plans have proved "too ambitious".

Management pointed out the overall volume of albumin in China, the world's largest albumin market, has not fallen. Price competition is instead pushing down the total value of the market and CSL's franchise is anticipated to decline by more than -15% in FY26.

Competitor Grifols also reported a decline in albumin sales of -6% in the March quarter, UBS notes, which was attributed to new regulation limiting hospital usage in the country combined with oversupply.

Ord Minnett believes the expenditure required to grow albumin market share will challenge the achievement of satisfactory returns on investment over the medium term.

RBC also flags an uptick in albumin market share against further price deterioration, remaining cautious on the prospect for a recovery.

CSL Behring, Ig and albumin contributed around 72% of FY25 revenue.

## Seqirus and Vifor served up mixed outlooks

Turning to CSL Seqirus, management's update was broadly positive, with FY26 performance noted as "moderately stronger", Macquarie observes.

Citi singles out an uplift in FY26 flu vaccine growth to 10% because of late season orders.

Vifor remains subject to increasingly price competitive markets with the introduction of several generics in Europe and soon in the US market.

As explained by Bell Potter, the end of some Velphoro re-imburement benefits from December 31, 2025, combined with increased competition, resulted in the additional non cash impairment of -US\$5bn across FY26-FY27.

Jarden views Vifor as achieving better than expected results over the last three halves, but the outlook has been tempered by an increased rate of decline in its iron franchise.

Robust price competition against Vifor's flagship US iron drug and Venofer represent the initial signs of generic competition.

Middle East impacts came in at -US\$150m, creating another earnings shortfall, Canaccord Genuity notes.

## Analysts divided on the turnaround

Wrapping up the downgrade, suffice to say analysts' responses are quite disparate. The FN Arena consensus

target price (from daily monitored brokers) has fallen -\$59.54 to \$134.94 following management's shock downgrade.

Interestingly, only Citi was prompted to downgrade its rating to Neutral from Buy among daily monitored brokers.

Non daily monitored Jarden and Canaccord both downgraded to Hold-equivalent ratings from Buy-equivalents.

Target prices have been downgraded to lows of \$100 from Bell Potter, \$110 from Citi and Macquarie at \$110, versus highs of \$175 from UBS (Buy rated) and Morgan Stanley (Buy-equivalent).

CSL management has been caught against a backdrop of changing market conditions and, most importantly for investors, weakness in its key earnings generator, Behring.

Jarden states CSL *"appears to have misjudged pricing across a suite of products"*, resulting in both revenue and margin impacts.

The business is not considered *"broken"*, however, achieving pricing power against a backdrop of heightened competition across its flagship products and geographies creates what Canaccord describes as a *"multi-year turnaround story"*.

Canaccord also anticipates ongoing pressure from the biotechnology sector on traditional plasma derived Ig products. Against this backdrop, CSL is reducing R&D expenditure, making it harder for the company to respond to heightened competition.

The de-rating has seen CSL's historical valuation premium of 30%-plus to global peers erode into a discount of similar magnitude. Canaccord's new discounted cash flow target price of \$106.31 implies 0% terminal growth for the company, arguably reflecting the market's current view.

Correspondingly, the downgraded equity valuation makes it more challenging to innovate through M&A while achieving a reasonable return on invested capital.

Citi highlights turnarounds in large therapeutics companies are typically long-dated processes.

Bell Potter views the lower valuation as justified, given the deteriorating underlying earnings outlook across FY26-FY27, the absence of stable management, with a CEO search ongoing, and credibility issues following multiple disappointing results and updates.

Morgans takes a more glass half full approach, suggesting the current valuation discounts *"a structurally impaired plasma franchise"*. This analyst does not believe the market can continue to support such industry dynamics.

Morgans sticks with its Buy rating alongside a target price of \$147.59.

Morgan Stanley views the share price as already reflecting assumptions consistent with its bear case of low single digit Ig and albumin growth over the medium to long term. From here onwards, the risk reward is considered favourable.

UBS does not believe the company is facing structural issues, with management moving towards restorative measures to improve performance.

RBC Capital believes the downgrade was materially worse than expected, lowering its target price to \$113 from \$127.

According to downgraded consensus EPS forecasts, CSL is now trading on an FY26 price-to-earnings ratio of circa 11.2x and a dividend yield of 4%.

For now, the market is pricing Australia's once great growth stock more like a value play with a reasonably attractive dividend yield.

As much as the earnings growth outlook has been lowered, the circa -74% decline in the share price also illustrates the major de-rating that has occurred over recent years.

Valuation compression has acted as a double whammy for shareholders amid faltering earnings growth.

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

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

**AUSTRALIA**

# News Corp En Route for Record FY26 Profit

News Corp outperformed analysts' third quarter expectations, led by growth engines Digital Real Estate and Dow Jones.

- News Corp's third quarter 'beat' consensus, alongside early Q4 strength
- Growth engines Digital Real Estate and Dow Jones are delivering
- Upside from potential AI licensing deals
- Buybacks lend further share price support

By Mark Woodruff



*Management at News Corp is eyeing more AI content licensing deals*

Given solid year-to-date growth highlighted in last week's third quarter results, along with management pointing to ongoing strength into the fourth quarter, global media and information services company News Corp ((NWS)) appears on track to deliver another year of record profitability.

Led by the two key growth engines Digital Real Estate Services and Dow Jones earnings for the quarter rose by 18% on the prior year to US\$343m, ahead of the consensus forecast for US\$331m.

The business remains resilient despite a weakening macro backdrop and the evolving AI thematic, UBS highlights, with future growth expected from average earnings margin expansion of around 1.3% per annum over the next three years.

In the broker's view, higher margins will be supported by the Dow Jones' Professional Information Business and Digital Real Estate, alongside increasing monetisation of AI-related content opportunities.

Management is progressing AI content licensing agreements, reinforcing the value of its proprietary data and providing earnings upside, Macquarie suggests.

This broker continues to view the current valuation as attractive.

While management does not provide formal guidance, it reiterated its ambition for Dow Jones to deliver US\$1bn in earnings within five years.

UBS views this target as achievable based on its own forecast of around 10% compound annual growth rate

(CAGR) over the period.

## AI upside

Management is increasingly focused on AI, both through operational efficiencies and monetisation opportunities.

Macquarie sees significant upside from content licensing deals with AI platforms, highlighting a reported agreement with Meta worth up to US\$50m annually, alongside existing partnerships with OpenAI and Amazon.

Additional agreements are being pursued. While details remain commercially sensitive, the broker views further deals as key catalysts for earnings upgrades and a higher valuation.

## Dow Jones segment

The Dow Jones segment includes The Wall Street Journal and related financial data and information services and has become a major earnings driver due to its high-margin subscription model.

Dow Jones revenue rose by 8% in the third quarter to US\$619m. Earnings increased by 11% (to US\$147m), including 19% growth in Risk & Compliance and 12% growth in Dow Jones Energy.

For professionals seeking insights into energy markets, sustainability, and commodities, Dow Jones offers several energy-related products and services designed to provide real-time news, data, and analysis across the entire fuel supply chain.

UBS is cautious on investment requirements within the Energy segment (Dow Jones/Oil Price Information Service), noting the space remains highly competitive as participants race to develop new pricing benchmarks, which typically require significant time and capital to establish credibility and adoption.

## Digital Real Estate Services

Digital Real Estate Services contributed 11 percentage points (ppts) to earnings growth, Macquarie highlights, supported by underlying growth at 61%-owned REA Group ((REA)) and favourable FX translation.

Benefiting from structural demand for online property listings, this division includes both REA in Australia and an 80% stake in Move Inc, operator of Realtor.com in the US.

Third quarter earnings rose 25% to US\$155m, driven by a higher contribution from REA Group and improved performance at Move Inc.

The company has progressively shifted its earnings mix toward higher-growth, digital and subscription-based businesses away from traditional print media.

## Book Publishing

Book Publishing, via HarperCollins, provides relatively stable earnings through global book sales.

Benefiting from higher physical and digital book sales, earnings increased to US\$73m, a 14% rise compared to the prior year.

Management explained this outperformance was due to higher revenues for digital and physical book sales led by Rachel Reid's Game Changers, and a \$6m impact from recent acquisitions.

## News Media

The smallest segment, News Media, generated US\$15m in earnings during the third quarter.

This business spans traditional mastheads, increasingly supported by digital subscription revenue, including News Corp Australia and News UK, with titles such as The Australian, The Daily Telegraph and the New York Post, alongside digital platforms like news.com.au.

This segment provided a drag on group performance, detracting -6 ppts from earnings growth.

Jarden explains costs associated with the California Post launch weighed on performance.

## Capital management

News Corp ended the third quarter with net cash of US\$183m, while its share buyback averaged around US\$2m per day during the quarter.

Morgan Stanley notes management intends to maintain an accelerated pace of share buybacks, viewing the current share price as undervaluing the business.

## Outlook

News Corp stock is trading on around 10x FY27 earnings, slightly above its five-year average, which UBS considers attractive given confidence in the company's medium-term, macro-resilient growth drivers.

The company has multiple levers to drive further penetration, including pricing increases, development of new benchmarks and expansion of compliance data, which the broker expects to benefit from ongoing geopolitical uncertainty.

Over the past three years, News Corp has delivered earnings margin expansion of around 1% per annum, supported by Dow Jones and Digital Real Estate. This trend is expected to continue over the next three years, with Move becoming an increasingly meaningful contributor.

Morgan Stanley believes the ongoing buyback, balance sheet flexibility, potential upside from AI/content licensing and further portfolio simplification could support a re-rating of the shares and a narrowing of the current discount to its sum-of-the-parts (SOTP) valuation.

Following third quarter results, Macquarie upgrades its rating to Buy or equivalent from Hold, joining the two other daily monitored brokers in the FNArena database (UBS and Morgan Stanley) with similar positive assessments.

Excluding Morgan Stanley, which sets a US dollar target, the average target increased to \$52.13 from \$50.20, implying 23.4% upside to the \$42.23 share price at the time of writing.

Morgan Stanley raises its target by US\$2.00 to US\$34.00.

Outside of daily coverage, Jarden has a \$46.30 target and an Overweight rating, midway between Buy and Hold in this broker's rating system.

*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](#)*

AUSTRALIA

# New-Look Dyno Nobel's Explosive First Half

After divesting of its troubled fertiliser business, Dyno Nobel has blown away forecasts with its first half explosives result.

- Dyno Nobel's performance in explosives significantly beat forecasts
- Transformation Program providing benefits
- Second half headwinds keep guidance unchanged
- Valuation gap has opened up with key competitor Orica

By Greg Peel



*Dyno Nobel easily outperformed competitor Orica in Explosives*

By Greg Peel

Dyno Nobel ((DNL)) has released its first half FY26 result (September year-end); the company's first as a pure-play explosives business, having divested of its fertiliser business.

Underlying earnings per share moved up 91% year on year and 17% ahead of market expectations.

Earnings (EBIT) of \$243m were up 39% and 3% ahead of market, notwithstanding a lower than expected contribution in the period from the outgoing fertilisers business.

Explosives' EBIT of \$224m was up 28% year on year and 19% ahead of market expectations.

The divestment of the Phosphate Hill fertiliser plant has proven critical to the transformation of the company.

## Phosphate Hill

It is ironic that at this time, as the prime minister scours the world for fertiliser supply, Australia's only producer of fertiliser was close to closing down.

Late last year Dyno Nobel, the owner of Phosphate Hill, near Mt Isa in Queensland, announced it planned to sell the plant by March, and if a sale had not been achieved by then, it would shut the plant by September.

As the *Australian Financial Review* reported at the time, the problem is Phosphate Hill consumes vast amounts of gas to make fertiliser products and it had had a difficult three years after its preferred suppliers --Italian company ENI and the Northern Territory government-- failed to deliver the gas they were supposed to.

The shortfall forced Dyno to buy additional gas at daily market prices, exposing the company to much higher prices. For Australia, it was cheaper to import fertiliser rather than produce it domestically.

Be careful what you wish for.

Dyno Nobel was forced to take a -\$149.1m after-tax impairment on Phosphate Hill; part of -\$476.6m charges that drove the company to a -\$53.2m loss for FY25 (September year-end).

Hanging in the balance was the nearby Mt Isa copper smelter, owned by Glencore, which relies on the Phosphate Hill's sulphuric acid production to process copper.

The smelter has been promised a \$600m support package from state and federal governments to keep it open for at least two years, thus saving its workforce.

Phosphate Hill itself employs 540 workers.

A reprieve came in March when energy company Mayfair Australia agreed to buy Phosphate Hill for the princely sum of one dollar, albeit with a deferred consideration of up to \$100m contingent on performance milestones.

Having divested of Phosphate Hill, Dyno Nobel is now Australia's only pure-play explosives company.

Its only rival in explosives, Orica ((ORI)), also provides specialty chemicals and digital solutions to the mining industry.

## Explosive

Dyno Nobel's first half performance in Explosives beat forecasts because of the Americas, where earnings rose 60%, while Asia Pacific earnings rose 21%.

US coal industry customers drove the strong explosives demand.

This was offset by the division including Europe, Middle East & Africa and Latin America, which saw earnings down -18%.

The result also benefited from lower than expected corporate costs, down -20% year on year.

The period also saw an additional \$49m of management's Transformation Program benefits. The group earnings margin increased to 12.8% from 7.7% a year ago, reflecting the benefits of the Program.

Ammonium nitrate (AN) is the main input to explosives production, and on this front Dyno Nobel was in a much better position than rival Orica.

The AN market has suffered disruption not only from the Middle East conflict but also the Ukraine-Russia war and the closure of the significant CF Industries plant in Yazoo City in Mississippi following an explosion last November.

Yazoo City had been the sole supplier of Orica's AN, which resulted in Orica's explosives business achieving only flat earnings in the same period.

While Orica is now working to secure new sources, Dyno was able to trade its own surplus AN into a tight market, resulting in a US\$5m benefit.

Dyno benefited from security of AN supply via a solid and reliable AN manufacturing position, Macquarie notes. There is potential for a 12% debottlenecking of its US production capacity.

# Guidance

Despite the strong first half result, FY26 guidance has not been upgraded. Management reiterated FY26 earnings guidance for the Explosives business of \$460-500m, up 11%-21% year on year.

The second half will face headwinds including a higher AUD (-\$12m hit), -\$5m of stranded costs post the sale of Phosphate Hill, and temporary cost increases (-\$13m) from the Middle East conflict (higher raw materials and freight costs).

Pleasingly, Morgans notes, Dyno has now largely offset the US tariffs impact which was previously expected to adversely impact the group by -US\$10m in FY26.

Explosives guidance had previously assumed a 40/60% first/second half skew, but given the stronger than expected first half and second half headwinds, Morgans now assumes a 46/54% skew.

Macquarie is making the same assumption, noting a long term average 45:55 skew, and 38:62 last year due to first half shutdown activity.

Management reiterated its aim to double Explosives earnings to \$600m by FY28. Dyno is on track to achieve an earnings uplift of \$30-70m in FY26.

The FY26 exit run rate target remains at 65-75% of the \$300m earnings uplift.

# Balance Sheet

Cash flow conversion was weak in the period; 39% compared to 116% a year ago, although Morgan Stanley expects this to normalise in the second half following the fertilisers separation.

Net debt was nonetheless below market expectations at \$1.26bn with net leverage of 1.3x. Following completion of the Phosphate Hill sale, expected by 30 June, this ratio is expected to increase to around 2x due to the loss of associated earnings.

The company will resume its share buyback program on May 12 and it has \$342m remaining under this program.

The interim dividend rose to 4.6cps (unfranked) compared to 2.4cps a year ago. Return on invested capital was 9.5%, up from 6.4% a year ago.

# A New Look

While Morgans doesn't agree with Dyno selling Fertilisers for a "poor" price, the broker recognises management has done a good job with the Explosives Transformation Program. As a pure-play global explosives business, Dyno will become a much simpler story.

In Explosives, the company is a market leader and is leveraged to favourable industry dynamics, Morgans notes. Post the first half result, the share buyback will continue to support the share price.

Morgans nevertheless believes Dyno Nobel is fairly valued and retains a Hold rating and \$3.46 price target, up from \$3.33.

As stated, Dyno Nobel is now a pure-play global explosives business following the fertilisers exit. Morgan Stanley views this as supportive of a structural re-rating given explosives are higher growth, less volatile and more profitable through the cycle.

Balance sheet strength remains a clear positive, Morgan Stanley notes, with capital management optionality intact.

The explosives transformation is clearly delivering, but Morgan Stanley believes much of the near-term upside is now reflected in the share price. Valuation appears balanced, with Dyno trading on a 19x forecast FY27 PE compared to Orica on 16x.

Morgan Stanley retains an Equal-weight rating on Dyno Nobel, lifting its target to \$3.50 from \$3.40, and Overweight on Orica, which is the broker's preferred pick in the space.

Ord Minnett is of a similar view, maintaining a Hold recommendation on Dyno on valuation grounds, and also prefers the more attractively priced Orica in the sector, for which it has a Buy rating.

UBS keeps its Neutral rating for Dyno Nobel, lifting its price target by 20c to \$3.75.

With trading conditions continuing to look favourable, Citi remains Buy-rated with a target of \$4.00.

RBC Capital also has a target of \$4.00, up from \$3.70, and retains Outperform.

Macquarie is on research restriction and thus is unable to provide a recommendation or target.

All six daily monitored brokers have updated post the results release (RBC Capital is not included) and the result is a slightly higher consensus price target of \$3.64, which is only a smidgen above the share price (easily explains the general preference for Orica).

Current consensus estimates put the shares on implied dividend yields of 2.8% and 2.7% for the running year (ending in September) and for FY27, respectively.

Paying subscribers can look up the details via Stock Analysis on the website.

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

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

**RUDI'S VIEWS**

# Rudi's View: AI Is Making A Come-Back

Healthcare remains under pressure, and troubled CSL is not helping, but the market is warming yet again to future AI beneficiaries.

By Rudi Filapek-Vandyck, Editor



*AI-related stocks are off their March lows in Australia, but profit warnings continue to feature on the bourse*

Investing in the Australian share market continues to be a tricky affair as the number three index weight, CSL ((CSL)), yet again issued a disappointing profit downgrade on Monday morning, alongside a -US\$5bn asset write-down.

The share price shellacking on the day takes the pain for loyal shareholders to -74% since August last year.

The last time our eyes witnessed a share price below \$100 was back in 2015, when the trend was still very much up.

It's almost hard to believe those shares peaked at \$342.75 during the covid-pandemic lockdowns.

Healthcare stocks remain very much on the nose in Australia, as well as elsewhere, and market commentators and sector analysts continue to debate what exactly is happening, and when the trend might turn?

My five cents worth are the sector is now on the wrong side of governments funding the burden of healthcare services, the world around, and the Trump administration in the US is not helping either.

As per always, the dramatic changes in industry dynamics are hitting some companies harder than others, but anxious investors (who have plenty of alternatives available) are in no mood to differentiate.

Thus we witness all of Cochlear ((COH)), Fisher & Paykel Healthcare ((FPH)), Nanosonics ((NAN)), Pro Medicus ((PME)), Ramsay Health Care ((RHC)), ResMed ((RMD)), Sonic Healthcare ((SHL)), and others trading inside a channel of bearish share price trend patterns.

Whether such blanket approach is justified is by the by for the time being. No need to argue with a market that has made up its mind; neither the trend-following traders & algo-robots or disappointed shareholders will change their mind if you do.

If you do own shares in the sector, as I do with ResMed and Pro Medicus, you simply have to bide your time and let the process run its course.

As has also become apparent from last year's sell-all-prior-AI-beneficiaries move, a time will come when the market starts identifying Winners and Losers and which shares have indiscriminately been sold off unfairly and too deeply.

Time to roll out that often quoted piece of investor wisdom from Peter Lynch, one of the truly greats in the industry: *know what you own, and why you own it.*

ResMed's recent quarterly updates (plural) have been nothing but robust and excellent. Pro Medicus, I agree with many others, remains one of the great growth stories on the local bourse.

But there's no doubt today's shareholders will have to be patient. This process isn't over yet, not while CSL et al continue to surprise to the downside.

As reported after the February results season, CSL is no longer included in my selection of All-Weathers and neither does the **FNArena-Vested Equities All-Weather Model Portfolio** still have exposure.

Two conclusions automatically come to mind:

- It is never too late to sell
- Imagine trying to sooth the pain through averaging down!

## A Mixed Picture From Corporate Australia

As also shown during Monday's session, not every profit warning or disappointing market update is treated equally.

A profit warning from distributor and producer of poultry and fodder, Inghams Group ((ING)), saw its share price jump higher while a seemingly underwhelming market update by Metcash ((MTS)) was equally positively rewarded.

In both cases, I suspect, shares had already discounted the bad news forthcoming which, as it turned out, was not as bad as feared.

Contrary to what these profit warnings suggest, in addition to a rather moribund market overall, not every company in Australia outside of energy and mining is operating in deep misery.

Dyno Nobel's ((DNL)) interim result is the latest case in point, with those shares putting in a handsome rally on an overall bleak-looking day.

**FNArena's Corporate Results Monitor** currently has 'beats' and 'misses' running at approximately equal numbers, but rewards and punishments after results are not by default that straightforward.

Broader market forces remain at work and positive share price momentum remains important in the here and now.

## Note The AI-Theme Recovery

Judging from social media postings and brief exchanges with FNArena subscribers, there's a lot of frustration among local investors when comparing the local bourse --sluggish and indecisive-- with the run-away bull markets in the US and in countries like South-Korea and Taiwan.

Though some of that AI-inspired overseas enthusiasm seems to have injected new life into some AI beneficiaries listed on the ASX too, albeit not necessarily in the same parabolic fashion.

Small cap technology company SKS Technologies' ((SKS)) recent price chart looks a lot like that of SK Hynix or Intel and in similar fashion SKS' stellar rise is based on big upgrades in earnings forecasts, with more anticipated to come through.

But equally, share prices in data centre developers and operators have moved well-off their March lows. Think Goodman Group ((GMG)), but also Infratil ((IFT)), NexDC ((NXT)) and Macquarie Technology ((MAQ)).

This renewed enthusiasm is not solely inspired by ongoing positive trends emanating from Q3 results in the US.

Positive insights from NextDC and Infratil --the latter landing Australia's largest ever contract for 49.75%-owned CDC-- will have equally convinced investors those share prices have been treated indiscriminately and unfairly.

With this segment of the Australian bourse having been out-of-favour since around September last year, here is an important message for today's investors in healthcare stocks -- this too shall end, eventually.

Meanwhile, in the background of all of the above, ASX-listed non-technology companies are increasingly communicating their plans and intentions through adoption and implementation of AI.

AI in Australia first started to genuinely feature during corporate results in February.

At the Macquarie Australia Conference last week it became a "pervasive theme", according to Macquarie analysts, who also report "companies shared tangible benefits and data about their adoption of AI".

Investors should prepare to read and hear a lot more about AI from Australian businesses as this will increasingly accumulate into the defining feature to separate Winners from Laggards, just as has happened in overseas markets.

In the words of Macquarie: *"AI is becoming a whole-economy operating and capital-allocation variable, not a narrow technology-sector story"*.

## AI Adoption Is Spreading

Key AI beneficiaries should include those linked to the ongoing strong demand for infrastructure, such as the mentioned data centre operators, but equally companies that are indirectly rewarded, such as AGL Energy ((AGL)), APA Group ((APA)), Megaport ((MP1)), Telstra ((TLS)), and Superloop ((SLC)).

Others are seeking to benefit from using this new technological tool.

Qantas Airways ((QAN)) developed an AI tool in just four weeks (instead of spending millions of dollars over multiple months) to predict and improve on-time performance.

Wesfarmers' ((WES)) Bunnings has deployed a conversational AI agent, "buddy", that is delivering materially higher conversion rates and order values.

Breville Group's ((BRG)) CEO stated AI could shorten product development cycles by six months or more and its legal team is already 400% more productive, saving over \$1m this year.

There are multiple direct connections into the resources sector as well with Alpha HPA ((A4N)), for example, expected to benefit through its high-purity alumina used in advanced chip applications.

Management presentations from all these companies at the Conference referenced or featured AI in some form or benefit. Idem for recent financial result updates from News Corp ((NWS)), REA Group ((REA)), and Westpac ((WBC)).

Both Ventia Services ((VNT)) and Mayfield Group Holdings ((MYG)) recently identified AI infrastructure and data centres as a fresh source for future growth, though Ventia has fewer (labour) limitations to deal with.

On Macquarie's number crunching, the group of AI enablers --those building the infrastructure-- have outperformed in the recent rebound for AI-related stocks on the ASX.

Even the lower-quality sector laggard, DigiCo Infrastructure REIT ((DGT)) has joined in on the theme revival.

Going forward, and as also proven by TechnologyOne ((TNE)) in February and by Infratil, NextDC and SKS Technologies more recently; the market stands ready to reward tangible progress with this new technology, irrespective of sector or specific format.

This is rapidly becoming the task at hand for local management teams: show that you can deliver tangible AI

benefits and your shareholders will be rewarded.

August will be fascinating and polarising at the same time.

Before then, we still have a series of in-between financial result releases to digest, including from Aristocrat Leisure ((ALL)), GrainCorp ((GNC)) and Xero ((XRO)) this week.

**FNArena's Corporate Results Monitor:**

[https://fnarena.com/index.php/reporting\\_season/](https://fnarena.com/index.php/reporting_season/) ([scroll down the page for the calendar](#)).

Meanwhile, higher energy prices combined with cost-of-living pressures and persistent inflation will continue to force more vulnerable businesses to downgrade market expectations a la Cochlear ((COH)), CSL, Gentrack Group ((GTK)), Woolworths Group ((WOW)), and others.

AI cannot cure all ailments. The local market will remain tricky and ultra-polarised for much longer.

## FNArena Subscription

A subscription to FNArena (6 or 12 months) comes with an archive of Special Reports (21 since 2006); examples below.



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

---



Cover Investing in GenAi - medium sized

(This story was written on Monday, 11th May 2026. It was published on the day in the form of an email to paying subscribers, and again on Wednesday as a story on the website).

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

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

**RUDI'S VIEWS**

# Rudi's View: Outlook Positive, Australia Lagging

The outlook remains positive, global equity strategists maintain, though Australia will be among the world's laggards.

By Rudi Filapek-Vandyck, Editor

Consumers worldwide are feeling the pain from higher oil prices, as also witnessed in recent market updates by ASX-listed companies, but economic recessions should still be avoided as the positives from a cyclical upturn and significant spending on AI infrastructure provide plenty of offsets.

In contrast with prior oil price shocks, corporate earnings in key regions are accelerating, not shrinking, creating a positive undercurrent against today's headwinds and uncertainties.

To illustrate their ongoing positive outlook, strategists at **Morgan Stanley** have raised their next twelve month's target for the S&P500 to 8300, implying yet another year of double-digit return (11.5%) is most likely.

**Jeff Schulze**, head of economic and market strategy at Franklin Templeton's **ClearBridge Investments**, is equally positive on the outlook for equities in the US (and worldwide).

Schulze is the author behind ClearBridge's [US Recession Dashboard](#) which as at the end of April is hardly flashing any warning signals.

In fact, there are fewer warnings now than at the end of December, indicating the US economy is progressing into stronger underlying momentum, despite war in the Middle East and vulnerable consumers exposed to higher fuel prices.

## Solid US Momentum

Schulze is currently visiting Australia to communicate ClearBridge's strategy and insights to local investors and the media. Morgan Stanley just updated its prognostications for the six months (and more) ahead.

In the US specifically, positive stimulus from the One Beautiful Big Bill (OB BB) in combination with ever-larger spending on the build-out of AI infrastructure are seen as compensating for oil price pressure on consumer spending and corporate reluctance elsewhere.

Morgan Stanley, which is among the perma-bulls on Wall Street when it comes to the positive effects from AI, would argue the corporate sector (globally) is yet to experience the real benefits from AI adoption, which should add another boost to margins, and thus to profits and valuations.

Schulze's outlook is less AI-centric, but equally constructive. He too suggests investors worrying about AI 'bubbles' and industry overspending are at least a couple of years too early.

Both agree there are now opportunities among sold off share prices in software companies and the like, on the assumption investors can separate future Winners from AI Losers.

Schulze's outlook revolves less around US large caps, as several forces seem to be lining up for a catch-up by smaller caps and equities outside of the US, more specifically in Emerging Markets like China, South-Korea and Taiwan, where AI benefits are expected to keep accumulating.

Cheaper valuations are the extra bonus, plus the prospect for a weakening US dollar.

## The Future Is Not The Past

While still constructive on US equities overall, Schulze warns investors should not extrapolate the past 15 years into the future. This applies to the Megacaps that have grown ever so strongly over that period, as well as the relative outperformance of US markets generally.

Historical data analysis suggests when index concentration reaches as high as it currently is, companies that make up the Top 10 are destined for relative underperformance.

This does not by default equal negative returns from yesterday's Champions, just that better returns are on offer elsewhere (from stocks and markets that previously could not keep up).

The macro view is the US has now experienced 15 years of global market leadership, about the same length as the period late-1980s into the early noughties, with a weakening US dollar signalling a time is arriving for leadership to shift outside of US markets.

The thesis of a 'broadening bull market' has been put forward by strategists since last year and recent indications, including the March quarter results in the US, are showing yesteryear's laggards are catching up with the Mag7 and the broader technology sector.

In Australia, this has almost exclusively occurred through cyclical mining companies and energy producers, and companies directly linked to both market segments.

Both Morgan Stanley and Schulze believe the commodities revival has further to run.

Years of underinvestment are now colliding with rising demand from defense spending, resources nationalism, the AI build-out and a cyclical upswing while capex cycles require many more years before additional supply can be added into the mix.

## Australia, The Laggard

The sad observation is Morgan Stanley has identified Australia for rather subdued economic growth this year and next.

Hence why the local market has been relegated to the less promising basket, together with South Asia, most countries in Latin America, and most of the EEMEA region.

Morgan Stanley is much more constructive on Japan, North Asia, Brazil, Greece, Hungary, and Saudi Arabia.

In terms of segments and sectors, Goods are preferred over Services, with explicit focus on Energy, Materials, Industrials, Semiconductors and Memory.

Have been placed in the unattractive basket: Autos, Consumer stocks, IT services, and downstream industries impacted by higher commodity prices.

Among the positives that support a constructive outlook, ClearBridge's data analysis suggests whenever corporate profits grow above 9%, index returns tend to be above average.

Market consensus in the US is currently projecting 17% EPS growth in 2026.

Historical analysis equally shows investing during periods of heightened US political uncertainty (similar to the present) tend to end with superior equity market returns as soon as clarity is restored.

AI is most likely to augment jobs and to result in the creation of new jobs, rather than simply create mass unemployment (both ClearBridge and Morgan Stanley agree on this).

The US consumer is significantly less impacted by higher energy prices than in the past, with the average household in 2026 only spending 3.7% of its budget on fuel compared with 9% in 1980 and still 6%-plus during the GFC.

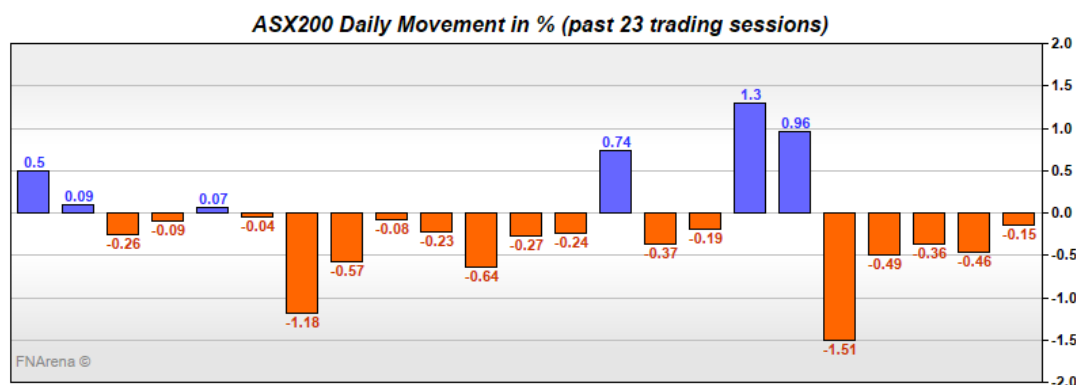
And while there will be more defaults forthcoming in US private credit, that segment is many times over smaller than Mortgage-Backed Securities (MBS) lending during the GFC, and not large enough to create problems that cannot be managed, in Schulze's view.

Potentially adding to Australia's woes is there seems to be a growing view in the market that the local banks still look overpriced when the economic outlook doesn't look that flash.

From UBS's banking sector team: *"Current sector multiples don't yet fully reflect a sector in transition, in our opinion, moving away from a benign credit and interest rate tailwind environment to one of rising provisions, slowing mortgage growth and policy adjustments."*

UBS's reshuffled sector ranking is now (in order of preference): Judo Capital ((JDO)), National Australia Bank ((NAB)), Bank of Queensland ((BOQ)), Westpac ((WBC)), Macquarie Group ((MQG)), ANZ Bank ((ANZ)), then CommBank ((CBA)).

The below probably summarises Australian investors' frustration this month in one simple, straightforward graphic:



One important note needs to be made against all of the above: everything you just read is subject to the opposing parties in the Middle East figuring out a sustainable solution that includes the re-opening of the Strait of Hormuz.

The fact US equities have taken the luxury of zooming in on the AI boom and largely ignoring the risks that might still erupt from the Middle East might serve as indication just about everyone, including Morgan Stanley and ClearBridge, assumes a solution between Iran, the US and Israel will be found.

Sooner rather than later is preferred.

See also:

<https://fnarena.com/index.php/2026/05/13/rudis-view-ai-is-making-a-come-back/>

<https://fnarena.com/index.php/2026/05/07/rudis-view-the-times-they-are-a-changing/>

<https://fnarena.com/index.php/2026/05/06/rudis-view-ai-the-great-market-divider/>

<https://fnarena.com/index.php/2026/04/30/rudis-view-stagflation-no-recession/>

FNArena's Corporate Results Monitor: [https://fnarena.com/index.php/reporting\\_season/](https://fnarena.com/index.php/reporting_season/)

My curated lists via the All-Weathers segment:

<https://fnarena.com/index.php/analysis-data/all-weather-stocks/>

(Do note that, in line with all my analyses, appearances and presentations, all of the above names and calculations are provided for educational purposes only. Investors should always consult with their

licensed investment advisor first, before making any decisions.)

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

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

### **FNArena Subscription**

A subscription to FNArena (6 or 12 months) comes with an archive of Special Reports (20 since 2006); examples below.



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](#)

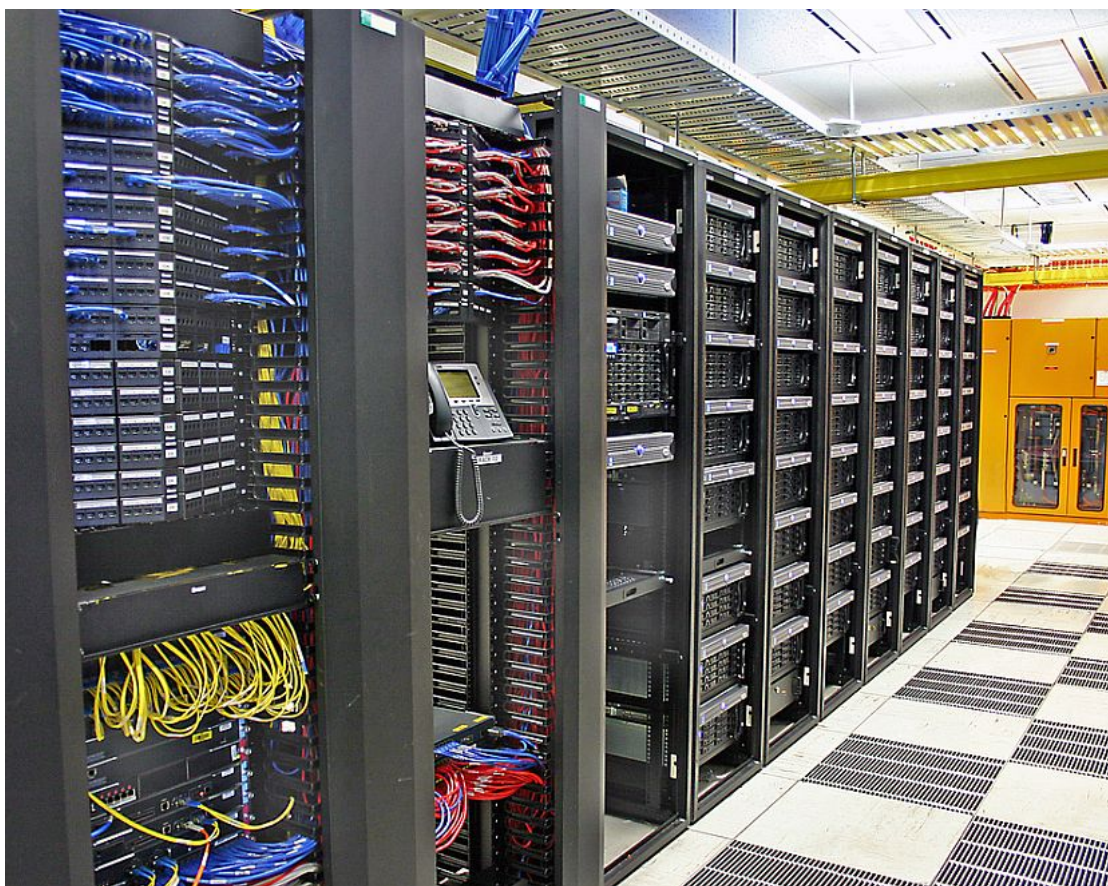
**SMALL CAPS**

# Ventia Services Targeting Key Growth Sectors

Ventia Services is targeting the growth sectors of data centres, defence, energy & renewables, and water. Analysts see the stock as a preferred defensive exposure.

- **Ventia Services reiterates profit growth guidance**
- **Management's focus is on high-growth markets**
- **Beneficiary of increased infra investment, government outsourcing and defence spending**
- **Analysts continue to see attractive valuation**

By Greg Peel



*Ventia Services has identified new growth potential in data centres*

Ventia Services Group ((VNT)) is a leading infrastructure services provider in Australia and New Zealand, specialising in the long-term operation, maintenance, and management of critical public and private assets.

The company offers services across Asset Management, Engineering Services, Environmental Services, Facilities Management and Telecommunications.

Ventia hosted its investor day last week, at which management reiterated 2026 guidance for profit growth of 7%-10%.

Presentations on the day highlighted the company's focus on those markets offering higher growth rates and which made up around 60% of its 2025 earnings, being the Energy and Renewables sector, Australian Defence Force work, Digital infrastructure, which includes the usual work for telecommunications companies as well as the booming data centre market, and Water.

Ventia noted costs related to redundancies from some lost defence work and the end of a NSW schools

contract would weigh on first-half 2026 results, although management was confident its operating earnings margin would at least match the 8.7% booked in 2025 given efficiency savings and a concentration on winning work in the above-mentioned higher-margin markets.

Regarding the “topic du jour”, as Canaccord Genuity puts it, Ventia was clear in explaining its fuel cost exposure was largely on a pass-through basis.

Where there is exposure is in its light vehicle fleet (utes) which are also on an escalating basis, while 650 EVs (out of a 4.5k light fleet) were ordered just prior to the Middle East conflict breaking out.

## High-Growth End-Markets

For Digital Infrastructure, Ventia expects growth to be driven by increased wallet share, expanding into adjacencies (defence, private networks, mission critical capabilities) and scaling in high-growth markets.

Ventia has identified Data Centre Services as a key growth sector, which it estimates will grow at a compound annual growth rate (CAGR) of 18%, driven by AI uptake, data security and power generation.

The addressable market is forecast to grow from \$2.6bn to \$5.9bn over the next five years. Ventia has a 4% share of this (through a data centre modular build for Telstra ((TLS)) and has significant headroom to increase share via data centre fit out and operation & maintenance.

As the largest telco infra services provider in Australia and New Zealand, Canaccord believes Ventia is well placed to capitalise on the digital economy.

Ventia sees the Defence addressable market growing at a 5% CAGR over FY25-30, underpinned by Australian defence spending increasing to 3% of GDP by 2034 from circa 2% currently.

Ventia has ascended from being a number 10 contractor in 2018 to a number three contractor in 2025. Growth is evident with an addressable market growing from \$10bn in 2025 to an estimated \$16bn in 2030, including \$25bn spend over the next decade in the Henderson precinct (AUKUS submarine base), which includes \$8bn for HMAS Stirling where Ventia is the incumbent.

The Energy and Renewables market is forecast to deliver 6.9% CAGR (FY25-30) supported by grid decarbonisation, battery energy storage system (BESS) integration and data centre demand, with Ventia currently holding a 2.6% market share.

Long-term customer relationships performing operation & maintenance and low-risk capital works in energy & renewables, underwrites long-term, heavily recurring work, Canaccord notes.

The Water market is forecasted to increase at a 4.5% CAGR (FY25-30) driven by multi-year modernisation programs for ageing infrastructure already underway as well as population growth.

Ventia also noted demand for services in this sector has outpaced capacity, enabling it to secure more favourable pricing and risk allocation terms.

## Margins and Capital

Ventia’s earnings margins stepped up to 8.7% in FY25 and management views this as sustainable, Macquarie notes. The improvement is driven by a mix-shift towards higher-margin businesses in Telco and Energy.

Further efficiency gains are expected from the implementation of common software platforms across the business and a structural shift towards higher-margin activities, such as doing less cleaning/catering and more “hard” facilities management in Defence, and less wireless and more fixed-line work in Telco.

Ord Minnett has raised its forecast for earnings margins to 8.8% in 2026 before expanding to more than 9% by 2030 as the business mix improves.

The balance sheet is in good shape, Macquarie notes, with leverage at 1.2x. Capital allocation includes three key pillars: maintaining financial strength (low leverage), investing in capital-light growth, and providing shareholder returns.

The current dividend payout ratio of 75% is expected to increase when Ventia moves to 100% franking at the

end 2027.

Bolt-on acquisition potential remains but organic growth is the main focus, with management to remain disciplined re bolt-ons.

## Ratings & Valuations

Back in March, Morgans noted the Developers & Contractors sector, which generally performed in line with the ASX All Ords during the month, had since sold off due to concerns around a global slowdown and the impact of fuel shortages on mining following the start of the Iran conflict.

For a protracted recovery, Morgans suggested Ventia is in the optimal position as an inflation beneficiary in defensive non-mining end-markets. Morgans retained a Hold rating, but has not yet updated on the company's investor day.

The reiterated guidance for net profit growth of 7%-10% in 2026 and a dividend payout ratio of at least 75% at the investor day boosted Ord Minnett's faith in forecasts and the infrastructure services contractor's prospects.

Ord Minnett retains an Accumulate rating (in between Buy and Hold).

UBS maintains a Buy rating, with the stock trading at a one-year forward PE of 16x, which is a -20% discount to the ASX200 Industrials and a -30% discount to global capital-light industrial services companies with similar financial and cash return profiles.

UBS sees Ventia as a beneficiary of increased infrastructure investment, government outsourcing and defence spending.

Noting a number of attractive growth opportunities in key markets along with structural tailwinds, such as Digital Infra spend and Defence, Macquarie views Ventia's exposures as defensive in the current environment, and retains Outperform (equivalent of Buy).

The average target among the four brokers monitored daily by FNArena covering Ventia Services is \$6.15, up from \$6.09 before the investor day (and with Morgans' update still absent post the investor day).

Morgans' price target of \$5.25 set in late March is the lowest among peers.

Overall, Canaccord continues to be constructive on the stock given solid execution and management's track record. At 25% per annum, Ventia is in the top 25th percentile for total shareholder return on a forecast five-year basis against the ASX100.

Canaccord believes Ventia offers favourable exposure to long-term structural tailwinds of the telecommunications, defence, energy & renewables and utilities sectors.

This broker forecasts a FY26 dividend yield of 4.6% (with franking increasing towards 100% in the near-term as tax losses associated with the Broadspectrum acquisition roll off), supported by a healthy balance sheet and an ongoing share buyback.

Canaccord retains Buy with a target price of \$5.99.

*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 - 08-05-26

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

By Mark Woodruff

**Guide:**

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

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

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

**Summary**

*Period: Monday May 4 to Friday May 8, 2026*

*Total Upgrades: 10*

*Total Downgrades: 12*

*Net Ratings Breakdown: Buy 66.32%; Hold 27.07%; Sell 6.61%*

For the week ending Friday, May 8, 2026, FN Arena recorded ten upgrades and twelve downgrades from the seven brokers monitored daily across ASX-listed companies.

For the third week in a row, falls in average target prices and average earnings forecasts materially outweigh rises in the tables below.

Following interim reporting, ANZ Bank, National Australia Bank and Westpac feature prominently with three, two and one upgrades, respectively.

ANZ also appears in the week's top10 table for positive change to average earnings forecasts with a near 2% rise for FY26. The average target price in the FN Arena database eased by just -7 cents to \$35.18.

Flat underlying revenue was offset by stronger-than-expected cost control and lower credit impairment charges, Morgans noted. Management trimmed FY26 cost guidance.

Rising domestic interest rates and a subsequent surge in bond yields have caused net interest margins to widen across the broader industry, yet ANZ Bank has experienced a reduction in market revenue share to 21.7%, Ord Minnett explained. It's felt revenues will be difficult to recoup given the bank does not want to compete on price.

Overall, UBS viewed the result as strong, although softer revenue trends and modest lending growth remain key watchpoints.

Morgans described NAB's 1H26 result as mixed, with earnings slightly below expectations and impacted by a large software amortisation charge.

While management offered stronger second-half guidance, including a circa 5bps tailwind from its replicating portfolio, Macquarie expected competitive pressures will again weigh on the bank's net interest margin.

Ord Minnett was more upbeat, noting a strong operating performance in the first half, underpinning NAB's reputation in the business and private banking franchise.

For Westpac, here Morgans highlighted strong first half volume momentum, though earnings leverage was mitigated by margin compression and credit risk pressure.

While not without risk, if the bank closes the gap in valuation metrics to its larger peer CommBank, this broker feels earnings upside could be significant.

Commentary on Macquarie Group's stellar FY26 results is available in FN Arena's Corporate Results Monitor at <https://fnarena.com/index.php/2026/05/08/fnarena-corporate-results-monitor-08-05-2026/>

The largest positive change to the average target price last week was around 6%, matched on the downside by tenth-placed Amcor.

Gentrack Group, which provides software to utilities and airports, tops the list with a -40% fall after management downgraded guidance for revenue and earnings ahead of first half results.

While material new contracts and next generation G2 platform traction underpin a compelling bull case, contract losses, lack of reference customers, and pipeline uncertainty suggests to Morgan Stanley scope for further deleverage.

Bell Potter highlighted a strategic shift by management toward prioritising growth over near-term profitability, with margins now expected to compress materially.

Gentrack also ranks third for negative change to average earnings forecast behind coal exposure Coronado Global Resources and biotechnology company Telix Pharmaceuticals.

Playing research catch-up for Outperform-rated Coronado's late April quarterly result, Macquarie last week noted financial metrics fell short of expectations, with production -24% lower, sales -11% below forecasts and costs -29% worse than expected.

The weaker result was attributed to weather disruptions, maintenance issues and safety-related impacts on volumes. The broker's target price was lowered by -20% to 60c.

Last week, Morgan Stanley evaluated oil-linked risks across the Australian Healthcare sector and lowered its target price for Overweight-rated Telix to \$22.40 from \$24.60.

Ramsay Health Care and Sonic Healthcare are seen as most exposed to rising cost pressures.

These two healthcare companies are vulnerable given lower margins and limited pricing power, while ResMed and Fisher & Paykel Healthcare are considered better placed due to stronger margins and pricing flexibility.

Higher oil prices are expected to lift input costs, including components, consumables and freight, creating a headwind for the sector, the broker explained.

Commodity exposures Ramelius Resources, Boss Energy, Meteoric Resources and Aeris Resources follow Gentrack on the list for earnings forecast downgrades.

Morgans noted Ramelius reported March quarter gold production of 38,100oz at a cost (AISC) of -\$2,211/oz, down on the prior quarter due to a planned mill shutdown and Cyclone Narelle.

Cost guidance was raised to -\$1,900/oz-\$2,050/oz, largely reflecting a reclassification of development costs rather than underlying cost pressure, the broker assured.

Wet weather weighed on Boss Energy's third quarter performance, with Honeymoon production falling -56% quarter-on-quarter to 203klb.

FY26 production guidance was reduced to 1.4mlb-1.45mlb from 1.6mlb, driving a -67.1% downgrade to Morgan Stanley's FY26 EPS forecast. Estimates for FY27 and FY28 were also reduced by -15.7% and -4.5%, respectively.

Revised forecasts also factored in a slower ramp-up at Alta Mesa uranium project, located in Texas.

Macquarie noted lower risk and higher quality opportunities in the ASX-listed Uranium sector that offer significant leverage to an improving uranium price.

For Meteoric, which owns one of two ionic adsorption clay rare earths projects at Pocos de Caldas in Brazil, Ord Minnett highlighted progress in the March quarter update, including testing of the 25kg/hour pilot plant and submission of the installation licence, both key steps toward a final investment decision.

The broker described the quarter as "expensive", noting a subsequent \$40m equity raising.

Catalysts include the definitive feasibility study, binding offtake and funding agreements. Ord Minnett retained its Speculative Buy rating and 25c target.

Aeris Resources' third quarter copper production fell short of Morgans' forecast due to lower grades at Tritton in NSW, partly offset by stronger gold and silver output and improved costs.

The broker highlights robust cash flow, up 72% quarter-on-quarter, materially strengthening the balance sheet and enhancing funding flexibility.

Tritton is expected to improve in the fourth quarter as higher-grade ore is accessed, while Cracow in Queensland delivered steady gold production.

Morgans also pointed to longer-term growth from Constellation, Golden Plateau and the Peel acquisition, supporting production growth and mine life extension. A Buy rating and 70c target were retained.

Returning to negative changes in average target prices, here uranium miner Lotus Resources and footwear retailer Accent Group suffered respective falls of -36% and -32%.

Ord Minnett described Lotus as delivering a "truly horrible March quarter" and, just two months after a \$79m capital raising, the company may need to return to the market in September.

Output was limited to 80,000lb of uranium oxide while \$56m in cash was consumed, the broker noted.

Macquarie attributed the disappointment to processing plant performance rather than the underlying resource, with issues expected to ease over time as operations stabilise and freshly mined ore is introduced.

In this broker's opinion, the negative share market reaction to the results was overdone.

The situation appears more dire for Accent Group.

Citi slashed its target to 57c from \$1.25 and downgraded to Neutral from Buy. Cost growth continues to outpace revenue, the broker cautioned, raising concerns around operating leverage.

It's noted gearing is elevated relative to discretionary retail peers.

Morgans lowered its target to 75c from 94c, noting the Middle East conflict has resulted in higher fuel prices and lower consumer confidence, which has in turn impacted sales and margins.

Management has also received notices from ASIC requiring documents in connection with an investigation into trading in securities between May 23 and June 10, 2025.

No charges have been filed, and ASIC says the notice doesn't by default imply any breach.

While ImpediMed is next on the negative change to target price list, the company also appears second for positive change to average earnings forecast in FY26.

This apparent contradiction is explained by management announcing a \$15.2m capital raise alongside cost-saving initiatives, with Morgans noting the funding supports a path to break even by FY28 and reduces any debt overhang.

Appearing either side of ImpediMed on the positive earnings list are Regis Resources and DigiCo Infrastructure REIT, with average rises of 38% and 20%, respectively.

Bell Potter suggested the merger deal between Regis and Vault Minerals is positive for shareholders and has "strategic merit".

The merged entity will create in the near term a 700kozpa producer, the analyst highlighted, with five operating mines and a debt-free balance sheet plus \$1.9bn in cash.

Vault shareholders will receive 0.69472 new Regis shares and have a circa 49% stake of the merger company.

Finally, some good news for long-suffering shareholders in DigiCo, which is focused on data centres and digital infrastructure.

The REIT will divest its Chicago data centre asset at a 5% premium to the purchase price and is also investigating disposal of its Los Angeles development sites.

Management reiterated FY26 guidance, which Morgans flagged as positive as it removes leverage concerns and provides a path to repositioning the REIT's Sydney data centre, SYD1.

Management also alluded to improved earnings through FY27 and subsequently higher dividends.

Morgans reacted by retaining its Buy rating and raising its target to \$3.60 from \$2.70.

Total Buy ratings remain elevated at 66.32%, with Sell ratings at just 6.61%, leaving 27.07% on Neutral/Hold.

## Upgrade

### **ATLAS ARTERIA ((ALX)) Upgrade to Hold from Trim by Morgans .B/H/S: 1/5/0**

Atlas Arteria has recommended investors ignore the hostile bid from IFM Global Infrastructure Fund, asserting the offer price is too low and the timing opportunistic.

The company has also indicated it has initiated a sale process for its 66.7% interest in Chicago Skyway which Morgans assesses, if successful, could be value accretive.

Atlas Arteria pointed out the notice of the Skyway sale, to Ontario Teachers Pension Plan, was issued five days before IFM announced its takeover bid and the existence of this right of first offer is a breach of a condition of the IFM offer.

While the divestment process is underway, the broker eases the rating to Hold from Trim. Target is \$4.22.

### **ANZ GROUP HOLDINGS LIMITED ((ANZ)) Upgrade to Trim from Sell by Morgans and Upgrade to Hold from Lighten by Ord Minnett and Upgrade to Neutral from Sell by UBS .B/H/S: 2/3/0**

Following ANZ Bank's interim results, Morgans raises its target to \$31.85 from \$30.72 and upgrades to Trim from Sell.

Flat underlying revenue was offset by stronger-than-expected cost control and lower credit impairment charges, supporting a modest earnings beat.

The broker highlights a material reduction in operating costs, with further savings expected through FY26-FY27, underpinning improved profitability and a lower cost-to-income ratio.

Asset quality remained resilient, the analyst highlights, while capital levels were strong, allowing the bank to neutralise its dividend reinvestment plan and reduce dilution.

While near-term margins and lending growth show some improvement, Morgans remains cautious on longer-term revenue delivery. The bank's earnings outlook is seen as more reliant on cost execution than top-line growth.

ANZ Bank delivered first half revenue that missed expectations while cash earnings were in line as Ord Minnett points to a better-than-expected cost outcome.

Rising domestic interest rates and subsequent surge in bond yields have caused net interest margins to widen across the broader industry, yet ANZ Bank has experienced a reduction in market revenue share to 21.7% and the broker expects this will be difficult to recoup given the bank does not want to compete on price.

Rating is upgraded to Hold from Lighten on valuation grounds with the target maintained at \$33.

Today's update on ANZ Bank from UBS results in a lift in EPS forecasts by 3.7% for FY26 and 3.8% for FY27.

With the share price moving below the target of \$36.50, the stock is upgraded to Neutral from Sell.

\*\*\*\*

At first glance on Friday (May 1), UBS notes ANZ Bank reported a 1H26 result ahead of expectations, with cash net profit after tax beating consensus by 2.7%, driven by lower costs and a smaller bad debt charge.

Revenue was slightly weaker, with net interest income down -2% and NIM compressing by -1bp to 1.53%, while non-interest income provided support.

Costs fell sharply. The broker highlights the cost-to-income ratio improved to 49.4%. Credit impairments were lower than expected at 7bp and CET1 strengthened to 12.39%.

Management's FY26 cost guidance was trimmed to around -\$11.3bn. Overall, the result was considered as strong, though softer revenue trends and modest lending growth remain key areas of focus.

Sell rated. Target \$36.50.

### **NATIONAL AUSTRALIA BANK LIMITED ((NAB)) Upgrade to Trim from Sell by Morgans and Upgrade to Hold from Lighten by Ord Minnett .B/H/S: 1/2/2**

National Australia Bank delivered a mixed 1H26 result, according to Morgans, noting earnings were slightly below expectations and impacted by a large software amortisation charge.

Revenue growth of 3% was modest, while underlying profitability improved excluding the notable item, supported by stronger business banking, deposit growth and home lending.

Net interest margin expanded modestly, with the broker lifting NIM forecasts, although management flagged downside risk to asset quality and slowing credit growth.

Costs remained controlled, with productivity initiatives expected to support positive operating leverage despite rising investment spend.

Rating upgraded to Trim from Sell, with the target price increased to \$36.10 from \$34.56 and dividend forecasts held broadly flat.

National Australia Bank has reported a strong operating performance in the first half, Ord Minnett observes, underpinning its reputation in the business and private banking franchise.

Cash earnings of \$1.64bn appeared, in the broker's opinion, to miss market expectations by a modest margin while the interim dividend was in line.

Revenue weakness appeared to be the driver of the earnings miss, as average interest-earning assets were reduced by translation from NZ dollars while cost control was a highlight.

Ord Minnett makes few changes post the result and expects rising official interest rates and benefits from the bank's replicating portfolio to compensate for the impact on average interest-earning assets from a weaker NZ currency.

Rating is upgraded to Hold from Lighten on valuation grounds, given the almost -14% drop in the share price in less than four weeks. Target is maintained at \$37.

#### **SMARTGROUP CORPORATION LIMITED ((SIQ)) Upgrade to Buy from Hold by Bell Potter .B/H/S: 2/2/0**

New vehicle order growth has accelerated for the first time since the introduction of the EV Discount Policy, Bell Potter notes. Smartgroup Corp reaffirmed mid-40s earnings margin guidance, delivering March Q settlements which grew 7% year on year and orders 22%.

While the revenue run-rate was unchanged, backlogs are re-emerging to support future periods. Bell Potter sees good potential as delivery times improve further.

Smartgroup has performed well, Bell Potter suggests, lifting install base growth, with modest penetration. Renewed vehicle orders and pipeline revenue turn the broker positive, leading to an upgrade to Buy from Hold. Target rises to \$11.50 from \$9.30.

#### **LOTTERY CORPORATION LIMITED ((TLC)) Upgrade to Accumulate from Hold by Morgans .B/H/S: 4/2/0**

Lottery Corp has secured a 40-year extension of its Victorian licence, to June 2068, paying a -\$1.145bn upfront premium funded entirely by debt.

Morgans was somewhat surprised by the duration and timing of the renewal, given the licence was historically offered on 10-year terms and was not expiring until June 2028.

Relatively immaterial changes are made to the broker's FY26 estimates and these largely reflect less optimistic trading conditions in lotteries.

The June 3 investor briefing will be the next catalyst where the new CEO will outline a refreshed strategy.

Rating is upgraded to Accumulate from Hold and the target lifted to \$6.00 from \$5.70.

See also TLC downgrade.

#### **TECHNOLOGY ONE LIMITED ((TNE)) Upgrade to Buy from Hold by Bell Potter .B/H/S: 4/2/0**

Technology One announced a new contract with James Cook University last month which, in Bell Potter's view, is significant from a product perspective, but perhaps less so from a financial perspective given the announcement was only released on the company's website.

On the back of this contract win and clear demonstration of "the power of Plus" (agentic AI), Bell Potter has modestly increased annual recurring revenue forecasts in each period.

The broker has rolled forward its PE ratio and enterprise valuations by a year. The net result is an increase in target price to \$31.75 from \$31.00 which is greater than a 15% premium to the share price, so Bell Potter upgrades to Buy from Hold.

## **WESTPAC BANKING CORPORATION ((WBC)) Upgrade to Trim from Sell by Morgans .B/H/S: 0/2/3**

Morgans notes strong volume momentum existed in the first half for Westpac but earnings leverage was mitigated by margin compression and credit risk pressure. The bank's FY29 financial targets include reducing the cost-to-income ratio and lifting returns on tangible equity above its peer average.

The first half revenue decline of -2% beat the broker's forecasts while costs also declined -2%, although these are skewed to the second half. The bank has indicated the cost trajectory is improving and increased its FY26 productivity target to more than \$550m.

Morgans believes, if Westpac can close the gap in valuation metrics to its larger peer, Commonwealth Bank ((CBA)), then forecast earnings upside could be significant, although this is not without risk. Rating is upgraded to Trim from Sell and the target is \$33.07, reduced from \$34.06.

### Downgrade

## **ACCENT GROUP LIMITED ((AX1)) Downgrade to Neutral from Buy by Citi .B/H/S: 1/3/1**

Following yesterday's downgrade by management to Accent Group's earnings guidance, Citi slashes its target to 57c from \$1.25 and downgrades to Neutral from Buy.

Cost growth continues to outpace revenue, the broker cautions, raising concerns around operating leverage. It's noted gearing is elevated relative to discretionary retail peers.

Citi's attention now turns to next week's investor day for clarity on cost reduction initiatives that preserve customer outcomes and company culture.

A summary of the analyst's first thoughts yesterday follows.

At first glance, Citi notes today's FY26 earnings (EBIT) downgrade of -8% by Accent Group is larger than expected, even after adjusting for one-off restructuring costs.

New guidance for earnings is between \$79.5m-\$84.5m compared to the consensus estimate of \$88.7m.

The broker highlights weaker trading conditions, with 2H26 like-for-like sales declining and gross margins below prior levels, reflecting softer consumer confidence and higher fuel costs.

While Citi had already recently downgraded its forecasts for the group, the magnitude of the revision still falls short of expectations, with further pressure on consensus estimates likely.

Management is now flagging a new cost-out program, which is expected to deliver meaningful savings into FY27.

## **BWP TRUST ((BWP)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 1/3/0**

On the back of BWP Trust announcing an accelerated non-renounceable entitlement offer to raise around \$228m at \$3.77 or a -4.3% discount to the closing price on May 5, Macquarie views the raising as "opportunistic".

The stock is downgraded to Neutral from Outperform with an unchanged target of \$3.90.

Pro forma gearing will move to around 20% with \$550m of debt capacity available enabling the trust to actively pursue acquisition opportunities, the analyst states.

FY26 guidance was reiterated for DPS of 19.41c and the business is performing ahead of prior expectations and unchanged against February.

EPS forecasts are tweaked.

## **COLES GROUP LIMITED ((COL)) Downgrade to Hold from Buy by Bell Potter .B/H/S: 6/1/0**

Bell Potter downgrades Coles Group to Hold from Buy with a higher target of \$22.80 from \$22.35 post 3Q26 update which saw revenues grow by 3.1% y/y due to 4% annual growth in supermarkets.

Liquor fell -3.9% y/y including the closure of -13 net stores over the period. Ecommerce sales advanced 1.8% over the year and represented 7.3% of sales.

Management offers no formal guidance observing price increase requests are rising from suppliers due to higher fuel, freight and packaging costs. Liquor sales are being affected by weaker consumer confidence.

EPS forecasts slip by -3% for FY26 and -2% for FY27. Commentary suggests the downgrade reflects a rising competitive macro backdrop and a more "compelling growth at a reasonable price" opportunity in other consumer staple stocks.

**CENTAURUS METALS LIMITED ((CTM)) Downgrade to Hold from Accumulate by Ord Minnett .B/H/S: 1/1/0**

Ord Minnett notes a series of supply-side shocks in the nickel industry in 2026, with around -160,000 tonnes of high-purity battery grade product lost to the market via lower production quotas and higher government benchmark prices in Indonesia.

Ord Minnett raises nickel price forecasts to US\$8.78/lb in 2026 and US\$8.75/lb in 2027, equating to increases of 11% and 8%, respectively.

In reaction to the Indonesian government cutting production quotas and the Middle East war disruptions, China's Huafei has cut its production in Indonesia by 50%.

For Centaurus Metals, the broker downgrades to Hold from Accumulate, retaining a \$0.60 target.

**DALRYMPLE BAY INFRASTRUCTURE LIMITED ((DBI)) Downgrade to Hold from Buy by Morgans .B/H/S: 4/1/0**

Morgans observes the share price of Dalrymple Bay Infrastructure has increased around 17% since it upgraded the rating in March and so downgrades to Hold from Buy. The 12-month potential return has compressed to around 3%.

The broker also takes the opportunity to update its 10-year Australian government bond yield and long-term swap rate assumptions. The company raised \$350m in five-year debt at a fixed coupon of 6.234% in March, a larger raising at a cheaper price than had been assumed.

The AGM is set for May 20 when Morgans expects guidance on distributions for 2026/27 will be provided. Target edges down to \$5.31 from \$5.35.

**IGO LIMITED ((IGO)) Downgrade to Accumulate from Buy by Ord Minnett .B/H/S: 3/1/1**

Ord Minnett notes a series of supply-side shocks in the nickel industry in 2026, with around -160,000 tonnes of high-purity battery grade product lost to the market via lower production quotas and higher government benchmark prices in Indonesia.

Ord Minnett raises nickel price forecasts to US\$8.78/lb in 2026 and US\$8.75/lb in 2027, equating to increases of 11% and 8%, respectively.

In reaction to the Indonesian government cutting production quotas and the Middle East war disruptions, China's Huafei has cut its production in Indonesia by 50%.

For IGO Ltd, the broker downgrades to Accumulate from Buy, retaining a \$9 target.

**LOTUS RESOURCES LIMITED ((LOT)) Downgrade to Hold from Speculative Buy by Ord Minnett .B/H/S: 2/1/0**

Lotus Resources had what Ord Minnett describes as a "truly horrible March quarter" and two months after a \$79m capital raising appears likely to be back for more in September. The company delivered just 80,000lb of uranium oxide output while burning \$56m in cash.

Future earnings should justify a price of \$2.75 a share but the broker points out it needs to get there first, and this will need funding of around \$100m, perhaps some debt and more equity.

Ord Minnett considers the stock has been a "bad call" and expects equity concerns will constrain it until funding is resolved. Rating is downgraded to Hold from Speculative Buy and the target drops to \$1.00 from \$3.90.

**LIONTOWN LIMITED ((LTR)) Downgrade to Trim from Hold by Morgans .B/H/S: 2/3/0**

Following Liontown's 3Q report, Morgans raises its target by 40c to \$2.20 and downgrades to Trim from Hold.

The broker assesses a weak 3Q26 result, with lower recoveries driving softer production, though this is thought to reflect ramp-up timing rather than structural issues.

Operationally, Kathleen Valley is progressing well, according to the analyst, reaching its underground run-rate ahead of schedule, with recoveries improving toward the end of the quarter as ore feed shifts.

Commentary notes the company generated positive cash flow and strengthened its balance sheet, while rising spodumene prices provide a supportive outlook for earnings and cash flow.

Improving recoveries and pricing are seen as key tailwinds, though Morgans believes much of the near-term upside is already reflected in valuation.

**MINERAL RESOURCES LIMITED ((MIN)) Downgrade to Accumulate from Buy by Ord Minnett .B/H/S: 5/0/0**

Mineral Resources delivered March quarter volumes in iron ore, lithium and mining services that exceeded Ord Minnett's expectations. Realised prices for its commodities also were ahead of estimates.

FY26 volume guidance has been upgraded for the Onslow iron ore and Wodgina and Mount Marion lithium divisions.

The company reports the mining services division has a positive outlook for several years, with two external contracts recently renewed, although the increased cost of diesel means costs in the June quarter will trend towards the top end of guidance.

Ord Minnett calculates a unit cost impact of -\$4-7/t on the iron ore operations and -\$60/t on the lithium business. Rating is downgraded to Accumulate from Buy on valuation while the target is lifted to \$67 from \$65.

**SONIC HEALTHCARE LIMITED ((SHL)) Downgrade to Underweight from Equal-weight by Morgan Stanley**  
.B/H/S: 3/3/1

Morgan Stanley assesses oil-linked risks in the Australian Healthcare sector, identifying Ramsay Health Care and Sonic Healthcare as the most exposed to cost inflation driven by higher oil prices.

Oil now presents a cost headwind for the sector, increasing component, consumables and freight expenses.

Lower margins and limited pricing power amplify earnings sensitivity for Ramsay and Sonic, the analysts explain. ResMed and Fisher & Paykel Healthcare are viewed as best positioned, supported by higher margins and stronger pricing power.

The broker lowers its target price for Sonic Healthcare to \$20.30 from \$24.20 and downgrades to Underweight from Equal-weight, citing risks around German reimbursement changes. In-Line industry view.

**SIGMA HEALTHCARE LIMITED ((SIG)) Downgrade to Accumulate from Buy by Morgans** .B/H/S: 5/2/0

Morgans notes a "solid" trading update from Sigma Healthcare and downgrades to Accumulate from Buy, given recent share price strength.

The company continues its international expansion with entry into the UK market and widening distribution capacity in New Zealand.

Sigma has signed an MOU with Greenlight in the UK to launch the Chemist Warehouse brand via a joint venture in which it will acquire a 75% stake, license the brand and provide retail support.

The broker suspects scaling the model in the fragmented UK market may take time but presents a large opportunity. Minor upgrades are made to forecasts while the valuation eases modestly to \$3.30 from \$3.36.

**LOTTERY CORPORATION LIMITED ((TLC)) Downgrade to Equal-weight from Overweight by Morgan Stanley**  
.B/H/S: 4/2/0

Morgan Stanley keeps its \$5.70 target for Lottery Corp and downgrades to Equal-weight from Overweight. Industry view: In-Line.

It's felt the Victorian licence renewal strengthens the company's long-term earnings visibility, extending duration and supporting cash flow certainty. The upfront cost is seen as manageable within the existing capital structure.

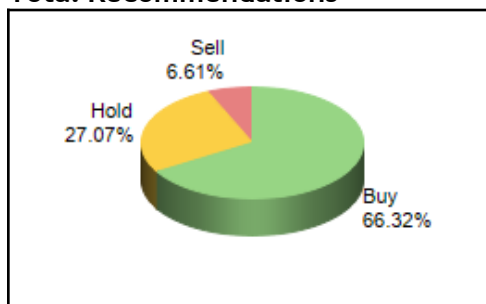
The license was extended for an additional 40-year term, with a license fee of -\$1.145bn, payable in July/October 2026.

On the flipside, near-term trading has been softer than expected by the analysts, with weaker jackpot activity weighing on ticket sales and prompting a downgrade to 2H26 revenue forecasts.

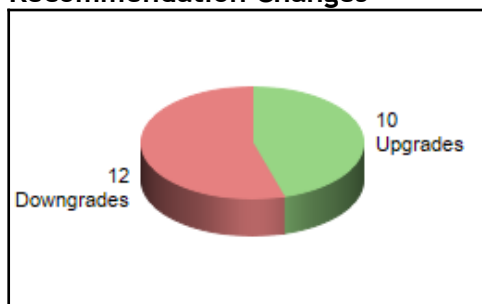
Higher interest and amortisation are expected to impact FY27 earnings, although dividends should remain broadly stable under the revised payout policy.

See also TLC upgrade.

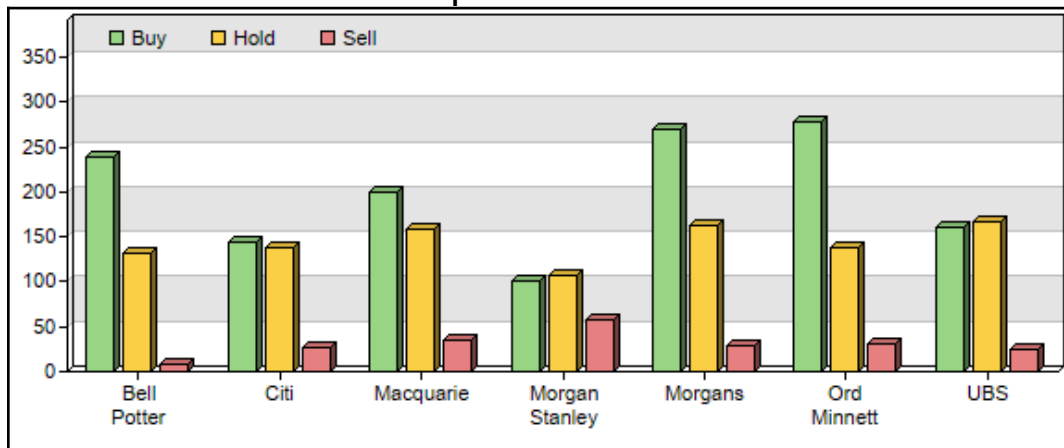
## Total Recommendations



## Recommendation Changes



## Broker Recommendation Breakup



## Broker Rating

Order	Company	New Rating	Old Rating	Broker
<b>Upgrade</b>				
1	<a href="#">ANZ GROUP HOLDINGS LIMITED</a>	Sell	Sell	Morgans
2	<a href="#">ANZ GROUP HOLDINGS LIMITED</a>	Neutral	Sell	UBS
3	<a href="#">ANZ GROUP HOLDINGS LIMITED</a>	Neutral	Sell	Ord Minnett
4	<a href="#">ATLAS ARTERIA</a>	Neutral	Sell	Morgans
5	<a href="#">LOTTERY CORPORATION LIMITED</a>	Buy	Neutral	Morgans
6	<a href="#">NATIONAL AUSTRALIA BANK LIMITED</a>	Sell	Sell	Morgans
7	<a href="#">NATIONAL AUSTRALIA BANK LIMITED</a>	Neutral	Sell	Ord Minnett
8	<a href="#">SMARTGROUP CORPORATION LIMITED</a>	Buy	Neutral	Bell Potter
9	<a href="#">TECHNOLOGY ONE LIMITED</a>	Buy	Neutral	Bell Potter
10	<a href="#">WESTPAC BANKING CORPORATION</a>	Sell	Sell	Morgans
<b>Downgrade</b>				
11	<a href="#">ACCENT GROUP LIMITED</a>	Neutral	Buy	Citi
12	<a href="#">BWP TRUST</a>	Neutral	Buy	Macquarie
13	<a href="#">CENTAURUS METALS LIMITED</a>	Neutral	Buy	Ord Minnett
14	<a href="#">COLES GROUP LIMITED</a>	Neutral	Buy	Bell Potter
15	<a href="#">DALRYMPLE BAY INFRASTRUCTURE LIMITED</a>	Neutral	Buy	Morgans
16	<a href="#">IGO LIMITED</a>	Buy	Buy	Ord Minnett
17	<a href="#">LIONTOWN LIMITED</a>	Sell	Neutral	Morgans
18	<a href="#">LOTTERY CORPORATION LIMITED</a>	Neutral	Buy	Morgan Stanley
19	<a href="#">LOTUS RESOURCES LIMITED</a>	Neutral	Buy	Ord Minnett
20	<a href="#">MINERAL RESOURCES LIMITED</a>	Buy	Buy	Ord Minnett
21	<a href="#">SIGMA HEALTHCARE LIMITED</a>	Buy	Buy	Morgans
22	<a href="#">SONIC HEALTHCARE LIMITED</a>	Sell	Neutral	Morgan Stanley

## Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	<a href="#">DGT</a>	DIGICO INFRASTRUCTURE REIT	3.560	3.360	5.95%	5
2	<a href="#">SIQ</a>	SMARTGROUP CORPORATION LIMITED	10.238	9.688	5.68%	4
3	<a href="#">IMD</a>	IMDEX LIMITED	4.900	4.650	5.38%	5

4	<a href="#">NGI</a>	NAVIGATOR GLOBAL INVESTMENTS LIMITED	3.457	3.310	4.44%	3
5	<a href="#">MI6</a>	MINERALS 260 LIMITED	1.238	1.188	4.21%	4
6	<a href="#">PNI</a>	PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED	22.165	21.353	3.80%	4
7	<a href="#">HMC</a>	HMC CAPITAL LIMITED	3.385	3.277	3.30%	6
8	<a href="#">LTR</a>	LIONTOWN LIMITED	2.228	2.162	3.05%	6
9	<a href="#">IFT</a>	INFRATIL LIMITED	12.085	11.820	2.24%	5
10	<a href="#">STX</a>	STRIKE ENERGY LIMITED	0.150	0.147	2.04%	3

#### Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	<a href="#">GTK</a>	GENTRACK GROUP LIMITED	4.860	8.110	-40.07%	4
2	<a href="#">LOT</a>	LOTUS RESOURCES LIMITED	2.200	3.450	-36.23%	3
3	<a href="#">AX1</a>	ACCENT GROUP LIMITED	0.660	0.964	-31.54%	5
4	<a href="#">IPD</a>	IMPEDIMED LIMITED	0.033	0.043	-23.26%	3
5	<a href="#">IEL</a>	IDP EDUCATION LIMITED	5.367	6.333	-15.25%	3
6	<a href="#">BLX</a>	BEACON LIGHTING GROUP LIMITED	2.400	2.825	-15.04%	4
7	<a href="#">ADH</a>	ADAIRS LIMITED	1.785	2.060	-13.35%	4
8	<a href="#">PNR</a>	PANTORO GOLD LIMITED	5.485	6.110	-10.23%	4
9	<a href="#">CRN</a>	CORONADO GLOBAL RESOURCES INC	0.413	0.450	-8.22%	4
10	<a href="#">AMC</a>	AMCOR PLC	69.710	74.657	-6.63%	6

## Earnings Forecast

#### Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	<a href="#">RRL</a>	REGIS RESOURCES LIMITED	101.525	73.625	37.89%	6
2	<a href="#">IPD</a>	IMPEDIMED LIMITED	-0.735	-1.067	31.12%	3
3	<a href="#">DGT</a>	DIGICO INFRASTRUCTURE REIT	12.625	10.533	19.86%	5
4	<a href="#">DXS</a>	DEXUS	62.667	58.225	7.63%	5
5	<a href="#">NEU</a>	NEUREN PHARMACEUTICALS LIMITED	9.600	9.250	3.78%	3
6	<a href="#">MOQ</a>	MACQUARIE GROUP LIMITED	1171.275	1132.875	3.39%	5
7	<a href="#">FMG</a>	FORTESCUE LIMITED	175.379	170.854	2.65%	7
8	<a href="#">UNI</a>	UNIVERSAL STORE HOLDINGS LIMITED	53.000	51.875	2.17%	6
9	<a href="#">ANZ</a>	ANZ GROUP HOLDINGS LIMITED	248.200	243.460	1.95%	6
10	<a href="#">SIQ</a>	SMARTGROUP CORPORATION LIMITED	65.750	64.525	1.90%	4

#### Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	<a href="#">CRN</a>	CORONADO GLOBAL RESOURCES INC	1.830	4.972	-63.19%	4
2	<a href="#">TLX</a>	TELEX PHARMACEUTICALS LIMITED	-3.136	-1.944	-61.32%	5
3	<a href="#">GTK</a>	GENTRACK GROUP LIMITED	9.210	16.366	-43.72%	4
4	<a href="#">RMS</a>	RAMELIUS RESOURCES LIMITED	10.950	15.275	-28.31%	4
5	<a href="#">BOE</a>	BOSS ENERGY LIMITED	5.340	6.340	-15.77%	6
6	<a href="#">MEI</a>	METEORIC RESOURCES NL	-1.933	-1.733	-11.54%	3
7	<a href="#">AIS</a>	AERIS RESOURCES LIMITED	13.350	14.925	-10.55%	4
8	<a href="#">NWL</a>	NETWEALTH GROUP LIMITED	45.083	49.917	-9.68%	7
9	<a href="#">QUB</a>	QUBE HOLDINGS LIMITED	16.933	18.567	-8.80%	3
10	<a href="#">AX1</a>	ACCENT GROUP LIMITED	6.180	6.700	-7.76%	5

#### Technical limitations

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

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

## WEEKLY REPORTS

# Uranium Week: Shorts Surge In U308 Stocks

Short interest in Australian U308 stocks surged post disappointing updates, while Cameco and Kazatomprom delivered mixed quarterly results.

- Short sellers target Lotus and Boss Energy as disappointing production updates pressure uranium equities
- Cameco and Kazatomprom quarterly results highlight widening operational divergence across global uranium producers
- TradeTech reports steady U308 spot prices while US delivery premiums and utility contracting activity intensify
- Can NexGen rerate once it moves to full production?

By Danielle Ecuyer

Short interests took no time in upping the ante against **Lotus Resources** ((LOT)) and **Boss Energy** ((BOE)) after both released disappointing market updates, as outlined in last week's FN Arena Uranium weekly <https://fnarena.com/index.php/2026/05/05/uranium-week-prices-rise-producers-struggle/>

According to the latest ASIC data, short interests as of May 5 rose in both stocks, taking Lotus from the eighth most shorted to the second most shorted stock on the ASX, a rise of 3.93% to 15.57% from 11.64% a week earlier.

Boss followed a similar trend, moving to the fifth most shorted position at 14.14% from 11.63% a week earlier in ninth position.

**Paladin Energy** ((PDN)), which not delivered any updates, saw a slight rise in short positions to 9.13% from 8.89%.

As has been evident across other listed Australian stocks, the market is in no mood for disappointments.

Downgrades are attracting not only downside reactions in prices, but also heightened interest in short positions.

## Large US utility supports term markets

The U308 spot market, as tracked by industry consultants TradeTech, remained unchanged last week at US\$86.25/lb, with ten transactions noted in the spot market, of which four took place on Friday.

As observed over the last month, the price variation between delivery locations continued. Buyers have continued to show a preference for delivery of U308 materials at ConverDyn's US facility, often paying a slight premium above material for delivery at Cameco's Port Hope facility in Canada and material offered for sale at Orano's Comurhex French facility.

TradeTech indicates two reasons for the bifurcation in prices. Ongoing geopolitical tensions in the Middle East have resulted in buyers being prepared to pay a higher price for ConverDyn material than for the two other locations.

Other parties are seeking to guarantee sufficient supply of US-located material due to a large US utility looking for offers in the near, mid and long-term delivery period.

Fee structures and limitations on storage facilities are also cited as reasons for the differential. While storage limitations are being addressed at non-US facilities, TradeTech expects the return to price parity across locations will take a while to flow through.

In the long-term U308 market, offers are focused on a large US utility seeking between 100klb and 500klbs of U308 in 2027 and additional amounts in 2028 to 2030 and between 2031 and 2035.

The Request for Proposals outlines the utility's scope to acquire up to 7.2mlbs of U308 at the maximum over the three periods.

The TradeTech Mid-term price indicator stands at US\$90/lb and the Long-term price indicator at US\$93/lb.

## Uranium giants deliver mixed updates

Global U308 production giants Cameco and Kazatomprom delivered first quarter updates.

Cameco's 1Q2026 net earnings more than doubled to CA\$203m from CA\$70m in the prior year.

Production guidance for 2026 was retained at 19.5mlbs to 21.5mlbs of U308, while unit cost of sales declined by -3%, with an average realised price of US\$66.21/lb, a rise of 6% from 1Q2025.

Cameco's contract book is attributed by TradeTech as the difference between the realised price versus the 34% lift in the U308 spot price over the same period.

Shaw and Partners noted this week North American markets are attracting investors for exposure to the 'Nuclear Renaissance' theme. Cameco's stock price recently hit an all-time high above CA\$180 per share but has recently pulled back to CA\$156.

The broker notes the stock is trading around 34x EV/EBITDA and the premium is viewed as deserved.

Kazatomprom announced 1Q2026 production of 16mlbs, up from 14.7mlbs a year earlier.

At the first quarter production rate, Kazatomprom is some -5% below 2026 production guidance of 71.5mlbs-75.4mlbs. To meet guidance, production will need to grow over the balance of 2026.

While the guidance sits below its Subsoil Use Agreement of 77mlbs, which was negotiated down from 85mlbs, or -10%, TradeTech ponders the question of whether the Kazakh government might terminate the subsoil agreement if Kazatomprom fails to meet its production targets.

The latest quarter represents the lowest production result for Kazatomprom over the last five years.

Sales fell -40% over the quarter, largely due to shipment variations, and the average realised price was US\$61.33/lb, up 12% from 1Q2025.

Management offered no update around acid availability despite the global interest in availability post the closure of the Strait of Hormuz.

## Shaw and Partners continues to see a U308 super cycle

**NexGen Energy ((NXG))** released 1Q26 financial results showing a loss of -CA\$156m, primarily driven by a -CA\$129m mark-to-market loss on convertible debentures resulting from share price appreciation.

Significant progress was made during the quarter with the receipt of the Licence to Construct from the CNSC and highly encouraging exploration results at Patterson Corridor East, the report details.

Construction of the Rook I project will commence in mid-2026, with first production expected early next decade from a resource whose exceptional quality places it among the most profitable potential mines globally, Shaw and Partners highlights.

The underlying thesis remains that uranium is in the early stages of a "super-cycle", positioning NexGen Energy as a preferred exposure to rising prices. The Rook 1 project is viewed as "exceptional" and as such should command a premium rating.

Shaw and Partners maintains a Buy rating and \$22.90 price target for NexGen Energy following its 1Q26 financial report and quarterly update.

If NexGen were to trade at 10x EBITDA once in production the analyst highlights the share price could exceed \$50.

# Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	08/05/2026	0.0700	▲ 7.46%	\$0.16	\$0.05			
AEE	08/05/2026	0.1300	0.00%	\$0.28	\$0.11			
AGE	08/05/2026	0.0400	▲ 7.32%	\$0.06	\$0.02		\$0.070	▲75.0%
AKN	08/05/2026	0.0200	▲ 4.17%	\$0.03	\$0.01			
ASN	08/05/2026	0.0500	▲ 6.25%	\$0.13	\$0.04			
BKY	08/05/2026	0.4300	▼ - 5.56%	\$0.70	\$0.39			
BMN	08/05/2026	3.8900	▼ - 1.72%	\$5.25	\$2.23		\$4.800	▲23.4%
BOE	08/05/2026	1.3700	▼ - 1.77%	\$4.75	\$1.07	26.1	\$1.575	▲15.0%
BSN	08/05/2026	0.0400	▼ -12.50%	\$0.08	\$0.01			
C29	08/05/2026	0.0300	▲13.79%	\$0.04	\$0.01			
CXO	08/05/2026	0.3500	▲ 6.35%	\$0.39	\$0.07		\$0.300	▼-14.3%
CXU	08/05/2026	0.0600	▼ - 1.64%	\$0.07	\$0.01			
DEV	08/05/2026	0.2000	0.00%	\$0.28	\$0.07			
DYL	08/05/2026	1.6600	▼ - 5.72%	\$2.97	\$1.15	-61.8	\$2.215	▲33.4%
EL8	08/05/2026	0.2600	0.00%	\$0.50	\$0.24			
HAR	08/05/2026	0.1400	▲ 7.41%	\$0.25	\$0.05			
I88	08/05/2026	0.1600	▼ - 8.82%	\$0.76	\$0.08			
KOB	08/05/2026	0.0400	▲ 2.70%	\$0.09	\$0.03			
LAM	08/05/2026	0.7800	▲ 3.33%	\$0.93	\$0.56			
LOT	08/05/2026	0.8000	▼ - 6.59%	\$3.20	\$0.77		\$2.200	▲175.0%
MEU	08/05/2026	0.1200	▲ 9.52%	\$0.19	\$0.04			
NXG	08/05/2026	16.6300	▼ - 0.93%	\$20.47	\$8.24	-14016.8	\$20.150	▲21.2%
ORP	08/05/2026	0.0700	▼ - 2.82%	\$0.08	\$0.02			
PDN	08/05/2026	12.0400	▲ 1.22%	\$15.10	\$5.41	-1094.7	\$13.258	▲10.1%
PEN	08/05/2026	0.4100	▲ 5.00%	\$1.08	\$0.28			
SLX	08/05/2026	5.9200	▲ 3.00%	\$10.85	\$2.95			
TOE	08/05/2026	0.5600	▲ 1.82%	\$0.63	\$0.16			
WCN	08/05/2026	0.0200	0.00%	\$0.03	\$0.01			

Uranium - U3O8



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**

# The Short Report - 14 May 2026

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

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

Summary:

Week Ending May 7th, 2026 (most recent data available through ASIC).

10%+

LOT	Lotus Resources	16.02%
DMP	Domino's Pizza Enterprises	15.59%
TLX	Telix Pharmaceuticals	15.35%
PNV	PolyNovo	14.29%
GYG	Guzman y Gomez	14.01%
BOE	Boss Energy	13.61%
TWE	Treasury Wine Estates	12.81%
ZIP	Zip Co	12.20%
FLT	Flight Centre Travel	10.73%
DRO	DroneShield	10.59%
CAR	CAR Group	10.54%
NAN	Nanosonics	10.33%

Out: **DMP, TLX, PNV, GYG, LOT, BOE, TWE, DRO, ZIP, FLT, NAN, CAR**

9.0-9.9%

IPH	IPH Ltd	9.94%
LYC	Lynas Rare Earths	9.76%
BAP	Bapcor	9.73%
GDG	Generation Development	9.50%
PDN	Paladin Energy	9.25%
EDV	Endeavour Group	9.19%
CUV	Clinuvel Pharmaceuticals	9.09%
NXT	NextDC	9.09%

In: **EDV, CUV, NXT**

Out: **GDG, LYC, BRG, BAP, IPH, PDN**

8.0-8.9%

ING	Inghams Group	8.85%
MSB	Mesoblast	8.77%
BPT	Beach Energy	8.71%
BRG	Breville Group	8.56%
IPX	IperionX	8.55%

CTD Corporate Travel Management	8.50%
PWH PWR Holdings	8.28%
SLX Silex Systems	8.12%
CU6 Clarity Pharmaceuticals	8.12%
HLS Healius	8.03%

In: **ING, BRG, SLX, HLS**

Out: **CUV, MSB, IPX, BPT, EDV, CU6, CTD, PWH**

### **7.0-7.9%**

ILU Iluka Resources	7.96%
RIO Rio Tinto	7.80%
WTC WiseTech Global	7.65%
LIC Lifestyle Communities	7.16%

Out: **HLS, ING, ILU, RIO, WTC, MMS, ACL, LIC, DGT**

### **6.0-6.9%**

ACL Australian Clinical Labs	6.92%
HMC HMC Capital	6.76%
MMS McMillan Shakespeare	6.58%
SDR SiteMinder	6.56%
TPW Temple & Webster	6.55%
DGT DigiCo Infrastructure REIT	6.50%
PLS PLS Group	6.36%
4DX 4DMedical	6.34%
CAT Catapult Sports	6.23%
DYL Deep Yellow	6.18%
BMN Bannerman Energy	6.14%
MYR Myer	6.14%
ELD Elders	6.13%
PNI Pinnacle Investment Management	6.09%

In: **ACL, MMS, TPW, DGT, 4DX**

Out: **HMC, PLS, SDR, DYL, MYR, CAT, BMN, PNI, ELD**

### **5.0-5.9%**

NEU Neuren Pharmaceuticals	5.94%
MP1 Megaport	5.90%
CCP Credit Corp	5.79%
ORA Orora	5.74%
REA REA Group	5.71%
SHL Sonic Healthcare	5.56%
RHC Ramsay Health Care	5.56%
JIN Jumbo Interactive	5.49%
AUB AUB Group	5.47%
GMD Genesis Minerals	5.44%
GEM G8 Education	5.40%
A2M a2 Milk Co	5.30%
ELV Elevra Lithium	5.25%

PXA Pexa Group	5.18%
VUL Vulcan Energy Resources	5.06%
MIN Mineral Resources	5.01%

In: **GEM, A2M, VUL**

Out: **NEU, 4DX, REA, TPW, MIN, RHC, CCP, GMD, JIN, ORA, SHL, ELV, MP1, AUB, BOQ, PXA, NHC**

### ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.3	0.3	NAB	1.4	1.2
ANZ	0.9	1.0	NST	1.1	1.1
BHP	1.2	1.0	QBE	0.7	0.7
BXB	0.5	0.5	RIO	7.8	7.8
CBA	1.6	1.6	TCL	1.4	1.2
COL	1.0	1.4	TLS	0.7	0.6
CSL	0.6	0.7	WBC	1.7	1.6
FMG	2.6	2.7	WDS	2.8	2.8
GMG	2.1	2.0	WES	0.6	0.6
MQG	0.4	0.4	WOW	1.9	2.1

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

### Guide:

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

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

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

### **IMPORTANT INFORMATION ABOUT THIS REPORT**

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

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

*Often large short positions can be attributable to a listed hybrid security on the same stock where traders look to “strip out” the option value of the hybrid with offsetting listed option and stock positions. Short positions may form part of a short stock portfolio offsetting a long share price index (SPI) futures portfolio - a popular trade which seeks to exploit windows of opportunity when the SPI price trades at an overextended discount to fair value. Short positions may be held as a hedge by a broking house providing dividend*

*reinvestment plan (DRP) underwriting services or other similar services. Short positions will occasionally need to be adopted by market makers in listed equity exchange traded fund products (EFT). All of the above are just some of the reasons why a short position may be held in a stock but can be considered benign in share price direction terms due to offsets.*

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

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

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

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

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

*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

# In Brief: SKS Technologies, Adrad & Shape

This week's thematic, the AI megatrend that continues to offer considerable tailwinds for those companies in the slip stream of build out and refurbishment demand.

- SKS Technologies rides hyperscaler data centre boom as pipeline surges to \$1.25bn
- Adrad targets Asian data centre growth with premium cooling solutions and defence tailwinds
- Shape's modular construction momentum drives record project wins

By Danielle Ecuyer

This week's quote comes from James Reilly, Capital Economics

*"The VIX (US) is driven by demand for calls, too, and retail buying has reportedly risen to Covid-era extremes lately.*

*"The bigger picture is that these developments are odd and, alongside extreme dispersion in performance, means this equity rally comes with a bit of a health warning."*

## Victoria is leading the data centre boom

In the slipstream of the build out of data centres, **SKS Technologies Group ((SKS))** this week upgraded its pipeline to \$1.25bn against \$573m at the release of 1H26 results in February.

The eye-catching uplift was underpinned by demand from existing data centre clients, Canaccord Genuity points out.

In some instances, design work had already started on projects, which is viewed as de-risking the opportunity of getting contracts over the line.

Victoria is highlighted as the increasingly preferred state for data centre projects, with faster planning approvals and more available land and space for development.

Equally, as noted by the broker, the State Government is proactive in accelerating approvals, versus NSW, which is experiencing delays.

The Victorian attraction stands in contrast with slower approval times, more challenged land availability and longer grid connection times elsewhere. Also, Victoria is the home state for SKS.

The analyst infers current FY27/FY28 forecasts could err on the conservative side, with the potential conversion of \$1bn-plus of the \$1.25bn of data centre projects to be awarded over the next year.

Of the upgrade, the data centre increase is to \$1bn-plus from \$424m at the end of 1H26.

The company also announced a new \$22m electrical technology contract for a major retailer's new Docklands headquarters. Work in hand has expanded to \$355m, with circa \$270m progressing into 2H27.

The project also boosts exposure to "complex, large scale commercial infrastructure" projects. A \$20m rise in its CommBank ((CBA)) bank guarantee facility to \$48m, for a total bank facility of \$52m, supports future funding capacity for projects.

The broker lifts its FY27 revenue forecast by 14% to \$506m. With the potential work on offer in the pipeline, the upgrade could still prove conservative.

The target price is lifted to \$9.05 based on FY28 earnings forecasts for an EV/EBITDA valuation of 13x.

The expected compound average growth rate in earnings (EBITDA) is forecast at 51% versus the peer median of

13%.

The share price has responded favourably to the announcement, though Canaccord believes the current valuation remains “*undemanding*”, with potential for as much as \$1bn-plus in data centre contracts awarded over the next 12-18 months.

Buy rating unchanged.

## Bushmasters and growth in cooling solutions

Taylor Collison is upbeat on **Adrad Holdings** ((AHL)). While the stock fits into the microcap segment of the market, Adrad (market cap circa \$100m) is the Australian market leader for backup generator cooling solutions in data centres.

As highlighted by SKS Technologies (above) and recent announcements from data centre-related companies, **NextDC** ((NXT)) and **Infratil** ((IFT)), data centre construction is rising exponentially.

Taylor Collison believes the company’s sales volumes should gather momentum post the addition of a new customer in 1H26. Equally, the broker points to market opportunities in Asia once Adrad has finished reorganising and consolidating its Asian operations.

While historically Asian “Powergen” customers found Adrad’s products too expensive and over-engineered for general power applications, the Asian data centre market is considered to offer more potential.

The premium, higher quality products are expected to be more suited to customers that require reliability and 100% uptime over a lower initial cost. The shift from restructuring to winning new customers and contracts is seen offering more potential upside.

Turning to the outlook for the truck sector, Taylor Collison expects sales to rebound in Australia over FY27 and FY28, with the company’s end markets set to benefit from increasing capex and tailwinds for the heat transfer solutions segment (cooling).

The announcement by the Federal Government of 300 new Bushmaster units is also a potential positive for FY27. Adrad has been a supplier since 2008.

While tweaking EPS forecasts down -4% for FY26 for higher fuel price impacts in distribution and rising copper prices, the FY27 EPS estimate has been lifted by 2% with the broker suggesting its forecast could prove overly cautious.

The stock trades at a -40% to -50% discount to electrical/data centre peers, which is attributed to the small free float and “unconventional executive remuneration”.

Neither of those factors are viewed as long term. Other challenges to valuation could be emanating from issues around the scale of distribution.

Adrad remains the major domestic operator with long term OEM relationships, the analyst stresses.

Target unchanged at \$1.60 with a Buy rating retained.

## Shape's trading update shapes up well against forecasts

Shaw and Partners continues a positive disposition to **Shape Australia** ((SHA)) post the company's FY26 trading update.

Project wins came in at a record high of more than \$1.16bn at the end of April, compared to the end of FY25 at \$981.6m. The analyst currently forecasts project wins for FY26 of \$1.19bn and sees the company as on track to meet expectations.

Revenue was guided between \$1.175bn and \$1.225bn, equating to around 25% growth from FY25, and stands at the mid-point to be tracking 1.1% above Shaw's estimate.

Net profit after tax guidance beat by 1.8% at the mid-point, guided to rise around 47% in FY26.

The forward pipeline remains robust at around \$4.2bn, which in the broker's opinion provides good visibility into FY27 onwards. The pipeline for 1H26 was \$3.8bn.

Overall, growth has been underpinned by modular construction, which has notably doubled over the last year and increased diversification.

Like other data centre beneficiaries, Shape has increased revenue from this sector to over 10% from 1% in FY25 for the refurbishment market, while revenue in education has risen to 22% from 12% in FY25, and project wins in aged care of over \$65m have come through.

Scaling the modular operations in Victoria and South Australia has helped drive expansion. Revenue has already doubled from the FY25 result, the analyst highlights, reflecting the strong momentum in this sector.

The stock remains Buy rated, High risk, with an \$8.25 target price.

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

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

**WEEKLY REPORTS**

# In Case You Missed It - BC Extra Upgrades & Downgrades - 15-05-26

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

## Broker Rating Changes (Post Thursday Last Week)

### Upgrade

#### **BRAMBLES LIMITED ((BXB)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0**

Jarden upgrades Brambles to an Overweight rating with a \$25.15 price target following share price underperformance and resilient customer results.

Commentary suggests volume resilience in key regions like North America and a structured pricing environment provide support for achieving the FY26 constant currency EBIT growth guidance range.

Core earnings per share estimates have been revised downwards by -0.6% and -0.5% for FY26 and FY27 to reflect potential EBIT margin pressure and cost inflation.

Cost reductions anticipated to lift second half underlying EBIT by US\$15m should help offset higher IPEP charges and near-term earnings exposure in EMEA.

Downside risks are viewed as largely protected by the current valuation, which incorporates updated discounted cash flow assumptions and caution regarding negative trading updates.

#### **HMC CAPITAL LIMITED ((HMC)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0**

Jarden upgrades HMC Capital to an Overweight rating from Neutral and maintains a \$3.10 target price following a positive update detailing plans to streamline the platform.

The broker notes key strategic moves include returning capital to HMC Capital Partners investors, generating \$15m in cost savings from FY27, and divesting \$1bn in US digital assets to refocus on the Australian market.

Management reaffirmed operating earnings per share guidance above 40.0c, supported by organic growth in the private credit platform featuring \$1bn in advanced documentation.

Reflecting the capital unwind largely offset by cost savings, the report lowers earnings per share forecasts to 30.1c from 31.2c in FY27, and to 33.1c from 33.8c in FY28, while FY26 estimates remain steady at 34.6c.

Strong valuation support and potential near-term catalysts, such as the resolution of issues at HealthCo Healthcare and Wellness REIT ((HCW)), underpin the ongoing positive view.

#### **INGHAMS GROUP LIMITED ((ING)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0**

Jarden upgrades Inghams Group to an Overweight rating from Neutral and raises the \$2.70 target price from \$2.50 following a positive strategy day.

The report highlights increased forecasts driven by improving 2HYTD trading and contract wins, despite a temporary headwind from Middle East fuel costs.

Management reaffirmed FY26 EBIT guidance of \$180m to \$200m and identified \$130m in gross productivity

opportunities through FY31, the broker reports.

Earnings per share forecasts have been revised upward to 12.3c from 12.1c for FY26 and to 18.7c from 18.0c for FY27.

Dividend estimates for the same periods are projected at 8.7c and 13.2c.

### Downgrade

#### **AURIZON HOLDINGS LIMITED ((AZJ)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0**

Jarden downgrades Aurizon Holdings to a Neutral rating from Overweight and raises the target price to \$4.15 from \$3.90 following a trading update highlighting softer coal volumes and fuel cost headwinds.

The broker notes management maintained FY26 underlying EBITDA guidance of \$1,680m to \$1,750m, expecting earnings to land closer to the midpoint of \$1,715m.

A lag in recovering diesel costs within the Bulk and Containerised Freight segments creates a -\$10m drag on fourth-quarter earnings, compounding weaker Above Rail coal volumes hampered by weather and customer impacts.

To reflect these pressures alongside revised coal volume growth assumptions of 1.2% for FY26, the report cuts earnings per share forecasts to 24.6c from 25.0c in FY26, and to 28.2c from 28.7c in FY27.

Despite the earnings reductions, the valuation increases due to a re-rating of offshore peer multiples and adjustments to the underlying discount rate model.

#### **CSL LIMITED ((CSL)) Downgrade to Neutral from Overweight by Jarden and Downgrade to Hold from Buy by Canaccord Genuity.B/H/S: 0/0/0**

Jarden downgrades CSL to a Neutral rating from Overweight and lowers its target price to \$191.00 from \$244.00 following an unexpected severe downgrade to FY26 profit guidance.

Management reduced constant currency net profit expectations to roughly US\$3.1bn, reflecting "unrealistic" prior ambitions for key products including Ig and Albumin, the broker comments.

Misjudged pricing across the product suite is seen impacting both revenue and gross margins, setting up a multi-year turnaround story as competition increases and reimbursement cuts persist, according to the report.

While underlying value remains within the business, near-term catalysts for upside are viewed by the broker as notably absent.

Net profit forecasts have been cut by -8.9%, -16.0%, and -20.8% across the next three years, establishing earnings per share estimates of US580.2c in FY26, US584.6c in FY27, and US610.9c in FY28.

Canaccord Genuity downgrades CSL to a Hold rating from Buy with a \$106.31 target price following a significant downgrade to FY26 guidance.

The broker notes lower earnings expectations reflect a structural reset in immunoglobulin and albumin sales, which is offsetting ongoing volume growth.

The update includes a substantial impairment charge related to Vifor Pharmaceuticals alongside reductions in research and development spending.

Future valuation remains pressured by competitive erosion and the loss of FDA approval for Tavneos, with forecasts revised lower across the outer years, according to the report.

#### **IMDEX LIMITED ((IMD)) Downgrade to Sell from Underweight by Jarden.B/H/S: 0/0/0**

Jarden downgrades Imdex to a Sell rating from Underweight and maintains a \$3.60 target price following a third-quarter trading update.

The company reported unaudited revenue of \$123m for the period, representing 29% constant currency growth, yet the broker notes quarter-on-quarter revenue momentum appears to be flattening.

Commentary states consensus estimates imply a steep hurdle for the final quarter requiring 26% year-on-year revenue growth, leaving no room for execution missteps given the stock trades on an extreme forward price-earnings multiple of 31x.

Higher anticipated finance costs of -\$12m to -\$14m prompt the report to lower earnings per share forecasts to 10.2c from 10.3c in FY26, and to 11.4c from 11.5c in FY27.

While the underlying business is well managed within a robust industry environment, the broker finds extreme valuation multiples relative to historical averages offer little near-term support for the share price.

### **MACH7 TECHNOLOGIES LIMITED ((M7T)) Downgrade to Hold from Buy by Canaccord Genuity.B/H/S: 0/0/0**

Canaccord Genuity downgrades Mach7 Technologies to a Hold rating from Buy and lowers the target price to \$0.27 from \$0.80.

The broker notes the company has entered a strategic reset following recent management transitions, with visibility into the path toward cash flow breakeven remaining limited.

Revenue forecasts have been revised down by -23% to -28% for FY26-FY28 to reflect delayed conversion of large capital deals and a headwind from AUD:USD exchange rate movements.

Operating cash flow is projected to remain a negative outflow until FY29, while cost-reduction measures implemented by the new leadership may exacerbate challenges in sales execution and service delivery.

Normalised EBITDA estimates have been materially impaired due to a weaker revenue mix and a flat near-term growth trajectory, according to the report.

### **SPARK NEW ZEALAND LIMITED ((SPK)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0**

Jarden downgrades Spark New Zealand to a Neutral rating with a NZ\$2.27 price target following a review of earnings momentum through FY26.

Normalised earnings per share forecasts have been reduced by -11.4c for FY26 and -13.3c for FY27 due to subdued cloud margins and a step down in fixed wireless pricing.

Dividends per share are projected at NZ16.0c across the next two financial years, reflecting a reset that sits back in line with 2013 levels.

Stabilising operating earnings will likely require significant cost-out measures and a potential divestment of non-core IT businesses to reduce capital intensity, the broker suggests.

Structural connectivity factors and higher risk-free rates pose ongoing downside risks, while management execution on business simplification remains a potential positive catalyst, the report concludes.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	<a href="#">BRAMBLES LIMITED</a>	Buy	Neutral	Jarden
2	<a href="#">HMC CAPITAL LIMITED</a>	Buy	Neutral	Jarden
3	<a href="#">INGHAMS GROUP LIMITED</a>	Buy	Neutral	Jarden
Downgrade				
4	<a href="#">AURIZON HOLDINGS LIMITED</a>	Neutral	Buy	Jarden
5	<a href="#">CSL LIMITED</a>	Neutral	Buy	Canaccord Genuity
6	<a href="#">CSL LIMITED</a>	Neutral	Buy	Jarden
7	<a href="#">IMDEX LIMITED</a>	Sell	Sell	Jarden
8	<a href="#">MACH7 TECHNOLOGIES LIMITED</a>	Neutral	Buy	Canaccord Genuity
9	<a href="#">SPARK NEW ZEALAND LIMITED</a>	Neutral	Buy	Jarden

## Price Target Changes (Post Thursday Last Week)

Company	Last Price	Broker	New Target	Old Target	Change
AIA Auckland International Airport	\$6.85	Jarden	N/A	7.97	-100.00%
ALQ ALS Ltd	\$22.27	Jarden	18.10	18.40	-1.63%
AMC Amcor	\$54.14	Jarden	75.90	75.00	1.20%
AMP AMP	\$1.55	Jarden	1.75	1.65	6.06%
APE Eagers Automotive	\$23.38	Canaccord Genuity	30.50	32.00	-4.69%
ASG Autosports Group	\$2.14	Canaccord Genuity	3.71	4.84	-23.35%
		Moelis	3.43	4.91	-30.14%
AZJ Aurizon Holdings	\$4.12	Jarden	4.15	3.90	6.41%
BFG Bell Financial	\$1.40	Research as a Service (RaaS)	2.38	2.33	2.15%

BWN Bhagwan Marine	\$0.32	Shaw and Partners	0.60	0.90	-33.33%
BWP BWP Trust	\$3.75	Jarden	3.47	3.45	0.58%
BXB Brambles	\$21.82	Jarden	25.15	25.60	-1.76%
C79 Chrysos	\$6.08	Shaw and Partners	8.80	8.70	1.15%
CAY Canyon Resources	\$0.16	Canaccord Genuity	0.25	0.40	-37.50%
CSL CSL	\$97.26	Canaccord Genuity	106.31	180.00	-40.94%
		Jarden	191.00	244.00	-21.72%
CTM Centaurus Metals	\$0.72	Canaccord Genuity	1.00	0.85	17.65%
D3E D3 Energy	\$0.39	Research as a Service (RaaS)	2.05	2.28	-10.09%
FCL Fineos Corp	\$2.60	Moelis	3.18	3.16	0.63%
FFM FireFly Metals	\$2.19	Canaccord Genuity	3.00	2.50	20.00%
FPR FleetPartners Group	\$2.71	Canaccord Genuity	3.75	3.60	4.17%
GTK Gentrack Group	\$3.26	Shaw and Partners	8.00	11.30	-29.20%
IAG Insurance Australia Group	\$7.88	Jarden	8.00	8.10	-1.23%
IMD Imdex	\$4.00	Canaccord Genuity	4.88	4.52	7.96%
ING Inghams Group	\$1.92	Jarden	2.70	2.50	8.00%
JBH JB Hi-Fi	\$71.26	Jarden	87.10	87.90	-0.91%
LAM Laramide Resources	\$0.78	Canaccord Genuity	1.60	1.55	3.23%
LNW Light & Wonder	\$113.35	Canaccord Genuity	184.00	195.00	-5.64%
		Jarden	182.00	190.00	-4.21%
M7T Mach7 Technologies	\$0.28	Canaccord Genuity	0.27	0.80	-66.25%
MQG Macquarie Group	\$244.53	Jarden	250.00	240.00	4.17%
MTS Metcash	\$2.91	Jarden	3.90	3.80	2.63%
NEU Neuren Pharmaceuticals	\$12.85	Canaccord Genuity	24.00	24.35	-1.44%
NWS News Corp	\$42.24	Jarden	46.30	46.80	-1.07%
ORI Orica	\$22.94	Jarden	26.00	24.20	7.44%
PME Pro Medicus	\$121.60	Canaccord Genuity	168.62	180.82	-6.75%
PMT PMET Resources	\$0.79	Canaccord Genuity	1.35	1.20	12.50%
QBE QBE Insurance	\$22.62	Jarden	21.30	22.00	-3.18%
RDY ReadyTech Holdings	\$1.36	Shaw and Partners	2.80	4.20	-33.33%
REA REA Group	\$161.24	Jarden	176.00	177.00	-0.56%
		Jarden	178.00	177.00	0.56%
RXL Rox Resources	\$0.48	Canaccord Genuity	1.30	1.15	13.04%
SHA Shape Australia	\$7.80	Moelis	8.33	8.25	0.97%
		Shaw and Partners	8.25	7.40	11.49%
SKS SKS Technologies	\$8.43	Canaccord Genuity	9.05	6.47	39.88%
SUL Super Retail	\$11.04	Jarden	14.90	15.20	-1.97%
SYL Symal Group	\$2.62	Jarden	3.05	3.00	1.67%
TCG Turaco Gold	\$0.60	Canaccord Genuity	1.75	1.45	20.69%
VNT Ventia Services	\$5.90	Canaccord Genuity	6.28	5.99	4.84%
Company	Last Price	Broker	New Target	Old Target	Change

## More Highlights

### A4N ALPHA HPA LIMITED

#### Aluminium, Bauxite & Alumina - Overnight Price: \$0.68

Canaccord Genuity rates (([A4N](#))) as Speculative Buy (1) -

Canaccord Genuity maintains a Speculative Buy rating for Alpha HPA with an unchanged \$1.20 target price following a site visit demonstrating strong progress on Stage 2 construction at the Gladstone facility.

The broker notes the flexible plant design allows the production of high-value gamma phase alumina products tailored for the rapidly growing semiconductor and lithium-ion battery markets.

Recent quarterly sales achieved pricing comfortably above US\$28 per kilogram, easily exceeding the assumed US\$24 to US\$25 per kilogram base case model.

With \$212m in cash on hand, the business remains well-funded to cover near-term capital expenditure before

drawing down debt facilities ahead of expected commissioning in late FY27.

Earnings estimates remain unchanged reflecting confidence in the execution strategy and an expanding sales pipeline.

This report was published on May 8, 2026.

Target price is **\$1.20** Current Price is **\$0.68** Difference: **\$0.52**

If **A4N** meets the Canaccord Genuity target it will return approximately **76%** (excluding dividends, fees and charges).

Market Sentiment: **1.0**

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

## **APE EAGERS AUTOMOTIVE LIMITED**

**Automobiles & Components - Overnight Price: \$23.37**

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

Canaccord Genuity maintains a Buy rating for Eagers Automotive with a lowered \$30.50 target price following a revision to the CanadaOne Auto acquisition closing date.

The broker notes earnings are likely to be more heavily skewed to the second half than usual as a result of recent dealership acquisitions in Canada and Australia.

Demand for battery electric vehicles has lifted significantly due to fuel price spikes, a segment where the company holds a materially higher market share of 35% versus 10% for traditional internal combustion engines, according to the report.

Earnings per share forecasts have been revised down by -6.9% in FY26, -5.4% in FY27, and -3.3% in FY28 to account for higher interest rate assumptions and shifted currency forecasts.

The broker expects overall market share to continue growing in Australia through further acquisitions and structural improvements in dealership operations.

This report was published on May 13, 2026.

Target price is **\$30.50** Current Price is **\$23.37** Difference: **\$7.13**

If **APE** meets the Canaccord Genuity target it will return approximately **31%** (excluding dividends, fees and charges).

Current consensus price target is **\$29.93**, suggesting upside of **28.0%**(ex-dividends)

**Forecast for FY26:**

Current consensus EPS estimate is **119.7**, implying annual growth of **37.4%**.

Current consensus DPS estimate is **86.3**, implying a prospective dividend yield of **3.7%**.

Current consensus EPS estimate suggests the PER is **19.5**.

**Forecast for FY27:**

Current consensus EPS estimate is **136.7**, implying annual growth of **14.2%**.

Current consensus DPS estimate is **93.4**, implying a prospective dividend yield of **4.0%**.

Current consensus EPS estimate suggests the PER is **17.1**.

Market Sentiment: **0.8**

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

## **BFG BELL FINANCIAL GROUP LIMITED**

**Diversified Financials - Overnight Price: \$1.39**

Research as a Service (RaaS) rates (([BFG](#))) as No Rating (-1) -

Bell Financial's four-month year-to-date April profit of \$16.3m was broadly in line with Research as a Service (RaaS) \$17.4m first half FY26 estimate, representing 197% growth on the prior year.

Platform earnings grew as expected (up 15%), while Markets materially outperformed, swinging to a \$7.4m profit from a -\$2.3m loss, a \$9.7m swing, the analyst highlights.

The broker's valuation increases to \$2.38 from \$2.33, driven by higher peer multiples, with Markets valued on through-the-cycle earnings and Platforms on peer metrics.

Research as a Service doesn't assign a rating. Investors can draw conclusions from valuations and commentary.

This report was published on May 11, 2026.

Target price is **\$2.38** Current Price is **\$1.39** Difference: **\$0.99**

If **BFG** meets the Research as a Service (RaaS) target it will return approximately **71%** (excluding dividends, fees and charges).

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

## D3E D3 ENERGY LIMITED

**NatGas - Overnight Price: \$0.40**

Research as a Service (RaaS) rates (([D3E](#))) as No Rating (-1) -

Research as a Service (RaaS) assesses D3 Energy continues to represent a compelling investment case, increasingly so given the current energy supply crisis.

The association of natural gas with helium concentrations provides a means to differentiate the company from its listed upstream peers.

As the company continues to work through its applications to achieve commercial resolution and reach FID by the end of 2026, corporate interest, either through merger or partnering activity, is not unrealistic in the analyst's view.

Given the dilution after a successful capital raising, the valuation range is reset to \$1.31-\$2.54 per share, with a midpoint of \$2.05.

Research as a Service (RaaS) research standard doesn't carry any targets, ratings or recommendations. Investors can draw conclusions from valuations and commentary.

This report was published on May 6, 2026.

Target price is **\$2.05** Current Price is **\$0.40** Difference: **\$1.655**

If **D3E** meets the Research as a Service (RaaS) target it will return approximately **419%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

### Forecast for FY26:

Research as a Service (RaaS) forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 1.74** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 22.70**.

### Forecast for FY27:

Research as a Service (RaaS) forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 1.56** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 25.32**.

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

# DUG DUG TECHNOLOGY LIMITED

## Cloud services - Overnight Price: \$2.23

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

Shaw and Partners reiterates a Buy rating for Dug Technology with an unchanged \$3.00 target price following an update at the TechRise Conference.

The broker notes trading through FY26 appears well on track against consensus expectations of US\$85m, supported by accelerating software and high-performance computing revenue.

Services momentum is building steadily in Brazil and the Middle East, while the repeatable Petronas contract model validates technology leadership.

Technology-led differentiation is expected to drive structurally higher margins as adoption of the Multi-Parameter Full Waveform Inversion platform expands.

Underlying earnings per share forecasts are estimated at US5.0c in FY26, US9.2c in FY27, and US8.3c in FY28, with no dividends projected.

This report was published on May 13, 2026.

Target price is **\$3.00** Current Price is **\$2.23** Difference: **\$0.77**

If **DUG** meets the Shaw and Partners target it will return approximately **35%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

### Forecast for FY26:

Shaw and Partners forecasts a full year **FY26** dividend of **0.00** cents and EPS of **5.00** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **44.60**.

### Forecast for FY27:

Shaw and Partners forecasts a full year **FY27** dividend of **0.00** cents and EPS of **9.20** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **24.24**.

### Market Sentiment: 1.0

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

# SYL SYMAL GROUP LIMITED

## Industrial Sector Contractors & Engineers - Overnight Price: \$2.60

Jarden rates (([SYL](#))) as Buy (1) -

Jarden maintains a Buy rating for Symal Group with an increased \$3.05 price target following a "resilient" FY26 EBITDA guidance update.

The revised guidance midpoint has lifted to \$123m with the report concluding disciplined project execution helps mitigate rising diesel costs and materials inflation.

Core earnings per share forecasts for FY26 and FY27 have been reduced by -2.4% and -2.0% to reflect higher lease costs and conservative depreciation estimates.

Recent acquisitions in South East Queensland are now incorporated into projections, with the bulk of earnings contribution expected in FY27.

Underlying performance remains subject to project execution and the timing of contract commencements. Commentary suggests this represents potential risks to the earnings trajectory.

This report was published on May 12, 2026.

Target price is **\$3.05** Current Price is **\$2.60** Difference: **\$0.45**

If SYL meets the Jarden target it will return approximately **17%** (excluding dividends, fees and charges).

The company's fiscal year ends in June.

#### Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **9.30** cents and EPS of **20.10** cents.

At the last closing share price the estimated dividend yield is **3.58%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **12.94**.

#### Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **11.00** cents and EPS of **23.50** cents.

At the last closing share price the estimated dividend yield is **4.23%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **11.06**.

Market Sentiment: **1.0**

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

## TCG TURACO GOLD LIMITED

**Gold & Silver - Overnight Price: \$0.56**

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

Canaccord Genuity maintains a Speculative Buy rating for Turaco Gold and raises the target price to \$1.75 from \$1.65 ahead of the anticipated release of a pre-feasibility study for the Afema Gold Project.

Internal bottom-up modelling assesses a potential 2.4Moz mine inventory spread across several large open pits, underpinning an estimated 11-year mine life averaging 201kozpa.

Processing is assumed to utilise a 6Mtpa hybrid plant, combining a conventional carbon-in-leach circuit for free-milling base feed with an additional flotation circuit for sulphide ore, requiring an estimated -US\$500m in total pre-production capital.

Access to cheap local hydropower is expected to keep processing costs competitive despite the fine grinding requirements, driving an estimated all-in sustaining cost of -US\$1,650/oz.

Ownership consolidation is anticipated over the coming 12 months via a scrip deal to acquire the remaining 20% joint venture interest, clearing the path for the asset to become one of the largest new West African gold producers, the report highlights.

This report was published on May 8, 2026.

Target price is **\$1.75** Current Price is **\$0.56** Difference: **\$1.19**

If TCG meets the Canaccord Genuity target it will return approximately **212%** (excluding dividends, fees and charges).

Market Sentiment: **1.0**

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

## **TERMS AND CONDITIONS OF USE, AND DISCLAIMERS**

These Terms and Conditions of Use, and Disclaimers constitutes your agreement with FNArena Ltd with respect to your use of its FNArena website, its weekday news periodical, Australian Broker Call, as well as any other publications (including articles) FNArena may publish on its website, or anywhere else, from time to time.

Please read the contents of this page carefully as it contains important legal information and disclaimers. By entering and perusing the website, reading the Australian Broker Call, or, if you are subscriber, by entering the password protected part of the website, you acknowledge that you have read, understood and accept this agreement.

By accepting this agreement you acknowledge, understand and accept the following:

1. Reference to “FN Arena” and “FNArena” means reference to FNArena Ltd, its journalists, directors, other employees, affiliates, agents, associates and subsidiaries.
2. FNArena Ltd is the owner of the FN Arena website and brand name.
3. Reference to “we” or “us” is reference to FNArena.
4. Reference to “this website” or the “FNArena website” means reference to [www.fnarena.com](http://www.fnarena.com), and includes reference to FNArena’s weekday news periodical, Australian Broker Call, as well as any other publications (including articles) FNArena may publish on this website, or anywhere else, from time to time.
5. Reference to “news periodicals” means reference to FNArena’s weekday periodical, Australian Broker Call, as well as any other periodicals FNArena may publish from time to time on this website, or anywhere else, from time to time.
6. Reference to “publications” in this agreement means any material, including articles, published or put in print on the FNArena website, or anywhere else, whatsoever, and includes FNArena’s weekday periodical, Australian Broker Call, and any other periodicals FNArena may publish from time to time.
7. Reference to a “visitor” means, you, a visitor to this website, and includes a subscriber to Australian Broker Call as well as any other publications or periodicals FNArena may, from time to time, publish through its website.
8. FNArena is a media company which employs financial journalists to report financial news. FNArena’s journalists perform the required research and collect the information that is, ultimately, each day, published on this website and in FNArena’s news periodicals. As is obvious, the process by which the information is collected and delivered to you is a purely journalistic one and, therefore, the comments, opinions and recommendations FNArena reports on this website are not the opinions of FNArena or any of its journalist or other employees. FNArena is ONLY and specifically a

matter-of-fact reporter of industry signals suggesting price direction probability of some shares. FNArena simply delivers the information – it does not create it.

9. Although FNArena obtains the information published herein from sources deemed to be reliable, and given and received in good faith, it cannot and does not guarantee its accuracy. FNArena does not take any responsibility either for the financial soundness or for the correctness of statement made or opinion expressed in the data or content reported by FNArena, and cannot and does not guarantee the reliability and accuracy of the opinions of the brokers whose opinions, recommendations and forecasts it reports.

10. FNArena publishes this website, all publications and its periodicals strictly for convenient personal, non-commercial, educational and informational purposes of its subscribers only. Our goal is to provide the subscribers with a convenient starting point of potentially useful, but not comprehensive, content that can educate or otherwise enhance a visitor's knowledge base and frame of reference.

11. FNArena is NOT a stock broker or financial or trading advisor, nor is it an advisory service of any kind, and no advice or recommendations on investments or trading are made nor implied on this website. Nothing contained in this website is intended to be, nor shall it be construed as, advice or recommendation. Any investment or other decisions made by you must be based solely on your own evaluation of the targeted subject for investment, and your financial circumstances and investment objectives, and FNArena will not be held liable for any such investments and decisions.

12. It is distinctly understood and accepted that the shares referred to in the FNArena website, FNArena's publications and/or periodicals have not been recommended by FNArena. The content and or any comments found of this website, including the content and/or comments published in any publication and/or periodicals published by FNArena, do not constitute a recommendation or endorsement by FNArena with respect to any company, security, share or investment or any financial or investment product.

13. This website makes no representations, and, to the extent allowed by the law, specifically disclaims all warranties, express, implied or statutory, regarding the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any material contained in the website.

14. Before making an investment decision, you must do your own research and rely on your own examination of the share, and the risk involved, and not on what you read on the FNArena website, or in any publication or periodical. The content of this website is provided strictly for convenient personal, non-commercial educational and informational purposes only and FNArena shall not be held liable for any investment decisions, sales or purchase decisions, which you may have made based on what you have read on this website or in the periodicals published by FNArena from time to time, or in any other publications FNArena may publish on its website, or anywhere else, from time to time. Anyone who makes investment decisions based on what they read on this website does so at their own risk, and agrees that they cannot hold FNArena responsible and/or liable for any loss whatsoever.

15. It is your responsibility to evaluate the completeness, accuracy and usefulness of any content made available on this website. If you are unsure, or in doubt about the meaning of any information, you should consult your financial advisor.

16. FNArena does not guarantee any returns on investments made in any share mentioned on this website by the visitors. As any investor well knows, any investment opportunity, strategy or concept involves a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. FNArena strongly suggests that you consult your own financial advisors regarding the soundness of any intended investments, strategies or concepts, and discuss with such advisor your individual investment needs and goals. You may also wish to consult the broker who expressed the opinion we have reported on in the news periodicals we publish.

17. FNArena shall not be held liable to any visitor of the FN Arena website, or any reader of its periodicals and/or publications, or anyone else who may have relied on this website, directly or indirectly, for any inaccuracies in the printed material found on the FN Arena website, in the periodicals and/or other publications, any typing errors, omissions, interruptions, timeliness, completeness, deletions, defects, failure of performance, computer virus, communication line failures, alterations of, or use of any content herein, regardless of cause, for any loss or damage resulting therefrom.

18. Under no circumstances, including, but not limited to negligence, shall FNArena be liable for any direct, indirect, incidental, special or consequential damages that result from the use of, or the inability to use, the FNArena website, and any or the FNArena's publications and/or periodicals.

19. As a condition of use of the FNArena Website, FNArena's publications and periodicals, you agree to indemnify FNArena and all those affiliated with it from and against any and all liabilities, expenses (including legal costs) and damages arising out of claims resulting from your use of the FNArena website, FNArena's publications and periodicals. If you are uncertain about this agreement or the contents of the FNArena's website, or are dissatisfied in any shape or from, with the content of the FNArena website, or any of the publications or periodicals, or you do not agree with these terms and conditions, your sole and exclusive remedy is to discontinue using the FNArena website, FNArena's publications and periodicals.

20. FNArena may, from time to time, publish advice, opinions and statements of various third parties, other than the ten stock brokers, and various other information and content providers. FNArena does not represent or endorse the accuracy or reliability of any advice, opinion, statement or other information provided by these third parties. Reliance upon any such opinion, advice, statement, or other information is at your own risk.

21. The FNArena website may contain links and pointers to websites maintained by third parties. FNArena does not operate or control in any respect any information, products or services on such third-party websites. Third party links are included solely for the convenience of visitors, and do not constitute any endorsement by FNArena of any products or services provided by the third party link owners or operators. FNArena has no control over any websites that we might link to and does not

take responsibility for their quality, content or suitability.

22. FNArena is not responsible for claims made by advertisers on the FN Arena website or in any of its periodicals. Such advertisements are included solely for the convenience of visitors, and do not constitute any endorsement by FNArena of any products or services advertised. FNArena does not check the accuracy of the statements made by the advertisers. You assume sole responsibility for the access and use of third party links and pointers from the FN Arena website, as well as any purchases you may make from those third parties (including advertisers).

23. All the content, information and material made available on this website are provided to you "as is" and without warranty of any kind from FNArena whether express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, title, non-infringement, security or accuracy, nor does FNArena endorse or take any responsibility for the accuracy or reliability of any opinion, advice or statement made through the FN Arena website, its periodicals, or for making good all or part of any loss and/or damage that may have been caused by the visitor's reliance on any information, advice, product or service obtained from a linked website.

24. FNArena is not liable for any copyright infringements incurred by any outside content or information contributors, or by third parties who have links to this website, or advertise on this website.

25. FNArena reserves the right to make any and all changes to the FN Arena website, including the publications and periodicals, at its sole discretion without notice to you. FNArena reserves the right to deny access to this website or its information to anyone at any time.

26. This agreement shall be deemed to include all other notices, policies, disclaimers, and other terms contained in the FNArena website, provided, however, that in the event of a conflict between such other terms and the terms of this agreement, the terms of this agreement shall prevail.

27. FNArena shall have the right, at its discretion, to change, modify, add or remove terms of this agreement at any time. Changes shall be effective immediately. Notification of any such changes shall be made herein, therefore, you are strongly advised to read these terms each time you wish to access the FN Arena website or any periodical.

28. No permission is granted to copy, distribute, modify, post or frame any text, graphics, video, audio, software code, or viewer interface design or logos. The entire FNArena website, including the publications and periodicals, is subject to copyright with all rights reserved. The information contained in the website, including the publications and periodicals, shall not be published, rewritten for broadcast or publication or redistributed in any medium, or for any other reason whatsoever, without prior written permission from FNArena.

29. All original content is the copyrighted property of FNArena.



**FN arena**  
PASSIONATE ABOUT FINANCIAL NEWS

Financial News for the Bright  
and the Uneducated. And for  
everybody else in between.

**FN Arena News**

Building the Future of Financial Journalism

**[www.fnarena.com](http://www.fnarena.com)**

Trials are free and without any obligation

