

# STORIES TO READ FROM FN Arena

Friday, 5 June 2026



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| [Software In The 'Age Of Intelligence'](#)



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**AUSTRALIA**

# The Market In Numbers - 30 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	30 May 2026	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2026)	Financial Year To Date (FY26)
NZ50	13244.550	1.95%	2.64%	2.57%	-2.24%	5.09%
All Ordinaries	8965.00	0.99%	0.87%	3.24%	-0.64%	2.19%
S&P ASX 200	8731.70	0.86%	0.76%	2.95%	0.20%	2.22%
S&P ASX 300	8674.70	0.92%	0.87%	3.13%	-0.09%	2.37%
Communication Services	1650.60	-2.48%	-4.19%	-2.46%	-5.18%	-10.92%
Consumer Discretionary	3561.80	4.38%	4.56%	5.82%	-10.80%	-14.03%
Consumer Staples	11807.80	0.35%	-1.86%	-5.86%	1.64%	-2.57%
Energy	10413.30	-3.28%	-5.88%	-8.39%	24.48%	20.04%
Financials	9187.10	-1.18%	-3.87%	-1.11%	-1.60%	-3.59%
Health Care	22995.30	0.21%	-9.18%	-17.06%	-31.95%	-44.73%
Industrials	8158.40	1.95%	2.04%	3.65%	-3.17%	-1.93%
Info Technology	1773.10	2.28%	0.57%	13.89%	-17.69%	-38.88%
Materials	25076.20	3.34%	10.47%	15.19%	18.72%	58.13%
Real Estate	3625.00	2.38%	2.46%	10.79%	-8.60%	-7.02%
Utilities	9643.10	-1.56%	-7.64%	-7.96%	-0.15%	5.49%
A-REITs	1685.70	2.57%	2.97%	11.81%	-7.67%	-5.87%
All Technology Index	2839.60	2.27%	1.65%	11.56%	-16.40%	-29.78%
Banks	3921.80	-0.85%	-5.33%	-4.69%	-3.60%	-2.51%
Gold Index	16290.10	0.62%	-2.50%	-2.21%	-12.76%	40.95%
Metals & Mining	8699.10	3.21%	10.35%	15.43%	19.71%	66.62%

**The World**

Index	30 May 2026	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2026)	Financial Year To Date (FY26)
FTSE100	10409.28	-0.54%	0.29%	2.29%	4.71%	18.81%
DAX30	25104.70	0.87%	3.34%	10.69%	2.51%	5.00%
Hang Seng	25182.39	-1.65%	-2.30%	1.59%	-2.60%	4.61%
Nikkei 225	66329.50	4.72%	11.88%	29.90%	31.76%	63.83%
NZ50	13244.550	1.95%	2.64%	2.57%	-2.24%	5.09%
DJIA	51032.46	0.90%	2.78%	10.12%	5.51%	15.73%
S&P500	7580.06	1.43%	5.15%	16.11%	9.92%	22.16%
Nasdaq Comp	26972.62	2.39%	8.36%	24.93%	15.17%	32.42%

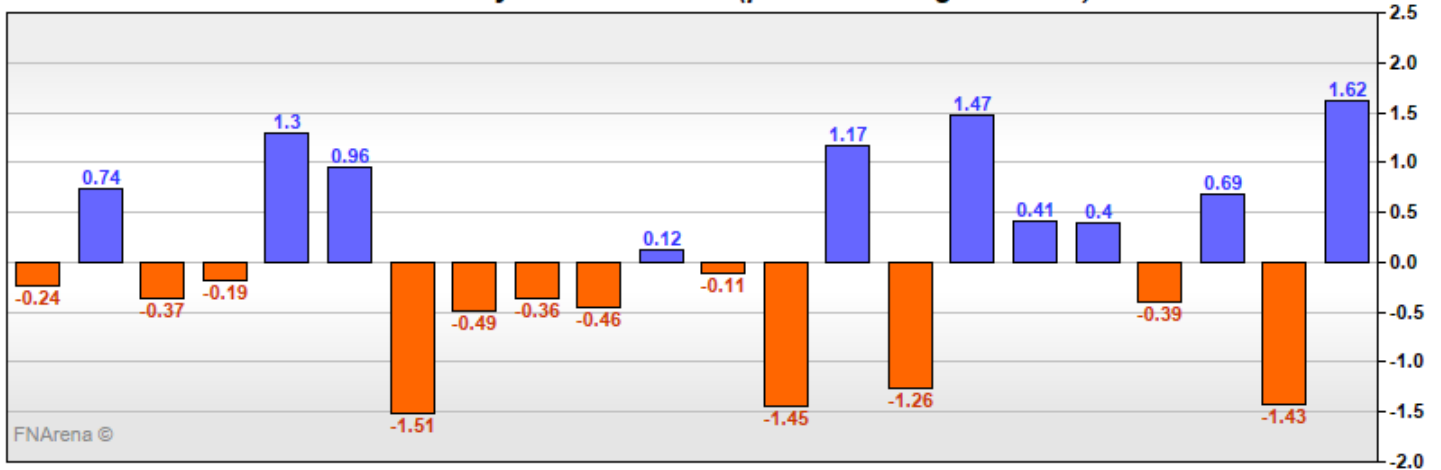
**Metals & Minerals**

Index	30 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)	4527.00	-0.38%	-0.66%	-0.25%	3.21%	37.09%
Silver (oz)	75.92	-1.43%	5.71%	8.29%	-2.57%	109.71%
Copper (lb)	6.4240	1.25%	8.32%	17.12%	13.06%	26.07%
Aluminium (lb)	1.6668	0.98%	5.52%	7.06%	24.62%	41.35%
Nickel (lb)	8.5005	1.05%	-2.78%	10.18%	13.53%	24.65%
Zinc (lb)	1.6158	1.13%	7.39%	11.27%	15.94%	27.98%
Uranium (lb) weekly	84.50	-1.74%	-2.03%	1.50%	3.05%	7.44%
Iron Ore (t)	109.04	-0.68%	1.76%	2.56%	1.78%	15.40%

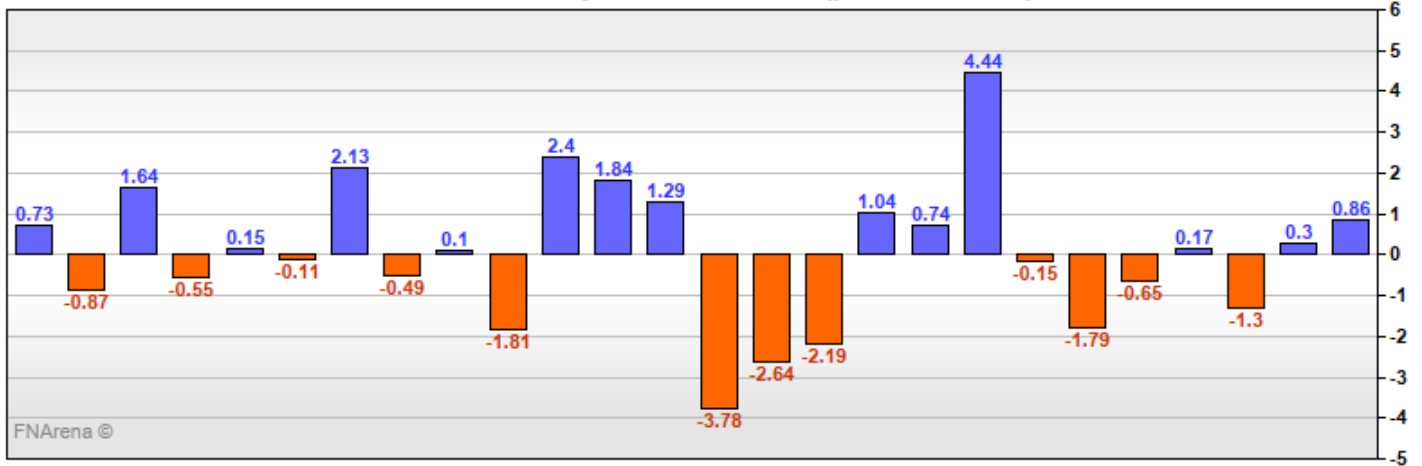
## Energy

Index	30 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	88.53	-9.66%	-18.08%	-15.67%	54.18%	35.12%
Brent Crude	92.36	-11.90%	-17.87%	-15.02%	51.78%	38.26%

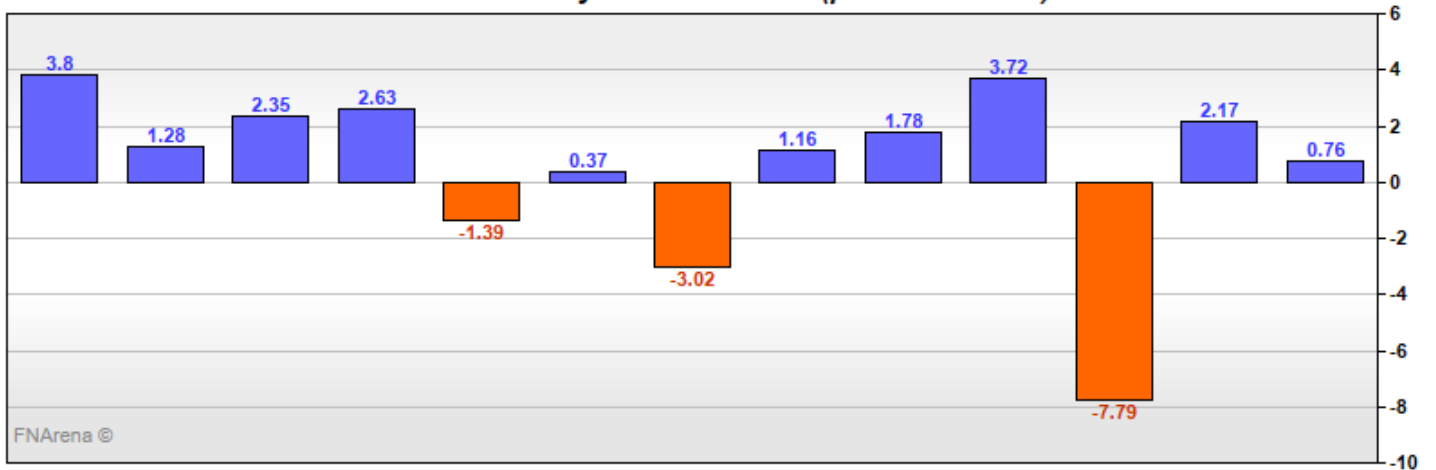
**ASX200 Daily Movement in % (past 22 trading sessions)**



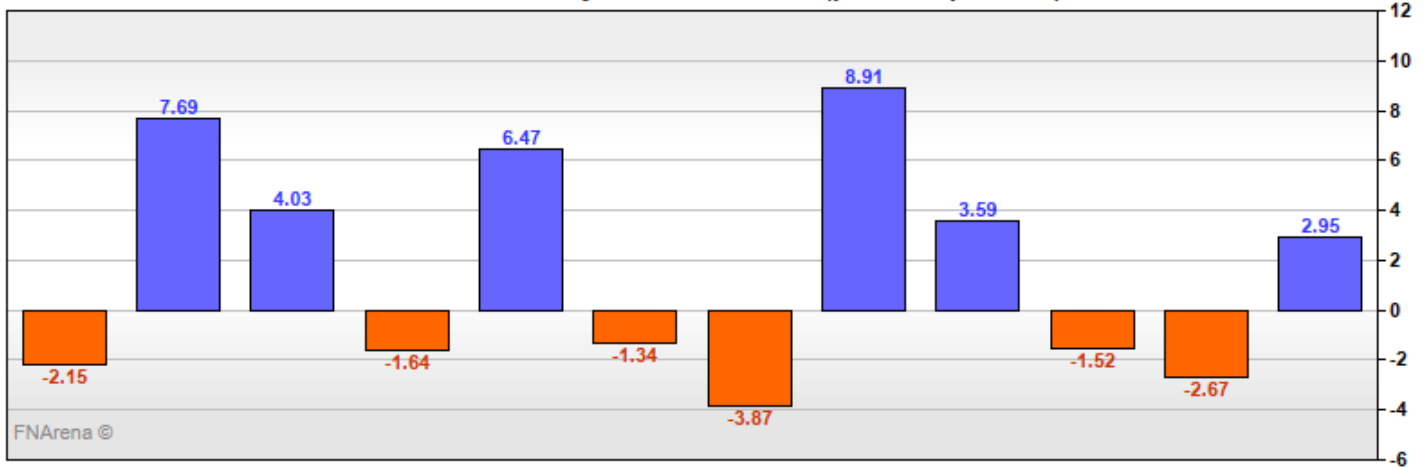
**ASX200 Weekly Movement in % (past 26 weeks)**



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



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



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

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**AUSTRALIA**

# Goodman Group Confident Of Contracts Flowing

The market wanted an upgrade and fresh leasing announcements. Goodman Group's Q3 update didn't deliver. Analysts remain positive on the group's expanding data centre pipeline, pricing power and long-term exposure to AI-driven demand.

- Goodman Group reiterates data centre strategy at 3Q results
- Multiple contract wins expected through the first half of FY27
- Competitive moat widens, operating EPS guidance slightly up
- Potential for development yields to beat market expectations

By Mark Woodruff



*At its Q3 update, Goodman Group had to ask an impatient market for more patience*

While anticipated leasing deal announcements did not eventuate, leading global industrial and data centre developer Goodman Group ((GMG)) used its third-quarter result to reaffirm a deliberate strategy of deploying balance sheet capital ahead of customer commitments to secure scarce power-enabled metropolitan data centre development capacity.

The business continues to shift toward a larger mix of higher-margin data centre developments relative to traditional logistics assets, supporting long-term earnings growth albeit alongside extended project delivery timelines, stockbroker Morgans explains.

Data centres now account for 73% of Goodman's development work in progress (WIP) and market conditions remain "pretty hot", according to management, supporting pricing power across the development portfolio.

Operationally, Morgans views the market update as mixed, with pre-commitments, production run-rate and yield-on-cost all broadly flat half-on-half.

The more strategically important takeaway, in the broker's view, is management's observation that global

data centre capex requirements are likely exceeding available funding capacity, creating a favourable backdrop for operators with secured power access, development sites and established capital partners.

While the total power bank expanded further, Macquarie highlights no new customer contracts were announced, and market expectations continue to sit above current guidance.

Management noted multiple non-disclosure agreements (NDAs) have already been signed and customers are progressing through due diligence, with Morgan Stanley expecting several contracts to be secured by December.

Providing further confidence in outcomes, this broker explains contentious items between parties concern a ready-for-service date, rather than rent or lease duration.

Management's guidance has been subtly upgraded to "at least" 9% in FY26 operating EPS growth versus consensus expecting 9.7%.

FY26 DPS guidance of 30c has been maintained, broadly in line with consensus' expectation of 30.2c.

## Where is the upside?

Goodman benefits from a strong data centre development pipeline, an established global logistics and industrial platform, and a high-return funds management structure.

Macquarie explains upside drivers to the business and management guidance are performance fees and percentage of development completions.

As development projects complete and market valuations crystallise, Citi anticipates performance fees will surprise to the upside.

UBS also points to Goodman's enviable access to capital across global markets, alongside strategically located warehouses and landbanks that can be repurposed into higher-value data centres and modern logistics facilities.

UBS highlights the group's major Los Angeles data centre development project (LAX01) located in Vernon, California, and the Hong Kong data centre development project (HKG10) are closer to securing contracts than the Sydney and European projects.

## Competitive moat

Goodman added 400MW, to its power bank during the March quarter, taking the total pipeline to 6.4GW. Jarden notes additional contributions were largely driven by the Australian operation.

With 3.6GW of the 6.46GW already secured and a further 2.8GW in advanced procurement, Citi views **Goodman's global power bank as a competitive moat** that would be extremely difficult to replicate.

Management maintained its FY26 development WIP target of \$18bn, up from \$14.5bn in the March quarter, with major European data centre projects in Amsterdam and Paris expected to drive the step-up during the current quarter.

Bell Potter explains the rise in development WIP (expected by management) will occur during the fourth quarter as several large European data centre developments formally enter active construction and are recognised within the WIP pipeline.

## Run-rate and yield-on-cost

Bell Potter expects fourth-quarter momentum to lift Goodman's annualised development production run-rate above \$6bn, reflecting the pace of development activity managed across the portfolio over a rolling 12-month period.

The increase is being driven by two factors: a larger overall development pipeline; and longer construction timeframes for data centre projects compared with traditional logistics developments.

Another measure is yield on cost, a property development metric that measures the expected annual income generated by a project relative to the total cost of development.

Management also reiterated data centre yield-on-cost targets of 9%-11%, with industrial developments continuing to generate yields above 7%.

Strong expected leasing outcomes across Tokyo, Hong Kong and European data centres prompt Ord Minnett to lift its yield-on-cost assumption for the development pipeline to 10% from 9.5%.

## Assuaging market fears

Citi views Goodman's balance sheet as well positioned to fund the accelerating data centre expansion pipeline, with no signs of near-term capital pressure.

As major customer signings across the market have been announced by peers, Bell Potter explains the market continues to await stronger leasing momentum, particularly at LAX01.

Goodman's long track record as a customer-first operator suggests the slower pace likely reflects project timing, leasing complexity and development sequencing rather than weak demand, the broker believes.

Bell Potter adds both management and broader industry commentary continue to point to robust demand conditions and strong rental growth where supply remains constrained.

## More March quarter metrics

As noted, development WIP was broadly stable compared with the first half at \$14.5bn, with 37% of data centre developments already secured by tenant commitments.

The logistics business performed softer than the data centre segment, with occupancy declining -20 basis points (bps) from the first half to 95.7%, or down -30bps to 97% excluding Greater China properties.

Total assets under management (AUM) eased to \$87.1bn from \$87.4bn in the first half, though much of the decline reflected appreciation in the Australian dollar, Ord Minnett observes.

## Evolution of data centre partnerships

Goodman Group's European data centre investment partnership (GEDCDP) structure involves external capital partners investing alongside Goodman across a portfolio of data centre developments.

UBS explains this structure allows the group to recycle capital, earn development and management fees, retain exposure to long-term growth, and accelerate expansion without fully funding projects on balance sheet.

The analysts suggest Goodman may look to replicate the European partnership model in Australia, potentially involving a single strategic partner across multiple Sydney and Melbourne projects under a portfolio-style structure rather than partnering on developments individually.

Ongoing progress across Goodman's data centre development and leasing pipeline is expected to support multiple contract wins through the first half of FY27.

The broker also notes early indications from leasing negotiations (with one example running more than 20% above feasibility assumptions) suggest management's strategy of locking in costs and offering delivery certainty amid accelerating demand could generate development yields above market expectations.

Highlighting the depth and scalability of Goodman's global data centre pipeline, UBS points to the potential inclusion of additional Melbourne and Sydney sites within the Australian data centre development partnership, alongside the addition of TYO06 (50MW) in Tokyo to the delivery schedule.

# Outlook

With \$74.5bn in assets under management across 400 partnership properties, a growing global power bank and development work in progress forecast to approach \$18bn by June 2026, Citi believes Goodman continues to provide infrastructure-scale exposure to accelerating AI, cloud and logistics demand.

While retaining some questions around leasing progress, extended development timelines and the associated impact on earnings mix and profit recognition, Bell Potter believes the competitive moat between scaled data centre operators and smaller players continues to widen given the increasing scale and complexity of execution.

Following the recent pullback, Goodman shares now trade at a lower premium to the ASX200 than their five-year average, the broker highlights. Future customer signings are viewed as a key catalyst.

Morgan Stanley notes management has consistently delivered on its development pipeline historically, even if project timing has often taken longer than the market's impatience wanted it to be.

Citi believes management remains appropriately conservative around fair value gains, which underpin performance fees and development feasibility assumptions, although this broker expects these are likely to exceed current guidance as the development pipeline matures and asset values are realised.

All but Hold-rated Ord Minnett of the seven daily covered brokers researching Goodman Group in the FNArena database have a Buy-equivalent rating.

Following March quarter results, the average target of the seven has risen by 46c to \$34.68, implying circa 10.6% upside to the \$31.35 share price at the time of writing.

Outside daily coverage, Jarden has a Buy rating.

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**AUSTRALIA**

# ASIC Watch: Legacy Banking Systems Draw \$26M Hardship Penalties

This story features regulatory enforcement affecting WESTPAC BANKING CORPORATION, NATIONAL AUSTRALIA BANK, Walker Stores (Snaffle), Eden Asset Management, Global Pacific Solutions and broader compliance risks across listed and unlisted financial providers.

The Federal Court's \$26m penalty against Westpac Banking Corporation has turned what once looked like an operational and technology problem into a direct balance sheet issue. Together with penalties against other consumer credit providers and recent AFS licence cancellations, the message from ASIC and the courts is clear: legacy systems and weak compliance controls are no longer back-office irritants; they are financial liabilities.

- Westpac ordered to pay -\$26m for failing to respond to more than 200 hardship requests between 2017 and 2023
- Walker Stores, trading as Snaffle, hit with a -\$33.5m penalty after nearly \$20m of interest overcharging across 38,000 contracts
- Eden Asset Management and Global Pacific Solutions had AFS licences cancelled after failing to meet basic compliance obligations
- National Australia Bank was previously penalised -\$15.5m for similar hardship failures, with ANZ Group also facing proceedings
- ASIC is increasingly treating compliance architecture as a core consumer protection issue

By Valery Prihartono



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

# Westpac: hardship systems become penalty risk

The Federal Court found a deficiency in Westpac's ((WBC)) online hardship notice process meant 229 vulnerable customers received delayed responses --or no response at all-- to requests for repayment relief on mortgages, personal loans and credit cards.

Under the National Credit Code, lenders must respond to hardship notices within 21 days. Many affected customers were dealing with serious illness, domestic violence, job losses or natural disasters. Instead of timely assistance, some faced debt on-selling to third-party collectors, adverse credit file listings and significant stress while waiting for responses that never came.

Justice Timothy McEvoy described Westpac's conduct as "grossly negligent" and rejected the bank's submission that a -\$10m penalty was sufficient. The finding matters because it frames the failure as more than an isolated system glitch.

Westpac knew the legal obligation existed, yet its systems did not reliably capture and escalate hardship requests.

Westpac has completed a -\$1.7m remediation program, including interest refunds, debt waivers and compensation for non-financial loss.

But the -\$26m penalty far exceeds customer remediation, showing courts are prepared to impose substantial punishment beyond simply putting affected customers back in position.

## A broader warning for lenders

For banking sector investors, Westpac establishes an important precedent. ASIC has made hardship and pricing compliance a priority, particularly where legacy platforms fail to automate legal safeguards.

National Australia Bank's ((NAB)) earlier -\$15.5m hardship penalty and proceedings against ANZ Bank ((ANZ)) underline this is a sector-wide issue rather than a single-bank problem.

The investment implication is straightforward: legacy systems now carry legal, remediation and reputational risk. Each year of non-compliance compounds the eventual exposure.

For major banks, penalties can be material. For smaller lenders, similar failures relative to scale could prove existential.

## Snaffle: consumer overcharging punished heavily

On May 18, 2026, the Federal Court ordered a -\$33.5m penalty against Walker Stores Pty Ltd, trading as Snaffle, for systematically overcharging financially vulnerable consumers under consumer credit contracts.

Snaffle applied interest to the total contract purchase price rather than the reducing unpaid balance on more than 38,000 contracts, resulting in almost \$20m in overcharged interest.

Its instalment-payment contracts also carried effective annual cost rates of 88%-103%, well above the statutory 48% cap for consumer credit contracts.

The penalty, combined with the amount overcharged, highlights the court's view that systematic overcharging of vulnerable consumers warrants punishment well beyond refunds.

Snaffle's entry into liquidation before the penalty was handed down also raises the question of whether sufficient assets remain to satisfy the order.

# Licence cancellations: compliance as a condition of survival

ASIC has cancelled the AFS licences of Eden Asset Management and Global Pacific Solutions, reinforcing that licence cancellation remains the regulator's ultimate sanction for firms unable to meet basic obligations.

Eden's cancellation followed failures relating to statutory reporting, audit and capital requirements. Global Pacific Solutions' licence was cancelled after the firm ceased carrying on a financial services business.

The pattern is simple: compliance is not a one-off hurdle at licence issue; it is a continuing condition of operating.

For investors assessing fund managers, advisers or other licensees, late financial reporting, licence conditions, responsible officer changes and enforcement history should be treated as early warning signals.

# Scam alert: WhatsApp, impersonation and fake crypto platforms

ASIC has warned of coordinated scams targeting retail investors through social media and private messaging apps.

The typical sequence begins with social media advertisements promising stock market tips or investment insights. Victims are then moved into private WhatsApp groups, where scammers impersonate well-known finance personalities, including Paul Clitheroe, before directing them to fake cryptocurrency trading platforms.

These platforms often display polished dashboards with fabricated trades, price charts and account profits. When victims attempt to withdraw funds, they are asked to pay additional "withdrawal fees" before accounts are frozen or deleted.

ASIC advises investors to verify virtual asset providers through the AUSTRAC Virtual Asset Service Provider Register.

Other defences include checking identities through official channels, avoiding investment advice delivered through private messaging apps and questioning any promise of unusually high or consistent returns.

# Investment implications: compliance quality as differentiator

The Westpac, Snaffle and licence cancellation cases point to the same portfolio lesson: compliance quality is becoming a meaningful differentiator across financial services.

For banks and lenders, investors should assess whether hardship systems automatically capture requests, track the 21-day response deadline and escalate overdue matters. Manual processes increase the risk of missed obligations.

For consumer credit providers, investors should look for independent verification of interest calculations, regular monitoring of effective cost rates, clear audit trails and periodic testing of pricing accuracy.

For fund managers, advisers and other licensees, current licence status, timely audited reporting, complaint trends and remediation disclosure remain important indicators of operational health.

# Conclusion: operational negligence now has a

# price

The May 2026 enforcement activity shows ASIC is increasingly willing to turn operational weakness into litigation risk.

Cost-of-living pressures have made hardship notices, credit pricing and licence discipline front-line consumer protection issues.

For investors, the implication is clear. Financial providers investing in modern core systems, automated compliance workflows and transparent remediation should deserve greater confidence than peers relying on patched legacy networks.

In an environment of active regulatory scrutiny, compliance architecture has become part of the investment case.

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**AUSTRALIA**

# May In Review: AI Momentum, Healthcare Pain

Amidst many macro headwinds, the ASX200 achieved a positive total return in May, thanks to dividends, but couldn't keep up with the positive AI-led momentum elsewhere.

- A moribund Australian market refused to weaken in May
- Banks and Healthcare heavyweights dragged on the market
- Commodities provided support as investors focused on strong AI-led demand
- The ASX underperformed against more AI-oriented markets internationally

By Danielle Ecuyer

## Cup half full or half empty?

It wasn't a complete 'Sell in May and Go Away' scenario for the Australian market, but for many investors the ride has been, let's say, challenging at best.

The ASX200 scraped in with a 1.15% total return to 8,731.70, which belied the volatility under the surface and the narrow market leadership.

Morgan Stanley points out there were eight sessions throughout the month registering moves of plus/minus 1% or more on the day.

Depending on which lens the market is viewed through, the performance could be described as 'admirable' given the trifecta of bad news thrown at it.

Think ongoing war in the Middle East (energy price crisis), another RBA rate hike, plus a Federal Budget with the associated changes to negative gearing and capital gains tax.

As noted by GF Asset Management, *"the Australian consumer is being hit from three directions at once"*.

Compared to offshore markets, notably Korea, Taiwan, Japan and the US, Australia came in near the bottom of global equity performance rankings.

Driven by the AI-related memory chip demand boom, Korean equities rose 35.2% in USD terms, the US S&P500 was up 5.3%, and Japan was up 5%. In USD terms, the Australian market squeezed out a 1% gain, beating the UK, down -0.3%, China, off -3%, and Latam, down -4.2%. All in USD currency for consistency.

Morgan Stanley argues the ASX200's *"structural underweight"* to global growth (giants) serves to emphasise the market's dependence on banks, resources and interest rate (yield) sensitive sectors. Those sectors were not the ones flying high internationally in May.

To be fair, Australia is not alone with a more traditional cyclically exposed market/economy. Other developed markets like the UK and Europe have, to a greater or lesser extent, also less of a growth/tech leaning than the US and selected Asian markets.

Ongoing enthusiasm for the AI trade and considerably higher than expected corporate earnings growth propelled the US market higher.

From the late-March low, the Nasdaq100 has surged 33% in just nine weeks to a month-end close of 30,470.

## The other side of AI

It's not quite the same, but AI-enablers were the top performers in Australia in May, Macquarie points out, led

by the Mining sector, up 10.4%, and Capital Goods, up 9%.

Domestic miners have emerged as the “key proxy” for the AI trade down under, led by strong AI-led demand for commodities, including copper (up 8.2%), aluminium (up 5.5%), as well as stronger iron ore and LNG prices.

Scoping the top five ASX200 performers highlights the money flows into commodity stocks, including lithium exposures, with IGO Ltd ((IGO)), Capricorn Metals ((CMM)), Sandfire Resources ((SFR)), South32 ((S32)) and BHP Group ((BHP)) among the leaders.

Capstone Copper ((CSC)) shares rose 32% as one of the month's top performers in the ASX300.

Morgan Stanley points to BHP adding 165bps out of the total 261bps uplift by the Materials sector to the index. Rio Tinto ((RIO)) added 26bps and Fortescue ((FMG)) 17bps.

Scratch a little deeper under the surface of the ASX200 index and the complexion of the market becomes apparent.

The broader build-out in power, mining services, data centres and infrastructure, all underpinned by global AI spend, saw robust buying across Capital Goods, with MacMahon Holdings ((MAH)) up 36%, Service Stream up 21% and Ventia Services up 18%.

Megaport ((MP1)), through its network and compute as-a-service business model, was equally a clear AI beneficiary, as its shares went up 71.3%, boosted by contract wins for its recently acquired Latitude business. Weebit Nano ((WBT)) shares rose 80.8% on its resistive RAM (random access memory).

Other sectors in the green included Real Estate, up 2.46%, and A-Reits, up 2.97%, with Goodman Group ((GMG)) boosting the latter sector's performance.

Interestingly, Consumer Discretionary gained 4.56%, suggesting to Macquarie that investors are already pivoting to cyclical retail (up 6.3%), positioning for the next RBA rate move to be a cut.

A softer than expected April CPI print gave markets some wiggle room to price out further RBA rate hikes, while global bond yields edged down over May as markets looked beyond the Middle East conflict.

## Healthcare in pain (again!)

An -18% fall in Brent crude and WTI boosted a more ‘transitory’ narrative around global energy inflationary pressures and also led the domestic Energy sector down -5.88% for May.

The gold price slipped slightly over May, but the Gold index fell -2.5% as investors weighed up the impact of rising costs on producers.

Sectors which had outperformed in a more risk-off environment in April, including Communication Services and Consumer Staples, fell -4.19% and -1.86%, respectively.

The Banks were among the heavier losers as concerns over loan growth and a slowing housing sector weighed on sentiment. The sector fell -5.33% and is now down -3.6% year-to-date.

Morgan Stanley explains Financials weighed on the ASX200 index by a negative -97bps, or -105bps led by the Banks. CommBank's ((CBA)) negative impact was the heaviest at -55bps, followed by Westpac ((WBC)) at -21bps and National Australia Bank ((NAB)) at -20bps.

Healthcare continued to experience multiple travails, falling -9.18%. Sector heavyweight CSL again downgraded the FY26 earnings outlook, sending its share price down -16% on the day.

Over May, CSL shares declined by -23%. Over the last three months, Healthcare, which historically behaved as a defensive sector, is down -22%.

There were plenty of profit warnings and set-backs elsewhere. Brambles ((BXB)), long regarded as a ‘quality stock’, announced a surprise earnings downgrade due to pallet repair issues, sending that share price down an unforgiving -25%.

The bourse itself ((ASX)) served up another negative guidance downgrade, punishing ASX shares by -20%.

Macquarie points out the move by central banks to “net hikes” is likely to generate larger share price reactions, exacerbated by a higher interest rate backdrop than the implied fall in earnings. Arguably, investor discomfort around unexpected negative surprises has also eroded valuations.

In the case of CSL, the premium once ascribed has been replaced with a valuation discount as earnings momentum has faltered, eroding the market's confidence in a successful turnaround.

According to FNArena's Corporate Results Monitor, more than 40% of financial results post February have disappointed (many occurred in May), with 33.33% surprising to the upside and nearly 26% roughly meeting expectations.

[https://fnarena.com/index.php/reporting\\_season/](https://fnarena.com/index.php/reporting_season/)

## Climbing a wall of worry in June

Looking ahead, Morgan Stanley considers the RBA's "communication" at its June meeting on June 16 as "critical".

This broker's base case is the central bank stays on hold following the weaker CPI print and labour data, which would be supportive for interest rate sensitive sectors.

Notably, the proposed Federal Budget changes have implications for the domestic housing sector and prices. The significant leverage of the household sector via wealth effects and construction employment has broader implications for Australian equities.

On that basis, Morgan Stanley views commodity markets as the main source of earnings momentum for the ASX. The broker remains Overweight in its model portfolio on Resources and maintains an Underweight position on Banks against flattening interest rates, the emergence of margin pressures and slowing economic growth.

Pressure on domestic EPS growth, due to the heavy weighting to banks and interest rate sensitive sectors, means Morgan Stanley prefers capex, particularly AI infrastructure and resource mining activity tailwinds, over consumption thematics.

Macquarie highlights the ongoing outperformance of Value, up 4.7% in May and up 41% over the last year, boosted by Resources. Technology and Healthcare, in contrast, have underperformed.

In the US, the Momentum trade has been the strongest, up 13% in May and outperforming US Value by more than 10 percentage points.

Regarding sentiment, the FOMO meter fell -16bps in May to plus-0.70.

Macquarie suggests it signals "positive" but not excessive "optimism".

Individual investors were responsible for the decline, positioned net bearish at -6 percentage points.

Active investors remain positive, lifting equity exposure to plus-98.4 in the broker's latest survey.

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

Company	Change	Company	Change
IGO - IGO LIMITED	28.94	BXB - BRAMBLES LIMITED	-26.78
CMM - CAPRICORN METALS LIMITED	24.54	A2M - A2 MILK COMPANY LIMITED	-24.15
SFR - SANDFIRE RESOURCES LIMITED	20.36	ASX - ASX LIMITED	-23.96
S32 - SOUTH32 LIMITED	19.35	CSL - CSL LIMITED	-22.32
BHP - BHP GROUP LIMITED	15.99	WTC - WISETECH GLOBAL LIMITED	-15.71

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

Company	Change	Company	Change
MP1 - MEGAPORT LIMITED	69.43	TUA - TUAS LIMITED	-64.97
IPX - IPERIONX LIMITED	42.20	IEL - IDP EDUCATION LIMITED	-32.22
CSC - CAPSTONE COPPER CORP.	29.96	TAH - TABCORP HOLDINGS LIMITED	-31.56
SGM - SIMS LIMITED	29.69	BXB - BRAMBLES LIMITED	-26.78
IGO - IGO LIMITED	28.94	A2M - A2 MILK COMPANY LIMITED	-24.15

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

Company	Change	Company	Change
WBT - WEEBIT NANO LIMITED	70.59	TUA - TUAS LIMITED	-64.97

MP1 - MEGAPORT LIMITED	69.43	GTK - GENTRACK GROUP LIMITED	-38.57
IPX - IPERIONX LIMITED	42.20	LOT - LOTUS RESOURCES LIMITED	-32.98
MAH - MACMAHON HOLDINGS LIMITED	37.67	HLS - HEALIUS LIMITED	-32.67
CSC - CAPSTONE COPPER CORP.	29.96	IEL - IDP EDUCATION LIMITED	-32.22

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

Company	Change	Company	Change
WBT - WEEBIT NANO LIMITED	70.59	GTK - GENTRACK GROUP LIMITED	-38.57
MP1 - MEGAPORT LIMITED	69.43	WTC - WISETECH GLOBAL LIMITED	-15.71
EIQ - ECHOIQ LIMITED	44.39	AD8 - AUDINATE GROUP LIMITED	-14.62
AYA - ARTRYA LIMITED	24.69	REA - REA GROUP LIMITED	-12.28
TYR - TYRO PAYMENTS LIMITED	21.23	EOL - ENERGY ONE LIMITED	-12.28

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

### Australia & NZ

Index	31 May 2026	Month Of May	Quarter To Date (Apr-Jun)	Year To Date (2026)
NZ50	13244.550	2.64%	2.57%	-2.24%
All Ordinaries	8965.00	0.87%	3.24%	-0.64%
S&P ASX 200	8731.70	0.76%	2.95%	0.20%
S&P ASX 300	8674.70	0.87%	3.13%	-0.09%
Communication Services	1650.60	-4.19%	-2.46%	-5.18%
Consumer Discretionary	3561.80	4.56%	5.82%	-10.80%
Consumer Staples	11807.80	-1.86%	-5.86%	1.64%
Energy	10413.30	-5.88%	-8.39%	24.48%
Financials	9187.10	-3.87%	-1.11%	-1.60%
Health Care	22995.30	-9.18%	-17.06%	-31.95%
Industrials	8158.40	2.04%	3.65%	-3.17%
Info Technology	1773.10	0.57%	13.89%	-17.69%
Materials	25076.20	10.47%	15.19%	18.72%
Real Estate	3625.00	2.46%	10.79%	-8.60%
Utilities	9643.10	-7.64%	-7.96%	-0.15%
A-REITs	1685.70	2.97%	11.81%	-7.67%
All Technology Index	2839.60	1.65%	11.56%	-16.40%
Banks	3921.80	-5.33%	-4.69%	-3.60%
Gold Index	16290.10	-2.50%	-2.21%	-12.76%
Metals & Mining	8699.10	10.35%	15.43%	19.71%

### The World

Index	31 May 2026	Month Of May	Quarter To Date (Apr-Jun)	Year To Date (2026)
FTSE100	10409.28	0.29%	2.29%	4.71%
DAX30	25104.70	3.34%	10.69%	2.51%
Hang Seng	25182.39	-2.30%	1.59%	-2.60%
Nikkei 225	66329.50	11.88%	29.90%	31.76%
NZ50	13244.550	2.64%	2.57%	-2.24%
DJIA	51032.46	2.78%	10.12%	5.51%
S&P500	7580.06	5.15%	16.11%	9.92%
Nasdaq Comp	26972.62	8.36%	24.93%	15.17%

### Metals & Minerals

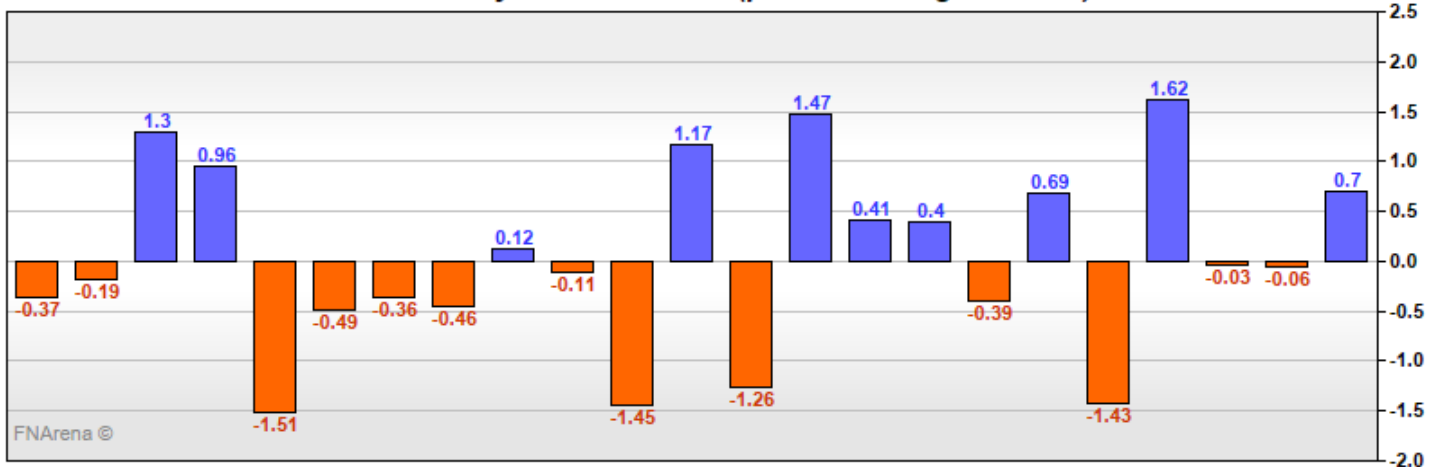
Index	31 May 2026	Month Of May	Quarter To Date (Apr-Jun)	Year To Date (2026)
Gold (oz)	4527.00	-0.66%	-0.25%	3.21%
Silver (oz)	75.92	5.71%	8.29%	-2.57%
Copper (lb)	6.4240	8.32%	17.12%	13.06%
Aluminium (lb)	1.6668	5.52%	7.06%	24.62%
Nickel (lb)	8.5005	-2.78%	10.18%	13.53%

Zinc (lb)	1.6158	7.39%	11.27%	15.94%
Uranium (lb) weekly	84.50	-2.03%	1.50%	3.05%
Iron Ore (t)	109.04	1.76%	2.56%	1.78%

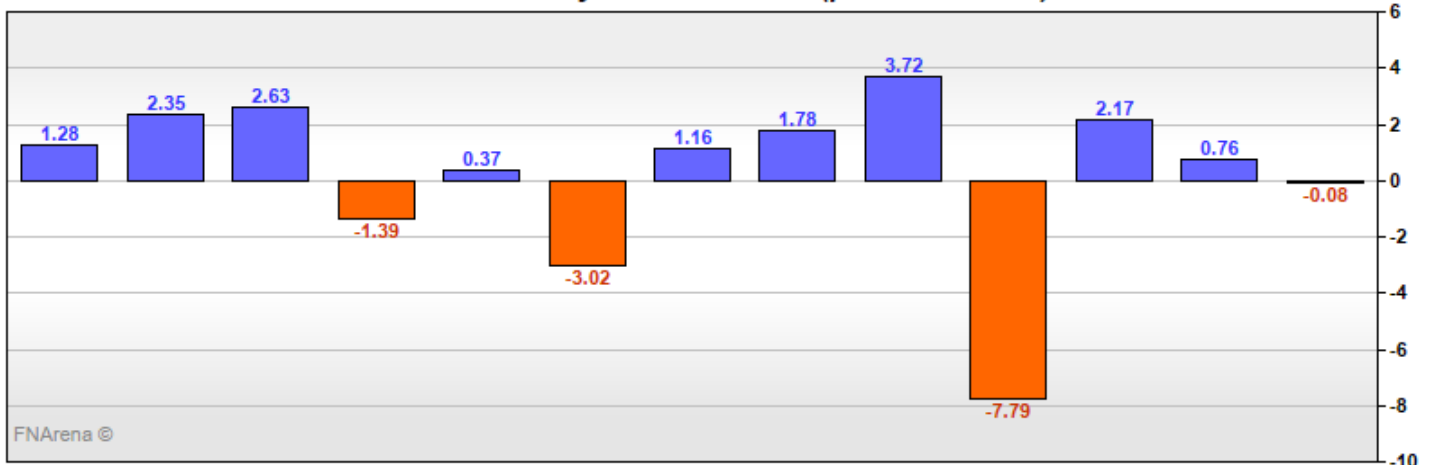
## Energy

Index	31 May 2026	Month Of May	Quarter To Date (Apr-Jun)	Year To Date (2026)
West Texas Crude	88.53	-18.08%	-15.67%	54.18%
Brent Crude	92.36	-17.87%	-15.02%	51.78%

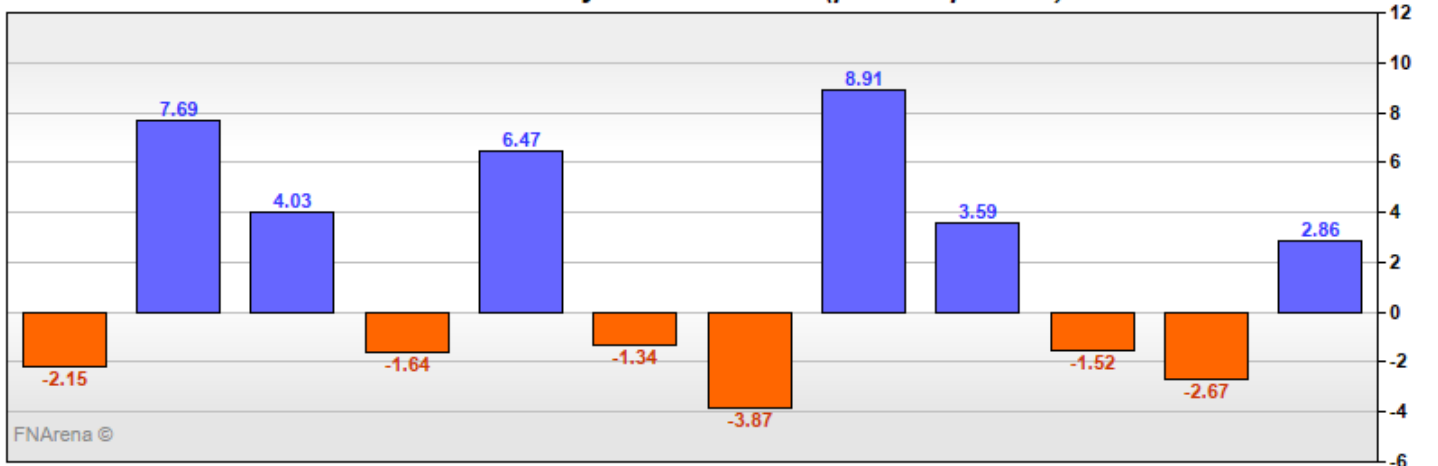
**ASX200 Daily Movement in % (past 23 trading sessions)**



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



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



## Technical limitations

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

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**AUSTRALIA**

# Eagers Automotive Geared For Better Second Half

Despite softer industry conditions and ongoing supply constraints, Eagers Automotive is considered well positioned for a stronger second half, supported by record orders, CanadaOne growth opportunities and accelerating new energy vehicle adoption.

- Eagers Automotive's trading update slightly underwhelms
- Record orders, supply constraints, competition on the rise
- Upside risk to guidance largely depends on vehicle supply
- Cheaper share price seen as an opportunity

By Mark Woodruff



*Weak conditions dominate car retailing in Australia in 2026*

Australia's largest automotive retailer Eagers Automotive ((APE)) continues to outperform against a backdrop of weakening conditions for the sector.

The industry's challenges were underscored this week when Peter Warren Automotive ((PWR)) reported a sharp decline in new vehicle margins and issued FY26 guidance well below expectations.

At last week's AGM, Eagers management reviewed FY25 results, recounted strategic highlights and commented upon the outlook, where a record order intake and acquisition contributions support a robust second half.

While highlighting several external uncertainties relating to constrained supply and the macroeconomic backdrop, management stressed "the underlying performance of the business is strong", noting the two busiest trading months of May and June represent 20%-25% of full year profits.

Despite record order volumes, Moelis notes strong demand for battery electric vehicles and Toyota vehicles has outpaced supply, constraining first-half deliveries.

An order bank that has grown 70% since December 2025 is, nonetheless, expected to underpin second-half earnings as supply constraints ease, though some of the benefit will be offset by higher interest costs.

Year-to-date to the end of April, turnover has risen 5% on the same period last year and the order intake is at record levels.

All else being equal, UBS notes a **softer-than-expected trading update** suggests downside of between -2%-4% to the consensus forecast for first half profit before tax (PBT), depending on the contribution from the recently acquired CanadaOne Auto Group (CanadaOne).

Guidance is for first half underlying PBT in line with, or slightly ahead of, the first half of 2025 across the A&NZ operations, implying to Macquarie either a turnover slowdown in May/June, or (more likely) margin pressures.

Canaccord Genuity believes **upside risk to guidance is primarily dependent on vehicle supply** rather than demand, with the timing and volume of deliveries likely to determine the outcome.

While additional BYD deliveries ahead of June 30 are not certain enough to underpin guidance, this broker feels there is a high probability supply volumes will increase from the current year-to-date pace of around 7,000-8,000 vehicles per month.

It's believed Eagers' A&NZ operations will deliver a record result in FY26, yet Canada remains the cornerstone of Canaccord's medium-term investment case.

That investment thesis rests on current market share of around 2% expanding to 4%-5% over the next five years through a combination of organic growth and further industry consolidation.

Two months of trading contribution from CanadaOne should help Eagers deliver a record first half at the consolidated level.

## Current uncertainties

While Eagers operates a diversified portfolio spanning 54 original equipment manufacturer (OEM) partners and holds more than one-third of the new energy vehicle market, including over 80% of BYD sales, management highlighted the relatively low barriers to entry for new automotive brands in Australia.

Macquarie notes BYD is increasingly focused on export markets such as Australia, where margins are more attractive, supporting Eagers' strong position in the segment.

Management reported order intake has increased 33% year-on-year so far in 2026.

Against this backdrop, competition remains intense, with ongoing macroeconomic pressures adding to industry challenges.

UBS highlights potential wealth-effect headwinds from higher interest rates and recent Federal Budget measures.

## Used cars

Ord Minnett describes the start to 2026 as robust, with the used vehicle division, comprising easyauto123 and Carlins, also delivering a record performance. Profit before tax for the segment rose 40% over the period.

Management announced a non-binding term sheet for a strategic 17.5% investment in Karmo, a vehicle subscription platform with more than 3,000 subscriptions spanning 250 models and over 35 automotive brands.

This investment should broaden Eagers' customer reach and create strategic opportunities across its new and used vehicle businesses, Morgans suggests.

## The bulls

Morgan Stanley regards the current supply constraints as temporary and believes A&NZ profit would have been

materially higher without them.

The broker argues the resulting disconnect between earnings potential and market sentiment has created an attractive opportunity, particularly ahead of expected second-half supply tailwinds.

Morgans agrees, suggesting recent share price weakness provides an attractive entry point given forecast 2027 EPS growth of 19%.

Analysts generally see structural growth opportunities from consolidation in Australia and Canada, strategic alliances, used vehicle expansion and ongoing leadership in new energy vehicles.

## Margins

In a structural separation from industry norms, according to management, Eagers' margin gap to the industry has expanded to 2.5% in the second half of 2025 from a low of 0.7% earlier in the year.

Management's long-term target is 5%.

Management commentary on easing Toyota supply constraints suggests to Macquarie potential for margin upside in the second half.

The company also highlighted its Canadian business will have a 2H skew from Toyota.

## Outlook

Attention is now likely to turn to May and June vehicle deliveries, Bell Potter suggests. As highlighted earlier, management has indicated these two months typically account for 20%-25% of full-year profit.

Despite the challenging market backdrop, Moelis sees significant growth potential from the CanadaOne acquisition and accelerating new energy vehicle adoption and ongoing market share gains by BYD.

These opportunities can support double-digit growth over the medium term, in this broker's view.

Following the year-to-date trading update, the average target in the FNArena database has fallen to \$27.78 from \$29.25, implying around 36.5% upside to yesterday's closing share price of \$20.33.

Outside daily coverage, Moelis' target has shifted to \$26.35 from \$28.37 with the stock upgraded to Buy from Hold. The shares tanked by around -18% in response to the trading update.

Canaccord Genuity maintains its Buy rating and \$30.50 target.

No updated research is yet available from Jarden. At the beginning of April, the broker had \$25.25 target and an Overweight rating, midway between Buy and Hold in Jarden's scale.

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COMMODITIES

# Material Matters: Oil, Gas And Nickel

Oil prices and the US summer driving season; falling Australian East Coast gas prices; Indonesia's influence on nickel prices.

- Reopening of the Strait soon to become critical
- US summer driving season to limit US oil exports
- Falling demand for Australian East Coast gas
- Indonesian policy to create nickel price uncertainty

By Greg Peel



*The annual US summer driving season has begun while the Strait of Hormuz is still closed*

## Global Oil

Oxford Economics' baseline assumption is that a deal is reached by the end of July to restart transit through the Strait of Hormuz.

Given Donald Trump's constant on again, off again approach to the art of the deal, ongoing exchanges of fire during a supposed ceasefire, and Iran's clear leverage over the US when it comes to the Strait, one would be forgiven for thinking Oxford Economics is being optimistic.

But Oxford's assumption suggests end-July is crunch time as rapid inventory drawdowns increase pressure to restore shipping before stocks reach critical levels.

If the US or Iran's stance leads to a more prolonged closure of the Strait, OECD stocks could reach a critical threshold by mid-September, Oxford warns, triggering a price spike towards US\$150 per barrel.

Prices at this level would be difficult to tolerate for long, creating overwhelming pressure on both the US and Iran to allow traffic through the Strait to resume.

The exact timeline nevertheless remains contingent on several factors. Further demand destruction, additional non-Gulf supply, or larger US and Chinese inventory drawdowns could reduce the pull on global stocks and extend the critical timeline, while a slower adjustment would bring the critical point forward.

So far, the market has adjusted better than Oxford expected, with weaker demand, trade flow shifts, and inventory drawdowns preventing major shortages. But these buffers are finite, and stocks do not need to reach zero, the economists warn, before governments, refiners, and traders become concerned about fuel availability.

One influential factor in global demand is the annual US summer driving season, now commenced.

## US Oil

America is defined by baseball, apple pie and summer holiday road trips. So influential is the propensity for Americans to hit the road in summer, the “US summer driving season” has long been singled out as a significant factor in global oil price forecasting.

This time last year the Nymex oil price was trading under US\$70/bbl, and fell to as low as US\$55/bbl by December. Today the price is fluctuating from below US\$100/bbl (deal on again) to above US\$100/bbl (deal off again).

One might assume a “staycation” might be preferential for Americans this summer given the burden of high prices of everything, and particularly “gas”. But ANZ Bank analysts point out history suggests US oil demand is relatively inelastic.

A 10% rise in the oil price leads, on average, to only a -0.3%-0.8% fall in demand. In 2022, when Russia invaded Ukraine and oil prices hit US\$140/bbl and gasoline exceeded US\$5/gallon (currently around US\$4.50/gallon), there was only mild demand destruction.

Experts agree current oil prices are high, but not as high as had been feared. ANZ notes part of the reason the oil market has held up relatively well, despite the huge supply losses driven by the Middle East conflict, is the ability of the US to ramp up exports of crude oil and refined fuels.

That buffer may nevertheless be on borrowed time as the US driving season arrives.

US exports of petroleum products surged following the closure of the Strait of Hormuz and the subsequent disruption of -15m barrels per day of oil. Crude exports reached 5.6mb/d, up from 4.4mb/d over the past year.

Yet, despite the current administration’s energy policy (drill baby, drill), ANZ points out most of these additional barrels have come from inventories rather than new supply.

US commercial crude oil inventories have fallen -21mbbl over the past four weeks. In addition, the US Strategic Petroleum Reserve has been drawn down by -41mbbl since the International Energy Agency announced its coordinated -400mbbl stockpile release plan.

Meanwhile, US crude oil production has remained stagnant, ANZ notes, averaging 13.65mb/d in the first four months of the year.

As warmer weather and school vacations lead to the highest traffic volumes of the year, US refiners may well compete harder for barrels that have to date been heading to the US Gulf Coast for export.

This could see US exports weaken during the peak driving season (July-August) as they become the adjustment margin, ANZ warns, initially driven by price dynamics but potentially through policy dynamics [America first] if gasoline stocks tighten further.

## East Coast Gas

Speaking of “America first”, the Albanese government has moved to put Australia first with regard the country’s significant LNG export industry.

The government's recently released Domestic Gas Reservation Scheme (DGRS), designed to quarantine gas for domestic consumption at more affordable pricing, has left more questions than answers, Jarden suggests, and even when answers emerge, the fact key settings for the Domestic Supply Obligation can be adjusted every year will add uncertainty around future gas prices and complicate the approval of new supply projects.

Local gas producers are already facing declining demand due to the emerging impact of large-scale batteries, Jarden notes, and flat near-term supply has depressed spot gas prices in 2026 year to date.

Australian gas demand declined by -2.7% in 2025, primarily due to lower gas-powered generation (GPG) demand. East coast gas demand has now declined by -32% since its 2012 peak, primarily due to lower residential demand (efficiency measures and incentives to switch to electricity) and industrial demand (closures and conversions from GPG).

Jarden forecasts 2026 demand -3.8% below that of 2025 levels, primarily due to lower demand. In 2026 year to date, GPG demand is down -28% versus the same period last year.

Jarden attributes the bulk of the decline to large-scale batteries taking a greater slice of the evening peak demand pie.

Meanwhile, with regard supply, output is resilient and storage is full.

Looking ahead, Jarden sees less risk of supply shortfalls over the next five years compared to prior analysis, primarily due to increased forecast Victorian storage and South West Queensland pipeline (connecting Queensland and South Australia) capacity.

Jarden thus believes long-threatened LNG import terminals may not be needed until the 2030s, highlighting the relative abundance of southern Australian gas supply.

One conclusion drawn is that low gas demand (either GPG or from Queensland LNG), the lack of any supply from Queensland LNG gas at higher prices and full gas storage facilities have combined to depress gas prices.

Gas producers will be hoping for an uptick in GPG demand and cooler weather conditions in Victoria and South Australia over the coming winter months to drive demand and prices higher.

Furthermore, the aforementioned Domestic Supply Obligation set by the government under the DGRS is designed to generate a small over-supply into the domestic market to keep a lid on gas prices.

But Jarden warns the level of flexibility available in setting project-level DSOs will make it difficult for new gas developments to proceed in the face of future price and demand uncertainty.

Western Australian LNG projects should be exempt from the DGRS as the state has its own gas reservation scheme which, Jarden points out, is more onerous from a reserve commitment perspective.

Regarding stock sensitivity to a potential reduction in domestic gas prices, Jarden suggests Amplitude Energy ((AEL)) is the most sensitive to price movement in the broker's coverage universe, followed by Beach Energy ((BPT)) and Origin Energy ((ORG)).

Unsurprisingly, Santos ((STO)) and Woodside Energy ((WDS)) are least impacted, with Santos' impact likely to be felt in the 2030s (from the Cooper Basin and GLNG), although it may also impact Narrabri and Beetaloo progress.

## Nickel

The outlook for the nickel market has changed materially this year, ANZ Bank analysts note, as Indonesia, the world's largest producer, moves to tighten supply.

Lower mining quotas, higher benchmark ore prices and tighter environmental oversight in Indonesia, plus disruptions to sulphuric acid supply (through the Strait), are all weighing on output.

As a result, expectations for the market have moved from a surplus to the prospect of a small deficit for 2026.

Indonesia accounts for 60%-70% of global nickel production. Rapid growth in output has kept the market oversupplied for the past four years. This expansion has been a key driver of prolonged price weakness, prompting policy action to support prices.

ANZ reports the country's mining quotas have been reduced to around 250-270mt in 2026 from approximately

379mt in 2025. Miners must reapply each year, which gives the government greater flexibility to align output with market conditions.

Resultant price uncertainty could have negative impact on investment in the sector.

The government has also revised its minimum nickel ore benchmark price from being solely linked to the LME nickel price to now incorporating by-product values. This is likely to put pressure on margins for operators using the high-pressure acid leach (HPAL) process.

Further pressure is coming from sulphuric acid supply headwinds. Disruptions in the Middle East are constraining access to a key input for both power generation and HPAL processing, with around 75% of Indonesia's sulphur imports sourced from the Middle East.

Adding to these issues, ANZ notes some nickel pig iron producers were recently asked to reduce electricity consumption to support aluminium smelters.

Overall, these factors are expected to reduce Indonesia's nickel production by over -60kt, tightening global supply for the year.

The market is therefore likely to move into a small deficit, ANZ believes, supporting a firmer price floor above US\$17,000/t.

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**INTERNATIONAL**

# Software In The 'Age Of Intelligence'

Enterprise software is undergoing its most significant reset in a generation. Artificial intelligence (AI) is reallocating value within software—creating clear winners and exposing vulnerabilities in business models that have worked well for the past two decades. We believe investors who treat software as a uniform asset class will make costly mistakes.

By Jonathan Curtis, Portfolio Manager, Franklin Equity



*Franklin Equity believes investors who treat software as a uniform asset class will make costly mistakes*

## What AI has changed

1. The cost of writing software has collapsed. AI coding tools now perform at the level of elite human programmers, meaning more software will be created and deployed than ever before.
2. AI is automating knowledge work at scale. Enterprises can now do more with fewer people, putting direct pressure on software companies whose revenue depends on human headcount (seats) growing predictably.
3. The “software as a service” model is fracturing. The industry is splitting into distinct camps, and this past earnings season made that division even clearer.

## Implications for the industry

- Seat-based software incumbents that have not yet adapted their business models may face increasing pressure.
- Companies that benefit from AI-driven usage expansion—infrastructure, security, orchestration—and systems of record deeply embedded in enterprise workflows will be better positioned.
- Analysis requires a disciplined framework: pricing power, gross margin stability, consumption-based

monetization and evidence that AI is accelerating the business.

## The two disruptions

Two separate, but related, forces are reshaping enterprise software.

The first is the collapse in the cost of creating software. Since 2022, AI has moved from a novelty to a genuine engineering peer.

By late 2025, leading AI coding tools had nearly matched the output of skilled human developers and are continuing to improve.

The consequence is straightforward: The volume of software written and deployed globally will increase dramatically. The barrier to creation has effectively fallen, forcing enterprise software investors to re-evaluate how these companies operate.

The second disruption is broader. The same AI systems that write code can now draft documents, synthesize research, manage workflows and automate complex analysis, as well as engage in other agentic knowledge work.

Enterprises are realizing AI doesn't just make developers more productive; it can make entire organizations leaner.

That realization raises an uncomfortable question for many software vendors: If AI can perform the work, how many human software seats does an enterprise customer need?

Together, these forces are not destroying software, they are shifting value around and repricing it.

## Discernment: Three camps

We believe the most important insight from this past earnings season is that "software" is no longer a single investment narrative. We think the sector has split into three distinct camps:

1. **AI workload beneficiaries.** As enterprises deploy AI at scale, the underlying systems become more complex. More needs to be monitored, secured, governed and orchestrated. Companies that manage this complexity have started to experience accelerating demand. AI is the engine driving their growth, not a threat to it.
2. **Seat-model incumbents under pressure.** Companies built on the assumption that enterprise headcount would grow predictably (and that each employee would need a license) are facing change. They are not all in decline, but they face a painful transition: reinventing how they capture value at the precise moment customers are questioning how much value they need.
3. **AI operating platforms.** The most compelling long-term opportunity sits here. These are companies whose products serve as the connective tissue of enterprise AI deployment—workflow orchestration, process automation and systems of record with critical enterprise context on how work is done. Their value proposition is strengthening as AI complexity grows and the best of them are growing faster than their pre-AI trajectory with pricing power intact.

## The new investment question

The old question was: *How fast can this company add seats and upsell value?*

The new question is: *Where does AI create incremental usage, pricing power and workflow control and where does it erode them?*

This distinction is not subtle. Usage-based expansion driven by AI agents and machine-generated workloads can scale up non-linearly, while headcount-driven seat expansion is capped by the size of the human workforce.

The companies best positioned today tend to sit closer to machine activity than to human activity—their products are consumed by systems and workflows, not just by employees logging in each morning.

# Our investment framework

We believe companies well-positioned in this environment are aligned with the following criteria:

**Pricing power through deep integration.** Systems of record and systems of engagement that are genuinely difficult to displace, where switching costs are high and the cost of removal outweighs the cost of staying.

**AI-driven revenue acceleration.** Companies where we can trace the revenue impact through actual usage growth and expanding customer relationships.

**Gross margin stability.** The acid test of real pricing power: Can a company add AI capability and get paid for it, or does it simply absorb higher costs? Stable or improving gross margins are a strong signal.

**Internal AI leverage.** Companies using AI effectively in their own operations, particularly in product development, tend to ship better products faster. This compounds over time.

**Consumption or outcome-based monetization.** The direction of enterprise software pricing is clear. Companies that have already made this transition, or have a credible path to it, are better positioned for the decade ahead.

## The bottom line

AI is not replacing software. It is repricing software by reallocating value away from human-seat models and toward companies embedded in AI-driven infrastructure, data and enterprise orchestration.

The total volume of software consumed globally will almost certainly grow. But we believe the distribution of that value will look very different from the past decade.

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RUDI'S VIEWS

## Rudi's View: Tech Is Back (Ahead Of Tax Loss Selling)

Against a darkening mood for the Australian economy and share market, ASX-listed technology stocks are staging a remarkable comeback, having spent most of the past ten months in the Do Not Touch basket

By Rudi Filapek-Vandyck, Editor



*Is the recovery in Growth and Tech stocks under threat from tax loss selling?*

At face value, the direct trigger seems to be a revival in SaaS and software companies in the US where fears about AI disruption have been swiftly dismissed by Workday, Snowflake and the like through the release of much better-than-expected quarterly updates.

The iShares Expanded Tech-Software Sector ETF (IGV) is now up 44% since bottoming in early October last year, and up 29% from April 30th. Some 15% of those gains have been booked within the past two weeks.

One can easily tell from share prices in SiteMinder ((SDR)), Catapult Sports ((CAT)), Pro Medicus ((PME)) and Objective Corp ((OCL)), the local sector is again attracting steady inflows.

For once, shareholders are not complaining when the ASX200 is coloured deep red during Tuesday's trading session.

That, most definitely, has not been the case very often since August last year.

There's a local context behind the technology comeback too, one that was yet again highlighted on Monday by a not well-received trading update by car dealerships operator Peter Warren Automotive Holdings ((PWR)).

That update revealed operational momentum is running well below market projections, hence why that share price fell by circa -25% on the day.

The message underneath Peter Warren's disappointment is not dissimilar from market updates and financial result releases after the February results season: it's tough out there.

If rising costs in the wake of wars in the Middle East don't hit your bottom line, then maybe an increasingly anxious consumer will.

Also: The Fair Work Commission (FWC) has just raised the minimum wage rate for modern awards by 4.75%, to take effect from 1 July, covering 2.8m workers across the country.

Now the mainstream media are doing their best to convince Australians the value in housing is poised for decline --by how much nobody knows, but there are some dire forecasts out there-- while the financial media are *en masse* cursing Treasurer Chalmer's plan to tax growth assets more than conservative investments.

The **FNArena Corporate Results Monitor** is not painting a rosy picture as financial updates that miss the mark continue to outnumber those that surprise to the upside.

Disappointments do not stem from consumer-oriented businesses only. See also Champion Iron ((CIA)), miner of iron ore, Environmental Group ((EGL)), engineering, and Energy One ((EOL)), trading systems for energy traders, recently.

On FNArena's assessment, the in-between season to date has seen more than 40% of all financial updates disappointing with 33.33% beating and almost 26% in line with expectations.

That 40% is on par with prior in-between seasons of late last year and that of twelve months ago. It also marks the highest percentage since 2018, when we first started including these out-of-season reporters.

As markets have become increasingly more volatile over the past two years, a trend that is likely to reshape general perceptions on risk versus reward, those 40% in 'misses' generate plenty of bombshells and booby traps.

Monday's instant punishment for Peter Warren is by far not the largest Wyle E Coyote drop this year. Shares in Healius ((HLS)), for example, have weakened by -50% over the past three months. Losses for Cochlear ((COH)) and IDP Education ((IEL)) are not far behind.

In contrast, companies such as NextDC ((NXT)) and Infratil ((IFT)) continue to close megacap deals to build new data centre capacity, while others, including Dicker Data ((DDR)), TechnologyOne ((TNE)), Goodman Group ((GMG)) and Pro Medicus, may no longer significantly beat consensus forecasts, their financial updates and guidances are nevertheless positive and believable.

In my humble view, it was always but a matter of time before these high quality AI beneficiaries would land back on the local market's radar. It seems multiple factors have now lined up to make it happen.

Judging from some of the most recent market updates and prognostications from the likes of Morgan Stanley, some views on the outlook for Australia are now genuinely turning dark-grey from bleaky-bleak prior.

Not something shareholders in, say, Goodman Group, TechOne or Pro Medicus need to lose sleep over. Just saying.

Equally important: investors should expect the market's AI focus to broaden beyond your typical technology and data centres-related beneficiaries.

The upcoming August results season should be the first when companies will be judged on their AI implementation progress. Concrete results and tangible benefits will be rewarded.

The 'lack of' might await punishment if too much money needs to be spend upfront. Arguably, that process has already started.

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

In anticipation of this broadening in AI assessments, I have now removed the list of AI beneficiaries from my curated lists on the dedicated All-Weathers section. Soon, AI will be everywhere and in everything.

FNArena's dedicated GenAI section: <https://fnarena.com/index.php/tag/gen-ai/>

FNArena's All-Weathers section: <https://fnarena.com/index.php/analysis-data/all-weather-stocks/>

## The EOFY Dilemma

One of the key questions hanging over the revival in technology and growth stocks is whether the annual reflex of tax loss selling throughout June might still put a dent into the revived up-trend?

With shareholders in no less than 44% of ASX200 companies with a market cap above \$3bn still sitting on a net-negative outcome since 1 July last year, the incentive to sell in order to minimise one's tax burden is most certainly there.

According to the team of **Quant analysts at Macquarie**, tax minimisers tend to sell out of low momentum stocks (those that do not move) as well as your higher-risk, lower quality, smaller cap stocks.

Traditionally, that trend reverses in July, when smaller cap stocks on more attractive valuations (having weakened in June) become the new go-to market segment.

For investors prepared to play the likely trend and reversal over the two months ahead, Macquarie would suggest being 'long' (owning) the likes of:

- Telstra ((TLS))
- Chorus ((CNU))
- TPG Telecom ((TPG))
- The Lottery Corp ((TLC))
- Wesfarmers ((WES))
- Coles Group ((COL))
- Ampol ((ALD))
- Woodside Energy ((WDS))
- ANZ Bank ((ANZ))
- Westpac Bank ((WBC))

These stocks are relatively large in size, have positive momentum supporting their share price or are being perceived as lower-risk.

In contrast, Macquarie thinks the following stocks are likely to face net selling pressure over the next four weeks:

- Tuas ((TUA))
- Light & Wonder ((LNW))
- Tabcorp Holdings ((TAH))
- Domino's Pizza Enterprises ((DMP))
- Guzman y Gomez ((GYG))
- Web Travel Group ((WEB))
- IDP Education ((IEL))
- Temple & Webster ((TPW))
- Deep Yellow ((DYL))
- Magellan Financial Group ((MFG))

Others on Macquarie's 'short' list for June include CSL ((CSL)), Hub24 ((HUB)), Megaport ((MP1)), Pro Medicus, and Xero ((XRO)).

Assuming tax loss selling does feature in the weeks ahead, this by definition creates a fascinating set-up.

Here's the dilemma: with shares in Pro Medicus up some 31% over the past two weeks, does this mean those shares definitely will be sold to secure those gains or will the current up-trend create doubt about potentially missing out on more?

I cannot wager a definitive answer as I won't be joining the sellers. But I will be paying close attention, including in July.

## 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 Tuesday, 2nd June 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 FNArena runs a Model Portfolio based upon my research on All-Weather Performers it is more than likely that stocks mentioned are included in this Model Portfolio. For all questions about this: contact us via the direct messaging system on the website).

RUDI'S VIEWS

# Rudi's View: Australia's Sh\*t Sandwich

In today's edition:

- Australia's Sh\*t Sandwich
- A Cautionary Tale
- Too Early To Burst
- What Is Happening With ResMed?
- Best Buys & Conviction Calls

By Rudi Filapek-Vandyck, Editor

## Australia's Sh\*t Sandwich

What goes up must come down. It's usually the simple principles that work best in financial markets.

Judging from the flood of warnings about the share market correcting --if not crashing-- that has been flowing into FN Arena's inbox this week, not to mention the general atmosphere on X, there are a whole lot of people positioned for equity market weakness.

Here's one such email subjectline: *S&P 500 Faces Correction Pressure as U.S. Data Complicates Fed Expectations.*

Yet again, investors in the Australian share market are subjected to another rough experience as the local index has hardly budged thus far in 2026, but that won't stop the selling orders from piling on, as also witnessed throughout Thursday's trading session.

Could this be the early beginnings of markets pressuring the US President to get on with it and seal a deal with Iran?

Might be a case of be careful what you wish for.

The dilemma of 2026 is that midterm election years are supposed to be a disappointing experience, but so far US indices have set fresh all-time record after record throughout the first five months.

Extremely strong earnings growth for a select group of AI buildout beneficiaries has been responsible for this year's upside surprise.

But make no mistake: underneath the daily headlines and commentary, US equities are as polarised as is the local bourse.

The one key difference: the US has more winners and beneficiaries than the ASX.

Meanwhile, in the background of it all, Bitcoin is increasingly coming under selling pressure with traders pointing at critical technical support that, this time around, coincides with today's estimated mining cost around US\$60k-US\$70k.

As one commentator put it: *"Without earnings, cash flows or a production-cost floor to lean on, there is little standing between Bitcoin and a sentiment-driven meltdown."*

The importance of more damage happening to the price of Bitcoin is the historical correlation with technology

stocks in the US. Traditionally, Bitcoin falls first, technology follows with a delay.

The direction in Bitcoin often indicates where global liquidity is heading. Less liquidity is, in today's context, a negative for risk assets generally. Hence why now many eyes are staring at what is happening in the world of tokens and e-currencies.

## A Cautionary Tale

**Longview Economics** has now also joined the ranks of worried market commentators with Chief Market Strategist Chris Watling urging clientele to stay "tactically Cautious" as inhouse proprietary market timing models are generating Sell signals.

Liquidity too plays a central role in Watling's caution: "(...) *the market has been propelled in recent weeks by a liquidity tailwind. This has been driven by various factors including Fed policy and US tax collection seasonality, amongst others. That liquidity 'tailwind', though, looks set to change into a 'headwind' in coming months.*"

These headwinds are awaiting global markets that are in parts overbought and dominated by rampant speculation.

Longview's technical signals usually operate on a 1-4 months horizon. By then, of course, America's focus will be firmly on voter polls and likely outcomes in this year's midterm elections, scheduled for November 3rd.

In case we do see a resolution to the stand off in the Middle East --remember late July is universally considered the ultimate deadline if the world is still to avoid a real energy shock-- **Morgan Stanley** analysts in Australia have done the historical analysis into which sectors on the ASX stand to benefit most.

According to history, discretionary retailers, industrials and REITs have the strongest negative correlation with higher oil prices.

Under different circumstances, these would be the sectors poised for the strongest rallies if and when the current bottleneck in the Strait of Hormuz is resolved, but this time around Morgan Stanley's message is: don't bank on discretionary.

The local economy is too big a question mark, as things stack up right now.

As is becoming increasingly clear, the housing market in Australia is due for a sizeable correction and analysts at UBS, Macquarie, Morgan Stanley, et al are worrying about the possible implications for household spending and the domestic economy generally.

Indications in Sydney, including some conversations with real estate agents by myself and members of the FNARENA team, are that property values already are down by -10%-15%.

Many (forced) sellers who bought in 2022-23 are today selling at a loss.

It doesn't take a genius to figure out this will have broader ramifications (including for the current government).

Other sectors with negative correlation to expensive oil are healthcare, financials, technology, and even materials.

Those with historically a positive relationship are energy (of course), utilities, and communication services.

The one silver lining is the RBA might well have already delivered its final rate hike. A solution to the Strait of Hormuz remains important though.

## Too Early To Burst

The never ending speculation whether equities are in a bubble of historic proportions has the backing of the global strategy team of **UBS**.

Not that they will be cheering from the sidelines during --potentially-- more rocky times ahead, as it is still seen as too early to ring the doomsday bell.

On UBS's assessment, markets are currently at the equivalent point of 1998, ahead of the ultimate Nasdaq meltdown that started in March 2000.

UBS' key thesis: This bubble is not bursting when so many people are still questioning it.

*"We believe bubbles tend to peak on extreme M&A and when everyone stops asking whether we are in a bubble because they have rationalised it."*

UBS' recent strategy update also included the following about oil and the energy sector:

*"Consensus is higher for longer owing to the need to restock and geopolitical uncertainty (hence the 1-year forward in Brent is up 30% since 27/2).*

*"The clear risk is that once the conflict ends, investors will refocus on long-term fundamentals - this is a market that last December had 4Mb/d of excess capacity.*

*"Oil demand post-crisis is likely to be structurally lower (owing to the rise in renewables and EVs). UAE leaving OPEC seems to be a clear warning that, in the next cycle, rational behaviour might shift to exploiting stranded assets.*

*"We are short of energy."*

## What Is Happening With ResMed?

At the start of the fresh calendar year, ResMed ((RMD)) shares seemed destined for \$40. Today, those shares are struggling around the \$26 mark.

In particular the past three months have been brutally negative for what is, arguably, Australia's most solid and robust healthcare services provider on the ASX (a title only Fisher & Paykel Healthcare ((FPH)) can contest, IMHO).

The answer, it seems, relates to US-based biopharmaceutical Apnimed Inc reporting positive results from two Phase III trials for AD109, a once-daily oral pill taken at bedtime to treat obstructive sleep apnoea.

Apnimed has also submitted a New Drug Application to the FDA for AD109, with a potential FDA decision date in Q1 2027, subject to acceptance of the filing.

In addition, GLP-1 marketer Eli Lilly equally showcased strong test results for its experimental weight-loss drug, Retatrutide.

Combined, this has yet again put the fear of God (proverbially) in the market's mindset.

Earlier on Thursday, **Ord Minnett** responded as follows:

*"(...) the market is discounting a far more negative scenario in the share price than is ever likely to happen, i.e. it assumes 60% of CPAP users classed as obese and 75% of users classed as overweight stop using their machines in favour of GLP-1 drugs.*

*"This would equate to mask and accessory sales in the key US market falling by half in FY28, in turn driving a 30-35% fall in EPS over the longer term.*

*"We concede weight-loss drugs will reduce ResMed's total addressable market (TAM) over the medium and longer term, but investors are pricing in a very unrealistic outcome at current stock levels, in our view,*

noting high levels of non-compliance with GLP-1 routines."

Shorter term, Ord Minnett has actually **upgraded** its EPS growth forecasts. And while the broker's price target has been reduced to \$38.35 from \$41.40, it remains well above today's share price.

Amidst the usual yes/no debates on X, one voice responded as follows:

*"As a sufferer of Obstructive Sleep Apnea I feel qualified to comment.*

*"I am 182cm, 88kg, fit, non smoker, social drinker. OIA Score = 26 - moderate to high.*

*"My Resmed Airsense 11 has been life changing. Happy to fight anyone on this. Great product"*

Ord Minnett's ongoing enthusiasm for ResMed does not extend to Australia's largest company in the sector, CSL ((CSL)).

Yes, those shares are cheap and they do look undervalued, but yet another review has led to more earnings forecast downgrades by Ord Minnett.

For now, too many ifs and buts, against many ongoing uncertainties, is keeping this broker on Neutral/Hold for CSL.

*"Despite the apparent significant upside on offer, Ord Minnett maintains its Hold recommendation on CSL given the significant uncertainty around the earnings outlook and broader issues as management attempts to reset the business."*

ResMed, of course, is rated Buy.

## Best Buys & Conviction Calls

**Ord Minnett's High Conviction Ideas** are no longer including AGL Energy ((AGL)), Brambles ((BXB)), or Waypoint REIT ((WPR)).

All have been replaced with Dalrymple Bay Infrastructure ((DBI)), Charter Hall Social Infrastructure REIT ((CQE)), and QBE Insurance ((QBE)).

The full selection, per category:

### Core Key Investment Ideas

- Medibank Private ((MPL))
- Qantas Airways ((QAN))
- QBE Insurance ((QBE))
- Rio Tinto ((RIO))
- ResMed ((RMD))
- South32 ((S32))
- The Lottery Corp ((TLC))
- Telstra ((TLS))
- Woolworths Group ((WOW))

### Value

- Ampol ((ALD))
- Amcor ((AMC))
- Challenger ((CGF))
- Charter Hall Social Infrastructure REIT ((CQE))
- Dalrymple Bay Infrastructure ((DBI))
- Metcash ((MTS))
- MyState ((MYS))
- Vicinity Centres ((VCX))

## Growth

- Aristocrat Leisure ((ALL))
- Hub24 ((HUB))
- Judo Bank ((JDO))
- Macquarie Group ((MQG))
- Newmont Corp ((NEM))
- Pro Medicus ((PME))
- Sandfire Resources ((SFR))
- Sigma Healthcare ((SIG))

## Small Caps

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

Ord Minnett strategists have a negative view on discretionary retailing, banks & financials, and real estate (REITs).

Materials is the sole sector with a positive view in Australia.

\*\*\*\*

RBC Capital's selection of **Global Energy Best Ideas** continues to include Woodside Energy ((WDS)).

\*\*\*\*

Strategists at **Bell Potter** are recommending the following portfolio skews:

### Overweight

- Diversified miners (Copper & Lithium)
- Mining Services
- AI/Energy security

### Underweight

- Banking Sector
- Domestic Consumption
- Weak pricing power

Here the following quote summarises it nicely:

*"While we acknowledge that the +12% EPS growth level is well above average and recent history, over 10% is coming from the Materials sector, with Financials providing the remainder as bank cost-out programs deliver a 3% incremental contribution to EPS."*

\*\*\*\*

**Morgan Stanley** recently issued a list of **Key Investment Opportunities** and for once it included one ASX-listed company:

Lynas Rare Earths ((LYC)).

As pointed out by the stock pickers, Lynas is only one of two Nd PR producers outside of China.

"NdPr is key for magnet production, where we see there could be significant upside out to 2050 with the adoption of EVs and humanoid robots."

\*\*\*\*

From **LGT Wealth's** latest strategy update:

*"(...) we prefer quality companies with robust balance sheets, solid cash flows and good visibility on earnings, rather than broad market exposure. Selectivity across regions and sectors is increasingly important as valuations and fundamental trends diverge."*

\*\*\*\*

**Morgan Stanley's Australia Macro+ Focus List** has undergone a few changes in May. Current 10 stocks included are:

- Aristocrat Leisure ((ALL))
- AMP Ltd ((AMP))
- ANZ Bank ((ANZ))
- BlueScope Steel ((BSL))
- GemLife Communities ((GLF))
- Goodman Group ((GMG))
- Infratil ((IFT))
- Iluka Resources ((ILU))
- Sigma Healthcare ((SIG))
- Santos ((STO))

Morgan Stanley's **Macro+ Model Portfolio** is populated as follows:

ANZ Bank ((ANZ))  
CommBank ((CBA))  
National Australia Bank ((NAB))  
Westpac Bank ((WBC))

Macquarie Group ((MQG))

AMP Ltd ((AMP))  
Generation Development ((GDG))  
Suncorp Group ((SUN))

GemLife Communities ((GLF))  
Goodman Group ((GMG))  
Scentre Group ((SCG))

Aristocrat Leisure ((ALL))  
Domino's Pizza ((DMP))  
The Lottery Corp ((TLC))  
Wesfarmers ((WES))  
Xero ((XRO))

James Hardie ((JHX))

Orica ((ORI))  
SGH Ltd ((SGH))

Coles Group ((COL))  
Sigma Healthcare ((SIG))

CSL ((CSL))  
ResMed ((RMD))

Infratil ((IFT))  
Transurban Group ((TCL))

Telstra ((TLS))  
Tuas Ltd ((TUA))

BHP Group ((BHP))  
BlueScope Steel ((BSL))  
Iluka Resources ((ILU))  
Newmont Corp ((NEM))  
PLS Group ((PLS))  
Rio Tinto ((RIO))  
South32 ((S32))

Ampol ((ALD))  
Paladin Energy ((PDN))  
Santos ((STO))  
Woodside Energy ((WDS))

My personally curated lists on the All-Weathers section: <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 FN Arena are being reminded they can set an email alert for my Rudi's View stories. Go to My Alerts (top bar of the website) and tick the box in front of 'Rudi's View'. You will receive an email alert every time a new Rudi's View story has been published on the website.

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

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**SMALL CAPS**

# AI, Data Centres Fire Up Dicker Data's Growth

Strong trading momentum, accelerating data centre investment and growing AI-related demand strengthen broker confidence in Dicker Data. Second-half supply and demand risks are also noted.

- Dicker Data's trading update exceeds expectations
- Data centre refresh cycle expands, AI provides further boost
- Potential for business demand weakness & OEM supply headwinds
- Near-term risk reward profile has improved, Morgan Stanley suggests

By Mark Woodruff



*Dicker Data management is hellbent on capturing the opportunities from AI and data centres*

Shares in specialist hardware distributor and SME services provider Dicker Data ((DDR)) have responded positively to last week's AGM commentary, which included discussion of FY25 results, a trading update and an outlook statement.

Following the release of strong FY25 results in February, UBS suggested the company was at the **beginning of a multi-year growth phase**, underpinned by data centre upgrades and AI-related opportunities.

Now, after a trading update covering the first four months of 2026, the broker notes revenue growth exceeded management's expectations, driven by stronger-than-anticipated demand across endpoints, software and data centre refresh activity.

UBS believes the update reinforces the strength of current trading conditions and highlights continued

momentum across Dicker Data's key growth segments.

Software, End-point Solutions and Advanced Solutions are the company's largest reporting divisions by gross sales, representing respectively circa 30%, 30%, and 21% of the total.

Looking ahead, the broker expects strong forward order momentum through May and June, together with normal seasonal patterns, to support a robust finish to the first half (to be reported in late August).

It's anticipated second-half growth will be driven by ongoing demand for data centre refresh projects, along with software and AI-related revenue streams, although hardware sales volume growth is expected to moderate against more challenging comparables with the second half of FY25.

Driven by margin improvement on the sale of existing inventory during the period, unaudited net operating profit (PBT) was \$47.3m, a 45.5% rise versus the corresponding four-month period a year earlier, tracking ahead of Macquarie's FY26 forecast.

The PBT margin rose to 3.7% from 2.9%, benefiting from the sale of lower-cost inventory. As higher-priced inventory is replenished through the second half, margins are expected to come under pressure and normalise from current levels, UBS explains.

Macquarie adds vendor price increases are supporting gross profit margins.

Management noted the profit result was further supported by the company's disciplined approach to the enterprise segment of the market during the period.

## The business

One of management's key strategic priorities for FY26 is to capture the data centre refresh cycle as businesses prepare to upgrade ageing infrastructure.

The company also aims to scale AI-enabled infrastructure demand across enterprise, mid-market and Neocloud providers.

AI demand, driven primarily by data centres rather than end-user devices, represents incremental growth on top of existing infrastructure needs.

While enterprises and cloud providers still need the usual servers, networking, and storage, AI adds an entirely new layer of requirements.

Across the A&NZ region, Dicker Data offers a broad range of hardware, software, cloud services, cybersecurity, and emerging technology products on behalf of over 70 global and local vendors.

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

This channel-focused model, combined with value-added services (like pre-sales engineering and training), has positioned Dicker Data as a leading value-added distributor in the A&NZ Information Technology markets.

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

By working through resellers, the company has traditionally focused on small and medium-sized businesses (SMBs), providing tailored support rather than chasing large-volume retail contracts.

## Broker views

Highlighting a very strong first four months of 2026, Morgan Stanley now sees growth visibility extending well into the second half.

This broker believes Dicker Data is tactically well positioned despite broader market uncertainty, supported by a positive near-term outlook and structural upside from the ongoing data centre refresh cycle.

UBS also expects underlying revenue demand to remain robust, even as management flags second-half supply

chain and pricing changes that could increase costs and weigh on unit demand.

This broker also expects low-margin AI work to maintain momentum into the second half.

Macquarie acknowledges trading momentum from the second half of 2025 has continued into the first half of 2026, though this broker remains cautious given **potential business demand weakness and OEM supply headwinds**.

While supply constraints have not yet emerged, it's felt risks are greater in the second half than the first.

## Demand pull forward?

Revenue growth remained strong, growing by 13.4% to \$1,267m, yet some believe demand may have been pulled forward ahead of anticipated hardware supply constraints later in the year.

In Morgan Stanley's view, any demand pulled forward into the first half of the financial year ahead of the potential supply constraints and potential softness in the second half should be offset by several factors.

The company's Software revenue is largely recurring, providing confidence that current strength can be sustained. This segment includes the sale and distribution of software licences, subscriptions and cloud services to resellers and business customers.

While demand for End-point Solutions (laptops, smartphones etc) is expected to moderate as the year progresses, particularly following the peak refresh cycle in the second half of FY25, trends remain materially stronger than initially anticipated.

This moderation should be supported by solid growth in Advanced Solutions, the broker suggests, which is likely to be reflected more in order backlogs during the first half than in earnings, providing a buffer for the second half.

Advanced Solutions incorporates higher-value enterprise infrastructure products (rather than end-user devices) such as servers, data storage systems and data centre infrastructure, along with AI and high-performance computing solutions.

AI-linked software revenues (key vendors include Microsoft, Adobe and CrowdStrike) continue to be a strong driver of sales, UBS highlights.

This broker also expects accelerating AI and data centre-related project activity to support growth through the second half.

## Outlook

Morgan Stanley believes Dicker Data's **near-term risk-reward profile has improved**. While the stock price has de-rated since February, operating momentum has strengthened materially, on its post-update assessment.

With the shares trading on around 16x FY27 earnings, Morgan Stanley sees scope for outperformance given strong order visibility, the likelihood of further earnings upgrades through 2026, and additional upside from the data centre refresh cycle.

This broker upgrades its rating to Overweight (Buy equivalent) from Equal-weight, joining Buy-rated UBS. Macquarie maintains its Hold rating.

The average target of these three daily monitored brokers in the FNArena database that research Dicker Data has now risen to \$10.85 from \$10.65 prior to the trading update.

Yesterday, the shares closed at \$10.87.

On current consensus forecasts (derived from the three brokers mentioned) the shares are offering dividend yields of 4.5% (FY26) and 4.6% (next year) respectively.

Paying subscribers can check out the details via Stock Analysis on the website.

*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.*

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

## TREASURE CHEST

# Treasure Chest: Pro Medicus

FN Arena's Treasure Chest reports on money making ideas from stockbrokers and other experts. Today's idea is Pro Medicus.

By Danielle Ecuyer

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

### Whose Idea Is It?

Morgans

### The subject:

Pro Medicus ((PME))

The company has strengthened its growth outlook through a series of major contract wins and renewals alongside product wins as new modules like Workflow and Cardiology have been added.

Channel checks and management commentary reinforce the view AI is more likely to enhance than disrupt the company's competitive position.

Equally, Morgans states recent market updates push back on the narrative that AI-disruption will result in shorter tenure contract wins and renewals against the historical precedent.



*Visage Streamling Imaging from the cloud*

### More info:

Morgans' positive stance on **Pro Medicus** follows three recent contract wins, which Macquarie described as a “diverse range”, along with multiple channel checks that help de-risk concerns around potential AI disruption.

Outlining the contracts in an interview, CEO Sam Hupert explained the Beth Israel Lahey Health contract for \$90m over seven years strengthens the company's position in the key Boston market.

The University of Maryland contract was notable as the health system had been a long-standing reference customer for a major competitor. Macquarie pointed to the inclusion of Viewer/Workflow on cloud for \$23m over five years.

This was a significant win, according to Macquarie, a view echoed by Morgans.

*"The system was running on an incumbent platform for 25 years. Moving away from a two-decade incumbent to sign with Pro Medicus is a data point that speaks for itself."*

The significance is twofold. It highlights both the stickiness of contracts once won and Pro Medicus' ability to displace long-standing incumbent suppliers.

The third contract win, TidalHealth, includes Full Stack and the Cardiology offering, bringing cardiology contract wins to four, with three expected to go live in 1Q2027.

RBC Capital explains TidalHealth, at \$16m over seven years, includes three hospitals serving communities across Delaware and the eastern shores of Maryland and Virginia.

The transaction-based contract implies annualised revenue accretion of around \$2.3m.

## The Pro Medicus moat vindicated

Regarding recent renewals of more than \$141m, RBC points to Allegheny's five-year renewal for \$28m. The transaction-based contract implies annualised revenue of around \$5.6m, more than double the approximately \$2.4m generated under the previous contract.

RBC observes the implied annualised revenue of around \$3.2m is an around 78% upgrade from the previous contract of around \$1.8m of annualised revenue.

Significantly, analysts stress Allegheny retained the same contract length rather than shortening the term, as some SaaS apocalypse narratives had implied. The addition of the Workflow module further supports the stickiness and moat of the Pro Medicus' offering.

Macquarie notes three substantial contracts, including Allegheny, have been renewed since February, all retaining five-year terms, higher fee-per-click pricing and, in some cases, product upgrades.

Northwestern and MedStar were the other renewals, with the latter adding Cardiology.

In the latest news, Pro Medicus has announced yet another renewal, this time with The Ohio State University Wexner Medical Center for \$16m over five years, including an expansion of the product uptake to Workflow and Cardiology.

Although this renewal is relatively small, it confirms the trend and cadence of renewals for five-year tenures as well as the uplift in products signed with new modules.

Analysts argue the wins and renewals go a long way towards dispelling concerns that AI could lead to shorter or lower-value contracts.

## Channel checks support AI resilience

Morgans conducted multiple US channel checks with hospital decision-makers and came away with some notable observations.

Against a more challenging backdrop, where 77% of hospitals now consider return on investment the most important purchasing criterion, up from 50% in 2023, payback periods have compressed to around 18 months from three years.

For Pro Medicus, which offers 20%-25% more reads per radiologist at speeds 60%-70% faster, supported by fifteen years of clinical outcomes data, Morgans believes Visage's productivity advantages and installed base strengthen its competitive position in major tenders.

The broker's channel checks suggest the US enterprise Picture Archiving and Communication System market has effectively become a two-horse race between Visage and Sectra.

Macquarie observes market share is now above 10% and progressing well to achieve the analyst's forecast 15% by FY30.

Legacy vendors such as Philips and GE Healthcare are increasingly excluded from major hospital tenders due to weaker cloud capabilities and less sophisticated clinical workflows.

In a recent large health system request for proposal, the final decision came down to Visage and Sectra, with Pro Medicus prevailing on the strength of its single-platform architecture and pixel-on-demand streaming technology.

Morgans believes Pro Medicus benefits from a structurally narrow competitive field in large academic medical centres and integrated delivery networks, where proven cloud deployments, implementation track records and reference customers are becoming increasingly important selection criteria.

Regarding AI, CEO Hupert pushed back on market concerns, arguing the technology is more likely to represent a significant growth opportunity. The company is already using AI internally to improve developer productivity.

He also noted Visage sits between the imaging equipment and the reading workflow, irrespective of whether the reader is human or AI, meaning the platform monetises the transaction in either scenario.

Morgans highlights Visage's 100% renewal rate and notes FY26 is shaping up as Pro Medicus' second-best sales year on record. New customer wins continue to accelerate, while Hupert points out FY26 contract value of \$400m is more than double the level achieved just two years ago.

Like many SaaS companies, Pro Medicus has been caught up in a de-rating driven by AI-related disruption fears.

Hupert's counter-argument: *"I also think that our recent wins and recently announced long-term contract renewals tend to disprove the theory that all software companies will be negatively disrupted by AI."*

Macquarie tweaks earnings forecasts and lowers its target price to \$221 from \$244 due to earnings changes and a lift in the risk-free rate to 4.21% from 4.12%.

Morgans' call to action is a Buy rating retained with a \$210 target price, while non-daily monitored broker RBC Capital retains a Sector perform rating with an unchanged \$195 target price.

FNArena's consensus target is \$218.667 supported by six Buy-equivalent ratings from daily monitored brokers, including Macquarie and Morgans.

The share price remains well below the consensus target price having rallied by almost 48% off a 52-week low in January of \$107.75.

The author owns Pro Medicus shares.

*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 - 29-05-26

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 25 to Friday May 29, 2026*

*Total Upgrades: 12*

*Total Downgrades: 2*

*Net Ratings Breakdown: Buy 66.58%; Hold 26.88%; Sell 6.54%*

For the week ending Friday, May 29, 2026, FN Arena recorded twelve upgrades and two downgrades from seven brokers monitored daily across ASX-listed companies.

**For the sixth consecutive week, falls in average target prices (valuations) materially outweigh increases, while changes to average earnings forecasts were broadly balanced.**

Seemingly contradictory, both Infratil and Nufarm appear respectively first and second on the week's table for positive change to targets and first and third for negative change to forecasts.

The upfront nature of capital investment for data centre players such as Infratil weighs on near-term earnings forecasts.

As noted in <https://fnarena.com/index.php/2026/05/28/cdc-renewables-power-infratils-potential/> the company's portfolio spans Digital Infrastructure (Canberra Data Centres or CDC, One NZ, Kao Data and UK data centres), Renewables (Longroad Energy, Gurin Energy and Contact Energy), Healthcare, and Airports (Wellington Airport).

This article summarises Infratil's FY26 results and notes potential share price upside from strong AI demand and a narrowing valuation discount.

Nufarm's interim net profit missed market expectations on higher interest costs, while seeds performed better than expected and offset a softer result from crop protection, Macquarie explained.

While this broker's FY26 EPS forecasts were tweaked lower on higher interest and tax assumptions, the target was raised to \$3.00 from \$2.70 due to better results from value-added seeds.

Morgans also highlighted a strategic shift toward higher-margin products over volume growth, which drove meaningful margin expansion despite lower sales.

Management upgraded Seed Technologies guidance, supported by stronger Hybrid Seeds earnings and improving contributions from emerging platforms including Omega-3 and bioenergy.

Following a review of supply and demand conditions for lithium markets last week, analysts at UBS remained Overweight the sector, with IGO Ltd, Liontown Resources and Mineral Resources the preferred exposures.

Patriot Battery Metals is also considered a compelling option for investors seeking leverage to the long-term lithium thematic.

Patriot appears second in the negative change to average forecast earnings table after UBS reviewed the company following the receipt of non-binding letters from government-backed export credit agencies.

Also reflected in the broker's new forecasts were updated financing assumptions, including an expected equity raising, and revised lithium forecasts incorporating a US\$1,400/t SC6 CFR China price, an industry benchmark referring to the price of spodumene concentrate containing 6% lithium oxide delivered into China.

Key catalysts through the remainder of 2026 include further work on the CV5 spodumene pegmatite at the Shaakichiuwaanaan lithium project in Quebec, following the lithium-only feasibility study and the ongoing final mine authorisation process. The broker continues to forecast first production in late FY30.

UBS' target for Liontown Resources fell by -7% to \$2.70 after adoption of a more conservative outlook for the Kathleen Valley ramp-up. A Buy rating was retained.

With underground mining ramping towards the 2.8mtpa nameplate rate by June 2027 and open-pit ore expected to be exhausted this quarter, the analysts modelled lower plant throughput and processed grades, while allowing additional time for recoveries to improve.

Beyond the anticipated uplift in cash generation from higher lithium prices and ongoing operational improvements, the key near-term catalyst is considered a final investment decision on the 4mtpa Kathleen Valley expansion in the September quarter.

Following site tours of Mineral Resources' lithium operations in WA, analysts at UBS increased production assumptions for both Mt Marion and Wodgina and incorporated into forecasts a restart of Bald Hill, consistent with company guidance.

Combined with the broker's constructive lithium market outlook, these changes supported an unchanged Buy rating for Mineral Resources, along with a \$10.00 increase in target to \$83.00.

Later in the week, Bell Potter highlighted the company's actual approval of the Mt Marion expansion and restart plans for the Bald Hill lithium operation, announced on May 26, and raised its target to \$80.50 from \$75.00.

See <https://fnarena.com/index.php/2026/05/27/material-matters-evs-lithium-aluminium/> for a full account of UBS' lithium outlook and why this time may be different for the commodity.

Turning to falls in average target prices, here two travel related companies Serko and Web Travel top the table with respective falls of -22% and -21%.

Management at Serko announced a greater-than-expected FY26 underlying loss of -NZ\$11.3m. Revenue guidance for FY27 also missed consensus expectations at the midpoint by -1%.

FY27 spending guidance exceeded market expectations despite progress across Serko AI, Booking.com for Business and US corporate client wins.

Serko AI remains in early-stage development, Ord Minnett highlighted, with closed beta testing underway in the US and open beta testing to a larger audience targeted for the third quarter of FY27.

Following a conference call with Serko management, key takeaways for Citi analysts were the limited impact from the Middle East conflict and the overall macroeconomic backdrop, with B4B activity levels picking back up in 2H26 and 1H27 to date.

Following Web Travel's FY26 results, Morgan Stanley explained currency headwinds and Middle East disruptions are still weighing on the outlook.

The Middle East represents a disproportionately larger share of the business, the broker noted, at around 11% of total transaction value versus peers at low single digits.

Macquarie assessed ongoing investment by management will position Web Travel well for a rebound in activity and retained an Outperform rating.

Citi (Buy, High Risk) felt management is "controlling the controllables" effectively and pointed to encouraging revenue margin momentum.

IDP Education, home furnishings and furniture retailer Adairs and liquor and hospitality exposure Endeavour

Group are next with falls in average targets of -19%, -10% and -9%, respectively.

Macquarie lowered its target for IDP to \$2.25 from \$5.45 and downgraded to Underperform from Neutral, citing risks to achieving FY26 earnings guidance amid weak visa volumes, a stronger Australian dollar and soft demand for International English Language Testing (IELTS).

While the IELTS rollout in China is progressing well, the broker deemed it insufficient to offset broader headwinds.

A positive long-term view was maintained, with the analyst expecting international student demand and policy settings to improve over time.

Ord Minnett reduced its target for Hold-rated Adairs by -70c to \$1.60 on expectations retail trading conditions will weaken amid higher interest rates, ongoing cost-of-living pressures, and subdued consumer confidence.

Adairs' elevated exposure to Victoria and the earnings sensitivity of Focus on Furniture drove the broker's forecast downgrades, with FY26 and FY27 earnings estimates cut by around -14% and -16%, respectively.

Despite near-term risks, Ord Minnett believed ongoing investment in stores and IT infrastructure should support longer-term growth.

At last week's investor briefing held by Endeavour Group, management announced a cut of its dividend policy to 50%-75% of underlying net profit from 75%-80% previously as part of its corporate restructuring program.

Ord Minnett explained announced cost savings of around \$300m aim to simplify the business. Retail liquor will focus on different customer bases with management noting the focus on margins over market share has not worked.

Management is also selling non-core winery and vineyard assets which creates capacity to focus on high-performing brands, noted Morgans. Investment in hotels will be accelerated including refurbishment and renewal of the portfolio.

Macquarie downgraded its EPS forecasts for Endeavour by -8% for FY26 and -15% for FY27 due to a weaker outlook, higher interest costs and operating "de-leverage" in retail and hotels.

Uranium play Lotus Resources received an average -9% decline in target price after Macquarie cut its target to \$1.30 from \$1.90, reflecting a higher assumed equity dilution impact of -80 cents per share versus -20 cents previously.

The revised assumption reflects expectations management may need to raise additional equity capital at a lower share price and a deeper discount than previously anticipated given delays in securing export approvals from Namibian and transit authorities and/or obtaining prepayment inventory financing.

Sports performance analytics and athlete monitoring technology provider Catapult Sports heads up the table for positive change to average earnings forecasts with a 27% rise.

Reacting to Catapult's FY26 result released on May 20, Morgans was encouraged by sustained organic growth, supporting management's medium-term aspirational targets.

Given expectations for ongoing strong growth, Catapult's market-leading technology position and large addressable market, combined with what the broker views as an undemanding valuation, a Buy rating was maintained.

Fisher & Paykel Healthcare is next with a 17% rise in average earnings forecast following FY26 results broadly in line with consensus expectations

Morgan Stanley highlighted stronger-than-expected gross margins as a key driver of earnings and noted new applications revenue rose 16% in the second half despite lower US respiratory hospitalisations. This outcome is viewed as evidence of increasing clinical adoption.

Analysts at Citi considered FY27 guidance was conservatively framed despite coming in around -2% below market expectations at the midpoint.

The medium- to longer-term outlook is favourable, Macquarie suggested, supported by uptake of new apps consumables, obstructive sleep apnoea patient growth, and increased utilisation from changing clinical practices.

Alcoa's average earnings forecast rose, lifting UBS' price target to US\$80 from US\$75. The stock was upgraded to Buy from Neutral on May 22. Prime motivations for these changes were a "stronger for longer" thesis for aluminum prices and the possibility of a second half 2026 share buyback post debt reduction.

Dicker Data and Guzman y Gomez come next on the earnings upgrade table.

An article will be published on the FN Arena website early this week explaining broker views on last week's AGM update by Dicker Data revealing positive trading momentum from the second half of 2025 had continued into the first half of 2026.

Last week's article on Guzman y Gomez at <https://fnarena.com/index.php/2026/05/27/guzman-y-gomez-retreats-from-american-dream/> explained management is now targeting stronger domestic growth and improving capital returns after abandoning a six-year US expansion push.

Total Buy ratings remain elevated at 66.58%, with Sell ratings at just 6.54%, leaving 26.88% on Neutral/Hold.

## Upgrade

### **BOSS ENERGY LIMITED ((BOE)) Upgrade to Neutral from Underperform by Macquarie .B/H/S: 3/4/0**

Macquarie upgrades Boss Energy to Neutral from Underperform despite the ongoing resource concerns around Honeymoon and the feasibility study. The risks are now more discounted at the current share price.

Honeymoon appears for now to be a considerably smaller and more "marginal" asset the analyst explains, compared to what the previous management believed.

EPS forecasts are tweaked up by 1.1% for FY26 and 1% for FY27 with an unchanged target price of \$1.30.

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

After a further review of Dicker Data's AGM trading update, Morgan Stanley raises its target by 70c to \$11.00 and upgrades to Overweight from Equal-weight. Industry-view: In-line.

Momentum was supported by pricing tailwinds, resilient demand and improving customer urgency, the analysts explain.

Morgan Stanley also notes lower-cost inventory and contained interest expenses continue supporting margins and earnings growth.

A summary of the broker's initial assessment yesterday follows.

At first glance, Morgan Stanley observes Dicker Data had a strong first four months of 2026 with the risk to earnings revisions to the upside. Revenue was up 13%, gross profit up 19% and pre-tax profit up 46%.

Commentary complains there was very little information about AI-related revenue that should accelerate. The outlook is considered positive across all categories while endpoint solutions such as PCs will likely moderate as AI/data centre projects accelerate.

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

With the positive shift in seasonal conditions in recent weeks, including rainfall across the wheatbelt and moderating dry conditions in northern NSW and QLD, Macquarie has upgraded GrainCorp to Outperform from Neutral on a tactical shift.

Commentary suggests the better outlook and conditions indicate a higher probability of a full planting program across the east coast of Australia.

A possible El Nino later in the year remains a risk which could reduce rainfall and weigh on final yields, the broker states.

EPS forecasts are lifted by 9% for FY26 on expected exports to 6Mt, and FY27 EPS forecast rises 31% due to GrainCorp receivables, exports and margins.

Target price increases 3% to \$6.10 from \$5.90 on FY26 earnings forecast changes.

### **GUZMAN Y GOMEZ LIMITED ((GYG)) Upgrade to Buy from Hold by Bell Potter .B/H/S: 6/0/1**

Guzman y Gomez is upgraded to Buy from Hold, having announced it has ceased trading in the US amid a failure to meet financial targets, and Bell Potter calculates higher cash flow assumptions have increased its valuation.

The broker notes, although the third quarter results showed comparable sales momentum, geopolitical events have significantly affected consumers and exacerbated the losses expected in the US.

The company will instead concentrate on its core Australian market. Bell Potter removes US network sales forecasts from the first half of FY27 and underlying EBITDA expectations increase 2% for FY26 and 11% for FY27. Target is raised to \$24.50 from \$22.10.

**HEALTHCO HEALTHCARE & WELLNESS REIT ((HCW)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 3/0/1**

A new operator has been announced for the Mount Private Hospital. The new lease will commence in the first quarter of FY27 with operations underwritten by the Western Australian government.

Macquarie assumes a 20% incentive from the second half of FY27, at which point it is also assumed distributions will be reinstated as well as HealthCo Healthcare & Wellness REIT's distributions to security holders.

Alternative operators for all remaining Healthscope hospitals have been granted due diligence by the receiver.

The broker calculates the current share price implies a -40% fall in the asset value of Healthscope, while the deal for the Mount hospital provides a greater degree of comfort that the re-leasing process is nearing conclusion.

Rating is upgraded to Outperform from Neutral and the target lifted to \$0.83 from \$0.67.

**NATIONAL AUSTRALIA BANK LIMITED ((NAB)) Upgrade to Neutral from Sell by Citi .B/H/S: 1/3/1**

Given the range of negative factors facing the Australian banks and broader economy this year, Citi notes it is unsurprising National Australia Bank has underperformed peers.

The broker highlights NAB's business banking skew leaves it more exposed to slowing credit growth and rising credit risk, while Federal Budget impacts have broadened uncertainty across the housing market.

Citi's regression analysis suggests bank share prices remain heavily driven by macro factors, particularly for CommBank, leaving downside housing risk relevant across the sector.

Citi upgrades its rating for National Australia Bank to Neutral from Sell following recent share price weakness. Target \$37.40.

Buy-rated ANZ Bank and Westpac (Neutral) are the broker's preferred exposures among the big four.

**NUFARM LIMITED ((NUF)) Upgrade to Buy from Neutral by UBS .B/H/S: 3/2/0**

UBS upgrades Nufarm to Buy from Neutral with a higher target price of \$3.50 from \$2.80.

First half results show Crop protection revenue missing consensus by -10% but higher than expected margins moderated the miss to -4%, the analyst explains. A focus on higher value products instead of going after volumes boosted the result.

The broker states Seed Tech continued to turnaround in emerging platforms which was underpinned by Omega-3 and solid growth in hybrid seeds which delivered over a 30% earnings beat.

Against weather impacts in some geographies, Nufarm pointed to more "normalised" trading conditions.

EPS forecasts are lowered by -23% for FY26 and raised 26% for FY27.

**PALADIN ENERGY LIMITED ((PDN)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 5/1/1**

Macquarie upgrades Paladin Energy to Outperform from Neutral. The analyst views the underperformance of the shares by -13% against NexGen Energy ((NXG)) and Cameco by -15% in the last five weeks or so as seeming overdone.

The shares currently imply around a US\$77/lb U308 price against the spot price of US\$84.50/lb, while acknowledging there is possibly some downside risks to FY27 consensus production forecasts relative to guidance.

Paladin is the preferred exposure for the broker amidst producers. The company is considered as a great way to leverage the uranium cycle/AI megatrend. Patterson Lake South is also uncontracted for better exposure to higher U308 prices.

Target unchanged at \$13.25. EPS forecast for FY26 declines by -32.6% on higher costs and FY27 forecast is lifted by 3.2%.

**SHAPE AUSTRALIA CORPORATION LIMITED ((SHA)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 2/0/0**

Morgans upgrades Shape Australia to Buy from Accumulate with a new target price of \$8.65 from \$8.62 post the agreement to acquire Australian Professional Shopfitters or APS.

The company is a vertically integrated retail shopfitting business with clients like Adairs ((ADH)), Bonds and Victoria Secret, the analyst notes. The cost is \$20.4m upfront made up of \$17.4m in cash and \$3m in Shape scrip, with \$9m payable over two years on a contingency basis.

APS is expected to be earnings accretive in the first full year of ownership and the broker views the acquisition as positive. It aligns with management's add on M&A strategy at a reasonable price and boosts exposure to the retail sector where Shape is under exposed.

Shape is considered a "high quality" contractor.

#### **TABCORP HOLDINGS LIMITED ((TAH)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 3/1/1**

Tabcorp Holdings has experienced a drop in its share price of around -37%, Morgans observes, and while the investigation by AUSTRAC is likely to overhang the stock for the foreseeable future, it appears to be materially undervalued.

This is the second AUSTRAC enforcement action, following the -\$45m civil penalty in 2017. The current investigation centres on similar breaches.

Morgans assumes \$10m per annum in incremental compliance costs from FY27, but considers this a conservative estimate, as the company's business profile differs structurally from the casino precedents with a base that is overwhelmingly mass-market wagering.

The broker remains supportive of the leadership team and strategic direction and upgrades to Buy from Accumulate. Target is reduced to \$1.07 from \$1.20.

#### **WEB TRAVEL GROUP LIMITED ((WEB)) Upgrade to Buy from Accumulate by Morgans .B/H/S: 5/1/0**

Morgans highlights the resilience of Web Travel's FY26 result despite disruption from the Middle East conflict. Earnings came in near the lower end of guidance but ahead of the consensus expectations.

The broker highlights strong cash conversion, market share gains and improving revenue margins driven by higher direct contracting and pricing benefits.

Commentary notes trading has slowed materially into FY27 amid ongoing geopolitical uncertainty and adverse foreign exchange movements, prompting significant forecast downgrades by the analysts.

Morgans lowers its target to \$3.75 from \$5.20 but upgrades to Buy from Accumulate following recent share price weakness. The broker expects a weak first half followed by recovery in 2H27.

#### **WESFARMERS LIMITED ((WES)) Upgrade to Accumulate from Trim by Morgans .B/H/S: 2/3/1**

Morgans has upgraded Wesfarmers to Accumulate from Trim with a new target price of \$81.10 from \$80.50 with the share price down -9% over the last year and -7% over the last six months.

The decline is believed to be due to a normalisation of the stock's valuation which is now more "reasonable" at 26.5x FY27 PER versus a peak of around 37x in August 2025.

Investor concerns around consumer demand and RBA rate hikes have also probably weighed on sentiment. Budget changes to negative gearing and CGT could result in spending being redirected to the family home, which is a possible tailwind for Bunnings.

At the upcoming June 10 annual strategy day, the broker expects management to offer some commentary around the health of the consumer as well as strategic initiatives to improve productivity with AI and data management.

### Downgrade

#### **ADORE BEAUTY GROUP LIMITED ((ABY)) Downgrade to Hold from Buy by Bell Potter .B/H/S: 0/1/0**

Bell Potter believes Adore Beauty's trading update for the first 47 weeks of FY26 has reset expectations in a negative sense. FY26 earnings (EBITDA) are now expected at around \$4m versus the broker's prior \$7.2m forecast.

This weaker outlook reflects softer sales growth and a higher fixed cost base following the rollout from zero to 20 stores over the past two years, the analysts explain.

While FY27 guidance implies improving profitability, the broker adopts a more conservative stance on sales and margins amid weaker consumer conditions and higher employee costs.

Bell Potter lowers its EBITDA forecasts by -45% for FY26 and by around -50% for FY27-FY28.

The broker cuts its target to 39c from \$1.00 and downgrades to Hold from Buy.

### IDP EDUCATION LIMITED ((IEL)) Downgrade to Underperform from Neutral by Macquarie .B/H/S: 1/1/1

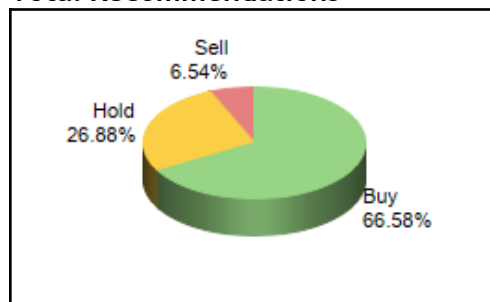
Macquarie downgrades IDP Education to Underperform from Neutral, envisaging risks in achieving FY26 EBIT guidance.

The negative thesis is based on numerous negatives facing the company including weak visa volumes, a stronger Australian dollar and soft demand signals for IELTS.

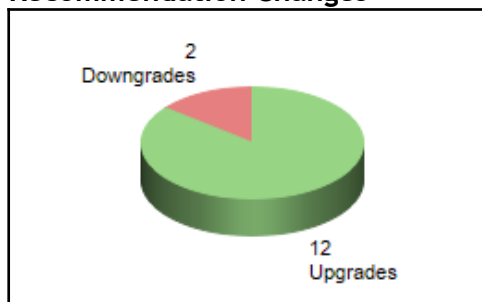
The China roll-out of IELTS is progressing well, the broker observes, yet it is insufficient to offset the broader weakness. Estimates for EPS are lowered by -4.7% for FY26 and FY27 by -31.9%.

Long-term thesis is intact, Macquarie adds, as foreign student demand should return and policy settings should improve. Target is reduced to \$2.35 from \$5.45.

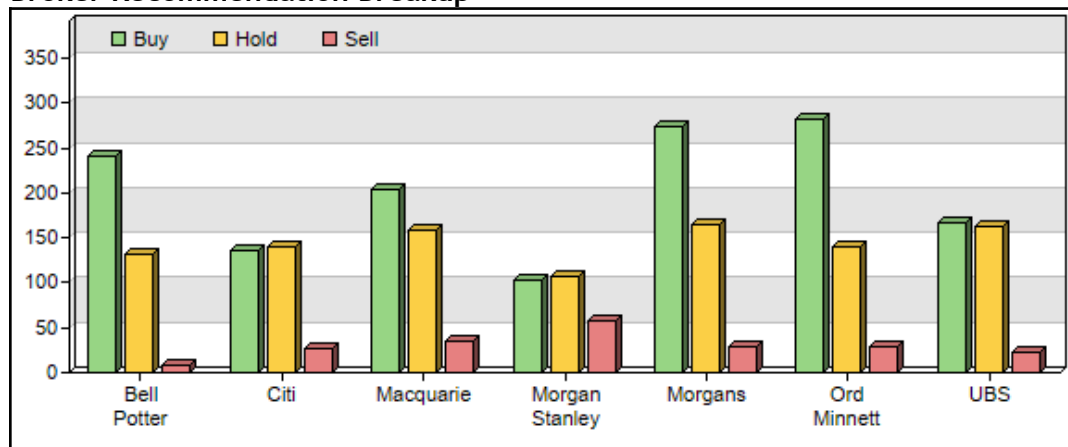
#### Total Recommendations



#### Recommendation Changes



#### Broker Recommendation Breakup



## Broker Rating

Order	Company	New Rating	Old Rating	Broker
<b>Upgrade</b>				
1	<a href="#">BOSS ENERGY LIMITED</a>	Neutral	Sell	Macquarie
2	<a href="#">DICKER DATA LIMITED</a>	Buy	Neutral	Morgan Stanley
3	<a href="#">GRAINCORP LIMITED</a>	Buy	Neutral	Macquarie
4	<a href="#">GUZMAN Y GOMEZ LIMITED</a>	Buy	Neutral	Bell Potter
5	<a href="#">HEALTHCO HEALTHCARE &amp; WELLNESS REIT</a>	Buy	Neutral	Macquarie
6	<a href="#">NATIONAL AUSTRALIA BANK LIMITED</a>	Neutral	Sell	Citi
7	<a href="#">NUFARM LIMITED</a>	Buy	Neutral	UBS
8	<a href="#">PALADIN ENERGY LIMITED</a>	Buy	Neutral	Macquarie
9	<a href="#">SHAPE AUSTRALIA CORPORATION LIMITED</a>	Buy	Buy	Morgans
10	<a href="#">TABCORP HOLDINGS LIMITED</a>	Buy	Buy	Morgans
11	<a href="#">WEB TRAVEL GROUP LIMITED</a>	Buy	Buy	Morgans
12	<a href="#">WESFARMERS LIMITED</a>	Buy	N/A	Morgans
<b>Downgrade</b>				
13	<a href="#">ADORE BEAUTY GROUP LIMITED</a>	Neutral	Buy	Bell Potter
14	<a href="#">IDP EDUCATION LIMITED</a>	Sell	Neutral	Macquarie

# Target Price

## Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	<a href="#">IFT</a>	INFRATIL LIMITED	14.490	12.085	19.90%	5
2	<a href="#">NUF</a>	NUFARM LIMITED	3.440	3.225	6.67%	5
3	<a href="#">MIN</a>	MINERAL RESOURCES LIMITED	75.300	71.200	5.76%	5
4	<a href="#">HCW</a>	HEALTHCO HEALTHCARE & WELLNESS REIT	0.833	0.793	5.04%	4
5	<a href="#">GYG</a>	GUZMAN Y GOMEZ LIMITED	25.664	24.593	4.35%	7
6	<a href="#">PMT</a>	PMET RESOURCES INC	0.840	0.807	4.09%	3
7	<a href="#">AEL</a>	AMPLITUDE ENERGY LIMITED	2.900	2.800	3.57%	4
8	<a href="#">DDR</a>	DICKER DATA LIMITED	10.850	10.650	1.88%	3
9	<a href="#">RIO</a>	RIO TINTO LIMITED	175.250	172.500	1.59%	6
10	<a href="#">AAI</a>	ALCOA CORPORATION	108.500	107.000	1.40%	3

## Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	<a href="#">SKO</a>	SERKO LIMITED	3.075	3.940	-21.95%	4
2	<a href="#">WEB</a>	WEB TRAVEL GROUP LIMITED	3.920	4.940	-20.65%	6
3	<a href="#">IEL</a>	IDP EDUCATION LIMITED	4.333	5.367	-19.27%	3
4	<a href="#">ADH</a>	ADAIRS LIMITED	1.610	1.785	-9.80%	4
5	<a href="#">EDV</a>	ENDEAVOUR GROUP LIMITED	3.136	3.464	-9.47%	7
6	<a href="#">LOT</a>	LOTUS RESOURCES LIMITED	2.000	2.200	-9.09%	3
7	<a href="#">APE</a>	EAGERS AUTOMOTIVE LIMITED	28.450	29.925	-4.93%	6
8	<a href="#">ASX</a>	ASX LIMITED	55.542	58.350	-4.81%	6
9	<a href="#">PXA</a>	PEXA GROUP LIMITED	15.395	16.120	-4.50%	4
10	<a href="#">SGH</a>	SGH LIMITED	50.117	52.117	-3.84%	3

# Earnings Forecast

## Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	<a href="#">CAT</a>	CATAPULT SPORTS LIMITED	-8.427	-11.497	26.70%	5
2	<a href="#">LTR</a>	LIONTOWN LIMITED	2.367	2.025	16.89%	6
3	<a href="#">FPH</a>	FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED	79.362	68.853	15.26%	4
4	<a href="#">AAI</a>	ALCOA CORPORATION	994.066	871.955	14.00%	3
5	<a href="#">DDR</a>	DICKER DATA LIMITED	57.367	52.133	10.04%	3
6	<a href="#">GYG</a>	GUZMAN Y GOMEZ LIMITED	21.933	20.167	8.76%	7
7	<a href="#">SLC</a>	SUPERLOOP LIMITED	7.160	6.640	7.83%	5
8	<a href="#">GGP</a>	GREATLAND RESOURCES LIMITED	125.200	117.400	6.64%	4
9	<a href="#">BXB</a>	BRAMBLES LIMITED	100.879	98.485	2.43%	6
10	<a href="#">GNC</a>	GRAINCORP LIMITED	17.075	16.750	1.94%	4

## Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	<a href="#">IFT</a>	INFRATIL LIMITED	10.541	19.849	-46.89%	5
2	<a href="#">PMT</a>	PMET RESOURCES INC	-12.920	-8.975	-43.96%	3
3	<a href="#">NUF</a>	NUFARM LIMITED	9.060	10.825	-16.30%	5
4	<a href="#">SKO</a>	SERKO LIMITED	-6.940	-6.309	-10.00%	4
5	<a href="#">APE</a>	EAGERS AUTOMOTIVE LIMITED	114.600	121.150	-5.41%	6
6	<a href="#">ADH</a>	ADAIRS LIMITED	17.100	17.800	-3.93%	4
7	<a href="#">GMD</a>	GENESIS MINERALS LIMITED	50.275	51.500	-2.38%	5
8	<a href="#">EDV</a>	ENDEAVOUR GROUP LIMITED	20.567	21.000	-2.06%	7
9	<a href="#">JHX</a>	JAMES HARDIE INDUSTRIES PLC	174.392	177.421	-1.71%	6
10	<a href="#">IEL</a>	IDP EDUCATION LIMITED	23.167	23.567	-1.70%	3

## Technical limitations

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

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**WEEKLY REPORTS**

# Uranium Week: U308 Spot Price Slips In May

Accelerating nuclear growth, rising utility contracting and an increasingly constrained supply outlook are reinforcing expectations of a higher uranium prices over the coming decade.

- UBS the latest adopting a positive long-term outlook on uranium equities
- Activity and trends in U308 spot markets over May broadly aligned with April
- Brokers update preferred uranium stocks as Australian companies underperform Canadian peers
- Latest short interests

By Danielle Ecuyer

## Compelling macro outlook

In its "Thinking Long-Term" analysis, industry consultants TradeTech argue uranium demand is set to rise substantially through the 2030s as governments, utilities and corporate stakeholders increasingly embrace nuclear power to meet growing electricity needs.

The report concludes the current pipeline of uranium projects is insufficient to meet the acceleration in demand expected from the mid-2030s onwards and that the pace of resource development is currently too slow to satisfy requirements beyond 2040.

TradeTech believes substantial additional mine development and investment will be required, with the long-term outlook continuing to point towards a structurally tight uranium market driven by demand growth that is outpacing increasing supply.

UBS is the latest to embrace an upbeat macro, top-down outlook for the sector in the aftermath of this broker's 2026 Uranium Day.

The fundamentals are highlighted as *"compelling, especially into the end of the decade"*.

Canaccord Genuity's 5th Annual Metals & Mining Conference equally reinforced the increasingly constructive long-term outlook for uranium, with industry participants highlighting a growing disconnect between rising demand and constrained supply increases.

Discussions centred on strengthening demand drivers, including energy security concerns stemming from geopolitical tensions, accelerating global nuclear adoption through reactor restarts, life extensions and new builds, and increasing government support for the nuclear fuel cycle, particularly in the US.

Participants also emphasised the strategic importance of domestically sourced uranium, the need for higher uranium prices to incentivise new mine developments, and the lengthy timeline required to bring new discoveries into production.

The conference highlighted ongoing supply-side challenges, including historical underinvestment in uranium exploration, the difficulty of finding large-scale economic deposits and a widening gap between projected uranium demand and global production capabilities.

Canaccord Genuity noted investor sentiment remains supportive of the sector despite recent volatility in uranium equities.

Feedback from attendees reinforced the view uranium fundamentals continue to strengthen.

Canaccord continues to view weakness in uranium stocks as a buying opportunity and remains positive on the sector's long-term outlook.

# U308 markets over May

TradeTech's weekly spot price rose US\$0.50/lb to US\$85/lb in the last week of May, with six transactions conducted.

In the term market, offers were due on May 28 to one non-US utility seeking around 2.5mlbs U308-equivalent between 2027 and 2031.

Two transactions with no new demand in the term market were noted by the industry consultants.

Over the month of May, TradeTech's spot price slipped to US\$85.00/lb, down -US\$1.25/lb from April 30.

Over the past year, the U308 spot price has risen 18.1%, while activity in May was similar to April, with 2.1mlbs traded compared to 2.3mlbs reported in the prior month.

Thirty-five spot transactions were concluded compared to twenty-eight in April. Buyers are continuing to pay marginally higher prices for delivery of material at ConvergDyn's Metropolis Works plant in Illinois.

Calendar year-to-date, 180 U308 spot sales, or 15.8mlbs, have been transacted.

Over April and early May, sellers were unable to generate the same buying interest for U308 material located at Orano's facility in France and Cameco's facility at Port Hope in Canada.

Multiple long-term agreements were made in May, totalling more than 11.5mlbs of U308, with transactions spanning a variety in delivery periods.

The TradeTech monthly Production Cost Indicator (PCI) rose US\$2.20/lb from April, attributed to the ongoing Middle East war.

Higher energy prices have resulted in higher costs for key reagents used by U308 producers, as well as increased diesel costs.

TradeTech's Mid-term Price Indicator came in at US\$87/lb at the end of May, down from US\$90/lb at the end of April.

The Long-term Price Indicator lifted to US\$95/lb at May-end from US\$93/lb at April-end.

## Broker updates over the week

UBS' global team recently initiated coverage on **Deep Yellow** ((DYL)) and **Kazatomprom** with Buy ratings. Both are included among preferred stock picks, alongside **NexGen Energy** ((NXG)), which has a target price of \$21.00.

The target price for Deep Yellow is \$2.15.

Macquarie retains an Outperform rating on the stock with a \$2.25 target price, noting the Tumas project has completed earthworks and is moving to the civil works phase over the next 10-12 months.

The developer has flexibility around the timing of the final investment decision.

**Paladin Energy** ((PDN)) remains Neutral rated by UBS with a target price of \$12.60.

Macquarie upgraded Paladin to Outperform from Neutral with an unchanged target price of \$13.85.

The upgrade was predicated on the share price of around \$10.48 implying a U308 price of US\$77/lb versus the spot price, which now stands at US\$85/lb.

Equally, the shares have underperformed NexGen and Cameco by around -13% and -15%, respectively, over the past five weeks.

Paladin shares are viewed as offering value even with possible downside risk to FY27 consensus production forecasts. Macquarie's forecast stands at 5.2mlbs for FY27 versus consensus at 5.6mlbs.

The analyst points to the successful ramp-up of Langer Heinrich, which has nearly achieved free cash flow generation.

Macquarie also upgraded Boss Energy ((BOE)) to Neutral from Underperform, with an unchanged target price of

\$1.30.

While retaining concerns around the resource downgrades for Honeymoon, the analyst believes the risks are more than reflected in the share price.

Macquarie retains **Lotus Resources** ((LOT)) with an Outperform rating while lowering its target price to \$1.30 from \$1.90 due to the application of an “*equity dilution discount factor*”. This underscores the likelihood management will need to raise more capital at a considerably larger discount and lower price level.

Overall, Macquarie prefers producer Paladin and developers Deep Yellow and **Bannerman Resources** ((BMN)).

The latter is Outperform rated with a \$5.55 target price.

## Short interests

Lotus remains the most shorted stock on the ASX at 19.03%, up 1.41% on the prior week as at May 26, according to data provided by ASIC.

Boss Energy is in fourth position at 14.28%, down slightly from 14.57% a week earlier, while Paladin, in thirteenth position, is largely unchanged at 10.78%, up slightly from 10.47% in the prior week.

For more reading on U308 at FN Arena see:

<https://fnarena.com/index.php/2026/05/26/uranium-week-structural-bull-cycle-intact/>

<https://fnarena.com/index.php/2026/05/19/uranium-week-paladin-trips-over-higher-costs/>

<https://fnarena.com/index.php/2026/05/12/uranium-week-shorts-surge-in-u308-stocks/>

<https://fnarena.com/index.php/2026/05/05/uranium-week-prices-rise-producers-struggle/>

## Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	29/05/2026	0.0500	▼-18.18%	\$0.16	\$0.05			
AEE	29/05/2026	0.1300	0.00%	\$0.28	\$0.11			
AGE	29/05/2026	0.0400	▲2.78%	\$0.06	\$0.02		\$0.070	▲75.0%
AKN	29/05/2026	0.0200	▲5.26%	\$0.03	\$0.01			
ASN	29/05/2026	0.0500	▼-8.47%	\$0.13	\$0.04			
BKY	29/05/2026	0.4600	▲9.52%	\$0.70	\$0.37			
BMN	29/05/2026	3.6200	▼-4.30%	\$5.25	\$2.23		\$4.800	▲32.6%
BOE	29/05/2026	1.3100	▼-1.54%	\$4.75	\$1.07	18.6	\$1.571	▲20.0%
BSN	29/05/2026	0.0400	▲8.82%	\$0.08	\$0.01			
C29	29/05/2026	0.0300	▼-6.67%	\$0.04	\$0.01			
CXO	29/05/2026	0.3000	▲5.36%	\$0.39	\$0.08		\$0.300	
CXU	29/05/2026	0.0500	▲18.60%	\$0.07	\$0.01			
DEV	29/05/2026	0.2000	▲13.89%	\$0.28	\$0.07			
DYL	29/05/2026	1.6100	▼-5.67%	\$2.97	\$1.24	-57.8	\$2.202	▲36.8%
EL8	29/05/2026	0.2500	▼-3.92%	\$0.50	\$0.24			
HAR	29/05/2026	0.1300	▼-10.34%	\$0.25	\$0.05			
I88	29/05/2026	0.1400	▼-5.88%	\$0.76	\$0.08			
KOB	29/05/2026	0.0300	▼-8.33%	\$0.09	\$0.03			
LAM	29/05/2026	0.6400	▼-11.11%	\$0.93	\$0.56			
LOT	29/05/2026	0.6300	▼-13.10%	\$3.20	\$0.60		\$2.000	▲217.5%
MEU	29/05/2026	0.1000	▲4.17%	\$0.19	\$0.04			
NXG	29/05/2026	15.9600	▲3.87%	\$20.47	\$9.25	-122.5	\$20.367	▲27.6%

ORP	29/05/2026	0.0700	▲ 3.03%	\$0.08	\$0.02		
PDN	29/05/2026	11.3800	▼ - 1.39%	\$15.10	\$5.74	-222.4	\$13.193 ▲15.9%
PEN	29/05/2026	0.3800	▲ 5.19%	\$1.08	\$0.28		
SLX	29/05/2026	5.9700	▲ 0.49%	\$10.85	\$3.12		
TOE	29/05/2026	0.5400	▲ 5.77%	\$0.63	\$0.16		
WCN	29/05/2026	0.0100	▼ - 7.14%	\$0.03	\$0.01		

Uranium - U3O8



wp market price history u3o8

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**WEEKLY REPORTS**

# The Short Report - 04 Jun 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 28th, 2026 (most recent data available through ASIC).

10%+

LOT Lotus Resources	19.94%
DMP Domino's Pizza Enterprises	15.52%
TLX Telix Pharmaceuticals	15.01%
BOE Boss Energy	14.31%
TWE Treasury Wine Estates	13.46%
GYG Guzman y Gomez	12.69%
CAR CAR Group	11.53%
FLT Flight Centre Travel	11.06%
ZIP Zip Co	11.04%
BAP Bapcor	11.02%
DRO DroneShield	10.89%
PDN Paladin Energy	10.68%
PNV PolyNovo	10.37%
EDV Endeavour Group	10.08%

In: **EDV**

9.0-9.9%

LYC Lynas Rare Earths	9.78%
HLS Healius	9.71%
GDG Generation Development	9.59%
4DX 4DMedical	9.56%
CUV Clinuvel Pharmaceuticals	9.37%
BPT Beach Energy	9.37%
BRG Breville Group	9.02%

In: **BRG**

Out: **NAN, EDV, IPH**

8.0-8.9%

IPH IPH Ltd	8.90%
ELD Elders	8.90%
IPX IperionX	8.80%
MSB Mesoblast	8.79%

CTD Corporate Travel Management	8.50%
NAN Nanosonics	8.46%
ACL Australian Clinical Labs	8.44%
RIO Rio Tinto	8.36%
NXT NextDC	8.33%
SLX Silex Systems	8.14%

In: **IPH, NAN**

Out: **BRG, PWH, ING, CU6**

### **7.0-7.9%**

PWH PWR Holdings	7.91%
WTC WiseTech Global	7.83%
TPW Temple & Webster	7.73%
CU6 Clarity Pharmaceuticals	7.67%
ILU Iluka Resources	7.58%
ING Inghams Group	7.50%
LIC Lifestyle Communities	7.49%
BMN Bannerman Energy	7.12%

In: **PWH, CU6, ING, BMN**

### **6.0-6.9%**

HMC HMC Capital	6.94%
SDR SiteMinder	6.92%
LLC Lendlease Group	6.43%
PLS PLS Group	6.41%
DGT DigiCo Infrastructure REIT	6.40%
NEU Neuren Pharmaceuticals	6.34%
CCP Credit Corp	6.31%
JIN Jumbo Interactive	6.07%
GMD Genesis Minerals	6.04%

In: **JIN, GMD**

Out: **BMN, WEB, ARU, MYR, RHC**

### **5.0-5.9%**

SHL Sonic Healthcare	5.97%
RHC Ramsay Health Care	5.96%
MP1 Megaport	5.94%
MYR Myer	5.74%
DYL Deep Yellow	5.73%
MMS McMillan Shakespeare	5.63%
AUB AUB Group	5.51%
TYR Tyro Payments	5.49%
PXA Pexa Group	5.26%
GEM G8 Education	5.24%
A4N Alpha HPA	5.20%
FFM FireFly Metals	5.15%
DTL Data#3	5.12%

In: SHL, RHC, MYR, TYR, A4N, DTL, CAT

Out: JIN, GMD, PNI, REA, VUL, A2M

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.3	0.3	NAB	1.6	1.5
ANZ	0.9	0.9	NST	0.9	1.0
BHP	1.2	1.1	QBE	0.7	0.6
BXB	0.3	0.3	RIO	8.4	8.1
CBA	1.8	1.7	TCL	1.2	1.3
COL	1.1	1.0	TLS	0.8	0.7
CSL	0.6	0.6	WBC	1.7	1.7
FMG	2.3	2.3	WDS	2.7	2.7
GMG	2.4	2.3	WES	0.9	0.7
MQG	0.4	0.3	WOW	2.1	1.9

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

Guide:

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

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

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

**IMPORTANT INFORMATION ABOUT THIS REPORT**

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

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

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

*price direction terms due to offsets.*

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

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

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

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

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

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**WEEKLY REPORTS**

# In Brief: Maritana, Tasmaea & SRG Global

This week's In Brief shines a light on Maritana Minerals with positive assay results; Tasmaea's Maxim acquisition, and a guidance upgrade for SRG Global.

- Maritana advances Black Swan as drilling and acquisitions build growth potential
- Tasmaea targets data centre growth through discounted Maxim acquisition
- SRG Global boosts earnings outlook with \$1.85bn contract pipeline and AMS contribution

By Danielle Ecuyer

This week's quote comes from ANZ Bank:

*"Structural tightness in the copper market is being obscured by policy distortions. The market appears well supplied on paper, but US stockpiling and trade interventions are masking a materially tighter physical balance outside the US.*

*A new supply constraint is emerging via sulphuric acid shortages. Disruptions of exports through the Middle East and China's export curbs are constraining 'solvent extraction and electrowinning' (SE-EW) output, raising costs and directly limiting near-term supply growth.*

*Demand resilience is shifting the market balance further into deficit. Manufacturing stabilisation, electrification and accelerating AI-driven power and data centre investment are reinforcing a tighter medium-term market despite macro headwinds."*

## Undervalued Maritana funded for growth

Maritana Minerals ((MRT)), previously known as Horizon Minerals, is an emerging gold producer that has historically explored, acquired, divested and produced gold under toll agreements, which have been the earnings driver for the company.

More recently, and as detailed in the previous initiation of stock coverage from Research as a Service (RaaS) (<https://fnarena.com/index.php/2026/02/06/in-brief-credit-corp-horizon-minerals-artrya/>), management has shifted towards becoming a "standalone" producer.

Under the Black Swan study in February, an in-depth development plan for production of around 102koz per annum for five years was detailed, with first production and cash flows expected to start in 2027. At the same time, around \$180m in equity was raised to fund the development.

Research as a Service views Maritana's results from its phase-one drilling programme at the Burbanks gold project, comprising around 15.8km of drilling focused primarily on the northern portion of the resource, as positive.

Assays continue to support the existing resource estimate while indicating potential for resource growth at depth, additional tonnage and higher-grade mineralisation outside current resource boundaries.

The company highlighted multiple gold intersections in previously under-drilled areas and evidence of stacked mineralised veins, which could expand the resource base.

Management expects to release an updated resource estimate by mid-2026, followed by an ore reserve update, supporting Burbanks' planned contribution to the Black Swan Processing Hub.

Despite recent exploration success and strategic acquisitions supporting the Black Swan Processing Hub development plan, RaaS has maintained its valuation of Maritana Minerals at \$3.003 per share.

The analyst argues the market continues to place little value on the company's funded development strategy, with the current enterprise value implying limited confidence in the success of the Black Swan project.

Even after accounting for planned development expenditure, Maritana's valuation remains well below RaaS's assessment of the underlying asset base.

While acknowledging risks including permitting, inflation, staffing and gold price volatility, the analyst believes the company remains attractively valued among emerging gold producers given its strong cash position, funding certainty and planned transition to production.

## Tapping into CDC's strong demand pipeline

Capital services provider Tasma ((TEA)) announced the acquisition of Maxim.

As noted by Canaccord Genuity, Maxim Electrical is being purchased for an enterprise value of \$254m, with \$184m payable upfront, comprising \$112m in cash and \$72m in scrip.

The broker points to an equivalent 12m new shares being issued at \$6 per share. The remaining \$70m is payable through earn-out payments, which are reliant on Maxim retaining around \$50m of earnings (EBIT) over the next three years.

Using estimated FY26 earnings, the acquisition implies an EV/EBIT multiple of 5.4x, which sits well below listed peers, SKS Technologies ((SKS)) at around 30x and Southern Cross Electrical Engineering ((SXE)) at around 16x, the broker highlights.

In the data centre segment, Maxim's main customer is Canberra Data Centres (CDC), 49.75% owned by Infratil ((IFT)). Maxim is one of two electrical contractors working on CDC's Laverton and Brooklyn campuses.

CDC was recently awarded a 555MW contract. Canaccord believes CDC will need to accelerate development to ensure sufficient capacity is available, with most of its existing operational and under-construction capacity already committed.

Against this backdrop, the potential demand outlook can only be described as positive for Maxim.

The acquisition is due for completion on 1 July 2026 and is subject to ACCC approval. The broker forecasts earnings (EBIT) of \$55m in FY27 and \$62.5m in FY28 compared to the earn-out target of \$50m.

The higher earnings estimates are predicated on additional contract wins from CDC, as well as potential upside from pipeline developments for the data centre developer and operator.

Tasma is Buy rated, with a target of \$9 versus \$6.29 previously.

## Sectoral diversity of contract wins appeals

Mining services and construction group SRG Global ((SRG)) announced what Moelis described as "*encouraging and early*" initial guidance for FY27 earnings of \$190m-\$200m, some 4% above consensus.

Guidance implies around 17% earnings (EBITDA) growth at the midpoint, generated from a combination of organic growth in core businesses as well as an incremental contribution from the Total AMS acquisition.

Management also guided to the top end of its previously upgraded FY26 earnings (EBITDA) outlook, with \$1.85bn in contracts secured across a range of end markets.

SRG secured \$1.85bn of contract awards across a diversified range of sectors, which the broker believes reinforces the engineering company's exposure to long-term recurring revenue streams.

Key wins included major water infrastructure and program management contracts in Queensland and Western Australia, alongside ongoing defence infrastructure work in Western Australia.

In energy, the group was awarded multi-year asset integrity and inspection contracts with Origin Energy ((ORG)) and Delta Electricity, while the industrial and resources division secured significant maintenance, reliability and operational services agreements with Fortescue ((FMG)), Alcoa ((AAI)), BHP Mitsubishi Alliance, Covalent Lithium and Mount Carlton gold operations.

The building and infrastructure portfolio was strengthened through facade and structural contracts linked to hospitals, student accommodation, university facilities and data centres across Western Australia, South Australia and Queensland.

The company also expanded its presence in the marine sector through a construction contract associated with BCI Minerals' Mardie Salt and Potash export jetty project in the Pilbara. Several of the agreements extend well into the next decade, with Moelis pointing out this provides strong visibility over future earnings and workload,.

EPS forecasts are upgraded for FY27-FY28 following the recent contract wins and upgrades to FY26 and FY27 earnings guidance.

A Buy rating is retained with a higher target price of \$4.02.

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**WEEKLY REPORTS**

# In Case You Missed It - BC Extra Upgrades & Downgrades - 05-06-26

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

## Broker Rating Changes (Post Thursday Last Week)

### Upgrade

#### **ASX LIMITED ((ASX)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0**

Jarden upgrades ASX to Overweight from Neutral, with a \$55.30 target price, following a significant share price dislocation.

Commentary suggests main concerns regarding the absence of a chief executive officer and cost transparency are resolved by Anthony Attia's appointment and recent technology cost guidance.

Technology modernisation and cultural remediation operating expenses will be partly offset in outer years by participant cost-passing mechanisms.

Strong volume momentum remains evident as year-to-date operating revenue reached \$1.03bn, an increase of 12.5% on the prior corresponding period.

Near-term dividend recovery faces constraints from a -\$150m capital charge due by June 2027, potentially requiring a discounted dividend reinvestment plan.

#### **GRAINCORP LIMITED ((GNC)) Upgrade to Neutral from Underweight by Jarden.B/H/S: 0/0/0**

Jarden upgrades to a Neutral rating for GrainCorp with a \$5.40 target price following the release of the first winter crop production estimates by ABARES for FY27.

The agency's east coast winter crop estimate of 23.8mmt remains broadly in line with long-term averages, though emerging El Nino risks over June and July pose downside tracking visibility, the broker adds.

Higher raw procurement costs are modeled across the key nutrition and energy crushing facilities due to a -34% year-on-year drop in New South Wales canola production.

Long-term through-the-cycle earnings power assumptions reflect more scepticism than broader consensus expectations, Jarden explains, particularly across the FY28 financial horizon.

The report concludes solid fundamental balance sheet metrics persist, supported by the corporate securities currently trading at a -21% discount to accounting book value.

#### **NICK SCALI LIMITED ((NCK)) Upgrade to Buy from Hold by Canaccord Genuity.B/H/S: 0/0/0**

Canaccord Genuity has upgraded Nick Scali to Buy from Hold with its price target lowered to \$15.77 from \$20.43.

### Downgrade

#### **ABACUS GROUP ((ABG)) Downgrade to Hold from Buy by Shaw and Partners.B/H/S: 0/0/0**

Shaw and Partners downgrades Abacus Group to a Hold rating with its target price reduced to \$1.05.

Following the internalisation of management by Abacus Storage King, the company will focus on a long-term commercial real estate investment strategy.

A wait-and-see approach is prudent while strategic options regarding the portfolio and capital structure are considered.

Financial models remain unchanged for now, though a potential sale of the 19.7% stake in Abacus Storage King could materially alter the financial profile in FY27.

Distributions could be reset to 6.5c per unit in FY27 from the reiterated FY26 guidance of 8.5c, softened by a potential increase in franking to 100%.

#### **CHAMPION IRON LIMITED ((CIA)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0**

Jarden downgrades Champion Iron to a Neutral rating with its target price reduced to \$5.00 following a lower-than-expected dividend outcome and apparent deteriorating business conditions.

A revised distribution framework based on trailing free cash flow metrics has been introduced to preserve liquidity amid rising operational costs.

Unit operating costs increased during the final quarter due to higher fuel and land transport dynamics, with seaborne freight inflation providing a further drag on earnings.

Imminent sales of high-grade product from the direct reduction pellet feed expansion project will begin in the upcoming quarter.

Forward EBITDA projections are lowered by -20% for FY27, though the underlying strategy of increasing premium iron ore product exposure remains intact, the broker highlights.

#### **SUPERLOOP LIMITED ((SLC)) Downgrade to Overweight from Buy by Jarden.B/H/S: 0/0/0**

Jarden downgrades Superloop to Overweight, with a \$3.60 target price, following management's recent investor presentation.

Commentary highlights group baseline revenue trajectories expand sustainably under the new three-year strategic framework targeting significant compound earnings growth by FY29.

Near-term underlying group EBITDA allocations climb to a guided range of \$118m to \$122m, representing strong organic customer acceleration.

Broadening subscriber metrics display substantial volume additions across residential consumer and open-access wholesale infrastructure networks.

The report concludes accelerated contracted order book momentum within specialised communities further expands visibility to support long-term operational margin targets.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	<a href="#">ASX LIMITED</a>	Buy	Neutral	Jarden
2	<a href="#">GRAINCORP LIMITED</a>	Neutral	Sell	Jarden
3	<a href="#">NICK SCALI LIMITED</a>	Buy	Neutral	Canaccord Genuity
Downgrade				
4	<a href="#">ABACUS GROUP</a>	Neutral	Buy	Shaw and Partners
5	<a href="#">CHAMPION IRON LIMITED</a>	Neutral	Buy	Jarden
6	<a href="#">SUPERLOOP LIMITED</a>	Buy	Buy	Jarden

## Price Target Changes (Post Thursday Last Week)

Company	Last Price	Broker	New Target	Old Target	Change
ABG Abacus Group	\$0.96	Shaw and Partners	1.05	1.40	-25.00%
ADH Adairs	\$1.30	Canaccord Genuity	2.10	2.70	-22.22%
AEL Amplitude Energy	\$1.60	Canaccord Genuity	2.54	2.75	-7.64%

APE Eagers Automotive	\$21.00	Canaccord Genuity	28.50	30.50	-6.56%
		Moelis	26.35	28.37	-7.12%
ARB ARB Corp	\$18.37	Jarden	20.55	20.70	-0.72%
ASX ASX	\$44.61	Jarden	55.30	58.75	-5.87%
CIA Champion Iron	\$4.34	Jarden	5.00	5.50	-9.09%
CSX CleanSpace	\$0.35	Research as a Service (RaaS)	0.90	1.05	-14.29%
DSK Dusk Group	\$0.73	Canaccord Genuity	1.15	1.20	-4.17%
DXS Dexus	\$5.36	Jarden	6.40	6.94	-7.78%
EBO Ebos Group	\$16.06	Jarden	N/A	33.80	-100.00%
ELV Elevra Lithium	\$11.57	Canaccord Genuity	18.30	16.50	10.91%
GLN Galan Lithium	\$0.42	Canaccord Genuity	0.80	0.70	14.29%
GNC GrainCorp	\$5.09	Jarden	5.40	5.50	-1.82%
GTK Gentrack Group	\$3.33	Moelis	5.75	7.86	-26.84%
HUB Hub24	\$83.77	Jarden	110.40	115.30	-4.25%
IKE ikeGPS Group	\$1.01	Moelis	1.02	1.06	-3.77%
LOV Lovisa Holdings	\$20.63	Canaccord Genuity	31.20	36.00	-13.33%
MYR Myer	\$0.25	Canaccord Genuity	0.63	0.73	-13.70%
NCK Nick Scali	\$13.82	Canaccord Genuity	15.77	20.43	-22.81%
NST Northern Star Resources	\$20.39	Jarden	21.60	22.30	-3.14%
PDN Paladin Energy	\$10.88	Canaccord Genuity	15.65	16.00	-2.19%
PLY Playside Studios	\$0.13	Canaccord Genuity	0.40	0.60	-33.33%
		Shaw and Partners	0.28	0.44	-36.36%
PWR Peter Warren Automotive	\$0.80	Jarden	1.55	2.50	-38.00%
		Moelis	1.45	2.07	-29.95%
PXA Pexa Group	\$10.62	Jarden	9.85	11.35	-13.22%
RFG Retail Food	\$0.61	Shaw and Partners	1.50	2.00	-25.00%
SDR SiteMinder	\$3.84	Moelis	7.32	7.18	1.95%
SHA Shape Australia	\$6.95	Moelis	8.60	8.33	3.24%
		Shaw and Partners	8.70	8.25	5.45%
SLC Superloop	\$3.48	Jarden	3.60	3.40	5.88%
SRG SRG Global	\$3.81	Moelis	4.02	3.15	27.62%
		Shaw and Partners	4.00	3.15	26.98%
TEA Tasma	\$8.14	Canaccord Genuity	9.00	6.29	43.08%
TLC Lottery Corp	\$5.21	Jarden	5.65	5.60	0.89%
VHM VHM	\$0.25	Canaccord Genuity	N/A	1.15	-100.00%
VYS Vysarn	\$0.95	Canaccord Genuity	1.07	0.95	12.63%
WES Wesfarmers	\$78.61	Jarden	75.30	74.50	1.07%
WJL Webjet Group	\$0.37	Jarden	0.60	1.00	-40.00%
Company	Last Price	Broker	New Target	Old Target	Change

## More Highlights

### 3DP POINTERRA LIMITED

Cloud services - Overnight Price: \$0.03

Research as a Service (RaaS) rates (([3DP](#))) as No Rating (-1) -

Pointerra has been awarded a \$700,000 three-year contract with Origin Energy (([ORG](#))) for automated pipeline monitoring and analytics across 750,000 km of gas transmission pipelines in Queensland. Operations are to commence in July.

Research as a Service (RaaS) considers the contract an important validation of the company's cloud-based solution, Pointerra3D, for remote monitoring in the natural resources sector. Valuation is maintained at \$0.18.

Research as a Service doesn't assign a rating. Investors can draw conclusions from valuations and commentary.

This report was published on June 1, 2026.

Target price is \$0.18 Current Price is \$0.03 Difference: \$0.15

If **3DP** meets the Research as a Service (RaaS) target it will return approximately **500%** (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 **22.00** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **0.14**.

#### Forecast for FY27:

Research as a Service (RaaS) forecasts a full year **FY27** dividend of **0.00** cents and EPS of **19.00** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **0.16**.

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

## AEU ATOMIC EAGLE LIMITED

**Overnight Price: \$0.41**

Shaw and Partners rates (([AEU](#))) as Initiation of coverage with Buy (1) -

Shaw and Partners initiates coverage on Atomic Eagle with a Buy rating and a \$1.40 target price following the commencement of a 30,000m exploration drilling campaign at the Muntanga Uranium Project in Zambia.

The district-scale program targets four priority zones within a 1,126 km<sup>2</sup> licence package to expand the existing 58.8 Mlb uranium resource base.

Prodeo Consulting validated a historical feasibility study confirming commercial viability at a flat uranium price of US\$90/lb.

A potential reconciliation with the Niger government regarding the revoked permit for the world-class Madaouela resource represents substantial upside option value but is assigned nil value under current models.

Financial projections indicate negative underlying earnings per share of -3.9c for FY26 and -4.0c for FY27, with dividend distributions expected to remain at zero.

This report was published on May 28, 2026.

Target price is **\$1.40** Current Price is **\$0.41** Difference: **\$0.99**

If **AEU** meets the Shaw and Partners target it will return approximately **241%** (excluding dividends, fees and charges).

#### Forecast for FY26:

Shaw and Partners forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 3.90** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 10.51**.

#### Forecast for FY27:

Shaw and Partners forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 4.00** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 10.25**.

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

## GHM GOLDEN HORSE MINERALS LIMITED

**Gold & Silver - Overnight Price: \$0.47**

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

Shaw and Partners maintains a Buy rating for Golden Horse Minerals with a \$1.50 target price following a significant exploration breakthrough at the Hopes Hill project in Western Australia.

Reverse circulation and diamond drilling confirmed high-grade gold mineralisation extending over 3km, with a standout intercept of 12m at 7.0g/t gold located 1,000m north of the existing pit.

Commentary explains the results validate the geological model beneath the historic workings and suggest the bulk of the endowment remains wide open at depth.

With four rigs deployed and a large batch of assays pending, the ongoing drill campaign aims to integrate data into a planned mineral resource estimate by the end of 2026.

The broker nominates the company as a preferred pick within the gold sector as it systematically unlocks a substantially larger mineralised system.

This report was published on May 29, 2026.

Target price is **\$1.50** Current Price is **\$0.47** Difference: **\$1.03**

If **GHM** meets the Shaw and Partners target it will return approximately **219%** (excluding dividends, fees and charges).

The company's fiscal year ends in December.

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

## IKE IKEGPS GROUP LIMITED

**Hardware & Equipment - Overnight Price: \$1.02**

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

Canaccord Genuity maintains a Buy rating for ikeGPS Group with a \$1.30 target price following the release of its full-year FY26 financial results.

Reported negative FY26 EBITDA of -NZ\$5m exceeded expectations and confirmed the enterprise software provider reached a critical monthly breakeven operational run rate in March, Canaccord comments.

Group revenues increased 6% to NZ\$26.6m despite an expected contract roll-off and a policy-driven transaction slowdown in United States rural fiber deployment networks.

Total subscription metrics climbed steadily across seat licenses and enterprise client acquisitions, while gross profit margin expanded significantly to 81%.

Elevated near-term research and development allocations marginally lower FY27 EBITDA forecasts to negative -NZ\$2.4m as development pipelines expand into broader electricity management software verticals.

This report was published on June 1, 2026.

Target price is **\$1.30** Current Price is **\$1.02** Difference: **\$0.28**

If **IKE** meets the Canaccord Genuity target it will return approximately **27%** (excluding dividends, fees and charges).

This company reports in **NZD**. All estimates have been converted into AUD by FNArena at present FX values.  
Market Sentiment: **1.0**

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

## SDR SITEMINDER LIMITED

**Travel, Leisure & Tourism - Overnight Price: \$3.50**

Jarden rates (([SDR](#))) as Buy (1) -

Jarden maintains a Buy rating for SiteMinder with a \$5.80 target price following the launch of its SiteMinder Powered distribution platform.

Mews has signed as the inaugural partner, enabling direct integration of channel management software within its hotel operating systems.

The agreement de-risks future competition by reinforcing how difficult replicating the core distribution product is for vertically integrated hotel technology players.

Zero customer acquisition costs and diminished churn are expected to secure highly attractive subscriber unit economics through the mutual partnership.

Near-term revenue impacts appear immaterial, but longer-term platform expansion and upsell opportunities for ancillary products are seen as supporting structural growth metrics.

This report was published on May 28, 2026.

Target price is **\$5.80** Current Price is **\$3.50** Difference: **\$2.3**

If **SDR** meets the Jarden target it will return approximately **66%** (excluding dividends, fees and charges).

Current consensus price target is **\$6.49**, suggesting upside of **85.3%**(ex-dividends)

The company's fiscal year ends in June.

#### **Forecast for FY26:**

Jarden forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 1.50** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 233.33**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **-1.9**, implying annual growth of **N/A**.

Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.

Current consensus EPS estimate suggests the PER is **N/A**.

#### **Forecast for FY27:**

Jarden forecasts a full year **FY27** dividend of **0.00** cents and EPS of **3.80** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **92.11**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **2.9**, implying annual growth of **N/A**.

Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.

Current consensus EPS estimate suggests the PER is **120.7**.

#### **Market Sentiment: 1.0**

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

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