WEEK 41

FNArena
FINANCIAL NEWS, ANALYSIS & DATA

STORIES TO READ FROM FNArena

Friday, 10 October 2025

Canadian Purchase Lifts Eagers Into Global Top 5

Australia's Data Centre Boom Marches On

Rudi's View: All Eyes On Corporate Results

CONTENTS

AUSTRALIA

COMMODITIES

ESG FOCUS

INTERNATIONAL

RUDI'S VIEWS

WEEKLY REPORTS

FNArena
Financial News, Data & Analysis

GPO Box 3145 - Sydney NSW 2001
info@fnarena.com

Your editor:
Rudi Filapek-Vandyck

Your dedicated team of journos:
Danielle Ecuyer, Greg Peel &
Mark Woodruff

AUSTRALIA

The Market In Numbers - 4 Oct 2025

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

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

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

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

Australia & NZ

Index	04 Oct 2025	Week To Date	Month To Date (Oct)	Quarter To Date (Oct-Dec)	Year To Date (2025)	Financial Year To Date (FY26)
NZ50	13514.090	3.07%	1.67%	1.67%	3.08%	7.23%
All Ordinaries	9288.10	2.30%	1.67%	1.67%	10.30%	5.87%
S&P ASX 200	8987.40	2.27%	1.57%	1.57%	10.15%	5.21%
S&P ASX 300	8943.20	2.31%	1.60%	1.60%	10.42%	5.54%
Communication Services	1879.10	0.73%	0.95%	0.95%	15.47%	1.41%
Consumer Discretionary	4549.40	1.03%	0.69%	0.69%	16.32%	9.81%
Consumer Staples	11717.20	-0.26%	-0.23%	-0.23%	-0.44%	-3.31%
Energy	8330.20	-2.03%	-0.03%	-0.03%	-3.39%	-3.98%
Financials	9742.20	2.98%	1.75%	1.75%	13.09%	2.24%
Health Care	38706.30	4.62%	3.45%	3.45%	-13.77%	-6.96%
Industrials	8626.50	2.81%	1.84%	1.84%	12.82%	3.70%
Info Technology	2983.10	0.61%	1.90%	1.90%	8.84%	2.84%
Materials	19080.40	2.58%	1.41%	1.41%	18.33%	20.32%
Real Estate	4136.20	1.96%	2.00%	2.00%	9.96%	6.09%
Utilities	9974.80	-0.52%	-0.35%	-0.35%	10.43%	9.12%
A-REITs	1901.60	1.96%	2.06%	2.06%	10.66%	6.18%
All Technology Index	4319.60	2.08%	2.20%	2.20%	13.51%	6.82%
Banks	4183.70	3.13%	1.73%	1.73%	16.01%	4.00%
Gold Index	16548.90	6.75%	2.91%	2.91%	96.46%	43.19%
Metals & Mining	6535.10	2.56%	1.26%	1.26%	24.35%	25.17%

The World

Index	04 Oct 2025	Week To Date	Month To Date (Oct)	Quarter To Date (Oct-Dec)	Year To Date (2025)	Financial Year To Date (FY26)
FTSE100	9491.25	2.22%	1.51%	1.51%	16.13%	8.34%
DAX30	24378.80	2.69%	2.09%	2.09%	22.45%	1.96%
Hang Seng	27140.92	3.88%	1.06%	1.06%	35.30%	12.75%
Nikkei 225	45769.50	0.91%	1.86%	1.86%	14.73%	13.05%
DJIA	46758.28	1.10%	0.78%	0.78%	9.91%	6.04%
S&P500	6715.79	1.09%	0.41%	0.41%	14.18%	8.23%
Nasdaq Comp	22780.51	1.32%	0.53%	0.53%	17.97%	11.84%

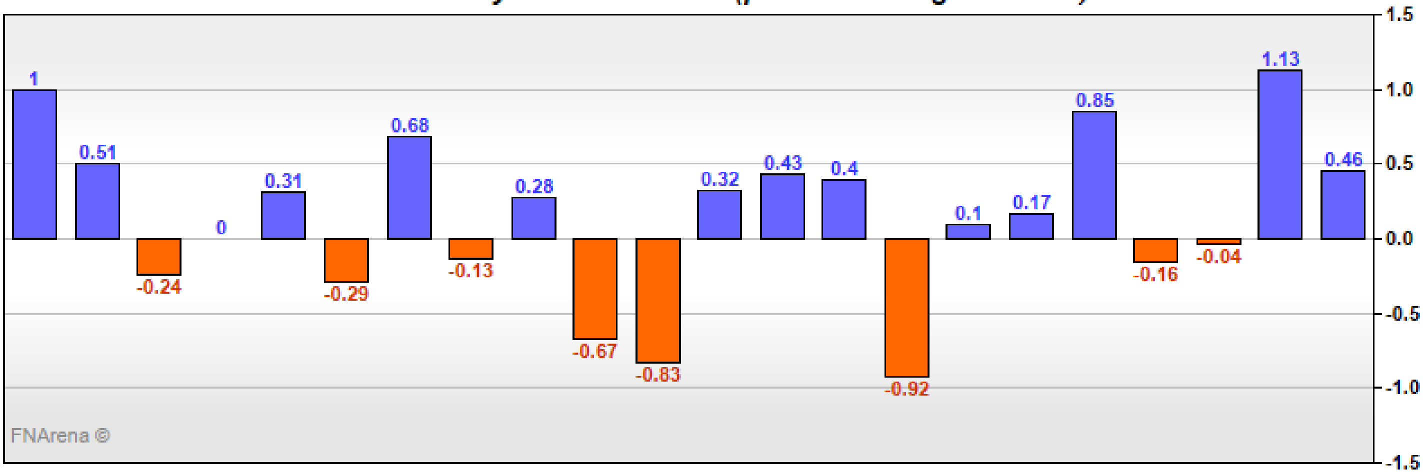
Metals & Minerals

Index	04 Oct 2025	Week To Date	Month To Date (Oct)	Quarter To Date (Oct-Dec)	Year To Date (2025)	Financial Year To Date (FY26)
Gold (oz)	3879.90	2.59%	0.49%	0.49%	47.71%	17.49%
Silver (oz)	46.88	3.09%	-0.37%	-0.37%	55.11%	29.49%
Copper (lb)	4.9522	3.43%	0.94%	0.94%	20.89%	-2.81%
Aluminium (lb)	1.2202	1.06%	0.38%	0.38%	6.74%	3.48%
Nickel (lb)	6.8557	-1.14%	0.30%	0.30%	-4.05%	0.53%
Zinc (lb)	1.3705	3.16%	2.57%	2.57%	1.42%	8.55%
Uranium (lb) weekly	82.75	6.43%	0.00%	0.00%	14.93%	5.21%
Iron Ore (t)	104.10	-1.36%	-1.19%	-1.19%	0.25%	10.17%

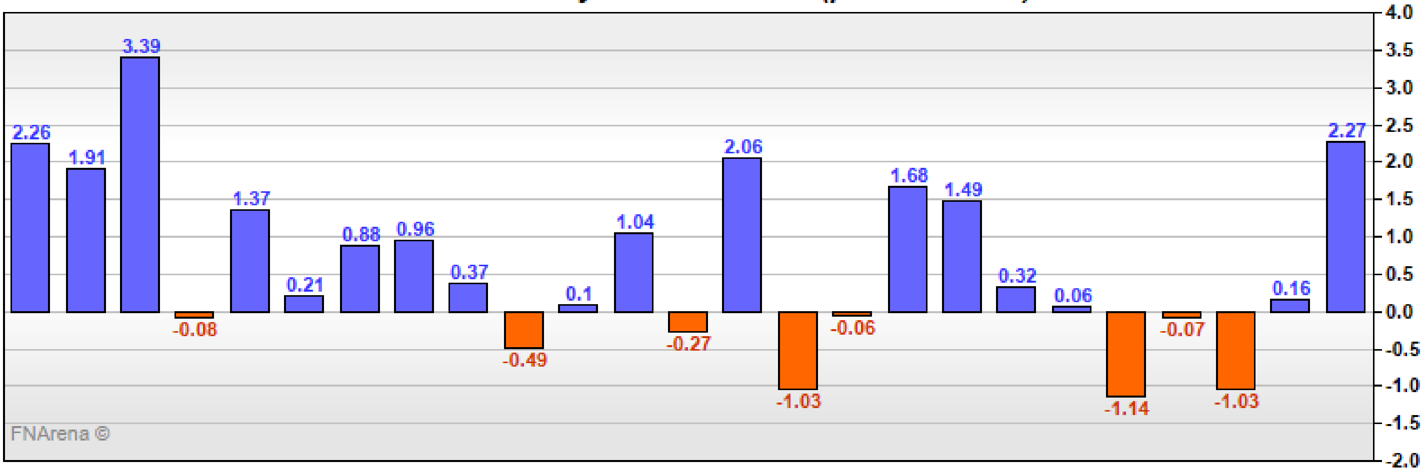
Energy

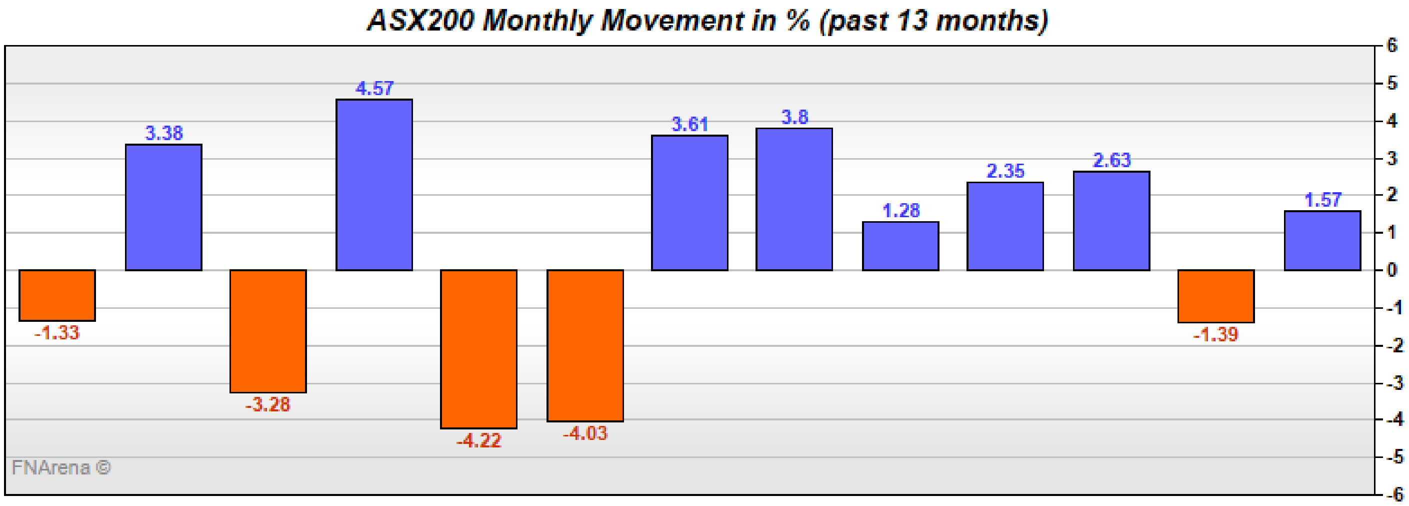
Index	04 Oct 2025	Week To Date	Month To Date (Oct)	Quarter To Date (Oct-Dec)	Year To Date (2025)	Financial Year To Date (FY26)
West Texas Crude	60.72	-6.94%	-3.83%	-3.83%	-12.61%	-7.33%
Brent Crude	64.19	-7.77%	-3.82%	-3.82%	-11.54%	-3.91%

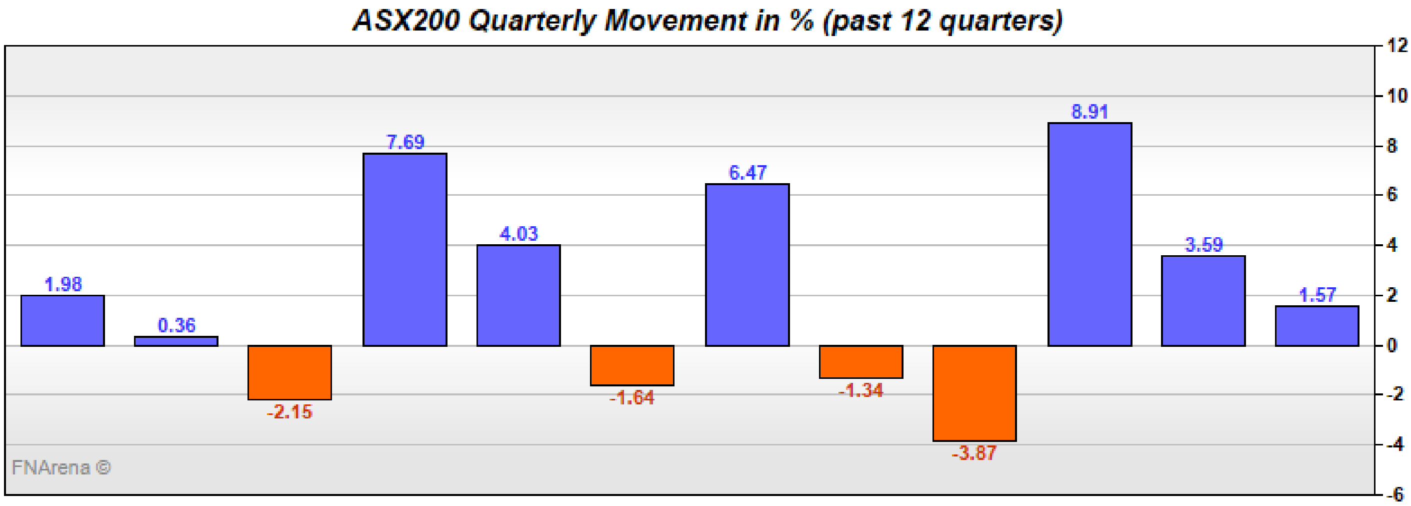
ASX200 Daily Movement in % (past 22 trading sessions)



ASX200 Weekly Movement in % (past 25 weeks)







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

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

FNArena welcomes comments and suggestions at info@fnarena.com

AUSTRALIA

Australian Dividend Payouts: Still Sustainable?

It's no secret, dividends are woven into the DNA of Australian investing but not all dividend payers are able to sustain their payouts. Time to mind the differences?

By Lily Brown

Dividends are woven into the DNA of Australian investing. The ASX200’s payout ratio averaged 128.5% in 2024, one of the highest globally and far above pre-pandemic norms. That compares with yields of 3.7% locally versus 1.4% on the S&P 500 and 2.7% across Asia-Pacific benchmarks.

For retirees and self-managed super funds (SMSF), fully franked dividends remain not just attractive but essential. *“Franking credits are great… It’s a simple fact that $1 of franking credit is worth the same as $1 of cash*”, says Michael Price, portfolio manager at Ausbil Active Dividend Income Fund.

The central question is not whether dividends will remain important —they will— but whether current levels can be sustained in a world of higher debt costs, rising re-investment needs, and subdued earnings growth.

The answer is uneven. Pressure is already visible in company results, with payout ratios topping long-run ranges in some sectors while others cut or re-invest.

That makes a sector-by-sector look essential. Miners, banks, telcos, and utilities all face different constraints and choices, from capital-hungry transitions to policy risk and competition.

Understanding those differences is key for investors to judge which dividends are genuinely safe, which are stretched, and where cracks are likely to appear.

Miners: From Cash Gushers to Capital Discipline

The resources sector has long underpinned Australia's dividend culture, but the era of "cash gusher" payouts is moderating.

BHP Group's ((BHP)) final dividend for FY25 was set at US$0.60 per share, a 60% payout ratio and well above consensus expectations of a 50% payout. The surprise lifted shares even as profits hit a five-year low.

Historically, BHP has paid out around 70% of earnings, but that ratio is now being pared back as capital spending climbs on copper and iron ore.

Rio Tinto ((RIO)) shows the same pattern: shareholders received a US$2.25 (A$3.55) final dividend earlier this year after the miner posted weaker than expected profits for 2024.

Chief CommSec Economist Ryan Felsman wrote, *"BHP, Rio Tinto and Fortescue (slashed) their dividends amid falling profits, declining capital returns and rising capital expenditure".*

For investors, the shift re-frames miners from pure income plays to total-return stories where dividends are variable, not fixed.

Banks: Pushing the Ceiling

Australia's big four banks remain the cornerstone of income portfolios, but payout ratios are pressing against historic ceilings.

In FY25, ANZ Bank ((ANZ)) is projected to pay out 73% (above its 60–65% target), National Australia Bank ((NAB)) and Westpac ((WBC)) 76% each, and CommBank ((CBA)) 79% — the top of its 70–80% target.

The sector-wide average sits at roughly 75%, mirroring pre-covid years when sustained high payouts eventually led to cuts.

"Payout ratios have already been stretched thin by existing dividend policies", said Ralph Chen, senior research analyst for Asia-Pacific dividend forecasting at S&P Global Market Intelligence.

"The payout ratios by the respective… banks have already topped, imposing limits for the banks to increase ordinary dividends", he added.

This slowdown comes as banks grapple with diminishing interest margins amid *"fierce competition within the domestic loan market and escalating operational costs",* Chen clarified.

For now, dividends remain reliable, but growth is likely capped.

Investors should expect banks to remain stable payers, not expanders.

Telcos: A Case of Dividends vs Networks

Telstra Group ((TLS)) illustrates how dividends can reset and rebuild. From $0.30 a share in 2015, the payout was cut to $0.16, then rebuilt to $0.19 in FY25. That equates to a 75% payout ratio, supported by stable cash flows.

UBS projects further growth to $0.21 in FY26, implying a grossed-up yield of 6.2% with franking credits.

But the balance is delicate. In May 2025, the company set out a new five-year strategic plan, targeting mid-single-digit compound annual growth in cash earnings to fiscal 2030, while aiming to generate "a sustainable and growing dividend".

Telecom analysts caution while Telstra's payout ratios remain attractive, sustainability depends on balancing network upgrades with disciplined capital management.

They also note, *"Regulatory risks are real. Wholesale NBN prices are high and could increase further, while government scrutiny on Telstra's market power is ever-present".*

Investors should take comfort in stability, but recognise that heavy 5G and future network capex could constrain upside.

Among peers, TPG Telecom ((TPG)) has re-established regular dividends after a volatile integration period. It paid $0.18 per share in FY25 (yield 3.6%), signalling improved profitability.

Simply Wall Street notes, *“The recent jump in net income and stable $0.09 dividend signals improved profitability and some resilience, but the fundamentals around subscriber growth and broadband market share remain the key short-term catalyst and risk, respectively”.*

With TPG, investors gain exposure to a renewed dividend stream, though flexibility remains limited compared to Telstra.

Meanwhile, Optus, as part of Singtel, is not directly investable for ASX shareholders, but contributes to Singtel’s strong FY25 payout ratio of 82%. Optus’ capacity to support payouts remains tied to ongoing network investment amidst a highly competitive market (plus a few operational and security scandals on top).

Taken together, the sector highlights a balance of yield, re-investment, and competitive pressure. Telstra provides scale and stability, TPG offers recovery-driven growth but lower resilience, while Optus sustains strong payouts offshore.

Dividend sustainability across telcos will depend as much on market structure and execution as on historical payout norms.

Utilities & Energy: Transition Costs Bite

If miners are pivoting towards re-investment, utilities are already deep into it. AGL Energy’s ((AGL)) dividend has dropped from $0.63 in 2015 to $0.48 in 2025 as cash is redirected to renewables, batteries, and transmission. The sector faces -$90bn in capex requirements over the next decade.

And because of its close ties to government frameworks and policy-driven preferences which heavily influence where capital flows, *“clarity and consistency in policy settings will be critical for unlocking further growth in this area”*, states RBC Capital.

For investors, this sector is the most exposed to payout pressure, as transition costs and regulatory oversight leave little room for generosity.

Cracks and Safe Havens

Australia’s dividend culture is not disappearing, but it is certainly evolving. Boards are balancing the enduring appeal of franked dividends with the reality of higher funding costs and rising capex bills.

-Safe(r): **Banks**, despite stretched ratios, continue to pay, though growth is capped. **Telcos** look stable as cost discipline improves.

-Cracks: **Miners** are shifting rapidly into reinvestment mode, while **utilities** remain under pressure from transition costs and policy risk.

Within such an environment, Morningstar cautions investors should assess payout ratios relative to reinvestment needs and sector-specific risks rather than chasing historical yields alone.

For income investors, the winners will be companies that balance cash returns with disciplined reinvestment — protecting today’s dividends without mortgaging tomorrow’s.

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

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

AUSTRALIA

Canadian Purchase Lifts Eagers Into Global Top 5

Investors welcome Eager Automotive's first offshore acquisition in Canada and strategic partnership with Mitsubishi Corp. Now comes the execution.

-Eagers Automotive expands through stake in Canadian dealership
-Partnership with Mitsubishi Corp points to further collaboration
-Analysts highlight structural industry advantages in Canada
-Aligned vendor interest to mitigate execution risks, says Morgan Stanley

By Mark Woodruff

While offshore expansion has often proven challenging for Australian companies, investors have responded positively to Eagers Automotive's ((APE)) first international acquisition.

Analysts expect effective integration of dealership group CanadaOne Auto Group and long-term value creation, supported by the disciplined operational approach shared by both businesses.

Eagers has a proven record of expanding its dealership network through disciplined domestic acquisitions and has strategically positioned itself as a market leader in electric vehicle retailing.

Management sought "the best market with the best partner" for offshore expansion and identified CanadaOne Auto Group's (CanadaOne) profitable growth and 42-dealership platform as a strong foundation.

Eagers will invest just over -$1.0bn to acquire a 65% stake in CanadaOne, one of Canada's top five dealership groups, which holds more than $700m in freehold property.

The deal, expected to close in the first quarter of 2026, will be partly funded by a $452m entitlement offer comprising a 1 for 12 partially underwritten accelerated non-renounceable pro rata entitlement offer of $21.00 per new share.

At the same time, Eagers has entered a strategic partnership with Japan's Mitsubishi Corporation, which is investing -$70m for a 20% stake in Eagers' used-car business, easyauto123. Proceeds from this investment, along with a $50m placement to Mitsubishi (representing about 1.1% of shares on issue) will help fund the CanadaOne acquisition.

Macquarie expects Mitsubishi and Eagers to continue leveraging their respective strengths to unlock further growth opportunities. Over time, Eagers may also use CanadaOne's established infrastructure to introduce the easyauto123 platform into North America.

The Mitsubishi alliance signals to Canaccord Genuity a strong commitment by both parties to develop and expand their prospective mobility joint venture.

The analysts suggest Mitsubishi Corp's recent increase in its FleetPartners Group ((FPR)) stake to 19% may serve as a useful indicator of potential future collaboration or strategic activity with Eagers.

Mitsubishi's stake in the easyauto123 business opens the door to collaboration in areas like independent used-car operations, mobility services, and potentially joint ventures in EV or fleet management.

Morgans highlights Mitsubishi has interests across multiple geographies and auto-related businesses including fleet, finance, and distribution.

This broker believes the Eagers business now has multiple levers for a material earnings step-up over time, driven by significant growth potential in Canadian auto retail, global opportunities in independent used vehicles, and ancillary revenue streams supported by its growing scale.

Expansion in domestic franchise auto through higher market share and margins is also anticipated.

In terms of an offshore expansion strategy, UBS highlights the above transactions tick multiple boxes, highlighting well-structured terms, a strong alignment and incentivisation framework, attractive growth potential, and effective risk management features.

Advantages of alliance with CanadaOne

Ord Minnett highlights clear evidence of operational excellence at CanadaOne, with sales per location around 90% above the industry average.

Strong profit margins are also noted with a FY25 return on sales (ROS) of 4%, roughly double the Australian industry average, supported by parts and service revenue covering 109% of fixed costs.

The Canadian franchised automotive market is well positioned for continued consolidation, and CanadaOne has a strong history of growth through acquisition, explains Macquarie. It's felt this momentum will persist under Eagers' ownership, supported by both management teams' proven M&A track records.

Compared to Australia, Morgan Stanley notes a similar industry structure and more favourable competitive intensity in Canada, where CanadaOne currently holds around 2.5% of the new vehicle sales market.

This broker observes Canada's dealership landscape, with 3,700 dealerships and the top five groups holding less than 10% market share, resembles Australia before Eagers' 2019 acquisition of Automotive Holdings Group.

Around 58% of Canadian dealers operate a single site, half run one site with one brand, and nearly 50% expect to sell their business by 2035, highlight the analysts.

Analysts at Moelis attribute the outperformance in Canada relative to Australia to stronger back-end revenue contributions supported by seasonal conditions, steady new vehicle demand, and a more consolidated OEM landscape.

Eagers prior to the acquisition

Centred on owning and operating motor vehicle dealerships, Eagers Automotive's core business provides a full range of services, including new and used vehicle sales, servicing, parts, and consumer finance.

The company has an around 14% share of the new vehicle market in Australia, selling brands including Toyota, Ford, Hyundai, BMW and China's BYD.

The company has also built a leading position in electric and hybrid vehicles, holding a 34% share of new energy vehicle sales in its regions. Eagers' dealerships are responsible for circa 80% of all BYD (EV) sales in Australia.

A series of acquisitions in Victoria, Queensland, and the Northern Territory through 2023-24 strengthened the company's dominance in the Australian market, providing scale efficiencies and new revenue streams.

Management has also diversified the business model by taking a majority stake in Carlins automotive auctions and has grown easyauto123 into a national used-car network, both of which complement Eagers' core new-car franchise operations and provide exposure to the high-margin used vehicle market.

The company's easyauto123 used-car supermarkets delivered a record first-half profit (December year-end) amid strong sourcing advantages and high used-car demand.

Family buying car

Details of the CanadaOne deal and potential upside

Macquarie believes management at Eagers has taken a patient and highly disciplined approach to its offshore expansion. Not only is the deal on strategy, but the broker believes it will likely be earnings accretive in a highly attractive market.

Following the acquisition, Eagers will rank **among the world's top five automotive retailers**, strengthening its global OEM relationships and creating potential long-term synergy opportunities, highlights Morgan Stanley.

Alternative acquisitions may have delivered stronger near-term EPS accretion, suggests Canaccord, but management remains focused on long-term strategic objectives rather than short-term gains, consistent with its proven track record.

The ~$1,043m acquisition comprises ~$386m scrip and ~$658m cash. Post completion (expected end of February 2026), Eagers will have a respective 55% and 65% interest in operating companies and property.

Pat Priestner, owner and founder of CanadaOne, will retain a stake in operating companies and property to the tune of 30% and 35%, respectively.

The remaining 15% stake in operating companies will be held by existing equity dealer principals.

Model

CanadaOne attributes part of its success to its Dealer Partner model, which provides ownership opportunities.

Eagers and Priestner will hold reciprocal put and call options over the latter's remaining stake in CanadaOne, exercisable progressively after five years from completion. In addition, Priestner retains an option to acquire up to a 5% interest in easyauto123.

On a 2026 basis, Macquarie forecasts EPS accretion of 7%, assuming the acquisition settles at the end of February 2026, while Bell Potter sees no cost synergies in 2026, and only modest synergies in 2027 and beyond.

Organic revenue growth in the mid to high single digits over the medium term is assumed by Bell Potter, which is below the organic compound annual growth rate (CAGR) of around 15% over the past two and a half years, highlights the broker.

The acquisition provides a platform for growth through shared processes, data integration, and enhanced operational efficiency, explains Canaccord, while also establishing a strong foothold for a long pipeline of bolt-on acquisitions across Canada.

For 2026 and 2027, this broker increases its EPS forecasts by 12.9% and 16.4%, respectively, reflecting the closing of the acquisition in FY26 and a full year of ownership in FY27.

Outlook

The next key scheduled event is an **analyst and investor day on 27 October**, where Bell Potter anticipates an update on progress with the Next100 strategy and also potential further details on CanadaOne and its outlook.

Morgan Stanley believes Eagers Automotive's strong track record and aligned vendor interests help mitigate execution risks, while Canaccord also takes confidence from management's long-term planning and careful consideration of the transaction.

Canaccord believes the first Canadian meetings took place in October 2023, and the first CanadaOne Auto meetings occurred in early 2025.

Ord Minnett raises its 12-month target price to $31.00 from $23.50 following the acquisition and upgrades to Accumulate from Hold on valuation grounds.

The average target in the FNArena database of six daily covered brokers has risen to $29.38 from $24.40 prior to the CanadaOne announcement. This average implies around -15% downside to yesterday's $34.65 closing share price.

There are two Buy ratings, one Hold, and two midway between Buy and Hold at Accumulate, while UBS keeps its Sell rating. This broker's target rises to $18.70 from $17.00 but is easily the lowest in the database.

Excluding UBS would lift the consensus target to $31.51 on a range of $29.98-$33.35.

Outside of daily coverage, Canaccord Genuity (Buy) has raised its target to $30.60 from $28.00, while Hold-rated Moelis increased its target to $35.90 from $28.62.

Jarden (Neutral) is yet to refresh its research following the acquisition news.

AUSTRALIA

Infra-aaS: The New Frontier In ASX Infrastructure Investing

Service-driven infrastructure is reshaping how Australians build resilient portfolios.

By Paul Githaiga

For investors, Australia's infrastructure market now feels less like a building site and more like a subscription business.

Today, it is the contracts that drive the money. Investors are slicing those steady cash flows into bonds, securitisations, and private-credit deals.

In other words, you own the rent roll, not the building.

Your Guide to Infra-aaS Cash Flows:

-Infra-aaS models mirror the 1920s service revolution in power and communications

-Broker forecasts highlight recurring revenues from data centres, cloud interconnects and digital utilities

-Super funds increasingly view Infra-aaS as defensive yield exposure with growth potential

-Listed ASX tech-infra firms may gain competitive advantage as regulatory guardrails tighten

Echoes of the 1920s: How Past Infrastructure Revolutions Mirror Today's Infra-aaS Boom

Does Infra-aaS feel oddly familiar? Well, that is because history seems to have a rhyme here.

Think back to the 1920s. Electricity grids, telephone exchanges, and radio towers were rolling out at speed. Investors then were not just buying into static assets, they were effectively underwriting new service models.

A light bulb was not valuable on its own. It became valuable once households paid monthly for the current that kept it glowing. The copper wire mattered less than the recurring fees from calls made across it.

Infra-aaS today is not so different. Think about data centres, digital connectivity hubs, and smart-metered energy systems. They generate cash flows the way power lines and switchboards once did.

We are talking steady, contracted, and linked to long-term service demand.

The mechanics of ownership may have shifted, but the underlying story is the same. Investors are positioning around essential services that society can't switch off.

Why Infra-aaS Matters

Infra-aaS is not a marketing spin. It is a different cash-flow profile:

-**Predictable revenue**: decades-long take-or-pay or availability contracts give line-of-sight income.

-**Operational focus**: returns come from keeping assets running (services) rather than building them (capex).

-**Lower capital intensity**: less upfront balance-sheet risk; easier to scale via contracts.

-**Defensive tilt**: service revenues often hold up better in downturns than commodity-exposed assets.

Put simply: Infra-aaS gives you infrastructure-style yield with fewer of the heavy-lifting risks.

Large institutional moves have reinforced the idea that Infra-aaS matters.

AustralianSuper's private market's plans and growth in its infrastructure book are frequently referenced as a driver of domestic deal flow and allocations.

Analysts have noted the fund increasing its target allocations to private market's infrastructure, reflecting a multi-billion scale of opportunity.

The Brookfield block sale of Dalrymple Bay Infrastructure ((DBI)) --a roughly $527m exit-- did not collapse the stock as some feared.

Instead, it improved liquidity and triggered broker re-appraisals and upgrades. This signaled big money sees value in contracted, long-life cash flows.

The ASX Infra-aaS Shortlist

Below is a compact table showing the key ASX names, the Infra-aaS angle, recent broker/market signals and the main investment/risk takeaways.

We pulled broker calls, consensus price targets and growth forecasts from market sources so you can see the thesis and the numbers side-by-side.

Ticker	Company	Infra-aaS angle	Recent broker / consensus signals (targets & growth)	Investment thesis & risks
DBI	Dalrymple Bay Infrastructure	Terminal operator with long take-or-pay style contracts (throughput).	Morgans raised to Accumulate, PT A$4.73; RBC Capital upgraded to Outperform, PT A$4.70 after Brookfield sale. Consensus EPS/FFO growth ~4–5% p.a.; dividend yield ≈ 5.3–5.7%. (Broker notes + SimplyWall growth forecasts).	**Thesis:** Income anchor — bond-like yield with rerating upside if liquidity & sentiment hold. **Risks:** ESG/regulatory pressure (coal exposure), volume sensitivity.
APA	APA Group	Gas transmission platform — long-dated pipeline take-or-pay contracts.	Analyst 12-month PT consensus ~A$8.6–A$8.9 (Investing / TipRanks), dividend yield ~~6%; growth forecasts show uneven near-term earnings volatility but medium-term revenue visibility from	**Thesis:** Classic infra yield name with energy transition overlay. **Risks:** regulatory/transition exposure; earnings variability during capex phases.

Ticker	Company	Infra-aaS angle	Recent broker / consensus signals (targets & growth)	Investment thesis & risks
			capacity expansion projects.	
VNT	Ventia Services Group	Outsourced infrastructure services — defence, utilities, asset maintenance (pure service).	Large Defence wins (~A$2.7bn base contract, 6-year initial term). Macquarie flagged >15% upside and consensus 12-month PT ~A$5.4–A$5.6; EPS growth forecasts ~6–7% p.a. (SimplyWall / TipRanks).	**Thesis:** Contract visibility + recurring revenue = rerating potential. **Risks:** mobilisation/execution, labour & materials inflation.
SSM	Service Stream	Network & asset maintenance services — utilities/telecom/defence.	After recent contract awards, Macquarie and others lifted targets (Macquarie PT A$2.70), consensus 12-month PT average ~A$2.60, implying ~10–12% upside vs mid-Sept levels; EPS growth forecasts ~11–13% p.a. (TipRanks / FN Arena).	**Thesis:** Asset-light service exposure — recurring work, less capex risk. **Risks:** margin pressure if costs spike; contract renewal competition.

(Notes: targets and growth figures are consensus / broker aggregates as of 18 Sept 2025 — see sources below for each figure.)

A -Infra-aas - Part 2

Walkthrough — What these Numbers Mean

-**Dalrymple Bay Infrastructure** ((DBI)) is a neat case study in how the market is starting to price service-style cash flows. Brookfield sold down nearly a billion dollars' worth of stock this year. Yet, the extra liquidity actually attracted more buyers. Brokers Morgans and RBC both bumped their price targets into the high $4s once the dust settled.

Run the numbers: FY26 distribution guidance is 24.5 cents per share. At a $4.30 share price, that is about 5.7% forward yield. For many institutions, that profile looks less like a coal-linked asset and more like a listed bond proxy with an equity re-rating kicker.

Of course, it is still a coal terminal, and ESG screens do not just vanish — but you can see why yield hunters are circling.

-**APA Group** ((APA)): Brokers' mid-$8s price targets and circa 6% yield reflect a company with reliable contracted cash flows but also exposure to the pace of energy transition. For a resilient income sleeve, APA still earns a place as a stabiliser, but it is not the high-growth Infra-aaS story. Treat APA as ballast, not the high-conviction growth leg.

-**Ventia Services** ((VNT)): The $2.7bn defence related contract is the kind of multi-year, government-backed revenue that institutional investors prize. Brokers (Macquarie among them) are flagging re-rating potential.

The consensus price targets in the mid-$5s imply modest near-term upside from recent levels, and EPS growth forecasts (mid-single to high single digits) show a compoundable story.

If you believe long government service contracts will remain in demand, Ventia is a direct Infra-aaS play, without the capex.

-**Service Stream** ((SSM)): This is the textbook asset-light Infra-aaS pick: maintenance and network services, recurring contract cash flow, and immediate catalysts after the $1.6–1.7bn contract announcements.

Brokers have lifted targets (Macquarie's $2.70 is one example) and consensus price targets average $2.6, implying some 10% upside potential plus growth as contracts roll in.

The usual caveat: margins matter; if labour or materials spike, service providers can feel the squeeze.

How to Position — A Balanced Infra-aaS Sleeve

Practical approach for an ASX portfolio:

-**Yield foundation**: DBI (income, inflation linkage) + APA (pipeline stability)

-**Growth & service overlay**: Ventia, Service Stream — contracts that provide earnings growth and re-rating potential

-**Satellite bets**: Data-centre or digital infra exposure (NextDC ((NXT)), Goodman Group ((GMG)) if you want growth with higher volatility

-**Sizing & due diligence**: Keep position sizes manageable, stress test for higher rates, and review contract length/credit quality of counterparties

This blend gives you income in down cycles and contract-led upside in better times.

Risks — Do Not Gloss Over Them

-**Regulatory & ESG pressure**: DBI's exposure to coal terminals keeps it within the politics of transition. Regulations or accelerated coal demand decline could reduce volumes

-**Execution & cost inflation**: Service providers (Ventia, SSM) can misprice mobilisation or face labour shortages; watch margins closely

-**Financing & rate risk**: Some vehicles still rely on leverage. Rising debt costs hit returns

-**Concentration risk**: Sector or counterparty concentration (eg a single large contract) can mean outsized moves if things go wrong

ASX Infra-aaS: The Market's Moved, but Value Remains for Smart Investors

Infra-aaS is no longer a theory; it is already shaping balance sheets and broker models. The pattern is clear enough.

Dalrymple Bay Infrastructure and APA are the steady income anchors. Ventia and Service Stream are contract-driven operators with room to rerate. NextDC and Goodman Group are the high-volatility satellites riding digital demand.

Put it together and you have something close to a balanced sleeve: part bond proxy, part growth kicker. The bigger picture?

We are laying down the service grids of the 2020s much as investors once backed the electricity build-out of the 1920s.

The only question is whether you will be the one collecting the cash flows — or paying them.

Technical limitations

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

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

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

AUSTRALIA

Australia's Data Centre Boom Marches On

CommBank's transition to the cloud is symbolic of the systemic shifts across enterprises as they position in the cloud for the AI era.

-AI ‘bubble’ fears and why today’s market looks different from 1999
-Cloud migration, CommBank, and the drivers of enterprise demand
-Power, regulation, and capacity: Australia’s growing data centre challenge
-Neoclouds and CoreWeave: new players reshaping AI infrastructure economics

By Danielle Ecuyer

AI bubble has become the prevailing market narrative

Before examining the composition of Australian data centre companies and recent updates, it is worth revisiting the narratives around AI, technology stocks, and valuations.

Arguments supporting a Dot-Com style crash are well cited in mainstream media, but at FNArena we draw on research from major financial institutions to frame the discussion.

Ed Yardeni of Yardeni Research recently posed the question: *“Is there a Bubble in Bubble Fears?”*

Google Search trends show queries for “AI bubble” spiking from virtually non-existent in mid-September to a peak by October 2. Yardeni suggested today’s technology-related stocks “have less air than the one during 1999”.

Currently, the S&P500’s IT and Communication Services sectors account for 44.9% of market capitalisation and 37.4% of forward earnings, versus 40.7% and 23.8% in the 1999–2000 bubble. Concentration is high, but earnings support is stronger.

Morgan Stanley strategist Michael Wilson argues the AI capital investment cycle that began in 2023 marks a “new era for equity investors”.

He believes payoffs from these mega-trend investments will come in time, with stocks already signaling “trust me—it’s not a question of if, but when”.

Wilson views April 2025 as the trough of the US rolling recession since 2022, coinciding with a slowdown in AI spending. Earnings and valuations bottomed at the same time.

He believes consensus earnings forecasts for 2026 remain too low.

His contrarian view is that a higher inflationary era will underpin equity valuations via lower equity risk premiums. While US stocks appear expensive on price-to-earnings ratios, higher nominal GDP and earnings growth with inflation provide valuation support.

Wilson also highlights median large-cap free cash flow yields are nearly three times higher than in 2000, while margins and profitability appear much stronger.

“Free cash flow generation, operational efficiency and strong profitability are all characteristics of a higher quality index than we saw in the late 1990s.”

Equities and gold remain key inflation hedges.

Australia’s narrower AI exposure, so far

Australian investors face a more limited universe of AI-linked stocks, particularly data centres and companies such as Macquarie Group ((MQG)) that invest in them.

Jeff Bezos recently highlighted the breadth of AI’s impact, suggesting it will touch “every company in the world” and boost both quality and productivity.

Locally, more companies are reporting how AI functionality is being embedded into their operations. Morgan Stanley highlights Anthropic’s Economic Index, which tracks Claude usage across US states and industries. As of September 2025, directive automation rose from 27% to 39% of conversations in nine months, and to 77% for enterprise customers.

Extrapolating Anthropic’s work, Morgan Stanley estimates AI adoption could add US$920bn in US pre-tax profits for the S&P500, with a long-term value of US$13–16trn.

Analysts draw two conclusions: the pace of improvement will be non-linear and use cases will involve both augmentation (AI complementing human tasks) and replacement (automation and robotics), with the latter expected to be more of a mid-2030s development.

While the AI story still has a long way to unfold, the immediate race is to build the infrastructure —data centres— that will underpin the computational power needed to support large language models and the next phase of technological evolution.

CommBank exemplifies major structural trends

As evidenced this week, the transition of enterprises to the cloud is still progressing. CommBank ((CBA)) is Australia’s first bank and one of the largest global banking transitions to the cloud, managed by Amazon’s AWS.

The transformation was highlighted by the bank’s group executive for technology as “a cornerstone for our enterprise transformation” and “innovation is faster on the cloud,” he told the AFR.

The announcement follows a partnership with OpenAI in August, while the bank’s data are centralised in a “data lake” run on a Snowflake system in AWS.

CommBank demonstrates two major forces driving demand for data centre capacity: the staged, ongoing shift of enterprises to the cloud, and the sharp rise in demand for AI-centric infrastructure, which requires immediate storage and compute rather than phased rollout.

Implementing large language models is not staged; capacity is needed upfront, often referred to as the “everything, everywhere, all at once” model.

Artificial-intelligence-concept

How the Australian data centre trend is evolving

Data centre operators are balancing both demands, building more infrastructure to meet rising requirements, while also managing customer-specific needs that directly affect earnings.

Cloud migrations require heavy upfront capex, with earnings booked over time, whereas AI workloads accelerate income as contracts are realised.

At a macro level, Macquarie points to regulatory changes at both federal and state levels supporting a commitment to the OpenAI Stargate Global deal and to government data centre capacity growth.

A case in point is Canberra Data Centres (CDC), 49.75% owned by Infratil ((IFT)), as noted in a recent company update, see https://fnarena.com/index.php/2025/10/03/infratils-digital-decarbonisation-drive/

"This business is gaining from the Federal Government's increased backing of digital infrastructure and is progressing a 200MW high-density data centre project located south-east of Perth's CBD.

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

The analyst estimates 200MW to 750MW of market demand. Rising AI-driven capacity reflects innovation and new data centre reference architectures. Hyperscalers like AWS rely on operators for capacity that determines "time to market" for AI tools and products.

Infrastructure design is also evolving, shifting from air to liquid cooling and higher rack densities. This both improves hyperscale returns and boosts data centre profitability, as the same MW of capacity requires less floor space. Macquarie considers AI capacity commoditised in the medium term, but industry feedback suggests near-term contract pricing is being dictated by hyperscalers' urgency.

E&P remains positive on Australian and regional data centre markets, a stance it has held for over a decade. Australia is now regarded as a major data centre market with Sydney and Melbourne both Tier 1 hubs.

While some assumed hyperscaler spend was receding in Australia when Microsoft's OpenAI-related pause slowed global buildouts and pushed contracts forward, both E&P and Macquarie expect capacity growth to resume strongly, forecasting 5GW of new build by 2027.

Citi recently upgraded its hyperscaler capex forecasts through to 2029 by 20% to US$2.8trn, with 2026 forecasts raised by 17% to US$460bn, providing a strong tailwind for Australian operators. Globally, capacity is forecast to expand at a 57% CAGR from 2GW to 30GW. Citi believes Australia will grow faster than APAC due to geopolitical positioning and power availability.

E&P, however, cautions power constraints will emerge. While currently well supplied, the surge in data centre demand could strain the system.

The Australian Energy Market Operator forecasts data centre demand could exceed 5.2GW in an accelerated case, or 2GW in a slower scenario.

By 2055, data centres could use up to 18% of total power. However the decommissioning of over -11GW of nameplate capacity over the next 10 years according to the Federal Government's accelerated transition case would already result in data centre energy use around 16% of total baseload power in the grid by 2035.

In the US, data centres consumed 4.4% of total power in 2023 and the percentage could rise to 12.5% by 2028. In Australia, over 1GW of new Sydney capacity is planned, including CDC's 700MW Marsden Park site and NextDC's ((NXT)) 400MW S7, while Melbourne has over 1GW in the pipeline across CDC, AirTrunk and Stack.

This is in addition to more than 2GW already built or under construction. E&P regards the 2GW national forecast out to 2054 as very conservative, noting seven operators —NextDC, Equinix, Global Switch, Digital Australia Investment Management, AirTrunk, AWS and CDC— carried about 500MW of workloads during 2023-2024.

Grid stability and transmission are already concerns. Substations in Macquarie Park have reached capacity for new customers, with a new substation only expected once four new data centres are connected in December 2028.

E&P sees Melbourne's market about to "take off", with growth unrelated to local population but linked to hyperscaler activity. AWS has already set up a machine learning hub there. Sydney remains in high demand as a global Tier 1 market, with Microsoft, AWS, Alphabet, Oracle, Meta and ByteDance operating at scale.

Despite some macro concerns, brokers remain positive. E&P rates NextDC Positive with a $28.66 valuation, Macquarie Technology ((MAQ)) at $112, and Infratil at $12.19. DigiCo REIT ((DGT)) is rated Neutral at $3.61.

Citi has upgraded Megaport to Buy with a $16.30 target, expecting it to benefit from both Alicloud's flagged tenfold data centre expansion by 2032 and the growth in inference compute, projected to rise from 30% of workloads in 2026 to 50% by 2028.

Citi rates NextDC Buy with an $18.35 target. Macquarie rates NextDC Outperform with a $20.90 target, with Infratil and Macquarie Technology also rated Outperform at NZ$13.26 and $97.30 respectively.

DigiCo is rated Outperform with a $3.90 target.

The rise of neoclouds, no threat to data centres

Neoclouds have recently been in the spotlight with the Nasdaq IPO of CoreWeave in March, priced at US$40 per share and raising US$1.5bn. At the IPO, the market capitalisation stood at US$23bn.

The stock is currently trading at around US$134 with a market capitalisation of US$66bn. CoreWeave offers a cloud platform purpose-built for running AI workloads, including model training and inference.

Neoclouds provide a GPU-as-a-service model, described by DCByte as "ultra-low-latency networking and software stacks for large-scale AI workloads."

While hyperscalers are still expected to dominate, neoclouds are offering faster access to GPUs and more flexible service models. Rather than replacing hyperscalers or data centres, they are capturing AI workloads that continue to be housed within data centres.

CoreWeave has attracted criticism around financial metrics, as it uses debt to fund the GPUs which are then contracted out.

The company requires high utilisation of its GPU infrastructure to spread fixed costs and underpin margin expansion. The company remains unprofitable and is reliant on realising its revenue backlog.

By way of example, DigiCo's recent contract update showed customers customers signed span various segments from hyperscale, neocloud, enterprise, and government.

Latest news from OpenAI over the last week, care of ChatGPT

OpenAI has been at the centre of major AI infrastructure and strategic news in the past week. The company signed a landmark partnership with AMD, agreeing to purchase its upcoming Instinct MI450 chips and secure up to 6GWs of compute capacity from 2026.

As part of the deal, OpenAI also received warrants for up to 160m AMD shares, potentially worth a 10% equity stake if performance milestones are achieved. The agreement reflects OpenAI's push to diversify hardware suppliers beyond Nvidia, whose GPUs have long dominated AI training.

The company also sharpened its enterprise focus at its latest DevDay event, unveiling a ChatGPT "app store" that allows third-party developers to build, distribute, and monetise apps within the platform.

Partnerships with firms such as Spotify and Zillow highlight the breadth of integrations OpenAI is now pursuing, positioning ChatGPT as a gateway for consumer and enterprise AI adoption.

OpenAI's valuation surged to about US$500bn after a secondary share sale in which current and former employees sold roughly US$6.6bn worth of stock. That jump cements OpenAI's status as one of the most valuable private technology firms in the world.

Infrastructure remains a global story, with OpenAI expanding its "Stargate" program through new partnerships in South Korea, including deals with Samsung and SK Group to build data centre capacity and secure chip supplies. These agreements signal how OpenAI is aligning national industrial policy with its own infrastructure needs.

At the same time, OpenAI's safety protocols are under renewed scrutiny. Academics reviewing the company's Preparedness Framework argue it still permits deployment of high-risk models without enforceable safeguards, raising questions about whether governance is keeping pace with technological expansion.

Together, these developments highlight OpenAI's dual track: racing ahead with compute supply deals, global partnerships, and platform expansion, while critics warn safety and regulatory oversight may lag behind its rapid scaling.

A question for everyone to ponder, has the world ever seen a start up moving at such speed with such aggressive expansion plans?

****

For more reading on related AI topis, refer to FNArena's dedicated GenAI section at https://fnarena.com/index.php/tag/gen-ai/

****

COMMODITIES

Compelling Story Drives Pantoro Gold Rally

Junior miner Pantoro Gold has repaired its balance sheet, swung to positive cash flow and offers compelling reserve and grade upside at its Norseman project. But is it too late to invest?

-Pantoro Gold swings to cash flow positive in FY25
-Balance sheet fixed and capital structure simplified
-Norseman offers above-guidance upside in reserves and grade
-Gold mining stocks have run hard in recent months

By Greg Peel

Pantoro Gold ((PNR)) operates its 100%-owned, high-grade Norseman Gold Project, located 180km south of Kalgoorlie in Australia's premier mining jurisdiction.

A proven gold province with 5.5Moz of historical production since 1935, Norseman currently hosts multiple open-pit and underground operations, alongside numerous high-grade lodes yet to be mined at depth and along strike.

Pantoro reported an FY25 financial result last month that delivered substantial year on year growth across all key financial metrics, including a $112m turnaround from a -$46m loss in FY24 to $66m profit in FY25. Compared with Bell Potter's forecasts, revenue was slightly lower on the treatment of gold call option deliveries; in-line for earnings, and lower for profit on the broker's under-estimation of D&A and corporate costs.

Pantoro finished FY25 with $176m in cash and bullion, no debt and minimal hedging in place (6% of forecast FY26 production). FY26 guidance is unchanged 100-110koz at cost of $1,950-2,250/oz, which implies higher production and lower costs compared with FY25 (84.6koz at $2,261/oz).

Based on the USD gold price and AUDUSD exchange rate at the time of writing, the AUD gold price was $5882.90.

The highlight of the result, in Bell Potter's view, was Pantoro's improved financial performance, strengthening of its balance sheet and simplification of its capital structure. This included the closure of its US$12.5m convertible debt facility and a 1:17 share consolidation.

Pantoro delivered substantial earnings margin expansion, lifting from 11% in FY24 to 55% in FY25. Bell Potter forecasts this to increase to 65% in FY26.

Free cash flow turned from a -$12m outflow in FY24 to $78m cash generation in FY25. Pantoro continues to guide to a medium-term aspirational production target of 200kozpa-plus, predicated on filling the mill to 1.4Mtpa with high grade ore of 4.5g/t Au.

Reserves

Last month Pantoro released its annual Mineral Resources & Ore Reserves (MROR) estimates.

Group inventory has remained broadly unchanged year on year, Moelis notes, once adjusted for the miner's divestment of its Halls Creek asset. The uplift in gold price assumptions (A$1,400/oz above last year) has served to partially offset depletion.

While the net outcome from the release is effectively neutral, Moelis notes Pantoro hasn't really had the opportunity (yet) to significantly drill across the portfolio with the specific intention of resource conversion.

Moelis sees material opportunity to progressively convert the company's sizeable underground resource base into reserves, but this will require both time and capital, with the prospect of a meaningful lift in reserve grades (and ultimately feed grades) further down the track.

Moelis would hope to see a step change in the MROR update in 12 months' time following a material uplift in exploration spend/activity.

Compelling

Morgans has calculated a base case net asset value for Pantoro of $1,638m based on assumed production growth delivered via an uplift in head grade. The broker expects Pantoro may beat its FY26 production forecasts as mining rates and grade increase.

Norseman has the ingredients for a lucrative future, Morgans suggests, being infrastructure rich and cashflow positive. This broker models average annual earnings of $267m and an earnings margin in excess of 50% over the next eight years.

Following a ramp-up of operations, Pantoro is beginning to hit its straps operationally, Morgans believes. Given the historical production head grade, high grade resource inventory and encouraging drilling, this broker's base case assumes an ongoing lift in head grade to 3.5g/t Au by FY29 -- growing production to more than 150kozpa.

The company's debt has been extinguished, ownership consolidated, and cash reserves are building, which Morgans thinks materially de-risks a balance sheet that historically has been a challenge for the business.

Shut the Gate?

By end-September, the USD gold price had risen 11% for the month and 47% in 2025 to date. Investors are typically slow to get onto a commodity price-based rally, but have recently rushed into gold mining stocks as the gold price has continued to soar. The issue is as to whether valuations have now overshot.

Moelis recently downgraded its investment view on Pantoro to a Hold rating from Buy on valuation grounds following the stock's 73% rally in just three months. While the business is in solid shape, a rating upgrade would require either greater conviction in the peak production profile or a sustained further leg-up in gold prices, Moelis suggests.

On the broker's numbers, spot pricing implies a valuation of $5.80/share, suggesting the stock is fully valued at current levels, while under the same scenario (spot) peers retain upside.

Bell Potter last month upgraded its rating on Pantoro to Hold from Sell and raised its price target to $5.35 from $4.40, but qualified that while operational delivery is improving and the pathway to this objective is becoming clearer, there is a risk the market is pricing some of this growth in ahead of time.

In initiating coverage of Pantoro Gold, Morgans has set a Hold rating with a discounted cash flow-based price target of $5.33. With the Norseman gold project wholly consolidated, and with no hedging or debt, Morgans thinks Pantoro is positioned to realise solid free cash flow while establishing access to high grade mining areas.

Pantoro appears to have turned a corner operationally and Morgans sees upside to FY26 guidance given recent performance. However, in Morgans' view, the recent stock price rally has somewhat diminished short-term upside.

ESG FOCUS

ESG Focus: The Little Big Things - 09-10-2025

FNArena's dedicated ESG Focus news section zooms in on matters Environmental, Social & Governance (ESG) that are increasingly guiding investors preferences and decisions globally. For more news updates, past and future:
https://fnarena.com/index.php/financial-news/daily-financial-news/category/esg-focus/

Little Big Things focuses on some of today's biggest ESG issues, including the new government reduction target, transition action plans, corporate safety records and more.

-Progressing to new emission reduction target
-Utilities' energy transition plans
-Corporate ESG updates
-Corporate safety records
-EU's carbon tariff
-Bio-stimulants

By Greg Peel

Assessment and Target

Following Australia's first National Climate Risk Assessment and the government's subsequent 2035 emissions reduction target of -62-70% below 2005, Westpac reports plans are taking shape for a nationwide scheme to recycle and reuse solar panels, new thinking on generating financial and environmental returns in the construction industry, plus a grant to promote consistency across the agricultural sector, and more.

Solar: Commonwealth, state and territory governments have come together to progress the first national solar panel reuse and recycling scheme. The scheme aims to direct solar panel waste from landfill towards re-manufacture or recycling.

NSW, which is currently developing a mandated stewardship program for batteries, will work with other jurisdictions to create a Regulatory Impact Statement, while the Commonwealth will work with states to test and validate a national product stewardship scheme. All parties have agreed to report back on progress in early 2026.

The Pilbara: Could a global hub for mineral and energy resources be transformed into a renewable energy powerhouse? A new report commissioned by the Clean Energy Finance Corp shows a shared transmission model for the Pilbara region has potential to significantly cut emissions while also driving economic and environmental benefits.

The report explores the benefits of a Common User Transmission Infrastructure (CUTI) system, which would enable multiple users and generators to connect to a single, shared grid. The CUTI system would replace the traditional model, where each miner builds and operates its own infrastructure, and would be a key facilitator of the renewable electricity transition.

Agriculture: Consistency of farm-level greenhouse gas emissions calculators looks set for improvement with Agricultural Innovation Australia receiving a $6.4m federal government grant to help farmers and agricultural businesses estimate emissions from on-farm activities, such as those from livestock, manure management and nitrogen fertiliser.

Construction: A German technology company is taking an innovative approach to circularity in the construction industry. **BetaPort Systems** is pioneering a building model in which **modular timber components are used to generate financial returns for investor**s.

Under the company's Beta Finance model, building components such as facades, beams and staircases are designed to last for more than 80 years, and this longevity positions them as assets of financial value. Every element is digitised and assigned a material passport, so its history can be traced from production to reuse.

Returns for investors come in the form of income generated during use, reuse across multiple projects and residual value at the end of the component's lifecycle.

Climate Transition Action Plans (CTAP)

Morgan Stanley believes AGL Energy's ((AGL)) decarbonisation task is the largest among Australia's utilities and its emissions reduction and clean energy investment targets are the most ambitious, both in absolute terms and relative to company size.

Origin Energy's ((ORG)) reduction targets exclude the impact of new gas fields, should Origin reach final investment decision (FID) on new projects. AGL's generation intensity targets have not been met to date. The company plans to develop new gas-fired generation which would then require additional renewables investment to lower generation intensity.

APA Group ((APA)) has similarly backslid on its generation intensity targets.

Scope 3 (end-user) reduction targets for energy suppliers remain difficult to specify, in Morgan Stanley's view, as they are akin to revenue reduction targets. AGL's proposed FY36 Scope 3 target relies on coal closure and grid intensity reductions which lack additionality, but to be fair, says Morgan Stanley, AGL also targets abatement from electrification.

Origin's clean energy investment target of 4-5GW of renewables and storage by FY30 includes a starting position of 1.8GW as of FY24, so equates to 2.7GW incremental investment, versus AGL's 4.8GW incremental investment over the same period.

When considering energy security, Morgan Stanley estimates AGL's and Origin's closure versus investment plans leave the National Electricity Market short, but to be fair, policy auctions are incentivising supply, and Origin also makes a material contribution to East Coast domestic gas markets.

AGL's largest shareholder (10%-plus), Mike Canon-Brookers' Grok Ventures, refused to endorse the company's updated CTAP at last week's AGM, labelling it as inadequate, the *SMH* reported. Grok said AGL's commitments were "largely unchanged" from two years ago and fall short of the Paris Agreement target.

Grok's votes accounted for the majority of proxy votes that opposed the CTAP, while 70% of votes supported it.

Origin's second CTAP sets out a comprehensive framework for decarbonising its operations, Jarden reports, reaffirming the company's ambition to achieve net zero Scope 1, 2 and 3 emissions by 2050. The 2025 plan builds on Origin's 2022 strategy and reflects both progress and challenges of Australia's energy transition and will be subject to an advisory shareholder vote at the company's upcoming AGM.

Origin's CTAP maintains the medium- and long-term climate targets first set in 2022: a -40% reduction in equity emissions intensity and a -20Mt absolute reduction by 2030 (from an FY19 baseline), and net zero emissions by 2050.

While the plan outlines areas of progress, delivery remains highly dependent on several factors, Jarden notes, including Eraring power station's closure, the speed of renewables and transmission build-out, and customer and partner progress on Scope 3 emissions.

ESG Updates

BHP Group ((BHP)) has held an ESG roundtable and South32 ((S32)) a CTAP briefing, while Fortescue ((FMG)) has released its CTAP.

BHP is seeing solid progress on Scope 2, Macquarie reports, however, diesel displacement remains a challenge, with battery electrification the preferred option.

South32's operational decarbonisation is focused on aluminium (over 90% of operational emissions). Fortesuce's CTAP includes a slight change in the time frame on real zero target to 2030-31 from 2029-30, more focus on cable electric solutions, and reduced mentions of green hydrogen.

There has been some momentum on sustainable aviation fuel (SAF), through the Western Australian government's $1.1bn investment. The International Air Transport Association expects SAF to represent 0.7% of jet fuel in 2025. Qantas Airways ((QAN)) has a target for 10% SAF in its fuel mix by 2030, increasing to 60% by 2050, however, Macquarie suggests Australian SAF mandates likely need to see significant uptake.

Moving to the 'S' in ESG, the Federal Court has found Coles Group ((COL)) and Woolworths Group ((WOW)) underpaid around 30,000 salaried managers over several years.

Woolworths estimates additional remediation costs could reach -$530m (-$331m previously paid), while Coles estimates remediation at -$150-250m (-$31m previously paid). A further hearing is scheduled for October 25 to determine compensation for affected employees.

And to the 'G', the UN's first AI Governance meeting was held at the recent General Assembly with all 193 UN Member States to consider effective global AI governance given no global frameworks.

Two new bodies were introduced, *Global Dialogue on AI Governance* and *Independent International Scientific Panel on AI*.

Notably, points out Macquarie, the US delegation pushed back on the idea of centralised AI governance.

Safety

Over the FY25 period to date, 16 fatalities have been reported across ASX200 industrials, retail, mining and oil & gas companies, down from 19 in FY24, with the majority occurring in the mining and industrials sectors.

While the FY25 dataset is not yet complete, early trends suggest some improvement, Jarden notes, with leading safety indicators generally moving in the right direction among companies that report them.

At the same time, recordable injury outcomes have shown positive progress, with the Jarden-calculated **Total Recordable Injury Frequency Rate** (TRIFR) average easing from 6.5 in FY24 to 5.2 in FY25.

Despite these gains, many TRIFRs remain elevated, with 17 companies above seven in FY25. These include Qantas (21.3), JB Hi-Fi's ((JBH)) The Good Guys (20.0), Coles (14.7), Metcash ((MTS)) (13.8), JB Hi-Fi brand (13.0), Woolworths (12.9), Boss Energy ((BOE)) (12.7), Sigma Healthcare ((SIG)) (12.7), Super Retail ((SUL)) (12.1), Ramelius Resources ((RMS)) (11.1), Endeavour Mining (10.2), IGO Ltd ((IGO)) (10.2), and Wesfarmers ((WES)) (9.5).

Jarden notes while high on an absolute basis, some are below industry averages, eg the air transportation industry was 30 in the FY24 period.

The largest increases in TRIFR were noted at Boss Energy, JB Hi-Fi (group), Auckland International Airport ((AIA)), Worley ((WOR)), Mineral Resources ((MIN)), Ramelius, Coles, and Aurizon Holdings ((AZJ)).

Europe

With the 1 January start date for the EU's **Carbon Border Adjustment Mechanism** (CBAM) approaching, investor interest in the outlook for CBAM has intensified, particularly regarding the potential for delays.

Morgan Stanley provides an overview of changes to CBAM so far and a perspective on what lays ahead.

The CBAM is the EU's tool to put a fair price on carbon emitted during the production of carbon-intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries. It is effectively a carbon tariff.

The CBAM will have implications for in-scope sectors (cement, iron & steel, fertiliser, aluminium, hydrogen and electricity) and EU carbon prices, Morgan Stanley notes. There will be a review of CBAM before it is scheduled to start on 1 January.

Morgan Stanley sees export rebates and anti-circumvention measures as likely to be announced given the Commission has said it intends to address both concerns.

In the analysts' view, gradual adjustments to CBAM only increase the likelihood of its timely implementation. Morgan Stanley's base-case forecasts assume a timely start, but the analysts see three potential reasons CBAM could be delayed: lack of industry readiness (most likely), trade tensions, and economic concerns.

Any delay to CBAM must be matched by a delay to the phase-out of free Emissions Trading Scheme (ETS) allowances. Failing to align these timelines would disadvantage EU producers, Morgan Stanley notes.

Bio-Stimulants

Morgan Stanley has hosted Axioma Biologicals, a French biotech firm that designs and manufactures plant-based bio-stimulant solutions for improving agriculture yields under increasing climate stress.

There is a growing opportunity for bio-stimulants (promote plant resilience) over bio-controls (pest protection) due to varying regional restrictions for chemical fertilisers. Plant-based bio-stimulants can be tailor made for specific crop type, region and type of climate peril, though developing the right solution can take 2-5 years.

Morgan Stanley notes these solutions can enhance yield by 5-10% under climate stress. Other benefits include improved chlorophyll activity, shelf life and nutrient uptake.

Premium pricing is balanced by yield productivity gains and resilience. While R&D and distribution raise costs, scalability can drive them down over time.

Near-term growth markets include Australia and South America due to favorable regulation, large farm sizes, and limited agricultural subsidy protection.

FNArena's dedicated ESG Focus news section zooms in on matters Environmental, Social & Governance (ESG) that are increasingly guiding investors preferences and decisions globally. For more news updates, past and future:
https://fnarena.com/index.php/financial-news/daily-financial-news/category/esg-focus/

INTERNATIONAL

Why This AI Cycle Might Just Be Different

AI investment has collided with a technology stock market melt-up prompting a cri-de-coeur of 'bubble'.

-Bubble warnings clash with evidence of self-funded growth as tech giants pour cash into AI
-Hyperscaler capex surges to record levels, underpinning the global data centre build-out
-Productivity gains emerge across finance, healthcare and retail as AI adoption accelerates
-China's AI Plus Initiative signals global competition, with trillions in digital investment ahead

By Danielle Ecuyer

Bubble warnings meet a stock market melt up

Media have been flooded with speculation and experts opining on the "AI technology bubble", drawing comparisons to the Dot-Com internet crash as evidence investors have been drawn into a similar paradigm of 2025's modern day boom and bust cycle driven by FOMO and irrational euphoria.

Value investor Porter Collins, one of Steve Eisman's team who bet against the US housing market and collateralised debt obligations prior to the 2007 GFC crash, tweeted on the back of a US$100bn deal between the world's largest company Nvidia and OpenAI,

"This is no doubt a positive for both companies in the near term, but this is close to full Ponzi".

'Ponzi' because of the circularity of the deal whereby Nvidia has invested US$100bn in OpenAI who will in turn invest in 10GWs of data centre capacity using Nvidia hardware. For context, Nvidia's market capitalisation is tickling all time highs of US$4.59trn at US$188.89 per share and has generated cash flow from operations of almost US$70bn in 1H26.

Concerns around AI and the associated investment spend coincide with US technology stocks continuing to drag major US indices higher over the last quarter, and more surprisingly for some, over the often-volatile month of September.

The S&P500 rose 3.53% last month, the strongest September performance in 15 years, for a quarterly return of 7.79%. Nasdaq was the outperformer, up 5.61% in September and 11.24% over the quarter against a backdrop of ongoing macro concerns on tariffs, the US government shutdown and rising global geo-political risks.

Chinese big tech had an even more pronounced bullish surge, led by Alibaba and Tencent. Alibaba Cloud reported 26% revenue growth in its latest quarterly report and is reported as having 33% market share in China's cloud infrastructure market.

As previously discussed in FNArena's ongoing GenAI series (available at https://fnarena.com/index.php/tag/gen-ai/), the financial metrics around AI spend and the associated ancillary infrastructure are eye-wateringly large and at such scale, the nominal numbers almost become meaningless.

However, the rate of growth and change as of now has shown no signs of abating. For every bear calling the doomsday bell on AI and technology stocks, there are a suite of analysts crunching the latest numbers on the outlook for data centres, a major theme for Australian investors.

Before our readers jump off the AI narrative, maybe another glance is justified according to the most recent research insights and updates on this matter.

Are historical precedents clouding judgment?

Prior to taking a deep dive into the findings, a presentation by Tom Lee of Fundstrat on his General Principles for Investing focused on a topic that was also highlighted some years back by Hamish Douglas, formerly of Magellan, on cognitive bias.

Lee framed it as **“Stop carrying a ‘Lehman hammer’”** to avoid cognitive bias. In the context of what Porter Collins tweeted as a value investor, Lee is a renowned growth investor.

One could do worse than contemplating the possibility of bias once share prices have risen, resulting from historical experience and events like the GFC, which for many was a traumatic experience.

Billionaire founder of Amazon, Jeff Bezos was recently interviewed and asked about AI and investment bubbles at Reuters' Italian Tech Week.

What follows is a snap shot which sheds some of Bezos' thoughts on what seems to be happening today.

"Benjamin Graham, the great investor, is famous for saying in the short term the stock market is a voting machine; in the long term it's a weighing machine and so as founders and entrepreneurs and business people our job is to build a heavy company.

"We want to build a company that when it is weighed it is a very heavy company. We do not want to focus on the stock price and so that is, you know, that will be misleading because it can be disconnected from the fundamentals and when bubbles happen. So that's one thing that happens.

"The second thing that happens when people get very excited as they are today about artificial intelligence, for example, is every experiment gets funded. Every company gets funded. The good ideas and the bad ideas. And investors have a hard time in the middle of this excitement distinguishing between the good ideas and the bad ideas.

"And so that's also probably happening today. But it doesn't mean that anything that's happening isn't real. AI is real and it is going to change every industry.

"In fact, it's a very unusual technology in that regard in that it's a horizontal enabling layer. Today we talk about AI first companies like OpenAI an Anthropic and Mistral and so. There are so many startup companies that are kind of AI companies of various kinds and that's normal for this phase.

"But that is not the biggest impact that AI is going to have. The biggest impact that AI is going to have is it is going to affect every company in the world. It is going to make their quality go up and their productivity go up. I mean every company, literally every manufacturing company, every hotel, every you know consumer products company etc. And so that is hard to fathom, but it's real.

"There is no doubt we don't know how long it will take exactly. We don't know how quickly that transition will occur, and it'll probably occur at different rates in different industries. But that is very real."

The interview is available in full: https://youtube.com/live/4wTSZDZ_seU?si=yJyIhqjlkPhDImt4

Hyperscaler capex is accelerating not slowing

According to I/O Fund tech analyst Beth Kindig, the **“AI bubble narrative ignores the re-acceleration in big tech capex”.**

Kindig touches on why the AI trade was weaker earlier in 2025, beyond the tariff impacts. Total capex in 1Q2025 came in at US$77.3bn, a rise of 62.4% on the prior year but down -2% on the previous quarter, which could account for the concerns around the durability of spend.

The broad-based decline of investment from three of the four hyperscalers suggests it was a timing issue and power constraints emerged as the main reason for the quarter-on-quarter decline rather than a secular change.

By 2Q2025, as recently reported, hyperscaler capex rose 23% on the first quarter to US$95bn and up 63% on the prior year, with multiple flagged upgrades to 3Q2025 investment spend. The Street’s 2025 capex targets moved to around US$359bn from circa US$300bn, a 30% rise in the quarterly updates from the hyperscalers.

The spend is across servers, data centre shells, interconnects, cooling and networking. Microsoft guided its capex higher, now expected to reach US$80bn, above consensus' original expectation of US$63bn at the start of 2025.

Alphabet (Google), Amazon, and Meta all communicated upgrades, with the latter’s capex up 100% in 2Q on the previous year and up 24% on 1Q25.

The AI spend was not only confirmed as not slowing, but in fact it is accelerating.

Microsoft exemplifies the rate of investment and demand

Morgan Stanley has postured that OpenAI’s US$300bn contract with Oracle infers capacity constraints with Microsoft and the latter's preference to serve a higher-margin, long-term value, diversified enterprise customer.

Taking a deep look into the latest Microsoft results, the analyst stresses the acceleration in Azure (hyperscaler business) to 39% growth annually in constant currency, with commercial bookings up 35% and total value of contracted future revenue that has not yet been recognised up 35%.

Looking ahead, Morgan Stanley forecasts capex-implied Azure AI revenues of US$88.2bn to US$205.8bn in FY29 versus US$10.38bn to US$24.1bn in FY25, based on a 30% to 70% gross margin range.

CFO Amy Hood noted, *"our margins on the AI side of the business are better than they were at this point by far than when we went through the same transition and the server to cloud transition"*.

Even though Azure AI generated US$13bn at an estimated gross margin of 45%, the analyst’s forecasts adopt a more conservative 30% future gross margin, which infers considerable revenue upside if margins come in closer to 50% down the track.

Microsoft, Amazon, Google and Meta, on a trailing twelve-month basis, have generated US$493.31bn in cash from operations. Some US$291.35bn was allocated in capex, implying as long as the hyperscalers are growing earnings and cash flow, then funding can continue.

The hyperscaler and data centre thematic also includes the ongoing transition to the cloud.

The latest CIO survey results indicated an estimated 44% of application workloads are in the public cloud, up from 40% in 2Q2024. Morgan Stanley notes CIOs expect 68% of workloads to be in the public cloud by 2027 and 32% to remain 'on premise' over the next three years.

Growth in demand for data centres continues

In July research from consultants EY Parthenon highlighted Boston Consulting Group's estimation of data centre demand growth of up to 491% from 2024 to 2030.

JP Morgan sits mid-range projecting 223% growth through to 2028, while a conservative estimate by Electric Power Research Institute forecasts demand could come in above 130% on the upper end over the next six years.

Boston Consulting Group estimates hyperscalers will need to invest around US$1.8trn between 2024 and 2030 to meet both AI and cloud demand.

In other forecasts as highlighted by Kindig, Bank of America estimates global data centre spending will rise 25% in 2025 to US$506bn and maintain a 20%-plus growth rate for the next three years.

McKinsey & Co projects capacity will nearly triple to 219GW by 2030 with AI contributing 70% of that demand at 156GW.

Citi's Global Tech team has upgraded its AI hyperscaler capex through to 2029 by around 20% to US$2trn, with 2026 capex upgraded by 17% to US$490bn, equalling 55GWs of net new compute capacity for AI.

E&P's latest technology update shows hyperscalers are likely to spend over US$600bn on capex next year.

Productivity gains monetise AI

AlpineMacro pointed to the Chair of AI and Robotics at Singularity University: **"AI is moving so fast it is now a blur".**

The research had two major takeaways: AI is *"rapidly evolving from a specialised tool into a fully democratised general-purpose technology"* and *"it's not just enhancing innovation – it's accelerating the entire innovation cycle."*

From a productivity perspective, the traditional macro-economic models are failing to pick up on the full impact of AI.

The author argues impacts are more visible in knowledge-based sectors including law, software, healthcare and finance, where AI is able to enhance output, reduce latency on decision-making and facilitate more complex problem-solving.

Integration of AI into workflows is uneven, with industrial applications lagging in terms of economic metrics.

Wrapping some estimated numbers around possible impacts, Morgan Stanley calculated the potential FY26 EBIT/EBITDA uplift from operating cost efficiencies underpinned by agentic AI implementation for Softlines Retail and Brands (Gap, Macy's and Victoria's Secret for example) by around 20% on average, with margins up around 200bps from cost savings of circa US$6bn.

The examples were ranked highest in terms of AI "reward" and "recognition" scorecard.

JP Morgan announced its AI program called LLM Suite, an internal portal using OpenAI to employ large language models across its extensive databases and software applications.

The bank's chief data analytics officer Derek Wauldron explained JP Morgan is being "fundamentally rewired" for the AI era. This was a major topic at a four-day executive retreat in July.

FNArena sources say the offering is basically a ChatGPT wrap product for JP Morgan which can create simple PowerPoint presentations and Excel spreadsheets.

Is it being used in-house? Definitely yes, which just lends support to the adoption use cases of this technology and the demand.

"The broad vision that we're working towards is one where the JPMorgan Chase of the future is going to be a fully AI-connected enterprise," Wauldron stated.

In Citi's discussion of possible AI impacts on productivity, this broker points to academic research that around 20%-40% of production tasks could be AI-automated, leading to labour cost savings of between 30%-40%.

In turn, this suggests a productivity gain of 6% to 16%, or growth on average of 0.5ppts to 1.5ppts a year.

Citi states AI investment is supporting US economic growth through demand-side impacts, and it remains early in the evolution with only 5% of GenAI projects at full scale and creating “meaningful” value.

AI investment is approaching levels that characterised the 1990s productivity boom. A read-through suggests the US could experience a similar productivity boom in the next few years.

Citi concludes AI technologies are still in an adoption phase where capex is being invested on data centres, electricity generation and grids, and in hardware to build out the infrastructure.

While still at an early stage, the potential productivity gains from AI appear significant. ChatGPT’s parent OpenAI, post the latest share sale for around US$6.6bn, is valued at US$500bn versus US$300bn at the US$40bn SoftBank Group raising in March.

That is a 67% uplift in six months and now places OpenAI as the world’s most valuable start-up, after SpaceX at US$400bn in July.

It is a global trend?

Chinese AI-related stocks have been performing strongly.

On August 29th, China’s State Council released the “AI Plus Initiative”, which articulated the country will “seek extensive and deep integration of AI application” across Science and Technology, Industrial Development, consumption upgrade, people’s well-being, governance and global co-operation, including targets of 70% penetration by 2027 and 90% penetration by 2030.

Cit's analysis highlights a US$1.6trn investment required to meet global digital connectivity. A large proportion of the gaps are in developing economies.

The share of greenfield investments in the digital economy between 2020 and 2024 has grown to 28% from 20%, respectively, with Asia and large emerging markets —Mexico, Brazil and Saudi Arabia— being the largest recipients.

Funding from the US has been the largest source, followed by Taiwan, China, Singapore and Korea.

European asset manager Amundi has also looked at China’s position and “race for technological leadership” and concluded the race is far from over.

Amundi posits the US continues to hold major advantages in capital markets and innovation ecosystems, in contrast to Chinese regulators which historically crack down on the financial sector.

For China to move forward technologically, it needs to focus on end-demand innovation, with Amundi cautioning the country’s policies could crowd out market forces and stifle the development of innovation.

A Different Cycle to the 1990s (according to ChatGPT itself)

All of the above suggests today’s cycle is profoundly different to the late 1990s. The DotCom boom was characterised by companies with little revenue, no profits, and business models often untested in the real world.

When capital dried up, the bubble burst. In contrast, today’s AI build-out is being financed by the most profitable companies in history, deploying their own immense cash flows into physical infrastructure such as servers, data centres, cooling systems, and interconnects.

For investors, the implications are clear. Volatility is inevitable, and valuations will be debated fiercely, but the foundations of the AI era are being laid by companies with balance sheets and income statements to match.

The risks may lay more in execution, regulation, and power supply than in a speculative collapse.

The cycle may prove disruptive, but it is unlikely to end in the same implosion that scarred the technology sector a generation ago.

Technical limitations

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

Find out why 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

INTERNATIONAL

Aussie Dividends Lagging Global Trend

Dividends are experiencing a firm uptrend globally but Australia is not keeping up. Gone are the days when iron ore producers featured among the world's top payers.

-ASX' Top dividend payers are paying out less
-Iron ore miners, energy companies are reducing payouts, with further cuts expected
-Globally dividends are experiencing strong uptrend
-Japan's structural pivot toward shareholder returns includes strong growth in dividends

By Rudi Filapek-Vandyck

Gone are the days when Australia's largest iron ore miners sat on top of the world for largest annual dividend payments to shareholders; that was so 2021.

This year, top dividend payers are largely made up of US and European listed companies let by Microsoft, Nestle, Novartis, Exxon Mobil and HSBC Holdings.

The world's number one ranking remains with China Construction Bank Corp, which has managed to consolidate its position as the world's largest dividend payer (although by paying out less than in the year prior).

Domestically, BHP Group ((BHP)) and Rio Tinto ((RIO)) remain top dividend destinations on the ASX, paying out respectively US$7.4bn and US$7bn in their fiscal 2024 years.

'Seven' is also the magical starting number for CommBank ((CBA)), albeit in Australian dollars, with Australia's largest lender paying out $7.8bn to its shareholders in FY24.

Alas, the trend is not that favourable for shareholders in each of Australia's heavyweight dividend payers.

For the fiscal year to June 30, 2025 BHP Group paid out -US$1.8bn less. Fortescue ((FMG)) equally reduced its payout to $3.4bn from $6.1bn in FY24.

Rio Tinto's fiscal year runs January-December and its half-yearly payout of US$3.8bn was -7% below the US$4.1bn paid out for the first half of 2024.

CommBank, on the other hand, still managed to increase its payout to $7.94bn in FY25.

As indicated, the latest global rankings by Capital Group no longer features any of Australia's dividend champions inside the Global Top 20.

Top payers, $bn

	H1 2024		H1 2025
China Construction Bank Corp.	13.5	China Construction Bank Corp.	13.4
HSBC Holdings plc	11.7	Microsoft Corporation	12.3
Microsoft Corporation	11.1	Nestle SA	9.7
Nestle SA	8.8	Novartis AG	8.7
Novartis AG	8.6	Exxon Mobil Corp.	8.6
Costco Wholesale Corp	7.6	HSBC Holdings plc	8.2
Apple Inc	7.5	Apple Inc	7.6
Exxon Mobil Corp.	7.5	JPMorgan Chase & Co.	7.4
JPMorgan Chase & Co.	6.3	Taiwan Semiconductor Manufacturing	6.7
Petroleo Brasileiro S.A. Petrobras	6.3	Allianz SE	6.6
Mercedes-Benz Group AG	6.1	BNP Paribas	6.1
Chevron Corp.	6.0	Johnson & Johnson	6.1
Johnson & Johnson	5.9	Chevron Corp.	6.0
Allianz SE	5.8	Abbvie Inc	5.8
BNP Paribas	5.6	Verizon Communications Inc	5.7
Verizon Communications Inc	5.6	PepsiCo Inc	5.7
Abbvie Inc	5.5	Broadcom Inc	5.5
Kweichow Moutai Co Ltd	5.3	Toyota Motor Corporation	5.5
PepsiCo Inc	5.3	Walmart Inc	5.4
Taiwan Semiconductor Manufacturing	5.3	Axa	5.4
Top 20	**$145.6**	**Top 20**	**$146.6**
Top 20 as % of topline total	**13.7%**	**Top 20 as % of topline total**	**12.8%**

Global Dividend Payers - Top20 - Capital Group

Source: Capital Group

Capital Group's global study shows global dividends surged to a record US$1.14trn in the first half of 2025, with Australia one of the few weak spots as falling commodity prices forced big miners to cut cheques to shareholders.

Capital Group's **Global Equity Study – Dividend Watch (Edition 1, Sept 2025)** tracks payouts across the world's 1,600 largest listed companies.

The global picture

-**Topline growth**: Worldwide dividends rose 7.7% year-on-year in H1; on a cleaner "core" basis (excluding FX moves, timing shifts and specials), growth was 6.2%.

Ordinary dividends have risen to fresh highs, with specials still elevated but a touch lower than 2024.

-**Sector leader**: Financials did the heavy lifting, paying a record US$299bn and accounting for roughly two-fifths of global growth.

Banks led, with names from Japan (Mitsubishi UFJ), the US (JPMorgan) and Singapore (DBS) among the biggest dividend lifters.

The situation looks less buoyant for Australian banks who paid out less in the first half because Westpac ((WBC)) paid a special last year that was not repeated.

Equally so: when three of Australia's Big Four report FY25 financials in November total dividends paid out by ANZ Bank ((ANZ)) and Westpac ((WBC)) for the year are projected to fall short of last year's numbers.

-**Regional stand-outs**: Japan was this year's breakout story with 13.8% core growth, reflecting record profits and a shift toward shareholder returns.

Continental Europe grew more slowly (5.6% core) as auto makers trimmed payouts.

-**Where growth may slow in H2**: The report notes the seasonal mix in the second half favours slower-growing regions --the UK, China and Australia-- implying a softer global run-rate into year-end.

Australia: miners drag, specials mask the pain

-**Core trend**: Australia's core dividends fell -10.6% in H1 2025. The culprits were cuts from BHP, Fortescue and

Rio Tinto, which together shaved -US$2.4bn from payouts as lower commodity prices pressured cash flows.

Woodside Energy ((WDS)) and Santos ((STO)) also reduced.

-Topline vs reality: Headline payouts in US dollars dipped -2.3%; in Australian dollars they rose 1.0%, flattered by a very large special dividend from Suncorp Group ((SUN)) following the sale of its banking operations to ANZ Bank.

-Concentration effect: The study stresses the ASX's heavy skew to a handful of miners, energy majors and big financials, making it "hard for the second tier to make much impact" when the giants tighten the taps.

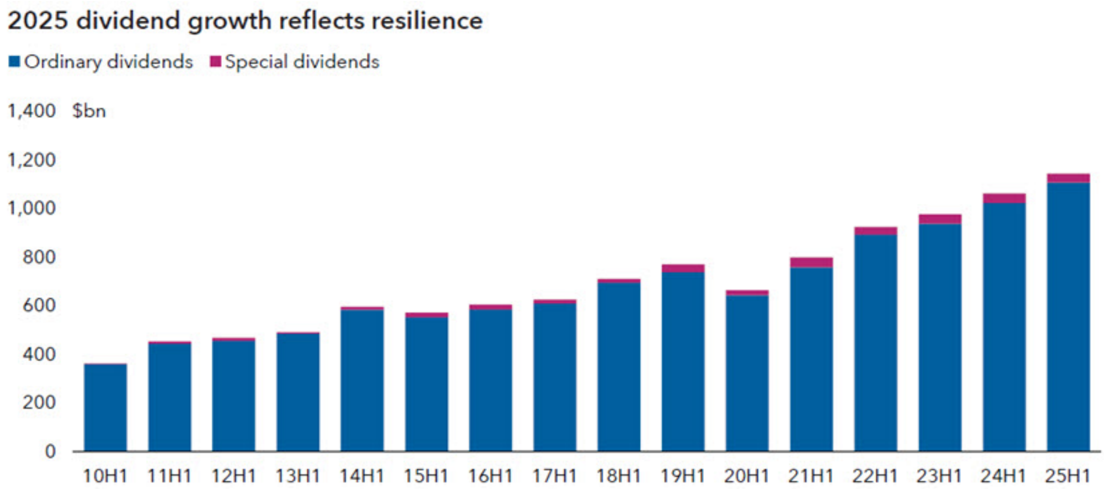
What it means for Australian income investors

-Expect a patchier H2: With seasonality leaning toward Australia and other slower cohorts, headline growth is likely to cool in the back half.

-Banks vs resources: Globally, banks and insurers are supporting dividend growth; resources are the laggard.

That mix argues for diversified income beyond the local miners (and energy producers).

-Watch Japan's reform tailwind: For investors not afraid to move offshore, Japan's structural pivot toward shareholder returns --and double-digit core growth-- offers a contrasting income stream to Australia's commodity cycle.



2025 Dividend Growth Globally - Capital Group

On current forecasts, BHP is expected to reduce its dividend in FY26, and again in FY27. Rio Tinto, whose fiscal years runs January-December, is expected to pay out less for 2025 than last year, but with an increase expected next year.

Fortescue's annual dividends are equally projected to reduce in each of FY25 and FY26.

Woodside Energy cut its dividend in 2024 and is projected to cut again in each of 2025 and 2026. Consensus sees Santos paying out less in 2025, but expects this company to lift its dividend next year.

For more details: see **Stock Analysis** on the website.

Technical limitations

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

Find out why 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]

RUDI'S VIEWS

Rudi's View: All Eyes On Corporate Results

The current public debate in and around global financial markets intertwines two key points of discussion that are not by default each other's twins or equals.

By Rudi Filapek-Vandyck, Editor

On one side is the observation that equities are pricing in a lot of good news, which always carries the risk for disappointment.

On the other side are growing concerns that many hundreds of billions of investments in AI and AI infrastructure are setting the stage for the next 'bubble' to burst.

While many a public warning does not differentiate between the two, there are valid reasons to do so, if only because respective outcomes might not be as straightforward as suggested.

What if the answer to the question whether equities are presently overvalued is 'yes', but the AI megatrend as investment theme continues to charge ahead (after initially correcting lower in line with the broader market)?

In case anyone finds this a rather preposterous proposition given the many doubts and questions raised by megatrend critics, investors are reminded the US economy is showing plenty of signals pointing towards slowing momentum and a deteriorating outlook for jobs.

Were large institutions to adopt a more defensive portfolio positioning, depending on how long and how deep concerns about economic momentum would stretch, it is not inconceivable funds looking for relative safe havens would flow back into the same megacaps and AI beneficiaries that have dominated US markets for the past 2.5 years.

And yes, that would really fire up those voices warning about irrational bubbles already.

Many are wary, frustrated and anxious about share markets

When valuations are high

Virtually nobody disputes the fact equity markets globally, including in Australia, look 'expensive'.

Whether this justifies the many warnings about a bubble waiting to burst is a different matter.

Many of such warnings seem based on generalised, face value calculations of today's markets in comparison with precedents from the past.

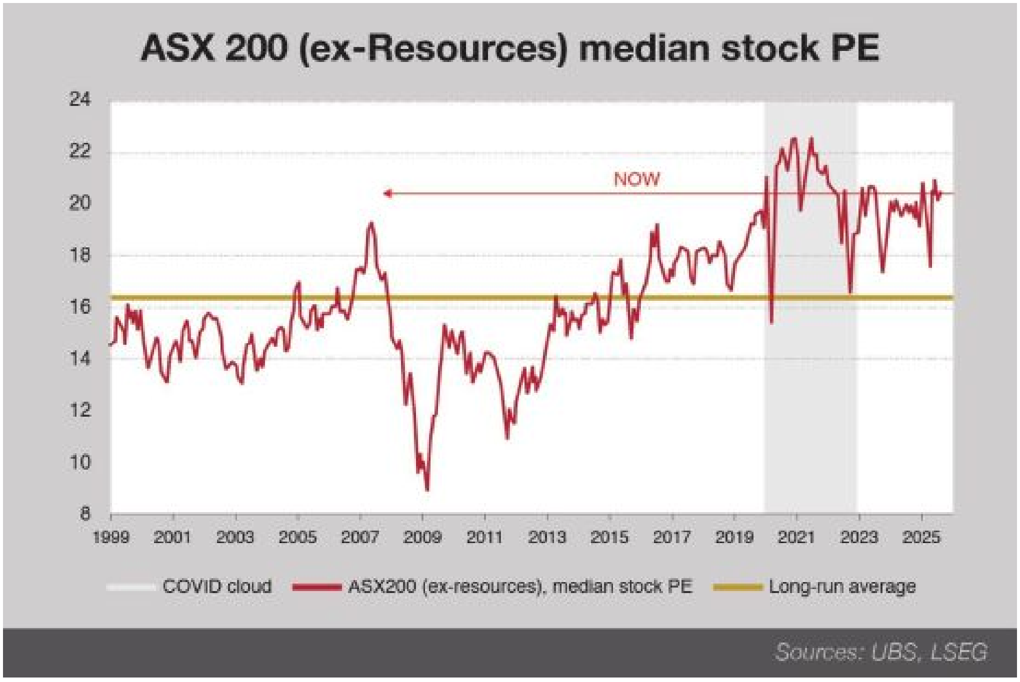
One easy to make counter-argument is that indices change. In Australia, the ASX200 has changed rather dramatically in recent years.

Consider, for example, both Pro Medicus ((PME)) and TechnologyOne ((TNE)) are now included in the ASX50 with PE multiples well-above average, joining the likes of Cochlear ((COH)), ResMed ((RMD)), WiseTech Global ((WTC)) and Xero ((XRO)).

Plus let's not forget today's local market heavyweight, CommBank ((CBA)), good for circa 12% of the major index, is trading on a forward-looking (FY26) multiple of 26.7x - this would have been considered inconceivable only a few years ago.

If we just stick to those two factors, it should be beyond discussion we can no longer simply rely on generalised calculations to truthfully assess where market valuations sit in 2025, in particular vis a vis the past.

The chart below was last updated in September, post the August results season, and nothing much has changed since for the main index components outside of resources.



ASX 200 ex-Resources median stock PE 550

Two main conclusions stand out from it:

-valuations, on average, have noticeably lifted post 2016

-valuations are currently high, but not at levels we haven't seen before post 2019

So, yes, nothing here suggests markets are 'cheap' or 'undervalued' but maybe warnings about bubbles bursting and deep sell-offs forthcoming look just a little over the top?

America leads

The situation in the US, still leading the rest of the world including on AI, is different from Australia.

Valuations are higher and so is the representation of AI. There's arguably a lot more speculative momentum trading going on over there too.

US equities have enjoyed 114 sessions without a -5% pullback, which is on par with that multiple for CommBank shares; a rather rare occurrence.

Citi's proprietary Panic/Euphoria index (renamed Levkovich Index after the death of its former strategist who devised this market indicator) sits well into Euphoria territory, indicating overall sentiment is simply too bullish, at least for the time being.

This is nothing out of the ordinary and nothing other technical indicators haven't equally been flashing for a while now.

It is but one key reason as to why so many have been anticipating a pause in the uptrend, or a pull back, even a correction, but so far US market momentum has refused to play to that script.

September is normally almost a guarantee for a pickup in volatility and market vulnerabilities, but not so in 2025.

Goes without saying, the absence of September weakness for US markets serves as yet more evidence to doom and gloomers that equities truly are in a bubble, but any tangible 'evidence' for such predictions remains limited to what appears biased interpreting of facts and indicators.

Once we convince ourselves there's an irrational, euphoric bubble forming, it's not too difficult to find more evidence to underpin this assessment, but that doesn't make it an accurate analysis.

Citi's **Bear Market Checklist** is showing no more than 8 out of 18 signals are currently flashing red or orange, which is nowhere near the 17.5 recorded prior to 2000 or the 13 in October 2007.

Back in late 2021, before the Federal Reserve had to pivot into tightening policy, along with global bond yields jumping higher, depressing valuations of growth stocks, Citi's Bear Market Checklist had nine items flashing red or orange for the US.

Hence, it is possible today's markets could be in for a rough ride in 2026, but that's seldom a matter of valuation.

Something fundamentally will need to change.

Australia, the laggard

The Australian share market did not follow its offshore peers towards higher highs in September with many of the local stalwarts suffering funds outflows in favour of commodities and smaller caps.

Whether this will be of any significance if/when US equities finally stumble, or worse, remains to be seen.

But at least one local indicator --Macquarie's FOMO Meter-- is signalling the September pause has taken the sting out of local market sentiment which is no longer measuring as excessively exuberant.

Similarly, and in contradiction to Citi's Euphoria reading and other technical signals, Macquaries FOMO Meter for US equities is equally suggesting market sentiment is positive, but maybe not yet too positive.

Momentum remains narrow

What is too often ignored in market analyses and assessments is US market concentration and dominance in investor portfolios can be justified on the basis of achieved earnings and cash flows.

Understandably, institutional investors do not want simply to be buying the same stocks year in, year out and many have been wishing for a broadening of the bull market.

A recent clients' tour by analysts at RBC Capital signalled many are frustrated as US market momentum continues to revert to the same megatrend and mega-growth companies.

Indeed, after a brief revival for value over growth and for small caps generally, recent momentum in the US is back with 'old leadership'.

A broadening in this bull market away from the usual suspects has been anticipated on multiple occasions over the past number of years, but when exactly will this happen in a sustainable manner?

On some forecasts, more time is required for Fed rate cuts to come through and stimulate the US economy, which would improve the outlook for smaller cap companies and thus broaden their appeal.

Most economic projections that have entered the FNArena inbox this past number of weeks are signalling economic weakness ahead for the US, before momentum is projected to pick up throughout 2026.

Up until such reversal in momentum, investors might have to deal with the fact that strong earnings growth is still the privilege of the minority and, yes, AI features prominently among those.

Quarterlies and AGMs

Maybe the upcoming quarterly reporting season in the US can provide us all with some answers about earnings momentum, capex commitments, AI developments and --equally important-- the general mood among investors.

One crucial factor underlying this year's strong uptrend for US equities has been the fact that earnings growth thus far has steadfastly surprised to the upside (not in Australia, though).

We know the potential scenario in case of an underwhelming result and/or guidance, but what if --as some forecasters are suggesting-- US quarterly earnings will yet again surprise positively?

In Australia, post-August results to date have been mostly uninspiring, see https://fnarena.com/index.php/reporting_season/

The RBA is equally less likely to cut as much and as quickly as the Federal Reserve.

It'll be a while yet before investors can assess financial results from three of the major banks locally, as well as from local growth companies such as Aristocrat Leisure ((ALL)), TechnologyOne ((TNE)) and Xero ((XRO)), hence the all-importance of US quarterlies in the short term.

This week also sees local AGM season taking off with the likes of Redox ((RDX)), REA Group ((REA)) and Perenti ((PRN)) among the first.

Those market updates too might prove crucial for market sentiment generally over the weeks ahead, including TechOne's first AI-driven product announcement on Thursday.

Markets are reflecting optimism

As far as macro factors are concerned, current elevated levels for US indices seems to suggest investors expect no negative impact from US import tariffs, which might prove too optimistic.

Consensus forecasts also seem to suggest there's more margin expansion on the horizon, no doubt partially based on expectations of AI-driven efficiencies.

But a lower USD, bond markets behaving and nothing untoward from the White House, on top of Fed rate cuts and better economic conditions in 2026, are all crucial factors for these forecasts to be achieved.

What about AI being in a bubble waiting to burst?

History suggests new technological innovations, be they steam engines, rail roads, electricity or the internet, ultimately stumble on too high expectations fuelled by too many investments on too rosy projections.

I have yet to see any evidence this principle already applies to AI in 2025.

See also last week's https://fnarena.com/index.php/2025/10/01/rudis-view-ai-boom-reveals-our-inner-bias/

Maybe upcoming results releases by Microsoft, Nvidia and others can counter some of investors' concerns?

Review All-Weather Model Portfolio

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

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

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

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

Model Portfolios, Best Buys & Conviction Calls

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

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)

(This story was written on Monday, 6th October 2025. It was published on the day in the form of an email to paying subscribers, and again on Wednesday as a story on the website).

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

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

WEEKLY REPORTS

Weekly Ratings, Targets, Forecast Changes - 03-10-25

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

By Mark Woodruff

Guide:

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

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

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

Summary

Period: Monday September 29 to Friday October 3, 2025
Total Upgrades: 15
Total Downgrades: 17
Net Ratings Breakdown: Buy 59.23%; Hold 31.85%; Sell 8.92%

For the week ending Friday, October 3, 2025, FNArena tracked fifteen upgrades and seventeen downgrades for ASX-listed companies from brokers monitored daily.

The size of percentage rises in average target prices outweighed reductions for the sixth week in a row largely driven by mining-related stocks after commodity price forecast upgrades by Macquarie and Ord Minnett.

Outside of resources, cyber safety and parental control platform operator Qoria and automotive retailer Eagers Automotive enjoyed average target price rises of 17% and 11%, respectively.

Last week, Bell Potter initiated coverage on Qoria with a Buy rating and 90 cent target price, the highest among daily monitored brokers in the FNArena database.

Scrutiny of the tables below shows Qoria also appears atop the list for negative change to average earnings forecasts. This is due to lower forecasts by Bell Potter than previously existing brokers in the database; Ord Minnett and Shaw and Partners.

Bell Potter pointed to Qoria's strong position in global cyber safety, noting the company already serves 17m students worldwide and has expanded into the parental market with over 8m users.

Qoria's ecosystem model spans networks, devices, and third-party platforms. The broker sees the business nearing an inflection point, with positive free cash flow expected in FY26.

Management's FY26 guidance also suggests to Bell Potter the Rule of 40 measure will be attained for the first time. When adding the company's revenue growth rate to the profit margin, a combined score of 40% or more is seen as a sign of strong financial health and balance between growth and profitability.

During the week, Eagers Automotive announced the purchase of a 65% equity stake in CanadaOne for -$1,044m, funded via $386m in scrip and $658m in cash.

According to Macquarie, the Canadian market is around 1.6 times larger than the Australian market and has grown at a long-term rate of up to 5.5% versus the Australian market at 3.4%.

Management is helping finance the purchase by a $452m entitlement offer of around 21.5m new shares at $21, a discount of -28.4% from the previous closing share price.

Ord Minnett raised its target for Eagers to $31.00 from $23.50 and upgraded to Accumulate from Hold, given the deal will be around 15% earnings-per-share accretive on a pro-forma June 2025 basis.

Accretion will be supported by CanadaOne's above-average sales, 4% return on sales, and strong parts and service contribution, explained the analysts.

Morgan Stanley acknowledged offshore expansion risks and stretched management focus but felt these were offset by vendor participation and execution capability. The owner/founder of CanadaOne, Pat Priestner, will retain a 30% stake in operating companies and 35% in property, noted Macquarie.

Tenth position on the table for target price rises this week didn't preclude a material (9%) increase in average target for diversified mining services business Perenti, after Hold-rated Bell Potter raised its target to $2.80 from $2.15.

The broker explained a strong gold price and Perenti's ability to meet or exceed guidance have been factors in the share price outperforming the ASX300 in the last year, rising by 130%.

Owing to changes in debt forecasts due to refinancing and more robust medium-term targets, Bell Potter raised its FY26 and FY27 EPS estimates for the company by 12% and 22.9%, respectively.

The analyst pondered whether market EPS upgrades were likely or whether consensus EPS estimates forecasting flat future EPS growth will limit the stock's upside.

Apart from Qoria, Eagers Automotive, and Perenti, all other positive changes in the list for target prices relate to higher commodity pricing forecasts, as do nine of the ten positive changes to brokers' average earnings forecasts; Dyno Nobel being the exception.

While the focus is now entirely on the explosives business at Dyno Nobel following completion of the sale of its fertiliser distribution business, Citi noted a recovery in diammonium phosphate (DAP) prices could result in upside to second half earnings from Phosphate Hill manufacturing.

Macquarie agreed and raised its EPS forecasts by 18% for FY25 and 11% for FY26 due to a better than anticipated performance from the fertiliser unit. Morgans forecasts FY26 earnings for Phosphate Hill will be the second highest on record at $315m.

Dyno Nobel has sold the downstream operations which marketed and sold fertiliser products, but retained ownership of Phosphate Hill, its upstream manufacturing and mining asset in Queensland. The sale process for this asset is ongoing and should a buyer not be found by March 2026; it will be closed by September 2026.

Turning to the commodity price upgrades last week, here Macquarie raised its 2026 price forecast for gold by 22% to US$3,475/oz (average).

Ord Minnett also lifted most of its commodity price forecasts, including copper up 11% in 2026, gold rising 5% in 2025 and 18% in 2026, thermal coal up 11% in 2026, and lithium spodumene up 25% in 2026, reflecting expectations of a more balanced supply outlook.

This broker maintains a preference for Rio Tinto over BHP Group among the large, diversified miners, citing stronger volume growth potential and more attractive valuation multiples.

Base metals continue to be favoured over bulks, with Alcoa preferred in aluminium, while Newmont Mining and Capricorn Metals are the favoured gold exposures.

Focused on the Karlawinda and Mount Gibson projects in Western Australia, Capricorn Metals sits atop the table for positive change to target prices and sneaks into the top 10 for rise in average earnings forecast.

Other companies appearing in both tables are Greatland Gold (Havieron gold-copper project in WA), Aeris Resources (copper, zinc, and gold across Queensland and New South Wales), and exploration company Minerals 260 which is targeting copper, nickel, and platinum group metals via its flagship Mynt project located in WA's Julimar region.

In contrast, copper-focused 29Metals appears in the positive target price table but also in the negative change in earnings forecast list which involves current year forecasts.

To explain, Macquarie's EPS forecast for 29Metals was trimmed by -11% for FY25 but lifted sharply for FY26. Both Macquarie and Ord Minnett raised their targets but downgraded their respective ratings to Neutral and Sell.

Macquarie lowered its 2025 production forecasts for 29 Metals, with zinc guidance withdrawn after seismic events at Xantho Extended, an underground ore zone within the Golden Grove operation. The broker also cited the stock's strong recent share price performance.

Other beneficiaries of higher commodity price forecasts were gold miner Newmont Corp (with a higher average target) and higher average forecasts for lithium miners Pilbara Minerals and PMET Resources, along with Vault Minerals (gold), and Capstone Copper.

Elsewhere, Morgans updated coverage on New Hope after assigning a new research analyst, resulting in a -10 cent lower target of $4.35 and a downgrade in rating to Accumulate from Buy.

The analyst acknowledged the FY25 result in mid-September was solid despite an -8% profit fall on -16% lower coal prices.

The suggestion made is that production growth is supported by low-cost, long-life assets, with upside from thermal coal prices, which are likely near a natural floor.

Total Buy ratings in the database comprises 59.23% of the total, versus 31.85% on Neutral/Hold, while Sell ratings account for the remaining 8.92%.

Upgrade

AMP LIMITED ((AMP)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 3/2/0

Ord Minnett has reviewed its diversified financials and insurance coverage following a mixed September quarter. The broker sees a muted earnings outlook with ongoing headwinds weighing on near-term growth prospects.

While operating trends remain subdued, current valuation multiples already reflect much of the softer earnings profile, suggests the analyst.

The broker still sees upside for AMP after the class action settlement removed a major risk overhang.

With a stronger balance sheet and capital position, Ord Minnett believes the settlement effectively clears the decks for the wealth manager. Consequently, the broker's rating is upgraded to Buy from Accumulate. Target to $1.95 from $1.52.

EAGERS AUTOMOTIVE LIMITED ((APE)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 4/1/1

Eagers Automotive has agreed to acquire a 65% stake in CanadaOne for $1,043m. The target is ranked among the country's top five dealerships and holding over $700m in freehold property, highlights Ord Minnett.

The broker raises its target for Eagers to $31.00 from $23.50 and upgrades to Accumulate from Hold, given the deal will be around 15% earnings per share accretive on a pro-forma June 2025 basis.

Accretion will be supported by CanadaOne's above-average sales, 4% return on sales, and strong parts and service contribution, explain the analysts.

The broker notes founder Pat Priestner retains 35% ownership and will also hold a 7% interest in Eagers, while Mitsubishi will invest -$50m in Eagers and acquire 20% of Easyauto123 for -$70m.

ASX LIMITED ((ASX)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 1/3/2

Ord Minnett has reviewed its diversified financials and insurance coverage following a mixed September quarter. The broker sees a muted earnings outlook with ongoing headwinds weighing on near-term growth prospects.

While operating trends remain subdued, current valuation multiples already reflect much of the softer earnings profile, suggests the analyst.

For the ASX, Ord Minnett upgrades its rating to Accumulate from Hold, reflecting a more appealing valuation and what the broker sees as reduced earnings risks for the market operator. The target is reduced to $63.00 from $64.50.

BELLEVUE GOLD LIMITED ((BGL)) Upgrade to Buy from Hold by Ord Minnett .B/H/S: 2/0/0

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto ((RIO)) over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

Bellevue Gold is upgraded to Buy from Hold with a higher target price of $1.40 from $1.10.

DETERRA ROYALTIES LIMITED ((DRR)) Upgrade to Buy from Hold by Ord Minnett .B/H/S: 2/3/0

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto ((RIO)) over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

Deterra Royalties is upgraded to Buy from Hold with a higher target of $4.50 from $4.40.

GLOBAL LITHIUM RESOURCES LIMITED ((GL1)) Upgrade to Neutral from Underperform by Macquarie .B/H/S: 0/2/0

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

Copper and aluminium forecasts have lifted modestly for 2025-26 and remain below consensus for 2026. Nickel forecasts raised, but remain -2% below consensus, with the broker having an even-weight/neutral view.

Forecast spodumene prices cut by -3–14% for 2025-26, now -1–11% below consensus, so an underweight. The broker lifted iron ore price forecast in the short term (2025-26) and is underweight longer term.

Met coal price forecast little changed, and alumina/zinc/manganese price estimates are all below consensus, with the broker retaining an underweight view.

EPS forecast for Global Lithium Resources lifted by 13% for FY26 but cut by -30% for FY27.

Target rises to 35c from 13c. Rating upgraded to Neutral from Underperform.

IGO LIMITED ((IGO)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 2/2/1

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto ((RIO)) over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

IGO Ltd is upgraded to Accumulate from Hold. Target lifts to $5.50 from $5.25.

NIB HOLDINGS LIMITED ((NHF)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 2/2/1

Ord Minnett has reviewed its diversified financials and insurance coverage following a mixed September quarter. The broker sees a muted earnings outlook with ongoing headwinds weighing on near-term growth prospects.

While operating trends remain subdued, current valuation multiples already reflect much of the softer earnings profile, suggests the analyst.

For the health insurers, the broker's revenue and margin expectations have been revised lower.

Ord Minnett continues to favour nib Holdings over Medibank Private, citing a stronger earnings outlook and more appealing valuation.

The target for nib Holdings rises to $8.50 from $7.65, and the rating is upgraded to Buy from Accumulate.

NICKEL INDUSTRIES LIMITED ((NIC)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 4/2/0

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

Copper and aluminium forecasts have lifted modestly for 2025-26 and remain below consensus for 2026. Nickel forecasts raised, but remain -2% below consensus, with the broker having an even-weight/neutral view.

Forecast spodumene prices cut by -3–14% for 2025-26, now -1–11% below consensus, so an underweight. The broker lifted iron ore price forecast in the short term (2025-26) and is underweight longer term.

Met coal price forecast little changed, and alumina/zinc/manganese price estimates are all below consensus, with the broker retaining an underweight view.

EPS forecast for Nickel Industries lifted by 8% for FY25 and by 36% for FY26.

Target rises to 80c from 73c. Rating upgraded to Outperform from Neutral.

PREDICTIVE DISCOVERY LIMITED ((PDI)) Upgrade to Buy from Hold by Ord Minnett .B/H/S: 1/0/0

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto ((RIO)) over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

EPS forecast for Predictive Discovery lifted by 30% for FY26 but trimmed by -3.9% for FY27.

Target price 50c. Rating upgraded to Buy from Hold.

PANTORO GOLD LIMITED ((PNR)) Upgrade to Hold from Sell by Bell Potter .B/H/S: 1/2/0

Bell Potter upgrades Pantoro Gold to Hold from Sell with a lift in target price to $5.35 from $4.40 post FY25 results.

The highlight, as viewed by the analyst, was the better financial performance, including a more robust balance sheet and a simplified capital structure for the miner. A US$12.5m convertible debt facility was closed with a 1:17 share consolidation.

Earnings (EBITDA) margins lifted to 55% in the past year compared to 11% in FY24, with a further uplift anticipated in FY26 to 65%, while free cash flow turned positive at $78m from -$12m in FY24.

Management has reiterated the medium-term production target of 200kozpa-plus on mill filling to 1.4mtpa with a higher grade of 4.5g/t of gold.

Bell Potter lowers its FY26 earnings forecast by -21% on higher depreciation assumptions and lifts FY27 by 3%.

PERPETUAL LIMITED ((PPT)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 2/3/0

Macquarie marks-to-market the Asset Managers under research coverage where funds under management (FUM) have been supported by "robust" global markets in September and muted currency movements.

For Perpetual, the broker raises its target to $23.95 from $22.85 on a revised valuation method and upgrades to Outperform from Neutral give the stock has underperformed the ASX200 by -12.7% since FY25 results.

The upcoming September FUM update in mid-October is expected to drive consensus upgrades.

QUBE HOLDINGS LIMITED ((QUB)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 2/2/0

Ord Minnett upgrades Qube Holdings to Buy from Accumulate, retaining a $4.52 target due to the recent weakness in the share price.

Volume of full TEUs handled through the four major ports advanced 3.9% for the two months of FY26, which is viewed as positive for Patrick Stevedoring.

The analyst believes the good level of diversification across sectors and geographies insulates the earnings from one-off contract losses, noting product suspension for at least one resource customer over the first half of FY26.

Ord Minnett continues to forecast EPS growth of 6% for FY26 and sees good support from both the energy and agri sectors, alongside a pickup in volumes for Moorebank IMEX.

RESOLUTE MINING LIMITED ((RSG)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 1/1/0

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto ((RIO)) over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

EPS forecast for Resolute Mining lifted by 20% for FY26 and by 53% for FY27.

Target rises to $1.10 from $0.80. Rating upgraded to Accumulate from Hold.

SUPPLY NETWORK LIMITED ((SNL)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 1/0/0

Ord Minnett has upgraded Supply Network to Buy from Accumulate following recent share price weakness.

The broker reminds the company is expanding strategically to capture the fleet market, a major untapped segment for commercial vehicle parts.

The company's recent investments have driven cost of doing business (CODB) higher, but the broker is confident it will help in driving revenue growth over the longer term.

Target unchanged at $41.50.

Downgrade

29METALS LIMITED ((29M)) Downgrade to Sell from Hold by Ord Minnett and Downgrade to Neutral from Outperform by Macquarie.B/H/S: 0/2/2

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto ((RIO)) over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

Ord Minnett downgrades 29Metals to Sell from Hold with a higher target of 40c from 30c.

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

Copper and aluminium forecasts have lifted modestly for 2025-26 and remain below consensus for 2026. Nickel forecasts raised, but remain -2% below consensus, with the broker having an even-weight/neutral view.

Forecast spodumene prices cut by -3–14% for 2025-26, now -1–11% below consensus, so an underweight. The broker lifted iron ore price forecast in the short term (2025-26) and is underweight longer term.

Met coal price forecast little changed, and alumina/zinc/manganese price estimates are all below consensus, with the broker retaining an underweight view.

EPS forecast for 29Metals trimmed by -11% for FY25 but lifted sharply higher for FY26.

Target rises to 50c from 40c. Rating downgraded to Neutral from Outperform.

ATLANTIC LITHIUM LIMITED. ((A11)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 0/1/0

Macquarie has a 16c target price on Atlantic Lithium. Rating downgraded to Neutral from Outperform.

AERIS RESOURCES LIMITED ((AIS)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 3/1/0

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

Copper and aluminium forecasts have lifted modestly for 2025-26 and remain below consensus for 2026. Nickel forecasts raised, but remain -2% below consensus, with the broker having an even-weight/neutral view.

Forecast spodumene prices cut by -3–14% for 2025-26, now -1–11% below consensus, so an underweight. The broker lifted iron ore price forecast in the short term (2025-26) and is underweight longer term.

Met coal price forecast little changed, and alumina/zinc/manganese price estimates are all below consensus, with the broker retaining an underweight view.

EPS forecast for Aeris Resources lifted sharply for FY26 and by 90% for FY27.

Target rises to 50c from 28c. Rating downgraded to Neutral from Outperform.

CAPRICORN METALS LIMITED ((CMM)) Downgrade to Underperform from Neutral by Macquarie .B/H/S: 2/0/1

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

EPS forecast for Capricorn Metals lifted by 23% for FY26 and by 16% for FY27.

Target rises to $11 from $10. Rating downgraded to Underperform from Neutral.

CAPSTONE COPPER CORP. ((CSC)) Downgrade to Hold from Buy by Ord Minnett .B/H/S: 3/1/0

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto ((RIO)) over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

Ord Minnett downgrades Capstone Copper to Hold from Buy. Target price is raised to $13 from $12.

CORPORATE TRAVEL MANAGEMENT LIMITED ((CTD)) Downgrade to Neutral from Buy by Citi .B/H/S: 3/4/0

Citi notes Corporate Travel Management shares have been on a trading halt since late August after the company became aware material corrections would need to be made to its financial statements.

The broker remains positive on the stock due to reasons including a major UK contract win starting FY26, and because the likely adjustments appear to be for the European business and are non-cash.

Still, the uncertainty has prompted a downgrade to Neutral from Buy. Target price rises to $16.10 from $15.65 on higher market multiples.

EMERALD RESOURCES NL ((EMR)) Downgrade to Lighten from Hold by Ord Minnett .B/H/S: 0/0/0

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto ((RIO)) over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

Emerald Resources is downgraded to Lighten from Hold. Target price is raised to $4.30 from $3.65.

NEW HOPE CORPORATION LIMITED ((NHC)) Downgrade to Accumulate from Buy by Morgans .B/H/S: 1/2/1

Morgans updated its model for New Hope on transition of coverage to Chris Creech, adjusting production, costs, capex, and key inputs.

Notable changes included a lower WACC, delayed Safeguard impacts, reduced New Acland yields, revised short-term ROM production, and higher capex.

FY25 result was described as solid by the broker, considering the -8% y/y net profit decline was achieved amid -16% y/y fall in thermal coal prices.

Looking ahead, the broker notes production growth is supported by low-cost, high-margin, long-life assets, underpinning long-term strength.

Upside comes from thermal coal prices likely having found a natural floor, making the company a high-quality exposure to the next price cycle.

Target trimmed to $4.35 from $4.45. Rating downgraded to Accumulate from Buy.

PERSEUS MINING LIMITED ((PRU)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 1/3/0

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

EPS forecast for Perseus Mining lifted by 29% for FY26 and by 81% for FY27.

Target rises to $4.70 from $4.10. Rating downgraded to Neutral from Outperform

RAMSAY HEALTH CARE LIMITED ((RHC)) Downgrade to Underweight from Equal-weight by Morgan Stanley .B/H/S: 0/5/1

Morgan Stanley lowers its target for Ramsay Health Care to $31.30 from $36.70 and downgrades to Underweight from Equal-weight. Industry View: In-Line.

The broker notes Australian private hospital growth slowed in 2H25, with utilisation falling despite supportive demographics.

The analysts forecast around 2% annual hospital volume growth in FY26-28, though EBIT margins in Australia and France are expected to contract further in FY26 before stabilising in FY27.

Indexation benefits are being offset by higher costs and revised Joondalup funding, highlights the broker.

Morgan Stanley sees potential upside from strategic options for Ramsay Sante but highlights timing as uncertain. The broker's EPS forecasts for FY27 and FY28 fall to levels -7% and -13% below consensus, respectively.

RIO TINTO LIMITED ((RIO)) Downgrade to Accumulate from Buy by Ord Minnett .B/H/S: 1/5/0

Ord Minnett has updated its commodity price forecasts as the Sept quarter wraps up, following a robust performance for commodities over the period.

The impacts of the US tariffs and trade war seem, at this stage, less than feared and, combined with supply-side challenges, commodities have held up well over the quarter.

The broker has raised most of its price forecasts, highlighting a rise in copper by 11% for 2026; gold up 5% for 2025 and 18% for 2026; thermal coal up 11% for 2026; and lithium spodumene up 25% in 2026 on more balanced supply.

The preferred stocks are Rio Tinto over BHP Group ((BHP)); Alcoa ((AAI)) for aluminium; and in the golds, Newmont Corp ((NEM)) and Capricorn Metals ((CMM)).

EPS forecast for Rio Tinto lifted by 10% for FY25 and by 23% for FY26.

Target rises to $127 from $121. Rating downgraded to Accumulate from Buy.

RAMELIUS RESOURCES LIMITED ((RMS)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 2/1/0

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

EPS forecast for Ramelius Resources lifted by 24% for FY26 and by 67% for FY27.

Target rises to $3.70 from $3.30. Rating downgraded to Neutral from Outperform

REGIS RESOURCES LIMITED ((RRL)) Downgrade to Underperform from Neutral by Macquarie .B/H/S: 2/1/4

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

EPS forecast for Regis Resources lifted by 49% for FY26 and by 114% for FY27.

Target rises to $5.20 from $4.40. Rating downgraded to Underperform from Neutral.

VEEM LIMITED ((VEE)) Downgrade to Hold from Buy by Ord Minnett .B/H/S: 1/1/0

Veem announced a new US$33m, nine-year defence contract with Northrop Grumman and a $14m capital raise to strengthen funding, all while pointing to a disappointing 1H26 EBITDA forecast.

Ord Minnett highlights the 1H26 EBITDA forecast represents a -45% downgrade to its forecasts earlier. The company expects a pick-up in 2H, but the broker is not confident it will be enough to meet its previous FY26 EBITDA estimate.

The outcome is a -20% downgrade to FY26 EBITDA forecast.

Target drops to $1.75 from $1.90. Rating downgraded to Hold from Buy.

WEST AFRICAN RESOURCES LIMITED ((WAF)) Downgrade to Underperform from Outperform by Macquarie .B/H/S: 1/0/1

Macquarie has updated its forecasts for commodities. In the short-term, the broker is overweight gold, with its 2026 price forecast rising by 22% to US$3,475/oz.

EPS forecast for West African Resources lifted by 6% for FY25 and by 46% for FY26. However, target price cut to $3.00 from $3.40 on a doubling of WACC to 25% from 12.5% to reflect country risk.

Rating downgraded to Underperform from Outperform

WAGNERS HOLDING CO. LIMITED ((WGN)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 0/1/0

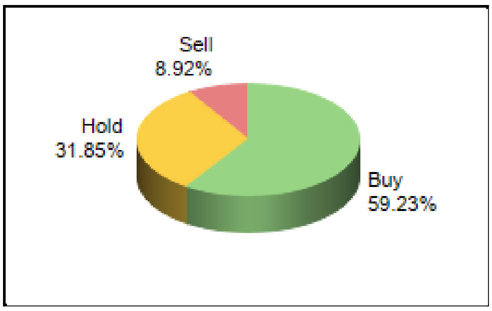
Morgans notes around 14% of Wagners Holding Co's shares were transacted in the past month but the share price was still up 8.2%.

The company made a $30m institutional share placement at $2.60/share and the Wagner Family sold $36m of their holding at $2.56/share, reducing their stake to 44%. The broker highlights the raising is dilutionary as it is used to reduce debt.

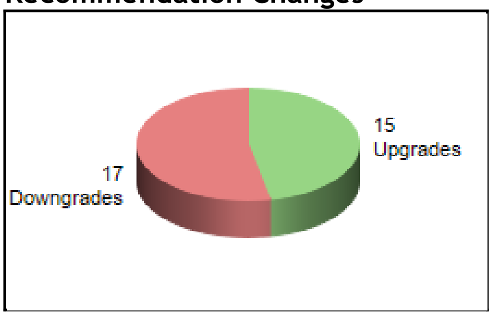
The broker remains of the view the company is well-positioned for SEQ growth and Olympics-driven demand, with smart capex in CFT and CM. But risk/reward now looks balanced.

Rating downgraded to Hold from Accumulate. Target rises to $2.90 from $2.75 on roll-forward to FY27.

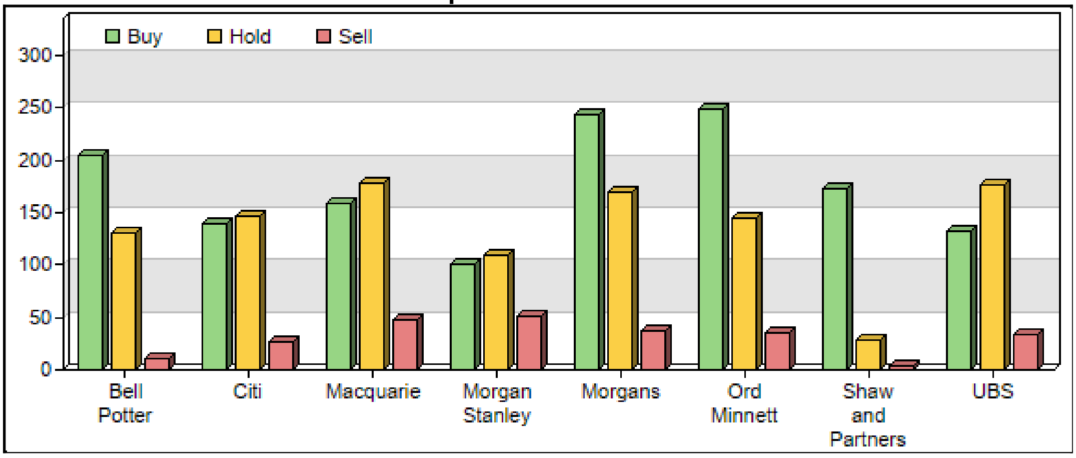
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	AMP LIMITED	Buy	Buy	Ord Minnett
2	ASX LIMITED	Buy	Neutral	Ord Minnett
3	BELLEVUE GOLD LIMITED	Buy	Neutral	Ord Minnett
4	DETERRA ROYALTIES LIMITED	Buy	Buy	Ord Minnett
5	EAGERS AUTOMOTIVE LIMITED	Buy	Neutral	Ord Minnett
6	GLOBAL LITHIUM RESOURCES LIMITED	Neutral	Sell	Macquarie
7	IGO LIMITED	Buy	Buy	Ord Minnett
8	NIB HOLDINGS LIMITED	Buy	Buy	Ord Minnett
9	NICKEL INDUSTRIES LIMITED	Buy	Neutral	Macquarie
10	PANTORO GOLD LIMITED	Neutral	Sell	Bell Potter
11	PERPETUAL LIMITED	Buy	Neutral	Macquarie
12	PREDICTIVE DISCOVERY LIMITED	Buy	Neutral	Ord Minnett
13	QUBE HOLDINGS LIMITED	Buy	Buy	Ord Minnett
14	RESOLUTE MINING LIMITED	Buy	Neutral	Ord Minnett
15	SUPPLY NETWORK LIMITED	Buy	Buy	Ord Minnett
Downgrade				
16	29METALS LIMITED	Neutral	Buy	Macquarie
17	29METALS LIMITED	Sell	Neutral	Ord Minnett
18	AERIS RESOURCES LIMITED	Neutral	Buy	Macquarie
19	ATLANTIC LITHIUM LIMITED.	Neutral	Buy	Macquarie
20	CAPRICORN METALS LIMITED	Sell	Neutral	Macquarie
21	CAPSTONE COPPER CORP.	Neutral	Buy	Ord Minnett
22	CORPORATE TRAVEL MANAGEMENT LIMITED	Neutral	Buy	Citi
23	EMERALD RESOURCES NL	Sell	Neutral	Ord Minnett
24	NEW HOPE CORPORATION LIMITED	Buy	Buy	Morgans
25	PERSEUS MINING LIMITED	Neutral	Buy	Macquarie
26	RAMELIUS RESOURCES LIMITED	Neutral	Buy	Macquarie
27	RAMSAY HEALTH CARE LIMITED	Sell	Neutral	Morgan Stanley
28	REGIS RESOURCES LIMITED	Sell	Neutral	Macquarie
29	RIO TINTO LIMITED	Buy	Buy	Ord Minnett
30	VEEM LIMITED	Neutral	Buy	Ord Minnett
31	WAGNERS HOLDING CO. LIMITED	Neutral	Buy	Morgans
32	WEST AFRICAN RESOURCES LIMITED	Sell	Buy	Macquarie

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	CMM	CAPRICORN METALS LIMITED	14.367	11.333	26.77%	3
2	GGP	GREATLAND RESOURCES LIMITED	9.633	7.900	21.94%	3
3	29M	29METALS LIMITED	0.298	0.248	20.16%	4

4	QOR	QORIA LIMITED	0.697	0.595	17.14%	3
5	AIS	AERIS RESOURCES LIMITED	0.393	0.338	16.27%	4
6	MI6	MINERALS 260 LIMITED	0.390	0.340	14.71%	3
7	APE	EAGERS AUTOMOTIVE LIMITED	25.513	22.954	11.15%	6
8	MIN	MINERAL RESOURCES LIMITED	39.957	36.617	9.12%	7
9	NEM	NEWMONT CORPORATION REGISTERED	131.800	121.000	8.93%	5
10	PRN	PERENTI LIMITED	2.667	2.450	8.86%	3

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	RHC	RAMSAY HEALTH CARE LIMITED	34.720	35.620	-2.53%	6
2	PMV	PREMIER INVESTMENTS LIMITED	24.117	24.700	-2.36%	6
3	DGT	DIGICO INFRASTRUCTURE REIT	4.190	4.250	-1.41%	5
4	KAR	KAROON ENERGY LIMITED	2.130	2.160	-1.39%	5
5	NXT	NEXTDC LIMITED	19.867	20.100	-1.16%	6
6	ASX	ASX LIMITED	62.967	63.700	-1.15%	6
7	CPU	COMPUTERSHARE LIMITED	38.490	38.880	-1.00%	5
8	MPL	MEDIBANK PRIVATE LIMITED	5.045	5.087	-0.83%	6
9	SIQ	SMARTGROUP CORPORATION LIMITED	9.198	9.265	-0.72%	5
10	QBE	QBE INSURANCE GROUP LIMITED	24.537	24.709	-0.70%	7

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	MI6	MINERALS 260 LIMITED	-0.500	-0.850	41.18%	3
2	PLS	PILBARA MINERALS LIMITED	-0.680	-1.140	40.35%	7
3	AIS	AERIS RESOURCES LIMITED	6.375	5.250	21.43%	4
4	PMT	PMET RESOURCES INC	-17.550	-21.819	19.57%	5
5	VAU	VAULT MINERALS LIMITED	3.800	3.267	16.31%	3
6	DNL	DYNO NOBEL LIMITED	21.200	18.425	15.06%	5
7	GGP	GREATLAND RESOURCES LIMITED	76.300	66.850	14.14%	3
8	CSC	CAPSTONE COPPER CORP.	26.880	24.064	11.70%	4
9	AMI	AURELIA METALS LIMITED	3.100	2.800	10.71%	3
10	CMM	CAPRICORN METALS LIMITED	62.550	56.800	10.12%	3

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	QOR	QORIA LIMITED	-0.867	-0.350	-147.71%	3
2	MEI	METEORIC RESOURCES NL	-2.767	-1.133	-144.22%	3
3	29M	29METALS LIMITED	0.633	0.767	-17.47%	4
4	NHC	NEW HOPE CORPORATION LIMITED	32.775	36.825	-11.00%	4
5	QUB	QUBE HOLDINGS LIMITED	16.267	17.300	-5.97%	4
6	NXT	NEXTDC LIMITED	-18.650	-17.975	-3.76%	6
7	MIN	MINERAL RESOURCES LIMITED	115.260	119.500	-3.55%	7
8	PMV	PREMIER INVESTMENTS LIMITED	116.480	119.980	-2.92%	6
9	BPT	BEACH ENERGY LIMITED	16.683	17.100	-2.44%	7
10	APE	EAGERS AUTOMOTIVE LIMITED	101.517	103.571	-1.98%	6

Technical limitations

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

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

WEEKLY REPORTS

Uranium Week: September Spot Price Rips

September isn't just a favourite song from Earth, Wind and Fire, it was also a great month for the U308 price and stocks.

-Morgan Stanley forecasts US$2.2trn in global nuclear investment by 2050
-US utilities face growing uranium supply gap despite higher prices
-Spot market volumes hit two-year high as Sprott and Yellow Cake buy in
-NexGen and Lotus advance Canadian and African uranium projects

By Danielle Ecuyer

Macro picture paints a positive scene for U308

Morgan Stanley Wealth Management points to the affirmation of a “nuclear renaissance” which the broker initially forecast in June 2024.

Increased support from the US administration, in combination with strong growth in demand for reliable clean power from hyperscalers as AI infrastructure is built out, continues to frame a positive outlook for the sector.

The base case for new nuclear capacity globally is forecast at 586GW by 2050, growth of 53% from 2024, with much of the expansion concentrated in India, China, and the US, with only 50% of the US' and Indian targets expected to be met by 2050.

Interestingly, the new capacity growth in Central & Eastern Europe, the Middle East, and Africa has surprised to the upside and could be to the benefit of Japan and Korea. Combined markets for these regions make them the second largest after China.

Small modular reactors continue to be considered a next-decade technology. Only four are in operation across the world, with five under construction. The US has the most robust pipeline of 17 SMR projects. Morgan Stanley forecasts the technology could be online by 2030 and achieve between 2-5GWs by 2035.

Capital investment of around US$2.2trn is forecast, up from US$1.5trn estimated last year. In contrast to forecasts from the International Energy Agency and the International Atomic Energy Agency, Morgan Stanley’s estimates are pitched lower and more conservatively.

Weight of money has also been moving more favourably towards the sector, with global assets under management that exclude nuclear power at 2.3% at the end of 2024 compared to alcohol at 2.9%, military contracting at 4.7%, and gambling at 5.1%.

A more positive disposition to lending to the industry has also evolved, with the likes of the World Bank removing its financing ban which had been in place for decades.

US utilities expected to face uranium stock shortfall

The US Energy Information Administration warned last week that utilities signed fewer contracts for delivery last year due to higher uranium prices. The organisation warned higher costs are encouraging utilities to postpone decisions to cover future fuel needs, even though less than one tenth of uranium delivered to US reactors is usually bought on the spot market.

In 2024, US civilian nuclear power reactors acquired 55.9mlbs of U308 equivalent, up 8% on 2023, at a weighted average price of US$52.71/lb compared to US$43.6/lb the prior year, the highest price since 2012.

Canada was the largest source at 36% of total deliveries in 2024, followed by Kazakhstan and Australia, at 24% and 17%, respectively.

The organisation forecasts the uranium supply gap could grow to -184mlbs, or more than three years of consumption. A lack of long-term supply deals may require more utilities to move to shorter-term plans to keep reactors going.

What happened in September

After a lacklustre and sporadic start to the month, according to industry consultants TradeTech, activity and spot prices picked up over the last two weeks, carrying the Global X Uranium ETF with it, up nearly 15%.

Sprott Physical Uranium Trust was back in action, raising US$307.6m over September and acquiring 3.4mlbs of U308. The investment fund currently has over 72mlbs of U308 with cash of US$92.9m (operational costs are cited at US$44m p.a.).

As highlighted in last week's FNArena Uranium Weekly (https://fnarena.com/index.php/2025/09/30/uranium-week-sprott-spurs-spot-price-glow/), London-listed Yellow Cake plc raised US$125m to purchase 1.33mlbs of U308, using the company's purchase option for 2025 under its agreement with Kazatomprom.

TradeTech's U308 spot price rose US$6.95/lb from August 31 and compares to the April low of US$64/lb, up US$19.25/lb.

Over the month, the consultant's U308 spot price rose on average 1.8% per week, with 5.6mlbs of U308 equivalent traded on the spot market. This is the highest monthly volume in over two years, with buying interest from utilities, physical funds, traders, and producers.

TradeTech's Mid-term U308 price indicator came in at US$87/lb versus US$80/lb at August 31, and the Long-term price indicator at US$84/lb against US$82/lb at August 31.

Over the course of last week, wrapping up the end of September and the start of October, the TradeTech spot price fell -US$1.25/lb to US$81.25/lb. The Mid-term price sits at US$87/lb and the Long-term price at US$84/lb.

Nine transactions were conducted over the week, with four on Tuesday including 50klbs for delivery at Honeywell's ConverDyn facility at prices between US$83 and US$83.75/lb. Wednesday saw a further three transactions for 450klbs at US$82.75/lb.

Two transactions followed on Friday for 150klbs for October delivery to ConverDyn at US$81.25/lb and for 200klbs also for ConverDyn at the same price.

TradeTech notes the spot market is entering what is often a quieter time of the year, with much of the buying already having taken place.

The latest corporate news

NexGen Energy ((NXG)) has upscaled its announced equity capital raising with a fully underwritten offering of around 45.8m shares at $13.10 to raise $600m, or circa US$396.5m.

The developer has also issued 33.1m shares at CAD12.08 for about US$287.1m to a syndicate of underwriters. The net proceeds from the offers are to move engineering works forward for the Rook-1 project.

UBS, which does not cover the company, met up with NexGen to discuss the Rook 1 project. The analyst noted the company is more upbeat on the price outlook for uranium post the World Nuclear Association's London event, which corresponds to UBS' recent upgrade in near-term U308 price forecast by around 10% to US$80/lb.

The Rook 1 project continues to progress. The hearing with the first Canadian Nuclear Safety Commission is slated for November 19 and a second on November 26. A final decision is anticipated by April 2026.

The project is so large its nameplate capacity is anticipated to generate around 30mlbs per annum, which equates to circa 20% of supply, although the market will continue to focus on approval and US$1.6bn funding for the project, the broker suggests.

UBS continues to prefer Paladin Energy ((PDN)) and rates it Buy with a $9 target, including its Canadian Patterson Lake Project located near Rook 1.

Canaccord Genuity outlines Lotus Resources' ((LOT)) Kayelekera restart has produced its first uranium, with commissioning progressing well throughout the September quarter. Capex for the remaining restart costs stands at -US$23m, with an additional -US$20m deferred to FY26.

Post its recent US$42m capital raising and accounting for ongoing capex, Canaccord Genuity forecasts Lotus will have net working capital of around US$53m, which is believed to be sufficient to achieve first positive operating cash flow.

Nameplate production of 2.4mlbs is flagged for 1Q2026, with the miner’s restart study anticipating 600klbs of production during the first five-month ramp-up.

Compared to the broker’s forecast, management expects Kayelekera to achieve a run rate around 7-12 months ahead of expectations. In turn, this could lay the ground for Canaccord to upgrade its FY26 and FY27 production forecasts, which currently sit at around 650klbs and 1,800klbs, respectively.

The stock retains a Speculative Buy rating and unchanged 31c target price.

Short interests in September

As at September 29, Boss Energy ((BOE)) remained the second most shorted stock on the ASX200 at 17.27%, down -0.72% on the prior week and down -3.6%pts from a month earlier.

Paladin came in at sixth position at 11.30%, down -0.91% on the prior week marking a decline of -6.52% points on the prior month.

Silex Systems ((SLX)) is basically unchanged at 8.6% (thirteenth position), and Deep Yellow at 7.34%, up slightly from 7.21%, sits in nineteenth position.

For more reading on uranium see:

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

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

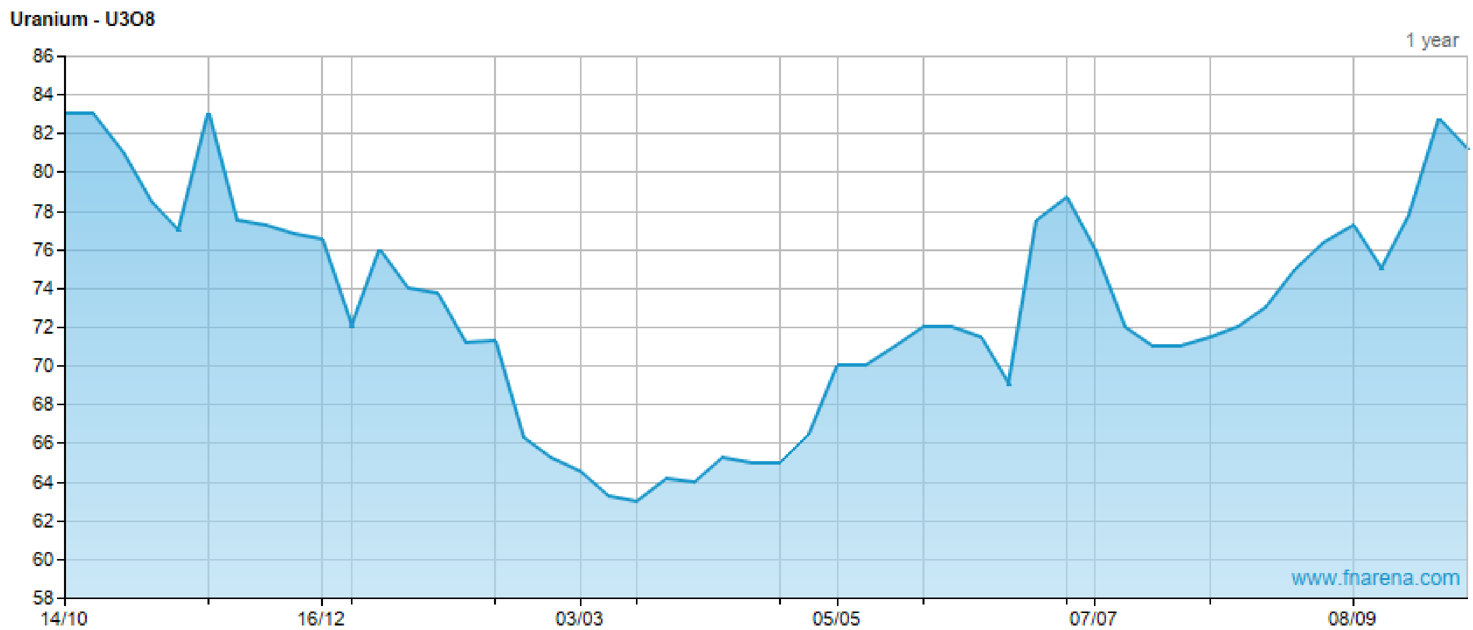
https://fnarena.com/index.php/2025/08/05/uranium-week-supply-challenges-are-mounting/

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

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	03/10/2025	0.1200	0.00%	$0.12	$0.03			
AEE	03/10/2025	0.2500	▲ 1.89%	$0.28	$0.10			
AGE	03/10/2025	0.0300	▲ 6.90%	$0.05	$0.02		$0.070	▲133.3%
AKN	03/10/2025	0.0100	0.00%	$0.01	$0.01			
ASN	03/10/2025	0.1000	▲ 5.49%	$0.13	$0.04			
BKY	03/10/2025	0.6000	▲ 3.51%	$0.67	$0.31			
BMN	03/10/2025	3.6900	▲ 2.97%	$4.01	$1.76		$4.700	▲27.4%
BOE	03/10/2025	1.9900	▼- 3.38%	$4.75	$1.57	10.6	$2.343	▲17.7%
BSN	03/10/2025	0.0600	▲ 7.02%	$0.08	$0.01			
C29	03/10/2025	0.0200	▼-16.67%	$0.13	$0.01			
CXO	03/10/2025	0.1100	▼- 8.70%	$0.14	$0.06		$0.110	

CXU	03/10/2025	0.0200	0.00%	$0.02	$0.01			
DEV	03/10/2025	0.1400	▼-19.35%	$0.18	$0.07			
DYL	03/10/2025	2.0300	▲ 7.22%	$2.11	$0.75	-402.0	$1.930	▼- 4.9%
EL8	03/10/2025	0.4600	▲20.00%	$0.49	$0.19			
ERA	03/10/2025	0.0020	0.00%	$0.01	$0.00			
GLA	03/10/2025	0.0400	0.00%	$0.04	$0.01			
GTR	03/10/2025	0.1300	0.00%	$0.13	$0.00			
GUE	03/10/2025	0.0700	0.00%	$0.10	$0.05			
HAR	03/10/2025	0.1300	▲23.81%	$0.13	$0.04			
I88	03/10/2025	0.2300	▼-15.38%	$0.72	$0.08			
KOB	03/10/2025	0.0600	▼-14.29%	$0.12	$0.03			
LAM	03/10/2025	0.7300	0.00%	$0.90	$0.55			
LOT	03/10/2025	0.2200	▲ 2.22%	$0.32	$0.13		$0.295	▲34.1%
MEU	03/10/2025	0.0500	▼- 7.27%	$0.06	$0.03			
NXG	03/10/2025	13.2300	▼- 3.38%	$14.00	$6.44		$12.925	▼- 2.3%
ORP	03/10/2025	0.0500	▲25.00%	$0.06	$0.02			
PDN	03/10/2025	8.5200	▲ 3.63%	$13.27	$3.93	65.1	$8.671	▲1.8%
PEN	03/10/2025	0.6500	▲19.64%	$2.20	$0.28		$1.330	▲104.6%
SLX	03/10/2025	6.9600	▲10.03%	$7.30	$2.28		$6.500	▼- 6.6%
TOE	03/10/2025	0.3700	▲ 9.09%	$0.43	$0.15			
WCN	03/10/2025	0.0200	▼- 4.55%	$0.04	$0.01			



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

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

WEEKLY REPORTS

The Short Report - 09 Oct 2025

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

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

Summary:

Week Ending October 2nd, 2025 (most recent data available through ASIC).

10%+

BOE	18.03%
PLS	15.86%
E200	15.03%
IEL	12.84%
DMP	12.34%
GYG	11.82%
PDN	11.76%
ILU	11.42%
PWH	10.40%
MIN	10.36%
FLT	10.13%

In: E200, FLT

9.0-9.9%

PNV	9.89%
CTD	9.81%
CUV	9.16%

Out: FLT

8.0-8.9%

SLX	8.81%
VUL	8.51%
TLX	8.48%
NAN	8.37%

7.0-7.9%

DGT	7.89%
LIC	7.38%

Out: DYL

6.0-6.9%

DYL	6.91%
LOT	6.73%
KAR	6.66%
MSB	6.65%
CU6	6.09%
BRG	6.06%
RIO	6.04%
NXT	6.04%
CIA	6.04%

In: DYL, LOT, RIO, CIA
Out: IPX

5.0-5.9%

ARB	5.89%
IPX	5.76%
IPH	5.68%
DRO	5.50%
TWE	5.46%
NEU	5.25%
LTR	5.01%

In: IPX, LTR
Out: RIO, CIA, GMD, LOT, NCK

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.3	0.4	NAB	0.6	0.7
ANZ	0.6	0.6	QBE	0.3	0.3
BHP	1.0	1.0	RIO	6.0	6.0
BXB	0.7	0.5	STO	0.5	0.4
CBA	0.6	0.7	TCL	0.2	0.2
COL	0.3	0.3	TLS	0.4	0.4
CSL	0.4	0.3	WBC	0.6	0.6
FMG	1.3	1.8	WDS	2.9	3.2
GMG	0.4	0.5	WES	0.3	0.4
MQG	0.4	0.6	WOW	1.0	1.2

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

Guide:

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

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

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

IMPORTANT INFORMATION ABOUT THIS REPORT

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

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

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

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

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

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

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

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

WEEKLY REPORTS

In Brief: Telix, Santos, Woodside & Acusensus

This week's In Brief presents two stocks which have fallen due to extraneous factors combined with an unexpected technology story.

-Parallels with CSL's golden era in sight as Telix pivots from setbacks to vertical integration
-Valuation upside and stronger production outlook as Santos re-rates against Woodside
-US Connecticut contract cements Acusensus' US growth momentum and lifts forecasts

By Danielle Ecuyer

This week's quote comes from Michael Howell, CrossBorder Capital:

"Global Liquidity is having one of its periodic slowdowns, but overall the upward trend remains intact.

"The 3-month absolute change has dropped back, although it remains in positive territory."

Telix's transition to an end-to-end pharmaceutical company

Oh, the fickle sentiment of investors and collectively markets. Telix Pharmaceuticals ((TLX)) was one of the hottest biotech stocks on the ASX until management hit a few speed bumps.

The share price correspondingly more than halved from February to September, removing the froth and some.

Enter Barrenjoey this week with an initiation of coverage on the stock describing it as **"The young, 'hot' CSL".**

The analyst believes there are real and tangible similarities between Telix's business and the future strategies management is pursuing versus those strategies used by CSL ((CSL)) in its now referred to *"golden"* development period between 2005-2018.

For context, Telix is considered an established radiopharmaceutical company, including what the analyst describes as a profitable franchise in prostate cancer diagnostic agents and imaging, known as Illuccix (sales over $1bn in FY25) and Gozellix, which generate most of its revenues.

There is also a pipeline of diagnostic and therapeutic agents which are at late-stage development, including renal assets which are viewed as under-appreciated.

Recent acquisitions have underpinned Telix' Manufacturing Solutions division in 2H24, boosting its footprint in the US.

Barrenjoey compares the biotech's vertical integration via further expansion into manufacturing as diversifying revenue streams and creating self-sufficiency in what is believed to be a developing market segment, not unlike what CSL achieved in the blood plasma market.

The vertical expansion lays the groundwork for the business to transcend from a single product biotech to a **"vertically integrated end-to-end pharmaceutical"** company.

September proved to be a challenging month with two Complete Response Letters issued in which the US FDA denied marketing authorisation to Telix's brain (Pixclara) and kidney (Zircaix) cancer diagnostics, resulting in a -25% share price decline as investor confidence took a hit.

The reasons for refusal were different. For Pixclara, insufficient clinical evidence was cited, and for Zircaix the issue was manufacturing inadequacies. An agreement for a re-submission alignment for Pixclara has been reached with the FDA.

Meanwhile, an FDA meeting regarding Zircaix is scheduled to occur in 4Q2025. Barrenjoey highlights Zircaix is difficult to manufacture and will be an important test for Telix’s future manufacturing abilities of antibody-based assets, which is a focus for the company.

The stock is Overweight rated with a $22 target price from the analyst.

Consensus target price from FNArena's daily monitored brokers is $28.40 with four Buy-equivalent ratings.

Santos looking unloved after consortium bid collapses

Wilsons is far from the lone voice for a positive take on Santos ((STO)), with the analyst highlighting the stock’s de-rating represents an **“attractive buying opportunity”.**

Equally, there is a robust potential *“pair trade”* from selling Woodside Energy Group ((WDS)) and re-investing the funds to Santos due to four factors.

Santos is trading at an appealing valuation and does not rely on bullish price assumptions around the oil price. The stock is trading at circa forward EV/EBITDA of 4.7 times with an implied Brent oil price of US$49.7/bbl or some -24% below the spot price, versus Woodside at 5.2 times comparable ratio and US$58.5/bbl implied Brent price.

The production outlook for Santos is viewed as much better, and the downside risks to the valuation are limited by first gas coming at Barossa and as Pikka is due to come online in early 2026. Both factors are expected to boost free cash flows in the near to medium term.

Secondly, the pipeline delivery is more visible for Santos with Barossa and Pikka Phase 1 largely de-risked. The latter is around 95% complete and first oil has been pulled forward to 1Q26 from 1H26 previously. Management has flagged the two projects will deliver around a 30% increase in production in 2027.

Woodside, in comparison, is weighed down by hefty capex with no production growth anticipated over the medium term.

Wilsons likes Santos’ capital allocation targets as outlined in November 2024 to focus on shareholder returns over investing excess cash flow into capex-heavy growth projects.

The framework target aims for at least 60% of all-in free cash flows to go to shareholders from 2026, versus 40% previously, rising to 100% once gearing declines to the target 15%-25%, slated for 2029.

In comparison, Woodside has made multiple large acquisitions with somewhat uncertain expected internal rates of return versus its traditional oil and gas assets.

Lastly, there is scope for strategic asset sell downs post the commissioning of Pikka, with a positive geopolitical stance from the US Administration for Alaskan oil.

A -50% sell down of Pikka could realise an estimated circa US$1.5bn of cash, which could help finance capital returns to shareholders.

Equally, Wilsons believes Santos’ LNG assets are undervalued by the market. A potential re-rating could be achieved by separating its LNG assets into a business without domestic gas market exposure. In turn, this could prompt interest from global energy companies looking to expand their assets.

Lastly, the analyst emphasises the XRG consortium is believed to have withdrawn its acquisition proposal due to disagreements over the terms of the deal and maintains a positive view on the business.

Santos has an implied value per share of $9.21.

FNArena's daily monitored brokers' consensus target price is $7.767 with four Buy-equivalent ratings, one Hold and one Sell-equivalent.

Acusensus builds up its US market exposure

Acusensus ((ACE)) announced its largest US contract, a five-year US$23m program for automated work zone speed enforcement in Connecticut.

Canaccord Genuity sees the win as further confirmation of the company's technology and notes it was achieved on the back of a very competitive tender process over a four-month period, which included knocking out the incumbent Verra Mobility of the initial pilot program in 2023.

Recent legislation supports automated work zone enforcement opportunities in states such as Kentucky, Michigan, and Vermont.

The latest contract will start in November with several pre-built units, scalable to around 15 active trailer- and vehicle-mounted enforcement cameras at full implementation, expected by 1Q26.

Acusensus will also assume responsibility for violation processing. Annual anticipated revenue stands at around $7m, with margins meeting previous mobile speed enforcement contracts. The analyst estimates margins at around 30%.

Previous revenue guidance for FY26 was $79-$84m, up 33%-41%, and this contract is expected to be $2m accretive, lifting Canaccord's revenue forecast to around $83m, or the upper end of guidance.

Earnings forecasts are lifted by 3% and 7% for FY26 and FY27, respectively, post the US contract.

In addition, management announced a new pilot program in Kentucky for five work zone speed cameras for real-time enforcement. The Kentucky Transportation Cabinet indicated "additional locations may be added this year".

Canaccord believes this pattern aligns with the company's successful implementation into Arkansas in 2023, which uses a hybrid model of automated speed cameras to boost local roadside policing around highway work zones.

The US is anticipated to become a major growth market outside of A&NZ, and the analyst believes Acusensus is building a solid reputation in the road safety enforcement industry.

Buy rating retained, with a rise in the target price to $2 from $1.65 previously.

WEEKLY REPORTS

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

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

Broker Rating Changes (Post Thursday Last Week)

Upgrade

ALKANE RESOURCES LIMITED ((ALK)) Upgrade to Buy from Hold by Moelis.B/H/S: 0/0/0

Following the end of the September quarter, Moelis has updated forecasts for gold/silver and copper companies to reflect actual prices, forex, and revised consensus assumptions.

The broker notes gold reached a record price, prompting a 15% upgrade in near term price forecasts and an 8% increase to long term forecast (US$2,812/oz)

Copper rose to US$4.75/lb amid the Grasberg disruption, though long-term assumptions remain steady. Silver prices are materially higher, benefiting producers with by-product exposure. Long-term silver price estimate is US$34.67/oz, up 21%.

Overall, gold producers saw strong valuation and earnings upgrades, while copper names gained modestly.

In the case of Alkane Resources, the broker lifted FY26-27 EBITDA forecasts by 18% and 17% respectively, and net profit estimates by 31% and 29%, respectively. This also reflects production increase following the merger with Mandalay Resources.

Rating upgraded to Buy from Hold. Target price $1.50.

COCHLEAR LIMITED ((COH)) Upgrade to Buy from Hold by Canaccord Genuity.B/H/S: 0/0/0

Canaccord Genuity keeps its $330 target for Cochlear but upgrades to Buy from Hold, noting prior Services downgrades have reset expectations and underlying demand for Cochlear implants (CI) remains strong.

The new Nucleus Nexa product is a key innovation, suggests the broker, featuring upgradeable firmware which enables the implant to evolve over time, an industry first.

Patients benefit from longer battery life and better connectivity, while clinicians gain improved diagnostics and programming tools, explains the analyst.

Canaccord expects Nexa to drive CI growth above 15% if uptake continues, maintaining FY26 profit forecasts at the low end of guidance for $435-460m.

METALS X LIMITED ((MLX)) Upgrade to Buy from Hold by Canaccord Genuity.B/H/S: 0/0/0

Canaccord Genuity notes the Federal Reserve's September rate cut and outlook, and a weaker US dollar boosted commodity prices, especially precious and industrial metals.

While precious metals benefited as inflation hedges, base metals gained from infrastructure, electrification, and data centre demand, aided by cheaper borrowing.

Aluminium (up 10%), zinc (up 7%), and tin (up 6%) were standout performers. The broker lifted 2026 price forecast for copper by 3.8%, aluminium by 4%, zinc by 4%, tin by 13.7% but cut cobalt by -3.2%.

For Metals X, the broker forecasts -16% q/q lower tin production in the September quarter, but expects an offset from strong tin price, leading to a 4% rise in estimated cash balance.

Rating upgraded to Buy from Hold. Target rises to 95c from 58c.

VAULT MINERALS LIMITED ((VAU)) Upgrade to Buy from Hold by Moelis.B/H/S: 0/0/0

Following the end of the September quarter, Moelis has updated forecasts for gold/silver and copper companies to reflect actual prices, forex, and revised consensus assumptions.

The broker notes gold reached a record price, prompting a 15% upgrade in near term price forecasts and an 8% increase to long term forecast (US$2,812/oz)

Copper rose to US$4.75/lb amid the Grasberg disruption, though long-term assumptions remain steady. Silver prices are materially higher, benefiting producers with by-product exposure. Long-term silver price estimate is US$34.67/oz, up 21%.

Overall, gold producers saw strong valuation and earnings upgrades, while copper names gained modestly.

For Vault Minerals, the broker lifted FY26-27 EBITDA forecasts by 11% and 18% respectively, and net profit estimates by 19% and 39%, respectively. The FY27 estimates also reflect completion of the hedge program.

Rating upgraded to Buy from Hold. Target rises to 85c from 69c.

Three ays earlier, the broker had responded as follows:

Vault Minerals delivered a strong September quarter, according to Moelis, with preliminary gold sales of 91.5koz versus the broker's 86.4koz forecast. This outperformance is attributed to higher output at Deflector and Mount Monger.

Closing cash and bullion of $703.3m was below the broker's $745m estimate, largely reflecting -$9.3m in share buybacks during the quarter.

Moelis highlights a strong start to FY26, with production tracking ahead of guidance and the Red 5 hedge book continuing to weigh on realised prices, estimated at around $4,500/oz.

The broker expects the hedge position to decline sharply through FY26 and be largely cleared by FY27. Free cash flow (FCF) is expected to rise significantly as hedges unwind and the King of the Hills expansion lifts volumes.

Downgrade

AIC MINES LIMITED ((A1M)) Downgrade to Hold from Buy by Moelis.B/H/S: 0/0/0

Following the end of the September quarter, Moelis has updated forecasts for gold/silver and copper companies to reflect actual prices, forex, and revised consensus assumptions.

The broker notes gold reached a record price, prompting a 15% upgrade in near term price forecasts and an 8% increase to long term forecast (US$2,812/oz)

Copper rose to US$4.75/lb amid the Grasberg disruption, though long-term assumptions remain steady. Silver prices are materially higher, benefiting producers with by-product exposure. Long-term silver price estimate is US$34.67/oz, up 21%.

Overall, gold producers saw strong valuation and earnings upgrades, while copper names gained modestly.

In the case of AIC Mines, the broker trimmed FY26 EBITDA and net profit forecasts by -1% and -3%, respectively, but lifted FY27 by 5% and 12%, respectively.

Rating downgraded to Hold from Buy. Target price 44c.

CAPSTONE COPPER CORP. ((CSC)) Downgrade to Hold from Buy by Moelis.B/H/S: 0/0/0

Following the end of the September quarter, Moelis has updated forecasts for gold/silver and copper companies to reflect actual prices, forex, and revised consensus assumptions.

The broker notes gold reached a record price, prompting a 15% upgrade in near term price forecasts and an 8% increase to long term forecast (US$2,812/oz)

Copper rose to US$4.75/lb amid the Grasberg disruption, though long-term assumptions remain steady. Silver prices are materially higher, benefiting producers with by-product exposure. Long-term silver price estimate is

US$34.67/oz, up 21%.

Overall, gold producers saw strong valuation and earnings upgrades, while copper names gained modestly.

In the case of Capstone Copper, the broker lifted FY25-26 EBITDA forecasts by 5% and 4%, respectively, and net profit estimates by 18% and 8%, respectively.

Rating downgraded to Hold from Buy. Target unchanged at $12.50.

ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED ((EOS)) Speculative Buy by Canaccord Genuity.B/H/S: 0/0/0

Electro Optic Systems has lowered FY25 revenue guidance to $115-125m from $158m, citing contract deferrals, notes Canaccord Genuity. The broker, however, believes revenue could reach $140-150m if $25m in new orders are signed before year-end.

The analysts highlight near-term opportunities including Land 400 Phase 3 (a European remote weapon system contract) and North American counter-drone systems, which could lift the backlog to around $420m.

High energy laser weapons remain the key growth driver, suggests the broker, supported by a EUR71m order.

Canaccord lifts its target price to $10.00 from $5.45 and downgrades to Speculative Buy from Buy on valuation.

GREATLAND RESOURCES LIMITED ((GGP)) Downgrade to Hold from Buy by Moelis.B/H/S: 0/0/0

Following the end of the September quarter, Moelis has updated forecasts for gold/silver and copper companies to reflect actual prices, forex, and revised consensus assumptions.

The broker notes gold reached a record price, prompting a 15% upgrade in near term price forecasts and an 8% increase to long term forecast (US$2,812/oz)

Copper rose to US$4.75/lb amid the Grasberg disruption, though long-term assumptions remain steady. Silver prices are materially higher, benefiting producers with by-product exposure. Long-term silver price estimate is US$34.67/oz, up 21%.

Overall, gold producers saw strong valuation and earnings upgrades, while copper names gained modestly.

The broker raised Greatland Resources' FY26-27 EBITDA forecasts by 17% and 20% respectively, and net profit estimates by 18% and 21%, respectively.

Target rises to $7.90 from $7.00. Rating downgraded to Hold from Buy.

ILUKA RESOURCES LIMITED ((ILU)) Downgrade to Hold from Buy by Canaccord Genuity.B/H/S: 0/0/0

Attended by the analysts at Canaccord Genuity, Iluka Resources hosted a site visit to its Eneabba Rare Earth Refinery and Cataby mineral sands operation near Perth.

Construction at Eneabba is 34% complete, with over 80% of project value contracted and costs tracking within the $1.7-$1.8bn budget, highlights the broker. First production is expected in 2H27, with potential upside if delivery stays on schedule.

Management is confident in commissioning but Canaccord remains cautious on utilisation until third-party feed, such as Kangankunde, is secured.

At Cataby, mining will pause from December 1 amid weak pigment feed demand, preserving around $150m in cash, notes the broker.

Canaccord lifts its target price to $6.65 from $6.15 but downgrades to Hold from Buy on valuation grounds.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	ALKANE RESOURCES LIMITED	Buy	Neutral	Moelis
2	COCHLEAR LIMITED	Buy	Neutral	Canaccord Genuity
3	METALS X LIMITED	Buy	Neutral	Canaccord Genuity
4	VAULT MINERALS LIMITED	Buy	Neutral	Moelis
Downgrade				
5	AIC MINES LIMITED	Neutral	Buy	Moelis
6	CAPSTONE COPPER CORP.	Neutral	Buy	Moelis
7	ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED	Buy	Buy	Canaccord Genuity
8	GREATLAND RESOURCES LIMITED	Neutral	Buy	Moelis
9	ILUKA RESOURCES LIMITED	Neutral	Buy	Canaccord Genuity

Price Target Changes (Post Thursday Last Week)

	Company	Last Price	Broker	New Target	Old Target	Change
29M	29Metals	$0.51	Canaccord Genuity	0.30	0.16	87.50%
A1M	AIC Mines	$0.43	Moelis	0.44	0.40	10.00%
AAR	Astral Resources	$0.24	Petra Capital	0.61	0.35	74.29%
ALK	Alkane Resources	$1.06	Moelis	1.50	1.20	25.00%
AMI	Aurelia Metals	$0.26	Moelis	0.35	0.31	12.90%
APE	Eagers Automotive	$33.90	Canaccord Genuity	30.60	28.00	9.29%
			Moelis	35.90	28.62	25.44%
AUE	Aurum Resources	$0.69	Petra Capital	1.39	0.93	49.46%
BC8	Black Cat Syndicate	$1.37	Petra Capital	2.50	1.80	38.89%
BGL	Bellevue Gold	$1.15	Moelis	1.20	0.95	26.32%
BKT	Black Rock Mining	$0.02	Petra Capital	0.11	0.13	-15.38%
BRE	Brazilian Rare Earths	$4.83	Petra Capital	6.27	4.52	38.72%
BTR	Brightstar Resources	$0.53	Petra Capital	1.59	1.18	34.75%
CKF	Collins Foods	$10.65	Canaccord Genuity	12.23	10.85	12.72%
DVP	Develop Global	$4.41	Canaccord Genuity	4.50	4.40	2.27%
EOS	Electro Optic Systems	$8.53	Canaccord Genuity	10.00	5.45	83.49%
FFM	FireFly Metals	$1.36	Moelis	1.60	1.40	14.29%
GDI	GDI Property	$0.66	Moelis	0.94	0.97	-3.09%
GGP	Greatland Resources	$8.06	Moelis	7.90	7.00	12.86%
GMD	Genesis Minerals	$5.80	Moelis	5.45	4.30	26.74%
HGO	Hillgrove Resources	$0.04	Canaccord Genuity	0.05	0.08	-37.50%
			Moelis	0.05	0.06	-16.67%
HRZ	Horizon Minerals	$0.08	Petra Capital	0.18	0.12	50.00%
IDX	Integral Diagnostics	$2.74	Canaccord Genuity	3.20	3.40	-5.88%
ILU	Iluka Resources	$7.87	Canaccord Genuity	6.65	6.15	8.13%
IMB	Intelligent Monitoring	$0.68	Moelis	0.91	0.92	-1.09%
IPD	ImpediMed	$0.05	Canaccord Genuity	0.07	0.09	-22.22%
IPH	IPH Ltd	$3.60	Petra Capital	6.00	8.00	-25.00%
KAI	Kairos Minerals	$0.04	Petra Capital	0.09	0.05	80.00%
KCN	Kingsgate Consolidated	$3.90	Moelis	6.20	4.80	29.17%
LIN	Lindian Resources	$0.35	Petra Capital	0.91	0.89	2.25%
LTR	Liontown Resources	$1.02	Jarden	0.52	0.48	8.33%
MAC	MAC Copper	$18.56	Moelis	20.20	19.10	5.76%
MEK	Meeka Metals	$0.20	Petra Capital	0.34	0.25	36.00%
MLX	Metals X	$0.90	Canaccord Genuity	0.95	0.50	90.00%
MM8	Medallion Metals	$0.54	Petra Capital	0.88	0.63	39.68%
MTM	Metallium	$1.08	Petra Capital	1.40	0.96	45.83%
NEC	Nine Entertainment	$1.23	Jarden	1.30	1.85	-29.73%
NIC	Nickel Industries	$0.80	Canaccord Genuity	0.80	0.68	17.65%
NUZ	Neurizon Therapeutics	$0.15	Petra Capital	0.56	0.52	7.69%
NXL	Nuix	$3.04	Moelis	3.35	2.66	25.94%
OBM	Ora Banda Mining	$1.19	Moelis	1.02	0.88	15.91%
PEN	Peninsula Energy	$0.61	Canaccord Genuity	1.03	N/A	N/A
PNR	Pantoro Gold	$6.01	Moelis	5.25	4.50	16.67%
			Petra Capital	6.46	4.45	45.17%
SBM	St. Barbara	$0.58	Petra Capital	1.18	0.68	73.53%
SFR	Sandfire Resources	$16.21	Canaccord Genuity	14.25	12.50	14.00%
STN	Saturn Metals	$0.59	Petra Capital	1.93	1.24	55.65%
VAU	Vault Minerals	$0.69	Moelis	0.85	0.69	23.19%
			Petra Capital	1.02	0.79	29.11%
WEB	Web Travel	$4.37	Jarden	5.40	5.30	1.89%
WGX	Westgold Resources	$5.19	Canaccord Genuity	6.20	5.95	4.20%
			Petra Capital	5.95	4.86	22.43%

			Petra Capital	5.98	4.86	23.05%
WIA	WIA Gold	$0.38	Petra Capital	0.45	0.41	9.76%
Company		Last Price	Broker	New Target	Old Target	Change

More Highlights

ACE ACUSENSUS LIMITED

Transportation & Logistics – Overnight Price: $1.35

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

Wilsons noted from Acusensus' FY25 result tthe UK police forces are increasingly funding deployments through National Driver Offender Retraining Scheme diversion course fees.

This funding model provides a $6m opportunity and reduces reliance on Treasury-controlled fine revenue, explains the broker. It's thought the model could scale further as deployments increase.

Domestic catalysts for Acusensus include South Australia, the ACT and NSW, with scope for contract renewals and upsising across mobile phone and speed enforcement, explain the analysts.

In the US, Wilsons points out opportunities exist in commercial vehicle and work zone enforcement aligned with federal frameworks.

An Overweight rating and $1.21 target are maintained.

This report was published on September 30, 2025.

Target price is **$1.21** Current Price is **$1.35** Difference: **minus $0.14** (current price is over target).
If **ACE** meets the Wilsons target it will return approximately **minus 10%** (excluding dividends, fees and charges – negative figures indicate an expected loss).
The company's fiscal year ends in June.

Forecast for FY26:

> Wilsons forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 1.60** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 84.38**.

Forecast for FY27:

> Wilsons forecasts a full year **FY27** dividend of **0.00** cents and EPS of **minus 2.20** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 61.36**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

AVH AVITA MEDICAL INC

Pharmaceuticals & Biotech/Lifesciences – Overnight Price: $1.66

Canaccord Genuity rates ((AVH)) as Sell (5) –

Following Canaccord Genuity's acquisition of Wilsons, Avita Medical continues to be covered by Shane Storey.

Sell. Target Price $1.25.

This report was published on October 3, 2025.

Target price is **$1.25** Current Price is **$1.66** Difference: **minus $0.41** (current price is over target).
If **AVH** meets the Canaccord Genuity target it will return approximately **minus 25%** (excluding dividends, fees

and charges – negative figures indicate an expected loss).
The company's fiscal year ends in December.

Forecast for FY25:

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 32.95** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 5.04**.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 16.94** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 9.80**.

This company reports in **USD**. All estimates have been converted into AUD by FNArena at present FX values.
Market Sentiment: **0.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

BRE BRAZILIAN RARE EARTHS LIMITED

Rare Earth Minerals – Overnight Price: $4.37

Petra Capital rates ((BRE)) as Buy (1) –

The Amargosa Project hosts 98mt of premium direct shipping ore (DSO) bauxite, grading 41.9% alumina and just 2.5% reactive silica, highlights Petra Capital.

It's noted a further 470mt of bauxite Resources can be upgraded to leverage the significant existing infrastructure.

Development is planned in stages, starting with trucking to the Port of Enseada before expanding via rail to Porto Sul, reducing execution risk, suggests the broker.

Petra Capital lifts its bauxite valuation to $400m from $25m, supported by low capex of about -US$80m and strong standalone economics.

It's thought a potential spin-out or joint venture in 2026 could crystallise value. The target price rises to $6.27 from $4.42. Buy retained.

This report was published on October 6, 2025.

Target price is **$6.27** Current Price is **$4.37** Difference: **$1.9**
If **BRE** meets the Petra Capital target it will return approximately **43%** (excluding dividends, fees and charges).
The company's fiscal year ends in December.

Forecast for FY25:

Petra Capital forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 14.30** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 30.56**.

Forecast for FY26:

Petra Capital forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 7.40** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 59.05**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

CNB CARNABY RESOURCES LIMITED

Mining – Overnight Price: $0.48

Moelis rates ((CNB)) as Buy (1) –

Following the end of the September quarter, Moelis has updated forecasts for gold/silver and copper companies to reflect actual prices, forex, and revised consensus assumptions.

The broker notes gold reached a record price, prompting a 15% upgrade in near term price forecasts and an 8% increase to long term forecast (US$2,812/oz)

Copper rose to US$4.75/lb amid the Grasberg disruption, though long-term assumptions remain steady. Silver prices are materially higher, benefiting producers with by-product exposure. Long-term silver price estimate is US$34.67/oz, up 21%.

Overall, gold producers saw strong valuation and earnings upgrades, while copper names gained modestly.

No changes to Carnaby Resources' FY26 forecasts. FY27 EBITDA and net profit forecasts increase 5% and 7%, respectively).

Buy. Target unchanged at 87c.

This report was published on October 6, 2025.

Target price is **$0.87** Current Price is **$0.48** Difference: **$0.39**
If **CNB** meets the Moelis target it will return approximately **81%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 6.10** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 7.87**.

Forecast for FY27:

Moelis forecasts a full year **FY27** dividend of **0.00** cents and EPS of **23.10** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **2.08**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

HVN HARVEY NORMAN HOLDINGS LIMITED

Consumer Electronics – Overnight Price: $7.68

Jarden rates ((HVN)) as Overweight (2) –

Jarden highlights the backdrop for Australian consumer electronics companies is the most favourable in years.

The covid replacement cycle, new home activity, and new product development are supporting upside to forecasts for stocks within the broker's research coverage.

The greatest beneficiaries, according to the analysts, will be Harvey Norman, Breville Group ((BRG)), JB Hi-Fi ((JBH)) and Officeworks, owned by Wesfarmers ((WES)).

The $6.70 target and Overweight rating are kept for Harvey Norman.

This report was published on September 29, 2025.

Target price is **$6.70** Current Price is **$7.68** Difference: **minus $0.98** (current price is over target).
If **HVN** meets the Jarden target it will return approximately **minus 13%** (excluding dividends, fees and charges – negative figures indicate an expected loss).
Current consensus price target is **$7.44**, suggesting downside of **-3.1%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **29.00** cents and EPS of **41.80** cents.

At the last closing share price the estimated dividend yield is **3.78%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **18.37**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **39.0**, implying annual growth of **-6.2%**.
Current consensus DPS estimate is **29.9**, implying a prospective dividend yield of **3.9%**.
Current consensus EPS estimate suggests the PER is **19.7**.

Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **32.00** cents and EPS of **48.20** cents.
At the last closing share price the estimated dividend yield is **4.17%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **15.93**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **43.2**, implying annual growth of **10.8%**.
Current consensus DPS estimate is **33.6**, implying a prospective dividend yield of **4.4%**.
Current consensus EPS estimate suggests the PER is **17.8**.

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

SBM   ST. BARBARA LIMITED

Gold & Silver – Overnight Price: $0.59

Petra Capital rates ((SBM)) as Buy (1) –

St. Barbara has engaged Macquarie Capital, the corporate advisory arm of Macquarie Group ((MQG)), to evaluate strategic options for the Simberi operation, including a potential sale following unsolicited interest.

Petra Capital notes corporate appeal is underpinned by the Simberi Expansion Project, forecast to produce 221kozpa over FY28-35 at costs (AISC) of -US$1,242/oz.

Near term, resolution of the PNG tax dispute remains critical to confirm a final investment decision (FID) on the Sulphide Expansion, explains the analyst.

Petra Capital raises its target price to $1.18 from 68c following after FY26/27 production and cost adjustments, along with gold price forecast revisions. A Buy rating is retained.

This report was published on October 2, 2025.

Target price is **$1.18** Current Price is **$0.59** Difference: **$0.59**
If **SBM** meets the Petra Capital target it will return approximately **100%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Petra Capital forecasts a full year **FY26** dividend of **0.00** cents and EPS of **3.40** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **17.35**.

Forecast for FY27:

Petra Capital forecasts a full year **FY27** dividend of **0.00** cents and EPS of **7.50** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **7.87**.

Market Sentiment: **0.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

WGX WESTGOLD RESOURCES LIMITED

Gold & Silver – Overnight Price: $5.51

Petra Capital rates ((WGX)) as Buy (1) –

Management at Westgold Resources has released a three-year outlook, outlining a clear, internally funded growth plan to lift production to 470koz in FY28 from 326koz in FY25, Petra Capital comments.

This is an executable strategy, in the broker's view, supported by strong reserves, falling costs, and a solid balance sheet with only $50m in senior debt.

Guidance for production of 1.26moz over FY26-28 is underpinned by 56mt of ore reserves at 1.93g/t gold, with costs (AISC) expected to decline to -$2,499/oz in FY28 from -$2,666/oz in FY25.

The analyst believes upside exists from mine productivity improvements, mill expansions, and potential restarts of care-and maintenance operations.

Petra Capital lifts its target price to $5.98 from $4.86 and retains a Buy rating.

This report was published on October 2, 2025.

Target price is **$5.98** Current Price is **$5.51** Difference: **$0.47**
If **WGX** meets the Petra Capital target it will return approximately **9%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Petra Capital forecasts a full year **FY26** dividend of **10.00** cents and EPS of **70.40** cents.
At the last closing share price the estimated dividend yield is **1.81%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **7.83**.

Forecast for FY27:

Petra Capital forecasts a full year **FY27** dividend of **12.00** cents and EPS of **83.40** cents.
At the last closing share price the estimated dividend yield is **2.18%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **6.61**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

TERMS AND CONDITIONS OF USE, AND DISCLAIMERS

These Terms and Conditions of Use, and Disclaimers constitutes your agreement with FNArena Ltd with respect to your use of its FNArena website, its weekday news periodical, Australian Broker Call, as well as any other publications (including articles) FNArena may publish on its website, or anywhere else, from time to time.

Please read the contents of this page carefully as it contains important legal information and disclaimers. By entering and perusing the website, reading the Australian Broker Call, or, if you are subscriber, by entering the password protected part of the website, you acknowledge that you have read, understood and accept this agreement.

By accepting this agreement you acknowledge, understand and accept the following:

1. Reference to “FN Arena” and “FNArena” means reference to FNArena Ltd, its journalists, directors, other employees, affiliates, agents, associates and subsidiaries.

2. FNArena Ltd is the owner of the FN Arena website and brand name.

3. Reference to “we” or “us” is reference to FNArena.

4. Reference to “this website” or the “FNArena website” means reference to www.fnarena.com, and includes reference to FNArena’s weekday news periodical, Australian Broker Call, as well as any other publications (including articles) FNArena may publish on this website, or anywhere else, from time to time.

5. Reference to “news periodicals” means reference to FNArena’s weekday periodical, Australian Broker Call, as well as any other periodicals FNArena may publish from time to time on this website, or anywhere else, from time to time.

6. Reference to “publications” in this agreement means any material, including articles, published or put in print on the FNArena website, or anywhere else, whatsoever, and includes FNArena’s weekday periodical, Australian Broker Call, and any other periodicals FNArena may publish from time to time.

7. Reference to a “visitor” means, you, a visitor to this website, and includes a subscriber to Australian Broker Call as well as any other publications or periodicals FNArena may, from time to time, publish through its website.

8. FNArena is a media company which employs financial journalists to report financial news. FNArena’s journalists perform the required research and collect the information that is, ultimately, each day, published on this website and in FNArena’s news periodicals. As is obvious, the process by which the information is collected and delivered to you is a purely journalistic one and, therefore, the comments, opinions and recommendations FNArena reports on this website are not the opinions of FNArena or any of its journalist or other employees. FNArena is ONLY and specifically a

matter-of-fact reporter of industry signals suggesting price direction probability of some shares. FNArena simply delivers the information – it does not create it.

9. Although FNArena obtains the information published herein from sources deemed to be reliable, and given and received in good faith, it cannot and does not guarantee its accuracy. FNArena does not take any responsibility either for the financial soundness or for the correctness of statement made or opinion expressed in the data or content reported by FNArena, and cannot and does not guarantee the reliability and accuracy of the opinions of the brokers whose opinions, recommendations and forecasts it reports.

10. FNArena publishes this website, all publications and its periodicals strictly for convenient personal, non-commercial, educational and informational purposes of its subscribers only. Our goal is to provide the subscribers with a convenient starting point of potentially useful, but not comprehensive, content that can educate or otherwise enhance a visitor's knowledge base and frame of reference.

11. FNArena is NOT a stock broker or financial or trading advisor, nor is it an advisory service of any kind, and no advice or recommendations on investments or trading are made nor implied on this website. Nothing contained in this website is intended to be, nor shall it be construed as, advice or recommendation. Any investment or other decisions made by you must be based solely on your own evaluation of the targeted subject for investment, and your financial circumstances and investment objectives, and FNArena will not be held liable for any such investments and decisions.

12. It is distinctly understood and accepted that the shares referred to in the FNArena website, FNArena's publications and/or periodicals have not been recommended by FNArena. The content and or any comments found of this website, including the content and/or comments published in any publication and/or periodicals published by FNArena, do not constitute a recommendation or endorsement by FNArena with respect to any company, security, share or investment or any financial or investment product.

13. This website makes no representations, and, to the extent allowed by the law, specifically disclaims all warranties, express, implied or statutory, regarding the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any material contained in the website.

14. Before making an investment decision, you must do your own research and rely on your own examination of the share, and the risk involved, and not on what you read on the FNArena website, or in any publication or periodical. The content of this website is provided strictly for convenient personal, non-commercial educational and informational purposes only and FNArena shall not be held liable for any investment decisions, sales or purchase decisions, which you may have made based on what you have read on this website or in the periodicals published by FNArena from time to time, or in any other publications FNArena may publish on its website, or anywhere else, from time to time. Anyone who makes investment decisions based on what they read on this website does so at their own risk, and agrees that they cannot hold FNArena responsible and/or liable for any loss whatsoever.

15. It is your responsibility to evaluate the completeness, accuracy and usefulness of any content made available on this website. If you are unsure, or in doubt about the meaning of any information, you should consult your financial advisor.

16. FNArena does not guarantee any returns on investments made in any share mentioned on this website by the visitors. As any investor well knows, any investment opportunity, strategy or concept involves a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. FNArena strongly suggests that you consult your own financial advisors regarding the soundness of any intended investments, strategies or concepts, and discuss with such advisor your individual investment needs and goals. You may also wish to consult the broker who expressed the opinion we have reported on in the news periodicals we publish.

17. FNArena shall not be held liable to any visitor of the FN Arena website, or any reader of its periodicals and/or publications, or anyone else who may have relied on this website, directly or indirectly, for any inaccuracies in the printed material found on the FN Arena website, in the periodicals and/or other publications, any typing errors, omissions, interruptions, timeliness, completeness, deletions, defects, failure of performance, computer virus, communication line failures, alterations of, or use of any content herein, regardless of cause, for any loss or damage resulting therefrom.

18. Under no circumstances, including, but not limited to negligence, shall FNArena be liable for any direct, indirect, incidental, special or consequential damages that result from the use of, or the inability to use, the FNArena website, and any or the FNArena's publications and/or periodicals.

19. As a condition of use of the FNArena Website, FNArena's publications and periodicals, you agree to indemnify FNArena and all those affiliated with it from and against any and all liabilities, expenses (including legal costs) and damages arising out of claims resulting from your use of the FNArena website, FNArena's publications and periodicals. If you are uncertain about this agreement or the contents of the FNArena's website, or are dissatisfied in any shape or from, with the content of the FNArena website, or any of the publications or periodicals, or you do not agree with these terms and conditions, your sole and exclusive remedy is to discontinue using the FNArena website, FNArena's publications and periodicals.

20. FNArena may, from time to time, publish advice, opinions and statements of various third parties, other than the ten stock brokers, and various other information and content providers. FNArena does not represent or endorse the accuracy or reliability of any advice, opinion, statement or other information provided by these third parties. Reliance upon any such opinion, advice, statement, or other information is at your own risk.

21. The FNArena website may contain links and pointers to websites maintained by third parties. FNArena does not operate or control in any respect any information, products or services on such third-party websites. Third party links are included solely for the convenience of visitors, and do not constitute any endorsement by FNArena of any products or services provided by the third party link owners or operators. FNArena has no control over any websites that we might link to and does not

take responsibility for their quality, content or suitability.

22. FNArena is not responsible for claims made by advertisers on the FN Arena website or in any of its periodicals. Such advertisements are included solely for the convenience of visitors, and do not constitute any endorsement by FNArena of any products or services advertised. FNArena does not check the accuracy of the statements made by the advertisers. You assume sole responsibility for the access and use of third party links and pointers from the FN Arena website, as well as any purchases you may make from those third parties (including advertisers).

23. All the content, information and material made available on this website are provided to you "as is" and without warranty of any kind from FNArena whether express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, title, non-infringement, security or accuracy, nor does FNArena endorse or take any responsibility for the accuracy or reliability of any opinion, advise or statement made through the FN Arena website, its periodicals, or for making good all or part of any loss and/or damage that may have been caused by the visitor's reliance on any information, advise, product or service obtained from a linked website.

24. FNArena is not liable for any copyright infringements incurred by any outside content or information contributors, or by third parties who have links to this website, or advertise on this website.

25. FNArena reserves the right to make any and all changes to the FN Arena website, including the publications and periodicals, at its sole discretion without notice to you. FNArena reserves the right to deny access to this website or its information to anyone at any time.

26. This agreement shall be deemed to include all other notices, policies, disclaimers, and other terms contained in the FNArena website, provided, however, that in the event of a conflict between such other terms and the terms of this agreement, the terms of this agreement shall prevail.

27. FNArena shall have the right, at its discretion, to change, modify, add or remove terms of this agreement at any time. Changes shall be effective immediately. Notification of any such changes shall be made herein, therefore, you are strongly advised to read these terms each time you wish to access the FN Arena website or any periodical.

28. No permission is granted to copy, distribute, modify, post or frame any text, graphics, video, audio, software code, or viewer interface design or logos. The entire FNArena website, including the publications and periodicals, is subject to copyright with all rights
reserved. The information contained in the website, including the publications and periodicals, shall not be published, rewritten for broadcast or publication or redistributed in any medium, or for any other reason whatsoever, without prior written permission from FNArena.

29. All original content is the copyrighted property of FNArena.