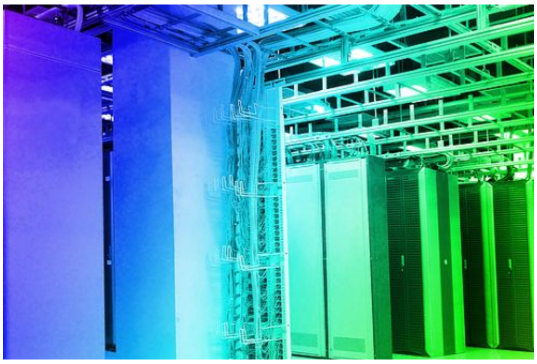
WEEK 19

STORIES TO READ FROM FNArena

Friday, 9 May 2025

Compare The Pair: Woolworths Versus Coles

Rudi's View: CSL & NextDC



DUG Technology's Multiple Growth Levers

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FNArena
Financial News, Data & Analysis

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AUSTRALIA

The Market In Numbers - 3 May 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	03 May 2025	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
NZ50	12327.890	2.58%	3.57%	0.47%	-5.97%	5.21%
All Ordinaries	8456.20	3.44%	1.38%	5.00%	0.42%	5.52%
S&P ASX 200	8238.00	3.39%	1.38%	5.03%	0.97%	6.06%
S&P ASX 300	8170.30	3.38%	1.36%	4.99%	0.88%	5.99%
Communication Services	1750.80	3.13%	1.25%	7.80%	7.58%	16.63%
Consumer Discretionary	4049.70	4.85%	1.32%	7.46%	3.54%	15.33%
Consumer Staples	12644.40	3.30%	3.15%	8.44%	7.44%	2.15%
Energy	7371.50	4.18%	0.61%	-7.16%	-14.51%	-26.52%
Financials	8904.20	3.30%	1.30%	6.97%	3.36%	16.29%
Health Care	42355.80	5.29%	2.30%	4.51%	-5.64%	-4.29%
Industrials	8012.60	2.62%	0.94%	3.26%	4.79%	17.63%
Info Technology	2518.20	9.55%	4.75%	11.42%	-8.13%	7.55%
Materials	16097.70	0.47%	0.07%	0.76%	-0.17%	-4.62%
Real Estate	3783.80	5.74%	2.55%	8.56%	0.60%	6.19%
Utilities	9367.60	3.39%	1.45%	3.41%	3.71%	0.89%
A-REITs	1738.50	5.86%	2.62%	9.14%	1.17%	7.03%
All Technology Index	3587.30	5.54%	1.35%	8.09%	-5.73%	14.32%
Banks	3818.10	3.70%	1.59%	8.81%	5.87%	19.49%
Gold Index	11543.50	-3.49%	-0.05%	5.12%	37.04%	56.90%
Metals & Mining	5335.70	0.28%	-0.12%	1.09%	1.52%	-3.87%

The World

Index	03 May 2025	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
FTSE100	8596.35	2.15%	1.19%	0.16%	5.18%	5.29%
DAX30	23086.65	3.80%	2.62%	4.17%	15.96%	26.60%
Hang Seng	22504.68	2.38%	1.74%	-2.66%	12.19%	27.01%
Nikkei 225	36830.69	3.15%	2.18%	3.41%	-7.68%	-6.95%
DJIA	41317.43	3.00%	1.59%	-1.63%	-2.88%	5.62%
S&P500	5686.67	2.92%	2.11%	1.33%	-3.31%	4.14%
Nasdaq Comp	17977.73	3.42%	3.05%	3.92%	-6.90%	1.38%

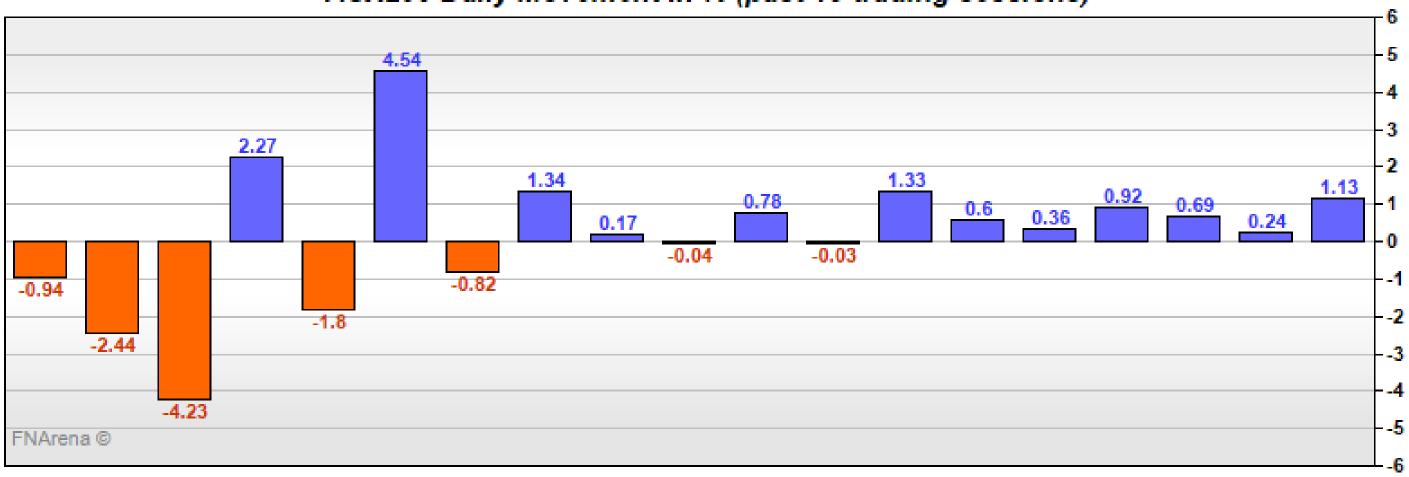
Metals & Minerals

Index	03 May 2025	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
Gold (oz)	3248.05	-1.76%	-2.39%	3.88%	23.65%	38.93%
Silver (oz)	32.21	-4.15%	-2.08%	-7.94%	6.56%	10.10%
Copper (lb)	4.6300	-4.25%	-4.72%	-10.14%	13.02%	6.84%
Aluminium (lb)	1.0944	-1.12%	-2.26%	-4.67%	-4.26%	-2.68%
Nickel (lb)	6.8081	-3.51%	-2.44%	-6.39%	-4.71%	-12.47%
Zinc (lb)	1.1684	-2.62%	-2.80%	-9.08%	-13.54%	-11.89%
Uranium (lb) weekly	66.50	2.31%	0.00%	3.91%	-7.64%	-20.12%
Iron Ore (t)	99.25	-1.05%	-0.61%	-4.36%	-4.42%	-6.82%

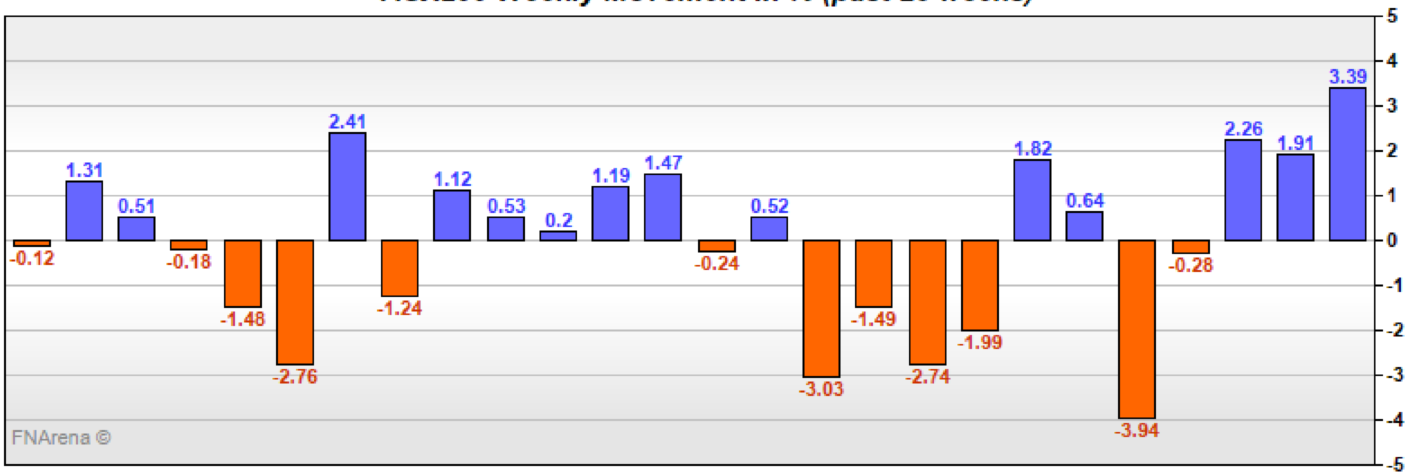
Energy

Index	03 May 2025	Week To Date	Month To Date (May)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
West Texas Crude	59.02	-5.25%	-2.09%	-14.91%	-15.05%	-27.90%
Brent Crude	61.88	-6.41%	-1.70%	-14.95%	-14.72%	-27.57%

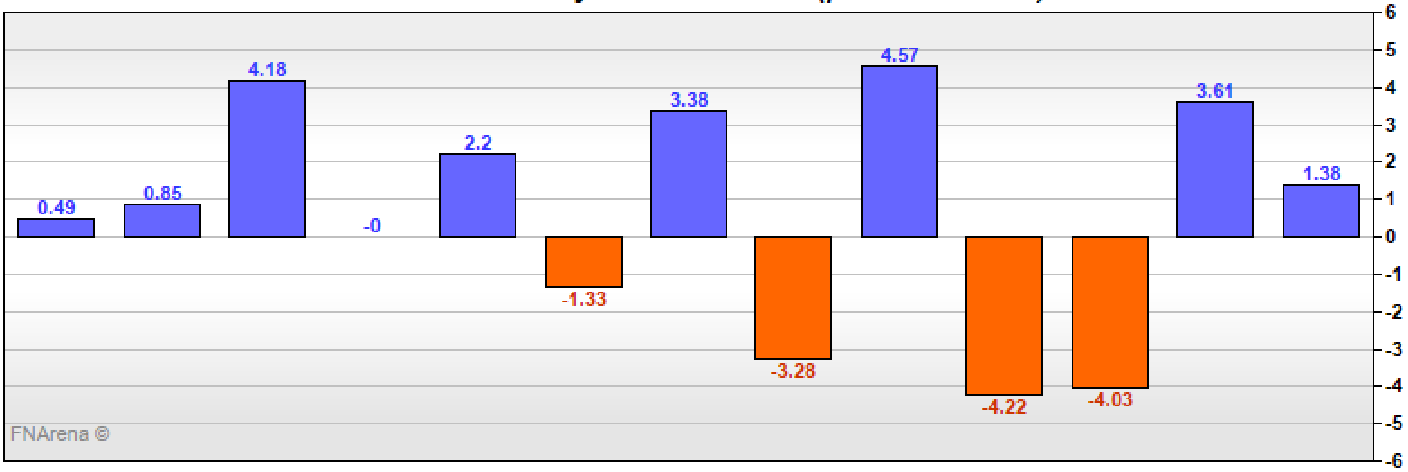
ASX200 Daily Movement in % (past 19 trading sessions)



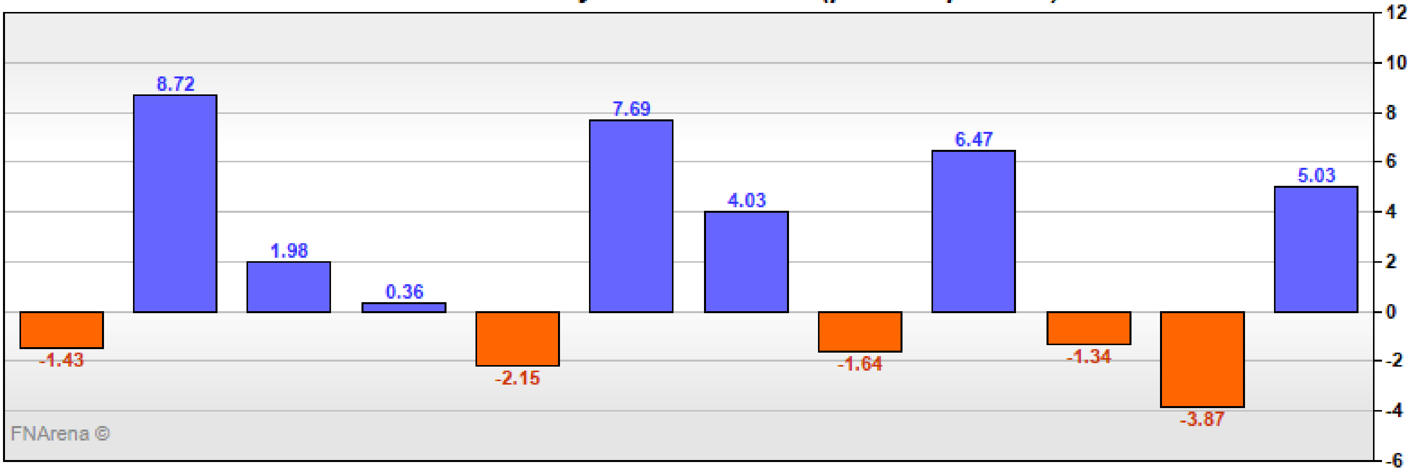
ASX200 Weekly Movement in % (past 26 weeks)



ASX200 Monthly Movement in % (past 13 months)



ASX200 Quarterly Movement in % (past 12 quarters)



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

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AUSTRALIA

April In Review: ASX Becomes Tariff Safe Haven

The month of April was a roller coaster ride of selling on tariff concerns, followed by a record rally on short covering. Things aren't so bad, for now!

-ASX200 rallies 10.7% to a positive 3.6% return in April
-Trump pivot saves markets from abyss in April
-What was out of fashion in March shifted back in over April
-Commodties in the recessionary fears dog house
-Are earnings growth prospects for FY26 too high?

By Danielle Ecuyer

April's risk-off and risk-on events

April was the month when investors called into question the US exceptionalism theme post the April 2 Liberation Day announcements that sent markets into an overdrive of selling due to the ferocity of the proposed reciprocal US tariff imposts. A significant spike up in volatility from March was triggered.

The "sell America" narrative took down US, global equity markets and the US dollar at the start of the month, with the US Treasury market turning the tables on its traditional "safe" haven status. The 10-year US Treasury yield rose to 4.493% on April 11 from a low of 3.99% on April 4.

The speed and magnitude of the sell-off resulted in a seven-day, 50bps backup in yield, which caused tremendous dislocation in financial markets as volatility spiked.

While commentators were quick to assume the rest of the world had decided to sell US assets, the generally accepted view has coalesced around hedge funds getting caught off guard by higher levels of market volatility and subsequently having to unwind Treasury trades as margin calls came in.

Modern day intensely leveraged and financialised markets operate properly and reliably until volatility rears its head and margin calls come knocking, triggering forced selling of assets.

There was also some evidence of Japanese selling of US Treasuries, albeit nothing anywhere near the panic commentary around the demise of the US dollar.

With risk-off pressures building in markets and investors powering into gold, the shiny metal rose 6.4% in April, bringing the year-to-date rise to 26.68% at US$3,327.65 by month-end, and an intermediate all-time high over US$3,500/oz.

Cooler heads in the White House prevailed

The Trump pivot came on April 9, just seven days after the initial reciprocal tariff announcements, with the S&P500 reaching its lowest level on April 7, down -23% from the recent highs, including a fall of -11.4% at the start of the month.

Treasury Secretary Scott Bessent and Secretary of Commerce Howard Lutnick reportedly jumped on the opportunity to speak with President Trump in the Oval Office when tariff champion and trade hawk, Trade Secretary Peter Navarro, was out of the building attending a meeting.

Apparently, Bessent and Lutnick refused to leave until President Trump had posted on Truth Social a 90-day reprieve on reciprocal tariffs.

The ASX200 reached its lowest point of the month on April 7, falling -6.5% on the day, representing the index's lowest level since December 2023.

April turned the tables on 2025 negativity

Trump blinked and markets said thank you, what a relief! Thus commenced the April recovery rally.

Following the ASX200 experiencing a negative total return of -3.8% in February and -3.4% in March, the ASX200 total return came in at a positive 3.6% in April, post an intra month rally off the lows of 10.7%. This strong (out)performance compares to the S&P500 total return falling short by -0.7% over the month.

Ranked in order of strength, banks were the flavour of the month, with the sector rallying 7.1%. Commonwealth Bank ((CBA)) shares did the heavy lifting and topped $169, with Bank of Queensland ((BOQ)) the best performer after reporting better-than-expected earnings.

Communication services and consumer discretionary advanced 6.47% and 6.06%, respectively, telling two different tales.

Telcos are shaping up as safe defensive positions, with Telstra Group ((TLS)) shares well bid, while the prospect of RBA rate cuts starting in May had investors buying discretionary stocks, including AP Eagers ((APE)), Bapcor ((BAP)) and JB Hi-Fi ((JBH)), as well as REA Group ((REA)) and Car Group ((CAR)) which had been sold down in March.

Technology stocks, having been dumped like the proverbial hot potatoes in the weeks prior, were back rallying in April, the sector ending up 6.65%, but still retaining a near -7% deficit year-to-date.

The likes of WiseTech Global ((WTC)) and Pro Medicus ((PME)) made strong comebacks, and Growth outperformed Value with a 5.3% rise versus 2.6%, as momentum shifted back into favour.

Macquarie notes both large caps in Australia and the US outperformed by around 2% in April.

Both better-than-expected and better-than-feared earnings from US technology companies, including ongoing spending on artificial intelligence, turned around the February/March fears over declining AI investment and Deep Seek-related concerns.

Scooped up in the improving sentiment on AI, Goodman Group ((GMG)) shares rallied along with other REITs on expectations of lower interest rates and an improvement in housing developments. Mirvac Group ((MGR)) was well bid.

Gold stocks continued to advance, with the sector rising 5.17% and taking the year-to-date return to 37.10% (on average).

Look no further to understand how the world is looking at risk in 2025.

<u>Prospects of slowing global growth hits commodities</u>

The growing fears around macro-economic impacts of tariffs as trade between the US and China grinds to a halt could be seen in the commodities trade.

While investors bottom-fished in the more interest rate-sensitive and risk-on technology sectors, rising concerns over macro-economic impacts on growth saw the copper price fall -5.69%, aluminium -2.47%, nickel -4.05%, and iron ore off by -3.77%.

Shares in South32 ((S32)) and Pilbara Minerals ((PLS)) experienced heavy selling pressures, while Lynas Rare Earths ((LYC)) crowned itself a top performer with China placing export controls on rare earths.

The price of Brent oil fell -13.48% in April to US$62.95/bbl, and the energy sector on the ASX declined -7.72%, bringing the year-to-date fall to -15%. Unsurprisingly, Woodside Energy ((WDS)) and Beach Energy ((BPT)) shares joined the bourse's biggest losers.

Despite weakness in the price of iron ore, the materials sector ended broadly flat.

A rally in the uranium price towards month-end squeezed short sellers, alongside some positive news from Boss Energy ((BOE)) and Paladin Energy ((PDN)), which saw both stocks as standout performers in April compared to being at the bottom of the losing tables in March.

<u>No major changes to earnings growth for FY25</u>

In terms of EPS revisions over the month, ASX50 stocks BlueScope Steel ((BSL)), Sigma Healthcare ((SIG)), Coles Group ((COL)), and ResMed ((RMD)) enjoyed the most positive upward revisions throughout the month.

The likes of Woolworths Group ((WOW)), WiseTech Global ((WTC)), BHP Group ((BHP)) and Aristocrat Leisure ((ALL)) were relegated to the least positive EPS revisions inside the ASX50.

Analysis by Macquarie highlighted the FY25 EPS growth forecast from a bottom-up approach remained flat in April, with a forecast average decline of -2.8% for FY25. The current financial year thus represents the third year of general EPS decline in a row, but Macquarie isn't sad or surprised about it as this has been the broker's expectation for the past six months.

Macquarie has lowered its average FY26 EPS forecast by -1.6ppt to 5.1% growth in April, with resource stocks the main drag (declines of -4.8ppts), while industrials are forecast to grow EPS by 11% in FY26. The latter, the broker acknowledges, may prove to be too optimistic given the prospect of slowing global growth.

Colleagues at Morgan Stanley observed earnings forecasts for April in aggregate declined by -0.9%, -2.4% and -1.7% for FY25-FY27. Consensus earnings growth forecasts sit at -1.2% for FY25, followed by a positive 6.2% for FY26 and 7.6% for FY27.

Accounting for the changes in earnings outlook and the rise in share prices, the mutliple on the market rose by one PER point higher in April to 17.8x on a 12-month basis.

The Australian share market was a standout performer in April, with the DAX30 and Nikkei 225 rising 1.5% and 1.2%, respectively, and with the FTSE100 ending down -1.02%, the Hang Seng off by -4.3%, and the Dow Jones Industrial Average off by -3.17%.

The Nasdaq recovered much of the March sell-off and ended slightly up at 0.85%.

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

Company	Change	Company	Change
LYC - LYNAS RARE EARTHS LIMITED	24.17	S32 - SOUTH32 LIMITED	-14.60
CGF - CHALLENGER LIMITED	17.58	MIN - MINERAL RESOURCES LIMITED	-14.10
PME - PRO MEDICUS LIMITED	14.83	WOR - WORLEY LIMITED	-13.79
PDN - PALADIN ENERGY LIMITED	14.68	PLS - PILBARA MINERALS LIMITED	-10.68
REA - REA GROUP LIMITED	13.06	LLC - LENDLEASE GROUP	-10.51

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

Company	Change	Company	Change
BOE - BOSS ENERGY LIMITED	27.82	HMC - HMC CAPITAL LIMITED	-21.99
LYC - LYNAS RARE EARTHS LIMITED	24.17	NXL - NUIX LIMITED	-20.85
APE - EAGERS AUTOMOTIVE LIMITED	23.15	BGL - BELLEVUE GOLD LIMITED	-20.52
HLI - HELIA GROUP LIMITED	21.30	AAI - ALCOA CORPORATION	-19.14
MP1 - MEGAPORT LIMITED	18.59	BPT - BEACH ENERGY LIMITED	-18.12

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

Company	Change	Company	Change
PNR - PANTORO GOLD LIMITED	1617.65	CTT - CETTIRE LIMITED	-46.43
DRO - DRONESHIELD LIMITED	48.07	CRN - CORONADO GLOBAL RESOURCES INC	-40.91
BRN - BRAINCHIP HOLDINGS LIMITED	31.71	MVF - MONASH IVF GROUP LIMITED	-25.99
BOE - BOSS ENERGY LIMITED	27.82	HMC - HMC CAPITAL LIMITED	-21.99
ASB - AUSTAL LIMITED	26.73	NXL - NUIX LIMITED	-20.85

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

Company	Change	Company	Change
BRN - BRAINCHIP HOLDINGS LIMITED	31.71	APX - APPEN LIMITED	-21.95
EIQ - ECHOIQ LIMITED	20.00	NXL - NUIX LIMITED	-20.85
MP1 - MEGAPORT LIMITED	18.59	DUG - DUG TECHNOLOGY LIMITED	-8.07
4DX - 4DMEDICAL LIMITED	18.52	WBT - WEEBIT NANO LIMITED	-7.83
CAT - CATAPULT GROUP INTERNATIONAL LIMITED	18.21	IFM - INFOMEDIA LIMITED	-6.42

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

Australia & NZ

Index	30 Apr 2025	Month Of Apr	Quarter To Date (Apr-Jun)	Year To Date (2025)
NZ50	11903.310	-2.99%	-2.99%	-9.21%
All Ordinaries	8341.00	3.57%	3.57%	-0.94%
S&P ASX 200	8126.20	3.61%	3.61%	-0.40%

S&P ASX 300	8060.90	3.58%	3.58%	-0.47%
Communication Services	1729.10	6.47%	6.47%	6.25%
Consumer Discretionary	3997.10	6.06%	6.06%	2.20%
Consumer Staples	12258.40	5.13%	5.13%	4.16%
Energy	7327.00	-7.72%	-7.72%	-15.03%
Financials	8789.60	5.60%	5.60%	2.03%
Health Care	41403.70	2.16%	2.16%	-7.76%
Industrials	7938.00	2.30%	2.30%	3.81%
Info Technology	2404.00	6.37%	6.37%	-12.29%
Materials	16086.20	0.69%	0.69%	-0.24%
Real Estate	3689.80	5.87%	5.87%	-1.90%
Utilities	9233.80	1.93%	1.93%	2.23%
A-REITs	1694.10	6.35%	6.35%	-1.41%
All Technology Index	3539.50	6.65%	6.65%	-6.99%
Banks	3758.30	7.10%	7.10%	4.21%
Gold Index	11548.90	5.17%	5.17%	37.10%
Metals & Mining	5342.00	1.21%	1.21%	1.64%

The World

Index	30 Apr 2025	Month Of Apr	Quarter To Date (Apr-Jun)	Year To Date (2025)
FTSE100	8494.85	-1.02%	-1.02%	3.94%
DAX30	22496.98	1.50%	1.50%	13.00%
Hang Seng	22119.41	-4.33%	-4.33%	10.27%
Nikkei 225	36045.38	1.20%	1.20%	-9.65%
DJIA	40669.36	-3.17%	-3.17%	-4.41%
S&P500	5569.06	-0.76%	-0.76%	-5.31%
Nasdaq Comp	17446.34	0.85%	0.85%	-9.65%

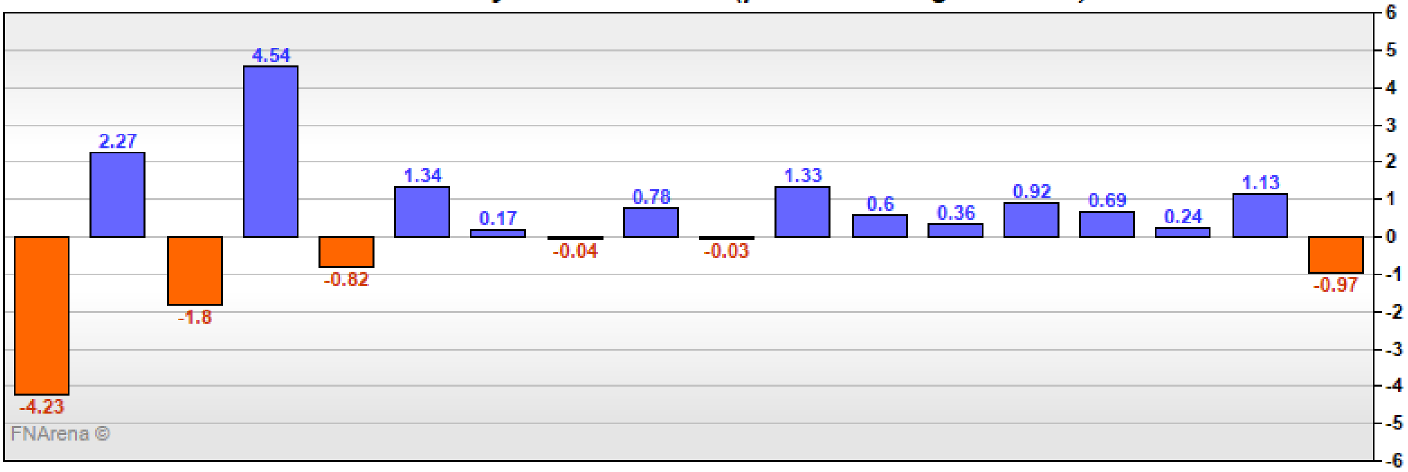
Metals & Minerals

Index	30 Apr 2025	Month Of Apr	Quarter To Date (Apr-Jun)	Year To Date (2025)
Gold (oz)	3327.65	6.42%	6.42%	26.68%
Silver (oz)	32.89	-5.98%	-5.98%	8.82%
Copper (lb)	4.8592	-5.69%	-5.69%	18.62%
Aluminium (lb)	1.1197	-2.47%	-2.47%	-2.05%
Nickel (lb)	6.9782	-4.05%	-4.05%	-2.33%
Zinc (lb)	1.2020	-6.47%	-6.47%	-11.05%
Uranium (lb) weekly	66.50	3.91%	3.91%	-7.64%
Iron Ore (t)	99.86	-3.77%	-3.77%	-3.83%

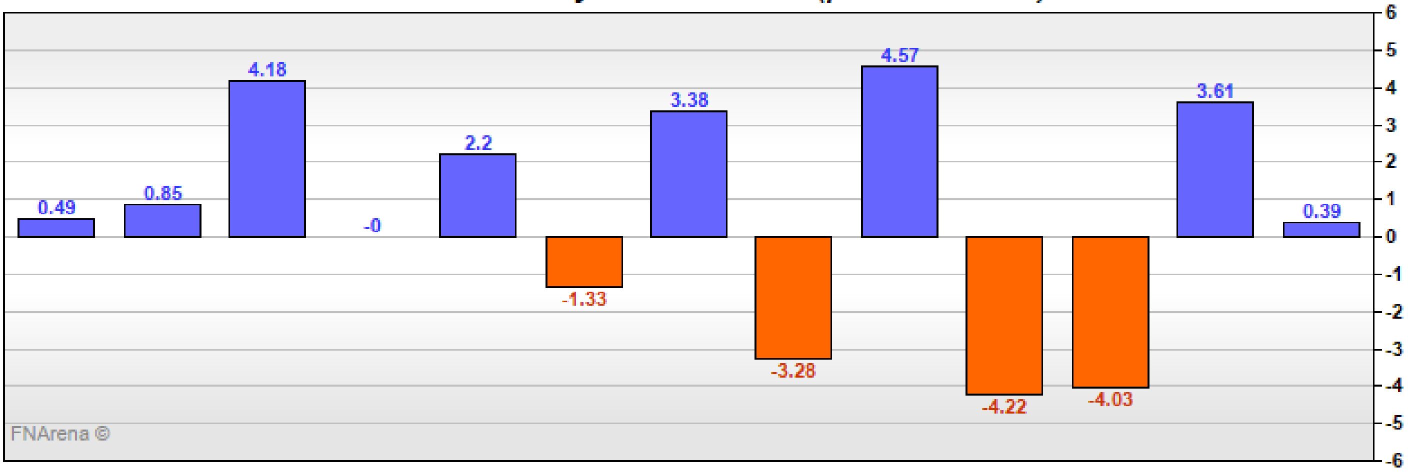
Energy

Index	30 Apr 2025	Month Of Apr	Quarter To Date (Apr-Jun)	Year To Date (2025)
West Texas Crude	60.28	-13.09%	-13.09%	-13.24%
Brent Crude	62.95	-13.48%	-13.48%	-13.24%

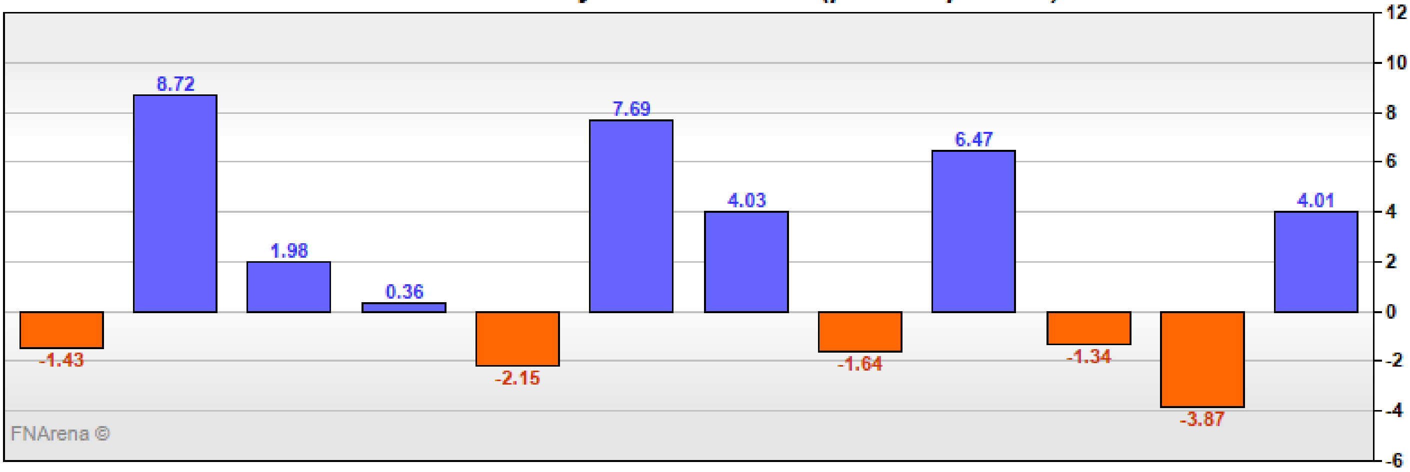
ASX200 Daily Movement in % (past 18 trading sessions)



ASX200 Monthly Movement in % (past 13 months)



ASX200 Quarterly Movement in % (past 12 quarters)



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AUSTRALIA

Future Pros And Cons From Quantum Computing

Australia Investors Beware: Could Quantum Computing Upend the ASX?

-Quantum computing showing early promise of transformative powers
-Potential to disrupt trading, risk management, and security frameworks
-Existing technologies and solutions could be rendered obsolete
-Australian government launched National Quantum Strategy

By Jason Collins

In recent years, quantum computing has moved beyond the realm of theoretical physics and made its way into real-world applications, albeit slowly.

Given this, it should be no surprise this almost futuristic technology is on the verge of transforming global financial markets.

While its full impact may be years away, companies, individuals, and institutions in the private and public sectors worldwide are beginning to explore quantum applications in financial services alongside fields like logistics and drug design.

This assessment is based on the insights of Australia's chief scientist, Catherine Foley, a world-renowned physicist with an interest in quantum computing and its applications.

The groundbreaking developments in quantum technology, perhaps more specifically: quantum computing, are prompting crucial conversations across financial markets.

In Australia, the question is becoming harder to ignore: Could quantum advancements eventually upend the local bourse ((ASX)) and disrupt trading, risk management, and security frameworks?

Fund managers, investors, market participants at large must answer this question. Admittedly, it is a difficult proposition. To begin exploring answers, individuals need to understand the potential implications of quantum computing and how it affects the ASX in a swiftly shifting landscape.

Quantum Computing: A Practical Primer for Investors

Investors need to learn the new tools at their disposal constantly, and quantum computing is no different.

Although it poses profound negative implications for the financial market, it can also benefit investors. To better use quantum computing to one's advantage, one must understand it.

Quantum computing uses quantum bits, known as 'qubits', that can exist concurrently in multiple states. This differs from classical computers, which process information in binary (0s and 1s).

This means quantum computers have the unique ability to solve sophisticated problems significantly faster than traditional super-computers, particularly in data modelling, cryptography, and optimisation.

This makes them a danger --or a boon-- to markets like financial markets that rely heavily on speed, data analysis, and security.

Three Key Areas of Potential Disruption

Trading Algorithms and Speed

In today's trading environment, high-frequency trading (HFT) relies on milliseconds to gain an edge.

While classical trading infrastructure has been optimised to near physical speed limits, quantum computing introduces the possibility of solving complex financial problems, from risk analysis to portfolio optimisation, much faster than traditional systems.

According to Deloitte's ***The Quantum Decade report***, quantum algorithms could eventually detect subtle, previously invisible trading opportunities buried deep within market data patterns too complex for conventional systems or existing electronic trading platforms, such as those used by the ASX, to uncover.

While the ASX has invested heavily in new technologies, the emergence of quantum-powered analytics could shift competitive dynamics over time, making most other existing solutions obsolete.

Unsurprisingly, with that kind of power, quantum computing may enable firms with early access to extract insights and advantages far beyond what today's market infrastructure can anticipate.

However, it's best to remember that these impacts will not happen overnight and will likely unfold gradually. Since quantum computing is still in its early stages and widespread commercial applications are years away, existing digital trading and settlement platforms like the ASX are unlikely to be immediately displaced.

But that doesn't mean today's financial platforms are out of the woods. The key for exchanges like the ASX will be to monitor these advancements closely and invest in quantum-resilient strategies to stay relevant and enticing to investors as the technology matures.

Risk Modelling and Forecasting

Risk management and portfolio construction rely heavily on complex simulation models under normal circumstances and during volatile market conditions.

Quantum computing is believed to eventually have the potential to dramatically influence and accelerate the depth and efficiency of risk simulations. For example, Monte Carlo simulations -among others- could be executed millions of times faster to improve stress testing and market risk assessment.

This evolution will likely have profound implications for the Australian financial system, which is shaped by regulatory oversight from APRA and ASIC. Experts believe, as quantum-enabled risk modelling becomes more powerful, slower stress testing frameworks and traditional Value-at-Risk (VAR) models may no longer suffice.

If asset managers, investment banks, and institutions trading on platforms like the ASX fail to adapt, they could be at a competitive disadvantage. Essentially, institutions that embrace rather than shirk quantum-enhanced risk management in its early stages stand to gain a significant edge regarding stress response, portfolio resilience, and regulatory compliance in a more complex market environment.

Additionally, while these advances could reshape traditional risk models, broader financial applications of quantum technology are also beginning to emerge.

Quantum Computing and the Future of Market Security for the ASX

Beyond risk modelling, one of the most immediate concerns surrounding the use of quantum computing is its potential to break the cryptographic systems underpinning today's financial systems.

It might seem unbelievable, but according to cybersecurity experts, a sufficiently advanced quantum computer could, in minutes, crack encryption that would take conventional supercomputers millions of years to defeat.

Despite its comprehensive security measures and encryption, the ASX would not be immune to these risks. In the event of a quantum-enabled attack on the ASX, encrypted trading data, user credentials, and settlement instructions could be exposed, leading to systemic threats to market integrity and investor trust, no matter how far in the future.

With this in mind, it should be no surprise KPMG has already warned quantum computing could render existing encryption tools ineffective faster than many investors can anticipate. Luckily, Associate Professor Ron Steinfeld from Monash University notes governments and standards bodies worldwide are already preparing for the security challenges large-scale quantum computing will bring.

Yet, transitioning platforms like the ASX to quantum-resilient systems will require stealthy planning, collaboration, and investment. In addition, any hesitation in adopting post-quantum security protocols could expose Australia's financial infrastructure and investors to vulnerabilities with far-reaching consequences.

Quantum Advantages

Quantum computing as a whole offers disadvantages for the financial sector, especially for trading platforms like the ASX.

Yet, there are upsides to using this technology, considering it offers transformative capabilities that might benefit the financial system. KPMG Australia notes quantum computing can revolutionise 'financial modelling' and risk analysis alongside energy, AI, and drug research applications.

To understand this, think of it this way: One day, Australian banks and asset managers could use quantum computing algorithms to improve fraud detection with complex pattern analysis beyond what is currently possible. These same banks and asset managers could even use the power of quantum algorithms to perform ultra-fast scenario simulations for portfolio management or to reshape how risk management is determined.

In short, quantum technology might unlock new levels of insight and efficiency in finance, boosting competitiveness for those who adopt it. Beyond this, embracing quantum computing also offers strong economic opportunities.

According to a CSIRO white paper published in May 2020, Australia's emerging quantum technology sector is forecast to support around 16,000 jobs and generate over $4bn in annual revenue by 2040, with quantum computing being the most promising profit driver.

Additionally, according to Dr Foley, quantum computing could spur breakthroughs, leading to higher profit gains across industries, including finance. Foley: "Quantum computing has the potential to contribute more than $2.5bn to the economy each year while spurring breakthroughs in drug development, more efficient industrial processes, and accelerated machine learning systems."

By embracing quantum technology in its many forms, Australia could gain a competitive edge at home and abroad. Not to mention, with significant profits, policymakers are keen to capitalise. For this reason and to ensure safety in a cyber landscape, the **Australian government** introduced its **National Quantum Strategy**.

This governmental strategy outlines Australia's overarching plan to become a global leader in the space by 2030. Investors might also find it noteworthy that quantum technology is listed as one of the nine priority critical technologies in Australia's **Action Plan for Critical Technologies**. The listing further highlights its importance to Australia's future economic prosperity.

Quantum Computing and the ASX

Quantum computing represents by no means an immediate threat to the ASX or Australian capital markets. However, since it can reshape parts of the financial landscape and pose risks in the near future, investors must keep up with technological developments.

They must also advocate for regulatory readiness, as it will help ensure operational adaptability in the financial markets.

COMMODITIES

De Grey Offsets Northern Star's Production Doubt

Northern Star Resources' 2moz gold production target by FY26 is under scrutiny following an FY25 guidance downgrade, although the De Grey acquisition is lauded.

-Northern Star Resources downgrades FY25 production guidance
-Delays at KCGM in the March quarter to blame
-FY26 production target now uncertain
-Acquisition of De Grey Mining a positive

By Greg Peel

Northern Star Resources ((NST)) produced 388koz of gold in the March quarter, -6% below consensus forecasts, with sales of 385koz, -7% below. All-in costs of $2,246/oz proved 9% above consensus.

Northern Star's Pogo mine once again performed well, but lower productivity was cited at the flagship Kalgoorlie Consolidated Gold Mines (KCGM), leading to delayed access to the high-grade Golden Pike mining area. Yandal production was solid, but operating costs and growth capex have increased due to higher than anticipated maintenance costs and royalties (higher gold price).

FY25 production guidance has subsequently been revised down to $1,630-1,660koz, from a prior 1,650-1,680koz, and all-in costs have been revised up to $2,100-2,200/oz from $1850-2,100/oz.

Citi notes it is the fourth year in a row Northern Star has missed on prior cost guidance.

The miner is nearing the end of its prior five-year plan, which targeted 2moz of production by FY26. While management has not revised this target, it admits achieving it is now a matter of "not if, but when".

Downside Risk to KCGM

Focus remains on KCGM and its ramp-up, UBS suggests, as the operation remains a key value driver for Northern Star because this is where the growth is coming from. Previous production guidance was for 650koz in FY26 and 900kozpa from FY29 compared to the current run-rate of around 400kozpa.

Through FY25, and as the KCGM plant expansion continues to track on time and budget, UBS has walked back the FY26 target to now sit at 612koz assuming only delayed access to grade. Reportedly, the hardest issue has been lifting mining rates back up to the more than 20mt per quarter rate, allowing more access to the high-grade Gold Pike North ore.

Good news is the increase to FY25 growth capex guidance is a result of some developments tracking ahead of plan, while higher exploration spend represents accelerated activity following early successful results. A reserve/resource update is expected this month.

Forecast Downgrades

Brokers had already been moderately sceptical of Northern Star reaching its 2moz production target by FY26, with consensus sitting at 1.91moz prior to the March quarter result. Further downgrades have now followed.

Goldman Sachs is forecasting 1.86moz in FY26, rising to 2moz by mid-2027. New FY26 production guidance is expected from the company in July, post the June quarter result, while a new updated three-year outlook is expected in the second half of this year.

Macquarie is forecasting 1.88moz for FY26 and Jarden 1.85moz. Bell Potter has 1.80moz, forecasting 2moz to be reached in FY27.

Despite management's FY25 production downgrade, Morgans remains positive given the Golden Pike delay is a non-systemic issue only affecting the near-term. Also; gold price movements may potentially make up lost ground on revenue relative to production ounces, plus there is the successful acquisition of De Grey Mining ((DEG)).

De Grey Mining

De Grey Mining has been developing the large scale, high value, near-surface Hemi gold project in the Pilbara. Northern Star's proposed all-scrip acquisition of De Grey has received Federal Court approval, with the implementation date set for May 5th (today).

Goldman Sachs continues to believe De Grey's Hemi project will enhance the quality and scale of Northern Star's portfolio, improving pro-forma production, costs and medium-term earnings (ahead of peers) via the addition of a high quality greenfield project, with minimal impact to the capital management framework.

Morgans has adopted the Hemi definitive feasibility (DFS) as its base case, with modest open pit mine life extensions of approximately three years and capex assumptions of -$2bn. The transaction is value accretive, on Morgans' calculations, uplifting group production by approximately 22% and reducing group costs by approximately -9% following first gold in FY29, while increasing earnings per share by 44%.

The weak March quarter result has overshadowed UBS' first attempt to incorporate Hemi into modelling, with operational focus on the strong quarter-on-quarter improvement required to meet downgraded FY25 production guidance, and how much it reduces previous FY26 guidance of 2moz, before the analysts can really think about integrating and optimising Hemi into the portfolio and the linked asset recycling program.

Nonetheless, UBS sees the Hemi acquisition as net present value, cost, quality and earnings accretive on production.

Valuation

Northern Star's on-market share buyback program is 89% complete (average price $10.51) and remains open to September, and the company's ongoing dividend policy remains supported by the 20-30% cash earnings policy.

Northern Star Resources offers a compelling investment case, Morgans believes, as the premier Australian-focused gold producer. Capital upside is supported by the 2moz growth profile by FY26 (which Morgans believes may be still attainable), record gold prices and an active capital management policy (dividends and buybacks). The addition of De Grey's Hemi project secures additional longevity beyond the current growth profile.

Morgans retains its Add rating, lifting its target to $25.32 from $21.57 despite the guidance downgrade. Morgans' target increase is otherwise a result of the broker lifting its gold price forecasts following consistent appreciation in the spot price.

The softer production outlook sees Macquarie's target price trimmed -4% to $26.00, with valuation methodology unchanged at 1.3x net asset value and 10x operating cash flow. Macquarie retains Outperform.

UBS' net present value-based target is unchanged at $25.80 and a Buy rating is maintained.

Bell Potter has decreased its target to $20.85 from $22.15 on forecast changes and downgraded its recommendation to Hold from Buy on valuation grounds. The target is set with respect to the broker's long-term gold price forecast of A$3,800/oz (noting the spot gold price at the time of reporting was A$5,160/oz).

Bell Potter's recommendation would revert to Buy applying a long-term gold price of A$4,300/oz. Northern Star remains an attractive investment, the broker believes, given (1) forecast production growth to 2mozpa in FY27, (2) expansions being strongly supported by record gold prices, and (3) the portfolio-enhancing effect of the long-life and low operating cost Hemi development project.

Citi still believes the Northern Star share price can trade higher as the rising gold price results in an ongoing earnings per share upgrade cycle, but for now retains Neutral with an unchanged $20.00 target.

Ord Minnett last updated on Northern Star in mid-April and has a Hold rating with a $19.40 target. Morgan Stanley is also yet to update on the March quarter result, having upgraded to Overweight from Equal-weight in early April with a target of $20.50.

There are currently four Buy or equivalent ratings and three Holds among the seven brokers monitored daily by FNArena covering Northern Star. The consensus target is 22.55, ranging from 25.80 (UBS) to 19.40 (Ord Minnett).

Goldman Sachs has retained its Buy rating and $22.10 target, while Jarden sticks with Neutral, increasing its target to $18.30 from $18.10.

COMMODITIES

When The Cyclical Leg Up For Imdex?

Mining technology company Imdex relies on exploration spending, which appears to have stabilised, but the near-term outlook remains opaque.

-Imdex' March quarter revenues slightly missed forecasts
-Operational activity stabilising nonetheless
-Exploration spending and capital raisings key for the outlook
-Analysts would like more visibility

By Greg Peel

Imdex ((IMD)) provides technology that improves the process of identifying and extracting mineral resources to achieve increased accuracy, enhanced speed, and productivity gains. The company is the dominant global leader in its field, with a presence in 40 countries including all major mining regions.

Key to Imdex' outlook are the exploration spending intentions of resources companies as well as capital raisings in the space, implying new exploration intentions.

This week, Imdex reported March quarter revenue of $100m, in line with the December quarter and -1% down year on year, slightly below consensus expectations. This explains why the initial share price response has been to the downside.

Morgans had envisaged the business to deliver flattish revenue in March from December in constant currency terms, but with a $4m revenue tailwind from FX. The FX impact was only $1.5m as the sensitivity was overstated and other currencies proved a drag (such as the rand and peso).

This indicates to Morgans the base business is still going backwards ever so slightly.

Management's outlook commentary with the March quarter update was cautiously optimistic. Resource companies have reported increased exploration budgets for 2025, although there was limited deployment in the March quarter.

"Our key takeaway for the quarter is that the two-plus year decline in global exploration activity appears to have stabilised. Increasingly, we see positive activity combatting the enduring cost pressures, regulatory constraints and political uncertainty".

According to Standard & Poor's, global exploration drilling was plateauing into the March quarter following a decline of -19% in 2024. S&P indicated global exploration budgets for 2025 to be flat to modestly lower than in 2024.

Management noted while resource companies reported increased exploration budgets, there was lower deployment in the March quarter. Activity in Queensland and NSW was abnormally affected by weather in the period, recovering in the June quarter. In West Africa, activity scaled back due to political instability, but this is now being offset by emerging growth in Zambia.

The Americas region has remained steady, underpinned by majors and mid-tier producers, with junior exploration activity remaining subdued.

<u>The Breakdown</u>

Positively, sensor volumes returned to growth in the quarter. Morgans believes the cadence of sensor volumes (down -3% in the first half, up 1% during the March quarter, and up 4% in the interim) is the clearest indication the cycle has reached a positive inflection point.

Conversely, fluids declined again and directional core drilling turned also down slightly. Positively for Morgans, margins in the quarter should be higher than in the first half given the mix effect of higher tool volumes, which are higher margin. Capex in the second half is expected to be up 60% on the first as the company manufactures new OMNI tools (gyros, bolt) and the new ACTx (core orientation).

Capitalised R&D is expected to remain elevated into the second half, which is consistent with previous commentary. However, despite earlier indications this would normalise after the second half, capitalised R&D is now expected to remain elevated through FY26 due to continued requests for Blastdog insights.

<u>Raisings</u>

Data reveals junior equity raisings saw a strong to start 2025, with US$2.0bn raised during the seasonally weak March quarter, up 42% year on year. April saw a further US$758m raised (up 47%). This comes after considerable strength in the December quarter, which saw US$2.7bn raised (up 87%).

Gold financings are making up an increasing proportion of monthly financings, up 38.2% in April versus 33.7% in October. With gold around all-time highs (above US$3000/oz) and copper at healthy levels (US$4.65/lb), the outlook for raisings continues to firm, Morgans notes.

April was nonetheless impacted by Liberation Day-inspired market volatility. Notwithstanding the softer month, Bell Potter continues to expect junior exploration activity to improve from mid-2025, which takes into consideration the typical six-to-nine month indicator lead time.

S&P indicated global exploration budgets for 2025 will be flat to modestly lower, despite many major producers reporting double-digit increases in exploration. Imdex noted downward pressures on exploration remain, being cost, and regulatory and political uncertainty [see: tariffs].

The outlook does have green shoots, Macquarie suggests, with the strong gold price driving an uptick in raising activity, an acceleration of critical minerals projects (of which copper is considered one), as well as the budgets of major and mid-tier miners.

Imdex is highly leveraged to a rebound in global drilling activity levels, Macquarie notes, with early indicators pointing to a stronger FY26.

UBS' base case assumes exploration volumes progressively improve across FY26. This underpins UBS' FY26 revenue growth forecast of 8% year on year. Bell Potter has deferred expectation of a material recovery in Imdex revenue six months to the second half of FY26.

Morgans' view is that, given the sharp rise in junior miner raisings in the December quarter of 2024 (up 87% year on year), exploration activity will gather pace during the second half of 2025.

Also reliant on exploration spending, ALS Ltd ((ALQ)) has seen an uptick in volumes but Morgans expects most of this to be from market share gains, as well as an overweight position in Australia compared to Imdex, which faces intense competition from Axis domestically (and elsewhere).

The broker suspects Imdex is also facing increased competition from smaller private fluids players, but in Morgans' view, a positive cycle, which the broker is becoming increasingly confident around, will trump these company-specific factors.

Greater Visibility Required

Against the backdrop of challenges pertaining to subdued exploration, Imdex has delivered another resilient quarter, Citi suggests. Stabilisation of activity levels have once again taken a centre stage with most regions demonstrating steady demand, with the exception of Australia and Mali.

While Citi appreciates the market is largely looking through FY25, implied June quarter revenue from FY25 expectations requires a substantial uplift. Even if activity levels remain stable for the remainder of the year, combined with progressive improvement in the East Coast of Australia in the June quarter, this appears to be a steep uplift in Citi's view.

Citi continues to see downside risk to FY26 earnings expectations. This broker thus retains a Neutral rating on Imdex, as do four of the five brokers monitored daily by FNArena covering the stock.

Macquarie is sticking with Neutral until there is better visibility of a sustained and broader uptick in exploration spend.

UBS foresees a slight shift to the right in the timing of the upcoming exploration cycle, with this broker expecting greater levels of growth to come through in FY27-28 than in FY26.

With Imdex trading at an FY26 forecast PE of 26x, Bell Potter believes its FY26 earnings per share growth estimate of 22% is already priced in, and that delayed timing of an exploration market recovery represents downside risk to an elevated earnings growth outlook.

Morgans, on the other hand, is more confident, and retains an Add rating. Given recent strength in key leading indicators (including sensor volumes), and the broker's view that activity picks up from the second half, Morgans makes negligible changes to earnings forecasts for FY26-27.

Imdex remains the dominant global leader in its field and is well positioned to benefit from a turn in the exploration cycle which, in Morgans' view, is now imminent.

The consensus target among the five brokers is $2.88, down from $2.94 ahead of the March quarter update, ranging from $2.65 (Bell Potter) to $3.20 (Morgans).

While the initial response to this week's market update arrived in the form of selling pressure, the share price has since recovered and is back trading around $2.81.

FEATURE STORIES

Compare The Pair: Woolworths Versus Coles

Analysis of the battle of the supermarket titans in the March quarter, assessing performance and outlook.

-Woolworths sales growth falls short of Coles
-Big W remains a problem
-Coles winning the online/automation war
-Simply Liquorland offers promise

By Greg Peel

Woolworths Group ((WOW)) posted modestly better-than-expected growth in same-store food sales of 3.0% year on year in the March quarter. Growth lagged the 3.2% recorded by Coles Group ((COL)), even as the much larger Woolworths ran a collectibles promotional campaign based on the wildly popular Minecraft game in the period.

While the gap was narrow, Citi believes Coles was still meaningfully ahead on an underlying basis given Coles was cycling a very strong Pokemon campaign a year ago (the Harry Potter campaign this quarter was not nearly as strong), and Woolworths indicated the Minecraft campaign likely increased like-for-like growth by around 1%, with no such promotion run by Woolworths a year ago.

It was a tough quarter, with Woolworths flagging costs of -$20-25m related to extreme weather in the quarter in Queensland and northern NSW, due to airlifting essential items into stranded towns and elevated losses of stock and damage from flooding.

The set-back came on top of the -$95m cost last year from Victorian industrial action shutting down distribution centres, supply chain commissioning costs of -$111m expected in FY25 (-$30m in FY24), and increased promotion costs, such that FY25 earnings margins are likely to hit a nadir, UBS suggests.

Woolworths' Own Brand was again a key highlight, Morgans notes, with sales up 5.7% as customers continue to seek value in the current climate. Growth was above Coles' Supermarket Own Brand growth of 4.5%.

Delivery growth fell to 13.8%, below Coles' online growth of 26%. While the weather impacts were noted, management also acknowledged Woolworths has lost some share to Coles in certain suburbs serviced by Coles' new Ocado customer fulfilment centres.

Woolworths' average food prices were flat for the quarter, compared to Coles' Supermarkets price inflation of 1.5%. Management noted customers continue to gravitate towards discounts and promotions. Woolworths' comparable sales continue to be driven by volumes, Macquarie points out, with a focus on lower pricing.

Macquarie notes average prices (ex tobacco) have now declined for five consecutive quarters. This has been partially driven by higher promotional take-up, albeit the broker expects Woolworths will continue to focus on its value proposition as it seeks to drive momentum back into its Supermarkets.

Woolworths' aim of circa -$400m of annualised cost savings by the end of 2025 was re-affirmed, although apparently there is dissatisfaction among head-office staff around job security and redundancies. In Ord Minnett's view, this uncertainty is no doubt affecting the company's performance and is an issue which needs to be addressed sooner rather than later so Woolworths can focus on implementation and execution of its longer term strategy.

UBS would be more optimistic on the turnaround potential at Woolworths if there was greater ambition and urgency in cost savings, as while -$400m is pleasing, arguably more can be done given limited progress since 2016.

In Ord Minnett's view, there is potentially more than -$400m in costs that can be carved out of a business that in recent times has not been focused on the simple maxim of giving its supermarket customers the product they want at a good price, but on forays into other retail segments, such as its poorly performing W Living operations (part of Big W; and Petstock is also underperforming.

Big W

Distinguishing Woolworths from Coles is the Big W discount department store chain, a perennial problem child.

Big W once again disappointed, posting a -$70m earnings loss, up from -$40m a year ago, predominately reflecting underperformance in clothing, the late arrival of spring/summer, and a higher level of mark-down and clearance. Big W sales increased 1.9%, which was actually above consensus forecasts, but sales growth was reliant on said clearance of spring/summer stock and a slower start to autumn/winter.

While management acknowledged the disappointing performance of Big W, it is yet to make a final decision on the future of the business. All businesses in the portfolio are part of an ongoing review with a further update expected to be provided at the FY25 result in August.

Positively, notes Macquarie, Woolworths' New Zealand business is seeing solid performance despite challenging market conditions, increasing comparable sales by 3.8% in the March quarter, as some two-thirds of stores acquired have now been rebranded as Woolworths.

Looking Forward

Looking into FY26, Goldman Sachs continues to expect a strong recovery in both group sales and group earnings, supported by Australian Food sales and earnings, as Woolworths recovers lost market share in the first half of FY26 and the elimination of one-off costs (industrial action, cyclone).

Goldman is also seeing green shoots of a New Zealand turnaround and expects Big W's second half FY26 profit to reduce the earnings loss in the second half FY25 due to reduced seasonal stock-clearance, though Big W remains a broader strategic question.

Ord Minnett prefers Woolworths over Coles due to greater upside potential over the longer term despite recent operational underperformance.

In Morgans' view, Woolworths is a good, defensive business with dominant market positions and long-term earnings tailwinds from population growth and leveraging its scale advantage. While the March quarter sales performance was solid and suggests the core Australian Food division may be turning the corner, margins remain under pressure from customers shifting to lower-priced items and buying more products on special, higher costs (including wages), and a negative mix shift due to higher eCommerce sales versus in-store.

While there was limited evidence of a turnaround in customer perception and sales, Macquarie remains attracted to long-term upside driven by recovering momentum in the key Australian Food segment, further detail on cost savings, and the rising importance of retail media.

Citi holds the view that on an underlying basis, Woolworths is still underperforming Coles. Citi continues to believe it will take significant time to rebuild customer trust, as was acknowledged by management at the result release.

Woolworths has re-rated in the flight to domestic-facing businesses with limited exposure to trade wars, notes Bell Potter, along with peers locally and globally. At current levels, Woolworths is trading at a multiple broadly consistent with Coles, but it is difficult for Bell Potter to see the catalyst to see the shares return to a premium rating.

Coles

As noted, Coles reported like-for-like sales growth of 3.2% in the March quarter, to Woolworths' 3.0%, from its dominant supermarkets business, above consensus expectations, although flat sales in its liquor division, below consensus, disappointed as the wider market for alcoholic beverages languished amid reduced discretionary spending by constrained consumers.

This was a solid result, Macquarie suggests, following comparable 3.4% sales growth in the first half (which included benefits from Woolworths' supply chain disruptions). Coles cycled comparable growth of 4.2% in the March quarter FY24.

Online sales increased by 25.7%, with growth across all "missions" (next day, same day, rapid), while next day home delivery growth in NSW and Victoria, which use new Ocado customer fulfilment centres, was well ahead of the rest of the nation. Looking forward, the significant investments over recent years, especially Witron and Ocado, are expected to drive medium-term sales growth, with this upside arguably underappreciated, UBS suggests.

Citi considered it a good trading period considering, as noted, the Harry Potter campaign was far less popular than last year's Pokemon campaign, and Woolworths ran a successful Minecraft collectible campaign with no corresponding campaign last year.

Macquarie expects management will continue to focus on market share, driven by two major initiatives: i) Ongoing review of its strategy and pricing architecture in non-food (noting rising competition from groups like Amazon, Chemist Warehouse ((SIG)) and Bunnings((WES)); and ii) continued scaling in the customer fulfilments, with the group previously noting average online basket sizes 4.6x larger than in-store and 2.2x greater spend from omni-channel customers.

Simply Liquorland

Coles is implementing changes to improve the liquor business performance. In March, the company unveiled the rebranding of all Vintage Cellars and First Choice Liquor Market sites to the main Liquorland brand.

Coles will proceed with the national rollout of its "Simply Liquorland" program, which will deliver an alignment in product range, promotions, loyalty programs and the digital offering while still enabling stores to tailor for local demographics. While program costs of -$7m are expected to be incurred in the second half, with further costs in FY26, Morgans thinks the move will be positive over the long-term.

This program is "pleasing", yet UBS points out the liquor category faces a combination of cyclical and structural challenges which weigh on liquor consumption.

Citi is encouraged by the thinking behind the Simply Liquorland program. The rebranding should drive topline benefits through improved brand awareness and value perception, the broker suggests. It should also deliver efficiency benefits through streamlining in-store and online offerings.

Citi nevertheless forecasts flat sales growth for the second half FY25.

Looking Forward

In Morgans' view, Coles is a well-managed business with defensive characteristics and strong market positions in both supermarkets and liquor. Management continues to execute well in relation to operating efficiency, product availability, and reducing loss with major supply chain investments (automated distribution centres and customer fulfilment centres) to support improved margins over the longer term.

While Coles remains Morgans' preferred exposure in the supermarkets sector, the broker sees the current valuation as full and prefers a better entry point.

Bell Potter sees FY25 as a year of consolidation on a reported basis for Coles, but continues to see Coles as providing a defensive earnings growth profile through to FY27.

The growth profile is driven by: (1) delivering $1bn in cumulative savings by FY27 through "Simplify & Save"; (2) the sustained benefit of lower loss rates (theft); (3) delivering targeted returns on capital investment programs in automated distribution centres and customer fulfilment centres; and (4) expansion of the store network at a pace consistent with population growth.

In the near term, Coles is likely to be a viewed as a domestic-facing defensive business with limited exposure to international trade wars.

Citi continues to favour Coles' value positioning and execution over Woolworths. This broker sees upside to FY26 consensus forecasts as benefits from automated distribution centres and customer fulfilment centres continue to be realised and implementation costs fall away.

Macquarie remains attracted to Coles' defensive growth profile, with earnings momentum to drive shareholder returns.

Clean Up Aisle Three

So where does that all leave us?

Seven brokers monitored daily by FNArena cover both Woolworths and Coles. Among them, Woolworths attracts three Buy or equivalent and four Hold ratings, while Coles has five Buys and two Holds.

The consensus target for Woolworths is $33.04, up from $32.29 prior to the March quarter update. For Coles the target is $22.05, up from $21.61.

Outside of the group, Goldman Sachs has a Buy rating on Woolworths with a $36.50 target, and a Neutral rating on Coles with a $19.00 target.

Jarden has an Overweight rating on Woolworths with a $36.30 target, and a Neutral rating on Coles with a $20.60 target.

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RUDI'S VIEWS

Rudi's View: CSL & NextDC

By Rudi Filapek-Vandyck, Editor

Five years of gradual erosion in the share price have significantly reduced investor enthusiasm for CSL ((CSL)). Certainly, FNArena received multiple messages in recent months from disappointed hangers-on who've decided to throw in the towel and look for greener pastures elsewhere.

It has been a remarkable reversal from the period prior to the global covid pandemic that has weighed upon CSL and the broader healthcare sector internationally. Prior to 2020 there was virtually nothing CSL could do wrong, with strong multi-year rewards for loyal shareholders cementing its status as Australia's highest quality performer.

But that was then and today the share price is lingering around $240 versus the all-time high of $342.75 reached on 20 February 2020.

We can but guess the remaining army of retail shareholders in Australia has equally responded to the southward-bound share price with above-average displeasure. The company itself, still the third largest listed on the ASX, has responded through organising shareholder briefings in between financial result releases.

The first such briefing took place on Monday in Sydney. On Friday the event moves to Brisbane.

On Monday, Chief Financial Officer Joy Linton addressed a room that was far from fully occupied --see: non-performing share price-- but casual observations afterwards suggest the overall appreciation from shareholders present was positive with many lauding her eloquence and in-depth knowledge of the company's international operations and highly specialised medical products.

As expected, one of the features in Linton's presentation slides was how badly healthcare and biotechnology shares have performed globally. Indeed, the notable reversal in CSL's underlying share price trend is not totally out-of-sync with the global headwinds that have descended upon the industry at large.

The latest obstacles can be traced back to the new administration under president Trump in the US and his personal affection for import tariffs. CSL, of course, has no idea what goes on inside Trump's head, but Linton's presentation emphasised two key messages for the room:

-CSL has a significant presence in the USA, where circa 60% of its workforce is located and 90% of its all-important plasma collection centres, implying some protection against tariffs

-CSL has a significant network outside of the USA and is flexible and agile enough to prepare and adjust for the new environment in which trade tariffs might feature prominently.

As one example of the latter, the CFO disclosed CSL is a major exporter of albumin, the most abundant protein in human blood plasma, into China but most of it is exported from facilities in Switzerland and Germany, with only a smaller part coming from the US where the bulk of plasma is being collected.

This still makes the company vulnerable to any tit-for-tat responses between Washington and Beijing, but approval is pending to start exporting from its Tullamarine location near the Melbourne airport. Once such approval is in place, there will be nil exports of albumin coming directly from the US into China.

US administration risks and disappointing share price performance aside, another of Linton's key messages was that CSL still sees itself as an innovation company. The next major product launch involves Andembry, a monoclonal antibody treatment developed by CSL for the prevention of recurrent hereditary angioedema

(HAE) attacks.

Andembry was discovered and developed in Australia by CSL scientists and is the company's first monoclonal antibody therapy. It is often referred to as Garadacimab, the name used during clinical trials and stages of development.

CSL is convinced it has developed the global standard of care for what is a rare genetic disorder that causes repeated episodes of severe swelling in different parts of the body. 'HAE' can be life-threatening for those who suffer.

In January, Andembry was approved for Australia, with markets including the UK, the EU, Japan, and Switzerland equally opening up, but the big opportunity in the US is still awaiting FDA approval.

The company is now working towards reimboursement payment approvals for those countries where Andembry is now available. According to Linton, early indications are "highly promising".

CSL is "quietly confident" FDA approval might arrive before the end of FY25 (June 30).

It is no secret Robert F. Kennedy Jr, the United States Secretary of Health and Human Services and chair of the 'Make America Healthy Again' Commission, is no big fan of the healthcare industry and vaccines in particular.

Linton explained Kennedy's public scepticism is targeted at the mRNA technology, which to date has not lived up to very high expectations communicated during the early covid pandemic.

CSL's Seqirus is a top three global vaccine manufacturer, but has never genuinely moved down the mRNA pathway. Its vaccine technology has migrated away from eggs and today is 100% cell-based.

With the USA currently experiencing an above-average severe flu season, one might expect this should flow through a more promising outlook for Seqirus, but things in the USA are far from 'normal' these days.

Anti-vaccine sentiment has firmly gripped Trump's MAGA base with general vaccination levels in 2025 some -50m people below the level back in 2019/20. This still leaves more than 100m vaccinations in that country and CSL's observation is the annual rate of decline is noticeably slowing.

Equally important; while general scepticism and apprehension towards vaccines has spiked around the globe since the covid pandemic, the fall in vaccination numbers remains primarily an American phenomenon.

News about the US administration allocating US$500m for the development of a government funded universal vaccine does not worry CSL with Linton pointing out such universal vaccine has long been the Holy Grail inside the industry (so nothing new) and US$500m, in this context, doesn't seem like a whole lot (considering the time required including challenges).

Linton's presentation also mentioned Seqirus having developed an adjuvant that significantly improves the potency and breadth of vaccines, especially for influenza, as it helps the body with generating immunity not just to the vaccine strain but also to related strains, and so offers broader protection.

Regarding Vifor, the largest acquisition in the company's history that arguably hasn't lived up to expectations to date, Linton assured the picture will look a lot better in ten year's time, which is the typical timeframe used by CSL management and board.

Vifor's iron deficiency treatment is starting to perform in growth markets, Linton assured the audience, and it has recently been launched into China. Vifor operates from Switzerland, so no tariff threats should be overshadowing its future in China.

Just like every other company on the planet, especially those considering themselves to be innovators, CSL has started implementing AI across a small part of its plasma collection operation. While early indications are of efficiency improvements being achieved, one should not expect any big announcements at this early stage.

One day after Linton's address to shareholders in Sydney, news came through that Vinay Prasad has been appointed as head of the US Food & Drug Authority's (FDA) Centre for Biologic Evaluation & Research (CBER).

As also highlighted by Ord Minnett two days later, Prasad, a haematologistoncologist, has been accused of spreading misinformation about the covid-19 vaccine and was a vocal critic of the Health Department's response to the pandemic.

News of his appointment triggered sharp share price falls for biotechs around the globe and CSL's share price has not been immune. Ord Minnett stated its analysis suggests Prasad is not necessarily against broad-based immunisation for influenza per se, but he is sceptical of much of the clinical data.

And Now For Something Different... NextDC

Of a complete different nature was the appearance of NextDC ((NXT)) CEO Craig Scroggie at the annual investor conference organised by the Australian Shareholders' Association on Wednesday this week.

In contrast with Linton's measured though educational endeavour, Scroggie commanded central stage like a whirlwind of joy and happiness.

Attendees on Wednesday approached him afterwards with gratitude for successfully explaining the complicated matters of AI, data centres and energy requirements to a layman's audience.

A few confessed to being a shareholder too.

NextDC had just announced its biggest contract ever, causing the share price to rally on the day.

As a builder of key infrastructure in support of tomorrow's AI revolution in Australia, NextDC is suddenly *super hot* among investors these days. Scroggie's presentation at the Macquarie Conference earlier that day had elicited no less than 135 questions from the audience.

At the ASA Conference, Scroggie's on stage appearance was brief but no less popular, as the NextDC CEO explained the giant leaps occurring through technology, also affecting the country's energy demand.

The past decade has seen the single largest transformation in computing power taking place --ever!-- and NextDC operates the key supporting infrastructure.

Ranging from internet connections at home and in offices, to satellite services through Starlink and internet access while sitting on a plane high above Australian skies, ultimately all roads lead to NextDC's data centres in and around major cities across the country, with mining companies equally on the customer list.

As far as the day's announcement goes, the market had been waiting to see whether/when the next contract might be announced and what exactly would be in the finer details.

On Wednesday, just about everything turned into a positive surprise, negating the general scepticism that had previously weighed down on the share price.

NextDC announced its first-ever AI deployment contract, alongside a fresh record six-monthly 52MW agreement that also featured a significant step-up in activation and billings.

Those analysts who've been quick enough to respond are universally in agreement: it proves industry dynamics, carried by AI, remain robust, tangible and real.

NextDC's future is being de-risked, despite ongoing requirement for significant capex spending, and more contracts will only further strengthen the investment case.

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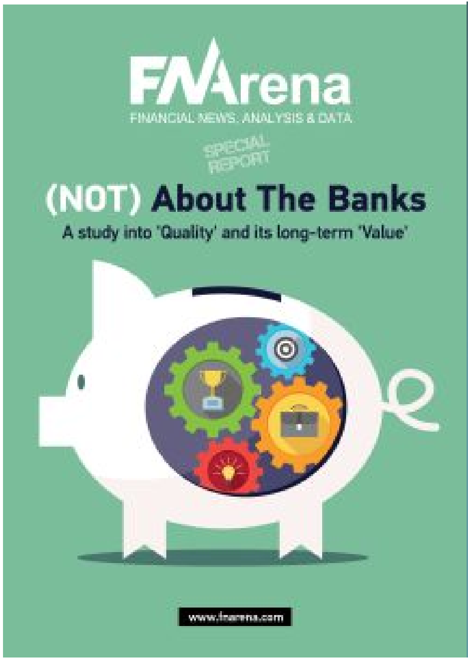
Both CSL and NextDC are owned by the FNArena-Vested Equities All-Weather Model Portfolio.

(Do note that, in line with all my analyses, appearances and presentations, all of the above names and calculations are provided for educational purposes only. Investors should always consult with their licensed investment advisor first, before making any decisions.)

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

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



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

SMALL CAPS

Judo Capital’s Q3 Disappointment Hurts

Management at Judo Capital reacted to market uncertainty by downgrading near-term guidance, but analysts question whether a negative share price reaction is overdone.

-Judo Capital downgrades metrics for FY25 and FY26
-Competition and economic uncertainty weigh
-Share price selloff looks excessive to some analysts
-Potential for a capital raising?

By Mark Woodruff

Increasing competition in Australia's business banking sector may negatively impact the ability of specialist, pure-play lender to small and medium enterprises Judo Capital ((JDO)) to keep existing clients and remain competitive on both pricing and attracting new business opportunities, suggests UBS.

Following Judo's third quarter trading update, Macquarie adds consensus forecasts had been overly optimistic, overlooking both intensifying competition and a slowdown in credit growth.

Additionally, the analyst suggests economic uncertainty is likely to increase impairment risk, particularly for lenders that have grown rapidly in recent periods.

On the flipside, with the shares now trading around $1.43 versus $1.78 prior to the latest market update, several analysts are questioning whether the shares have been oversold on the disappointing message emanating from the quarterly update.

Morgan Stanley highlights Judo is being impacted by broad market forces largely beyond management's control.

This broker points out monthly data from the Australian Prudential Regulation Authority (APRA) between November 2024 and February 2025 revealed a clear slowdown in loan growth. In addition, recent US tariff announcements and Australia's Federal election have contributed to a more uncertain near-term operating environment for small-to-medium enterprise (SME) customers.

Prioritising relationship-led lending, supported by a cloud-based digital technology architecture, Judo is not only a SME banking specialist, but also a challenger bank to Australia's big four banks.

The suggestion made is investors should recognise SME business lending carries higher credit risk than residential mortgage lending.

<u>Current woes for Judo</u>

Judo is currently paying more to attract new term deposit funding than it typically would, with potential to compress the bank's net interest income (NII) and net interest margin (NIM).

As a reminder, NII is derived from the difference between interest earned on lending and investment assets and interest incurred on customer deposits and wholesale debt raised to fund these assets.

In contrast to most of the third quarter, management observed heightened volatility in the operating environment in recent weeks, resulting in a disconnect between swap rates and headline term deposit rates.

Specifically, management attributed lower guidance to "market uncertainty impacting customers, the slower initial ramp-up of warehouse lending, and balancing growth and economics".

After providing strong second-half guidance at its February first-half results, Jarden now questions management's strategic execution as the March quarter update contained downgrades to several FY25 metrics.

That said, the broker acknowledges progress is rarely linear and believes the bank is still adjusting to the demands of listed life, which began in November 2021 at an IPO price of $2.10, compared to yesterday's closing price of $1.45.

Initial FY26 pre-tax profit guidance of 50% growth was also provided (assuming stable economic conditions), but this is still an around -6% miss versus market expectation, notes Citi.

While the trading update was clearly disappointing, Ord Minnett believes the subsequent -17% sell-off in Judo shares was excessive relative to the scale of the FY26 downgrade.

Morgan Stanley agrees the third-quarter challenges appear temporary and supports the view recent share price weakness presents a value opportunity, noting Judo's share price has fallen around -30% since the first-half result, compared to a -2.5% retreat for the ASX200.

Also, this broker feels investors should take some comfort from management's aim to achieve "an appropriate balance between growth and economics".

Potential for a capital raising?

Morgans no longer expects Judo to achieve its at-scale target of low-to-mid-teens return on equity (ROE) by the end of the decade, instead viewing a 12% ROE as more realistic, which results in a lower terminal valuation by the analyst.

While earnings growth has slowed, the broker expects softer loan growth to limit risk-weighted asset expansion, supporting the CET1 capital ratio and reducing the likelihood of a capital raising.

Preferring to retain capital to fund ongoing loan book growth, management has no intention to pay dividends, leaving investors in Judo Capital fully reliant on capital appreciation for investment return.

Details of FY25/FY26 downgrades

UBS lowers EPS forecasts for Judo Capital across FY25-27 by -15%, -6%, and -4%, respectively, due to slower-than-expected growth for gross loans and advances (GLA).

The broker's reduced forecasts reflect lower volume growth but net interest margin (NIM) stability of circa 3.0% in the second half.

Management downgraded several FY25 guidance items including: GLA to between $12.4-12.6bn from $12.7-13.0bn; impairments to above the FY24 level from flat; and flagged the exit net interest margin exit NIM of 3% may come under pressure with further rate cuts.

While the profit (PBT) growth targets of 15% for FY25 and 50% for FY26 remain intact, Macquarie is becoming less convinced the former target will be achieved given elevated funding cost pressures, falling interest rates, and higher impairments.

NIM target

The 3% long-term NIM target may be hard to achieve, on Macquarie's assessment, as ongoing competition and slower-than-anticipated book growth are making it incrementally more difficult to reach at-scale metrics, especially for ROE/cost-to-income (CTI).

While Morgans now doesn't expect management to achieve its at-scale ROE target of low-to-mid teens, the analysts forecast the NIM will lift beyond 3% from FY26.

Further rate cuts and lower yield curves put pressure on the replicating portfolio (a modelling tool used to manage interest rate risk for products like transaction accounts, savings deposits, or equity capital) and unhedged capital/deposits, explains Macquarie.

Costs and credit impairment

Indicating strong cost containment in the face of lower-than-expected revenues, management expects FY25 CTI to be lower than FY24 instead of broadly stable as previously guided.

Morgans assumes FY26 cost growth and absolute costs will be greater than what was previously expected, given FY26 expense growth will be driven by heightened competition for frontline bankers, amortisation of intangibles, and incremental growth-related investments.

Regarding credit impairment, here loan losses are now expected to be "higher" than last year, raising concerns credit quality has deteriorated.

Management noted impaired loans and loans more than 90 days overdue had increased in the March quarter from the previous quarter as global economic uncertainty weighed, prompting Morgans to lift its FY25 credit impairment charge forecast and assume a quicker convergence over time on its projected -50bps write-off rate.

Positively, while loan losses were affected by "a small number of exposures in vulnerable sectors", the non-performing loan ratio only increased by around 15bps, highlights Morgan Stanley.

Outlook

Four of the six brokers covered daily by FNArena have a Buy rating (or equivalent) for Judo Capital, while Macquarie is Neutral-rated.

Sell-rated Citi believes the market will now apply a significant discount to the outlook, which assumes stable economic conditions, and notes it is difficult for the broker to offer the same level of confidence.

The average target of the six brokers has fallen to $1.93 from $2.15 prior to the trading update, suggesting around 32% upside to yesterday's closing price.

Outside of daily coverage, Jarden is Buy-rated with a $2.40 target price.

Judo Bank has scheduled an investor day on June 3.

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.

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SMALL CAPS

DUG Technology’s Multiple Growth Levers

Third quarter results for DUG Technology impressed and brokers remain upbeat given a full order book and building international momentum.

-DUG Technology's third quarter earnings margins rise
-Higher Software growth, costs ease in HPCaaS
-Prospects for DUG Cool and DUG Nomad
-A share price nadir, suggests Shaw and Partners

By Mark Woodruff

Positioned for renewed growth, DUG Technology ((DUG)), provider of data processing and imaging services primarily to the Oil & Gas sector, reported a strong March quarter following a positive start to the year in January.

The company has since secured additional contract wins. Its international expansion remains on track, with multiple tenders underway across key regions.

According to broker Wilsons, the company is at an inflection point, investing strategically to support future growth and laying the groundwork for an anticipated acceleration in the pace of service contract awards.

Assisting this momentum, DUG displayed better-than-expected Software growth for the quarter, while modest cost reductions in its High-Performance Computing as a Service (HPCaaS) business unit saw earnings (EBITDA) margins back above 30% for the quarter, compared to the 28% anticipated by Ord Minnett.

This HPCaaS business provides cloud-based, high-performance computing solutions tailored for industries requiring massive data processing, such as geophysics, resources, scientific research, and engineering.

Demonstrating global reach, DUG designs, builds, owns, and runs some of the most powerful and greenest supercomputers on earth, claims the company's website, in Perth, Houston, London, Kuala Lumpur and Abu Dhabi.

In a single package, clients are offered compute, storage, software, and professional services, accessible via the cloud or through DUG Technology's customer-focused DUG McCloud platform, which was launched in 2019.

There are four business divisions: Geo-Software, Geo-Services, HPCaaS, and DUG Nomad. While the Services segment has historically been the largest, the HPCaaS division's share of total revenue is increasing rapidly.

When initiating coverage last year, Shaw and Partners highlighted DUG's Multi-Parameter Full Waveform Immersion imaging (MP-FWI) enables Oil & Gas clients to re-process existing seismic datasets with greater accuracy.

This feature could expand data processing's share of seismic study budgets from around 5%, with data acquisition then accounting for 95%, as clients shift spending toward re-analysis, explained the broker.

New Services project awards totalled US$22.7m in the March quarter, the company's best quarter since the first quarter of FY24, including $13.4m in January, a step-up from around $10m in each of the first two quarter of FY25.

This builds on the company's eight Elastic MP-FWI pilots and demonstrates to Shaw and Partners the technology is resonating with clients.

Elsewhere, Software was a key revenue contributor, rising by 23% year-on-year.

Underlying earnings (EBITDA) of $5.3m were up by $2.7m on the prior quarter, while earnings margins improved to 32.1% from 17.6%.

The analysts also noted offshore wind developments present a structural growth driver, given their requirement for subsea data analysis.

DUG's patented DUG Cool immersion, cooling technology, used in some of the world's largest and most sustainable data centres, cuts power use by up to -51% and reduces synthetic refrigerant use by -85% compared to conventional systems.

Beyond lowering operating costs, these benefits help clients meet ESG and carbon-reduction goals.

Providing the foundation of DUG's mobile edge-computing solution, DUG Cool sold globally under an exclusive licence.

<u>Order book and costs</u>

The order book rose by 30% quarter-on-quarter to US$42.7m as of March 31. Canaccord Genuity sees this momentum supporting stronger outcomes in the current fourth quarter and beyond.

The broker views the lift in the order book as evidence management is securing more work than it is delivering, with underlying upsell also contributing to the growth.

Highlighting operating leverage, Shaw and Partners notes costs were flat at -$11.2m quarter-on-quarter, despite ongoing international expansion.

The suggestion made is the share price has likely bottomed, while citing building order book momentum and multiple near-term catalysts, including DUG Cool and DUG Nomad, which are not yet reflected in the broker's forecasts.

Since DUG's FY24 results last August, the share price has declined from over $3.20 to $1.17.

<u>Upcoming catalysts</u>

Wilsons highlights potential for larger, longer-term contracts from Oil & Gas clients, noting DUG has now earned the 'right' to secure higher-quality awards.

The broker expects increased compute orders, a leading indicator of future contract wins, as well as additional Elastic MP-FWI pilots converting to full contracts.

Momentum is also anticipated in the Middle East, supported by the recent opening of the Abu Dhabi office.

Canaccord Genuity is watching for the first sales of DUG Nomad, though cautions commercialisation of both DUG Nomad and DUG Cool remains promising but just out of reach.

Management is progressing DUG Cool through its exclusive worldwide licensing deal with Baltimore Aircoil Company (BAC), which Canaccord understands is actively marketing the technology to hyperscalers and other customer segments.

Similarly, DUG Nomad, a rugged, modular mobile data centre designed for HPC and AI workloads at the edge, is advancing toward commercialisation, with management citing growing interest.

Valuation

Wilsons considers the current premium valuation for DUG Technology is justified given a higher growth rate relative to peers with a three-year EBITDA compound annual growth rate (CAGR) of 24% compared to the 4.2% industry median.

This broker's target multiple for FY26 EV/EBITDA of 6 times is 33% higher than the median of its global seismic processing peers which is sitting at 4.5 times.

Outlook

DUG Technology's EV/EBITDA multiple of six times is not onerous, suggests Wilsons, and the risk/reward profile looks attractive.

Within the FNArena database there are two daily monitored, Buy-rated brokers, Shaw and Partners and Ord Minnett, with respective targets of $3.00 and $2.18.

Ord Minnett lowered its target from $2.33 following the March quarter results after adopting a lower valuation multiple.

Outside of daily coverage, Wilsons (Overweight) raises its target to $1.96 from $1.83, while Canaccord Genuity (Buy) has lowered its target to $2.40 from $2.60.

WEEKLY REPORTS

Weekly Ratings, Targets, Forecast Changes - 02-05-25

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 April 28 to Friday May 2, 2025
Total Upgrades: 9
Total Downgrades: 9
Net Ratings Breakdown: Buy 61.73%; Hold 31.96%; Sell 6.32%

In a very busy week of quarterly reporting ending on Friday, May 2, 2025, FNArena tracked nine upgrades and nine downgrades for ASX-listed companies from brokers monitored daily.

In the tables below, the top ten percentage falls in average target prices and average forecasts are consistently larger than the top ten increases.

Coronado Global Resources, Syrah Resources, and Flight Centre Travel received the largest cuts to average targets by analysts and also appear in the table of negative change to average earnings forecasts.

Coronado's first quarter production, sales, and mining costs all missed Bell Potter's forecasts, but the bigger takeaway from the update involved emerging balance sheet concerns on weaker coal markets.

In reaction, the broker lowered its target for Coronado to 23c from 50c and downgraded to Speculative Hold from Buy.

The company's net debt position rose to US$170m from US$60m in the previous quarter due to higher capital expenditure, estimated by Ord Minnett at around -US$106m.

This broker believes weak coal prices will continue to weigh on Coronado's free cash flow throughout the remainder of 2025 and into 2026. On increased cost assumptions, the broker's target has been reduced to 20c from 28c.

While a data entry glitch was responsible for Syrah Resources' lower earnings forecasts/target, UBS provided an important update on its Balama operations which have remained offline for a third straight quarter due to ongoing unrest in Mozambique.

An agreement on resettlement and compensation has been reached, allowing for a potential restart within four to six weeks.

The company's Vidalia facility in Louisiana has begun producing active anode material (AAM), a critical component for lithium-ion batteries used in electric vehicles.

First AAM sales are still guided for 2025, but timing depends on the completion of rigorous qualification processes by major customers like Tesla and Luci, explained the broker.

Over at Flight Centre, management lowered FY25 profit guidance, noting ongoing uncertain trading conditions (read US trade and entry policies) are set to weigh on the company's busiest trading months of May and June.

As explained at https://fnarena.com/index.php/2025/05/02/flight-centre-a-downgrade-anticipated/, the market had generally anticipated management would downgrade guidance and initiatives are underway to address the current uncertainty.

Stanmore Resources heads up the week's earnings downgrade list, followed by 29Metals.

While Stanmore's FY25 earnings forecast dipped, FY26 forecasts and the average target price of brokers rose after first quarter production and sales slightly beat Citi's forecasts, but net debt rose to US$146m from US$26m at the end of December.

Management maintained FY25 production guidance but weighted it to the second half of 2025, due to weather-related issues in the first half.

Ord Minnett raised its target to $2.40 from $2.20 partly due to an improved outlook for the Isaac Downs metallurgical coal operation in Queensland's Bowen Basin.

For 29Metals, here first quarter copper production at Golden Grove fell short of forecasts, but costs were also lower on positive stockpile movements, with site costs flat.

On the flipside, average FY25 earnings forecasts rose last week for Paladin Energy, IGO Ltd, and Mineral Resources by 41%, 21% and 16%, respectively.

Shaw and Partners suggested the 50% rally in Paladin Energy's share price in the past six trading sessions had further to go as the market had initially over-reacted to commissioning issues at the Langer Heinrich mine.

This broker felt third quarter production was a strong outcome, up 18% quarter-on-quarter despite a rain disruption, and now believes the company could meet the lower end of previously withdrawn FY25 guidance.

Alluding to recent market short positions across the uranium sector, including on Paladin, Ord Minnett agreed with Shaw on the future stock price direction as short covering has further to go, also given the recent rise in spot uranium prices.

In further quarterly reporting, IGO Ltd and Mineral Resources both impressed brokers.

IGO's realised pricing at Greenbushes was stronger than analyst's forecast, and lower costs at Nova supported margins, noted Morgan Stanley. Mineral Resources achieved its lowest quarterly mining services unit cost since 2018, and unit costs across both lithium and iron ore improved sharply, highlighted Morgans.

Earnings forecasts also rose for Newmont Corp and Sigma Healthcare, finishing respectively second and third on the positive change to average target price list below.

Newmont's March quarter earnings came in 11% above consensus, helped by stronger production, explained Ord Minnett, as well as by-product sales, and higher realised prices.

Macquarie's forecasts for gold production and costs were beaten by 6% and 12%, respectively.

Free cash flow of $1.2bn was materially ahead of Ord Minnett's $457m forecast, allowing management to reduce net debt to $3.2bn from $6.4bn in 2023.

Morgan Stanley initiated coverage on Sigma Healthcare with an Overweight rating and a $3.45 target price, 15% above the next highest target in the FNArena database.

Highlighting Sigma's transformation into Australia's largest vertically integrated pharmacy retailer and distributor following its February 2025 merger with Chemist Warehouse Group, the broker suggested forecast cost synergies have potential for upward surprise.

Revenue optimisation through format conversions, private label expansion, and retail media is also thought to offer meaningful upside.

The analysts see structural tailwinds such as aging demographics and increased health/wellness spending supporting sector-leading same-store sales growth of around 10% over FY25-28.

Ramelius Resources received the largest percent lift (6%) to average target price from analysts following March quarter results, and Ord Minnett raised its target to $3.05 from $2.80 and upgraded to Buy from Accumulate.

The company generated $223m in free cash flow, with standout margins at Mt Magnet exceeding $3,000/oz, while costs (AISC) were -9% below the broker's estimates.

Management at Ramelius also narrowed FY25 guidance reflecting outperformance at the Cue gold development located in the Murchison region of Western Australia.

Ord Minnett highlighted the ramp-up in exploration across Mt Magnet, Cue, and Penny. The Southern Palladium Resources acquisition is expected to enhance near-mine opportunities and feed into a positive integrated group study due in the second quarter of FY26.

Due to recent share price strength, Regis Resources last week received two rating downgrades to Neutral from Buy (or equivalent).

The standout for Morgans from the company's third quarter report was strong cash flow due to consistent production and higher gold prices.

Net cash and bullion rose to $367m, reflecting a $512m improvement over 15 months, highlighted the analysts at Bell Potter.

Total Buy ratings in the database comprise 61.73% of the total, versus 31.96% on Neutral/Hold, while Sell ratings account for the remaining 6.32%.

Upgrade

AMCOR PLC ((AMC)) Upgrade to Overweight from Equal-weight by Morgan Stanley .B/H/S: 3/3/0

Morgan Stanley believes Amcor's merger with Berry Global is expected to deliver cost synergies of US$650m over three years, with 40% forecast to be realised in FY26.

Morgan Stanley estimates FY26 EPS at US$0.85, rising to US$0.96 in FY27 and US$1.03 in FY28, reflecting earnings accretion of 7% in FY26, 14% in FY27, and 16% in FY28 from the merger.

Dividends are forecast at US$0.51, US$0.55, and US$0.59 per share over the same period.

The analyst upgrades the stock to Overweight from Equal-weight and the target price lifts to $20.31 from $16.

Morgan Stanley believes the market is overlooking the transaction with Berry is not yet included in consensus estimates with the transaction completed on April 30.

Industry view:In-Line.

ANZ GROUP HOLDINGS LIMITED ((ANZ)) Upgrade to Neutral from Sell by Citi .B/H/S: 0/6/0

Citi has reviewed the Australian banks sector following the recent trading pattern and ahead of the 1H25 result. The broker views the buying in these stocks as more a result of investors avoiding exposures like resources, tariff risks etc, than the price being paid.

The broker remains negative on the sector on stretched valuations and potential headwinds from rate cuts (factoring four RBA cuts to 3.1%) and economic slowdown. Other headwinds include a near lack of capital management and no further need at super funds to further increase their exposure.

For ANZ Bank, the broker's forecast is 4% ahead of consensus on 1H25 cash earnings due mainly to a forecast of -32% below consensus on bad debt expenses. The broker believes the current share price has factored in the new CEO risk.

Rating upgraded to Neutral from Sell, given relative underperformance. Target price lifted to $27.50 from $25.25.

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

Ord Minnett upgrades Baby Bunting to Buy from Accumulate due to recent share price weakness. The target price is retained at $2.15.

The company announced an upbeat trading update, according to the analyst, supported by strong sales momentum, profit margins tracking in line, and positive feedback on the new flagship store opening.

Year-to-date comparable sales grew 3.7% in 2H25 through to April 27, with FY25 sales growth expected to be between 2%3%, the broker explains.

Management lifted net profit after tax guidance to $10m$12.5m from $9.5m$12.5m.

Ord Minnett believes the company continues to make progress in growing sales, margins, and profitability.

FORTESCUE LIMITED ((FMG)) Upgrade to Buy from Neutral by Citi .B/H/S: 3/4/0

Following today's in-line March quarter operational performance by Fortescue, Citi maintains its $17.50 target and upgrades to Buy from Neutral given the recently weak share price, which has materially underformed BHP Group ((BHP)) and Rio Tinto ((RIO)).

At first glance, the broker highlights strong cost performance for the period, while price realisations for both hematite and concentrate were modestly below expectations.

The analysts explain the increase in net debt was partly driven by management completing the acquisition of Red Hawk Mining ((RHK)) for -$254m during the quarter.

MINERAL RESOURCES LIMITED ((MIN)) Upgrade to Add from Hold by Morgans .B/H/S: 6/1/0

Mineral Resources reported iron ore and lithium production in line with expectations, but cost outcomes were significantly better, Morgans stresses.

The company achieved its lowest quarterly mining services unit cost since 2018, and unit costs across both lithium and iron ore improved sharply.

Lithium sales of 139kt from Mount Marion and Wodgina were ahead of forecasts, though realised prices were slightly below expectations. Iron ore shipments totalled 5.9 million tonnes at a 62% iron ore equivalent basis.

Morgans notes the Onslow Haul Road upgrade is progressing well and remains on track for completion in the first quarter of financial year 2026, which should support nameplate capacity of 35 million tonnes per annum.

Confidence in execution has improved materially, the analyst believes, and cost improvements lead to a 14% and 6% upgrade to earnings forecasts for FY25/FY26, respectively.

Target price raised to $23.00 from $18.00. Add rating upgraded.

MEDICAL DEVELOPMENTS INTERNATIONAL LIMITED ((MVP)) Upgrade to Speculative Buy from Hold by Bell Potter.B/H/S: 1/0/0

Bell Potter raises its target for Medical Developments International to 80c from 71c, driven by a lower discount rate and adjusted valuation weighting, and upgrades to Speculative Buy from Hold

Management delivered a surprise positive operating cash flow of approximately $1.7m in the March quarter, observe the analysts. This represents a $5.6m improvement year-on-year, and turns year-to-date cash flow to a positive $0.9m, up $11m from the prior year.

Cash flows benefited from favourable debtor payment timing, but Bell Potter cautions the June quarter may show negative cash flow as working capital shifts and inventory is built for the US respiratory season.

A new distribution agreement has been signed with Ethypharm to accelerate Penthrox sales in France, leveraging Ethypharm's established position in pain and addiction therapies across Europe, explains Bell Potter.

RESMED INC ((RMD)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 6/0/0

ResMed reported March quarter results ahead of Ord Minnett's expectations, with gross margin expansion driven by a stronger product mix and manufacturing efficiencies, and announced an increase in its share buyback program from June 30.

Revenue grew by 9% year-on-year, and EPS rose by 17%, supported by broad-based strength across both US and rest-of-world markets, explains the broker, with mask sales up 13% and CPAP device sales up 6%.

These numbers alleviate concerns around the impact of weight-loss drugs on patient volumes, suggests the analyst. Strong operating leverage is expected to continue, supported by further gross margin expansion, tight cost control, and production improvements.

The broker views ResMed's balance sheet as capable of sustaining increased buybacks while supporting ongoing growth initiatives.

The target price rises to $45.60 from $44.80 and the rating is upgraded to Buy from Accumulate.

RAMELIUS RESOURCES LIMITED ((RMS)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 3/0/0

Ramelius Resources delivered a strong March quarter result, in Ord Minnett's opinion, generating $223m in free cash flow, with standout margins at Mt Magnet exceeding $3,000/oz.

Costs (AISC) were -9% below the broker's estimates, and FY25 guidance was narrowed to 290-300koz reflecting outperformance at Cue.

The broker highlights the ramp-up in exploration across Mt Magnet, Cue, and Penny, with the Southern Palladium Resources acquisition expected to enhance near-mine opportunities and feed into a positive integrated group study due 2Q FY26.

The broker raises its target price to $3.05 from $2.80 and upgrades to Buy from Accumulate.

SANDFIRE RESOURCES LIMITED ((SFR)) Upgrade to Add from Hold by Morgans .B/H/S: 3/2/1

Sandfire Resources delivered a resilient March quarter despite heavy rainfall disrupting operations at Matsa in Spain and Motheo in Botswana, Morgans observes.

Group production of 25.5kt copper, 21.5kt zinc, and 1.14Moz silver was slightly below forecasts. Group revenue of US$283m was 4% versus expectations, though earnings (EBITDA) of US$145m beat by 3%.

Net debt reduced by -16% quarter-on-quarter to US$243m, highlighting strong cash generation.

At Motheo, production was affected by flooding, but higher grades and recoveries offset volume losses, and unit costs of US$1.34/lb remained within guidance. Matsa unit costs increased to US$1.54/lb, up 5%, largely due to the stronger euro.

Morgans makes minor upgrades to production forecasts for the final quarter and now sits slightly below guidance for FY25 and EPS for FY25 are lowered by 4%, while estimates for FY26/FY27 rose by 18% and 7%, respectively.

The target price slips to $11.60 from $11.80. The stock is upgraded to Add from Hold.

See also SFR downgrade.

Downgrade

COMPUTERSHARE LIMITED ((CPU)) Downgrade to Sell from Neutral by UBS .B/H/S: 0/5/1

Citi downgrades Computershare to Sell from Neutral, citing constrained EPS growth into FY26 despite strong FY25 momentum. The broker notes the current valuation for the company is around 14% above the 10-year average.

Margin income is expected to decline due to a softer global interest rate outlook. While higher balances offer a partial hedge, macro volatility could limit upside, explains the broker.

Transactional indicators were robust in 3Q25, yet overall debt issuance slowed, and trustee activity declined, highlights the analyst.

The broker no longer expects further share buybacks due to contributed equity nearing negative territory, reducing a buffer against falling rates.

Citi raises the target price to $39.00 from $37.40 but sees downside risk at current valuations.

CORONADO GLOBAL RESOURCES INC ((CRN)) Downgrade to Speculative Hold from Buy by Bell Potter .B/H/S: 2/3/0

Coronado Global Resources' 1Q25 production, sales and group mining costs all missed Bell Potter's forecast, but the bigger takeaway from the update was emerging balance sheet concerns on weaker coal markets.

The company is negotiating the restructuring of US$150m facility under more flexible terms or with another lender. The company is also in discussions to extend rebate and royalty payment terms, and is targeting -US$100m operating/capital cash reductions in FY25.

Based on the recent figures, the broker has calculated 3Q EBITDA loss of -US$73m vs its forecast of -US$11m.

Rating downgraded to Hold (Speculative) from Buy on balance sheet risks. Target cut to 23c from 50c.

CATALYST METALS LIMITED ((CYL)) Downgrade to Hold from Buy by Bell Potter .B/H/S: 1/1/0

Catalyst Metals reported March quarter gold production of 24.3koz, below Bell Potter's forecast for 30koz, impacted by wet weather, labour absenteeism, and remote loading issues, particularly at Plutonic.

Costs (AISC) were elevated at $2,765/oz due to lower production across a largely fixed cost base, explains the broker, while the average realised gold price was $4,652/oz.

Year-to-date production stands at 81koz, and the company is on track to meet the lower end of FY25 guidance of 105-120koz at AISC of between $2,300-2,500/oz.

Development activities progressed across satellite mines, with first ore mined from Plutonic East and drilling at Trident extending mineralisation, supporting a longer mine life and higher production assumptions by the broker.

The broker's rating is downgraded to Hold from Buy after a share price rally. The target price rises to $6.30 from $5.50.

GOLD ROAD RESOURCES LIMITED ((GOR)) Downgrade to Hold from Buy by Bell Potter .B/H/S: 1/2/0

Gold Road Resources reported March quarter gold sales of 71.2koz, in line with Bell Potter's 71.5koz forecast, with costs (AISC) at $2,658/oz, matching expectations, and the average realised gold price at $4,555/oz.

Cash and bullion rose to $203.8m, and 2025 production guidance of 325-355koz at costs (AISC) of $2,4002,600/oz was reaffirmed, following prior disclosure of minor processing disruptions during the quarter, observe the analysts.

Given the indicative $3.05 per share offer from Gold Fields Ltd, which management rejected as undervaluing future assets like Gruyere underground and Gilmour, the broker applies a 30% premium to these assets.

Bell Potter downgrades the rating to Hold from Buy and raises the target price slightly to $3.25 from $3.20.

NORTHERN STAR RESOURCES LIMITED ((NST)) Downgrade to Hold from Buy by Bell Potter .B/H/S: 4/3/0

Northern Star Resources' 3Q25 gold sales of 385koz fell short of Bell Potter's forecast of 403koz due to slower ramp-up at the Kalgoorlie Consolidated Gold Mines, while cost was higher.

On the brighter side, the average gold price of $4,039/oz beat the broker's $4,008/oz forecast. The company downgraded the FY25 gold sales volume forecast, lifted the cost forecast and raised capex guidance.

The broker incorporated these into forecasts, and additionally cut FY26 production forecast and lifted cost estimate.

Rating downgraded to Hold from Buy on valuation grounds. Target cut to $20.85 from $22.15 on forecast revisions.

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

Pantoro reported March quarter gold production of 18,334oz at a cost (AISC) of $2,427/oz, missing Bell Potter's forecast of 20,505oz.

Production guidance of 23,000oz plus or minus 10% was also missed, mainly due to delays at Scotia Underground, explains the broker.

First ore was produced from the Princess Royal open pit ahead of the analysts' expectations, and cost control remained strong, with free cash flow generation lifting cash and bullion holdings to $132.4m at quarter-end.

Revised guidance for June quarter production of 23-26koz implies to Bell Potter a second FY25 downgrade, with full-year production now expected to reach a maximum of 85koz, down from 90koz previously and 100koz initially.

Bell Potter lowers the rating to Sell from Hold and cuts the target price to $2.30 from $2.40.

REGIS RESOURCES LIMITED ((RRL)) Downgrade to Neutral from Outperform by Macquarie and Downgrade to Hold from Buy by Bell Potter .B/H/S: 1/5/1

Regis Resources reported March quarter production of 89.7koz at an all-in sustaining cost (AISC) of $2,445/oz, ahead of Macquarie's expectations for both volume and cost.

Duketon delivered higher-grade output despite lower mill throughput, while Tropicana tracked in line with the broker's estimates. Sales lagged production due to timing, with gold sold at an average $4,591/oz.

FY25 guidance of 350-380koz at a cost of $2,440-2,740/oz was maintained, with year-to-date output at 285koz (78% of guidance midpoint).

Macquarie cuts its FY25 EPS by -12% due to lower sales, while FY26 and FY27 forecasts were unchanged. The target of $4.30 is maintained.

The rating is downgraded to Neutral from Outperform due to recent share price strength.

Regis Resources' March quarter production of 89,666oz at a cost (AISC) of $2,538/oz beat Bell Potter's expectations, with production slightly ahead and costs materially below forecast.

The Duketon assets remained consistent, while Tropicana's output declined as expected. The result supports the company's improving track record of delivering to guidance, observes the broker.

Operating cash flow rose to $221m, up quarter-on-quarter, despite lower output, with an average realised gold price of $4,591/oz. Net cash and bullion rose to $367m, reflecting a $512m improvement over 15 months, highlight the analysts.

A record $1,539/oz in cash was added to the balance sheet per ounce produced, and following full debt repayment, Regis is expected to evaluate growth and shareholder return options.

Bell Potter increases its target price to $4.57 from $4.34 and downgrades the rating to Hold due to recent share price strength.

SANDFIRE RESOURCES LIMITED ((SFR)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 3/2/1

Sandfire Resources reported 3Q25 copper, zinc, and silver production below consensus by 5% to 8%. Motheo's cash costs were better by 4%, while MATSA missed by -4%.

Group earnings (EBITDA) proved 14% below consensus, and cash balances also missed, though net debt of US$243m was in line.

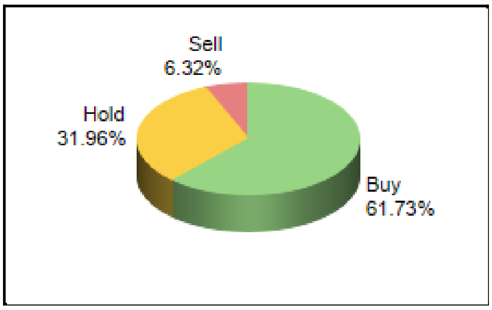
FY25 group copper-equivalent production guidance of 154kt is unchanged, but Matsa's cost guidance rose 5% to US$1.58/lb due to euro strength.

Macquarie lowers FY25 EPS by 4% on higher Matsa costs but lifts FY2627 EPS by 18%/7% on higher Motheo output forecasts.

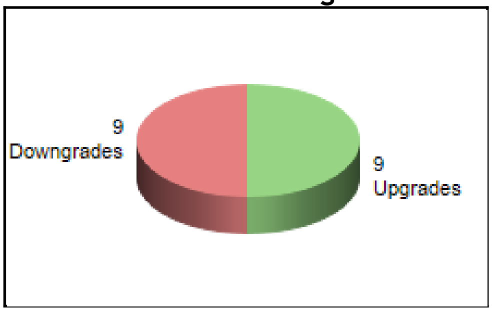
The target price is increased to $10.90 from $10.80. The rating is downgraded to Neutral from Outperform on valuation grounds, with the stock up 26% since early April.

See also SFR upgrade.

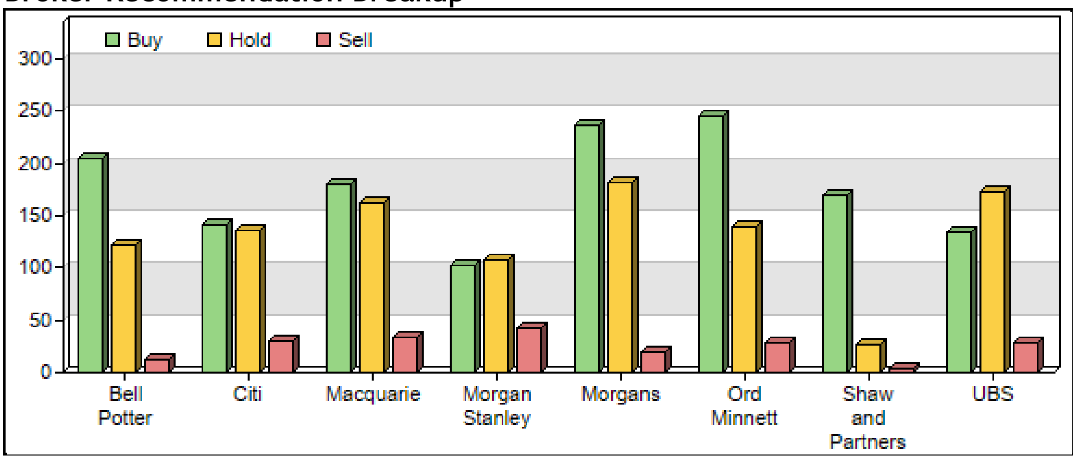
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order		Company	New Rating	Old Rating	Broker
Upgrade					
1		AMCOR PLC	Buy	Neutral	Morgan Stanley

2	ANZ GROUP HOLDINGS LIMITED	Neutral	Sell	Citi
3	BABY BUNTING GROUP LIMITED	Buy	Buy	Ord Minnett
4	FORTESCUE LIMITED	Buy	Neutral	Citi
5	MEDICAL DEVELOPMENTS INTERNATIONAL LIMITED	Buy	Neutral	Bell Potter
6	MINERAL RESOURCES LIMITED	Buy	Neutral	Morgans
7	RAMELIUS RESOURCES LIMITED	Buy	Buy	Ord Minnett
8	RESMED INC	Buy	Buy	Ord Minnett
9	SANDFIRE RESOURCES LIMITED	Buy	Neutral	Morgans
Downgrade				
10	CATALYST METALS LIMITED	Neutral	Buy	Bell Potter
11	COMPUTERSHARE LIMITED	Sell	Neutral	UBS
12	CORONADO GLOBAL RESOURCES INC	Neutral	Buy	Bell Potter
13	GOLD ROAD RESOURCES LIMITED	Neutral	Buy	Bell Potter
14	NORTHERN STAR RESOURCES LIMITED	Neutral	Buy	Bell Potter
15	PANTORO GOLD LIMITED	Sell	Neutral	Bell Potter
16	REGIS RESOURCES LIMITED	Neutral	Buy	Macquarie
17	REGIS RESOURCES LIMITED	Neutral	Buy	Bell Potter
18	SANDFIRE RESOURCES LIMITED	Neutral	Buy	Macquarie

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	RMS	RAMELIUS RESOURCES LIMITED	2.930	2.763	6.04%	3
2	NEM	NEWMONT CORPORATION REGISTERED	94.600	89.800	5.35%	5
3	SIG	SIGMA HEALTHCARE LIMITED	2.956	2.825	4.64%	5
4	GOR	GOLD ROAD RESOURCES LIMITED	3.383	3.250	4.09%	3
5	A1M	AIC MINES LIMITED	0.797	0.767	3.91%	3
6	AMC	AMCOR PLC	17.477	16.883	3.52%	6
7	LYC	LYNAS RARE EARTHS LIMITED	7.250	7.008	3.45%	6
8	BXB	BRAMBLES LIMITED	21.942	21.242	3.30%	6
9	MIN	MINERAL RESOURCES LIMITED	28.657	27.814	3.03%	7
10	COL	COLES GROUP LIMITED	22.050	21.443	2.83%	7

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	CRN	CORONADO GLOBAL RESOURCES INC	0.388	0.458	-15.28%	5
2	SYR	SYRAH RESOURCES LIMITED	0.393	0.433	-9.24%	4
3	FLT	FLIGHT CENTRE TRAVEL GROUP LIMITED	18.225	19.955	-8.67%	6
4	MVF	MONASH IVF GROUP LIMITED	1.298	1.420	-8.59%	4
5	JDO	JUDO CAPITAL HOLDINGS LIMITED	1.983	2.147	-7.64%	6
6	AOV	AMOTIV LIMITED	11.225	11.650	-3.65%	4
7	WHC	WHITEHAVEN COAL LIMITED	6.936	7.164	-3.18%	7
8	GL1	GLOBAL LITHIUM RESOURCES LIMITED	0.843	0.870	-3.10%	3
9	BPT	BEACH ENERGY LIMITED	1.389	1.433	-3.07%	7
10	HMC	HMC CAPITAL LIMITED	8.260	8.470	-2.48%	5

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	PDN	PALADIN ENERGY LIMITED	-1.669	-2.809	40.58%	7
2	IGO	IGO LIMITED	-18.040	-22.760	20.74%	6
3	MIN	MINERAL RESOURCES LIMITED	-85.683	-102.167	16.13%	7
4	NEM	NEWMONT CORPORATION REGISTERED	609.159	530.496	14.83%	5
5	SIG	SIGMA HEALTHCARE LIMITED	3.960	3.550	11.55%	5
6	GOR	GOLD ROAD RESOURCES LIMITED	26.775	25.400	5.41%	3
7	ORG	ORIGIN ENERGY LIMITED	91.150	87.050	4.71%	5
8	SFR	SANDFIRE RESOURCES LIMITED	42.294	40.457	4.54%	6

9	LTR	LIONTOWN RESOURCES LIMITED	-2.620	-2.740	4.38%	6
10	WDS	WOODSIDE ENERGY GROUP LIMITED	157.916	152.404	3.62%	6

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	SMR	STANMORE RESOURCES LIMITED	4.337	9.926	-56.31%	3
2	29M	29METALS LIMITED	0.750	1.600	-53.13%	4
3	CRN	CORONADO GLOBAL RESOURCES INC	-15.924	-11.246	-41.60%	5
4	SYR	SYRAH RESOURCES LIMITED	-10.862	-7.784	-39.54%	4
5	LYC	LYNAS RARE EARTHS LIMITED	5.117	6.717	-23.82%	6
6	BOE	BOSS ENERGY LIMITED	2.471	3.043	-18.80%	7
7	FLT	FLIGHT CENTRE TRAVEL GROUP LIMITED	106.300	120.633	-11.88%	6
8	CIA	CHAMPION IRON LIMITED	30.652	33.204	-7.69%	3
9	NST	NORTHERN STAR RESOURCES LIMITED	106.800	113.886	-6.22%	7
10	WHC	WHITEHAVEN COAL LIMITED	34.943	37.000	-5.56%	7

Technical limitations

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WEEKLY REPORTS

Uranium Week: Stocks Surge, Shorts Scramble

As President Trump's hard line position on tariffs eased with uranium exemptions, the U308 spot and mid-term markets responded positively with ASX-listed stocks rallying sharply.

-ASX U308 stocks rally off 52-week lows
-Tariff Relief acts as a catalyst for U308 spot price gains
-Mixed signals from Cameco and Kazatomprom quarterly updates

By Danielle Ecuyer

Boss and Paladin Shares Rally, But... Persistent Short Positions

The exclusion of uranium from the US Administration's tariff policy via Annex II of President Trump's executive order exempting select products from baseline and reciprocal tariffs has delivered a jolt of confidence to the uranium market.

Both spot and term prices for U308 surged in response, with momentum building through late April and into early May.

Ord Minnett was one broker to pounce on the extent of short positioning for ASX-listed **Boss Energy** ((BOE)) and **Paladin Energy** ((PDN)) on April 29, explaining these stocks were the first and second most shorted on the ASX on April 22.

The analyst queried the sustainability of the positioning post double digit share price moves for both shares, as well as the fundamentally more positive outlook.

Boss announced the smooth ramp up of its Honeymoon project, which was in stark contrast to being the most shorted company on the market. Boss' share price declined to $2.10 on April 7 from $3.44 on February 6 and has since recovered to $3.58 on May 2.

This company's March quarter results showed U308 production of 296klbs, slightly below Bell Potter's expectations, but costs were the standout at $33/lb versus the analyst's forecast of $40/lb.

Sales came in at 150klbs with an additional 118klbs returned from a loan agreement, sold at an average price of US$84/lb, producing operating cash flow of 3.9m.

Shaw and Partners also highlighted the strong cost performance at Honeymoon. Management reiterated its FY25 production guidance of 850klbs of U308. The company ended the quarter in a robust fiscal position with $229m in cash and liquid assets, and no debt.

FNArena daily monitored brokers have a consensus target price of $3.759 with six Buy-equivalent ratings and one Hold rating.

Short interest in the stock stood at 25.63% on April 28 according to data gathered by ASIC (and available on FNArena's dedicated section on the website), largely unchanged from a week earlier and up from 23.6% a month previously.

ASIC's data collection is a voluntary process and our observations from history suggests there can be a delay before some data are updated. In contrast, Ord Minnett has calculated trade volumes since April 28 and estimates the short position in Boss remains at 16%, suggesting right now ASIC data may not reflect actual positioning.

Paladin serves up a pleasant surprise

A one-in-fifty-year event flooding at Langer Heinrich and another delay to the ramp-up of the mine could explain the negative short positioning in Paladin Energy, Ord Minnett noted, but a positive March quarter earnings report turned the table on the reduced earnings outlook for FY25.

The company's March quarter results were notably better than expected. Canaccord Genuity pointed to robust production of 0.745mlbs, a rise of 17% on the December quarter and exceeding forecasts despite the extreme wet weather.

Operating costs were lower at US$40.6/lb on improved sales volumes.

Bell Potter and Morgan Stanley made similar observations, with the former signalling the 4% improvement in grade as a positive alongside plant operations returning to normal post the April disruptions.

Morgan Stanley detailed twelve offtake contracts with 22.3mlbs contracted out to 2030, as well as the progression of the Fission team integration, as positives. Management has also engaged a consultant to review the historical metallurgical test work at Mt Isa to assess future processing options.

The results boosted the company's share price performance from a 52-week low on April 23 at $3.93 to $6.22 on May 2, a 58%-plus rally for those participants who were happy to jump in around the lows (or stay the course having suffered first).

Credit where credit is due as a number of brokers which were highlighted in the FNArena Uranium Week piece on April 22, *Stock Bulls Dig In* (https://fnarena.com/index.php/2025/04/22/uranium-week-stock-bulls-dig-in/), detailed investors should not look past oversold stocks across the sector.

The consensus target price for Paladin derived from FNArena's daily monitored brokers currently stands at $8.407, with seven Buy-equivalent ratings.

According to ASIC data (see also above), short interest stood at 16.40% on April 28, versus 16.93% on April 17 and 16.26% a month earlier.

In contrast, Ord Minnett has calculated trade volumes since April 28 and estimates the short position in Paladin stands at 10%. The analyst believes there is more room to run and further gains for uranium stocks, including Boss and Paladin, as shorters continue to cover positions.

Activity levels in the U308 markets trends higher

Industry consultant TradeTech reported the U308 spot price indicator rising US$3 to US$70/lb last week, coinciding with improved investor sentiment across US and global equity markets.

Tariff uncertainty post Liberation Day on April 2 impacted not only corporate shares but also sentiment surrounding uranium markets generally.

Activity levels had plunged as both buyers and sellers were waiting for more clarity which was offered under Annex II. Subsequently, buyers returned to both the U308 spot and term markets in the latter part of April.

TradeTech's spot price indicator sat at US$68.50/lb on April 30, up US$4.50/lb from March 31, which represented an average weekly gain of 1.4% over the month.

Tariff paralysis saw the U308 spot price stagnate at US$65/lb between April 11 to April 21, whereupon demand from utilities emerged in the third week.

The consultants noted two transactions on April 30 for August delivery at Orano's facility in France, priced at US$69.50/lb.

May 1 saw another 100,000lb U308 transaction for Orano delivery again in August at US$70.50/lb with two further transactions, including 100,000lbs for delivery at Cameco in December at US$71/lb and a second at US$72/lb also for December delivery, at Orano.

TradeTech's U308 Mid-Term price indicator rose to US$72/lb as at April 30 from US$70/lb at March 31. The Long-Term price indicator finished the month of April unchanged at US$80/lb.

As of May 2, TradeTech's Mid-Term and Long-Term price indicators were unchanged at US$72/lb and US$80/lb, respectively.

In other corporate news

Canaccord Genuity highlighted the deferral of **Bannerman Energy**'s ((BMN)) first production at the Etango project by six months to early 2029 as well as management tempering ramp-up assumptions.

The company remains focused on securing offtake agreements while preserving leverage to higher uranium price. The analyst anticipates minimal impact from March flooding in Namibia, while noting the tertiary crusher timeline remains ahead of schedule and there is $38.6m of funds uncommitted as at the end of the March quarter.

Canaccord lowered its target price to $3.74 from $4.98, while retaining a Speculative Buy rating.

The consensus target price from FNArena's daily monitored brokers is $4.70.

Bannerman is the nineteenth most shorted stock on the ASX in the latest April 28 update at 7.78%. The stock price has rallied from a 52-week low around $1.75 on April 22 to $2.52 currently, a rise of 44%.

Cameco and **Kazatomprom**, two of the world's largest uranium producers, released quarterly updates last week, offering a mixed picture of industry momentum heading into the second half of 2024.

Cameco reported second quarter revenue of CA$598m, up from CA$482m a year earlier, with adjusted net earnings of CA$62m and earnings (EBITDA) of CA$337m.

The Canadian producer pointed to continued strength in long-term uranium demand and noted its strategic transition to "tier-one" production economics remains on track.

Management reaffirmed guidance for the year and highlighted solid early progress from its Westinghouse acquisition, despite non-operational costs tied to the deal that modestly weighed on headline profits.

Meanwhile, Kazatomprom delivered a more cautious operational update for the first quarter of 2025. The Kazakh producer confirmed it had revised its full-year uranium production guidance down to 25,000-26,500 tonnes (100% basis), from an earlier target of 30,500-31,500 tonnes.

The production downgrade was attributed to continued challenges at JV Budenovskoye and sulphuric acid shortages. The company said it remains well positioned to meet all contractual obligations, with adequate inventories and a portion of production held uncommitted to capture opportunistic sales.

Together, the updates reflect a uranium market grappling with supply-side constraints amid growing strategic demand. While Cameco is benefiting from improved pricing and long-term visibility, Kazatomprom's production issues highlight the fragility of global supply just as buyers begin to re-enter the market more aggressively.

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	02/05/2025	0.0500	0.00%	$0.10	$0.03			
AEE	02/05/2025	0.1150	▼- 4.17%	$0.19	$0.10			
AGE	02/05/2025	0.0310	▲10.71%	$0.07	$0.02		$0.100	▲222.6%
AKN	02/05/2025	0.0100	0.00%	$0.02	$0.01			
ASN	02/05/2025	0.0550	▼- 1.79%	$0.17	$0.05			
BKY	02/05/2025	0.5450	▼- 6.03%	$0.66	$0.30			
BMN	02/05/2025	2.5200	▲21.15%	$4.87	$1.76		$4.700	▲86.5%
BOE	02/05/2025	3.5800	▲26.50%	$5.99	$1.99	144.9	$3.723	▲4.0%
BSN	02/05/2025	0.0160	▲14.29%	$0.12	$0.01			
C29	02/05/2025	0.0400	0.00%	$0.13	$0.03			
CXO	02/05/2025	0.0710	▼- 1.39%	$0.17	$0.06		$0.090	▲26.8%
CXU	02/05/2025	0.0100	0.00%	$0.04	$0.01			
DEV	02/05/2025	0.0800	▼- 3.61%	$0.45	$0.07			
DYL	02/05/2025	1.1800	▲15.12%	$1.83	$0.75	-1180.0	$1.570	▲33.1%
EL8	02/05/2025	0.2700	▲12.50%	$0.62	$0.19			
ERA	02/05/2025	0.0020	▼-50.00%	$0.05	$0.00			
GLA	02/05/2025	0.0100	0.00%	$0.02	$0.01			
GTR	02/05/2025	0.0030	0.00%	$0.01	$0.00			
GUE	02/05/2025	0.0700	▲16.67%	$0.13	$0.05			
HAR	02/05/2025	0.0500	▼- 3.85%	$0.12	$0.03			
I88	02/05/2025	0.1000	▼-23.08%	$1.03	$0.10			
KOB	02/05/2025	0.0400	0.00%	$0.18	$0.04			
LAM	02/05/2025	0.7200	0.00%	$1.04	$0.48			
LOT	02/05/2025	0.1800	▲ 5.88%	$0.49	$0.13		$0.325	▲80.6%
MEU	02/05/2025	0.0430	▲10.26%	$0.06	$0.03			
NXG	02/05/2025	8.4700	▲ 7.35%	$13.53	$6.44		$14.650	▲73.0%

ORP	02/05/2025	0.0400	▲33.33%	$0.11	$0.03			
PDN	02/05/2025	6.2200	▲11.87%	$17.98	$3.93	-372.6	$8.407	▲35.2%
PEN	02/05/2025	0.6200	0.00%	$2.44	$0.55		$1.000	▲61.3%
SLX	02/05/2025	3.2600	▲17.69%	$6.74	$2.28		$6.500	▲99.4%
TOE	02/05/2025	0.2200	▲10.00%	$0.48	$0.15			
WCN	02/05/2025	0.0230	▲ 9.52%	$0.03	$0.01			

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WEEKLY REPORTS

The Short Report - 08 May 2025

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

Summary:

Week Ending May 1st, 2025 (most recent data available through ASIC).

10%+

BOE	25.63%
PDN	16.56%
MIN	13.49%
DYL	12.49%
LTR	12.30%
IEL	12.16%
PLS	11.99%
PNV	10.27%
LOT	10.23%
DMP	10.11%
LIC	10.00%

Out: GRIN, U100

GRIN refers to the VanEck India Growth Leaders ETF.

U100 refers to the Global X US 100 ETF, providing exposure to 100 leading US-listed companies (excluding financials), tracking the Global X US 100 Index.

9.0-9.9%

CTT	9.75%
KAR	9.71%
SLX	9.18%

In: SLX
Out: LYC

8.0-8.9%

LYC	8.95%

In: LYC
Out: SLX, SGR, CTD, BMN

7.0-7.9%

CTD	7.90%
CU6	7.84%
SGR	7.73%

BMN	7.64%
IGO	7.43%
RIO	7.42%
MP1	7.42%
SYR	7.41%
JLG	7.35%
JHX	7.24%
TWE	7.11%

In: CTD, SGR, BMN

6.0-6.9%

PWH	6.92%
STX	6.61%
NCK	6.40%
CHN	6.30%
INR	6.18%
ADT	6.10%
GMD	6.03%

In: ADT
Out: ZIP

5.0-5.9%

ZIP	5.96%
AD8	5.90%
CUV	5.79%
NEU	5.78%
NVX	5.65%
MSB	5.62%
SFR	5.46%
NXT	5.46%
FLT	5.46%
RMS	5.28%
PEN	5.20%
IMU	5.20%
VEA	5.19%
CIA	5.14%
WEB	5.01%
PTM	5.00%

In: ZIP, NXT, RMS, VEA, PTM
Out: ADT, DRO

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.7	0.7	NAB	0.8	0.8
ANZ	0.4	0.4	QBE	0.3	0.3
BHP	0.5	0.5	RIO	7.4	7.5

CBA	1.3	1.3	STO	0.5	0.5
COL	0.6	0.7	TCL	1.0	1.0
CSL	0.5	0.5	TLS	0.5	0.5
FMG	1.1	1.1	WBC	0.8	0.8
GMG	0.4	0.3	WDS	3.1	2.8
JHX	7.2	7.7	WES	0.6	0.5
MQG	0.7	0.7	WOW	0.8	0.9

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

Guide:

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

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

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

IMPORTANT INFORMATION ABOUT THIS REPORT

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

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

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

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

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

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

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

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

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WEEKLY REPORTS

In Brief: Upside Surprises for Zip, AUB & Maas

2025 is proving to be both volatile and a stock pickers market. This week's In Brief looks at three stocks which caught the experts' eye for upside surprises.

-Zip looks to US for strong growth, absent a recession
-AUB Group's history of beating expectations
-Renewables, real estate could squeeze shorts in Maas Group

By Danielle Ecuyer

Quote of the week comes from Lyn Alden's May Newsletter, A Trade Breakdown:

"Paying attention to equity valuations can limit downside risks during major rotations. There are years where valuation doesn't matter, and there are years where it matters significantly. This type of period is where valuations are more likely to matter."

Structural secular growth levers for Zip

Zip Co ((ZIP)) has caught the attention of Goldman Sachs, with the broker initiating coverage of the stock with a Buy rating and $2.50 target price.

Acknowledging the transformation the buy-now-pay-later (BNPL) service provider has undergone, with strategic focus on top-line growth and sustainable earnings, Zip is today considered to be operating from a strong position.

The company repaid the balance of its corporate debt, including via an equity raise in July 2024, which de-risked and simplified the balance sheet. A $50m buyback was also announced on April 23.

The analyst proposes three growth levers for the company, based on the assumption the US economy will be supported by unemployment remaining subdued and credit risk being manageable.

Following on international trends, an ongoing secular switch to more transparent and innovative credit products is expected; ongoing growth on buy-now-pay-later adoption across growth in e-commerce.

Some 16% growth in the US BNPL segment is forecast on a compound annual rate, according to industry estimates; and the leveraging of partner networks to enhance and increase acceptance of BNPL as a greater share of wallet size.

In A&NZ, Goldman Sachs emphasises Zip retains a market-leading position with a robust user cohort. There is an expectation higher-margin products can be adopted against a better fund cost backdrop with falling interest rates.

Over the longer term, the US is anticipated to be the growth lever for the company and primary earnings generator. The analyst forecasts compound average growth rate per annum for US cash earnings (EBTDA) of 20% from FY25 to FY28, compared to 10% for the A&NZ region.

The forecasts are in the medium-term range guidance from management and do not incorporate a recessionary environment across geographies.

Those earnings forecasts do remain sensitive to a recession outlook or negative economic backdrop.

Target price is set at $2.50 with a Buy rating. FNArena daily monitored brokers have a consensus target price of $3.067 with three Buy ratings.

Macro-economic tailwinds support AUB

AUB Group ((AUB)) has upgraded FY25 guidance to the upper end for net profit after tax of $190m$200m, which has resulted in a lift in EPS estimates by Jarden at 1.3% to 1.5% for FY25-FY27.

Given the company's track record of announcing full-year earnings reports above guidance, the analyst believes upside risk to FY25 guidance remains.

Falling interest rates, particularly in the UK, Jarden proposes, could assist with generating double-digit EPS growth from premium rate growth, rising commission rates with volume, and inorganic growth.

Elsewhere, Goldman Sachs sees "favourable trading momentum" via acquisitions, forex tailwinds, and profit commissions, which have yet to be incorporated into the analyst's forecasts for FY26 and beyond.

AUB enjoys a Buy rating at Goldman Sachs with a price target of $37.

Daily monitored broker Ord Minnett explains even though the stock has outperformed since 1H25 results, at current valuations AUB shares trade at a discount to peer Steadfast Group ((SDF)). This broker retains a Buy rating and $35.58 target price.

Consensus target price for FNArena daily monitored brokers stands at $35.758 with three Buy-equivalent ratings and one Hold-equivalent rating.

Almost forgot; Jarden has an Overweight rating (one notch below Buy) with a price target of $36.75.

Is it time for an upside surprise?

Wilsons poses the question and answers with a definitive 'yes' after **Maas Group's** ((MGH)) management reconfirmed FY25 guidance.

After a disappointing 1H25 earnings report, there was a downgrade in consensus earnings and a build-up in short positioning, which stood at 4.22% from ASIC's latest data on May 1, up from 3.93% a month earlier.

At the half-year report, Morgans noted a downgrade in FY25 guidance by -7% to -10% for 2H25 as civil construction and hired experienced a slowdown due to stalled energy transition projects.

The magnitude, representing a decline of -47% on a year earlier, was a surprise to the market.

Wilsons believes the latest trading update confirms an upbeat view for the construction materials segment due to strength in quarry volumes, with typically a more robust second-half contribution from asphalt, offset by weaker concrete demand from Victoria.

Maas Group Holdings has completed three strategic acquisitions totalling -$252m, including the -$172m purchase of Cleary Bros in Illawarra, a 75% stake in Capital Asphalt, and the Aerolite hard rock quarry in western Melbourne.

The deals strengthen its construction materials footprint across New South Wales, the ACT, and Victoria.

The integration of these strategic acquisitions, including "expansion/optimisation," offers a medium-term platform and runway for growth in the construction materials segment, Wilsons' analyst explains.

An expected improvement in the civil construction and hired segment as utilisation levels rise is also anticipated. Notably, NSW announced grid access rights to ten huge wind, solar, and battery developments in the government's Central West Orana Renewable Energy Zone.

The developments around Dubbo will produce 7.15GW of new renewable energy generation and storage, almost two and a half times the capacity of the state's largest coal-fired power generator, Eraring, at 2,880MWs.

Maas' real estate segment is also seen as well positioned for a recovery in residential demand.

Wilsons retains an Overweight, Buy-equivalent rating with a $4.75 target price.

Macquarie recently resumed coverage of the company after a period of restriction in April, highlighting FY25 guidance seems to be on track, as vindicated by the May trading update.

This broker views construction materials as a "key growth engine", while the renewables pipeline is expected to gain momentum into FY26. Macquarie has an Outperform, Buy-equivalent rating with a $4.95 target price.

The renewable announcement and trading update underpinned a rally in the Maas Group share price of over 11% on April 8.

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WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 09-05-25

Broker Rating Changes (Post Thursday Last Week)

Upgrade

BEACH ENERGY LIMITED ((BPT)) Upgrade to Buy from Sell by Canaccord Genuity.B/H/S: 0/0/0

Canaccord Genuity upgrades Beach Energy to Hold from Sell and lifts the target price to $1.30 from $1.28, citing stronger-than-expected March quarter results.

Quarterly production fell -3% to 4.9mnboe but was in line with the analyst's expectations. Sales revenue of $552m was supported by third-party LNG cargoes.

Management's FY25 production guidance of 18.521.5mnboe is retained despite ~0.5mnboe of production deferred post-quarter due to Cooper Basin flooding.

Canaccord Genuity lifted FY25 earnings (EBITDA) by 1.2% reflecting stronger price realisations and LNG volumes.

Waitsia commissioning is progressing with first gas still targeted mid-2025. Otway program remains on track with the Equinox rig expected in June quarter, including -$45m net costs each for abandonment and new drilling.

ORICA LIMITED ((ORI)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0

Ahead of Orica's 1H25 result on May 8, Jarden is forecasting EBIT of $448m, which is in line with consensus and aligns with the company's implied guidance provided earlier.

The broker sees little scope for upside surprise for shareholder returns, given $400m on-market share buyback is already announced.

Focus will be on Burrup re-contracting and digital solutions performance, and capital management framework.

Rating upgraded to Overweight from Neutral on valuation and improved risk profile. Target cut to $17.90 from $18.50.

Change of analyst to Jakob Cakarnis.

Downgrade

SANDFIRE RESOURCES LIMITED ((SFR)) Downgrade to Neutral from Buy by Goldman Sachs.B/H/S: 0/0/0

Goldman Sachs assesses Sandfire Resources' 3Q25 result as weaker-than-expected as wet weather impacted operations.

Copper and zinc production missed the broker's forecast by -6% and -9%, respectively, and unit costs at both Motheo and Matsa were higher than expected.

The company maintained FY25 guidance, suggesting heavily skewed production in 4Q. The broker is not convinced and is forecasting slightly below, while lifting the cost forecast for Matsa on stronger EUR/USD.

The quarterly result and changes to production and costs resulted in a -7% cut to FY25 EBITDA forecast and a -4% cut to FY26.

Rating downgraded to Neutral from Buy. Target cut to $9.60 from $10.20.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	BEACH ENERGY LIMITED	Buy	Sell	Canaccord Genuity
2	ORICA LIMITED	Buy	Neutral	Jarden
Downgrade				
3	SANDFIRE RESOURCES LIMITED	Neutral	Buy	Goldman Sachs

Price Target Changes (Post Thursday Last Week)

	Company	Last Price	Broker	New Target	Old Target	Change
ACF	Acrow	$1.05	Moelis	1.44	1.39	3.60%
ADT	Adriatic Metals	$3.90	Canaccord Genuity	4.55	4.50	1.11%
ALK	Alkane Resources	$0.81	Moelis	1.05	1.00	5.00%
ALL	Aristocrat Leisure	$68.00	Goldman Sachs	77.00	82.00	-6.10%
ALQ	ALS Ltd	$17.82	Goldman Sachs	17.80	17.75	0.28%
AMA	AMA Group	$0.08	Canaccord Genuity	0.13	0.10	30.00%
APX	Appen	$0.88	Canaccord Genuity	2.35	2.60	-9.62%
ARX	Aroa Biosurgery	$0.45	Canaccord Genuity	0.90	1.00	-10.00%
BGL	Bellevue Gold	$0.97	Goldman Sachs	1.15	1.25	-8.00%
BOE	Boss Energy	$3.98	Canaccord Genuity	5.15	5.35	-3.74%
BPT	Beach Energy	$1.21	Canaccord Genuity	1.30	1.28	1.56%
BTH	Bigtincan Holdings	$0.22	Canaccord Genuity	N/A	0.20	-100.00%
BXB	Brambles	$21.16	Goldman Sachs	18.70	18.35	1.91%
CIA	Champion Iron	$4.54	Goldman Sachs	5.70	5.90	-3.39%
			Jarden	6.91	7.02	-1.57%
CKF	Collins Foods	$8.27	Wilsons	10.13	10.72	-5.50%
CMM	Capricorn Metals	$9.73	Goldman Sachs	10.00	9.90	1.01%
COL	Coles Group	$22.29	Jarden	20.60	19.50	5.64%
CRN	Coronado Global Resources	$0.17	Goldman Sachs	0.30	0.35	-14.29%
CSC	Capstone Copper	$7.61	Moelis	12.00	13.00	-7.69%
CTD	Corporate Travel Management	$11.64	Canaccord Genuity	14.85	18.80	-21.01%
			Jarden	16.00	17.00	-5.88%
CYL	Catalyst Metals	$6.32	Canaccord Genuity	6.20	6.10	1.64%
DRR	Deterra Royalties	$3.65	Canaccord Genuity	4.90	4.70	4.26%
DUG	Dug Technology	$1.17	Canaccord Genuity	2.40	3.20	-25.00%
			Wilsons	1.96	1.83	7.10%
DXB	Dimerix	$0.72	Petra Capital	1.58	1.28	23.44%
GEM	G8 Education	$1.31	Canaccord Genuity	1.49	1.51	-1.32%
			Moelis	1.49	1.52	-1.97%
GOR	Gold Road Resources	$3.30	Goldman Sachs	N/A	3.40	-100.00%
HLI	Helia Group	$5.06	Goldman Sachs	3.93	3.70	6.22%
IDX	Integral Diagnostics	$2.57	Jarden	3.45	3.51	-1.71%
IGO	IGO Ltd	$4.07	Canaccord Genuity	3.60	3.50	2.86%
			Goldman Sachs	4.55	4.60	-1.09%
			Jarden	5.34	5.52	-3.26%
ILU	Iluka Resources	$4.11	Goldman Sachs	6.20	6.50	-4.62%
JDO	Judo Capital	$1.40	Jarden	2.40	2.60	-7.69%
LGP	Little Green Pharma	$0.12	Canaccord Genuity	0.18	0.21	-14.29%
LLL	Leo Lithium		Canaccord Genuity	1.90	N/A	N/A
LNW	Light & Wonder	$133.15	Goldman Sachs	173.50	184.60	-6.01%
LOT	Lotus Resources	$0.20	Canaccord Genuity	0.31	0.34	-8.82%
LTR	Liontown Resources	$0.54	Petra Capital	0.56	0.85	-34.12%
MAC	MAC Copper	$14.28	Wilsons	22.00	24.50	-10.20%

MIN	Mineral Resources	$20.74	Goldman Sachs	21.00	18.00	16.67%
NST	Northern Star Resources	$19.89	Canaccord Genuity	26.80	27.75	-3.42%
			Goldman Sachs	22.10	19.40	13.92%
			Jarden	18.30	18.10	1.10%
NXT	NextDC	$13.22	Wilsons	18.10	18.15	-0.28%
OBM	Ora Banda Mining	$1.17	Canaccord Genuity	1.25	1.20	4.17%
			Moelis	1.03	1.00	3.00%
ORG	Origin Energy	$10.99	Goldman Sachs	10.15	10.05	1.00%
			Jarden	10.25	10.00	2.50%
ORI	Orica	$18.01	Jarden	17.90	18.50	-3.24%
PLT	Plenti Group	$0.86	Wilsons	1.58	1.46	8.22%
PNI	Pinnacle Investment Management	$19.02	Wilsons	23.50	26.50	-11.32%
PPE	PeopleIN	$0.72	Wilsons	1.05	1.19	-11.76%
PPS	Praemium	$0.74	Moelis	1.01	1.03	-1.94%
RRL	Regis Resources	$4.86	Canaccord Genuity	4.10	3.95	3.80%
			Goldman Sachs	4.25	4.15	2.41%
RUL	RPMGlobal	$2.88	Taylor Collison	N/A	3.55	-100.00%
RWC	Reliance Worldwide	$4.31	Goldman Sachs	5.20	6.00	-13.33%
			Jarden	4.70	5.60	-16.07%
SDR	SiteMinder	$3.87	Wilsons	6.44	7.22	-10.80%
SFR	Sandfire Resources	$10.34	Goldman Sachs	9.60	10.20	-5.88%
SGF	SG Fleet	$3.49	Canaccord Genuity	N/A	3.50	-100.00%
SMR	Stanmore Resources	$2.00	Petra Capital	5.37	5.08	5.71%
VAU	Vault Minerals	$0.49	Canaccord Genuity	0.68	0.67	1.49%
			Petra Capital	0.76	0.68	11.76%
WDS	Woodside Energy	$20.11	Goldman Sachs	22.90	24.20	-5.37%
WOW	Woolworths Group	$32.83	Goldman Sachs	36.50	36.10	1.11%
			Jarden	36.30	37.00	-1.89%
Company		Last Price	Broker	New Target	Old Target	Change

More Highlights

360 LIFE360 INC

Software & Services Overnight Price: $23.24

Goldman Sachs rates ((360)) as Buy (1)

Goldman Sachs previews Life360's 1Q25 result due on May 13 with subscriber additions expected to be strong and the analyst forecasting 63k in the US and 35k additions internationally, supported by dual-tier plans.

Indirect revenue via advertising and data partnerships remains a key focus, with ramp-up expected across FY25.

Hardware growth is tied to upcoming product launches, though retail softness in 4Q24 and new tariffs add uncertainty to the go-to-market strategy, the broker notes.

Life360 reiterated FY25 guidance of US$450480m revenue and US$6575m adjusted earnings (EBITDA). Buy rating retained with target price of $27.00.

This report was published on May 2, 2025.

Target price is **$27.00** Current Price is **$23.24** Difference: **$3.76**
If **360** meets the Goldman Sachs target it will return approximately **16%** (excluding dividends, fees and charges).
Current consensus price target is **$27.21**, suggesting upside of **17.1%**(ex-dividends)
The company's fiscal year ends in December.

Forecast for FY25:

Goldman Sachs forecasts a full year **FY25** dividend of **0.00** cents and EPS of **43.05** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **53.98**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **58.0**, implying annual growth of **N/A**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **40.1**.

Forecast for FY26:

Goldman Sachs forecasts a full year **FY26** dividend of **0.00** cents and EPS of **64.58** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **35.99**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **55.4**, implying annual growth of **-4.5%**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **41.9**.

This company reports in **USD**. All estimates have been converted into AUD by FNArena at present FX values.
Market Sentiment: **0.8**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

ACF ACROW LIMITED

Building Products & Services Overnight Price: $1.06

Moelis rates ((ACF)) as Buy (1)

Moelis retains a Buy rating and $1.44 target price on Acrow following its acquisitions of Brand Australia and Above Scaffolding for -$23m upfront, with a potential $6m earn-out.

The deals add geographic exposure in NSW and are expected to contribute around $40m revenue and at least $7m earnings (EBITDA) in FY26, at an implied sub 4x EV/EBITDA multiple, the analyst states.

Completion was effective 1 May, funded via existing debt facilities.

Management updated FY25 guidance lower due to delays in project starts, now expecting $260270m revenue and $8083m earnings (EBITDA), with net profit after tax lowered to $32.5$35m.

Moelis cuts FY25 EPS estimate by -6% but raises FY2627 by 56%, citing timing-related deferral of earnings. The broker expects Queensland activity to accelerate, supported by the $60m BHP Mitsubishi Alliance ((BHP)) contract and Olympic infrastructure rollout.

This report was published on May 1, 2025.

Target price is **$1.44** Current Price is **$1.06** Difference: **$0.38**
If **ACF** meets the Moelis target it will return approximately **36%** (excluding dividends, fees and charges).
Current consensus price target is **$1.32**, suggesting upside of **24.2%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY25:

Moelis forecasts a full year **FY25** dividend of **5.70** cents and EPS of **10.90** cents.
At the last closing share price the estimated dividend yield is **5.38%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **9.72**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **11.1**, implying annual growth of **25.1%**.
Current consensus DPS estimate is **5.9**, implying a prospective dividend yield of **5.6%**.
Current consensus EPS estimate suggests the PER is **9.5**.

Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **6.60** cents and EPS of **13.10** cents.
At the last closing share price the estimated dividend yield is **6.23%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.09**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **13.1**, implying annual growth of **18.0%**.
Current consensus DPS estimate is **6.4**, implying a prospective dividend yield of **6.0%**.
Current consensus EPS estimate suggests the PER is **8.1**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

AMA AMA GROUP LIMITED

Automobiles & Components Overnight Price: $0.08

Canaccord Genuity rates ((AMA)) as Buy (1)

AMA Group delivered a strong March quarter, according to Canaccord Genuity, with normalised earnings (EBITDA) rising 79% on the previous year due to a turnaround in AMA Collision and continued gains at Capital Smart.

The broker notes group revenue rose 10% on a year earlier with management's FY25 guidance for earnings (EBITDA) of $5862m represenings a 13% upgrade to Canaccord's prior forecast.

The analyst lifts FY25 and FY26 earnings (EBITDA) forecasts by 15% and 11%, respectively. Buy rating maintained, target price raised to 13c from 10c.

This report was published on May 2, 2025.

Target price is **$0.13** Current Price is **$0.08** Difference: **$0.052**
If **AMA** meets the Canaccord Genuity target it will return approximately **67%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **0.30** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **26.00**.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **0.60** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **13.00**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

DUG DUG TECHNOLOGY LIMITED

Cloud services Overnight Price: $1.16

Canaccord Genuity rates ((DUG)) as Buy (1)

Dug Technology reported a stronger third quarter, with earnings (EBITDA) of US$5.3m at a 32% margin and Services awards reaching US$22.7m, the highest level since 1Q24, Canaccord Genuity highlights.

The company's order book rose 30% to US$42.7m, suggesting robust momentum into Q4. Software revenue increased 23% over the quarter, but HPC-as-a-Service declined -32%, the broker notes.

Total revenue of US$16.5m was slightly below expectations; cost control kept margins healthy.

Commentary highlights management remains optimistic on new products, including Elastic MP-FWI Imaging, Dug Cool, and Dug Nomad.

Canaccord Genuity lowers FY25/FY26 earnings (EBITDA) by -9% and -5%, respectively. Buy rating retained; target price lowered to $2.40 from $2.60.

This report was published on May 2, 2025.

Target price is **$2.40** Current Price is **$1.16** Difference: **$1.245**
If **DUG** meets the Canaccord Genuity target it will return approximately **108%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

> Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 4.00** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 28.88**.

Forecast for FY26:

> Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **1.00** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **115.50**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

LGP LITTLE GREEN PHARMA LIMITED

Pharmaceuticals & Biotech/Lifesciences Overnight Price: $0.12

Canaccord Genuity rates ((LGP)) as Speculative Buy (1)

Canaccord Genuity lowers its price target for Little Green Pharma to $0.18 from $0.21 while retaining a Speculative Buy rating.

The analyst explains March quarter result met expectations, though gross profit margins declined for a third consecutive quarter to 33%, leading to trimmed earnings (EBITDA) forecasts to $0.6m from $0.9m, and FY26 to $3.9m from $4.5m.

The broker's net income estimated for FY26 is reduced to $0.8m from $1.5m.

Revenue forecast for FY25 is maintained at $36.6m, up 40% year-on-year, with March revenue at a stronger-than-expected $4.0m, indicating a favourable run rate for FY26.

The broker flags the need for careful working capital management given a cash balance of $2.4m. European growth remains a key driver, with March quarter sales in that region rising 50%.

This report was published on May 1, 2025.

Target price is **$0.18** Current Price is **$0.12** Difference: **$0.065**
If **LGP** meets the Canaccord Genuity target it will return approximately **57%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

> Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 0.90** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 12.78**.

Forecast for FY26:

> Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **0.30** cents.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **38.33**.

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

PLT PLENTI GROUP LIMITED

Business & Consumer Credit Overnight Price: $0.86

Wilsons rates ((PLT)) as Overweight (1)

Plenti reported a strong 4Q25 with originations up 42% year-on-year and cash net profit after tax rising 126% to $13.8m, 36% ahead of Wilsons' forecasts.

Personal loan originations increased 58%, auto loans 35%, and renewable loans 27%. The NAB partnership grew to $11m in originations for the quarter, up from $3m in 3Q. The loan book rose 19% to $2.5bn, the broker notes.

Wilsons raises FY2627 cash net profit after forecasts by 47% and 19% respectively, citing operating leverage and sustained origination strength.

Overweight rating retained. Target price rises to $1.58 from $1.46.

This report was published on May 1, 2025.

Target price is **$1.58** Current Price is **$0.86** Difference: **$0.72**
If **PLT** meets the Wilsons target it will return approximately **84%** (excluding dividends, fees and charges).
The company's fiscal year ends in March.

Forecast for FY25:

Wilsons forecasts a full year **FY25** dividend of **0.00** cents and EPS of **0.20** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **430.00**.

Forecast for FY26:

Wilsons forecasts a full year **FY26** dividend of **0.00** cents and EPS of **1.90** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **45.26**.

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

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