WEEK 50

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Friday, 15 December 2023

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AUSTRALIA

Woodtos?

Brokers consider the pros and cons of a Woodside Energy-Santos merger.

-Woodside Energy and Santos in merger talks
-Brokers see many advantages for both
-Woodside would have to pay up
-ACCC will need to consider

By Greg Peel

Australia's two largest oil & gas producers, Woodside Energy ((WDS)) and Santos ((STO)), have confirmed they are in early merger discussions. These are preliminary and may not lead to a merger, and nor is the structure of a potential transaction known.

But brokers agree there is a lot to like about the possibility.

Everyone's a Winner?

Citi has been unconvinced Woodside and Santos have the scale to maintain or create value through the energy transition. For example, the broker recently argued that Woodside's free cash flow outlook and declining base business mean around US$80/bbl oil is needed to pay a 6% yield, spend on New Energy, and keep production flat. If Woodside increases free cash flow from plateau projects like PNG LNG, then this burden should reduce.

Santos would also likely improve its balance sheet, which Citi forecasts peaking at around 24% in 2025, and would no longer require a sell-down of PNG.

UBS estimates synergies from such a merger may range from $150-$300m and be derived from corporate costs, exploration capex, -20-30 basis points of savings on cost of debt plus trading synergies via the larger portfolio. Under the broker's framework, UBS estimates a merger could be earnings per share accretive from year one, which is a positive for Woodside shareholders having seen considerable consensus downgrades to dividends per share over the last month.

Given Santos' heavier relative capex burden over the next three years, UBS estimates a proposed merger to be free cash flow per share accretive from 2027 and beyond.

Woodside could "hide" the quality-eroding aspects of its business, Citi suggests. As North West Shelf and Pluto decline, Woodside should no longer be as high quality due to increasing unit costs and being increasingly capex hungry to maintain flat production. Citi also believes Woodside is quietly downgrading its BHP Petroleum assets. But these problems should essentially be diversified away in a combination.

Beyond the speculative Calypso project, Woodside's growth pipeline is empty, Citi notes, risking a -7% production compound annual growth rate from 2030. Woodside could benefit from Santos' projects Barossa, Papua LNG and Pikka.

Financial flows into a combined entity could presumably be quite strong after deal completion given a globally relevant, dual-listed company, Citi suggests. MergeCo could also command a scarcity premium on the ASX, being the only large cap energy producer. And Santos likely gets its NYSE listing, reducing cost of equity risk through the transition, given US investors appear to be, for now, less ESG-aware than Australian investors.

David and Goliath

Since Santos acquired Oil Search in late 2021, Woodside shares have outperformed Santos by some 50%, including dividends which have been considerably higher from Woodside. This clearly advantages Woodside with the approach, Macquarie suggests, despite the recent pullback. Woodside has delivered strongly on the BHP Petroleum acquisition in recent years, gaining some credibility in M&A delivery and organisational integration, Macquarie notes.

The rationale to merge is clear, suggests UBS, as it could create a giant Asia-Pacific LNG company, with a well diversified asset base and a product mix of more than 70% LNG/gas providing a globally unique LNG exposure, with the scale to self-fund energy transition and pursue further material growth in the Gulf of Mexico and PNG.

While the companies are talking “merger”, realistically it would be a takeover by the much larger Woodside, thus requiring a premium for Santos (and ex-Oil Search) shareholders to be appeased.

UBS estimates an all-scrip merger, plus a 20-30% premium to the Santos share price on December 7, would value Santos at $8.20-8.88, which at the top would be the highest price Santos shares have traded at since 2014.

The biggest sticking point, says Citi, is likely Woodside’s board finding the right value that would appease frustrated Santos shareholders. However, Woodside has such a large cost of equity advantage that the broker suggests a more than $9.00 outcome for Santos is plausible.

The Regulator

Key risks include shareholders reject the relative value split created by the merger. UBS’ current Santos sum-of-the-parts valuation has considerable value for key assets that could be non-core to a future MergeCo, such as Cooper Basin, some WA assets, and Alaska. If these assets are undervalued by Woodside, given their limited strategic value, it drags on the merger economics.

UBS also highlights some ACCC considerations on the combined concentration of East Coast domestic gas in particular under the MergeCo scenario, noting that if divestments are required, the pool of potential buyers (and market valuation) may also drag on the merger economics.

In Play

Merger discussions now put Santos firmly "in play", and Macquarie expects this will trigger interest in Santos from other parties given attractive assets at a discounted value, particularly in PNG, and accelerated consideration of structural alternatives by the Santos board (eg, de-merger).

It is not lost on Macquarie that Santos' share price is now virtually identical to the Harbour takeover proposal in 2018 that was rejected by the board, but Santos shares are now more valuable in the broker's view.

Macquarie maintains an Outperform rating and $9.60 target on Santos as it now appears more likely that value will be recognised in the coming months.

UBS is on Buy with $9.05, and Citi is on Buy with $8.25.

For Woodside, Macquarie is Neutral with a $31.00 target, UBS is Neutral with $35.40, and Citi is on Sell with $26.50.

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AUSTRALIA

Big Win For Smartgroup

Brokers hail Smartgroup Corp's momentum after a big contract win and strong trading update.

-Smartgroup wins big SA government contract
-McMillan Shakespeare the incumbent
-Trading update indicates solid momentum for Smartgroup
-Brokers raise earnings forecasts/targets

By Greg Peel

Smartgroup Corp's ((SIQ)) success in winning the South Australian government contract for salary packaging and novated leasing is a significant achievement against the long-term incumbent McMillan Shakespeare ((MMS)), Ord Minnett suggests.

After losing the Victorian Department of Education contract in 2022, this is a significant rebound, as the SA government has a 40% larger existing novated leasing base than the Victorian department.

The South Australian Government has appointed Smartgroup as the exclusive administrator of salary packaging services and novated leasing services under an initial five-year agreement (ten years including extensions). The contract will commence 1 July 2024, transitioning from McMillan Shakespeare as the current administrator.

The company did not provide expected revenue from the contract, however stated no meaningful FY24 contribution is expected given the start date, ramp-up of capability pre-contract and leasing sales cycles. Separately, McMillan announced the contract currently accounts for some $16m of revenue. Salary packages would represent a 10% increase on Smartgroup's current base and leases a 9.6% increase.

Citi estimates the deal is worth $12m in revenue and $6m in earnings on a full run-rate basis, but does not expect a full run-rate to be achieved until 2026 given time is needed to build a presence in South Australia.

Morgans believes a full run-rate can be achieved in 2025. On balance, contract risk looks to remain to the upside, Morgans suggests, with the Tasmanian government's tender still current for which McMillan is also the incumbent.

Additional investment is needed ahead of launch date and so Ord Minnett expects the impact on 2024 earnings to be minimal, before turning profitable towards the back end of 2024 once vehicles begin to arrive under new novated lease sales executed by Smartgroup.

Trading Update

If the new contract win wasn't enough, Smartgroup also provided a trading update with fresh 2023 profit guidance ahead of consensus forecasts, as electric vehicle penetration continues to climb, and likely buoyed by the recent increase in new car deliveries.

EV penetration is now more than 40% of all orders for the five months to end-November, and this remains the key driver of sustained organic growth, in Ord Minnett's view, with cheaper models of EVs only now beginning to roll out (which should assist to broaden the appeal for EVs amongst the employee base).

The trading update highlights the business has invested the current revenue gains heavily into further capability. Morgans expects this is largely in headcount, technology capability and digital marketing. Given the efficiency drag, this is expected to deliver improved conversion and leasing order growth in future periods.

Revenue has grown around 14% half-on-half, largely driven by volumes. Citi expects further organic growth over the next three years, with Smartgroup noting it has been investing for current demand and future growth and forecast lease settlement volumes to grow at a 9.5% compound annual growth rate over 2023-26.

Valuation

All three brokers have increased their earnings forecasts for Smartgroup in the coming years.

Citi expects volume growth and benefits from recent staffing investment to lift earnings margins over 2024-25 but sees potential for further improvements once technology investments are deployed. Citi retains a Buy rating and increases its target price to $10.20 from $9.70.

Ord Minnett also retains Buy, increasing its target to $9.75 from $8.80.

There remains a material opportunity to drive lease uptake and earnings under the current EV policy, which has an expected review date of 2027. However, Morgans views Smartgroup's valuation has now re-rated to a point which captures the near-term (2024) expectations and thus pulls back to Hold. Target rises to $9.70 from $9.00.

In the short-term, Morgans sees upside risk from the special dividend. The main risk is any unplanned early removal of the current EV policy (election risk), post a period of operational expansion.

Slings and Arrows

While the contract loss is disappointing for McMillan Shakespeare given its scale and earnings impact, Citi remains confident in the potential uplift to novated volumes over the next three years.

The broker expects novated volume growth in the first quarter to have continued in the second, and sees further growth ahead as awareness of novated leasing continues to build.

Citi maintains a Buy rating but lowers its target to $19.50 from $20.50, and also notes uncertainty ahead around the outcomes from the NDIS review.

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AUSTRALIA

Treasury Wine: How To Run A Vineyard

Brokers are impressed by Treasury Wine Estates investment in its Barossa Valley vineyards.

-Investment in new facility to pay off for Treasury Wine Estates
-Replanting/rejuvenation underway
-Automation to provide cost efficiencies
-Improvement in margins

By Greg Peel

Being an equity analyst can often be a difficult and tiresome assignment. Yesterday Treasury Wine Estates ((TWE)) analysts were forced to drag themselves off to the Barossa Valley for a guided tour of the company's vineyard facilities.

But they did come home impressed.

Investment in the Barossa Valley wine production facility was announced at the company's 2019 investor day and serves to replace the previous Nuriootpa winery. The total investment of $165m, completed in May 2022, was in line with initial guidance of $150-180m.

Optimisation

Morgan Stanley saw the key benefits of the new facility to include yield optimisation, with an uplift in conversion and automated berry sorting, reduced grade slippages through tank availability for smaller batches, cost efficiencies through automation, and scale (one-third increase in premium wine-making capacity).

Treasury Wine has also replanted or is rejuvenating 800-900 hectares of vineyards, a process that began in FY21 and represents some 10-12% of planted acreage. Approximately 25% of these vineyards are producing, with the remaining 75% to return to production over the next two years. This will support the company's ambition to increase intake in FY24 and beyond, Morgan Stanley notes.

While Citi points out replanting/rejuvenating is somewhat business-as-usual for a winemaker, this has been opportunistically accelerated at a time of oversupply and China wine tariffs.

The recently built dam (one of five) provides a competitive advantage as it increases water security, and future plans to put a lid on the dam shown to analysts from April 2024 could save 20% to 30% of water from evaporation.

Automation

The company is also testing robot sprayers which facilitate significant labour efficiencies, Citi notes, as one employee can run five sprayers versus one employee to operate each non-robot sprayer. Each sprayer costs US$230-250k plus a subscription charge, versus labour which can be up to A$100k per person.

And the company is trialing vineyard canopies, which cost $1m for 16 hectares, installed four months ago, to take greater control of climates, which is helpful for managing yield/quality particularly for cabernet growing in hot/dry years, Citi learned. The canopies help manage wind disruption, temperature extremes and soil moisture/irrigation.

The key drivers for return on capital employed (ROCE), in reference to the $165m investment, were for UBS firstly a one third increase in luxury wine production capacity via more crushers, concentrators and fermenters, while the number of oak barrels has also increased from 75k to 137k.

Secondly, the winemaking process (including a more versatile approach to grape intake and greater use of technology) is now better able to ensure grapes become the highest luxury grade possible, which helps to increase net sales revenue per case and expand gross margins, and thirdly, greater use of technology (eg automation) and changing processes drive efficiency gains and reduce overall labour costs.

All up, the investments should lift FY24 intake to increase as Penfolds' inventory position is rebalanced and Treasury Wine prepares for potential removal of China tariffs, Morgan Stanely notes.

As a result of utilisation of the new wine-making facility, the broker expects to see an improvement in the company's luxury inventory positioning, supportive of gross profit margins. The uplift in conversion and reduced grade slippage will underpin this mix-shift to higher quality inventory.

Despite all the excitement, none of the three brokers reporting deigned to change their ratings or targets for the stock.

Morgan Stanley retains Overweight with a $14.35 target (last $10.51), UBS has a Buy and $13.75 target, while Citi is on Neutral and a low-end $11.80 target.

Bottoms up.

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COMMODITIES

Material Matters: Lithium; Copper; Aluminium; 2024 Outlook

Volatility in lithium, China’s copper/aluminium output; Citi’s view on commodity prices in 2024.

-Lithium prices to remain volatile in the near term
-China’s copper/aluminium demand should remain solid
-Gold preferred in 2024

By Greg Peel

Volatile Lithium

As a chemical, lithium is the most volatile metal on the periodic table. As a commodity, lithium carbonate is currently matching that volatility, as have ASX-listed lithium miners, whose share prices have been flying around every day.

Lithium carbonate futures prices saw increased volatility with two down-limits and two up-limits* last week for the contract expiring in Jan 2024. Given the scarcity of price reference points, a volatile lithium futures market could impact the lithium equity market sentiment, in Macquarie’s view.

*Trading is halted when futures prices hit daily up/down limits.

The broker believes the futures market could have further price swings in the very near term, due to physical delivery instead of cash settlement, various product specifications, and recently tightened magnetic impurity requirements.

The resumption of lithium production in November was short-lived as marginal players' profitability deteriorated on lowered lithium prices, resulting in production cuts again in December, Macquarie notes. China's lithium carbonate production is expected to decrease -5% month-on-month in December.

Lithium prices have pulled back faster and to lower levels lower than consensus expectations. Citi’s global commodity team has reduced lithium price forecasts by -20-30% in 2024.

For those looking for positive catalysts, Citi flags the chance of a short squeeze on the Guangzhou Future Exchange before year-end and expects the third quarter FY24 to bring a price reprieve on post Chinese New Year restocking.

Citi prefers Mineral Resources ((MIN)) against a neutral-to-bearish lithium view due to its iron ore exposure. The broker downgrades Pilbara Minerals ((PLS)) to Neutral on valuation but notes Pilbara Minerals is most leveraged to any pricing bounce.

Macquarie has also reviewed lithium price sensitivity for major producers under its coverage universe. Mineral Resources boasts the greatest lithium earnings sensitivity in the near term, with more than 15% earnings movement for 10% lithium price changes in FY24.

On base case forecasts, both Pilbara Minerals and Allkem ((AKE)) have around 10% earnings changes with a 10% move in lithium prices, while IGO ((IGO)) has a sensitivity of around 6% in FY24. Allkem's valuation is most sensitive to lithium price shifts, with a 10% uplift in lithium prices over the life of the asset translating to some 20% increase in net present value.

Valuation for other lithium majors also indicates strong correlation to lithium prices, with a sensitivity of 12-14%.

Copper & Aluminium

Despite China's copper/aluminium output reaching all-time highs, trade data and inventory changes suggest this metal is being absorbed, not piling up or being exported, implying continuing strong domestic demand in China, Morgan Stanley notes. Demand remains strong for both metals, despite macroeconomic/property sector concerns.

Property completions have remained resilient, the broker points out, up 18% year to date, and there is potential for next year to remain supportive. Supply side disruptions such as aluminium production cuts in Yunnan, and copper supply disruptions in Chile/Panama, could offer additional upside risks to prices.

For aluminium, Morgan Stanley prefers South32 ((S32)) and Rio Tinto ((RIO)), with around 32% of South32's FY24 revenue and 21% of Rio's 2024 revenue coming from aluminium.

For copper, the broker prefers Rio Tinto over BHP Group ((BHP)) given increasing volumes from Oyu Tolgoi/Kennecott.

Commodities in General

Citi is broadly neutral-to-bearish on commodities as an asset class in 2024 save for precious metals. Retail and institutional commodity fund assets under management were unchanged in November versus October at around US$650bn, but total AUM is down -US$280bn since the first half FY22 peak, challenging the "super-cycle"

narrative pushed by some structurally bullish market participants.

The broker **is** not surprised by the recent unwind in gold markets and would “buy the dip” around US$1,950/oz. Consolidation and profit-taking can be expected in the current high price environment, especially as investor demand for duration [bonds] and risk exposure was so aggressive in November.

Crude oil markets are struggling for bullish momentum and investor longs are historically light. In Citi’s view, Brent crude trading should find fundamental support at or above current levels as OPEC-Plus cuts roll forward and are broadly delivered.

Note that the market is sceptical regarding OPEC-Plus cuts as they are voluntary. Recent price depreciation has reflected a belief some members will simply ignore them.

The early December copper rally to US$8,600/t was very short-lived as prices dropped back to US$8,300/t, while iron ore prices fluctuated just north of US$130/t. From here, Citi’s base case is still a run-up over the coming weeks on further China easing anticipated at the upcoming Central Economic Work Conference.

The broker expects policymakers to step up urban village redevelopment/affordable housing projects to buffer the drag from community housing sluggishness, and there is a potential for a positive shift in China growth expectations driven by the property sector depending on the degree of easing.

A weak US dollar or dovish December Fed statement could also be supportive for the metals complex.

That said, as 2024 drags on, Citi expects a substantial deterioration in mature/developed/industrial economic growth, weighing on base metals demand and investor risk appetite. The broker believes that interest rate hikes have not delivered their biggest hit to growth yet, with rising debt service burdens (as debt matures) and the lagged impact of tightening financial conditions set to drive developed markets into recession during 2024, including both the US and European economies.

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SMALL CAPS

Dr Boreham's Crucible: Imugene

Tim Boreham highlights the prospects for cancer treatment biotech Imugene

By Tim Boreham

ASX code: ((IMU))

Share price: 10 cents

Shares on issue: 7,164,974,859

Market cap: $716m

Chief executive officer: Leslie Chong

Board: Paul Hopper (executive chair), Ms Chong, Dr Lesley Russell, Dr Jens Eckstein, Dr Jakob Dupont, Kim Drapkin

Financials: (September quarter 2023): revenue nil, operating cash outflows -$22m, cash balance $163.3m*****, quarters of available funding: seven

Year to June 30, 2023: revenue nil, grant income $11.78 million (down -9%), loss of -$39.7m (previous loss -$37.9m)

***** After capital raising of $51m (net of costs)

Identifiable major holders: Paul Hopper 4.47%, The Vanguard Group, Inc. 4.35%, Mann Family 4.03%, Dr Nicholas Smith 1.65%, Blackrock Inc 1.51%.

Amid ongoing industry debate about the merits of off-the-shelf (allogeneic) therapies versus autologous ones that tweak an individual patient's cells, Imugene chief Leslie Chong is quite the convert to the former.

She says that the autologous approach involves patients sitting for several hours during the leukapheresis process to remove white blood cells, with the T-cell regeneration taking 19 to 42 days.

"In the meantime, the patient is deteriorating and they have to give them more chemo just in order for them to get the drug."

In contrast, off-the-shelf drug is sourced from healthy donors, frozen and can be shipped to clinics in multiple batches, which means multiple drugs for multiple patients. Because the cells are from healthy folks, they are more potent and robust.

Imugene has good reason to advocate the off-the-shelf approach: the cancer immune-therapy house has just acquired an allogeneic program from the Nasdaq-listed Precision Biosciences.

The program, azer-cel is in the new-ish field of CAR-T therapies (chimeric antigen receptor T-cells), which involves souping-up patients' T-cells for a better immune response. Azer-cel is now the company's most advanced business.

To date, the four approved CD19 CAR-T therapies have been autologous, so Imugene could make history by getting the first allogeneic one to market.

These approved therapies are all for blood cancers, with solid cancers proving more challenging.

"We are in the sweet spot because autologous therapies are failing," Ms Chong says.

Meanwhile, Imugene shares had a stellar November, on the back of four quick-fire announcements pertaining to the company's azer-cel and oncolytic virus programs (see below).

A cancer cure? Imagene that

Imugene has an - er - interesting history, having started out as an animal health company in the 1990s and then dabbling in enhanced generics including vitamin D and ibuprofen formulations.

Currently, the company has six assets over four platforms, covering allogeneic CAR-Ts (azer-cel), Oncarlytics (oncolytic virotherapy), the CF-33 oncolytic virus (Checkvacc and Vaxinia) and B-cell immunotherapies (HER-Vaxx, PD1 Vaxx).

Targets include blood, breast, lung, gastric and head and neck cancers, as well as melanomas, glioblastomas and other solid tumours.

A decade ago, the company acquired the private Biolife Science Queensland, an immune oncology play based on Medical University of Vienna know-how.

This introduced Imugene's then lead molecule HER-Vaxx, which targets HER-2, as in human epidermal growth factor receptor-2.

The deal also introduced legendary biotech wheeler-and-dealer Paul Hopper to Imugene and he was duly appointed chair.

Ms Chong joined the company in late 2015 from big pharma Genentech.

In August 2018, Imugene acquired the rights to B-cell peptide vaccines (notably the programmed death or PD1 checkpoint inhibitor) from Ohio State University and Mayo Clinic.

In 2019, Imugene acquired the global licence for CF33, a chimeric vaccinia (pox) virus developed by City of Hope's ebullient chair of surgery, Prof Yuman Fong.

The tech was owned by the private Vaxinia, in which Mr Hopper and Prof Fong were major investors.

In May 2021, the company licenced a novel oncolytic virus called CD19 (as in cluster differentiation) from City of Hope, for an immaterial cash payment.

Then there's last August's azer-cel deal.

Phew!

Thanks a million - or three

Under the deal terms, Imugene paid $US8m upfront in cash to Precision Biosciences, with $US13m in deferred cash or shares (at Imugene's discretion).

A further $US8m is payable at the end of the phase Ib trial - once again in cash and shares - with a further $US198m in performance-based payments.

Imugene also pays "industry standard royalties" on commercialisation.

Imugene assumes the lease on a modern 9,700 square metre (2.4 acres) manufacturing facility in Durham, North Carolina.

Imugene can thank fellow immune-therapy house Chimeric for landing the deal - and did so by way of a $3m 'spotter's fee'.

The story goes that Precision Biosciences CEO Michael Amoroso was close to Chimeric CEO Jennifer Chow, given the duo worked together at CAR-T champ Kite Pharmaceuticals.

Precision did not have the money to develop the drug so elicited Ms Chow's interest, to which she replied that Chimeric was a bit small - but why not chat to Imugene?

Mr Hopper is the executive chair of both Imugene and Chimeric.

Azer-cadabra – it's a new cancer drug!

Formally known as azercabtagene zapreleucel, azer-cel "supercharges" T-cells so that they seek and destroy malignant cells expressing CD19.

An ongoing phase I trial so far has treated 84 patients with either non-Hodgkin lymphoma (NHL) or B-cell lymphoblastic leukemia (B-ALL).

On November 10, this year Imugene said it has dosed the first of 10 patients in its phase Ib azer-cel trial for advanced non-Hodgkin lymphoma.

This followed "strong safety and efficacy signals" in the 84-patient, phase I trial.

The first phase Ib patient (with a difficult form of non-Hodgkin lymphoma) was dosed at Banner Health in Phoenix, Arizona.

The company expects that 10 patients will comprise a confirmatory study as support for FDA approval of a phase II registrational trial and - ultimately – the marketing nod for what would be the first approved allogeneic CAR-T cancer therapy.

These patients will have failed previous autologous CAR-T therapies for diffuse large B-cell lymphoma (DLBCL).

Ms Chong describes DLBCL as "rare, but not as rare as folks would want it to be".

With an average cost of $US375,000 per treatment, the company estimates a US market of $US2.5bn a year. As the autologous CAR-T market grows, the incidence of failed CAR-T cases will also grow.

"Given what I have seen from the study results, we could potentially receive accelerated approval as early as the end of 2026," Ms Chong says. "It's not that far away."

Nailed to the MAST

Imugene's other November tidings related to its clinical program for Vaxinia, a.k.a. the novel cancer-killing virus CF33-hNIS.

The study is known as MAST, as in metastatic advanced solid tumours. hNIS stands for human sodium iodine symporter, but we all knew that already.

This week, the FDA accorded the program fast track status, for bile duct cancer if the company chooses to pursue that indication.

On November 2, the company said it had cleared cohort four of the intravenous monotherapy dose escalation study, as well as cohort two of the intravenous combination study of Vaxinia with pembrolizumab (Keytruda).

The company has opened cohort five of the monotherapy arm and cohort three of the combination arm of its phase I trial.

The study aims to recruit up-to 100 patients at 10 trial sites in the US and Australia. The trial started in May 2022 and is expected to run for about 24 months.

On November 8, the company said 34 patients dosed to date had achieved "positive early signals", including one complete response for bile duct cancer (cholangio-carcinoma) and one partial response for melanoma.

A further 16 patients showed disease stabilisation.

An expansion study of 10 bile duct cancer patients is planned.

"We were especially pleased about the bile duct complete responder because it is a true unmet need," Ms Chong says. "There is not much else out there - none of the immune-therapies have really touched [the disease]."

A "beautiful pipeline"

Ms Chong says the azer-cel program enhances a "beautiful pipeline" across four platforms and 10 trials.

Limits with space - and your columnist's sanity - preclude a full rendition.

In May 2023, Imugene received FDA approval to start a human CAR-T trial, targeting advanced or metastatic solid tumours with their Oncarlytics program.

Known as Oasis but not involving either Liam or Noel, the dose-escalation study will involve Imugene's Oncarlytics being administered alongside an approved drug against the CD19 target, blinatumomab (branded Blincyto).

Oncarlytics combines the oncolytic virus CF33 with the transgene CD19. The mechanism of action involves CF33 infiltrating solid tumours and expressing CD19 on the cell surface.

"There are no CD19s or autologous CAR-T therapies approved in solid tumours, so the idea here is revolutionary," Ms Chong says.

On the HER-Vaxx front, a phase II trial dubbed Next Horizon has enrolled HER-2 positive gastric cancer patients.

Finances and performance

To fund the azer-cel purchase, Imugene passed the hat around for $35m in a placement at 8.4 cents and then raised $18.2m in a share purchase plan (it was aiming for up to $30m).

The shares come with an attached option exercisable at 11.8 cents by August 2026.

As if any investor needs to be reminded about the huge cost of developing a drug, in September 2020, Imugene raised $80m.

With more than $160m in the bank, Imugene is one of the most cashed-up ASX biotechs.

Ms Chong says the company has an open mind about funding the azer-cel trial to commercialization, noting that Imugene's management has been involved in taking 13 cancer drugs to market in previous roles.

Imugene shares have had a rollicking November, up 150% including a 10% leap on the back of the fast-track designation tidings alone.

Over the last 12 months the shares have traded between four cents (November 1 this year) and 20 cents (mid-December last year).

They stock hit an all-time high of 59 cents in early November 2021 and in April 2020 it plumbed the depths of two cents.

Dr Boreham's diagnosis:

Ms Chong says while the biotech sector has been hit hard over the last couple of years, sentiment towards the former 'golden child' of CAR-T therapies has declined even more.

"But it looks like it is making a comeback," she says, noting last month's successful $US280m Nasdaq listing of autologous CAR-T developer, Cargo Therapeutics.

Despite November's stellar share surge, Imugene's $620m market cap is still well shy of its eyebrow-raising $3bn-plus peak four years ago, when the trials were less advanced.

"I never know how the market will react to any announcement," a mystified Ms Chong muses.

Along the way, investors might have become confused by the company's multiple evolving programs and priorities.

Bell Potter says the company plans to “pause” further program acquisitions and focus on what it has.

“This is eminently sensible given the high bar set by equity markets for new capital, especially for early-stage biotech assets,” says the broker, which values Imugene shares at 15 cents each.

Courtesy of azer-cel and the prospect of early approval, Imugene looks to be closer to the Holy Grail of drug commercialization than it has ever been.

In chair Paul Hopper’s words: “We are steadfast in the view Imugene is positioned more strongly than ever before; and in time the company and shareholders will see the benefits.”

Let’s Hop-per to it!

Disclosure: Dr Boreham is not a qualified medical practitioner and does not possess a doctorate of any sort. But one day he may grasp the Holy Grail of becoming proficient at something … or be CAR-T-ed away.

This column first appeared in Biotech Daily

Biotechdaily.com.au

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

WEEKLY REPORTS

Weekly Ratings, Targets, Forecast Changes - 08-12-23

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 December 4 to Friday December 8, 2023
Total Upgrades: 6
Total Downgrades: 3
Net Ratings Breakdown: Buy 57.97%; Hold 34.16%; Sell 7.87%

For the week ending Friday December 8 there were six ratings upgrades and three downgrades to ASX-listed companies by brokers covered daily by FNArena.

Average earnings downgrades by analysts were larger than upgrades as can be seen in the tables below.

Iress received the largest upgrade to average earnings forecasts though the percentage move was exaggerated by the small forecast numbers involved.

A strategy update by management confirmed Ord Minnett's view a temporary earnings blip will reverse in 2024.

The analyst suggested there will be ongoing balance sheet progress from divestment of non-core businesses and improving earnings. Over the broker's forecast period, the net debt/EBITDA ratio is expected to average 1.3 times compared to the current 2.3 times.

The broker also remains confident on the growth outlook for the company's key segment, Superannuation, due to ongoing customer wins and numerous upcoming project implementations. The Buy rating was retained and the target increased to $9.60 from $9.20 on lower anticipated operating expense growth.

Longer-term earnings forecasts for Outperform-rated Strike Energy were also increased last week by Macquarie. The broker noted potential upside for the share price as the two Erregulla gas developments (350km northeast of Perth) are de-risked and management targets exploration and appraisal upside.

While the analyst's target price fell by -16% to 48c on lower assumed South Erregulla volumes, Strike is still viewed as an attractive takeover target.

Aeris Resources headed up the tables below for the largest percentage fall in average earnings forecast, as well as the largest fall in average target price for the second week in a row.

In the prior week, the average target price fell to 19.3c from 26.7c due to a $30m equity raise to fund capital requirements. Also, both Macquarie and Ord Minnett felt another capital raising would be required, with the latter noting the trade payables position of $121m at June 30, and an onerous $50m debt at 15.5% interest with WH Soul Pattinson.

Last week, Bell Potter also reacted to the capital raising by reducing its target to 23c from 30c, dragging the average target in the FNArena database down to 17c from 19.3c.

South32 also received earnings downgrades from three brokers in FNArena database last week.

The company's share price has declined broadly in line with fellow mining mid-cap peers over the last year due to a short-term deterioration in earnings, suggested Morgans. Additionally, it's felt the fast-tracking of the Hermosa manganese and zinc development in the Patagonia Mountains of southern Arizona will be insufficient to plug a gap in South32's growth profile.

Because of this gap, the broker's Add recommendation is reliant upon a recovery in base metal markets including coal, copper, aluminium and nickel. Morgans target price was reduced the target to $4.80 from $5.20.

South32's average earnings forecast was also negatively impacted by updated commodity price forecasts by both Morgan Stanley (target down to $3.85 from $4.20) and Macquarie last week.

Macquarie's price forecasts for copper and zinc rose, while nickel, manganese and aluminium forecasts fall. The latter two changes resulted in materially lower EPS forecasts by the broker and the target fell to $3.30 from $3.40.

The average earnings forecast for Star Entertainment also fell last week, solely due to Morgans lowering its FY24 and FY25 earnings forecasts by -16% and -9%, respectively, due to a potential delay in opening for the integrated resort development at Queen's Wharf in Brisbane and softer trading run-rates.

Morgans retained an Add rating for Star but reduced its target to 70c from 90c. The broker's top two picks for stocks under coverage in the Gaming sector remain Aristocrat Leisure and Jumbo Interactive.

In a research piece last week, Morgan Stanley explored the risks to oOh!media's outdoor advertising revenues from the structural growth of Retail Media.

Retailers now make up 20-30% of brand advertising spend in Australia, according to the analysts. Importantly, they are now changing strategies and the way they spend their advertising/marketing dollars.

While retailers have always spent some of their advertising budgets on their own in-store advertising, such as point-of-sale (POS) displays/banners, the broker's industry feedback shows the rate of change for spending is now accelerating.

Morgan Stanley forecasts Retail Media spending on in-house/owned advertising platforms will be $2.8bn in 2027, up from around $1bn in 2022.

This growth provides a medium-term headwind to oOh!media's out-of-home (OOH) revenues, yet the broker concluded the company is relatively less exposed than peers. While the analysts reduced earnings forecasts, an Equal-weight rating was retained.

Total Buy recommendations in the database comprise 57.97% of the total, versus 34.16% on Neutral/Hold, while Sell ratings account for the remaining 7.87%.

Upgrade

BEACH ENERGY LIMITED ((BPT)) Upgrade to Equal-weight from Underweight by Morgan Stanley .B/H/S: 3/4/0

In a review of Australian upstream energy stocks under coverage, Morgan Stanley has a new order of preference led by Karoon Energy ((KAR)), Woodside Energy ((WDS)) and Origin Energy ((ORG)).

While large-cap upstream stocks had material downward consensus revisions following November market updates,
the broker feels local headwinds are now sufficiently priced in. An Attractive industry view is retained and Brent forecasts remain steady.

Regarding Beach Energy, the broker upgrades its rating to Equal-weight from Underweight following a -20% fall in share price over the last year.

Morgan Stanley's target rises to $1.65 from $1.56 on improving free cash flow (FCF) growth prospects from Waitsia, and the repricing of the Lattice contract with Origin Energy.

COLES GROUP LIMITED ((COL)) Upgrade to Equal-weight from Underweight by Morgan Stanley .B/H/S: 2/3/0

Morgan Stanley upgrades its rating for Coles Group to Equal-weight from Underweight partly due to future benefits from supply chain investments. The target price also rises to $16.50 from $14.75.

The broker believes e-commerce will return to growth in FY24 and suggests a shift of grocery spend online remains the largest e-commerce opportunity. Online penetration rates in the US and the UK (for example) are far above Australia, explain the analysts.

Morgan Stanley's also sees an improvement in FY24 margins for Coles due to benefits from stock loss reversal. Industry View: In-Line.

ENDEAVOUR GROUP LIMITED ((EDV)) Upgrade to Buy from Neutral by UBS .B/H/S: 3/1/1

UBS upgrades its rating for Endeavour Group to Buy from Neutral on valuation and increases its target to $6.00 from $5.40. It's felt markets concerns are overdone around further regulation following government imposition of spending limits on Tasmanian poker machines in September last year.

The Endeavour Group share price has fallen -33% since that time. However, an around -40-50% decline in gaming earnings (EBIT) from FY27 onwards would be required to justify the current share price, point out the analysts.

The company is not as strong a gaming operator relative to peers, notes the broker, and gaming revenue is recovering following smoking bans introduced in mid-2000s.

Also, government budgets are not currently forecasting a decline in gaming revenues, highlights UBS.

INSURANCE AUSTRALIA GROUP LIMITED ((IAG)) Upgrade to Neutral from Sell by UBS .B/H/S: 3/3/0

While UBS has previously voiced concerns around claims inflation weighing on earnings for Insurance Australia Group, the broker feels repricing action, which started slowly through 2022, could support optimism around margins if pace continues for another twelve months.

The broker sees possibility that Insurance Australia Group could exceed its mid-term margin guidance in FY25 amid ongoing repricing and rising yields.

UBS anticipates insurance will remain an attractive sector for investors into 2024. The rating is upgraded to Neutral from Sell and the target price increases to $6.00 from $5.10.

REGIS HEALTHCARE LIMITED ((REG)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 2/0/0

The government has announced a $2.2b increase to sector funding from December 1.

In a sector that has become conditioned to negative funding surprises, this is a material positive, Ord Minnett suggests, and is expected to support operators funding Fair Work's 5.75% increase in annual award wage decision.

With upside to consensus near-term, operating conditions remaining supportive and positive catalysts looming, the broker upgrades Regis Healthcare to Buy from Accumulate and lifts its target to $3.50 from $3.10.

UNIVERSAL STORE HOLDINGS LIMITED ((UNI)) Upgrade to Buy from Neutral by Citi .B/H/S: 4/1/0

With several indicators of a strong Black Friday sales period for Universal Store, Citi has upgraded its rating on the retailer. The broker does note risk that Christmas and Boxing Day shopping may have been pulled forward, it feels potential downside is relatively subdued.

The broker's data suggested improvement in both foot traffic and sales across Australian clothing retailers during the recent Black Friday sales, relative to the preceding weeks.

The rating is upgraded to Buy from Neutral and the target price increases to $3.93 from $3.70.

Downgrade

MACQUARIE GROUP LIMITED ((MQG)) Downgrade to Neutral from Buy by UBS .B/H/S: 2/3/0

While Macquarie Group's commodities and global markets business has been an outsized contributor for the company in recent years, contributing 48% to profits as of the first half of FY24, UBS is anticipating the super cycle could be at an end based on peer analysis.

Given implied commodity forecasts, UBS has lowered its expected commodity revenues -7%, -16% and -19% through to FY26. This sees group earnings per share forecasts decrease -1.5% over the same period.

The rating is downgraded to Neutral from Buy and the target price decreases to $180.00 from $185.00.

NEUREN PHARMACEUTICALS LIMITED ((NEU)) Downgrade to Hold from Buy by Bell Potter .B/H/S: 0/1/0

The first of Neuren Pharmaceuticals' four Phase 2 trials for NNZ-2591 is expected to read out over the next

two to three weeks, with readout for the remaining three expected over the coming twelve months.

This is a key milestone, points out Bell Potter, being the first time there have been clinical data for patients using NNZ-2591. The broker believes it is likely the safety and pharmacokinetics (PK) endpoints will be successful.

The rating is downgraded to Hold from Buy and the target price of $17.50 is retained.

SANTOS LIMITED ((STO)) Downgrade to Equal-weight from Overweight by Morgan Stanley .B/H/S: 4/2/0

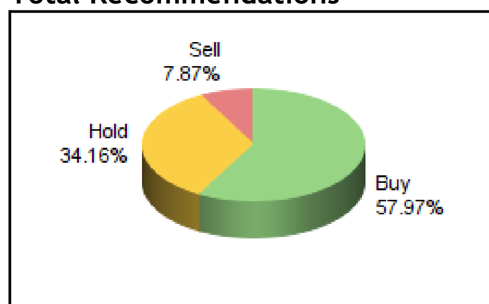
In a review of Australian upstream energy stocks under coverage, Morgan Stanley has a new order of preference led by Karoon Energy ((KAR)), Woodside Energy ((WDS)) and Origin Energy ((ORG)).

While large-cap upstream stocks had material downward consensus revisions following November market updates,
the broker feels local headwinds are now sufficiently priced in. An Attractive industry view is retained and Brent forecasts remain steady.

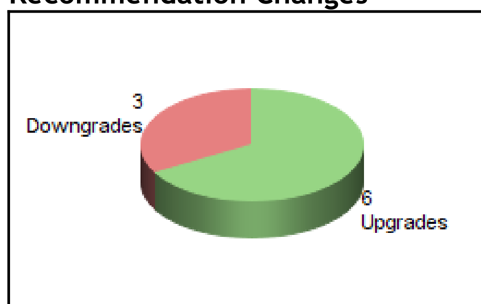
Regarding Santos, the broker's rating is downgraded to Equal-weight from Overweight and the target falls to $7.71 from $8.88, based on reduced balance sheet flexibility, and higher environmental planning litigation risk relative to peers.

The lower valuation is also partly due to lower guidance provided at the company's Investor Day presentation on November 22, along with updated commodity and currency assumptions by Morgan Stanley.

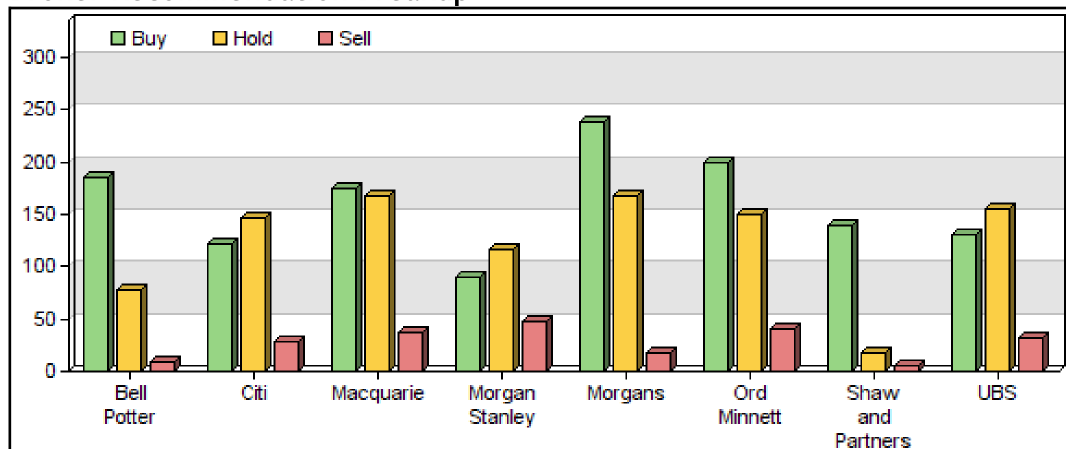
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	BEACH ENERGY LIMITED	Neutral	Sell	Morgan Stanley
2	COLES GROUP LIMITED	Neutral	Sell	Morgan Stanley
3	ENDEAVOUR GROUP LIMITED	Buy	Neutral	UBS
4	INSURANCE AUSTRALIA GROUP LIMITED	Neutral	Sell	UBS
5	REGIS HEALTHCARE LIMITED	Buy	Buy	Ord Minnett
6	UNIVERSAL STORE HOLDINGS LIMITED	Buy	Neutral	Citi
Downgrade				
7	MACQUARIE GROUP LIMITED	Neutral	Buy	UBS
8	NEUREN PHARMACEUTICALS LIMITED	Neutral	Buy	Bell Potter
9	SANTOS LIMITED	Neutral	Buy	Morgan Stanley

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	IRE	IRESS LIMITED	8.563	7.963	7.53%	4
2	TPW	TEMPLE & WEBSTER GROUP LIMITED	7.210	6.890	4.64%	5
3	FPR	FLEETPARTNERS GROUP LIMITED	3.203	3.070	4.33%	4
4	PMV	PREMIER INVESTMENTS LIMITED	26.123	25.273	3.36%	6
5	IAG	INSURANCE AUSTRALIA GROUP LIMITED	5.998	5.848	2.56%	6
6	PPT	PERPETUAL LIMITED	26.540	25.948	2.28%	6
7	BRG	BREVILLE GROUP LIMITED	26.980	26.400	2.20%	5
8	EDV	ENDEAVOUR GROUP LIMITED	5.690	5.570	2.15%	5
9	COL	COLES GROUP LIMITED	16.458	16.167	1.80%	6
10	UNI	UNIVERSAL STORE HOLDINGS LIMITED	4.246	4.172	1.77%	5

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	AIS	AERIS RESOURCES LIMITED	0.170	0.193	-11.92%	3
2	IGO	IGO LIMITED	10.798	11.778	-8.32%	5
3	LTR	LIONTOWN RESOURCES LIMITED	2.176	2.345	-7.21%	5
4	STX	STRIKE ENERGY LIMITED	0.503	0.540	-6.85%	3
5	OML	OOH!MEDIA LIMITED	1.773	1.885	-5.94%	3
6	SGR	STAR ENTERTAINMENT GROUP LIMITED	0.900	0.950	-5.26%	4
7	PWH	PWR HOLDINGS LIMITED	10.630	11.163	-4.77%	5
8	PRU	PERSEUS MINING LIMITED	2.167	2.250	-3.69%	3
9	WDS	WOODSIDE ENERGY GROUP LIMITED	34.567	35.567	-2.81%	6
10	TAH	TABCORP HOLDINGS LIMITED	1.074	1.104	-2.72%	5

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	IRE	IRESS LIMITED	1.450	1.075	34.88%	4
2	STX	STRIKE ENERGY LIMITED	0.717	0.533	34.52%	3
3	PMV	PREMIER INVESTMENTS LIMITED	155.217	147.367	5.33%	6
4	COL	COLES GROUP LIMITED	76.033	74.533	2.01%	6
5	UNI	UNIVERSAL STORE HOLDINGS LIMITED	34.200	33.550	1.94%	5
6	TPW	TEMPLE & WEBSTER GROUP LIMITED	3.940	3.880	1.55%	5
7	IAG	INSURANCE AUSTRALIA GROUP LIMITED	35.317	34.817	1.44%	6
8	ALQ	ALS LIMITED	65.700	64.975	1.12%	4
9	STO	SANTOS LIMITED	70.445	70.051	0.56%	6
10	GNC	GRAINCORP LIMITED	52.560	52.340	0.42%	5

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	AIS	AERIS RESOURCES LIMITED	-3.600	-2.433	-47.97%	3
2	S32	SOUTH32 LIMITED	20.978	25.272	-16.99%	6
3	SGR	STAR ENTERTAINMENT GROUP LIMITED	2.200	2.550	-13.73%	4
4	OML	OOH!MEDIA LIMITED	8.367	9.300	-10.03%	3
5	MND	MONADELPHOUS GROUP LIMITED	65.200	69.700	-6.46%	4
6	TAH	TABCORP HOLDINGS LIMITED	2.620	2.780	-5.76%	5
7	PRU	PERSEUS MINING LIMITED	20.800	21.900	-5.02%	3
8	BPT	BEACH ENERGY LIMITED	17.157	17.843	-3.84%	7
9	MTS	METCASH LIMITED	28.500	29.625	-3.80%	4
10	NEC	NINE ENTERTAINMENT CO. HOLDINGS LIMITED	13.725	14.225	-3.51%	4

Technical limitations

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

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WEEKLY REPORTS

Uranium Week: Russia Ban Moving Forward

It has been long-awaited, but it appears US Congress may be about to ban imports of uranium from Russia.

-Congress moving towards Russian import ban
-Lack of sellers sees uranium prices higher still
-Nuclear energy makes a splash at COP28

By Greg Peel

Renewed activity around possible legislation that would seek to limit the import of Russian material into the US had been front of mind for uranium market participants in recent weeks, but the pace at which it appears to be moving forward has taken some market participants by surprise, industry consultant TradeTech reports.

What this meant for the market in the last two days of last week is that sellers have largely withdrawn from the market in order to assess developments this week.

TradeTech's weekly spot price indicator rose US$1.50 last week to US$83.00/lb.

TradeTech's term price indicators remain at US$82.50/lb (mid) and US$66.00/lb (long).

No Love for Russia

Following months of negotiations, the US House and Senate negotiators released the final Fiscal Year 2024 National Defense Authorization Act on December 6. The NDAA authorises appropriations and sets policies for Department of Defense programs and activities, as well as the Department of Energy's national security program.

The NDAA includes language that promotes the domestic availability of High-Assay Low-Enriched Uranium (HALEU) to fuel advanced reactors and directs the DoE to create a "Nuclear Fuel Security Program."

The Act now awaits procedural votes in the Senate and House.

The House is expected to consider legislation next week that would phase in a ban on uranium imports from Russia. The Prohibiting Russian Uranium Imports Act has been scheduled for consideration this week.

The legislation, which would ban Russian uranium imports 90 days after enactment and allow a temporary waiver until January 2028, was approved by a House committee in May. A Senate panel has approved similar legislation. If the House bill passes, it would create an opportunity to pass the same legislation in the Senate.

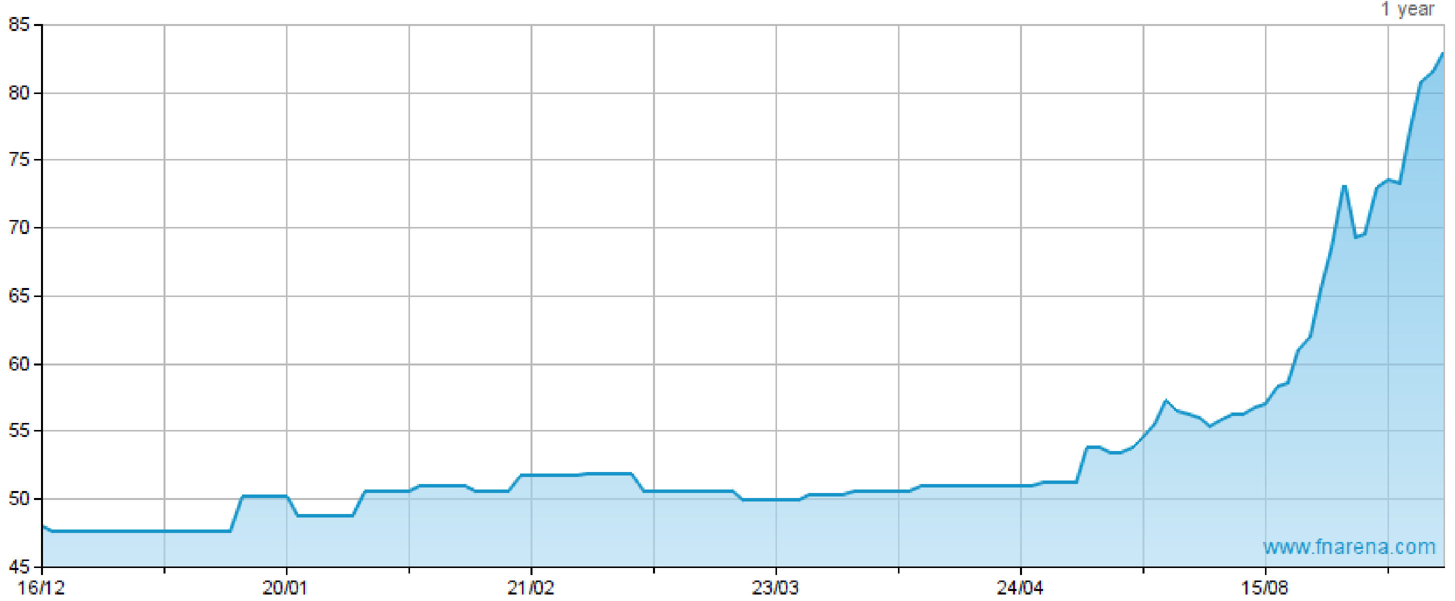
Cop That

The global nuclear energy industry gained considerable attention at the COP28 climate summit in Dubai last week with declarations that aim to triple nuclear power capacity by 2050 signed by many nations. In addition, five countries, including the US, France, Japan, and the UK, agreed to mobilise government-led investments totalling US$4.2bn to develop a global nuclear supply chain.

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	08/12/2023	0.0700	▼-12.50%	$0.20	$0.05			
AGE	08/12/2023	0.0550	▼- 5.17%	$0.07	$0.03		$0.080	▲45.5%
BKY	08/12/2023	0.3950	▼-12.22%	$0.80	$0.28			
BMN	08/12/2023	2.5900	▼- 7.50%	$3.05	$1.19		$3.200	▲23.6%
BOE	08/12/2023	3.9500	▼- 7.28%	$4.98	$1.97	43.7	$4.543	▲15.0%
DYL	08/12/2023	1.0100	▼- 6.48%	$1.41	$0.48		$1.640	▲62.4%

EL8	08/12/2023	0.4300	▼-17.31%	$0.59	$0.27			
ERA	08/12/2023	0.0350	▲ 6.06%	$0.30	$0.03			
LOT	08/12/2023	0.2800	▼- 9.68%	$0.32	$0.15		$0.530	▲89.3%
NXG	08/12/2023	10.1300	▲ 4.11%	$10.80	$5.11			
PDN	08/12/2023	0.9350	▼-11.37%	$1.15	$0.52	154.9	$1.165	▲24.6%
PEN	08/12/2023	0.1050	▼- 4.55%	$0.20	$0.08		$0.250	▲138.1%
SLX	08/12/2023	3.3700	▲ 4.01%	$5.32	$2.65		$5.800	▲72.1%



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

WEEKLY REPORTS

The Short Report - 14 Dec 2023

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

Summary:

By Greg Peel

Week Ending December 7, 2023.

Last week saw early ups and downs for the ASX200, before up became the trend. As I write, the index is up 100 points today.

From last week's Report:

"In contrast to the prior two weeks, last week saw what appears to be an awful lot of short position reduction towards the bottom of the table. No less than six stocks fell off the table altogether and none came in.

Such an abundance always leads me to suspect there may have been a blip in ASIC data, as it has happened often enough before, suggesting everything will go back the other way this week. But there are some explainable moves, so we'll have to take it for now."

No we don't. As the table below suggests, everything went back the other way last week, rendering any earlier attempt to justify the prior week's moves as moot.

There is thus point in attempting to analyse any of the movements below, with maybe the odd exception.

Flight Centre ((FLT)) shorts rose to 10.1% from 8.9%. Given Webjet ((WEB)) also reappeared from below 5%-shorted to 5.9% last week suggests someone may once again be moving in on the travel agents.

Another move of note is Peninsula Energy ((PEN)). The company completed a capital raising to finance a uranium project in the US in mid-November, and last week (supposedly) shorts moved up to 7.5% from 5.4%. Given this was post-raising, it may be a straight-out short.

Hopefully things will go back to normal next week for the last Short Report of 2023.

Weekly short positions as a percentage of market cap:

10%+

PLS 22.0
SYR 15.8
CXO 12.2
FLT 10.1

In: FLT Out: GMD

9.0-9.9%

IEL, GMD, SYA

In: GMD

8.0-8.9%

BOQ, WBT

In: WBT Out: FLT

7.0-7.9%

DYL, APX, LTR, PEN, MSB, ACL, HVN

In: DYL, APX, LTR, PEN, MSB, ACL, HVN Out: WBT

6.0-6.9%

STX, IMU, SHV, JBH

In: STX, IMU, SHV, JBH Out: HVN, ACL, DYL, APX, CHN

5.0-5.9%

SLX, WEB, CHN, NEC, LIC, NVX, ARU, LYC, MIN, CUV, IFL, AGL, PNV, OBL, ZIP

In: CHN, WEB, MIN, CUV, IFL, AGL, PNV, OBL, ZIP

Out: PEN, STX, IMU, SHV, JBH, MSB

Movers & Shakers

As noted above.

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.3	0.7	RIO	2.0	1.3
ANZ	0.6	0.4	S32	0.6	0.3
BHP	0.3	0.2	STO	0.9	1.3
CBA	1.8	1.4	TCL	0.5	0.3
COL	0.5	0.8	TLS	0.2	0.3
CSL	0.7	0.5	WBC	1.8	1.9
FMG	0.9	1.2	WDS	0.8	1.0
GMG	0.4	0.6	WES	1.4	0.8
MQG	0.8	0.6	WOW	0.3	0.7
NAB	1.1	0.9		0.0	0.0

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: Banks, Trusted Brands & China

The sustainability (or not) of bank dividends; the most trusted brands in Australia & opportunities in China despite structural headwinds.

-Bank dividend payouts unsustainable beyond FY25
-The most trusted brands in Australia
-Opportunities in China despite structural headwinds

By Mark Woodruff

Bank dividend payouts unsustainable beyond FY25

While there is scope for Australian banks to retain elevated dividend payout ratios in FY24-25, they are unsustainable for some banks beyond that time, suggests Macquarie, unless impairment charges remain at current low levels.

The broker holds these fears for dividends given bank profits are coming under pressure from lower mortgage returns and competition for deposits.

Macquarie had previously incorporated dividend cuts into its forecasts for National Australia Bank ((NAB)) and Westpac Bank ((WBC), until the Australian Prudential Regulation Authority (APRA) recently proposed revisions to capital requirements for interest rate risk in the banking book (IRRBB).

IRRBB refers to the current or prospective risk to banks' capital and earnings arising from adverse movements in interest rates that affect banks' banking book positions.

The proposals, which come into effect in October 2025, are intended to simplify and remove complexities in the framework and reduce volatility in the capital charge, explains Morgan Stanley.

Initially, Macquarie was surprised by recent confidence displayed by banks in the sustainability of dividends, but now suspects the answer lies in likely capital tailwinds from an unwind in the IRRBB.

Throughout FY22, the IRRBB consumed around -55-80bps/$2.5-3.7bn of common equity Tier 1 (CET1), notes Macquarie. Given the current swap rate profile, the analyst forecasts the IRRBB will add circa 30-45bps to CET1 by the end of FY25 as the portfolio matures and is reinvested at higher rates.

The forecast by Morgan Stanley is for an IRRBB range of between 5-7% of total risk-weighted assets (RWA), implying an around -$25-$62bn reduction in RWA, which would add an average of 15-45bps to CET1 ratios.

With the expected IRRBB capital uplift, banks should have scope to utilise surplus capital and maintain their elevated payout ratios in the short term, concludes Macquarie.

While now removing previous dividend cut forecasts for NAB and Westpac, this broker feels it's just a matter of time before dividends will need to be cut, particularly for these two banks.

The most trusted brands in Australia

Some say the most precious thing in this world is trust. It can take years to earn and only a matter of seconds to lose.

In the realm of business, it seems Australia's favourite hardware chain, Bunnings, has been doing well of late in earning the trust of its customers.

Respondents to a survey conducted by Roy Morgan have elevated the company, owned by Wesfarmers ((WES)), to second place behind Woolworths Group ((WOW)) on the list of the most trusted brands in the 12 months to September this year. Coles Group ((COL)) dropped a rung to third.

The most trusted brands are still dominated by major retailers, with Aldi and Kmart once again rounding out

the top five positions.

According to Roy Morgan CEO Michele Levine, “Bunnings has harnessed many of the foundational pillars of a trusted brand including great customer service, communicating what it stands for and delivering, being an active part of the community, solving customer’s problems and expertise and product knowledge.”

Sadly, assessments and procedures by executives and company directors across all industries should formally factor in distrust, suggests Roy Morgan.

The impacts from the extensive service outage at Optus in early November have provided a salutary reminder that dealing with distrust should be on the risk radar of every board in Australia, suggests Ms Levine.

So, it should be no surprise the Roy Morgan survey revealed Optus remains the most distrusted brand, followed by long-standing most distrusted brand Facebook/Meta and then Telstra Group ((TLS)).

Embattled airline Qantas Airways ((QAN)) is next on the Roy Morgan survey list, followed by News Corp ((NWS)) in fifth place.

Opportunities in China despite structural headwinds

As a result of a high degree of headline macroeconomic uncertainty and pessimism, great companies in China can be acquired at very attractive valuations, according to global investment manager Ninety One, despite several structural challenges for the wider economy.

Chinese policymakers will continue to stimulate the economy until a durable recovery takes hold, predicts Ninety One, which forecasts a more benign outcome for the Chinese economy in the next couple of years.

Citi agrees on the need for stimulus, but recent research by the analysts takes on a more urgent tone by highlighting a deepening deflation issue. This problem was illustrated by weak November CPI and PPI readings that revealed a triple-whammy from lower domestic food prices and international commodity prices, as well as soft domestic demand.

According to this broker, there is no time for policy hesitation. Intervention is required via lower interest rates and/or by cutting the reserve requirement ratio (RRR) for banks, to prevent a vicious loop between deflation, confidence, and economic activity. Already, price weakness is spreading from goods to services, with rent and

tourism considered two areas of concern for Citi.

Iain Cunningham, Head of Multi-Asset Growth at Ninety One, lists four primary structural challenges: mounting real estate woes, weakening demographics, geopolitical headwinds and negative impacts on the banking sector from ongoing bailouts.

Ninety One is avoiding investments in real estate as the Chinese government's overall objective is to manage this sector lower over multiple cycles, in line with its "cross-cyclical policy" (ie taking action sooner, in smaller steps and with a longer time frame in mind). Despite this overall goal, the government is providing targeted stimulus, with the objective of cyclically stabilising the sector.

On the geopolitical front, foreign direct investment into China and direct Chinese exports to the US are falling, notes Ninety One, due to "de-risking" and the reworking of supply chains in the developed world. Nonetheless, it's noted overall exports by China have continued to rise in recent years, and remain stable as a percentage of global exports, because of the increasing importance of countries outside of the G7.

Regarding ongoing bailouts, Chinese authorities pledged to "implement a comprehensive debt solution" for local governments at July's Politburo meeting. In recent months, Ninety One notes there has been (an effective) refinancing of debt (an extension for maturities at much lower interest rates) via announced debt swaps for several provinces, while state banks have been told to implement the same measures.

Despite these structural headwinds, Ninety One is confident **some areas of the Chinese economy should thrive.**

Growth in per-capita income will support ongoing trends in premiumisation and localisation, suggests Ninety One, while digitalisation will see increased penetration.

Additionally, medical technology will be supported by an ageing population, while certain financial institutions will be beneficiaries of state efforts to divert future marginal savings from real estate into capital markets over time.

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WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 15-12-23

Broker Rating Changes (Post Friday Last Week)

Upgrade

EML PAYMENTS LIMITED ((EML)) Upgrade to Overweight from Market Weight by Wilsons.B/H/S: 0/0/0

A lack of disclosure around updates on PCSIL from EML Payments has left the market disappointed, but created an opportunity for Wilsons to upgrade its rating on the stock amid a material share price drop. The company outlined a refocus on its core, profitable and cash flow positive businesses.

The broker does expect an outcome on PCSIL in coming months, rather than years. While Wilsons expects some investors will remain cautious given the track record of the previous management, it sees risk reducing for EML Payments over the next twelve months.

The rating is upgraded to Overweight and the target price of $1.17 is retained.

IRESS LIMITED ((IRE)) Upgrade to Overweight from Underweight by Wilsons.B/H/S: 0/0/0

Wilsons has been impressed by the speed of turnaround from Iress, with cost initiatives appearing to take effect amid FY24 earnings upgrades of 8-9%, which, notes the broker, are expected to drop through to net profit.

The broker expects the company's mortgage segment to be the next divestment target, and potential proceeds exceeding $100m could deliver meaningful balance sheet deleveraging and temper the return on invested capital trajectory.

The rating is upgraded to Overweight from Underweight and the target price increases to $8.16 from $5.68.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	EML PAYMENTS LIMITED	Buy	Neutral	Wilsons
2	IRESS LIMITED	Buy	Sell	Wilsons

Price Target Changes (Post Friday Last Week)

	Company	Last Price	Broker	New Target	Old Target	Change
ANP	Antisense Therapeutics	$0.05	Taylor Collison	0.15	0.27	-44.44%
APZ	Aspen Group	$1.73	Moelis	2.47	2.45	0.82%
AQZ	Alliance Aviation Services	$2.77	Wilsons	4.14	3.94	5.08%
CIA	Champion Iron	$7.77	Jarden	8.54	7.44	14.78%
CU6	Clarity Pharmaceuticals	$1.69	Wilsons	2.13	1.55	37.42%
IRE	Iress	$7.93	Wilsons	8.16	5.68	43.66%
MIN	Mineral Resources	$66.40	Jarden	48.30	50.30	-3.98%
MVF	Monash IVF	$1.36	Wilsons	1.43	1.32	8.33%
MYX	Mayne Pharma	$5.92	Wilsons	5.50	4.00	37.50%
PEN	Peninsula Energy	$0.11	Canaccord Genuity	0.18	0.22	-18.18%

PLT	Plenti Group	$0.78	Wilsons	1.10	0.90	22.22%
PMV	Premier Investments	$27.34	Goldman Sachs	22.30	21.50	3.72%
			Jarden	24.20	24.50	-1.22%
PPE	PeopleIN	$1.16	Petra Capital	1.90	2.57	-26.07%
QIP	Qantm Intellectual Property	$0.93	Petra Capital	1.57	1.56	0.64%
REG	Regis Healthcare	$3.10	Jarden	3.21	2.87	11.85%
RFG	Retail Food	$0.06	Petra Capital	0.10	0.09	5.56%
SFR	Sandfire Resources	$6.74	Jarden	6.40	6.57	-2.59%
WGX	Westgold Resources	$2.21	Petra Capital	2.41	2.00	20.50%
Company		Last Price	Broker	New Target	Old Target	Change

More Highlights

AKG ACADEMIES AUSTRALASIA GROUP LIMITED

Overnight Price: $0.30

Taylor Collison rates ((AKG)) as Initiation of coverage with Speculative Buy (1) –

Taylor Collison initiates research coverage on Academies Australasia with a Speculative Buy rating and 40c target price. Significant exposure to the influx of international students into Australia is considered attractive, while the Goulburn Street expansion should assist.

The majority of courses at Goulburn Street are high margin, notes the analyst, and given the company's relatively fixed cost base, should generate operating leverage as enrolment numbers grow.

The broker suggests tuition pre-payments are supportive of significant revenue growth, while 67% board and management ownership should also help drive value. Moreover, it's felt the company's college portfolio is not fully reflected in the current market capitalisation.

This report was published on December 11, 2023.

Target price is **$0.40** Current Price is **$0.30** Difference: **$0.095**
If **AKG** meets the Taylor Collison target it will return approximately **31%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY24:

> Taylor Collison forecasts a full year **FY24** dividend of **0.64** cents and EPS of **0.80** cents.
> At the last closing share price the estimated dividend yield is **2.10%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **38.13**.

Forecast for FY25:

> Taylor Collison forecasts a full year **FY25** dividend of **2.44** cents and EPS of **3.30** cents.
> At the last closing share price the estimated dividend yield is **8.00%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **9.24**.

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

CIA CHAMPION IRON LIMITED

Iron Ore – Overnight Price: $7.76

Jarden rates ((CIA)) as Buy (1) -

Champion Iron has announced the closure of a US$230m term loan facility, effectively retiring the US$400m balance of its revolving credit facility, freeing up US$400m in liquidity to supplement operating free cash flow.

Jarden estimates this leaves Champion Iron with sufficient operating free cash flow to fund the capital expenditure required to augment the phase II concentrator at Bloom Lake, estimated at CAD$470m.

The broker, however, is increasingly expectant that the company will pursue modification of both concentrators, delivering at least 15m tonnes per annum of direct reduction pellet feed product.

The Buy rating is retained and the target price increases to $8.54 from $7.44.

This report was published on December 1, 2023.

Target price is **$8.54** Current Price is **$7.76** Difference: **$0.78**
If **CIA** meets the Jarden target it will return approximately **10%** (excluding dividends, fees and charges).
The company's fiscal year ends in December.

Forecast for FY24:

> Jarden forecasts a full year **FY24** dividend of **23.47** cents and EPS of **79.12** cents.
> At the last closing share price the estimated dividend yield is **3.02%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **9.81**.

Forecast for FY25:

> Jarden forecasts a full year **FY25** dividend of **1.12** cents and EPS of **87.39** cents.
> At the last closing share price the estimated dividend yield is **0.14%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.88**.

This company reports in **CAD**. All estimates have been converted into AUD by FNArena at present FX values.
Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

CVW CLEARVIEW WEALTH LIMITED

Insurance - Overnight Price: $0.57

Taylor Collison rates ((CVW)) as Initiation of coverage with Buy (1) -

As Clearview Wealth is currently winning 11% of all new life insurance business sold through advisers in Australia, and shares are trading at an around -40% discount to Taylor Collison's estimate of fair value, coverage is initiated with a Buy rating.

The company's current total market share is only 3.2% of a $10bn market, which has grown at an around 5% historical compound annual growth rate (CAGR), notes the analyst. An 83c target is set.

The broker sees no impediment to market share gain given the industry has now 'rebased' following the Hayne Royal Commission and Clearview's operations are now more focused, having exited its financial advice (CAF) business.

This report was published on December 1, 2023.

Target price is **$0.83** Current Price is **$0.57** Difference: **$0.26**
If **CVW** meets the Taylor Collison target it will return approximately **46%** (excluding dividends, fees and charges).

Forecast for FY24:

> Taylor Collison forecasts a full year **FY24** dividend of **2.40** cents and EPS of **5.20** cents.
> At the last closing share price the estimated dividend yield is **4.21%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **10.96**.

Forecast for FY25:

> Taylor Collison forecasts a full year **FY25** dividend of **3.40** cents and EPS of **6.90** cents.
> At the last closing share price the estimated dividend yield is **5.96%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.26**.

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

DTL DATA#3 LIMITED.

IT & Support - Overnight Price: $8.20

Jarden rates ((DTL)) as Initiation of coverage with Buy (1) -

Jarden initiates research coverage on Data#3 with a Buy rating given a proven ability to grow services off a low base through economic headwinds, as well as the company's exposure to both software tailwinds and Microsoft.

The company also has a positive exposure to interest rates and is able to take share in Australian states where it is under-penetrated due to its competitive advantage, explains the broker. A target price of $8.93 is set.

Data#3 is continuing to take share in an Information and Communication Technology (ICT) market which is expected (by Jarden) to grow at around 7% in 2024.

Moreover, the company is well positioned to benefit from the AI super-trend, according to the analysts. While there should only be a modest short-term impact, material upside risk is expected if the technology delivers even a fraction of its potential.

This report was published on December 5, 2023.

Target price is **$8.93** Current Price is **$8.20** Difference: **$0.73**
If **DTL** meets the Jarden target it will return approximately **9%** (excluding dividends, fees and charges).
Current consensus price target is **$7.80**, suggesting downside of **-4.9%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY24:

> Jarden forecasts a full year **FY24** dividend of **25.01** cents and EPS of **27.40** cents.
> At the last closing share price the estimated dividend yield is **3.05%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **29.93**.
>
> How do these forecasts compare to market consensus projections?
>
> Current consensus EPS estimate is **26.8**, implying annual growth of **11.9%**.
> Current consensus DPS estimate is **23.5**, implying a prospective dividend yield of **2.9%**.
> Current consensus EPS estimate suggests the PER is **30.6**.

Forecast for FY25:

> Jarden forecasts a full year **FY25** dividend of **28.72** cents and EPS of **31.40** cents.
> At the last closing share price the estimated dividend yield is **3.50%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **26.11**.
>
> How do these forecasts compare to market consensus projections?
>
> Current consensus EPS estimate is **29.9**, implying annual growth of **11.6%**.
> Current consensus DPS estimate is **26.8**, implying a prospective dividend yield of **3.3%**.
> Current consensus EPS estimate suggests the PER is **27.4**.

Market Sentiment: **0.7**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

KYP KINATICO LIMITED

Software & Services - Overnight Price: $0.11

Taylor Collison rates ((KYP)) as Initiation of coverage with Outperform (2) -

Regulatory technology (Reg-Tech) workforce software business Kinatico is well progressed in transitioning to a predominantly recurring revenue model, explains Taylor Collison.

There has been zero customer churn in the last 18 months (during the 15%-complete transition), along with higher quality revenue streams, points out the analyst, who begins research coverage with an Outperform rating.

The company is primarily focused on daily workforce management through its software solutions and OnCite platform. SaaS revenue has increased to $5.1m in FY23 from $0.6m in FY22.

Additionally, earnings have been diversified following the Bright acquisition in 2021, allowing customer's daily compliance requirements to be addressed through the entire employee lifecycle.

The company became profitable in FY23 following a 110% increase in SaaS revenue and improved operational automation with employee numbers falling by around -30%.

No 12-month target price is set.

This report was published on December 1, 2023.

Current Price is **$0.11**. Target price not assessed.
The company's fiscal year ends in June.

Forecast for FY24:

> Taylor Collison forecasts a full year **FY24** dividend of **0.00** cents and EPS of **0.18** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **61.11**.

Forecast for FY25:

> Taylor Collison forecasts a full year **FY25** dividend of **0.00** cents and EPS of **0.55** cents.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **20.00**.

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

MXI MAXIPARTS LIMITED

Automobiles & Components - Overnight Price: $2.52

Taylor Collison rates ((MXI)) as Initiation of coverage with Outperform (2) -

Due to current favourable industry dynamics for MaxiPARTS' core truck/trailer parts division, Taylor Collison is expecting a step-change in EPS growth to around 22% per annum for FY24 and FY25, up from 11.8% during FY23.

Even after vehicle backlogs clear (which could be two years), the broker expects the trend of improved supplier and customer adoption should remain as a tailwind for the sector.

These better trends are due to expanding vehicle content and greater sophistication of the aftermarket channel, explains Taylor Collison.

Given a conservative balance sheet, capital management may also be in prospect, suggests the analyst, who begins research coverage with an Outperform rating. A $3.40 target price is set.

This report was published on December 1, 2023.

Target price is **$3.40** Current Price is **$2.52** Difference: **$0.88**
If **MXI** meets the Taylor Collison target it will return approximately **35%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY24:

Taylor Collison forecasts a full year **FY24** dividend of **8.00** cents and EPS of **19.90** cents.
At the last closing share price the estimated dividend yield is **3.17%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **12.66**.

Forecast for FY25:

Taylor Collison forecasts a full year **FY25** dividend of **9.70** cents and EPS of **24.30** cents.
At the last closing share price the estimated dividend yield is **3.85%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **10.37**.

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

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