WEEK 15

FINANCIAL NEWS, ANALYSIS & DATA

STORIES TO READ FROM FNArena

Friday, 11 April 2025

Rudi's View: Share Market Scenarios & Dilemmas

Meet LGI, Alternative Clean Energy Producer

Momentum Ongoing For Guzman y Gomez

CONTENTS

AUSTRALIA

COMMODITIES

INTERNATIONAL

RUDI'S VIEWS

SMALL CAPS

SMSFUNDAMENTALS

WEEKLY REPORTS

FNArena
Financial News, Data & Analysis

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

Your editor:
Rudi Filapek-Vandyck

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

AUSTRALIA

The Market In Numbers - 5 Apr 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	05 Apr 2025	Week To Date	Month To Date (Apr)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
NZ50	12225.280	-0.51%	-0.36%	-0.36%	-6.75%	4.33%
All Ordinaries	7847.60	-4.25%	-2.55%	-2.55%	-6.80%	-2.07%
S&P ASX 200	7667.80	-3.94%	-2.24%	-2.24%	-6.02%	-1.28%
S&P ASX 300	7601.80	-4.01%	-2.32%	-2.32%	-6.14%	-1.38%
Communication Services	1639.90	-0.56%	0.97%	0.97%	0.77%	9.24%
Consumer Discretionary	3682.50	-3.79%	-2.29%	-2.29%	-5.85%	4.87%
Consumer Staples	12081.80	2.53%	3.62%	3.62%	2.66%	-2.39%
Energy	7084.50	-13.16%	-10.77%	-10.77%	-17.84%	-29.38%
Financials	8172.00	-2.83%	-1.82%	-1.82%	-5.14%	6.72%
Health Care	40391.10	-1.67%	-0.34%	-0.34%	-10.01%	-8.73%
Industrials	7589.70	-3.44%	-2.19%	-2.19%	-0.74%	11.42%
Info Technology	2098.50	-8.31%	-7.15%	-7.15%	-23.44%	-10.38%
Materials	15358.70	-7.08%	-3.86%	-3.86%	-4.75%	-9.00%
Real Estate	3465.00	-2.72%	-0.58%	-0.58%	-7.88%	-2.76%
Utilities	8801.70	-3.99%	-2.84%	-2.84%	-2.56%	-5.21%
A-REITs	1584.90	-2.60%	-0.50%	-0.50%	-7.77%	-2.43%
All Technology Index	3137.70	-7.50%	-5.46%	-5.46%	-17.55%	-0.01%
Banks	3502.60	-0.62%	-0.19%	-0.19%	-2.88%	9.62%
Gold Index	10957.90	-1.54%	-0.21%	-0.21%	30.08%	48.94%
Metals & Mining	5076.60	-7.25%	-3.82%	-3.82%	-3.41%	-8.54%

The World

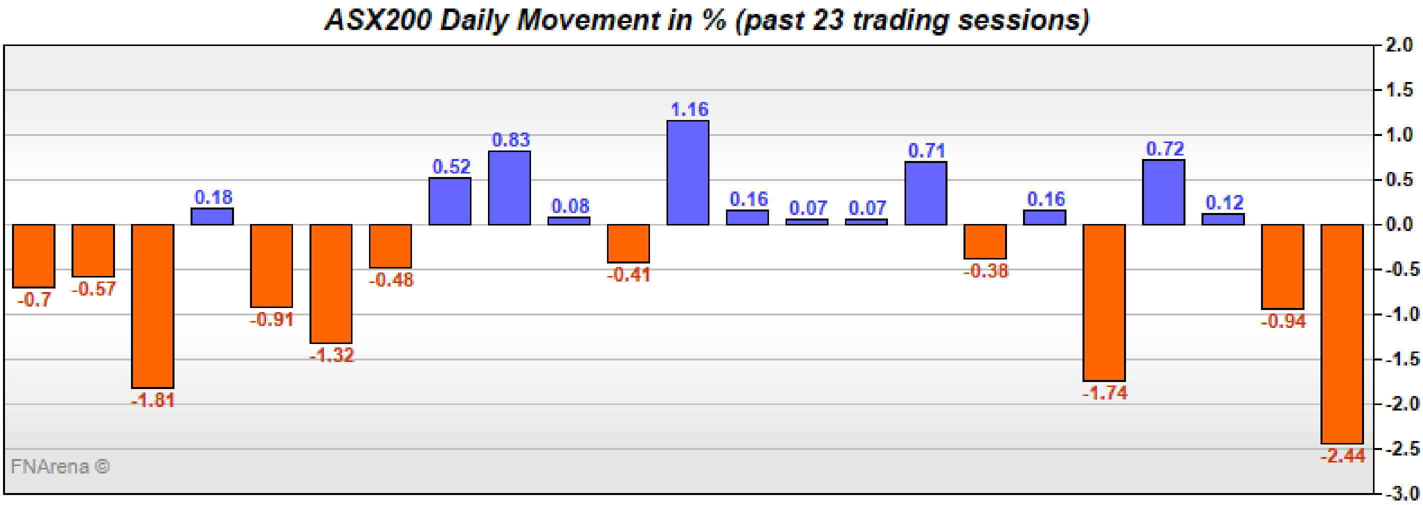
Index	05 Apr 2025	Week To Date	Month To Date (Apr)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
FTSE100	8054.98	-6.97%	-6.15%	-6.15%	-1.44%	-1.34%
DAX30	20641.72	-8.10%	-6.87%	-6.87%	3.68%	13.20%
Hang Seng	22849.81	-2.46%	-1.17%	-1.17%	13.91%	28.96%
Nikkei 225	33780.58	-9.00%	-5.16%	-5.16%	-15.33%	-14.66%
DJIA	38314.86	-7.86%	-8.78%	-8.78%	-9.94%	-2.06%
S&P500	5074.08	-9.08%	-9.58%	-9.58%	-13.73%	-7.08%
Nasdaq Comp	15587.79	-10.02%	-9.89%	-9.89%	-19.28%	-12.10%

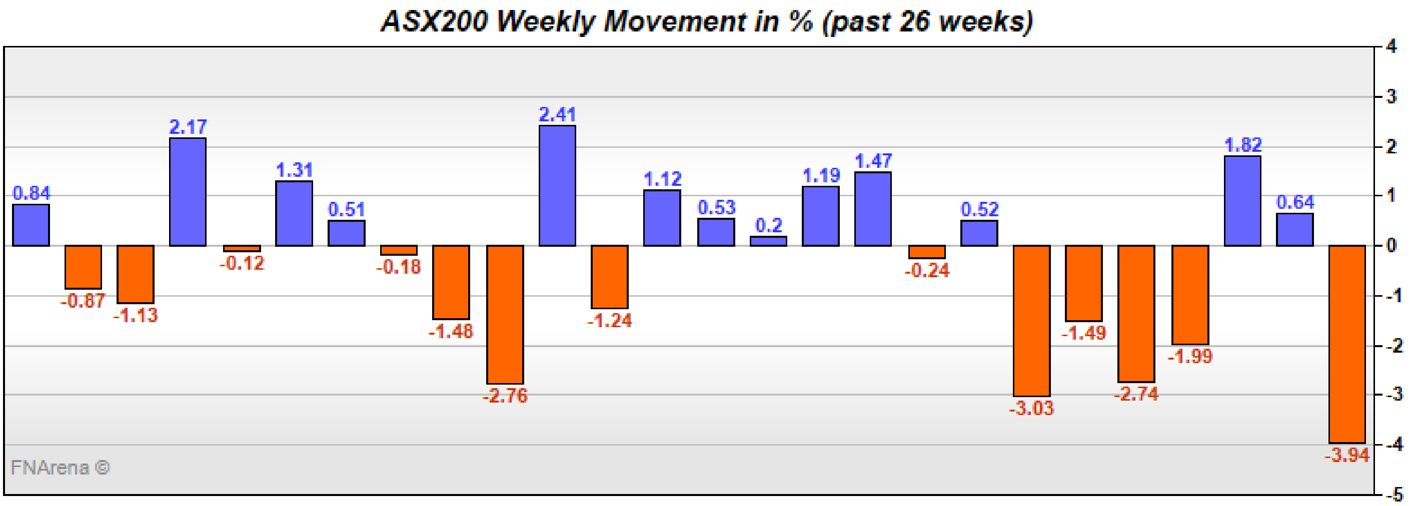
Metals & Minerals

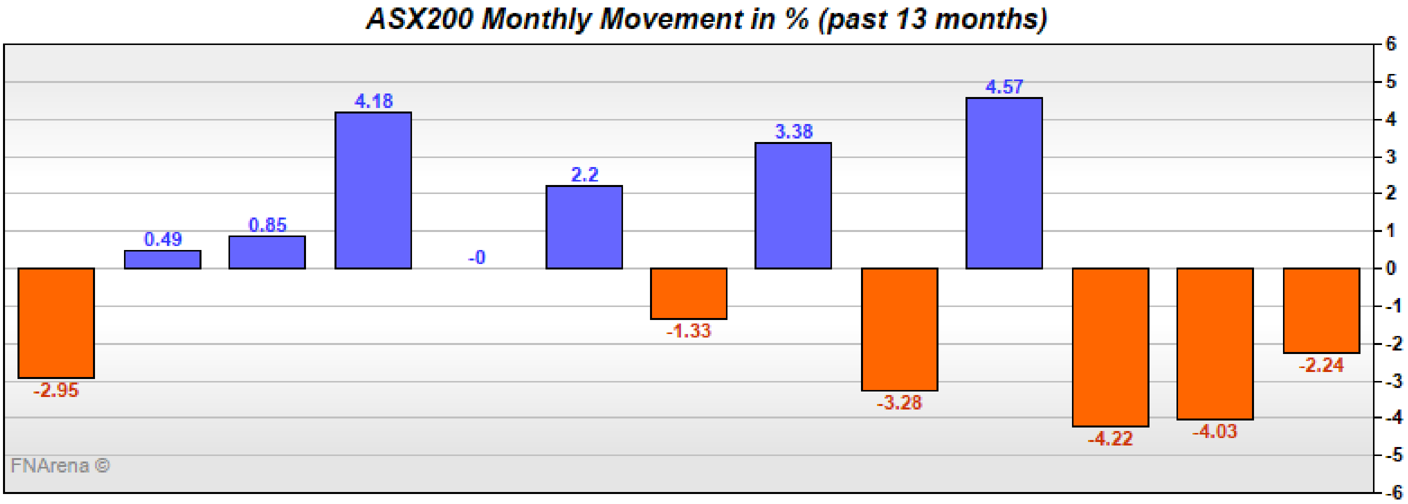
Index	05 Apr 2025	Week To Date	Month To Date (Apr)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
Gold (oz)	3130.81	1.04%	0.13%	0.13%	19.19%	33.91%
Silver (oz)	31.85	-9.84%	-8.96%	-8.96%	5.38%	8.88%
Copper (lb)	4.8125	-5.96%	-6.60%	-6.60%	17.48%	11.05%
Aluminium (lb)	1.1053	-4.13%	-3.72%	-3.72%	-3.31%	-1.71%
Nickel (lb)	7.1078	-1.06%	-2.27%	-2.27%	-0.52%	-8.62%
Zinc (lb)	1.2219	-6.31%	-4.92%	-4.92%	-9.58%	-7.86%
Uranium (lb) weekly	64.00	-0.16%	0.00%	0.00%	-11.11%	-23.12%
Iron Ore (t)	104.18	1.78%	0.40%	0.40%	0.33%	-2.19%

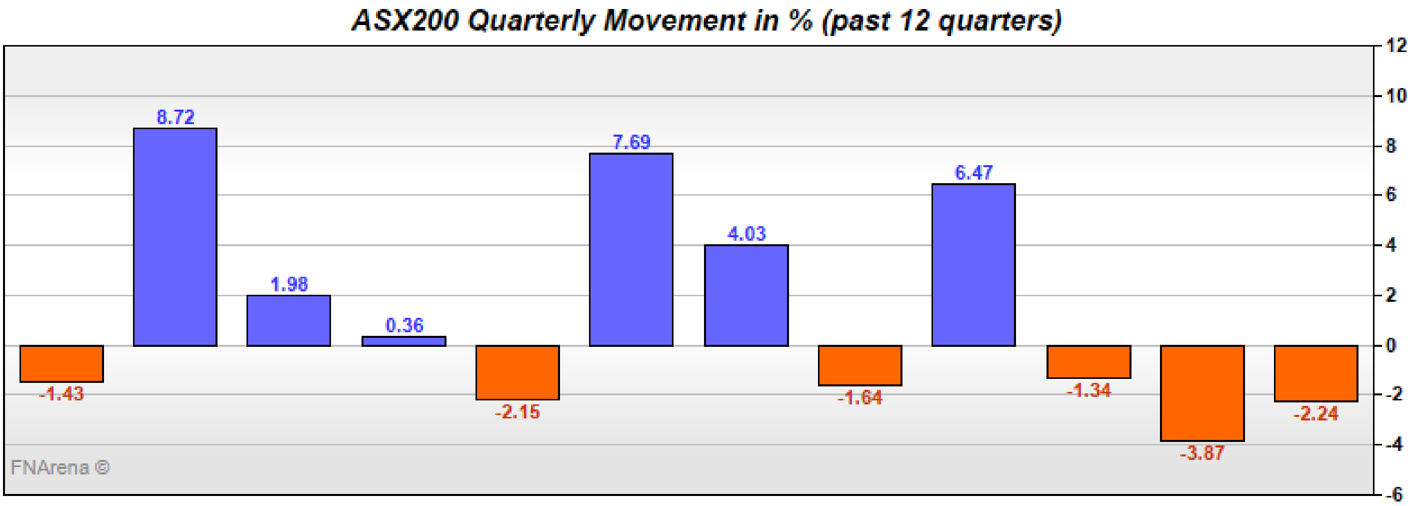
Energy

Index	05 Apr 2025	Week To Date	Month To Date (Apr)	Quarter To Date (Apr-Jun)	Year To Date (2025)	Financial Year To Date (FY25)
West Texas Crude	66.76	-4.53%	-3.75%	-3.75%	-3.91%	-18.45%
Brent Crude	69.94	-4.65%	-3.88%	-3.88%	-3.61%	-18.14%









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

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

FNArena welcomes comments and suggestions at info@fnarena.com

AUSTRALIA

Fintech's Future In Australian Banking

While banks and neobanks are finding common interest in cooperation, the fresh arrival of FiServ means competition is alive and well in Australia.

Digital Disruption or Sustainable Shift? Fintech's Future in Australian Banking

By Valery Prihartono

The Australian financial sector is witnessing a fundamental shift, as digital banks and fintech disruptors challenge traditional institutions with low-cost, mobile-first, AI-powered banking models.

While neobanks and fintech platforms offer consumers convenience, personalisation, and innovative features, traditional banks are leveraging their scale, regulatory positioning, and capital reserves to defend their market share.

With consumer preferences evolving, investment patterns shifting, and regulators tightening oversight, the key question remains: Are fintechs a true threat to legacy banks, or do they serve as a complementary force in Australia's banking future?

Australia's Digital Banking Boom: A Market on the Rise

The Australian fintech sector has seen significant expansion, mirroring global fintech trends. In 2024, Australia's fintech industry was valued at $6.25bn and is projected to grow to $10.21bn by 2029, reflecting a CAGR of 10.32%?

This strong growth is fueled by:

-Consumer preference for digital-first banking, with over 99% of banking transactions in Australia now conducted online or via mobile.

-The increasing adoption of AI and automation, improving customer insights, fraud detection, and lending decisions.

-The rise of embedded finance, where non-financial companies integrate financial services into their offerings.

At a global level, fintech's trajectory is even more pronounced. The global fintech market was valued at $516.95bn last year and is projected to reach $600.23bn by 2025. Looking further ahead, the industry is expected to exceed $1.71trn by 2032, growing at a compound annual growth rate (CAGR) of over 16%.

(Industry estimates are usually derived from international experts and expressed in USD. For the consistency of this Australian-centric story, we have expressed all estimates in AUD).

Growth does not always equate to success. While some neobankssuch as Up and 86 400 (acquired by National Australia Bank ((NAB))have found ways to sustain growth, otherslike Volt Bankfailed due to regulatory barriers and funding shortages?.

Regulatory Landscape: Encouraging Innovation While Tightening Control

Australia's regulatory framework is adapting to keep pace with fintech advancements, balancing market competition with financial stability. Recent regulatory developments have added both momentum and complexity to Australia's fintech landscape.

The Australian Prudential Regulation Authority (APRA) has introduced stricter capital requirements, making it increasingly difficult for neobanks to scale without robust balance sheets. At the same time, Open Banking reforms under the Consumer Data Right (CDR) are enabling fintechs to access consumer financial data, paving the way for more personalised financial services.

Meanwhile, ASIC's Regulatory Sandbox provides a low-risk environment for startups to trial innovative solutions, fostering innovation while sidestepping full regulatory compliance. Collectively, these measures reflect a regulatory push to encourage competition and innovationalbeit within a framework that demands stronger financial resilience from new market entrants.

While these regulatory measures support fintech expansion, they also introduce challenges, particularly around data security, compliance costs, and market fragmentation. Neobanks, in particular, face higher scrutiny, as regulators seek to ensure that non-traditional banks can withstand economic downturns.

Without sufficient capital backing, some fintech players may struggle to survive in the long term?.

The Neobank Surge: A Growing Threat or a Supporting Player?

Globally, the neobanking sector is expanding at an unprecedented pace, with forecasts suggesting the market could reach $8.18trn by 2033, growing at a CAGR of 49%?. In Australia, neobank transaction volumes are projected to increase from $49.1bn in 2024 to $73.34bn by 2029, signaling a rapid shift toward mobile-first banking?.

Fintech growth continues to be fuelled by a combination of cost-conscious consumer behavior, technological innovation, and generational shifts in banking preferences. Competitive interest rates and lower fees remain key drawcards, particularly for younger and digitally native users seeking alternatives to traditional banks.

The integration of AI-powered tools has further enhanced the appeal, enabling more personalised budgeting, savings, and investment experiences. As mobile-first platforms gain traction, app-based banking is fast becoming the default for an increasingly tech-savvy demographic, accelerating fintech adoption across Australia and beyond.

Profitability does remain a major challenge. Many neobanks rely on razor-thin margins, focusing on customer acquisition over sustainable revenue models. Some fintech players may find it difficult to sustain operations without large-scale funding or strategic partnerships, leading to acquisitions or shutdowns?.

Investment Outlook: Is Fintech's Growth Sustainable?

By now, it has become increasingly evident that sustainability remains a critical hurdle for fintech players in Australia, with many still struggling to transition from rapid expansion to long-term profitability.

Despite a rebound in local investmentfintech funding more than doubled to $3.19bn in 2024 from $1.28bn the year priorinvestor sentiment remains mixed. Capital flows into high-growth segments such as Buy Now, Pay Later (BNPL), digital wallets, and AI-powered wealth management.

However, rising interest rates, regulatory uncertainty, and intensifying competition from traditional banks integrating fintech capabilities have cast a shadow over the sector. The prevailing challenge lies in shifting away from high-burn, scale-first models towards operational resiliencea pivot that only a few players have successfully executed.

Traditional Banks Fight Back: A Shift Toward Collaboration

Perhaps collaborationrather than competitionis the clearest path forward for Australia's financial sector, as traditional banks and fintechs increasingly recognise the value in joining forces.

Rather than attempting to outpace each other, legacy institutions are leveraging fintechs' agility and innovation through strategic acquisitions, AI investment, and the development of hybrid financial products. NAB's acquisition of :86 400 stands as a notable case in point.

The emerging model sees fintechs leading on customer-centric innovationsuch as savings apps and micro-investingwhile banks offer the scale, infrastructure, and regulatory assurance required for high-value services like mortgages and business lending. The conversation has shifted from disruption to co-existence, with synergy now shaping the future of digital finance.

Final Verdict: Disruptors or Collaborators?

With consumer demand shifting rapidly toward digital banking, fintechs are undoubtedly reshaping the financial sector. However, regulatory challenges, funding constraints, and the resilience of traditional banks suggest digital banks will complement rather than replace legacy institutions.

For consumers, this evolution brings choice and improved digital experiences. For investors, the key lies in identifying which fintechs can evolve beyond disruption and deliver sustainable, long-term returns amidst a shifting regulatory and competitive backdrop.

One thing is cleardigital banking is here to stay, and Australia's financial sector will continue evolving as technology, regulation, and consumer expectations drive change.

Fresh Competition

The recent market entrance by FiServ, a US$133bn multinational that is included in the S&P500 with US$20.5bn in annual sales and 38,000 employees worldwide, to compete for small and medium sized businesses signals this remains a competitive space.

FiServ's leading product is Clover. According to the company's press release:

"Clover has powerful proprietary software and also tightly integrates with specialised solutions that simplify how businesses manage tasks such as online ordering, accounting, inventory management, and employee management. The Clover platform is designed for the hospitality, service, and retail sectors, aiming to improve management, increase operational efficiency, and enhance the customer experience.

And also: "The Clover Web Dashboard lets store owners track sales for single stores or multiple locations. They can manage customer information for discounts and promotions and monitor staff performance to create reward programs. All reports and tools are safely stored online and available anytime, anywhere."

A quick assessment of FiServ's suite and ambitions suggests competition might be stepping up a notch for companies including Block ((XYZ)), Judo Bank ((JDO)), Tyro Payments ((TYR)), and Xero ((XRO)), among many others.

COMMODITIES

Favourite ASX-Gold Exposures

By Rudi Filapek-Vandyck, Editor

The 'Trump Dump', 'Trump Slump' or whatever term you like to use for it ("sheer idiocy" is also allowed) has undeniably revived investor interest in safe haven gold.

My personal preference is to have exposure to the metal rather than through gold producers and explorers as history time and again reveals this is the lower risk option.

Apart from specific currency risks (AUD versus USD) and moves in the all-important bond markets, gold carries no company-specific risks and have recent years not thrown up plenty of risks for gold miners on the ground!

The basic proposition is as follows: if you invest in gold stocks rather than in gold or a gold derivative, your reward can be significantly higher in the good times and significantly lower in the not so great times.

There's no 'right' or 'wrong' here. Horses for courses. One has to know one's own risk appetite, strategy and investment horizon.

The underlying trend for gold priced in USD continues to be pointing upwards and analysts have been upgrading their lagging forecasts, with expectations for ongoing gains building. Share prices for gold producers generally are implying a lower price for bullion, i.e. they are trading at a discount against the metal.

You know investor interest is on the rise when a recent outlook report by analysts at Citi carries the title: "A once in a 40-year gift for gold producers".

So, there's a valid logic to add exposure to portfolios.

The **FNArena-Vested Equities All-Weather Model Portfolio** habitually owns an allocation to gold -- as insurance for when calamity arrives. Back in 2020 when the global pandemic caused societies to lock down, the portfolio's allocation exceeded 10% (in addition to a rather large cash holding).

Today's allocation is around 7%, and that includes a recent top up as global risks were on the rise since 'Trumpty Dumpty' was hellbent on starting a Trade War with just about everyone outside of Russia.

So let's start with gold, the metal. Probably the easiest way to add exposure is through **Exchange-Traded Funds (ETFs) listed on the ASX**.

These ETFs provide exposure to either physical gold or gold mining companies, offering diversification and convenience without the need to store physical bullion.

Physical Gold ETFs

These ETFs are backed by physical gold, allowing investors to track the price of gold directly.

Global X Physical Gold (ASX: GOLD)

-Backed by physical gold stored in a London vault by JPMorgan Chase.

-Unhedged, meaning returns can be influenced by currency fluctuations between the Australian Dollar (AUD) and US Dollar (USD).

-Management fee: 0.40%.

-Assets under management: $4.48bn.

Perth Mint Gold (ASX: PMGOLD)

-Backed by gold bullion stored at the Perth Mint, with a government guarantee from Western Australia.

-One of the lowest-cost options with a management fee of 0.15%.

-Assets under management: $1.35bn.

-Can be converted into physical bullion through a Perth Mint Depository account.

BetaShares Gold Bullion ETF Currency Hedged (ASX: QAU)

-Backed by physical gold stored in London but hedged to minimise currency risk between AUD and USD.

-Management fee: 0.59%.

-Assets under management: $944m.

VanEck Gold Bullion ETF (ASX: NUGG)

-Backed by physical gold sourced exclusively from Australian producers and stored at the Perth Mint

-Unhedged, with a management fee of 0.25%.

Global X Gold Bullion (Currency Hedged) ETF (ASX: GHLD)

-Tracks the spot price of gold while hedging against AUD/USD currency movements.

-Management fee: 0.35%.

<u>Gold Mining ETFs</u>

These ETFs invest in companies involved in gold mining and production, offering indirect exposure to the gold market.

VanEck Gold Miners ETF (ASX: GDX)

-Provides exposure to global gold miners, including companies like Newmont and Barrick Gold, with some Australian holdings (~11%).

-Management fee: 0.53%.

BetaShares Global Gold Miners ETF (ASX: MNRS)

-Tracks an index of global gold mining companies, with a focus on firms outside Australia (~50% Canadian).

-Currency-hedged and provides semi-annual distributions.

-Management fee: 0.57%.

ASX-listed Companies

But what if you'd like to pick a specific gold miner or two? The rewards from successful stock-picking can be many times over more rewarding than through owning a risk-limiting ETF.

Stockbrokers have updated their thoughts and favourites recently. Below is a bird eye's view of those sector updates.

Analysts at **Canaccord Genuity** also remind investors there's an M&A wave heating up, and it includes the local gold miners with Gold Road ((GOR)), Spartan Resources ((SPR)) and De Grey Mining ((DEG)) all receiving a knock on the door from suitors these past number of weeks.

Canaccord thinks more deals will be announced since strong cash flows are strengthening balance sheets across the sector globally.

Similar to just about everyone else, Canaccord has upgraded its gold price forecast to US$3447/oz (for now). In addition, its rating for Catalyst Metals ((CYL)) was downgraded to Hold from Buy in response to a fierce share price rally, while Capricorn Metals ((CMM)) was upgraded to Buy from Hold.

Canaccord's latest sector update identifies the following "preferred exposures":

-Northern Star ((NST))
-Genesis Minerals ((GMD))
-Perseus Mining ((PRU))
-Ramelius Resources ((RMS))
-West African Resources ((WAF))
-Westgold Resources ((WGX))
-Andean Silver ((ASL))
-Predictive Discovery ((PDI))
-Strickland Metals ((STK))

****

Bell Potter has Buy ratings for most gold companies under coverage, including:

-Northern Star
-Evolution Mining ((EVN))
-Regis Resources ((RRL))

-Gold Road Resources ((GOR))
-Alkane Resources ((ALK))

Currently carrying a Buy, Speculative rating:

-Catalyst Metals
-Chalice Mining ((CHN))
-Southern Cross Gold ((SX2))
-Santana Minerals ((SMI))

Which leaves the following with a Hold rating:

-Bellevue Gold ((BGL)), recently downgraded
-Genesis Minerals
-Capricorn Metals

And the following with a Hold, Speculative rating:

-De Grey Mining
-S2 Resources ((S2R))

The one Sell rating is reserved for Pantoro ((PNR)).

****

Analysts at **Goldman Sachs** recently upgraded Capricorn Metals to Buy, while still liking Newmont Corp ((NEM)) and Northern Star among the larger caps, and Gold Road (upgraded to Buy) and Bellevue Gold in the smaller segment.

Goldman Sachs does not like Regis Resources and rates this stock a Sell.

****

Analysts at **Citi** prefer Evolution Mining over Northern Star, while rating Newmont Corp a Buy and nominating Genesis Metals as most preferred outside the ASX100.

On Citi's estimates, share prices in general are pricing in gold priced around US$2250-2500/oz while the physical price has marched beyond US$3000.

****

Barrenjoey's most preferred sector exposures are Newmont Corp, Capricorn Metals and West African Resources.

Least preferred are Regis Resources, Gold Road and Emerald Resources ((EMR)).

****

Analysts at **Petra Capital** highlight shares in ASX-listed producers have pretty much doubled over the twelve months past. Petra continues to recommend investors have an Overweight allocation to the sector.

Westgold Resources, Pantoro & St Barbara ((SBM)) are this broker's preferred producers, Meeka Metals ((MEK)) and Black Cat Syndicate ((BC8)) are favourite picks among developers, while WIA Gold ((WIA)), Aurum Resources ((AUE)) and Saturn Metals ((STN)) are seen as the best emerging stocks.

Petra Capital also has a Buy rating on Vault Minerals ((VAU)).

****

UBS's Buy ratings are reserved for:

-Northern Star
-Perseus Mining
-De Grey Mining
-Gold Road

-Bellevue Gold
-Genesis Minerals

Evolution Mining was recently upgraded to Neutral leaving Regis Resources with carrying the one lonely Sell rating.

****

Analysts at **RBC Capital** are equally positive, but their coverage has concentrated mostly on gold companies in North-America. The latest update includes a positive view on Newmont Corp.

****

Jarden has kept its preference for Northern Star over Evolution Mining. But the former is only rated Neutral versus Underweight for the latter.

Jarden sees strong earnings support for Vault, which is seen as 'cheap' and thus rated Buy. An Overweight rating goes to Capricorn Metals (Overweight is one step below Buy at Jarden).

Bellevue Gold is also Underweight rated.

****

FNArena's admin is showing **Moelis** has Buy ratings for:

-Alkane Resources
-Vault Minerals

Hold ratings are reserved for:

-Bellevue Gold
-Genesis Minerals
-Gold Road
-Pantoro

****

Macquarie has currently Buy-equivalent ratings for:

-Belevue Gold
-Newmont Corp
-Perseus Mining
-Ramelius Resources
-Resolute Mining ((RSG))
-Vault Minerals
-West African Resources
-Westgold Resources

The following are rated Neutral:

-Capricorn Metals
-Genesis Minerals

****

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

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

INTERNATIONAL

What Do Markets Need to Stabilize?

Tariffs and Turmoil: What Do Markets Need to Stabilize?

By the MFS Market Insights Team

Last week's US tariff announcement has triggered a global market correction, with no signs of near-term relief.

Risky asset indices have suffered heavy losses, with most equity markets around the globe down by about 10% if not more since the tariff package was announced on 2 April.

Global markets have not experienced such stress and volatility since the early days of the pandemic in 2020. Equity volatility, as illustrated by the VIX index, has skyrocketed to over 50, its highest level since April 2020.

Within the S&P 500, only 23% of stocks stand above their 200-day moving average, a level that is broadly comparable to that of the global financial crisis and the pandemic. Looking at broader markets, government bond yields have fallen markedly, reflecting a significant safe haven bid. US 10-year yields are now around 4%, having declined by some -20 basis points since 2 April.

Likewise, 10-year bund yields have declined by the same amount. Meanwhile, credit markets have started to show signs of stress. This is particularly the case for high-yield spreads, which have widened by some 85 bps in the United States and by 60 bps in Europe since last Wednesday. In currency markets, the Japanese yen and the Swiss franc have outperformed over the past few days, given their defensive characteristics.

Finally, in commodities, oil prices have corrected much lower, now down to low US$60 levels, owing to their vulnerability to a global risk aversion shock.

<u>This is a highly unusual crisis on many levels.</u>

For a start, the source of the turbulence relates to a discretionary policy announcement by a single country, which is a rare occurrence. In fact, we are struggling to identify similar episodes in recent market history.

In addition, in contrast to previous market responses, the US dollar is no longer perceived as a defensive currency. This can be largely explained by the fact that the US has been the epicenter of the global market storm. More broadly, it seems that US markets have underperformed their peers, which is also unusual at times of widespread market stress.

For instance, emerging market sovereign spreads have shown more resilience than their US counterparts. Moving to prospective macro scenario analysis, there are no comparable shocks, which makes assessing the potential impacts complicated, but it appears that the equity markets are well ahead of fixed income in pricing in the worst-case scenario.

Indeed, the recent market moves in equities are consistent with the pricing in of elevated recession risks, something that we don't see in fixed income. For instance, US investment grade spreads would historically have to exceed 200 bps to signal a recession, so we are still a good 90 bps away from that level.

<u>Investors fear a US and by extension global recession.</u>

The implementation of broad-based tariffs undeniably has the potential to tip the US economy into a recession if they are kept in place for a sufficient period. While the US consumer had been healthy, the tariff shock which essentially acts as a tax on consumption could curtail domestic demand in a major way. In addition, in the face of elevated policy uncertainty, business sentiment is likely to deteriorate.

Patience will be needed to assess the macro risks, as the potential shock to private consumption will materialize with a lag of several months. In terms of data, it is likely that this quarter's corporate earnings will largely be ignored. Likewise, companies will probably not provide much guidance, given the prevailing uncertainty.

Looking ahead, there are a few scenarios that may lead to a recovery in the global market backdrop.

In the near term, it is possible that tariffs will be negotiated down, although there is little visibility on this front. More importantly, the US government's policy focus may shift to a more growth-supporting agenda, including potential income tax cuts and business-friendly deregulation measures.

If these are put in place soon, the net impact on the US economy may tilt positively, thereby allaying recession fears. This will be a key item to watch.

While waiting for the dust to settle, it may be appropriate to look into de-risking multi-asset portfolios.

With that in mind, we believe that fixed income remains well positioned in the period ahead as an attractive de-risking asset class. The case for being long duration has strengthened considerably over the past week, reflecting the downside risk to growth and growing expectations that global central banks may have to accelerate the pace of policy easing in the face of a growth shock.

Within fixed income, we believe that the lower-beta, longer-duration asset classes appear to be better positioned amid the current turbulence. These include securitized assets, munis and higher-rated segments of fixed income.

For the non-US investor, currency exposure should be carefully considered given the negative outlook for the US dollar. On the equity side, we anticipate that the global rotation away from the US may persist until we reach the point of the US being clearly identified as a buying opportunity.

That time may come, but it is impossible for now to make that call. Understandably, we would currently favor a quality bias when looking at security selection as well as exposure to lower-beta sectors.

The views expressed herein are those of the MFS Strategy and Insights Group within the MFS distribution unit and may differ from those of MFS portfolio managers and research analysts. These views are subject to change at any time and should not be construed as the Advisor's investment advice, as securities recommendations, or as an indication of trading intent on behalf of MFS. No forecasts can be guaranteed.

Re-published with permission. Views expressed are not by association FNArena's.

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

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

RUDI'S VIEWS

Rudi's View: Share Market Scenarios & Dilemmas

By Rudi Filapek-Vandyck, Editor

Monday's session on the ASX was expected to be brutal as the US administration shows no signs of backing down from its "reciprocal" import tariffs (note the " ").

China's response has been equally forceful, while the European Union seems in no mood to acquiesce either.

Just as the local market was seemingly on the brink of breaking down, capitulating maybe, buy orders started coming in, just like in the old John Wayne movies.

All of a sudden, stocks that were down -10% and more reduced their losses and some --like WiseTech Global ((WTC)) and Car Group ((CAR))-- even brought some green back on the market's screen.

At its low point around 11am, with forced selling and margin calls hitting the market hard, the ASX200 was down nearly -7%, which would mirror the type of days experienced during the covid crisis in 2020. By the closing bell, those losses had been reduced to -4.23%, still the heaviest one-day loss since 2020.

Is this it? Has the local share market now seen its low for the year?

That would be an incredibly bold prediction to make. But we won't know until we look back with hindsight at some stage later in the year.

What we do know is the US administration is willing to gamble the US economy on getting a "better deal" from the rest of the world and this involves "pain now" for gains later.

I think there are, roughly assessed, three key reasons as to why markets have responded with extreme moves following the April 2 tariff announcements:

-Firstly, the tariffs itself are seemingly put together by a group of mad men, based on illogical calculations, covered by spurious spin and explanations. They don't seem to offer, at face value, a lot of room to negotiate. Unless one believes this is Trump's Art of the Deal strategy whereby the first gambit is to go overboard in order to confuse and bedazzle the opposition.

The good news is if this is the strategy, there's a lot of wiggle room.

-The second reason is closely correlated as many investors, hedge funds included, have been painfully wrong-footed on April 2. Hence, serious portfolio re-adjustments needed to be made. With share prices falling rapidly, margin calls came in and forced selling has taken place.

This is also why gold took a step back whereas its status as a safe haven would suggest otherwise. Sometimes gold is being sold because it's the only asset that is not de-rating in a hurry.

The not so good news here is this opens up the risk for financial contagion and corporate failures. Underneath the surface of today's market moves hides a lot of potential for more negative events, in particular since currencies and commodities have equally been on a gigantic rollercoaster.

-The third reason is that tariffs and share market turmoil significantly increase the odds for economic recession, in the US and elsewhere. Global supply chain disruption and extreme uncertainty caused by these tariffs are likely to weigh on sentiment among both consumers and businesses and this makes a loss of economic momentum all but plausible.

Whether it will cause negative economic growth is something we are going to find out from, say, mid-year onwards, so there's still time. The longer tariffs and uncertainty remain in place, the more likely we will see recessions.

Recessions are seldom good news for equities. Most companies need positive economic momentum to perform for shareholders, while others who don't are still likely to be de-rated. During Risk Off periods, investors are not willing to pay the same price, no matter how wonderful the business.

These three key factors also neatly highlight the main dilemmas for investors today:

1. Do you think the US President is willing to change course if markets drop deeply enough?
2. Do you think the US strategy is working and soon we will see a flurry of deals being announced that see tariffs being lowered or even nullified?
3. Do you think central banks are ready to intervene when cracks start appearing?
4. Are markets overplaying the likelihood of supply chain disruptions and economic recessions?

Most equity markets, the US and Australia included, started off on quite rich valuations in January, but sharply weaker share prices have most definitely made shares more attractive when judged against a longer term horizon. That's the easy assessment.

What is more difficult to predict is what will happen in the shorter term?

Here the positive news, potentially, is the extreme volatility that has gripped markets in recent days has made them look technically heavily oversold. While this is not a great timing indicator, it does suggest markets are likely to rally hard into positive news of any kind.

Whether this rally is something to buy or sell into remains dependent on one's view whether economic recession is on the horizon, or whether economies will only slow down temporarily.

Leaving the many unanswered questions aside about specific tariff impacts and life in an isolationist US market, the choice between recession yes/no or simply slowing economic momentum makes a very big difference in how various shares might perform.

In the most extreme case, a deep recession will impact on Quality and Growth companies through lower multiples, which can force share prices a lot lower still, while cyclical businesses will see their earnings evaporate and thus their share prices could well face near annihilation.

A milder scenario will almost by definition make bargain-hunting a lot easier in today's market and further downside potential a lot smaller.

The choice differences between these two outcomes feature in the latest **strategy updates by UBS and Macquarie**.

UBS is the most sanguine about what possibly lays ahead, whereas Macquarie strategists are preparing for a bear market as a result of a forthcoming US economic recession.

Having suffered in many cases share price weakness of -20% and more, UBS strategists suggest there could be opportunity in ASX-listed Quality businesses that are now trading at "reasonable prices", with the focus specifically on companies that partially derive earnings from the US economy.

Even with earnings downgrades likely to come through, UBS analysts see lower share prices as having already discounted a lot of negative news.

Companies mentioned include obvious Quality stalwarts such as Amcor ((AMC)), Brambles ((BXB)), Cochlear ((COH)), Computershare ((CPU)), CSL ((CSL)), Car Group ((CAR)), James Hardie ((JHX)), Macquarie Group ((MQG)), ResMed ((RMD)), and WiseTech Global ((WTC)).

The list also includes smaller cap companies such as Ansell ((ANN)), Breville Group ((BRG)), Flight Centre ((FLT)), SiteMinder ((SDR)), Telix Pharmaceuticals ((TLX)), and Zip Co ((ZIP)) plus various commodities-related cyclicals including BlueScope Steel ((BSL)), Brickworks ((BKW)), Imdex ((IMD)), Lynas Corp ((LYC)), Nufarm ((NUF)) and Sims Group ((SGM)).

UBS strategists also highlight that if stagflation lays ahead --high inflation with an economic slump-- history shows the best performers on the ASX will include gold producers and defensive telcos like Telstra Group ((TLS)) that can pass on input costs to consumers.

Strategists at Macquarie believe --with conviction-- the US is steering towards recession, which means their recommended portfolio allocation is much more defensive through stocks like Telstra, Transurban ((TCL)) and APA Group ((APA)), CSL, and the two supermarket operators Coles Group ((COL)) and Woolworths Group ((WOW)).

In Macquarie's world, everything trading on relatively high PE multiples is still facing further de-rating, including CommBank ((CBA)), Charter Hall ((CHC)), Fisher & Paykel Healthcare ((FPH)), Pro Medicus ((PME)) and TechnologyOne ((TNE)).

One place to possibly find refuge, Macquarie suggests, is among stocks that have already fallen significantly and where valuations are extremely low. Some of such 'contrarian' opportunities might be with Ramsay Health Care ((RHC)), IDP Education ((IEL)) and GPT Group ((GPT)).

Macquarie doesn't think Trump is likely to blink, which leaves the onus with the Federal Reserve to break the current down cycle for equities. But the Fed is not ready yet, constrained by tariffs and inflation, implying equities will be weaker and credit spreads much higher by the time markets will see the Fed pivot.

Also, Macquarie's proprietary FOMO meter has by now weakened to -0.5 (Monday's price action not included). The strategists remain of the view this measurement of investor sentiment has to sink below -1 before generating a solid Buy signal.

This too suggests the local market hasn't found its bottom as yet.

****

As I am preparing to visit Europe before and after Easter, to spend time with familiy and old friends, there won't be a Weekly Insights or Rudi's View story next week and the week thereafter.

Unless the volatile and fluid situation in the world forces my hand, of course. Let's hope this won't be the case.

I'll still be present in the background, from a different time zone, while the rest of Your Team guarantees the continuation of your daily service.

Assuming everything goes to plan, Weekly Insights resumes on the final Monday of this month.

FNArena Talks

My video presentation to the recent investor event organised by Investment Markets (to view the video registration is required):

https://investmentmarkets.com.au/videos/investor-education/corporate-australia-is-talking-124

Model Portfolios, Best Buys & Conviction Calls

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

FNArena Subscription

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

(This story was written on Monday, 7 April 2025. It was published on the day in the form of an email to paying subscribers, and again on Wednesday as a story on the website).

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

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

RUDI'S VIEWS

Rudi's View: Best Buys & Conviction Calls On ASX

By Rudi Filapek-Vandyck, Editor

Earlier this week, I posted a message that received quite a number of 'likes' on X (formerly Twitter). It read:

There's no two ways about it, if you are still invested in today's markets, you are counting on two key things:

1. sanity and common sense will prevail, eventually
2. nothing fundamentally breaks in the meantime

There are no guarantees whatsoever both will stand tall as every day passes by.

By Thursday morning Australian time it would appear both factors have grabbed the upper hand and share markets have responded with a fierce relief rally.

I don't think anyone should get too excited just yet. This is a longer-dated process and even with relief on tariffs (for how long it may last) at some point the focus will shift to the economic damage done, and that's anyone's guess at this point in time.

Two rumours that should have everyone's attention are:

-Apparently the Secretary of the Treasury, Scott Bessent, had a hissy-fit about what was happening in financial markets and that proved the swing factor inside a heavily divided US administration.

Hedge fund manager Bessent is highly regarded by his peers on Wall Street and --in rough terms-- seen as the adult in the room when it comes to financial markets.

Secretary of Commerce, Howard Lutnick does not carry the same level of gravitas. Prior to Bessent's line in the sand, he seemed to have been sidestepped in favour of nutty professor Peter Navarro, who now, presumably, is licking his wounds.

-Apparently there was a 'secret' chat room that required US$1m for access prior to the tariff relief announcement. The US President also signalled on Truth Social it is a great time to start buying prior to the announcement. Make of both what you like, but the optics, at the very least, are not great.

As reported on Monday, I will be spending the coming two weeks in Belgium and the Netherlands. With a heavy heart, given circumstances, but this trip was planned long time ago and how could I ever anticipate the current circumstances?

Whether you are fully invested, half in cash, 100% on the sidelines, looking to make portfolio changes or preparing to start buying shares again --and all variations in between-- below is an overview of the latest changes and updates on analysts' Best Ideas and Conviction Calls, as well as Model Portfolio compositions.

I hope you can use it to your own benefit. The **All-Weather Model Portfolio** has literally made no changes over the past week, and I don't think we'll make any soon either. Then again, we already are invested in Defensives and High Quality companies.

Good luck to you all. Hopefully it'll be relatively easier to stay composed, healthy and sane from here onwards (but there are absolutely no guarantees).

****

My recent writings (for those who missed them or like a re-read):

https://fnarena.com/index.php/2025/04/09/rudis-view-share-market-scenarios-dilemmas/

https://fnarena.com/index.php/2025/04/03/rudis-view-you-can-not-be-serious/

https://fnarena.com/index.php/2025/04/02/rudis-view-time-for-appreciating-quality/

https://fnarena.com/index.php/2025/03/26/rudis-view-captive-uncomfortable/

https://fnarena.com/index.php/2025/03/19/rudis-view-navigating-the-trump-slump/

****

A special report by the **Global Investment Committee at Morgan Stanley** this week concluded with the following:

"[...] the moral of the story for us right now is these are the exact type of times that the best thing you can do is sit on your hands, right, watch and wait a little bit.

"Focus on being diversified. Focus on not making big wagers and thinking that you know which way things are going. Because I don't think anybody does. We, every now and then say and admit that nobody knows nothing.

"And I think we're in one of those chapters in the market where the best advice is to sit tight, to stay close to your Advisor and really stay anchored to your asset allocation, which is hopefully anchored to your long-term financial plan."

****

Morgan Stanley's latest update on the broker's **Asia Pacific ex Japan Focus List** (essentially a selection of High Conviction Buy ratings) includes a number of ASX-listed names:

-AGL Energy ((AGL))
-Evolution Mining ((EVN))
-Macquarie Group ((MQG))
-Suncorp Group ((SUN))

The selection consists of 20 companies in the region, including the likes of Kweichow Moutai in China (freshly added), ICIC Bank in India, Samsung and the Singapore Exchange.

****

Analysts at **Wilsons** have not changed anything in terms of ratings, forecasts or valuations for ASX-listed **Technology stocks**, although they do acknowledge the US administration is making things fluid and more uncertain.

Wilsons has nominated TechnologyOne ((TNE)) as the most favourite stock to own within the 2025 context.

Also noteworthy: only one ASX-listed Tech stock is not rated Overweight. Xero ((XRO)) only attracts a Marketweight (i.e. Neutral/Hold) rating.

Wilsons' Focus Portfolio has responded to April turbulence by adding Woolworths Group ((WOW)) shares and topping up on Brambles ((BXB)) and Evolution Mining ((EVN)). Two exposures have been divested: Breville Group ((BRG)) and Web Travel Group ((WEB)).

In general terms, Wilsons' motto is **Quality Is King**, and that principle is used for the Focus Portfolio with an eye on balance sheets, durable competitive advantages, secular growth tailwinds, pricing power, and attractive returns on invested capital.

****

Tech and Telecom analysts at Citi have expressed their preference for larger cap companies given the high level of uncertainty in 2025. Larger companies have stronger market positions. That's the long and the short of the reasoning.

While the likes of WiseTech Global ((WTC)), Car Group ((CAR)), Xero and REA Group ((REA)) are by no means immune and they too have their challenges, Citi continues to foresee a strong growth trajectory ahead.

The analysts are equally quite sanguine about the immediate outlooks for platform operators Hub24 ((HUB)) and Netwealth Group ((NWL)), with both share prices selling off sharply prior to today's share market rally (Thursday).

****

Market strategists at Bell Potter continue to advocate investors seek refuge by snapping up (or holding onto) **Quality Growth** companies whose share prices have been de-rated to more attractive valuations/multiples.

In the midst of selling orders battering the local share market, Bell Potter highlighted the following four in particular:

-Aristocrat Leisure ((ALL))
-REA Group
-ResMed ((RMD))
-Telix Pharmaceuticals ((TLX))

****

Jarden's monthly update on **Emerging Companies** (i.e. smaller caps) showcases 17 stock picks in Australia. The following seven have been highlighted as representing the potential highest return, ranked in order of total shareholder return:

-Qualitas ((QAL))
-GQG Partners ((GQG))
-SiteMinder ((SDR))
-Universal Store Holdings ((UNI))
-Dicker Data ((DDR))
-EVT Ltd ((EVT))
-Temple & Webster ((TPW))

The other ten:

-Arena REIT ((ARF))
-Genesis Energy ((GNE))
-Harvey Norman ((HVN))
-Integral Diagnostics ((IDX))
-Jumbo Interactive ((JIN))
-Karoon Energy ((KAR))
-Michael Hill ((MHJ))
-Pepper Money ((PPM))
-Superloop ((SLC))
-Vault Minerals ((VAU))

Two changes have taken place since the update in March; Arena REIT has been added while Ingenia Communities Group ((INA)) is no longer included.

****

RBC Capital's list of **Global Mining Best Ideas** now includes South32 ((S32)) and FireFly Metals ((FFM)), but no longer Sandfire Resources ((SFR)).

ASX-listed miners that were already selected are:

-Bellevue Gold ((BGL))
-Capstone Copper ((CSC))
-NextGen Energy ((NXG))
-Pilbara Minerals ((PLS))
-Westgold Resources ((WGX))

For gold exposure, RBC Capital also likes Newmont Corp ((NEM)).

See also: https://fnarena.com/index.php/2025/04/09/favourite-asx-gold-exposures/

****

Morningstar's Best Stock Ideas currently consists of 15 ASX-listed companies:

-APA Group ((APA))
-ASX ((ASX))
-Aurizon Holdings ((AZJ))
-Bapcor ((BAP))
-Brambles ((BXB))
-Domino's Pizza ((DMP))
-Dexus ((DXS))
-Endeavour Group ((EDV))
-Fineos Corp ((FCL))
-IDP Education ((IEL))
-IGO Ltd ((IGO))
-Ramsay Health Care ((RHC))
-SiteMinder ((SDR))
-TPG Telecom ((TPG))
-Woodside Energy ((WDS))

No changes were made since the update in March.

Best Buys & Conviction Calls

Analysts at **Barrenjoey** have nominated Car Group ((CAR)) and NexctDC ((NXT)) as their two Top Picks for the ASX100.

****

The **Model Portfolio** at **Canaccord Genuity** added exposure to BlueScope Steel ((BSL)), Amcor ((AMC)), Harvey Norman ((HVN)) and Dexus ((DXS)) in place of South32 ((S32)), Endeavour Group ((EDV)), Suncorp Group ((SUN)) and Scentre Group ((SCG)).

Other holdings in the portfolio include BHP Group ((BHP)), CSL ((CSL)), Goodman Group ((GMG)), James Hardie ((JHX)), Ramsay Health Care ((RHC)), Rio Tinto ((RIO)), Stockland ((SGP)), Sonic Healthcare ((SHL)), Santos ((STO)), Treasury Wine Estates ((TWE)), Woolworths Group ((WOW)), and Xero ((XRO)).

Canaccord Genuity strategists are concerned the rotation out of last year's winners might have further to run in 2025 and the Model Portfolio composition certainly looks like a reflection of such view.

****

Ord Minnett has updated its selection of **Top Small Cap Ideas**, now comprising of:

-ARB Corp ((ARB))
-Aussie Broadband ((ABB))
-Brazilian Rare Earths ((BRE))
-Cuscal ((CCL))
-Electro Optic Systems Holdings ((EOS))
-Pinnacle Investment Management ((PNI))
-Qoria ((QOR))
-Regis Healthcare ((REG))
-SiteMinder ((SDR))
-Vault Minerals ((VAU))
-Waypoint REIT ((WPR))

-Zip Co ((ZIP))

***

Morgan Stanley's post-February Conviction Calls among ASX-listed **smaller cap companies:**

-Corporate Travel Management ((CTD))
-Generation Development ((GDG))
-Dicker Data ((DDR))
-McMillan Shakespeare ((MMS))
-Propel Funeral Partners ((PFP))
-Superloop ((SLC))

****

Goldman Sachs post-February key calls:

-Life360 ((360))
-Codan ((CDA))
-Collins Foods ((CKF))

Fast food chain Guzman y Gomez ((GMG)) has been selected as a prime Sell as the analysts cannot reconcile what they believe is an overly ambitious expansion plan with an elevated valuation, on top of overhang from shareholders coming out of escrow in March and August, respectively opening up 13% and 40% of total capital possibly up for sale.

****

UBS's Most Preferred Exposures:

-BHP Group ((BHP))
-Lifestyle Communities ((LIC))
-Collins Foods ((CKF))
-Medibank Private ((MPL))
-Light & Wonder ((LNW))
-Life360 ((360))

UBS's **Least Preferred exposures:**

-APA Group ((APA))
-Aurizon Holdings ((AZJ))
-ASX Ltd ((ASX))
-Bank of Queensland ((BOQ))
-CommBank ((CBA))
-IDP Education ((IEL))
-JB Hi-Fi ((JBH))
-Reece ((REH))
-Sonic Healthcare ((SHL))

****

Macquarie's Best Picks among small- and MidCaps:

-Austal ((ASB))
-AUB Group ((AUB))
-a2 Milk Co ((A2M))
-Breville Group ((BRG))
-G8 Education ((GEM))
-GQG Partners ((GQG))
-Integral Diagnostics ((IDX))
-IPH Ltd ((IPH))
-JB Hi-Fi ((JBH))
-Lovisa Holdings ((LOV))
-Monadelphous ((MND))
-Megaport ((MP1))
-Monash IVF ((MVF))
-Nick Scali ((NCK))
-oOh!media ((OML))

-Propel Funeral Partners ((PFP))
-Pinnacle Investment Partners ((PNI))
-Qualitas ((QAL))
-Service Stream ((SSM))
-Reliance Worldwide ((RWC))
-Temple & Webster ((TPW))
-Universal Store Holdings ((UNI))
-Ventia Services ((VNT))

****

Morgans post-February update on local **TMT stocks** (Technology, Media and Telcos) has resulted in the following Key Picks:

-In Technology, WiseTech Global ((WTC)) is most preferred

-In Media, the new favourite is Car Group ((CAR)) following share price weakness and Airtasker ((ART)) among small caps

-Among Telcos, Superloop ((SLC)) is most preferred

-In Gaming, Morgans' favourite remains Light & Wonder ((LNW))

Same broker also updated on **Financial Services** (insurers, wealth managers, payment platforms, stock brokers, etc) and here its Key Picks are now (in order of preference) QBE Insurance ((QBE)), Suncorp Group ((SUN)), Generation Development ((GDG)), and MA Financial ((MAF)).

****

The **34 Best Ideas** by stockbroker **Morgans**:

-Acrow ((ACF))
-ALS Ltd ((ALQ))
-Amotiv ((AOV))
-Avita Medical ((AVH))
-BHP Group ((BHP))
-Collins Foods ((CKF))
-Corporate Travel Management ((CTD))
-CSL ((CSL))
-Dalrymple Bay Infrastructure ((DBI))
-DigiCo Infrastructure ((DGT))
-Elders ((ELD))
-Guzman y Gomez ((GYG))
-HomeCo Daily Needs REIT ((HDN))
-James Hardie ((JHX))
-Karoon Energy ((KAR))
-Light & Wonder ((LNW))
-Lovisa Holdings ((LOV))
-Maas Group ((MGH))
-MA Financial ((MAF))
-Megaport ((MP1))
-GQG Partners ((GQG))
-Orica ((ORI))
-ResMed ((RMD))
-Rio Tinto ((RIO))
-Qualitas ((QAL))
-QBE Insurance ((QBE))
-South32 ((S32))
-Treasury Wine Estates ((TWE))
-Universal Store Holdings ((UNI))
-Webjet Group ((WJL))
-WH Soul Pattinson ((SOL))
-Whitehaven Coal ((WHC))
-WiseTech Global ((WTC))
-Woodside Energy ((WDS))

****

Ord Minnett post-February most preferred sector exposures:

At its core, the suggestion made to investors is maybe, at least for the time being, preference companies with strong balance sheets, leading market positions and positive earnings momentum.

Those are the key principles that underpin Ord Minnett's updated sector allocations and preferences.

-Financials; the preference is for Judo Bank ((JDO)) and Macquarie Group ((MQG)) and if you must own one of the Big Four, the preference goes out to ANZ Bank ((ANZ)).

Elsewhere, the preference lays with Insurance Australia Group ((IAG)), as well as with insurance brokers AUB Group ((AUB)) and Steadfast Group ((SDF)), and with Medibank Private ((MPL)).

-Resources; Northern Star ((NST)) has been chosen as a large cap gold exposure, while Vault Minerals ((VAU)) has been selected among smaller caps. BlueScope Steel ((BSL)) is equally viewed positively (tariffs are ultimately a positive, the broker predicts).

-Consumer Stocks; Ord Minnett's three favourites are Metcash ((MTS)), Coles Group ((COL)), and Aristocrat Leisure ((ALL)).

-Real Estate; Dexus ((DXS)), Vicinity Centres ((VCX)), and Waypoint REIT ((WPR)) are preferred.

-Energy and Utilities; Most preferred are Karoon Gas ((KAR)), Santos ((STO)), APA Group ((APA)) and Origin Energy ((ORG)).

-Healthcare; the three sector favourites are CSL ((CSL)), ResMed ((RMD)), and Regis Healthcare ((REG)).

-Communication Services and IT; Xero ((XRO)), SiteMinder ((SDR)), Telstra ((TLS)), and Aussie Broadband ((ABB)) are the favourites (all for very different reasons).

-Industrials; Ord Minnett favours Brambles ((BXB)), Qube Holdings ((QUB)), and Qantas Airways ((QAN)).

****

UBS's smaller cap favourites ("Key Picks") post February are:

-Codan ((CDA))
-Dicker Data ((DDR))
-Hansen Technologies ((HSN))
-Life360 ((360))
-MA Financial Group ((MAF))
-NextDC ((NXT))
-Ridley Corp ((RIC))
-Superloop ((SLC))
-Web Travel Group ((WEB))
-Zip Co ((ZIP))

In addition, the UBS team covering Emerging Companies' also highlights a positive stance on Corporate Travel Management ((CTD)), Megaport ((MP1)), Imdex ((IMD)), and oOh!media ((OML)). They are cautious regarding ARB Corp ((ARB)).

****

Crestone's Best Sector Ideas are an attempt to identify the best in breed business models for major industry group sectors for long-term oriented investors. Anticipated performance over the next three years is part of the key considerations.

The latest updated selection consists of 18 companies:

-Aristocrat Leisure ((ALL))
-Ampol ((ALD))
-APA Group ((APA))
-Beach Energy ((BPT))
-Brambles ((BXB))
-Cochlear ((COL))
-CSL ((CSL))
-Goodman Group ((GMG))
-IGO Ltd ((IGO))

-James Hardie Industries ((JHX))
-Lottery Corp ((TLC))
-Macquarie Group ((MQG))
-Metcash ((MTS))
-Monadelphous Group ((MND))
-REA Group ((REA))
-ResMed ((RMD))
-Suncorp Group ((SUN))
-Xero ((XRO))

Crestone's selection of **sustainable dividend growers** consists of 22 names. Historically, the stock pickers remind investors, companies that grow dividends consistently can offer superior long-term return for those who own them.

-Amcor ((AMC))
-Ampol ((ALD))
-APA Group ((APA))
-Atlas Arteria ((ALX))
-Beach Energy ((BPT))
-BHP Group ((BHP))
-Car Group ((CAR))
-Coles Group ((COL))
-Dalrymple Bay Infrastructure ((DBI))
-Iress Ltd ((IRE))
-Lottery Corp ((TLC))
-Macquarie Group ((MQG))
-Metcash ((MTS))
-Mirvac Group ((MGR))
-Pro Medicus ((PME))
-QBE Insurance ((QBE))
-RAM Essential Services ((REP))
-ResMed ((RMD))
-Suncorp Group ((SUN))
-Tabcorp Holdings ((TAH))
-Telstra ((TLS))
-Westpac Banking ((WBC))

****

Morgan Stanley's Macro+ Focus List in Australia is currently made up of:

-AGL Energy ((AGL))
-Aristocrat Leisure ((ALL))
-Car Group ((CAR))
-GPT Group ((GPT))
-James Hardie ((JHX))
-Macquarie Group ((MQG))
-Paladin Energy ((PDN))
-Santos ((STO))
-Suncorp Group ((SUN))
-WiseTech Global ((WTC))

****

Morgan Stanley's Australia Macro+ Model Portfolio is currently made up of the following:

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

-Macquarie Group ((MQG))

-Suncorp Group ((SUN))

-Goodman Group ((GMG))

-GPT Group ((GPT))
-Scentre Group ((SCG))
-Stockland ((STG))

-Aristocrat Leisure ((ALL))
-CAR Group ((CAR))
-Domino's Pizza ((DMP))
-The Lottery Corp ((TLC))
-Wesfarmers ((WES))
-WiseTech Global ((WTC))

-James Hardie ((JHX))

-Orica ((ORI))

-Coles Group ((COL))

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

-AGL Energy ((AGL))
-Origin Energy ((ORG))
-Telstra ((TLS))
-Transurban ((TCL))

-BHP Group ((BHP))
-Newmont Corp ((NEM))
-Rio Tinto ((RIO))
-South32 ((S32))

-Paladin Energy ((PDN))
-Santos ((STO))
-Woodside Energy ((WDS))

****

Macquarie Wealths recommended **Growth Portfolio:**

-Goodman Group ((GMG))
-Seek ((SEK))
-Aristocrat leisure ((ALL))
-Northern Star ((NST))
-CSL ((CSL))
-Computershare ((CPU))
-NextDC ((NXT))
-Flight Centre ((FLT))
-Cleanaway Waste Management ((CWY))
-Steadfast Group ((SDF))
-James Hardie Industries ((JHX))
-ResMed ((RMD))
-Pexa Group ((PXA))
-Pinnacle Investment Management ((PNI))
-Treasury Wine Estates ((TWE))
-Viva Energy ((VEA))
-Xero ((XRO))
-IGO Ltd ((IGO))

Macquarie Wealth's recommended **Income Portfolio:**

-Suncorp Group ((SUN))
-Telstra ((TLS))
-National Australia Bank ((NAB))
-Westpac Bank ((WBC))
-ANZ Bank ((ANZ))
-BHP Group ((BHP))
-CommBank ((CBA))
-Premier Investments ((PMV))

-Coles Group ((COL))
-Viva Energy ((VEA))
-Atlas Arteria ((ALX))
-Aurizon Holdings ((AZJ))
-APA Group ((APA))
-GPT Group ((GPT))
-Deterra Royalties ((DRR))
-Metcash ((MTS))
-Amotiv ((AOV))
-Charter Hall Retail REIT ((CQR))
-Amcor ((AMC))

****

Paying subscribers have 24/7 access to a dedicated section on my personal research into All-Weather Performers:

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

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

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

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

FNArena Subscription

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

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

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

SMALL CAPS

Meet LGI, Alternative Clean Energy Producer

LGI produces electricity from landfill gas and boasts a significant growth trajectory set to generate material revenues and earnings.

-LGI's first half solid; earnings miss on development costs
-Landfill gas important to net zero targets
-Development pipeline to 32MW capacity

By Greg Peel

LGI Ltd ((LGI)) is a well-established operator in the landfill gas sector, generating renewable energy from the biomethane emitted as waste products decompose. The business is currently producing power on only a fraction of its contracted capacity, which Canaccord Genuity models to be built out over the next five years, generating material revenue and earnings growth.

LGI is an important operator of landfill gas sites in Australia, with 25 sites, comprising eight biogas power stations and 17 carbon credit sites, which capture an environmental benefit by flaring methane to carbon dioxide, generating carbon credits in the process. On a further nine sites, LGI operates biogas flares on behalf of local councils. LGI commissioned its first power station in 2012 and has steadily built its portfolio since.

The company's first half FY25 result, released in February, detailed a solid operational performance, Bell Potter declared, with growth in all key metrics. Bottom-line earnings were nonetheless a miss to forecasts.

The miss was due to increased costs. Analysts are not at all concerned as they reflect LGI's growth phase. Management indicated costs associated with the development of Mugga Lane (ACT) and Bingo (Eastern Creek, Sydney) sites --such as increased headcount, site preparation, and civil works-- impacted margins. Employee expenses in the half rose to $3.5m, exceeding expectations of $3.2m, despite no significant headcount additions, contributing to half of the earnings shortfall.

Bell Potter, Shaw and Partners and Morgans all went into LGI's result with Buy or equivalent ratings, and post the 'miss', none have wavered.

Deserving Credit

Landfill gas is an important contributor to Australia's Net Zero emissions plans and while new large landfill openings are uncommon, the sector is supported by the Renewable Energy Target through which large greenhouse gas emitters in the electricity sector are required to surrender large-scale generation certificates (LGC) offsetting their emissions, Canaccord notes, by the Safeguard Mechanism by which Australia's largest greenhouse gas emitters must maintain emissions below certain levels and which they can achieve by acquiring a tradeable product, Australian Carbon Credit Units (ACCU) to meet their obligation.

LGI recorded landfill gas flows up 5% year on year in the first half, renewable energy generation up 7% and ACCU creation up 7%.

Development Pipeline

LGI's development pipeline comprises 32MW of capacity which, at the company's internal target of 95% availability, would add a significant amount of incremental electricity generation, Canaccord notes. Batteries play a key role in LGI's growth plans, taking advantage of fluctuating prices through the day to arbitrage the market as well as store electricity from the landfill when prices are low.

The upgrade of Mugga Lane and construction at Eastern Creek are both progressing to budget and on schedule, with Mugga Lane to drive substantial revenue growth in the second half FY25 and Eastern Creek expected to contribute annual earnings of $3-$3.5m from FY26.

Further, LGI announced new contracts with Lithgow Council and Midcoast Council in NSW and Southern Downs Council and Western Downs Council in Queensland.

The company's capex to sales of 56% in the first half was lower than the second half FY24 (77%) and in line with expectations to remain elevated through the completion of the contracted development pipeline. Morgans expects LGI to have sufficient funding (combination of debt/ACCU generation) to meet the needs of the current development pipeline.

Canaccord believes there are opportunities for LGI to further increase its pipeline both in greenfield settings and also brownfield where tenders emerge periodically.

LGI's 14MW Tesla battery investment is set to arrive in the first half FY26, with management expecting a lower relative landed cost compared to its previous purchase.

The batteries are expected to be more cost-effective than LGI's Bunya pilot in Queensland. Manufactured in the US, the batteries are scheduled to arrive between July and August. A decline in lithium prices has lowered costs, and management expects the reduced price per MW, compared to the previous purchase, to remain even if tariffs imposed by the Trump administration impact manufacturing costs.

Broker Views

Bell Potter updated its forecasts in February, including increased operating and D&A expenses throughout the forecast period to reflect the increasing workforce and scale of the projects. The broker views an earnings decline in FY25 as a temporary fall as work progresses to upgrade Mugga Lane and Eastern Creek, with these projects to drive material earnings growth from FY26 onwards.

Bell Potter retained a Buy recommendation, trimming its price target to $3.50 from $3.55.

Shaw and Partners rates LGI a Buy with a $3.60 target. Shaw highlights earnings are driven by a disciplined focus on expanding biogas flows, labour productivity, and due diligence in selecting landfill sites.

This broker sees upside risks to consensus earnings from electricity price realisation post battery deployment and metro tender wins.

Canaccord's modelling for the build-out of the existing 47MW contracted capacity sees revenue increase by a 16% compound annual growth rate to FY30, with free cash flow following a similar trajectory. The model does not include any further capacity additions LGI may make.

Canaccord expects LGI's revenue and cash flows to grow materially over the next five years as it builds out its contracted capacity. This broker has this month initiated coverage of LGI with a Buy rating and $3.50 target, which does not account for any further additions to its development pipeline which LGI might make in the interim.

SMALL CAPS

Momentum Ongoing For Guzman y Gomez

Guzman y Gomez reported another strong quarter of sales growth, and continues to guide to FY25 profit greater than the prospectus forecast.

-Guzman y Gomez posts a strong March quarter
-FY25 profit expectations re-iterated
-Tougher comparables ahead
-Longer term growth story intact

By Greg Peel

Back in October, Australian-based Mexican fast food chain Guzman y Gomez ((GYG)) revealed a robust start to FY25, with its sales growth for the first seven weeks ahead of guidance. The result flew in the face of legacy quick service restaurant (QSR) chain experience at the time, when the big names were complaining of subdued sales due to cost of living pressures.

Success came despite Guzman y Gomez offering familiar Mexican dishes at a higher price point than burger and chicken joints. Analysts saw the company's positioning as the "healthier" fast food choice largely compensating for its price disadvantage. According to the company, "Clean is the new healthy".

"Clean", in the context, implies no added preservatives, artificial flavours, colours, etc.

As a result, brokers began to jump onto the Gusman y Gomez bandwagon, suggesting the company's over the top PE multiple post-listing may have some substance behind it after all.

This week Guzman y Gomez provided a March quarter update.

Still Robust

There's been little let-up in cost of living pressure in the interim, save for a slowing inflation rate and one RBA rate cut, but Guzman y Gomez reported another strong period of revenue growth. Australasia (Australia, Singapore, Japan) same-store sales grew by 11.1% in the quarter, albeit slowing slightly from the first seven weeks (12.2%), implying 9.8% growth for weeks 8-13.

Analysts are unconcerned about the slowdown, noting the company engaged in heavy promotion in the March quarter last year, leading to sales acceleration and thus tougher comparables.

Growth was particularly driven by "dayparts" (specific periods of sales during the day), mostly breakfast and late night, as well as menu innovation. The comparables nevertheless get tougher from here, given 5.9% growth in the March quarter last year, 6.6% in the June quarter and 9.4% on average for the September and December quarters. Yet, management reiterated guidance for FY25 profit to exceed prospectus forecasts.

Fledgling US segment network sales improved to $3.2m from $2.6m a year ago, benefiting from two new stores. Guest experience metrics improved throughout the quarter, driven by a deliberate investment in restaurant labour. Whilst the US remains a small part of the business, Morgans believes sales momentum relative to previous quarters should improve from here with the opening of its Evanston (Chicago) store, which is the first US store in a college town, and the first-time launch of "Clean is the New Healthy".

The US represents only 1% of UBS' sum-of-the-parts valuation yet a greater share of investor interest, the broker notes, especially on a long-term basis given the size of the opportunity. Restaurant growth is continuing, but sales growth in the March quarter was arguably flattish (and was down in the December quarter), suggesting more work is required to build brand awareness and traffic.

Given increased labour costs, broader investment in culinary and operations, and more restaurants, UBS forecasts higher earnings losses in the US, peaking in FY26, before reaching breakeven in FY29.

Stores

In Australia, three new store openings were offset by two closures of legacy format stores with the number of corporate stores decreasing to 73 versus 74 at end-December and the number of franchised stores increasing to 138 versus 136. Net net, closing legacy stores is a benefit to Guzman y Gomez's network, Morgans suggests, given sales are captured by nearby stores at higher margins.

So far in the June quarter, the company has opened two new stores in Australia meaning there are ten more to open to hit guidance of 31 new stores.

Dividends

Guzman y Gomez anticipates a maiden dividend payable in September, post the FY25 result, representing "the distribution of the majority of earnings to shareholders, while retaining significant flexibility for continued investment in growth".

This is in line with the prospectus (the company IPO-d last June), which suggests "Following the completion of FY25, the Board will consider the payment of a final dividend and associated franking credits with respect to FY25". More detail will be provided at the FY25 result release.

Valuation

Wilsons' target price increases to $42.88 from $42.47 driven by earnings changes and continues to be based solely on a discounted cash flow valuation. Guzman y Gomez trades on an 81x FY26 PE based on the broker's normalised earnings per share forecast of 38.5cps.

As a theoretical exercise, Wilsons makes a number of adjustments to reflect a more steady-state view of earnings. On this adjusted basis, FY26 EPS increases to 79cps, implying a PE of 39x. Wilsons retains an Overweight rating.

Despite Guzman y Gomez trading on steep multiples, UBS is attracted to its strong and long-dated earnings growth profile which will, in this broker's view, reward investors over the long term. At the current share price, the broker sees the company delivering a five-year internal rate of return of some 17%.

Morgans retains Add. Morgans' target moves to $38.00 from $42.50, mainly driven by applying lower multiples (45x versus 55x previously) in the broker's FY26 enterprise value to earnings valuation, reflecting the de-rating of US high growth QSR peers.

In a brief note, Morgan Stanley retained its Overweight rating and $42.20 target.

UBS has adjusted its FY25-27 earnings forecasts lower due to reduced earnings in Australasia, seeing lower restaurant growth and corporate restaurant margins, but also seeing sales growth higher from FY26 onwards, and reduced earnings in the US.

UBS retains Neutral rating, despite strong sales growth, earnings growth and an attractive long-term outlook, due to some near-term earnings risk and elevated valuation, hence a balanced risk/reward. UBS' target falls to $35.00 from $40.00.

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.

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

SMSFUNDAMENTALS

The 'Barbell' Effect: How Australian Portfolios Can Adapt To A Polarised Market

Global investments in 2024-2025 are increasingly shifting towards a "barbell economy." Here, capital flows are concentrated at two extremes: high-growth, high-risk assets (tech stocks, AI-tilted companies, and speculative ventures) on one end, and defensive, income-generating assets (utilities, consumer staples, and bonds) on the other.

This polarisation is emerging from macro uncertainty, geopolitical tensions, and shifting sentiment around transformative technologies like AI. The US Federal Reserve's extended "higher-for-longer" interest rate stance, coupled with China's economic slowdown and persistent economic weakness in Europe, has boosted the market bifurcation.

-Global markets are polarizing into high-growth (AI, tech) and defensive (bonds, staples) assets due to macro uncertainty.

-Australian investors should adopt a barbell strategy, balancing aggressive and stable investments as overexposure to growth risks corrections, while defensive assets may lag in inflation.

-Active rebalancing, sector selectivity, and macro-aware allocation are key to navigating 2025's landscape.

By Anuj Sharma

The barbell effect is not just a cyclical phenomenon but a major structural shift in global capital allocation. Institutional investors, including managed and hedge funds, are increasingly shifting on barbell strategies amid volatility.

For instance, in 2024, US-listed ETFs have seen major inflow in tech and financials, whereas the Bond ETFs' inflow tilted towards government bonds (mainly shortterm and intermediate duration).

Sector Flows

In Millions ($)	December	Year to Date	Trailing 3 Mth	Year to Date (% of AUM)
Technology	582	33,055	7,909	14.04%
Financial	331	11,250	8,840	16.68%
Health Care	-1,248	-7,431	-3,562	-7.93%
Consumer Discretionary	-523	1,485	1,692	3.96%
Consumer Staples	246	-1,053	-855	-4.02%
Energy	-331	-2,541	449	-3.27%
Materials	143	-964	389	-2.63%
Industrials	476	5,310	3,655	12.84%
Real Estate	-229	4,205	-521	5.65%
Utilities	-344	1,145	-580	5.22%
Communications	319	-910	679	-4.21%

Source: Bloomberg Finance, L.P., State Street Global Advisors, as of December 31, 2024. Top two/bottom two categories per period are highlighted. **Past performance is not a reliable indicator of future performance.**

Source: State Street Global Advisors

Bond Sector Flows

In Millions ($)	December	Year to Date	Trailing 3 Mth	Year to Date (% of AUM)
Aggregate	11,248	128,124	38,731	25.35%
Government	1,073	57,443	6,240	15.21%
Short Term	7,652	18,801	11,811	9.24%
Intermediate	-528	29,046	3,059	25.70%
Long Term (>10 yr)	-6,051	9,596	-8,629	11.28%
Inflation-protected	-353	-3,550	-671	-5.92%
Mortgage-backed	2,502	16,758	7,197	27.15%
IG Corporate	3,590	43,287	8,813	18.93%
High Yield Corp.	-1,457	14,105	1,935	19.63%
Bank Loans and CLOs	2,743	25,568	11,806	121.54%
EM Bond	-1,171	-1,316	-2,133	-4.39%
Preferred	59	3,149	761	9.26%
Convertible	358	1,252	1,151	23.01%
Municipal	957	18,465	7,846	14.99%

Source: Bloomberg Finance, L.P., State Street Global Advisors, as of December 31, 2024. Top two/bottom two categories per period are highlighted. Past performance is not a reliable indicator of future performance.

Source: State Street Global Advisors

The Australian market is not immune to this trend. Should Australian investors chase high-growth opportunities, or retreat to defensive plays? What risks emerge when the pendulum swings?

The challenge for Australian investors is determining the optimal balance between growth and safety, particularly as domestic market dynamicssuch as the ASX's heavy weighting in financials, resources, and miningadd another layer of complexity.

Portfolio Allocation in a Barbell Market: Growth vs. Defensive Assets

Like everyone else, Australian investors are in a market where traditional diversification is challenged by the barbell effect.

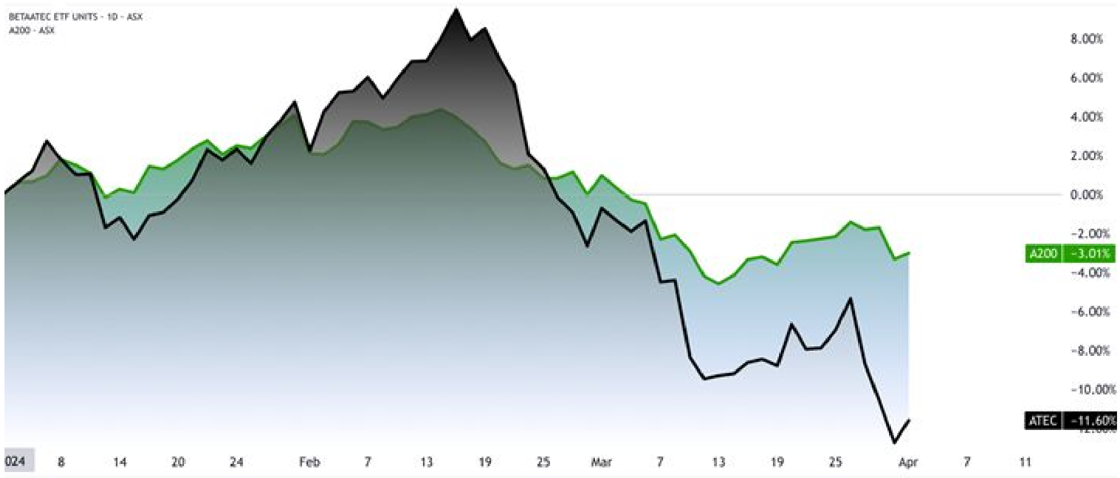
On one end, high-growth sectors, mostly AI-related tech stocks, have dominated returns. In 2024, the "Magnificent Seven" tech stocks (Nvidia, Meta, Tesla, Microsoft, Apple, Amazon, and Alphabet) surged an average of 61% in USD terms, far outpaced broader indices.

This rally was fueled by massive CapEx in AI infrastructure, with global capex can hit UD$3.2trn in 2025.

Locally, ASX-listed tech firms (ATEC: BetaShares S&P/ASX Australian Technology ETF) delivered outsized gains (>40%) in 2024 based on strong earnings momentum.

However, these high-growth assets come with elevated volatility. For instance, ATEC ETF holds a beta of 1.21 with higher standard deviation over the market (A200 ETF).

ATEC's valuation is now at circa 45X forward earrings against the market's circa 18X. Such high PE levels can lead to corrections as observed year-to-date in 2025.

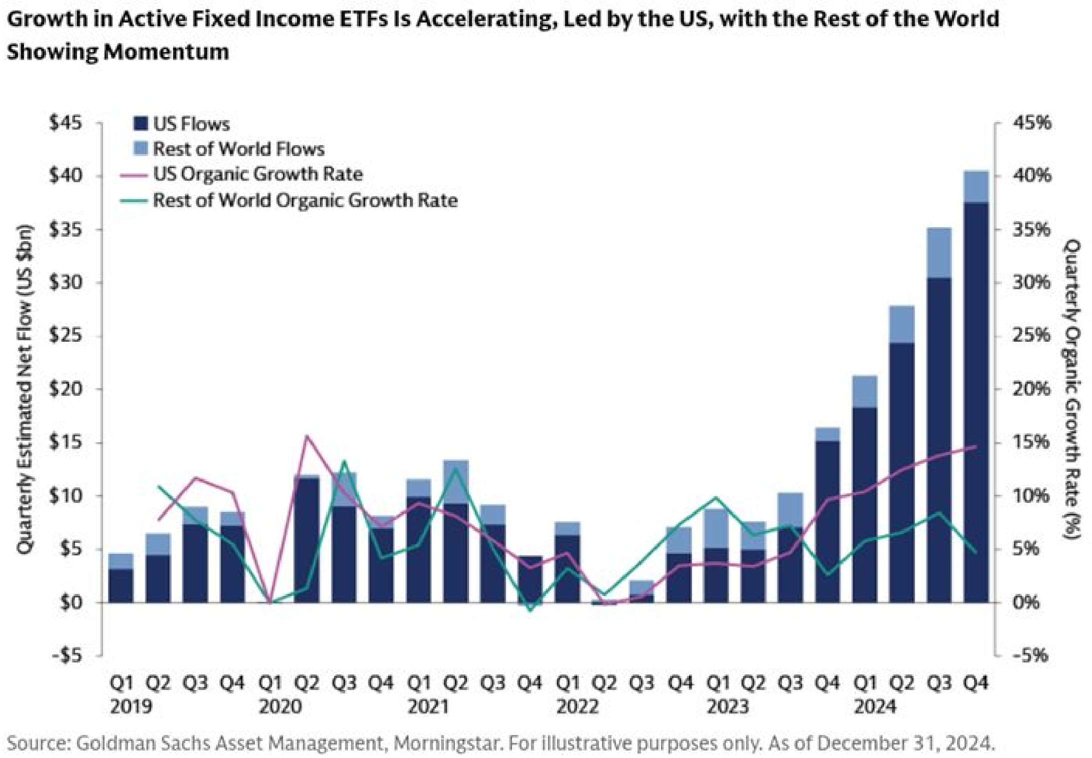


Source: TradingView

At the other end, defensive assets like gold (+26%), REITs (led by Goodman Group's 42% surge), and Australian banks (CBA +35%) provided stability amid uncertainty in 2024.

Bonds, despite a multi-year bear market, regained appeal as yields are high at 4.6% on 10-year Australian government bonds. The yield makes government bonds a viable alternative to equities in a possible slowing economy.

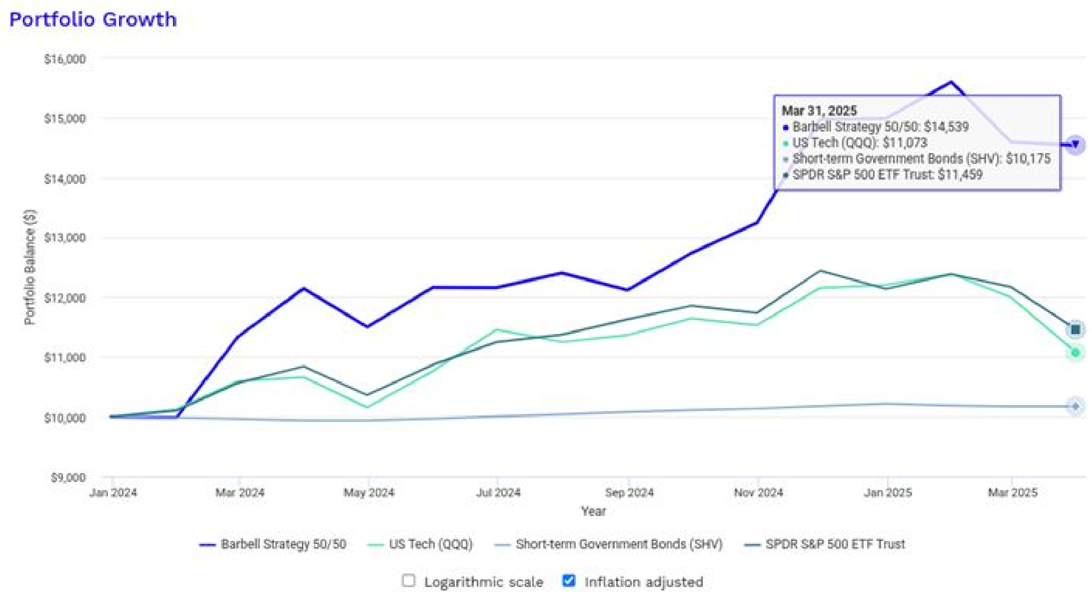
The resurgence of fixed income is particularly vital, with global pension funds increasing their bond allocations. This shift towards fixed income points to growing concerns about equity market frothiness and the need for downside protection.



Source: Goldman Sachs Asset Management

Therefore, a barbell strategybalancing aggressive growth with defensive stabilitymay be optimal. For instance, 50% in high-growth, high-risk assets (25% AI/tech Stocks: Mag-7 + 25% Cryptocurrencies: Bitcoin) and 50% in defensive, income-generating assets (25% Short-duration bonds ETF + 25% Gold ETF).

This approach aligns with historical data showing that barbell strategies outperform during periods of high macro dispersion. However, implementation requires precisionoverweighting tech without proper valuation discipline can lead to significant drawdowns, as seen during the 2022 Nasdaq correction.



Source: Portfolio Visualizer (Analyst's Compilation)

<u>Risks of Overexposure: Growth Volatility vs. Defensive Limitations</u>

While high-growth assets offer substantial upside, they carry asymmetric risks. For instance, the ASX200's 2024 performance was based on multiple expansion (P/E ratio increases) rather than earnings growth (a red flag for sustainability).

Tech stocks, despite the momentum, trade at forward extreme P/E multiples making them vulnerable to corrections if earnings falter. Similarly, the AI boom, while transformative, is still in its speculative phasehyperscalers like Microsoft and Amazon are investing heavily (US$320B in AI CapEx in 2025), but the market is waiting for a head-to-head ROI.

Many AI startups are burning cash at unsustainable rates, forming a possible bubble.

Conversely, defensive assets have their own limitations. Gold's rally is coming from central bank buying and geopolitical hedging, but may not persist if the Fed slows rate cuts.

Similarly, Australian banks, despite their 2024 surge, now trade at 17x forward P/E (>2 standard deviations above historical averages), with tepid earnings growth.

Bonds, while a bit safer, the returns here struggle in inflationary environments2024 saw Australian government bonds lose value in real terms. The real danger for investors is being caught in the middleholding underperforming "core" assets (traditional active funds) that neither capture growth nor provide safety.

Source: AGVT Factsheet

<u>Lessons for Today's Market: Diversification and Risk Management</u>

The rapid rally in tech, gold, and cryptos leads to the danger of "diworsification"; holding assets that appear diversified but are correlated in downturns.

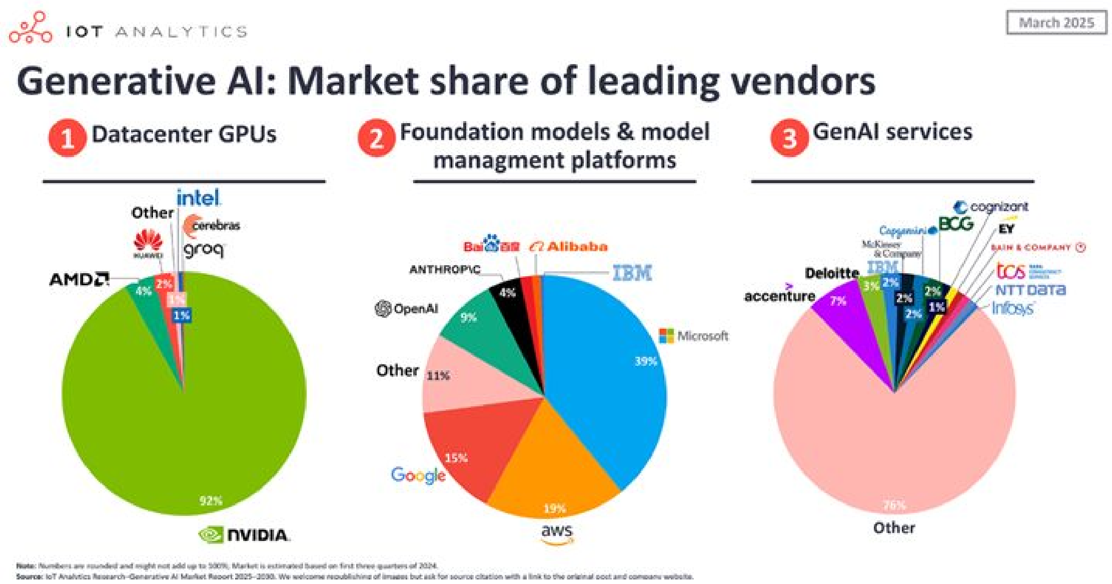
Annual rebalancing is vital to trim overvalued positions (higher P/E) and reinvest in undervalued sectors (value-based and domestic sectors like resources).

With bonds offering higher yields but vulnerable to inflation, one needs to consider blended ETFs like private credit funds or short-duration bonds to minimise rate risk. An underweight position in Australian government bonds can also be considered due to policy divergence with global central banks.

For AI, not all tech is equal. AI infrastructure (tech suppliers and hyperscalers with moat) and defense tech offer more solid growth than momentum-driven software stocks (hype-based cases).

Small caps with high earnings growth that trade at discounts can benefit from rate cuts. Similarly, Gold remains a hedge but is cyclical. Copper and uranium provide inflation-resistant exposure.

Specifically, an ASX heavily reliant on banks and miners might only offer limited upside. So Japanese equities (reflation), Indian small caps (demographic tailwinds) and emerging markets (ex-China) like Southeast Asia also present opportunities.



Source: iot-analytics

Overall, the global market's polarisation is a structural, not cyclical, shift. Investors might avoid the "middle ground" of mediocre core holdings and instead adopt a barbell strategy for growth and for defense.

For the Australian market, 2025 may favour risk assets, but selectivity and active rebalancing are paramount.

The lessons of 2024 are clear: asset selection discipline, macro-awareness, and logical allocation can separate winners from losers.

Technical limitations

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

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

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

WEEKLY REPORTS

Weekly Ratings, Targets, Forecast Changes - 04-04-25

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 March 31 to Friday April 4, 2025
Total Upgrades: 7
Total Downgrades: 8
Net Ratings Breakdown: Buy 61.60%; Hold 31.78%; Sell 6.62%

For the week ended Friday, April 4, 2025, FNArena tracked seven upgrades and eight downgrades for ASX-listed companies from brokers monitored daily.

Reductions in average target prices materially outpaced increases, and downward revisions to average earnings forecasts were far more significant than upgrades, as illustrated in the tables below.

Higher gold price forecasts by the commodity teams at Citi, Bell Potter, and Ord Minnett result in gold stocks filling the first seven places for target increases and six of the ten places on the positive change to earnings list.

Summarising the largest moves, average target prices rose by 8.6% for Regis Resources, 5.5% for Evolution Mining, 5.4% for Genesis Minerals, and 4.4% for Northern Star Resources. Average earnings forecasts for Genesis, Regis, Capricorn Metals and Evolution rose by 6.0%, 5.8%, 4.2% and 2.6%, respectively.

Bell Potter upgraded its gold price forecasts to reflect the greater levels of uncertainty in markets and trade policy since the inauguration of Donald Trump as US President.

Uncertainty is hurting capital investment, sentiment, and equity valuations, explained the analysts, driving a flight to safety and the unencumbered value preservation offered by gold bullion.

The broker's gold price forecast has increased by 7% in the first half of 2025 to US$2,890/oz, by 9.3% for the second half to US$2,950/oz, and by 12% in 2026 to US$2,800/oz.

While the traded price has breached the psychologically important US$3,000/oz level, settling at around US$3,039/oz in New York last Friday, Citi observed ASX-listed gold equities were discounting a US$2,250-2,500/oz gold price at the beginning of April.

This broker remains bullish on the yellow metal with a US$3,200/oz target over the next three-month period driven by buying as a hedge against US growth downside coupled with strong demand from China and Emerging Market central banks.

Forecasting an around US$3,600/oz gold price by the fourth quarter of 2025, the strategists adopt a more conservative base case of US$3,100/oz for the second quarter.

Citi's long-term price forecast is now US$2,200/oz (real), up from US$2,000/oz, driving higher 12-month target prices across the broker's research coverage of gold stocks.

Citi has a Buy rating for Newmont Corp, while outside the ASX100 Genesis Minerals (Buy) is the broker's preferred exposure.

Regarding two Neutral-rated stocks, the analysts expect the ongoing outperformance of Evolution Mining over Northern Star Resources can continue, as the latter's earnings upgrades are subdued by its hedge book, and the broker has more visibility on the outlook for Evolution's medium-term costs, capex, and production.

On the flipside, average FY25 earnings forecasts last week for uranium stocks Paladin Energy, Boss Energy, and for Pilbara Minerals and Mineral Resources fell by -36%, -30%, -22%, and -11%, respectively.

Paladin's average target declined by approximately -6%, driven by Bell Potter's -48% downgrade to its second-half production forecast. This revision reflects weaker output and grades following heavy rainfall in Namibia, which disrupted both ore mining and the processing of stockpiled material at the Langer Heinrich mine.

Production has been further impacted by ongoing stockpile grade issues, explained the analysts, who lowered their 12-month target to $6.30 from $11.00.

While operations have recommenced, Bell Potter noted the capacity utilisation rate was low due to high moisture content in the stockpiled ore creating materials handling issues in the plant.

Analyst at Macquarie toured Boss Energy's Honeymoon uranium project in South Australia last week and noted an ongoing strong operational performance.

While lowering its target, mainly due to first half results in February, this broker now expects management can beat FY25 guidance for 850klb of drummed U_3O_8 production and raises its forecast to 892klb.

Analysts at Ord Minnett still nominate Boss as their pick of the uranium sector, while Macquarie noted the uranium industry has generally had difficulty restarting idled uranium assets from the last cycle, but Boss is bucking the trend.

Overall, Ord Minnett anticipates both spot and term uranium prices will rise as contracting resumes at pace after utilities gain clarity following the recent tariff-related upheaval.

Due to persistent oversupply in the lithium market, Ord Minnett's 2025 spodumene forecast was cut by -9%, while the iron ore price forecast was reduced by -3%. Both Pilbara Minerals (lithium) and Mineral Resources (lithium and iron ore) suffered from the broker's commodity price review last week.

The only commodities spared a price forecast downgrade were gold and rare earths proxy neodymium-praseodymium (NdPr), which is recovering from a recent trough due to supply side issues.

Regarding Mineral Resources, Macquarie reduced its target by -10% to $35 after lowering FY25 and FY26 earnings forecasts by -100% and -44%, respectively (on already slim estimates), due to higher assumed costs at the Onslow Iron project in Western Australia and a rise in group depreciation and amortisation charges.

The broker also delayed its Onslow ramp-up forecast which resulted in EPS estimate cuts of between 14-48% across FY27-FY29.

Along with its downgraded earnings forecasts, Paladin Energy also appears third on the negative change to target price list, behind Global Lithium Resources and HMC Capital.

Ord Minnett lowered its target for Global Lithium to 20 cents from 26 cents as part of its commodity price review and upgraded to Accumulate from Hold.

For HMC Capital, Morgan Stanley lowered its target to $7.35 from $12.21 after adopting more conservative assumptions around growth in assets under management (AUM).

Around 75-80% of AUM (ex-credit) for HMC comes from the listed market, explained the analysts, and with sub-optimal performance across all three funds, the broker's confidence around winning additional AUM has softened.

Lower FY25 earnings forecasts by the broker also reflect the company's trading update showing pre-tax EPS is now tracking at 70cps, down from the 80cps articulated during the release of interim results in February.

Integrated grower, processor and marketer of almonds, Select Harvests, heads up the positive change to earnings table, with Bell Potter noting a favourable earnings backdrop and near-term upside bias to the broker's forecasts due to stronger-than-expected Australian dollar almond pricing.

Almond prices have firmed around 10% since the company's AGM on 18 February and the company has also been achieving premiums to pricing benchmarks.

While management has retained FY25 guidance of $9.20/kg, spot prices are currently between $10.60-10.90/kg, and year-to-date averages (at the company's currency hedge rate) are at approximately $9.60/kg, highlighted the analysts.

Total Buy ratings in the database comprise 61.60% of the total, versus 31.78% on Neutral/Hold, while Sell ratings account for the remaining 6.62%.

Upgrade

AMP LIMITED ((AMP)) Upgrade to Neutral from Sell by UBS .B/H/S: 1/4/0

UBS upgrades AMP to Neutral from Sell with a lower target price of $1.30 from $1.35, as the broker marks to market the wealth stocks for softer equity markets over the March quarter.

The risk-off tone has resulted in a sell-down of the sector and a valuation de-rating, which has improved the valuation appeal for AMP and Magellan Financial Group ((MFG)). AMP has sold off -29% since the February results.

Considerable uncertainty remains in the sector, and UBS prefers the "relative safety" of wealth exposures such as Perpetual ((PPT)), Insignia Financial ((IFL)), and GQG Partners ((GQG)) on valuation and growth prospects.

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

Ord Minnett has broadly reduced its commodity price forecasts, with the exception of gold and neodymium-praseodymium.

The broker cites growing concerns over weakening Chinese steel demand and the potential global trade and economic impacts stemming from proposed US tariffs.

The broker's 2025 iron ore price forecast falls by -3%, while metallurgical coal and thermal coal price estimates fall by -18% and -17%, respectively.

On a sector level, Ord Minnett prefers base metal producers over the bulk miners, noting limited appeal among the lithium and coal producers.

Rio Tinto is preferred over over BHP Group among the large diversified miners, while South32, Capstone Copper, and MAC Copper are the analyst's top picks for base metals exposure.

The broker upgrades its rating for Emerald Resources to Lighten from Sell and maintains a $3.60 target.

Among the large gold exposures, the analysts like Buy-rated Newmont Corp.

GLOBAL LITHIUM RESOURCES LIMITED ((GL1)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 2/0/1

Ord Minnett has broadly reduced its commodity price forecasts, with the exception of gold and neodymium-praseodymium.

The broker cites growing concerns over weakening Chinese steel demand and the potential global trade and economic impacts stemming from proposed US tariffs.

The broker's 2025 iron ore price forecast falls by -3%, while metallurgical coal and thermal coal price estimates fall by -18% and -17%, respectively.

On a sector level, Ord Minnett prefers base metal producers over the bulk miners, noting limited appeal among the lithium and coal producers.

Rio Tinto is preferred over over BHP Group among the large diversified miners, while South32, Capstone Copper, and MAC Copper are the analyst's top picks for base metals exposure.

The broker's 2025 spodumene forecast falls by -9% due to persistent oversupply in the lithium market.

For Global Lithium Resources, the broker lowers its target to 20c from 26c and upgrades to Accumulate from Hold.

DYNO NOBEL LIMITED ((IPL)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 2/4/0

Ord Minnett upgrades Incitec Pivot, to be renamed Dyno Nobel tomorrow, to Buy from Accumulate with an unchanged target price of $3.45.

The broker notes the company has pointed to extreme weather across Australia, with evolving dry conditions across the southern part of the country and wet weather in Qld.

The adverse conditions experienced are expected to impact 1H25 earnings from explosives and fertilisers.

Management also pointed to issues from wet weather affecting scheduled maintenance at its Moranbah ammonium nitrate plant in Qld.

The analyst envisages the Dyno Nobel business will recover lost volumes in 2H25.

Ord Minnett lowers EPS estimates by -2% in FY25 and -3% in FY26.

MAGELLAN FINANCIAL GROUP LIMITED ((MFG)) Upgrade to Neutral from Sell by UBS .B/H/S: 0/3/1

UBS upgrades Magellan Financial to Neutral from Sell with a lower target price of $8.20 from $8.85, as the broker marks to market the wealth stocks for softer equity markets over the March quarter.

The risk-off tone has resulted in a sell-down of the sector and a valuation de-rating, which has improved the valuation appeal for AMP ((AMP)) and Magellan, which has sold off -24% since the February results.

Considerable uncertainty remains in the sector, and UBS prefers the "relative safety" of wealth exposures such as Perpetual ((PPT)), Insignia Financial ((IFL)), and GQG Partners ((GQG)) on valuation and growth prospects.

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

Bell Potter has upgraded its gold price forecasts by 7% in 1H 2025 to US$2,890 ($4,634), by 9.3% for 2H 2025 to US$2,950 ($4,758), and by 12% in 2026 to US$2,800 ($4,300).

There are no changes in forex assumptions. The rise reflects higher levels of uncertainty in markets post the inauguration of President Trump.

The broker upgrades Northern Star Resources to Buy from Hold, with the target price lifting to $22 from $20 due to the miner's "attractive" production growth to 2moz per annum in FY26 and the expansion being underpinned by higher gold prices.

A successful acquisition of De Grey Mining ((DEG)) would enhance the mine life and lower operating costs.

TASMEA LIMITED ((TEA)) Upgrade to Buy High Risk from Hold High Risk by Shaw and Partners .B/H/S: 2/0/0

Shaw and Partners raises its target for Tasmea to $3.00 from $2.85 and upgrades to Buy, High Risk from Hold, High Risk following a material share price pullback since November 2024 and the announcement of the highly accretive Flanco Group acquisition.

The Flanco deal is both attractive and strategically sensible, in the broker's opinion, priced at an implied earnings (EBIT) multiple of 3.1-4.1x times depending on earnout outcomes.

The broker now assumes $10.2m in FY26 earnings from the acquisition, lifting EPS forecasts by 11.8% for FY26 and 11.7% for FY27.

Tasmea operates in the asset maintenance sector, which the broker considers structurally attractive due to the preventive nature of maintenance demand, providing earnings resilience across cycles.

Downgrade

DELTA LITHIUM LIMITED ((DLI)) Downgrade to Hold from Accumulate by Ord Minnett .B/H/S: 0/1/0

Ord Minnett has broadly reduced its commodity price forecasts, with the exception of gold and neodymium-praseodymium.

The broker cites growing concerns over weakening Chinese steel demand and the potential global trade and economic impacts stemming from proposed US tariffs.

The broker's 2025 iron ore price forecast falls by -3%, while metallurgical coal and thermal coal price estimates fall by -18% and -17%, respectively.

On a sector level, Ord Minnett prefers base metal producers over the bulk miners, noting limited appeal among the lithium and coal producers.

Rio Tinto is preferred over over BHP Group among the large diversified miners, while South32, Capstone

Copper, and MAC Copper are the analyst's top picks for base metals exposure.

The broker's 2025 spodumene forecast falls by -9% due to persistent oversupply in the lithium market. For Delta Lithium, the broker lowers its target to 17c from 30c and downgrades to Hold from Accumulate.

LIONTOWN RESOURCES LIMITED ((LTR)) Downgrade to Lighten from Hold by Ord Minnett .B/H/S: 1/3/1

Ord Minnett has broadly reduced its commodity price forecasts, with the exception of gold and neodymium-praseodymium.

The broker cites growing concerns over weakening Chinese steel demand and the potential global trade and economic impacts stemming from proposed US tariffs.

The broker's 2025 iron ore price forecast falls by -3%, while metallurgical coal and thermal coal price estimates fall by -18% and -17%, respectively.

On a sector level, Ord Minnett prefers base metal producers over the bulk miners, noting limited appeal among the lithium and coal producers.

Rio Tinto is preferred over over BHP Group among the large diversified miners, while South32, Capstone Copper, and MAC Copper are the analyst's top picks for base metals exposure.

The broker's 2025 spodumene forecast falls by -9% due to persistent oversupply in the lithium market.

For Liontown Resources, the broker lowers its target to 50c from 67c and downgrades to Lighten from Hold.

MEDIBANK PRIVATE LIMITED ((MPL)) Downgrade to Accumulate from Buy by Ord Minnett .B/H/S: 2/4/0

Ord Minnett has downgraded Medibank Private to accumulate from buy, citing valuation after an 8% share price rally since mid-March.

The broker continues to see Medibank as a solid option for investors seeking defensive earnings exposure.

Health insurers were relatively insulated from recent equity market weakness, and forecasts for Medibank remain unchanged. The price target holds steady at $4.80.

OPTHEA LIMITED ((OPT)) Downgrade to Sell from Buy by Bell Potter .B/H/S: 0/0/1

Bell Potter notes the failure of Opthea's two global phase 3 trials is the "absolute worst-case" outcome, forcing the company to discontinue further development of sozinibercept.

While this does not automatically terminate the company's DFA agreement, the broker notes bankruptcy could provide such grounds.

The broker highlights the company had US$100m cash at the end of March, which wouldn't be sufficient to repay DFA investors once vendor contracts are paid out.

Target dropped to $0.05 from $1.30. Rating downgraded to Sell from Speculative Buy.

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

Ord Minnett has broadly reduced its commodity price forecasts, with the exception of gold and neodymium-praseodymium.

The broker cites growing concerns over weakening Chinese steel demand and the potential global trade and economic impacts stemming from proposed US tariffs.

The broker's 2025 iron ore price forecast falls by -3%, while metallurgical coal and thermal coal price estimates fall by -18% and -17%, respectively.

On a sector level, Ord Minnett prefers base metal producers over the bulk miners, noting limited appeal among the lithium and coal producers.

Rio Tinto is preferred over over BHP Group among the large diversified miners, while South32, Capstone Copper, and MAC Copper are the analyst's top picks for base metals exposure.

For Predictive Discovery, the broker raises its target to 43c from 40c and downgrades to Accumulate from Buy.

Among the large gold exposures, the analysts like Buy-rated Newmont Corp.

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

Bell Potter has upgraded its gold price forecasts by 7% in 1H 2025 to US$2,890 ($4,634), by 9.3% for 2H 2025 to

US$2,950 ($4,758), and by 12% in 2026 to US$2,800 ($4,300).

There are no changes in forex assumptions. The rise reflects higher levels of uncertainty in markets post the inauguration of President Trump.

The broker lifts EPS estimates for Pantoro by 8% in FY25 and 18% in FY26.

Target price rises to 14c from 11.5c. The stock is downgraded to Sell from Hold, with the analyst cautious over the ramp-up in mining and the risks to production growth in 2H25.

PERSEUS MINING LIMITED ((PRU)) Downgrade to Accumulate from Buy by Ord Minnett .B/H/S: 3/1/0

Ord Minnett has broadly reduced its commodity price forecasts, with the exception of gold and neodymium-praseodymium.

The broker cites growing concerns over weakening Chinese steel demand and the potential global trade and economic impacts stemming from proposed US tariffs.

The broker's 2025 iron ore price forecast falls by -3%, while metallurgical coal and thermal coal price estimates fall by -18% and -17%, respectively.

On a sector level, Ord Minnett prefers base metal producers over the bulk miners, noting limited appeal among the lithium and coal producers.

Rio Tinto is preferred over over BHP Group among the large diversified miners, while South32, Capstone Copper, and MAC Copper are the analyst's top picks for base metals exposure.

For Perseus Mining, the broker raises its target to $3.75 from $3.65 and downgrades to Accumulate from Buy.

Among the large gold exposures, the analysts like Buy-rated Newmont Corp.

TREASURY WINE ESTATES LIMITED ((TWE)) Downgrade to Neutral from Buy by Citi .B/H/S: 5/1/0

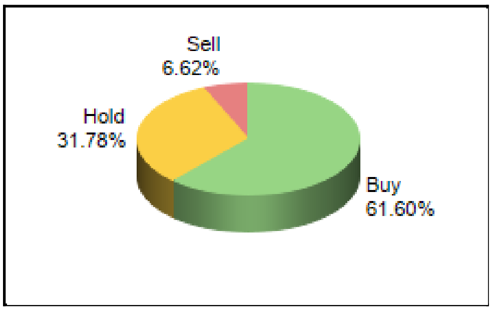
Following the latest Nielsen data, Citi has turned more cautious on Treasury Wine Estates' outlook in the Americas, downgrading the stock to Neutral from Buy and cutting the target price to $10.50 from $13.85.

The data showed Treasury's sales declined -15% (market -3%) in the four weeks to 22 March. Daou was flat for the first time in the broker's dataset, both Frank and 19Crimes declined, and Matua saw slower growth.

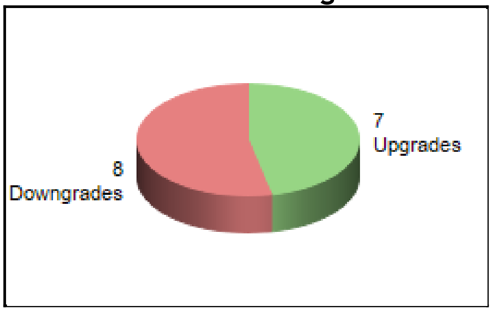
The broker also flags concerns about longer-term structural headwinds across the broader alcohol category, which could weigh on growth.

Near-term upside risks to Citi's view include the possibility that softer Treasury Americas sales may be offset by stronger-than-expected synergies from the Daou acquisition.

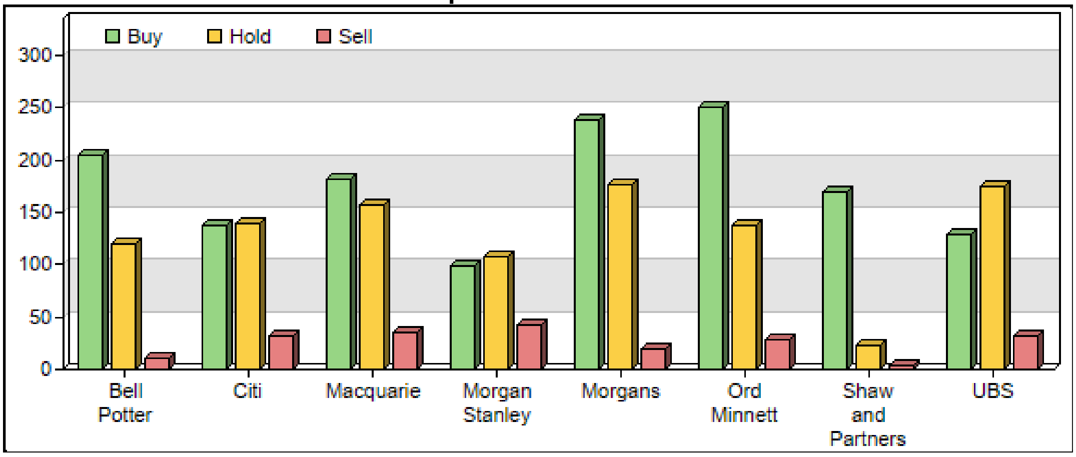
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	AMP LIMITED	Neutral	Sell	UBS
2	DYNO NOBEL LIMITED	Buy	Buy	Ord Minnett
3	EMERALD RESOURCES NL	Sell	Sell	Ord Minnett
4	GLOBAL LITHIUM RESOURCES LIMITED	Buy	Buy	Ord Minnett
5	MAGELLAN FINANCIAL GROUP LIMITED	Neutral	Sell	UBS
6	NORTHERN STAR RESOURCES LIMITED	Buy	Neutral	Bell Potter
7	TASMEA LIMITED	Buy	Neutral	Shaw and Partners
Downgrade				
8	DELTA LITHIUM LIMITED	Neutral	N/A	Ord Minnett
9	LIONTOWN RESOURCES LIMITED	Sell	Neutral	Ord Minnett
10	MEDIBANK PRIVATE LIMITED	Buy	Buy	Ord Minnett
11	OPTHEA LIMITED	Sell	Buy	Bell Potter
12	PANTORO LIMITED	Sell	Neutral	Bell Potter
13	PERSEUS MINING LIMITED	Buy	Buy	Ord Minnett
14	PREDICTIVE DISCOVERY LIMITED	Buy	Buy	Ord Minnett
15	TREASURY WINE ESTATES LIMITED	Neutral	Buy	Citi

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	RRL	REGIS RESOURCES LIMITED	3.583	3.299	8.61%	7
2	EVN	EVOLUTION MINING LIMITED	6.291	5.964	5.48%	7
3	GMD	GENESIS MINERALS LIMITED	3.575	3.392	5.40%	6
4	NST	NORTHERN STAR RESOURCES LIMITED	20.187	19.337	4.40%	6
5	AIS	AERIS RESOURCES LIMITED	0.277	0.267	3.75%	3
6	PRU	PERSEUS MINING LIMITED	3.750	3.625	3.45%	4
7	RMS	RAMELIUS RESOURCES LIMITED	2.613	2.580	1.28%	3
8	ACF	ACROW LIMITED	1.317	1.303	1.07%	3
9	QBE	QBE INSURANCE GROUP LIMITED	23.349	23.134	0.93%	7
10	NHF	NIB HOLDINGS LIMITED	6.860	6.802	0.85%	6

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	GL1	GLOBAL LITHIUM RESOURCES LIMITED	0.870	1.205	-27.80%	3
2	HMC	HMC CAPITAL LIMITED	10.460	11.382	-8.10%	5
3	PDN	PALADIN ENERGY LIMITED	9.893	10.564	-6.35%	7

4	PNI	PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED	25.593	27.018	-5.27%	4
5	IGO	IGO LIMITED	4.950	5.200	-4.81%	6
6	CIA	CHAMPION IRON LIMITED	6.667	6.967	-4.31%	3
7	TWE	TREASURY WINE ESTATES LIMITED	12.422	12.980	-4.30%	6
8	HUB	HUB24 LIMITED	81.609	85.180	-4.19%	7
9	PLS	PILBARA MINERALS LIMITED	2.457	2.557	-3.91%	7
10	LTR	LIONTOWN RESOURCES LIMITED	0.727	0.755	-3.71%	6

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	SHV	SELECT HARVESTS LIMITED	28.333	26.700	6.12%	3
2	GMD	GENESIS MINERALS LIMITED	18.867	17.800	5.99%	6
3	RRL	REGIS RESOURCES LIMITED	24.850	23.483	5.82%	7
4	CMM	CAPRICORN METALS LIMITED	37.200	35.700	4.20%	3
5	EVN	EVOLUTION MINING LIMITED	44.786	43.671	2.55%	7
6	SFR	SANDFIRE RESOURCES LIMITED	41.168	40.153	2.53%	6
7	GTK	GENTRACK GROUP LIMITED	16.506	16.112	2.45%	3
8	RMS	RAMELIUS RESOURCES LIMITED	33.933	33.133	2.41%	3
9	WDS	WOODSIDE ENERGY GROUP LIMITED	190.394	186.452	2.11%	6
10	PRU	PERSEUS MINING LIMITED	38.332	37.650	1.81%	4

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	PDN	PALADIN ENERGY LIMITED	-5.520	-4.062	-35.89%	7
2	BOE	BOSS ENERGY LIMITED	3.157	4.486	-29.63%	7
3	PLS	PILBARA MINERALS LIMITED	-0.350	-0.286	-22.38%	7
4	MIN	MINERAL RESOURCES LIMITED	-88.980	-80.383	-10.70%	7
5	NEM	NEWMONT CORPORATION REGISTERED	496.218	552.069	-10.12%	5
6	STO	SANTOS LIMITED	58.088	63.714	-8.83%	6
7	CIA	CHAMPION IRON LIMITED	37.331	39.704	-5.98%	3
8	APA	APA GROUP	15.700	16.150	-2.79%	5
9	HMC	HMC CAPITAL LIMITED	52.920	54.120	-2.22%	5
10	TWE	TREASURY WINE ESTATES LIMITED	58.600	59.340	-1.25%	6

Technical limitations

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

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

((IPL)) DYNO NOBEL LIMITED has changed its code to ((DNL)).

WEEKLY REPORTS

Uranium Week: Sprott Physical Uranium Trust Speculations

U308 spot price improved slightly on the return of some buying interest pre and post Trump's tariff announcement.

-Spot market weathers Trump's reciprocal tariffs
-Supply concerns are overstated
-Analysts remain upbeat on U308 stocks

By Danielle Ecuyer

Taking stock at month's end

US tariffs have had a resounding impact on U308 markets across the board. Petra Capital highlighted volumes in both the term and contracts markets continue to be "anaemic".

Industry consultants TradeTech explain March only saw 1.4mlbs in U308 equivalent trading volumes recorded in the spot market, with prices vacillating between US$63.25 and US$64.50.

Petra observes the spot U308 price continues to lag the long-term price, with utilities adopting a wait-and-see approach before committing to buy stock in a period of such high uncertainty around tariffs.

The consultants observed utilities have preferenced one-time deliveries in the mid-term period, and six transactions were concluded in March plus one in the longer-term delivery market. Utilities were the buyers across all seven transactions.

TradeTech's Mid-Term price indicator fell to US$70/lb from US$71/lb in late February. he Long-Term price indicator remnained unchanged over the month at US$80/lb.

Although both spot and term uranium markets remain subdued due to uncertainty around tariffs, major producers like Kazatomprom have been selling down inventories, with a decline of -11% in 2024.

Macro musings on uranium fundamentals

Diving into the Sprott Physical Uranium Trust, which is currently trading at a discount to NAV of circa -9.7%, Petra suggests this discount means the trust cannot issue new units, which is part of the underlying mandate.

Sprott Trust currently has cash of US$8.9m, which is sufficient to cover costs until June/July at a burn rate of around -US$3.4m per month and has not issued new units since January 2025 and not bought pounds since November 2024.

Speculation the trust would need to sell uranium holdings to cover management costs is possible, but Petra stresses speculation the trust would sell its 88.2mlb inventory is not viewed as realistic.

Alternatively, swapping the location of where the inventory is held could free up US$32m. The broker proposes swapping some or all the US-stored inventory, or 16mlbs, which is held at ConverDyn in Illinois and is attracting a premium to spot of US$2/lb with pounds held by Canadian utilities.

The potential to realise the funds could cover management expenses for ten months.

Observing other ideas floated by President Trump regarding the uranium market, Petra dismisses the idea the US, alongside China and Russia, reduces nuclear weapon holdings, based on the first nuclear disarmament and energy conversion deal.

Russia agreed in the first deal to convert 500 metric tons of highly enriched uranium from dismantled Soviet nuclear warheads into low-enriched uranium, which was in turn sold to the US to use in nuclear power plants.

With President Trump's intention to broker a ceasefire between Ukraine and Russia, this has brought forth speculation the US ban on the importation of Russian U308 will be revisited, as well as the Russian ban on exports to the US.

The latter ban was approved by both Congress and Senate with bipartisan support, and a Presidential Executive Order will not be enough to have the legislation overturned.

Petra does not believe the US will cede control of US energy supplies to Russia again for fuel imports and argues it runs counter to the US Energy Secretary's aim to achieve energy dominance.

Yet, despite the increase in supply, utilities have sat on their hands, awaiting more clarity around Trump's tariffs.

Maximum uncertainty continues to underpin weak sentiment, with the broker emphasising the replacement rate contracting is yet to start and the uranium sector continues to offer "broad" value.

The preference remains for stocks with independent catalysts of positive news, rather than waiting for the replacement contracting cycle to pick up.

Within that context, preferred stocks in Australia are Lotus Resources ((LOT)), Buy rated alongside target price of 28c, and Aura Energy ((AEE)), Buy rated with a 36c target.

Petra also has a Buy rating on Alligator Energy ((AGE)), Bannerman Energy ((BMN)), and NexGen Energy ((NXG)) with target prices set at 10c, $4.23, and $14.10, respectively.

What happened last week

Ahead of President Trump's tariff announcement last week, participants entered the U308 spot market on Monday and Tuesday, buying stock for Orano's facility in France and Cameco's plant in Canada with a total of 500,000lbs transacted at prices from US$64/lb to US$65.50/lb by the end of business on Tuesday.

Buyers returned to the market on Thursday post the tariff announcements, with two transactions for delivery at Cameco and one deal for ConverDyn's facility at US$65.25/lb.

TradeTech's U308 spot price indicator rose US$1.25 to US$65.25/lb. The Mid-Term U308 price indicator finished the week at US$70/lb and TradeTech's Long-Term price indicator at US$80/lb.

Regarding tariffs, imports from Kazakhstan are subject to a 27% tariff, but the country's Energy Ministry noted a significant proportion of exports to the US are not subject to additional tariffs because of the exclusion list.

The Ministry stated, *"The basis of Kazakhstan's exports to the United States are oil, uranium, silver, ferroalloys, and others. These categories, which account for 92 percent of deliveries, are included in the list of exceptions provided for by the decree of the US President."*

America achieved more uranium concentrate in 2024, around 676,939lbs U308, than any year since 2018, as a period of higher prices underpinned increased production, according to the US Energy Information Administration.

The rise comes from enCore Energy and Boss Energy (30%) and Peninsula Energy subsidiary Strata Energy's plant in Wyoming.

Fourth quarter production came in at 375,401lbs of U308, which was higher than the annual production of the years 2019-2023.

Latest broker updates

Citi has maintained a Buy rating on Paladin Energy following the recent sell-off, expecting uranium prices to rise as contracting activity picks up.

Once geopolitical and tariff concerns abate, the broker expects contracting activity to pick up again, which is expected to underwrite higher U308 prices.

The analyst does not envisage the 21% US tariff on Namibia will impact the Langer Heinrich mine and expects it will most likely fall under exemption 6, "energy and other certain minerals that are not available to the United States".

Citi lowers the FY25 EPS estimate for Paladin on the back of the flooding and is now forecasting a loss of -3c per share, due to a reduced production assumption, down -18%, and higher production costs.

Between Boss Energy and Paladin, the broker prefers the former on better operational performance.

Both stocks are Buy rated, with the Paladin target cut to $10.20 from $11.00. Boss's target price sits at $3.30.

Short Interest

Prior to the Trump announcements and from the week as at April 1, Boss, Paladin, and Deep Yellow sit in the top three positions for short interest on the ASX at 24.77%, 15.5%, and 13.22%, respectively.

Lotus Resources comes in fourteenth at 9.12%, up from 7.28% a week earlier.

For more reading on uranium:

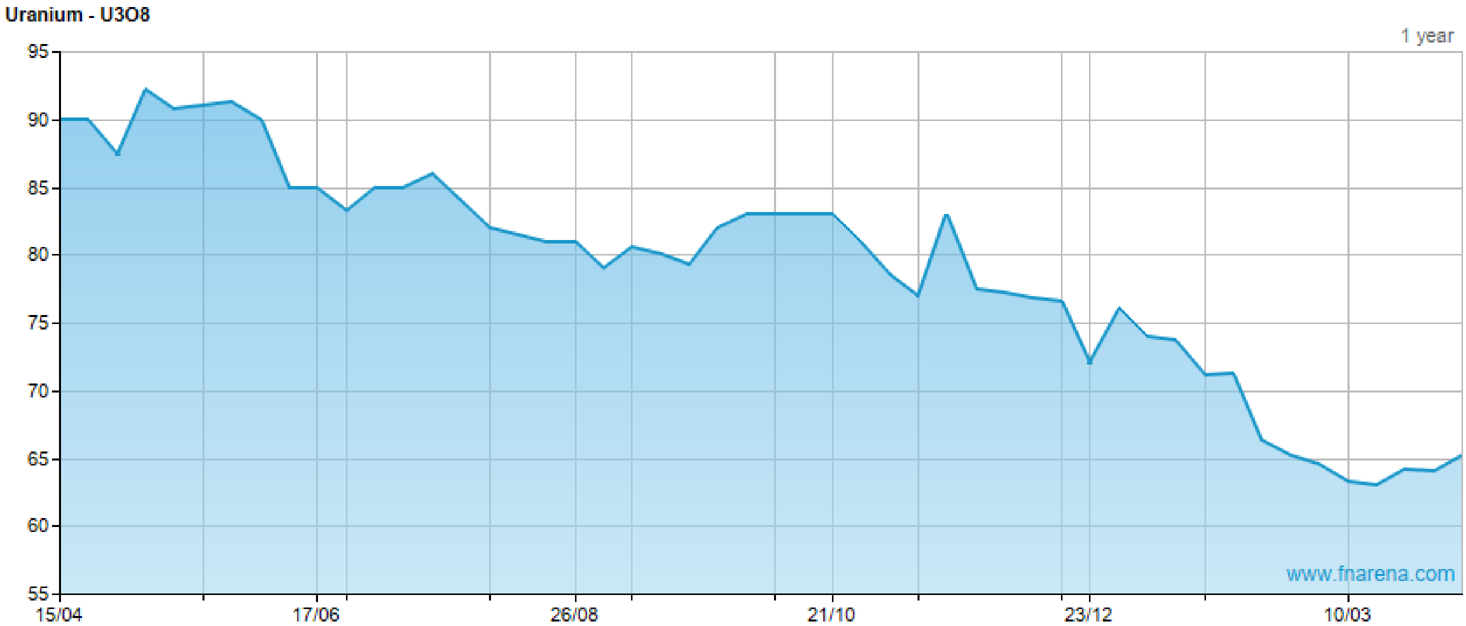
https://fnarena.com/index.php/2025/04/01/uranium-week-u3o8-renaissance-meets-tariffs/

https://fnarena.com/index.php/2025/03/25/uranium-week-small-positives/

https://fnarena.com/index.php/2025/03/18/uranium-week-tariff-paralysis/

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	04/04/2025	0.0400	0.00%	$0.11	$0.03			
AEE	04/04/2025	0.1100	▼-18.75%	$0.20	$0.10			
AGE	04/04/2025	0.0200	▼-17.65%	$0.07	$0.02		$0.100	▲400.0%
AKN	04/04/2025	0.0100	0.00%	$0.02	$0.01			
ASN	04/04/2025	0.0600	▲ 5.08%	$0.17	$0.05			
BKY	04/04/2025	0.5000	▲ 8.33%	$0.66	$0.29			
BMN	04/04/2025	1.9800	▼-12.99%	$4.87	$1.90		$7.400	▲273.7%
BOE	04/04/2025	2.0600	▼- 7.26%	$5.99	$1.99	65.2	$3.857	▲87.2%
BSN	04/04/2025	0.0100	▼- 7.14%	$0.14	$0.01			
C29	04/04/2025	0.0400	0.00%	$0.13	$0.03			
CXO	04/04/2025	0.0600	▼-14.47%	$0.17	$0.06		$0.090	▲50.0%
CXU	04/04/2025	0.0100	0.00%	$0.05	$0.01			
DEV	04/04/2025	0.0700	▼-12.77%	$0.45	$0.07			
DYL	04/04/2025	0.7900	▼-13.68%	$1.83	$0.80	-2430.0	$1.777	▲124.9%
EL8	04/04/2025	0.2100	▼- 8.33%	$0.62	$0.19			
ERA	04/04/2025	0.0020	0.00%	$0.06	$0.00			
GLA	04/04/2025	0.0100	0.00%	$0.03	$0.01			
GTR	04/04/2025	0.0030	0.00%	$0.01	$0.00			
GUE	04/04/2025	0.0500	0.00%	$0.13	$0.05			
HAR	04/04/2025	0.0500	▼-16.13%	$0.14	$0.03			
I88	04/04/2025	0.1200	▼-17.65%	$1.03	$0.12			
KOB	04/04/2025	0.0500	0.00%	$0.18	$0.05			
LAM	04/04/2025	0.7300	▲ 1.39%	$1.04	$0.48			
LOT	04/04/2025	0.1400	▼-14.29%	$0.49	$0.13		$0.450	▲221.4%
MEU	04/04/2025	0.0300	▼- 9.52%	$0.06	$0.03			
NXG	04/04/2025	6.6000	▼- 3.61%	$13.53	$6.49		$15.700	▲137.9%
ORP	04/04/2025	0.0300	0.00%	$0.12	$0.03			
PDN	04/04/2025	4.0100	▼-10.57%	$17.98	$3.95	-59.8	$9.779	▲143.9%
PEN	04/04/2025	0.5700	▼-16.08%	$2.60	$0.55		$4.810	▲743.9%
SLX	04/04/2025	2.9200	▼- 7.48%	$6.74	$2.83		$6.900	▲136.3%
TOE	04/04/2025	0.1500	▼-15.79%	$0.51	$0.15			
WCN	04/04/2025	0.0200	▼- 5.88%	$0.03	$0.01			



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

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

WEEKLY REPORTS

The Short Report - 10 Apr 2025

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

Summary:

Week Ending April 3rd, 2025 (most recent data available through ASIC).

10%+

BOE	24.98%
PDN	15.79%
DYL	13.36%
PLS	13.07%
MIN	12.98%
IEL	12.07%
LTR	11.27%
LOT	10.81%
DMP	10.54%
LIC	10.20%

In: LOT

9.0-9.9%

LYC	9.72%
CTT	9.34%
SGR	9.21%
PNV	9.03%
KAR	9.03%

In: PNV

8.0-8.9%

SLX	8.50%
BMN	8.17%

In: BMN
Out: PNV, MP1

7.0-7.9%

MP1	7.93%
SYR	7.73%
CTD	7.44%
RIO	7.29%
TWE	7.13%

GMD	7.08%
IGO	7.06%

In: MP1, IGO
Out: LOT

6.0-6.9%

STX	6.78%
JHX	6.68%
JLG	6.63%
WEB	6.61%
ADT	6.29%
PWH	6.20%
NCK	6.04%

In: JHX, PWH
Out: IGO, BMN, GYG

5.0-5.9%

INR	5.96%
CIA	5.96%
CUV	5.84%
FLT	5.74%
WHC	5.70%
SFR	5.58%
DRO	5.46%
CHN	5.41%
AD8	5.26%
GYG	5.24%
NEU	5.22%
ZIP	5.15%
IMU	5.04%
MSB	5.03%

In: GYG, NEU, ZIP, IMU, MSB
Out: PWH, ARB

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.7	0.6	NAB	0.7	0.7
ANZ	0.5	0.4	QBE	0.3	0.3
BHP	0.4	0.4	RIO	7.3	7.6
CBA	1.4	1.4	STO	0.9	0.7
COL	0.8	0.7	TCL	1.2	1.0
CSL	0.5	0.5	TLS	0.4	0.5
FMG	1.0	1.0	WBC	0.9	0.8
GMG	0.5	0.6	WDS	2.4	2.3
JHX	6.7	2.5	WES	0.6	0.5
MQG	0.6	0.5	WOW	1.0	1.1

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

Guide:

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

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

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

IMPORTANT INFORMATION ABOUT THIS REPORT

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

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

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

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

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

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

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

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

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

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

WEEKLY REPORTS

In Brief: Tariffs, Healthcare & Wealth Platforms

Looking through the market chaos of will he (Trump), won't he on tariffs, analysts dissect the pros and cons of earnings fundamentals versus share prices.

-Specialist platform providers too cheap to ignore
-The twists and turns of tariffs on healthcare
-Focus on CSL & ResMed

By Danielle Ecuyer

Quote of the week comes from Martin Whetton, Head of Financial Markets Strategy, Westpac

"The world, political and financial is looking on with horror, not bemusement, at an administration that prioritises the signing of an executive order for more water-power in shower heads, on the same day that the bond market breaks and investors question the long-term credibility of the administration having flopped on the largest of their policies, tariffs".

Wealth platforms, a bargain or not?

Only a week after the reciprocal tariffs were announced by President Trump, investors have been on an extreme roller coaster ride. Even with Thursday's rally, the ASX200 is still down almost -2% on the last week. While we at FNArena can't turn off from the gyrations and the news, for others an 'ignorance is bliss' bias might at least save the emotions from the temptresses of 'fear and greed' as emotions are torn up and down on an announcement basis.

But one can never be too far from fundamental analysis, as great companies at great prices are always worth reading about.

The week has given analysts a chance to get down to some serious number crunching, offering some context around how earnings in specific sectors are being impacted by tariffs, or not, and the market drawdowns on share prices versus the likely earnings forecast outcomes.

The specialist platform providers (SPP) have been proverbially caught in the eye of the sell-off storm with a high correlation, in both sentiment and potentially earnings, to markets.

Wilsons is one of a few brokers to emphasise the *"sharp and significant"* de-rating in the sector is a rare opportunity for investors to reweight into some of the highest-quality FinTech businesses on the ASX.

The analyst is referring to **Hub24** ((HUB)), **Netwealth Group** ((NWL)) and **Praemium** ((PPS)) and explains these platforms have no exposure operationally to tariffs, but there is the effect on operating leverage due to lower fees on a decline in funds under administration balances.

While ongoing risk-off sentiment can drive funds outflows, particularly for higher-net-wealth individuals who are usually an older demographic and more concerned over wealth preservation.

On that point, Hub24 is the least exposed compared to Netwealth and Praemium, as Hub24 has greater exposure to Superannuation than investor directed portfolio services (IDPS), like wrap products and SMAs, or self-managed accounts.

The broker also expects limited impacts from retail uncertainty on the Private Credit sector, and at worst, the funds are diverted from Private Credit vehicles to other income-bearing vehicles of the Pooled Cash Accounts.

From a positive perspective, more risk-off periods are more likely to raise the amount of funds in Pooled Cash, with Wilsons anticipating both Hub24 and Netwealth to benefit, with the former usually having a higher weighting of funds under administration exposed.

Wilsons upgrades Hub24 to Overweight (Buy-equivalent) from Market weight (Hold-equivalent) with a target price of $65.06. Netwealth is also upgraded to Overweight from Market weight, target price of $25.12.

Praemium is downgraded to Market weight (Hold-equivalent) from Overweight with a target price of 67c due to the short-term potentially negative impacts from IDPS and high-net-wealth individuals where elevated fund outflows might be more pronounced.

RBC Capital also highlighted Netwealth's 3Q25 results, which met expectations and consensus estimates. This analyst points to a slight miss on funds under administration due to higher-than-anticipated market movements. This platform has continued to experience robust inflows in April despite the risk-off sentiment and global uncertainty on tariffs.

Management reconfirmed the confidence in net flows for FY26 and the defensive aspect of the group's revenue streams, which included elevated trading volumes and cash balances. RBC rates the stock as Positive.

Canaccord Genuity also reflects positively on the 3Q25 report from NetWealth, with record net inflows for the period, though in line with consensus. This analyst believes the group will remain a leader in terms of share of system platform flows, which means the biggest question for investors remains around the impact on system flows by global market uncertainty.

Hold rating and $31 target price retained. Hub24 is due to report its 3Q25 result on April 15.

Healthcare stocks and tariffs

It may seem like a dim and distant eon ago, but the healthcare sector was once the bastion of quality, stable earnings growth, with defensive moat-like characteristics for investors in turbulent markets.

Covid well and truly started the nail-in-the-coffin around that narrative, as well as the weight-loss GLP-1 drug scare and now Trump's tariffs, as various companies battled the challenges of lockdowns, inventory build-ups and cost imposts. The sector is nevertheless populated by quality companies.

How much can a healthcare company bear?

Goldman Sachs was happy to embrace the meaty topic and continues to believe the "relative" defensive nature of healthcare stocks offers a good backdrop for investors, with the sector preference for **ResMed** ((RMD)), then **CSL** and **Sonic Healthcare** ((SHL)).

CSL has an estimated circa 80% of its US immunoglobulin (Ig) sales generated from its Broadmeadows (Australia) plant, with the option to lift capex to increase its manufacturing presence in the US, the broker explains.

While uncertainty over pharmaceutical tariffs is likely to overhang the CSL stock, the analyst points to the US-domiciled plasma collections footprint with scope to offset the potential size of the tariffs.

CSL and Cochlear ((COH)) are currently exempt from tariffs, with minimal impact on Sonic, **Ramsay Healthcare** ((RHC)), **Australian Clinical Labs** ((ACL)) **and Healius** ((HLS)), where the tariffs may impact pricing for consumables, but given labour is over 50% of the revenue in terms of the cost input, no major impacts to earnings estimates are anticipated.

For Medtech, including ResMed and **Fisher & Paykel Healthcare** ((FPH)), the estimated tariff exposure is around 10% and 5%, respectively, based on the geographic mix of production. With both companies, there is scope to lift prices and extricate cost savings from input materials.

In terms of exposure to private insurers, ResMed has the highest exposure at over 70% of US revenue.

Goldman Sachs is Buy rated on ResMed, CSL, and Sonic, with a Neutral rating on Cochlear.

Morgan Stanley is more aligned with Goldman Sachs than RBC Capital (see below) when it comes to CSL.

This analyst dissects the relative exposure of CSL to potential tariffs and considers what is currently being discounted in CSL's share price, highlighting the US represents around 50% of the group's revenue and around 35% of the group's revenue is generated from non-US markets.

The analyst also highlights around 60% of the cost of goods sold is plasma collections and around 90% is originated in the US, with circa 10% from non-US markets.

Manufacturing represents around 40% of cost of goods sold, with an assumed circa 75% conducted in non-US markets, which implies around 35% of the US revenue is conducted in non-US markets.

Morgan Stanley explains pharmaceutical products were excluded as part of the reciprocal tariffs, and more notable blood fractions, immunological products, and vaccines for human design were highlighted as exempt under Annex II.

No change to its $313 target price and Buy-equivalent rating. The broker calculates in all different modelling tariff scenarios, the discounted cash flow valuation is above the current share price, now around $242.

Even under a worst-case scenario, Morgan Stanley's DCF modeling still generates a value of $246 for CSL shares.

RBC, by comparison, has conducted a sensitivity analysis on reciprocal tariff rates and estimates an unmitigated impact of a 20% tariff on German pharmaceuticals, 10% on Australian pharmaceuticals, and a 31% tariff on Swiss pharmaceuticals should Trump go ahead on his announcement on April 2 for this sector.

For CSL, this would result in an impact of -$270m-$290m, with the mid-point being an estimated -7% EPS impact.

If the tariffs were to be introduced and remain in place indefinitely, RBC would lower the CSL valuation to $258 per share from $279.

Macquarie also scanned across the potential tariff impacts on healthcare stocks, highlighting **Ansell** ((ANN)) as one of the most impacted, with over 93% of the supply chain facing US tariffs.

Fisher & Paykel Healthcare's position has improved, with all products compliant with the USMCA, i.e. exempt from Mexican tariffs, although NZ is facing a 10% tariff.

ResMed is viewed as well-placed, with around 40% of manufacturing in the US.

Cochlear's hearing implants remain exempt, and CSL is currently exempt, but at risk of potential pharmaceutical sector tariffs.

ResMed, Fisher & Paykel Healthcare, and CSL are all rated with an Outperform or Buy-equivalent rating. While Ansell and Cochlear are ascribed Neutral or Hold-equivalent ratings.

For more details, check out our Daily Monitored FNArena broker coverage at stock analysis here.

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

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

WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 11-04-25

Broker Rating Changes (Post Thursday Last Week)

Upgrade

ARENA REIT ((ARF)) Upgrade to Buy from Hold by Moelis.B/H/S: 0/0/0

Moelis reckons the -17% fall in Arena REIT's share price is overdone, and excluding Goodman Group ((GMG)), it has underperformed the sector by -13%.

In the broker's assessment, the business model is defensive in the current uncertain macro backdrop while also being a beneficiary of likely interest rate cuts.

Rating upgraded to Buy from Hold on valuation grounds. Target unchanged at $3.98.

BLUESCOPE STEEL LIMITED ((BSL)) Upgrade to Overweight from Underweight by Jarden.B/H/S: 0/0/0

Jarden increased its forecasts for BlueScope Steel's 2H25 earnings, with the key driver being a widening in the US and Asian steel spreads.

The broker expects the Trump administration's tariffs to benefit local US steelmakers via higher demand and reduced competition.

The analyst also increased the 2H25 spread estimate for benchmark Asian steel to US$195/t from US$190/t, with the revised numbers now in line with the company's guidance.

Target rises to $24.00 from $23.20. Rating upgraded to Overweight from Underweight on recent share price pullback.

CHAMPION IRON LIMITED ((CIA)) Upgrade to Buy from Overweight by Jarden.B/H/S: 0/0/0

Jarden is forecasting below-consensus production and sales for Champion Iron in the March quarter due to the planned semi-annual mill relining. The broker's costs forecast is also above consensus.

Additionally, the broker has pushed back the forecast for DRPF commissioning to the December quarter from September quarter, though it didn't cite a reason.

Target price drops to $7.02 from $7.34 due to revised timing for DRPF start and ramp-up, plus lower near-term sales price.

Rating upgraded to Buy from Overweight to factor in potential value in DRPF, including further pricing premiums and undeveloped resources.

CAPRICORN METALS LIMITED ((CMM)) Upgrade to Buy from Neutral by Goldman Sachs.B/H/S: 0/0/0

Noting the outperformance of gold stocks in 1Q25 vs the gold price, Goldman Sachs believes gold equities will continue to outperform the commodity this year. This would be on a combination of rising gold prices and lower unit costs.

In the medium term, the broker expects performance to be driven by margins/cash generation, improving balance sheet, and exploration upside, with M&A likely continuing.

Capricorn Metals upgraded to Buy from Neutral as the broker sees potential for continued margin performance at Karlawinda and net cash position even after funding expansion projects.

Target rises to $9.90 from $7.70.

FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED ((FPH)) Upgrade to Neutral from Underweight by Jarden.B/H/S: 0/0/0

The key change in US President Trump's reciprocal tariff announcement last week that has implications for Fisher & Paykel Healthcare was nil tariff on Mexican imports and 10% tariff on NZ imports.

Jarden notes almost all of the company's Mexico imports are compliant with United StatesMexicoCanada Agreement (USMCA), which would mean no tariff. Last month, the broker conducted an analysis on an assumption of a 25% Mexico imports tariff.

The broker's revised estimate suggests the additional cost to the company would be NZ$30m in FY26, down from the previous analysis of NZ$100m. Factoring this into the forecasts, plus exchange rate changes, lowered the FY26 EPS estimate by -3%.

Target lifts to NZ$33.20 from NZ$30.10 on longer-term earnings upgrade and roll forward. Rating upgraded to Neutral from Underweight.

HUB24 LIMITED ((HUB)) Upgrade to Overweight from Market Weight by Wilsons.B/H/S: 0/0/0

Wilsons has upgraded Hub24 to Overweight from Market Weight as the share price is well above its downward revised EPS estimates.

The broker believes the recent share selloff in the wealth platform companies has opened a rare opportunity to buy into these high-quality fintech businesses.

The analyst notes tariffs won't impact the operating of these platforms but lower fees from reduced FUA balances would impact operating leverage. Hub24 is, however, less exposed due to its lower exposure to high net worth and pension phase cohorts.

Target price cut to $65.06 from $82.00.

NETWEALTH GROUP LIMITED ((NWL)) Upgrade to Overweight from Market Weight by Wilsons.B/H/S: 0/0/0

Wilsons has upgraded Netwealth Group to Overweight from Market Weight. Despite lowering FY25-26 EPS forecasts by up to -11%, the broker believes the share price fall is overdone.

The broker reckons the recent share selloff in the wealth platform companies has opened a rare opportunity to buy into these high-quality fintech businesses.

The analyst notes tariffs won't impact the operating of these platforms but lower fees from reduced FUA balances would impact operating leverage.

Target price cut to $25.12 from $32.54.

Downgrade

ABACUS STORAGE KING ((ASK)) Downgrade to Hold from Buy by Moelis.B/H/S: 0/0/0

A consortium of Ki Corporation and Public Storage has offered to acquire the remaining shares in Abacus Storage King for $1.47/share.

The offer is at a -8% discount to NTA, but at a 27% premium to pre-offer close.

Moelis believes it is a positive outcome for shareholders and has a relatively high probability of succeeding in the current form.

Rating downgraded to Hold from Buy. Target rises to $1.47 from $1.38.

LOVISA HOLDINGS LIMITED ((LOV)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Jarden has assessed the impact of US tariffs on Lovisa Holdings, noting the company could take steps to mitigate margin impact.

However, it is also likely to face additional headwind from volume decline due to the impact of higher prices and falling consumer sentiment.

The broker's scenario analysis suggests tariffs on China would lower FY25 profit before tax by -3% and by -11% in FY26.

Relocating supply chains is one of the options, but it is difficult given the lack of cost-effective suppliers near the US and with other Southeast Asian locations also impacted by tariffs.

Rating downgraded to Neutral from Overweight. Target cut to $22.87 from $29.02.

PRAEMIUM LIMITED ((PPS)) Downgrade to Market Weight from Overweight by Wilsons.B/H/S: 0/0/0

Wilsons believes the recent share selloff in the wealth platform companies has opened a rare opportunity to buy into these high-quality fintech businesses.

The analyst notes tariffs won't impact the operating of these platforms but lower fees from reduced FUA balances would impact operating leverage.

In the case of Praemium, the broker lowered EPS forecasts following negative investment returns in late-March and early April, and sees elevated outflow risks in the short-term.

Rating downgraded to Market Weight from Overweight. Target cut to 67c from 89c.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	ARENA REIT	Buy	Neutral	Moelis
2	BLUESCOPE STEEL LIMITED	Buy	Sell	Jarden
3	CAPRICORN METALS LIMITED	Buy	Neutral	Goldman Sachs
4	CHAMPION IRON LIMITED	Buy	Buy	Jarden
5	FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED	Neutral	Sell	Jarden
6	HUB24 LIMITED	Buy	Neutral	Wilsons
7	NETWEALTH GROUP LIMITED	Buy	Neutral	Wilsons
Downgrade				
8	ABACUS STORAGE KING	Neutral	Buy	Moelis
9	LOVISA HOLDINGS LIMITED	Neutral	Buy	Jarden
10	PRAEMIUM LIMITED	Neutral	Buy	Wilsons

Price Target Changes (Post Thursday Last Week)

Company		Last Price	Broker	New Target	Old Target	Change
AAR	Astral Resources	$0.16	Canaccord Genuity	0.41	0.39	5.13%
ADT	Adriatic Metals	$4.04	Canaccord Genuity	4.30	4.75	-9.47%
AEL	Amplitude Energy	$0.17	Canaccord Genuity	0.34	0.35	-2.86%
ALK	Alkane Resources	$0.68	Moelis	1.00	0.75	33.33%
ALL	Aristocrat Leisure	$63.13	Jarden	68.00	67.00	1.49%
AOV	Amotiv	$7.44	Wilsons	9.39	12.70	-26.06%
APZ	Aspen Group	$3.05	Moelis	3.30	3.15	4.76%
ASK	Abacus Storage King	$1.45	Moelis	1.47	1.38	6.52%
ASX	ASX	$67.00	Goldman Sachs	62.00	61.00	1.64%
BGL	Bellevue Gold	$1.15	Goldman Sachs	1.45	1.50	-3.33%
BRG	Breville Group	$27.48	Goldman Sachs	35.00	40.80	-14.22%
			Jarden	32.10	32.60	-1.53%
BRI	Big River Industries	$1.25	Petra Capital	1.78	2.00	-11.00%
BSL	BlueScope Steel	$21.39	Jarden	24.00	23.20	3.45%
CIA	Champion Iron	$4.37	Jarden	7.02	7.34	-4.36%
CMM	Capricorn Metals	$8.89	Goldman Sachs	9.90	7.70	28.57%
			Jarden	9.04	8.04	12.44%
EGG	Enero Group	$0.61	Canaccord Genuity	1.50	2.00	-25.00%
EGL	Environmental Group	$0.22	Moelis	0.36	0.35	2.86%
EVN	Evolution Mining	$7.14	Goldman Sachs	7.40	5.35	38.32%
			Jarden	5.66	4.68	20.94%
GNP	GenusPlus Group	$2.50	Moelis	3.39	3.22	5.28%

GOR	Gold Road Resources	$3.08	Goldman Sachs	3.40	2.80	21.43%
GQG	GQG Partners	$2.00	Jarden	3.05	3.25	-6.15%
GYG	Guzman y Gomez	$33.74	Wilsons	42.88	42.47	0.97%
HMC	HMC Capital	$4.94	Goldman Sachs	10.90	12.30	-11.38%
HUB	Hub24	$64.21	Wilsons	65.06	82.00	-20.66%
HVN	Harvey Norman	$4.91	Jarden	5.40	4.90	10.20%
KAR	Karoon Energy	$1.29	Goldman Sachs	2.09	2.08	0.48%
LAM	Laramide Resources	$0.67	Canaccord Genuity	1.25	1.30	-3.85%
LNW	Light & Wonder	$135.83	Jarden	197.00	200.00	-1.50%
LOV	Lovisa Holdings	$23.96	Jarden	22.87	29.02	-21.19%
MDR	MedAdvisor	$0.09	Moelis	0.11	0.19	-42.11%
MFG	Magellan Financial	$7.27	Goldman Sachs	8.75	10.20	-14.22%
			Jarden	8.55	9.35	-8.56%
			Jarden	8.60	9.35	-8.02%
MM8	Medallion Metal	$0.24	Petra Capital	0.36	0.31	16.13%
MPA	Mad Paws	$0.07	Taylor Collison	0.13	0.12	8.33%
NEM	Newmont Corp	$79.08	Goldman Sachs	95.50	78.50	21.66%
NST	Northern Star Resources	$20.28	Jarden	18.10	15.40	17.53%
NWL	Netwealth Group	$26.36	Wilsons	25.12	32.54	-22.80%
NXG	NexGen Energy	$7.29	Petra Capital	14.10	14.33	-1.61%
NXL	Nuix	$2.48	Moelis	3.07	4.95	-37.98%
PNI	Pinnacle Investment Management	$16.57	Jarden	22.05	22.60	-2.43%
PPS	Praemium	$0.67	Wilsons	0.67	0.89	-24.72%
PPT	Perpetual	$17.42	Jarden	22.75	25.30	-10.08%
PTM	Platinum Asset Management	$0.56	Goldman Sachs	0.56	0.65	-13.85%
			Jarden	0.54	0.69	-21.74%
			Jarden	0.59	0.69	-14.49%
PXA	Pexa Group	$11.44	Jarden	15.50	15.55	-0.32%
QAL	Qualitas	$2.33	Jarden	3.95	4.00	-1.25%
RRL	Regis Resources	$4.39	Goldman Sachs	4.15	2.85	45.61%
WGX	Westgold Resources	$2.82	Petra Capital	4.29	4.36	-1.61%
XRO	Xero	$156.09	Jarden	180.00	177.00	1.69%
Company		Last Price	Broker	New Target	Old Target	Change

More Highlights

BSL BLUESCOPE STEEL LIMITED

Steel & Scrap Overnight Price: $20.50

Jarden rates ((BSL)) as Upgrade to Overweight from Underweight (2)

Jarden increased its forecasts for BlueScope Steel's 2H25 earnings, with the key driver being a widening in the US and Asian steel spreads.

The broker expects the Trump administration's tariffs to benefit local US steelmakers via higher demand and reduced competition.

The analyst also increased the 2H25 spread estimate for benchmark Asian steel to US$195/t from US$190/t, with the revised numbers now in line with the company's guidance.

Target rises to $24.00 from $23.20. Rating upgraded to Overweight from Underweight on recent share price pullback.

This report was published on April 3, 2025.

Target price is **$24.00** Current Price is **$20.50** Difference: **$3.5**
If **BSL** meets the Jarden target it will return approximately **17%** (excluding dividends, fees and charges).
Current consensus price target is **$27.04**, suggesting upside of **31.9%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY25:

Jarden forecasts a full year **FY25** dividend of **60.00** cents and EPS of **104.60** cents.
At the last closing share price the estimated dividend yield is **2.93%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **19.60**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **100.9**, implying annual growth of **-43.9%**.
Current consensus DPS estimate is **60.0**, implying a prospective dividend yield of **2.9%**.
Current consensus EPS estimate suggests the PER is **20.3**.

Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **60.00** cents and EPS of **176.70** cents.
At the last closing share price the estimated dividend yield is **2.93%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **11.60**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **210.1**, implying annual growth of **108.2%**.
Current consensus DPS estimate is **60.0**, implying a prospective dividend yield of **2.9%**.
Current consensus EPS estimate suggests the PER is **9.8**.

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

HMC HMC CAPITAL LIMITED

Wealth Management & Investments Overnight Price: $5.33

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

Goldman Sachs notes HMC Capital will receive $150m interim FY25 dividend in mid-April from its private equity fund HMC Capital Partners Fund 1 (HMCCP) and retain $230m ongoing investment in the fund.

The fund name will change to HMC Capital Partners Fund II with a shift in strategy towards both listed and unlisted opportunities, and the performance fee hurdle will be lifted to 9% from 7%.

The broker cut FY25/26/27 EPS estimates by -7%/-16%/-8%, respectively, to reflect lower management fees and investment incomes and higher expenses.

Target cut to $10.90 from $12.30. Buy retained.

This report was published on April 1, 2025.

Target price is **$10.90** Current Price is **$5.33** Difference: **$5.57**
If **HMC** meets the Goldman Sachs target it will return approximately **105%** (excluding dividends, fees and charges).
Current consensus price target is **$10.46**, suggesting upside of **96.2%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY25:

Goldman Sachs forecasts a full year **FY25** dividend of **12.00** cents and EPS of **51.00** cents.
At the last closing share price the estimated dividend yield is **2.25%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **10.45**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **52.9**, implying annual growth of **180.2%**.
Current consensus DPS estimate is **12.0**, implying a prospective dividend yield of **2.3%**.
Current consensus EPS estimate suggests the PER is **10.1**.

Forecast for FY26:

Goldman Sachs forecasts a full year **FY26** dividend of **12.00** cents and EPS of **44.00** cents.
At the last closing share price the estimated dividend yield is **2.25%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **12.11**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **42.4**, implying annual growth of **-19.8%**.
Current consensus DPS estimate is **12.4**, implying a prospective dividend yield of **2.3%**.
Current consensus EPS estimate suggests the PER is **12.6**.

Market Sentiment: **0.6**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

LAM LARAMIDE RESOURCES LIMITED

Uranium Overnight Price: $0.73

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

Not much to report from Laramide Resources' FY24 result, but Canaccord Genuity is looking for positive news flows this FY, including final permit approval at the Churchrock-Crownpoint project in New Mexico.

The broker also expects a repeal of the Queensland uranium ban, noting Boss Energy's ((BOE)) move last month to raise its interest in Laramide to 18.4% from 9.4% was with an eye on this possibility. If this happens, the broker sees a significant lift in interest in the stock.

Speculative Buy. Target $1.25.

This report was published on April 2, 2025.

Target price is **$1.25** Current Price is **$0.73** Difference: **$0.52**
If **LAM** meets the Canaccord Genuity target it will return approximately **71%** (excluding dividends, fees and charges).
The company's fiscal year ends in December.

Forecast for FY25:

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 7.06** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 10.34**.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 7.36** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 9.91**.

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

D2O DUXTON WATER LIMITED

Agriculture Overnight Price: $1.38

Petra Capital rates ((D2O)) as Buy (1)

Duxton Water has agreed with current manager Duxton Capital Australia to internalise the management team. The original management agreement is due to expire in July 2026, and a transition services agreement will now be put in place, subject to shareholder approval.

Petra Capital estimates the total payment to Duxton Capital Australia will equate to 3% of NAV post-tax, and the transition agreement amount is 29% higher than the current management fee forecast.

No changes to forecasts as the broker awaits more details in the independent expert report to be released in May.

Buy. Target unchanged at $2.10.

This report was published on April 7, 2025.

Target price is **$2.10** Current Price is **$1.38** Difference: **$0.725**
If **D2O** meets the Petra Capital target it will return approximately **53%** (excluding dividends, fees and charges).
The company's fiscal year ends in December.

Forecast for FY25:

Petra Capital forecasts a full year **FY25** dividend of **7.40** cents and EPS of **18.20** 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 **7.55**.

Forecast for FY26:

Petra Capital forecasts a full year **FY26** dividend of **7.70** cents and EPS of **10.60** cents.
At the last closing share price the estimated dividend yield is **5.60%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **12.97**.

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

GYG GUZMAN Y GOMEZ LIMITED

Food, Beverages & Tobacco Overnight Price: $31.10

Wilsons rates ((GYG)) as Overweight (1)

Guzman y Gomez recorded strong same-store sales growth in its Australian business in 3Q25, up 11.1% year-on-year versus 5.9%.

Wilsons' notes network sales was up 24% to $290m, with Australia network contributing $268m, up 23%, Singapore $17m, and Japan $2m.

The company reaffirmed FY25 guidance for 31 store openings in Australia and other key metrics.

Overweight. Target of $42.47 is under review as the broker sees scope for a modest upgrade on likely upward revision to its 8.5% FY25 same-store sales growth forecast.

This report was published on April 8, 2025.

Target price is **$42.47** Current Price is **$31.10** Difference: **$11.37**
If **GYG** meets the Wilsons target it will return approximately **37%** (excluding dividends, fees and charges).
Current consensus price target is **$38.33**, suggesting upside of **19.9%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY25:

Wilsons forecasts a full year **FY25** dividend of **0.00** cents and EPS of **21.30** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **146.01**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **12.3**, implying annual growth of **N/A**.
Current consensus DPS estimate is **4.7**, implying a prospective dividend yield of **0.1%**.
Current consensus EPS estimate suggests the PER is **259.9**.

Forecast for FY26:

Wilsons forecasts a full year **FY26** dividend of **0.00** cents and EPS of **33.90** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **91.74**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **25.7**, implying annual growth of **108.9%**.
Current consensus DPS estimate is **12.3**, implying a prospective dividend yield of **0.4%**.
Current consensus EPS estimate suggests the PER is **124.4**.

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

TERMS AND CONDITIONS OF USE, AND DISCLAIMERS

These Terms and Conditions of Use, and Disclaimers constitutes your agreement with FNArena Ltd with respect to your use of its FNArena website, its weekday news periodical, Australian Broker Call, as well as any other publications (including articles) FNArena may publish on its website, or anywhere else, from time to time.

Please read the contents of this page carefully as it contains important legal information and disclaimers. By entering and perusing the website, reading the Australian Broker Call, or, if you are subscriber, by entering the password protected part of the website, you acknowledge that you have read, understood and accept this agreement.

By accepting this agreement you acknowledge, understand and accept the following:

1. Reference to “FN Arena” and “FNArena” means reference to FNArena Ltd, its journalists, directors, other employees, affiliates, agents, associates and subsidiaries.

2. FNArena Ltd is the owner of the FN Arena website and brand name.

3. Reference to “we” or “us” is reference to FNArena.

4. Reference to “this website” or the “FNArena website” means reference to www.fnarena.com, and includes reference to FNArena’s weekday news periodical, Australian Broker Call, as well as any other publications (including articles) FNArena may publish on this website, or anywhere else, from time to time.

5. Reference to “news periodicals” means reference to FNArena’s weekday periodical, Australian Broker Call, as well as any other periodicals FNArena may publish from time to time on this website, or anywhere else, from time to time.

6. Reference to “publications” in this agreement means any material, including articles, published or put in print on the FNArena website, or anywhere else, whatsoever, and includes FNArena’s weekday periodical, Australian Broker Call, and any other periodicals FNArena may publish from time to time.

7. Reference to a “visitor” means, you, a visitor to this website, and includes a subscriber to Australian Broker Call as well as any other publications or periodicals FNArena may, from time to time, publish through its website.

8. FNArena is a media company which employs financial journalists to report financial news. FNArena’s journalists perform the required research and collect the information that is, ultimately, each day, published on this website and in FNArena’s news periodicals. As is obvious, the process by which the information is collected and delivered to you is a purely journalistic one and, therefore, the comments, opinions and recommendations FNArena reports on this website are not the opinions of FNArena or any of its journalist or other employees. FNArena is ONLY and specifically a

matter-of-fact reporter of industry signals suggesting price direction probability of some shares. FNArena simply delivers the information – it does not create it.

9. Although FNArena obtains the information published herein from sources deemed to be reliable, and given and received in good faith, it cannot and does not guarantee its accuracy. FNArena does not take any responsibility either for the financial soundness or for the correctness of statement made or opinion expressed in the data or content reported by FNArena, and cannot and does not guarantee the reliability and accuracy of the opinions of the brokers whose opinions, recommendations and forecasts it reports.

10. FNArena publishes this website, all publications and its periodicals strictly for convenient personal, non-commercial, educational and informational purposes of its subscribers only. Our goal is to provide the subscribers with a convenient starting point of potentially useful, but not comprehensive, content that can educate or otherwise enhance a visitor's knowledge base and frame of reference.

11. FNArena is NOT a stock broker or financial or trading advisor, nor is it an advisory service of any kind, and no advice or recommendations on investments or trading are made nor implied on this website. Nothing contained in this website is intended to be, nor shall it be construed as, advice or recommendation. Any investment or other decisions made by you must be based solely on your own evaluation of the targeted subject for investment, and your financial circumstances and investment objectives, and FNArena will not be held liable for any such investments and decisions.

12. It is distinctly understood and accepted that the shares referred to in the FNArena website, FNArena's publications and/or periodicals have not been recommended by FNArena. The content and or any comments found of this website, including the content and/or comments published in any publication and/or periodicals published by FNArena, do not constitute a recommendation or endorsement by FNArena with respect to any company, security, share or investment or any financial or investment product.

13. This website makes no representations, and, to the extent allowed by the law, specifically disclaims all warranties, express, implied or statutory, regarding the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any material contained in the website.

14. Before making an investment decision, you must do your own research and rely on your own examination of the share, and the risk involved, and not on what you read on the FNArena website, or in any publication or periodical. The content of this website is provided strictly for convenient personal, non-commercial educational and informational purposes only and FNArena shall not be held liable for any investment decisions, sales or purchase decisions, which you may have made based on what you have read on this website or in the periodicals published by FNArena from time to time, or in any other publications FNArena may publish on its website, or anywhere else, from time to time. Anyone who makes investment decisions based on what they read on this website does so at their own risk, and agrees that they cannot hold FNArena responsible and/or liable for any loss whatsoever.

15. It is your responsibility to evaluate the completeness, accuracy and usefulness of any content made available on this website. If you are unsure, or in doubt about the meaning of any information, you should consult your financial advisor.

16. FNArena does not guarantee any returns on investments made in any share mentioned on this website by the visitors. As any investor well knows, any investment opportunity, strategy or concept involves a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. FNArena strongly suggests that you consult your own financial advisors regarding the soundness of any intended investments, strategies or concepts, and discuss with such advisor your individual investment needs and goals. You may also wish to consult the broker who expressed the opinion we have reported on in the news periodicals we publish.

17. FNArena shall not be held liable to any visitor of the FN Arena website, or any reader of its periodicals and/or publications, or anyone else who may have relied on this website, directly or indirectly, for any inaccuracies in the printed material found on the FN Arena website, in the periodicals and/or other publications, any typing errors, omissions, interruptions, timeliness, completeness, deletions, defects, failure of performance, computer virus, communication line failures, alterations of, or use of any content herein, regardless of cause, for any loss or damage resulting therefrom.

18. Under no circumstances, including, but not limited to negligence, shall FNArena be liable for any direct, indirect, incidental, special or consequential damages that result from the use of, or the inability to use, the FNArena website, and any or the FNArena's publications and/or periodicals.

19. As a condition of use of the FNArena Website, FNArena's publications and periodicals, you agree to indemnify FNArena and all those affiliated with it from and against any and all liabilities, expenses (including legal costs) and damages arising out of claims resulting from your use of the FNArena website, FNArena's publications and periodicals. If you are uncertain about this agreement or the contents of the FNArena's website, or are dissatisfied in any shape or from, with the content of the FNArena website, or any of the publications or periodicals, or you do not agree with these terms and conditions, your sole and exclusive remedy is to discontinue using the FNArena website, FNArena's publications and periodicals.

20. FNArena may, from time to time, publish advice, opinions and statements of various third parties, other than the ten stock brokers, and various other information and content providers. FNArena does not represent or endorse the accuracy or reliability of any advice, opinion, statement or other information provided by these third parties. Reliance upon any such opinion, advice, statement, or other information is at your own risk.

21. The FNArena website may contain links and pointers to websites maintained by third parties. FNArena does not operate or control in any respect any information, products or services on such third-party websites. Third party links are included solely for the convenience of visitors, and do not constitute any endorsement by FNArena of any products or services provided by the third party link owners or operators. FNArena has no control over any websites that we might link to and does not

take responsibility for their quality, content or suitability.

22. FNArena is not responsible for claims made by advertisers on the FN Arena website or in any of its periodicals. Such advertisements are included solely for the convenience of visitors, and do not constitute any endorsement by FNArena of any products or services advertised. FNArena does not check the accuracy of the statements made by the advertisers. You assume sole responsibility for the access and use of third party links and pointers from the FN Arena website, as well as any purchases you may make from those third parties (including advertisers).

23. All the content, information and material made available on this website are provided to you “as is” and without warranty of any kind from FNArena whether express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, title, non-infringement, security or accuracy, nor does FNArena endorse or take any responsibility for the accuracy or reliability of any opinion, advise or statement made through the FN Arena website, its periodicals, or for making good all or part of any loss and/or damage that may have been caused by the visitor’s reliance on any information, advise, product or service obtained from a linked website.

24. FNArena is not liable for any copyright infringements incurred by any outside content or information contributors, or by third parties who have links to this website, or advertise on this website.

25. FNArena reserves the right to make any and all changes to the FN Arena website, including the publications and periodicals, at its sole discretion without notice to you. FNArena reserves the right to deny access to this website or its information to anyone at any time.

26. This agreement shall be deemed to include all other notices, policies, disclaimers, and other terms contained in the FNArena website, provided, however, that in the event of a conflict between such other terms and the terms of this agreement, the terms of this agreement shall prevail.

27. FNArena shall have the right, at its discretion, to change, modify, add or remove terms of this agreement at any time. Changes shall be effective immediately. Notification of any such changes shall be made herein, therefore, you are strongly advised to read these terms each time you wish to access the FN Arena website or any periodical.

28. No permission is granted to copy, distribute, modify, post or frame any text, graphics, video, audio, software code, or viewer interface design or logos. The entire FNArena website, including the publications and periodicals, is subject to copyright with all rights
reserved. The information contained in the website, including the publications and periodicals, shall not be published, rewritten for broadcast or publication or redistributed in any medium, or for any other reason whatsoever, without prior written permission from FNArena.

29. All original content is the copyrighted property of FNArena.


fn arena
PASSIONATE ABOUT FINANCIAL NEWS
Financial News for the Bright and the Uneducated. And for everybody else in between.
FN Arena News
Building the Future of Financial Journalism
www.fnarena.com
Trials are free and without any obligation