WEEK 4

FINANCIAL NEWS, ANALYSIS & DATA

STORIES TO READ FROM FNArena

Friday, 24 January 2025

Insurers To Pamper Shareholders With Buybacks

ESG Focus: Challenges & Hurdles Await In 2025

Rudi's View: Feb Season's Best Buys & Key Picks

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FNArena
Financial News, Data & Analysis

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WEEKLY REPORTS

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AUSTRALIA

The Market In Numbers - 18 Jan 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	18 Jan 2025	Week To Date	Month To Date (Jan)	Quarter To Date (Jan-Mar)	Year To Date (2025)	Financial Year To Date (FY25)
NZ50	13130.430	1.82%	0.15%	0.15%	0.15%	12.06%
All Ordinaries	8557.40	0.16%	1.63%	1.63%	1.63%	6.78%
S&P ASX 200	8310.40	0.20%	1.85%	1.85%	1.85%	6.99%
S&P ASX 300	8242.50	0.18%	1.77%	1.77%	1.77%	6.93%
Communication Services	1635.10	-0.57%	0.47%	0.47%	0.47%	8.92%
Consumer Discretionary	3928.00	-1.17%	0.43%	0.43%	0.43%	11.86%
Consumer Staples	11667.80	0.35%	-0.86%	-0.86%	-0.86%	-5.74%
Energy	9104.70	3.19%	5.59%	5.59%	5.59%	-9.24%
Financials	8728.70	-0.63%	1.33%	1.33%	1.33%	13.99%
Health Care	44866.50	-1.91%	-0.04%	-0.04%	-0.04%	1.38%
Industrials	7763.20	0.59%	1.53%	1.53%	1.53%	13.97%
Info Technology	2688.80	-3.12%	-1.90%	-1.90%	-1.90%	14.83%
Materials	16808.80	2.63%	4.24%	4.24%	4.24%	-0.41%
Real Estate	3928.20	1.66%	4.43%	4.43%	4.43%	10.24%
Utilities	9206.10	1.40%	1.92%	1.92%	1.92%	-0.85%
A-REITs	1797.60	1.69%	4.61%	4.61%	4.61%	10.67%
All Technology Index	3765.60	-2.09%	-1.05%	-1.05%	-1.05%	20.00%
Banks	3640.00	-0.87%	0.93%	0.93%	0.93%	13.92%
Gold Index	9430.30	4.99%	11.95%	11.95%	11.95%	28.18%
Metals & Mining	5472.20	2.50%	4.12%	4.12%	4.12%	-1.41%

The World

Index	18 Jan 2025	Week To Date	Month To Date (Jan)	Quarter To Date (Jan-Mar)	Year To Date (2025)	Financial Year To Date (FY25)
FTSE100	8505.22	3.11%	4.06%	4.06%	4.06%	4.18%
DAX30	20903.39	3.41%	4.99%	4.99%	4.99%	14.63%
Hang Seng	19584.06	2.73%	-2.37%	-2.37%	-2.37%	10.53%
Nikkei 225	38451.46	-1.89%	-3.62%	-3.62%	-3.62%	-2.86%
DJIA	43487.83	3.69%	2.22%	2.22%	2.22%	11.17%
S&P500	5996.66	2.91%	1.96%	1.96%	1.96%	9.82%
Nasdaq Comp	19630.20	2.45%	1.65%	1.65%	1.65%	10.70%

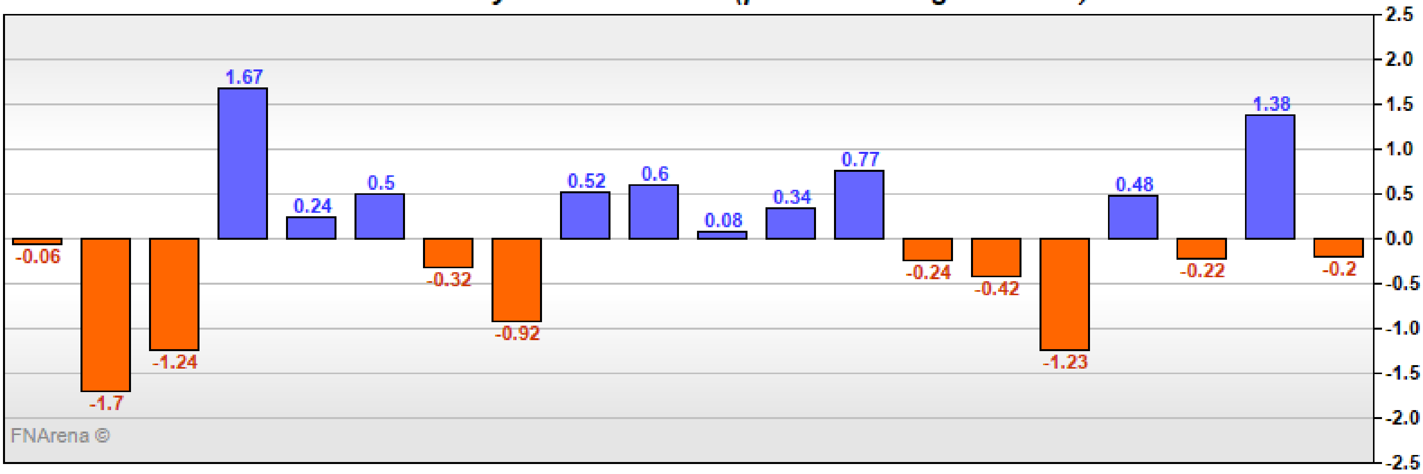
Metals & Minerals

Index	18 Jan 2025	Week To Date	Month To Date (Jan)	Quarter To Date (Jan-Mar)	Year To Date (2025)	Financial Year To Date (FY25)
Gold (oz)	2746.79	2.04%	4.57%	4.57%	4.57%	17.49%
Silver (oz)	31.61	1.80%	4.57%	4.57%	4.57%	8.05%
Copper (lb)	4.4380	2.88%	8.34%	8.34%	8.34%	2.41%
Aluminium (lb)	1.1859	3.45%	3.74%	3.74%	3.74%	5.46%
Nickel (lb)	7.0331	-1.56%	-1.56%	-1.56%	-1.56%	-9.58%
Zinc (lb)	1.2943	0.63%	-4.22%	-4.22%	-4.22%	-2.40%
Uranium (lb) weekly	74.00	-2.63%	2.78%	2.78%	2.78%	-11.11%
Iron Ore (t)	100.49	2.45%	-3.23%	-3.23%	-3.23%	-5.65%

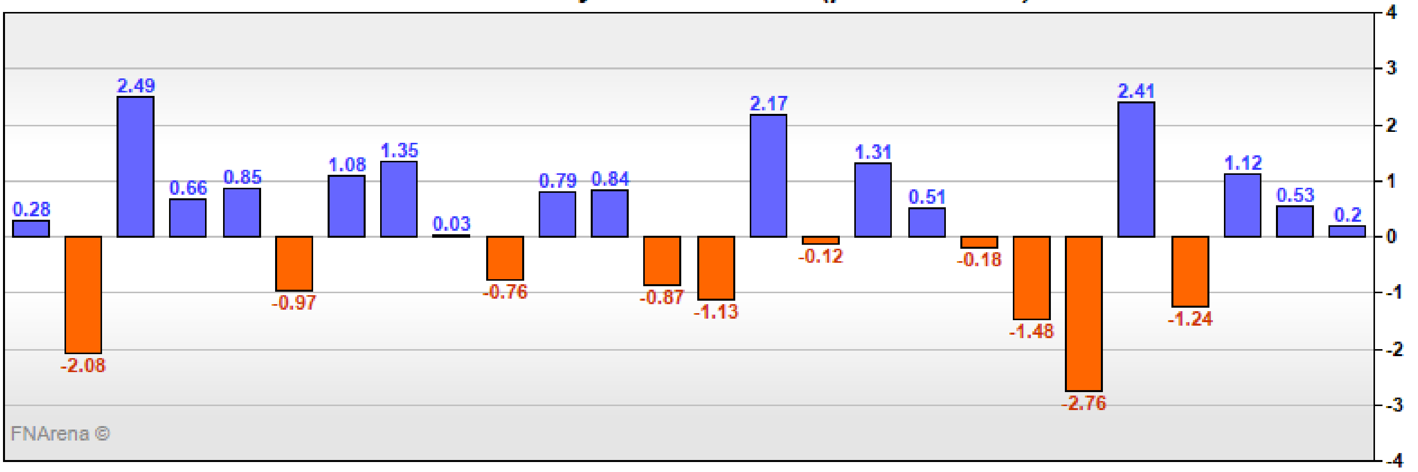
Energy

Index	18 Jan 2025	Week To Date	Month To Date (Jan)	Quarter To Date (Jan-Mar)	Year To Date (2025)	Financial Year To Date (FY25)
West Texas Crude	77.86	4.82%	12.06%	12.06%	12.06%	-4.89%
Brent Crude	81.28	5.37%	12.02%	12.02%	12.02%	-4.87%

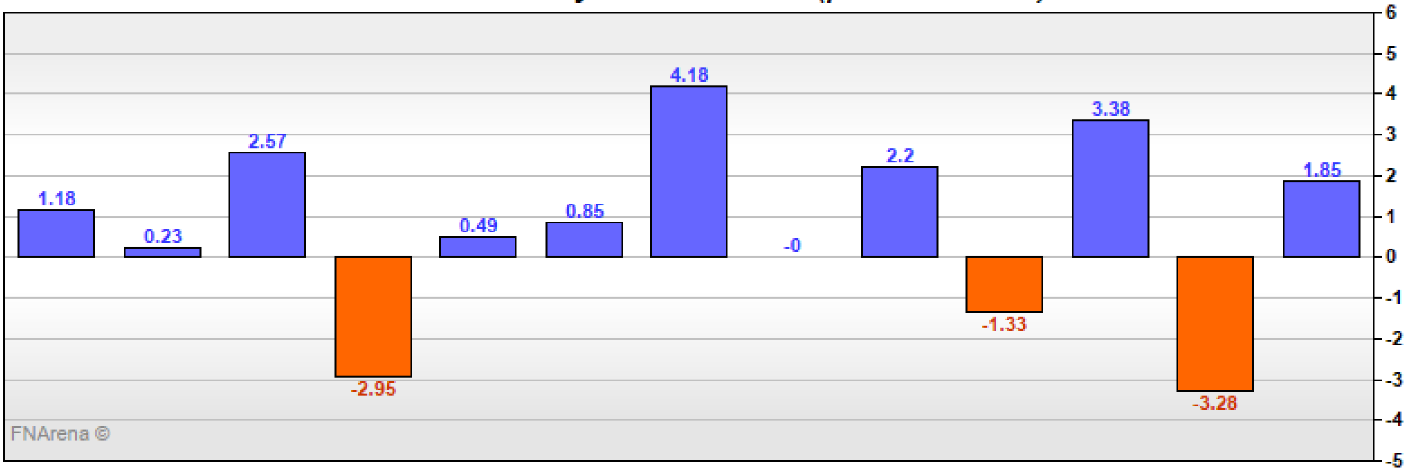
ASX200 Daily Movement in % (past 20 trading sessions)



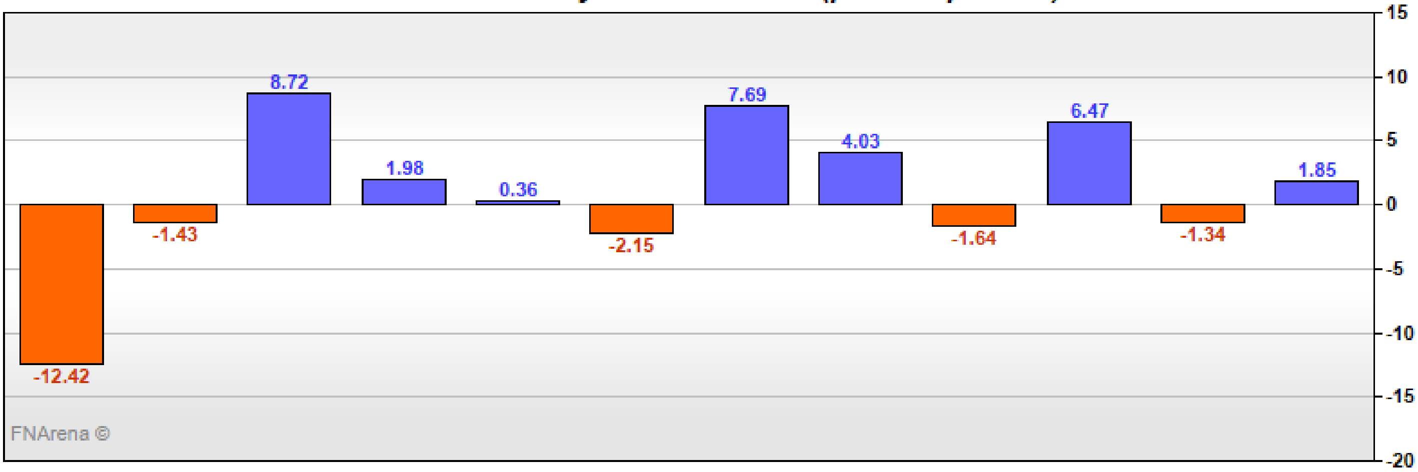
ASX200 Weekly Movement in % (past 26 weeks)



ASX200 Monthly Movement in % (past 13 months)



ASX200 Quarterly Movement in % (past 12 quarters)



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

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FNArena welcomes comments and suggestions at info@fnarena.com

AUSTRALIA

Hub24 Record Sparks Valuation Concerns

Wealth management platform Hub24 posted record net inflows in the December quarter, well ahead of forecasts, but an elevated valuation is under question.

-Hub24 breaks funds inflow record
-Ongoing and new platform migrations support flows
-Advisor numbers increase beyond expectation
-Strong share price rally keeps most ratings on Neutral/Hold

By Greg Peel

Wealth management platform Hub24 ((HUB)) has reported December quarter net inflows around 10% above consensus forecasts. Management reiterated confidence in meeting an aspirational FY26 platform funds under management (FUA) target of $115-$123bn. Current flows and market movements are progressing ahead of the company's internal assumptions.

Hub24 enjoyed record net inflows over the quarter of $5.5bn. Platform FUA grew 8.1% sequentially, comprising net inflows of 6.0% and a market movement of 2.1%. Bell Potter notes this demonstrates an allocation to global equities with a declining AUD. Markets were mixed over the quarter with the ASX200 returning -0.8%, S&P 500 2.1% and MSCI World -0.4%.

Outflows of -2.9% drove the beat (compared to -3.5% a year ago). It was the strongest result since March 2022.

Pooled Cash, despite the uplift in equity markets, remained broadly consistent with that of second half FY24 (some 7% FUA) -- an impressive result, Wilsons suggests, highlighting the recent trend of Pooled Cash as a percentage of FUA compression continues to abate.

Financial intermediaries (advisors) grew by 166 versus an average of 128 from the first quarter FY19 to the first quarter FY25. Advisor numbers grew by 13.7% year on year to 4886.

Organic and Inorganic

Total platform FUA grew to $12.9bn, ahead of expectation, which includes funds from the 2020 acquisition of Ord Minnett's Portfolio Administration & Reporting Service (PARS).

In 2023, Hub24 entered into an agreement to provide Equity Trustees ((EQT)) with custodial platform administration and technology solutions. The EQT transition remains on track with $1.5bn migrated in the December quarter to bring total migrated to date to $4.1bn. Management continues to expect the remainder of FUA ($0.9bn) to migrate in the second half.

Hub24 Super was selected during the quarter as the successor fund for ClearView Wealth Foundations with up to $1.3b of new FUA to be moved onto Hub's Discover solution (Retail FUA).

On the other hand, the wealth platform announced the closure of the Xplore Managed Discretionary Account service which currently holds some $2bn of FUA, but announced it had been chosen as the successor fund for $1.3bn.

Management nevertheless suggested it considers some $2bn to be "at risk" of moving elsewhere. Citi expects majority of the FUA to move away from Hub and would further raise questions on Hub's M&A strategy. However looking ahead, Citi sees the decision as a positive as it reduces operational complexity and likely improves operating leverage.

Valuation

Looking forward, Jarden sees scope for Hub to continue to gain market share, with the FY26 outlook increasingly well underpinned by: i) growing adviser numbers on the platform, ii) new distribution agreements, and iii) more than $2bn from one-off migrations (EQT and ClearView). Accordingly, Jarden views Hub's FY26 FUA guidance of $115-123bn as conservative, particularly relative to the broker's updated view of FY26 for FUA of $135bn.

With Hub continuing to invest in a range of features including a pilot for Engage, further property features for Class and additional forex capabilities, the growth outlook appears to be solid, Jarden suggests. Nevertheless, although Hub offers better than 25% two-year earnings per share growth, trading at a rich valuation (12 month forward PE of 55.5x), Jarden believes the positive outlook is largely priced in and retains an Underweight rating.

Jarden's price target increases to $60.05 from $50.85.

Hub's December quarter headline net flows were the largest on record and beat expectations, with large client migrations landing and strong organic net flows coupled with solid adviser growth. UBS lifts its FY25 flows forecast to $18.7bn and considers current guidance cum-upgrade.

Yet, while operating momentum is strong, with Hub now trading at around a 20% premium to its five-year average PE, UBS sees limited value appeal, supporting a Neutral rating. UBS' target rises to $75.50 from $70.00.

At a 55x PE, and around a 28% FY24-FY27 compound annual earnings growth rate, valuation equally remains a challenge for Moelis, as the market appears to be capturing significant growth over the next five years for both Hub24 and the industry. This broker maintains a Hold rating with a target price of $77.08, up from $67.92.

Citi upgrades its net flow forecasts for FY25 to $18.8bn (up 8%) and this could be conservative, the broker admits. Citi lifts its target to $74.50 from $73.80 and maintains a Neutral rating.

Hub's quarterly update was "excellent", in Ord Minnett's view, with persistent and broad-based natural flow across the platform. Given recent share price weakness, and an obvious continuation of recent strong operating performance, Ord Minnett takes the opportunity to upgrade to Buy from Hold, with a target of $73.00.

The update further demonstrated Hub's increasingly strong position and momentum in the market with Pooled Cash pleasingly also stabilising further, Wilsons believes. This broker continues to see a strong earnings growth outlook with Hub clearly well ahead of near-term targets. Wilsons is Overweight.

While Hub is currently trading at an elevated one-year forward PE, Bell Potter would view this as a blunt instrument given i) the high growth, ii) longer-term appeal, and iii) confidence in the operating conditions to FY26. Bell Potter has elected to drop its discounted cash flow valuation, increasing its target price by 8% to $79.20 using a sum-of-the-parts model.

Bell Potter's Buy rating is predicated on Hub's solution ecosystem and enterprise value to FUA discount versus rival Netwealth Group ((NWL)).

In a brief note, Morgan Stanley reiterated its Overweight rating and $71.00 target.

Canaccord Genuity has downgraded to Hold from Buy, on valuation, as its revised price target doesn't reach beyond $74.65 (up from $65.80). Canaccord's own industry feedback has firmed the view both Hub24 and Netwealth will continue increasing their market share in the years ahead.

AUSTRALIA

Insurers To Pamper Shareholders With Buybacks

Analysts anticipate buyback announcements during the February reporting season will help sustain ongoing share price gains for the big three general insurers on the ASX.

-Ongoing share price upside potential for ASX-listed general insurers
-Share buybacks a near-term positive catalyst
-Preferred sector exposures and potential risks

By Mark Woodruff

After material share price outperformance by the big three General Insurers on the ASX last year, new research reports out this week from several broking houses suggest further upside potential in 2025.

While the ASX200 gained 11% (total return) in 2024, shares in Insurance Australia Group ((IAG)), Suncorp Group ((SUN)), and QBE Insurance ((QBE) gained 54%, 44% and 34%, respectively, but are still only trading on mid-cycle multiples, highlights Morgan Stanley.

A near-term positive share price catalyst in 2025, according to this broker, will be the start of share buybacks following several years of strong profits and improving earnings quality, highlighted by catastrophe (CAT) costs coming in below budgets in the past six to twelve months.

On the flipside, the analysts suggest investors monitor lower margin momentum into FY26, should insurance pricing slow further following recent outsized price increases.

While pricing is slowing, it is still strong enough to drive healthy revenue growth for the insurers, which the broker believes will exceed claims inflation.

Due to lower pricing, Morgan Stanley expects gross written premium (GWP) growth to moderate to high single digits in FY25 for Suncorp and IAG, while QBE is projected to see a modest growth improvement as portfolio exits conclude.

Despite slowing GWP growth, double-digit profit growth remains achievable.

The broker explains premiums typically take 12-24 months to earn-through, which supports margin expansion as net earned premium (NEP) growth stays elevated while inflation continues to ease.

For instance, Suncorp is forecast to deliver 20% growth in underlying insurance profit in FY25, nearly matching the group's strong performance in 2024.

<u>Capital returns</u>

Citi expects the majority of **Suncorp**'s $4.1bn in bank sale proceeds to be returned to shareholders through a capital reduction and share consolidation, with the potential for a small special dividend.

While these proceeds are well understood, Morgan Stanley forecasts an additional $625m in on-market buybacks beginning in the second half of FY25 and extending to FY27. In total, the analysts estimate Suncorp will return nearly $7.0bn of capital over several years.

For **IAG**, Morgan Stanley recalls the board paused its $350m buyback after completing just $37m due to the RACQ acquisition in late-2024. Following a strong first half of FY25, the broker anticipates a $350m buyback will be announced alongside first half results in February.

QBE Insurance will be releasing full year results next month and Morgan Stanley believes a US$300m (or around $485m) buyback will be revealed.

Preferred exposures and key risks

From updated research issued by four brokers in the FNArena database over the last week, QBE Insurance is the most favoured sector exposure.

Morgans feels QBE's price earnings valuation discount of around -8% to peers is overdone, given a strong improvement in financial performance over recent years (e.g. the company is now producing a circa 16% return on equity).

QBE's exact exposure to the Los Angeles wildfires is a clear topic of interest, with the broker noting industry loss estimates of around -US$40bn.

Losses for QBE should be relatively manageable, concludes UBS, as statutory data show relatively low market shares for the insurer across key exposed classes in California.

UBS makes no changes to its earnings forecasts for QBE given the wildfires event has occurred early in the year with significant CAT budget capacity remaining, though Citi cautions there may be some international market and reinsurance market exposure.

Overall, Citi anticipates benign weather will help QBE's FY24 reported combined operating ratio (COR), a key metric used in the insurance industry to measure underwriting profitability.

While insurance rate increases are likely to slow and potentially soften in some areas, the analysts believe plenty of profitable underwriting opportunities are available.

Suncorp and IAG should also benefit from benign weather, according to Citi, assisting their upcoming first half reported insurance margins, while investment returns also look set to be strong.

While preferring QBE and IAG, this broker expects management at Suncorp will report strong results, maintaining the company's strong share price momentum.

In a warning applicable to all three insurers, Morgan Stanley reminds investors to be mindful of increasing regulation, sharply lower pricing or investment yields, persistent inflation, and a sudden pick up in CAT costs.

Aligning with the new research updates over the past week, QBE is the most favoured in the FNArena database.

The average target price by seven covering brokers updated daily is $21.71, suggesting around 6.70% upside to the share price (estimated dividend yield 3.9%).

Of the seven brokers, five have Buy ratings (or equivalent) for QBE and two are on Hold.

For the six brokers researching IAG, there are two Buys and four Holds with an average target of $8.83, while for Suncorp Group there are three Buys and Holds.

The average targets for IAG and Suncorp Group of $8.72 and 20.09, respectively, broadly align with their latest share prices.

Outside of daily coverage, QBE and Suncorp have two Buy ratings each and IAG has one Buy and one Hold.

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BOOK REVIEWS

FNArena Book Review: The Men Who Killed The News

The men who killed the news by Eric Beecher, published by Scribner Australia.

By Rudi Filapek-Vandyck

Eric Beecher's 400 pager on the questionable status of global news reporting media is a project ten years in the making.

As a whole lot has happened over that period, the title no longer fully covers the content. By now, social media and Gen.Ai are as big a threat as the likes of Murdoch and Bezos. But ten years have also provided plenty of time to analyse and research the subject and 50 pages of literature references indicate the author has spent his time well.

In his younger years as a driven, gung ho journalist, Beecher worked two years inside the Murdoch empire, as editor of The Melbourne Herald. This experience provides some of the most valuable insights given this information is not available from our local library.

"When Rupert Murdoch lured me away from my job as editor of *The Sydney Morning Herald*, then arguably the best newspaper in Australia, I was thirty-six and loved being a serious journalist."

Page 165: "When I finally resigned, I left without a payout because I refused to sign a non-disclosure agreement that would have gagged me from ever talking or writing about my experiences at the company. We all need to decide for ourselves what we can live with [...]"

Needless to say, Beecher is not a fan of the Murdoch empire, which is not surprising given his passion for old fashioned 'truthful' news reporting. Then again, there's plenty of historical background in the book to suggest not everything was as straightforward as one might have believed throughout the decades past.

Maybe deep throat and US president Nixon resigning in 1974 were more of an exception rather than the rule? If this still triggers a public debate, the changes since then, globally and universally, are hardly up for any discussion.

The news media today are but a bleak shadow of what they still represented only 10-20 years ago, and the trend is not getting any better. Now Elon Musk is in on the game, as is Zuckerberg's Meta, and Ai already is writing content and populating websites.

One of the stand-out anecdotes relates to the Fairfax board when Beecher presented his future outlook around 2003, suggesting the mighty newspaper empire needed to act as the likes of REA Group, Seek and Carsales were eyeing its 'rivers of gold'; classifieds ads that provided the financial security underneath the many newsrooms and printing presses.

The response?

"After I finished presenting my findings to the full Fairfax board, a visible agitated director strode to the head of the boardroom table, picked up a copy of one of the company's hefty broadsheets, bulging with classified ads, and dramatically held it aloft. Then he told his fellow directors that he never again wanted anyone coming into the boardroom suggesting that people would 'buy houses or cars or look for jobs without *this*!' as he dropped the lump of newsprint onto the boardroom table with a loud thud."

And just like that, Australia now has its own Kodak or Nokia reference point.

The rest, as they say, is history. REA Group and (renamed) Car Group are now among the largest and most successful companies on the ASX and the once mighty Fairfax is but a small (and shrinking) part of the Nine Entertainment media group, whose size is equally steadfastly sliding south (another restructuring is already in motion).

The men who killed the news offers so much more as it recalls the empires built by Conrad Black, William Randolph Hearst, Henry Luce, Robert Maxwell, Silvio Berlusconi, Kerry Packer, and many others. They all abused their power, manipulated the truth and distorted democracy, as per the book's subtitle.

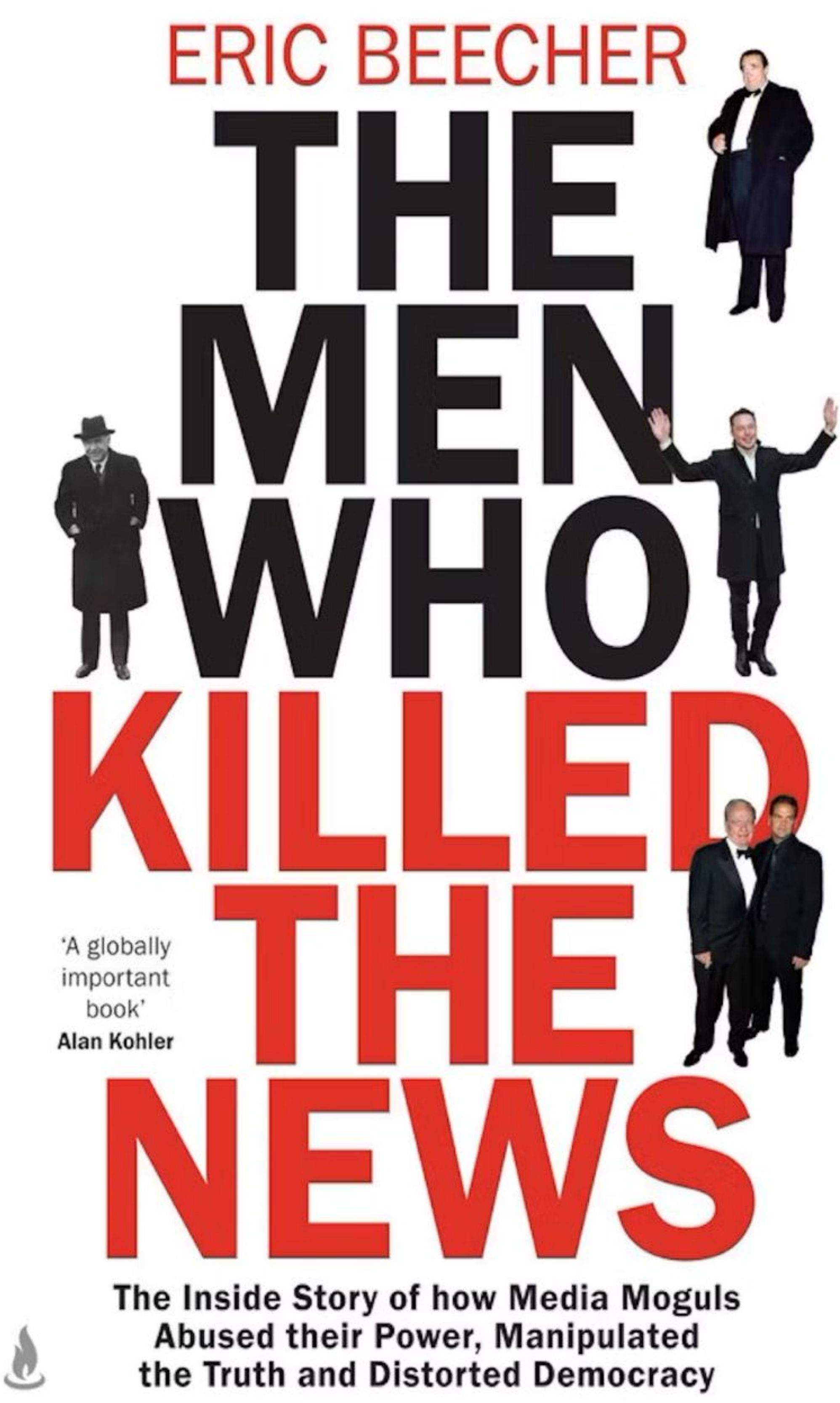
In an era of general distrust and widespread conspiracies and misinformation, where will this end? Can democracy survive without a solid counter-force against attempts to kill the news and replace it with self-serving propaganda and misinformation?

"No-one knows how this story will play out because the traps are so freshly laid."

The book includes several examples of media that have successfully withstood the pressure. These are the small group of exceptions that, maybe one day, might be able to reverse the trend.

Eric Beecher is chair of Solstice Media, The New Daily and Private Media, the publisher of Crikey. In 2007, he received a Walkley Award for journalistic leadership.

The men who killed the news. The inside story of how Media Moguls abused their power, manipulated the Truth and distorted Democracy by Eric Beecher, published by Scribner Australia.



Technical limitations

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COMMODITIES

South32's Update Fuels Analysts' Optimism

Diversified miner South32 exceeded consensus production forecasts in the December quarter. Costs proved higher and prices lower than forecast.

-South32's production exceeded consensus overall
-Costs higher and realised prices lower
-Australia Manganese set to recommence production
-Buybacks likely to be maintained

By Greg Peel

Diversified metals miner South32 ((S32)) reported strong December quarter production, with aluminium, alumina, copper and manganese production all above consensus forecasts. FY25 guidance has been maintained for all assets except for Mozal aluminium in Mozambique, given civil unrest in the country.

Realised pricing for the first half was on balance below forecasts due to pricing lags and timing, and unit costs are expected to be above FY25 guidance for the first half for most assets due to elevated consumable costs and/or inventory unwind. The timing of sales resulted in an increase in receivables, contributing to a working capital build of some US$120m in the quarter.

Production

December quarter aluminium production was up 3% on the prior quarter as Hillside (South Africa) continued to test its maximum technical capacity. Alumina was up 14% as Worsley Alumina (WA) completed planned maintenance and Brazil Alumina benefitted from improved plant availability.

Copper production was up 9% as Sierra Gorda (Chile) benefitted from improved ore quality in the current phase of the mine plan. While Cannington (Qld) zinc production was down -11%, lead and silver were up 57% and 86% to see zinc equivalent production up 56% thanks to higher lead and silver grades.

Manganese production was up 88% as Australia Manganese (Groote Eylandt) resumed production from the primary concentrator and progressed construction of infrastructure as per the recovery plan. The mine was flooded in March care of Tropical Cyclone Megan.

Construction of the Taylor zinc-lead-silver mine (Arizona) progressed as planned in the quarter, as South32 commissioned the hoisting system for the ventilation shaft and commenced shaft sinking.

Morgans was encouraged to see South32 flex alumina volumes, testing the upper operational limits of Worsley, against a backdrop of buoyant prices. Ongoing spot price strength provides a significant earnings tailwind heading into the second half. At Morgans' current forecast alumina price of US$530/t for 2025, the broker expects South32's alumina operations to account for a combined 52% of group earnings.

With spot prices materially higher than Morgans' forecasts, upside risk to these assumptions remains.

Goldman Sachs highlights the strong performance from Sierra Gorda copper in Chile (up 9%), which delivered better than what was thought post the recent site visit to Sierra Gorda in November last year.

Despite civil unrest issues in Mozambique, and management's withdrawal of guidance as a result, Mozal aluminium did not show any significant impact, Goldman notes, with production up by 2% for the quarter and 7% for the half.

Overall, production for the quarter was stronger across the board other than zinc production, down -11% due to grade variances at Cannington.

Costs

Unit costs for most assets in the first half are expected to be above FY25 guidance due to elevated consumable costs and/or inventory unwind. That said, although aluminium costs are expected to increase some 10% half-on-half, this is below Goldman Sachs' prior forecast of a 15-20% increase.

The broker notes that some first half increases will likely be offset in the second half by weaker forex and a reversal of one-off inventory movements, but in Goldman's view there could be some increases to 2025 unit cost guidance with the first half results in February.

Operating unit costs in the first half are expected to reflect the impact of higher raw material input costs in the aluminium value chain, Citi notes, but management expects operating unit costs in the second half to benefit from weaker producer currencies.

Finances

Post completion of its Illawarra (NSW) met coal sale for US$964m in cash proceeds, and ongoing operating cash flow generation, Morgans sees South32 as well positioned to support its dividend and further buybacks while advancing development of Hermosa zinc-lead-silver-manganese (Arizona).

The timing of sales resulted in an increase in receivables, contributing to the working capital build of US$120m in the quarter. UBS expects around -$100m in negative cash flow in the first half, to end the second half roughly net cash. South32 could increase its buyback amount with the first half results, but this is not UBS' base case.

Insurance claims at Groote Eylandt of US$150m were granted in quarter, taking the first half total to US$250m. This carries the asset back to nameplate, Macquarie notes, with production restarting this quarter. Shipping resumption is expected in the December quarter.

Continued portfolio optimisation was highlighted by management, with the Cerro Matoso ferronickel (Colombia) strategic review to be delivered at the first half result. With cost/ production beats, the time for an asset disposal may be right, Macquarie suggests.

Broker Views

South32's December quarter result was pleasing to Macquarie (Outperform) on the production and cost front. The broker awaits the first half result to assess cash flow impacts. Key catalysts are intact and pricing remains resilient.

Morgan Stanley (Overweight) highlights strong production across all assets, outperforming this broker's forecasts significantly, with working capital likely released this half. Although higher costs were flagged across assets, Morgan Stanley still sees underlying operational performance setting the tone for stock performance.

The quarter was strong operationally across most assets but working capital and cost management remain a challenge, UBS (Buy) warns. Aluminium and copper performed better than expected and Cannington improved, delivering strong silver & lead output. Cash conversion remains in focus.

Morgans (Add) sees South32 as offering an attractive basket of mostly base metal exposures, sensitive to an eventual recovery in China/global growth. It also offers diversified exposure to alumina and aluminium, both currently enjoying a healthy up-cycle that could extend beyond consensus estimates, with alumina in particular supported by positive supply fundamentals.

The strong first-half run rate shows most of South32's divisions are tracking ahead of full-year guidance, Ord Minnett (Buy) notes, and this has compensated for increased unit costs and weaker-than-forecast realised prices for some commodities in the quarter.

Post the quarterly report, Ord Minnett increases earnings forecasts, noting the still recovering Groote Eylandt manganese business is excluded from the broker's underlying estimates.

Citi has raised earnings forecasts as it moderates bearish cost assumptions for Hillside and lifts Cannington price realisations, but nonetheless remains Neutral rated.

That leaves five Buy or equivalent ratings and one Hold among brokers monitored daily by FNArena covering South32. The consensus target price is $4.13, suggesting some 14% upside.

It is encouraging to see the improvement in operating performance, Goldman Sachs suggests, which sets up the company for a strong second half, especially with the restart of production from Groote Eylandt in the June quarter.

Goldman Sachs has a Buy rating and $4.00 target.

COMMODITIES

Material Matters: Gold, Copper, Oil & Coal

Analysts see an opportunity within the Australian Gold sector; Cit's subdued copper price outlook; downside pressure for oil; and the outlook for metallurgical coal.

-The opportunity within the ASX Gold sector
-Subdued copper price outlook, according to Citi
-Downside pressures post an oil price rally
-The outlook for metallurgical coal

By Mark Woodruff

The opportunity within the ASX Gold sector

While the Australian dollar gold price has been trading at record highs, Ord Minnett recently highlighted domestic currency weakness has driven a disconnect between Australian gold equities and gold price movements, as passive holdings typically move on US dollar pricing.

Should Australian gold miners deliver on production targets, the analysts anticipate higher margins will attract more attention from bottom-up fundamental investors.

After the around 40% gold price rally during 2024 in Australian dollar terms (circa 30% in US dollars), Goldman Sachs also noted last week both Australian and global gold equities underperformed by around -10% on average over the year.

This broker has retained a constructive outlook on the gold price into 2025/26, partly due to structurally higher central bank demand and cyclical support from a gradual boost to ETF holdings as the US federal funds rate declines.

As gold price increases are expected to outpace cost escalations over the next 12 months, Goldman anticipates its Australian gold coverage will benefit from a growing cash harvest, strengthening balance sheets, increasing capital returns, and potential merger and acquisition opportunities.

Highlighting sensitivity of the broker's gold price forecasts to interest rate change, Goldman now forecasts a US$3,000/oz price from mid-2026 versus December 2025 previously.

This adjustment reflects an updated expectation for -75bps of interest rate cuts in 2025, compared to -100bps previously.

Predicting gold prices are more likely to be sustained at elevated levels, Goldman also raised its long-run gold price to US$2,300/oz from 2029 onwards.

Among large caps, the analysts have a Buy rating on Newmont Corp ((NEM)) and Northern Star Resources ((NST)), which have some of the stronger gold production outlooks, while Gold Road Resources ((GOR)) and Bellevue gold ((BGL)) earn the same rating within mid-cap gold miners under coverage.

Overall, mid-caps have a higher average earnings sensitivity to gold pricing within the broker's coverage. Sell-rated Regis Resources ((RRL)) has the highest net asset value (NAV) price sensitivity due to a shorter mine life and higher costs.

Goldman highlights Newmont Corp and Neutral-rated Evolution Mining ((EVN)) both have an attractive long-term cost profile, with the latter's copper by-product supporting the lowest costs in the sector.

Calming nervousness prior to the return of President Trump, Citi recently explained a tariff on gold imports by the new administration is highly unlikely given its reserve asset status.

Subdued copper price outlook, according to Citi

Base metals investors are awaiting greater clarity on US trade tariffs, speculating on the direction and quantum of US interest rate cuts, and evaluating the likelihood of further Chinese policy easing measures.

Citi recently noted commodities overall continue to trade robustly, despite the US dollar index reaching a two-year high of 110.18 on January 12. The broker attributes strong early-2025 trading in metals to the bullish effects of pre-tariff front loading.

Late-2024 strength in consumption growth was related to temporary factors, in the broker's view, suggesting cyclical copper demand growth will likely remain depressed through 2025.

Recent temporary factors boosting consumption include not only pre-US tariff demand frontloading, but also fresh China trade-in-policy optimism, explained Citi. The latter is a government initiative aimed at boosting domestic consumption by encouraging consumers to replace old goods with new ones.

Copper consumption faces growing headwinds from expected tariff hikes and payback of frontloaded demand, which the analysts feel has bolstered metals consumption in recent months.

Copper prices fell -11% in the final quarter of 2024 though a -10% fall in the Australian dollar helped offset the downside for some miners domestically.

LME copper has held around US$9,000/t in recent weeks and the broker forecasts prices will ease to US$8,500/t during the first quarter of 2025 on growth headwinds from higher US tariffs, rising debt service burdens in developing markets, and economic challenges in China.

Regarding stimulus in China, which has potential to boost metals demand, Citi is expecting only modest and reactionary policy announcements in response to US trade policy.

Downside pressures post an oil price rally

The oil market remains hesitant to price in a sustained deficit or high prices, according to Citi's observation due, to expectations of an oversupplied market in 2025, high spare capacity levels, and the potential for geopolitical de-escalation and US energy supply stimulus from the incoming Trump administration.

Despite a strong US dollar, Brent oil prices rallied by US$9/bbl to US$81/bbl between Christmas and the second week of 2025. Sector analysts attribute this increase to pre-tariff front-loading and the impacts of both actual and fear-driven sanctions. The latest price is around US$80/bbl.

Should all potential policy changes by the new Trump administration be taken at face value, RBC Capital Markets can make a case for Brent pushing into the upper US$80/bbl range.

Reassuringly, the analysts note oil markets have faced this scenario multiple times in recent years, and supply chain resilience has consistently outperformed.

Moreover, Chinese demand has been underwhelming through the fourth quarter of 2024, highlighted RBC.

Pricing for US WTI oil also rallied sharply relative to non-US counterparts in the first few weeks of 2025, noted Citi recently, as the market priced in a higher likelihood of US tariffs on imports.

WTI/Western Canadian Select (WCS) oil differentials had increased, explained the broker, in part reflecting potential country specific tariffs that may be imposed on Canada. [On President Trump's first day in office he reiterated a 25% tariff would be slapped on Canada, commencing February 1].

The analysts forecast the WCS discount to WTI oil prices could widen by as much as -US$15/bbl to nearly -US$30/bbl, compared to downside of between -US$2.5-5/bbl if no tariffs are placed on Canadian oil.

Highlighting tight links between energy systems of the US and Canada, Citi noted a 25% import tariff on Canada, including energy, would negatively impact some US refiners, while consumers could face at least 25% higher crude and gasoline/diesel prices.

The latest round of sweeping new US sanctions also target nearly 30% of Russian crude oil exports, threatening up to between -300-800k barrels per day supply, according to Citi, depending on longevity and Russia's reaction.

Available capacity levels across storage sites implies to the broker Russia could stand current production levels for about two months before production shut-ins occur.

President-elect Trump is also seen adding to downside pressure on the oil price.

On no less than eleven occasions on January 9, noted Citi, Trump identified lower energy prices as the key factor needed to address to inflation, cost of living, and interest rates in the US.

The outlook for metallurgical coal

Despite the prospect of peak year-end steel demand, metallurgical coal prices were weak in the fourth quarter of 2024, and Ord Minnett believes challenging market conditions for hard coking coal (HCC) are unlikely to abate.

HCC premium low volatile (PLV) prices softened to around US$200/t during the final quarter and lower-rank coals achieved steep discounts.

In contrast, the commodity team at Morgan Stanley recently highlighted Chinese steel production seasonally has picked up into the first quarter of 2025 and coking coal inventories at Chinese plants/steel mills are at relatively low levels.

This broker also anticipated positive conditions for steel/met coal upon any additional announcements for stimulus benefiting infrastructure or steel-intense consumer goods such as vehicles or air conditioners.

Met coal demand could also be boosted in the new year from infrastructure spending in India, making up for under-budget capital spending by central governments in the last quarter of 2024, explained the analysts.

Morgan Stanley is forecasting HCC prices in the first quarter of 2025 at US$210/t and US$209/t in 2025.

Offering 63% FY25 met coal revenue exposure, Whitehaven Coal ((WHC)) shares are currently considered "cheap", implying a low HCC price of US$180/t.

For the longer-term, India is becoming an increasingly important market, in the broker's view.

The country is forecast to account for 29% of export demand by 2030, up from 20% in 2024, while China's share is projected to fall to 27% from 30% over the same period.

ESG FOCUS

ESG Focus: Challenges & Hurdles Await In 2025

FNArena's dedicated ESG Focus news section zooms in on matters Environmental, Social & Governance (ESG) that are increasingly guiding investors preferences and decisions globally. For more news updates, past and future:
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Politics and elections have the potential to upend near-term carbon abatement targets and ESG strategies, so what's on the menu for 2025?

-A changing of the ESG guard?
-Major ESG themes in 2025
-Cleantech investment opportunities in 2025
-Do great workplaces make great companies?

By Danielle Ecuyer

Politics and elections in 2025

Macquarie takes aim at the potential for policy changes in Australia, with the federal election due to be held on or before May 17.

Under a Coalition Party victory, the broker highlights Australia can expect a revision to the 2030 emission reduction target of -43% on emissions against 2005 levels, which would limit the impacts on the mining, agriculture, and energy sectors. The Coalition at this stage remains committed to a net-zero ambition by 2050.

Apart from the Coalition's proposed nuclear strategy, there are plans for growing support for new natural gas production and infrastructure such as storage and pipelines. AGL Energy ((AGL)), Origin Energy ((ORG)), and other energy utilities have been advocating for gas as a transition fuel, given the timeline of expected coal-fired plant closures. Origin's Eraring plant could have its life extended to 2029 from 2027.

AGL's Bayswater plant is due to close between 2030 and 2033 and Loy Yang A Power Station by June 2035.

The Coalition is also expected to examine the safeguard mechanism, Macquarie notes, which could involve more "flexibility" for emission-intensive industries, including delaying timelines for emission reductions.

Twenty-seven companies are subject to the safeguard mechanism, including Ampol ((ALD)), APA Group ((APA)), Aurizon Holdings ((AZJ)), BHP Group ((BHP)), Evolution Mining ((EVN)), Fortescue ((FMG)), Iluka Resources ((ILU)), Incitec Pivot ((IPL)), Newmont Corp ((NEM)), Northern Star Resources ((NST)), Orora ((ORA)), Origin, Qantas Airways ((QAN)), Rio Tinto ((RIO)), South32 ((S32)), Santos ((STO)), Viva Energy Group ((VEA)), Wesfarmers ((WES)), and Whitehaven Coal ((WHC)) in the ASX100.

The Coalition also opposes a carbon price/tax and/or emissions trading scheme. Liberals and Nationals believe such schemes are too hefty an imposition on businesses and raise the cost of living. Macquarie suggests incentives would be the more likely approach for investment in clean energy technologies, such as carbon capture and storage, hydrogen, and battery storage.

Removing mandatory climate reporting in favour of more "flexible" schemes would be likely, with increased investment in climate adaptation and resilience, particularly for communities more exposed to floods and wildfires.

A focus on Indigenous housing and the launch of a Royal Commission into Sexual Abuse in Indigenous communities are also highlighted by Macquarie.

Trump 2.0 and Potential Changes

Trump's return could bring wide-reaching ramifications, detailed by Macquarie:

-A potential slowdown in momentum behind climate initiatives, with the US likely to withdraw from the Paris Agreement and remove climate protection policies (both are now in place)

-Climate litigation may start to rise again in the US, and there may be less US climate collaboration

-A rise in support for fossil fuels and a reduction in clean energy support. More risk is viewed by the broker around EV tax credits and home-energy rebates than for carbon capture and storage, hydrogen, and clean fuels

-An increase in protectionist policies via tariffs. Australia's largest US exports are gold, beef, other agricultural products, and pharmaceuticals. Alcoholic beverages, aluminium, iron, and steel represent a smaller value of exports

-Changing supply chains resulting from on-shoring and re-shoring

-Removal of DEI (diversity, equity and inclusion) policies

Sustainable Investing and ESG in Focus

Sustainable investing will also be in focus in 2025. Macquarie details how US fund managers have been moving away from sustainability collaborations due to anti-trust concerns and rising litigation around climate-related policies.

BlackRock announced it would withdraw from the Net Zero Asset Managers initiative in early January, and the structure is being reviewed to ensure it remains "fit for purpose" given the changing macro backdrop.

A number of major US banks also withdrew from the Net Zero Banking Alliance, including JPMorgan, Bank of America, Morgan Stanley, Goldman Sachs, and Wells Fargo. The alliance has 141 institutions remaining, including European banks, representing around 40% of global banking assets.

Anti-trust concerns have also been raised for Climate Action 100-plus, which has resulted in several investment firms leaving, including Alliance Bernstein, JPMorgan, and Goldman Sachs. The organisation still has more than 600 remaining members.

Regarding global sustainable funds, Macquarie points out Responsible Investment Association-certified funds have generated 10-year returns of 13.2% per annum compared to 9.19% for the rest of the market.

Six of the major ESG themes in 2025

Jarden highlights the urgency of climate change risks, noting 2024 was the warmest year on record and referencing the Los Angeles wildfires. Australia remains at high risk of bush fires in 2025, the analyst notes.

Mandatory climate laws are coming into effect in 2025 domestically, barring political changes, which will push companies on climate and net-zero policies.

Jarden points to challenges with such policies due to high costs, a lack of demand, and the absence of "green premiums," causing issues for companies like Fortescue, Origin, and Woodside; all reduced their green hydrogen commitments in 2024. Air New Zealand ((AIZ)) also removed its 2030 emissions target, in part due to the cost of sustainable jet fuels.

Jarden believes more companies will "walk back" their targets as 2030 approaches because of costs and technological issues. Increasingly, companies are encountering obstacles and challenges in measuring Scope 3 emissions (those generated through the supply chain).

Methane gas is becoming a significant focus for decarbonisation across oil, gas, and waste management companies.

Jarden also highlights environmental issues, including pollution, impacts on nature, water scarcity, and plastics, as growing concerns for regulators and communities. Programs like the Taskforce on Nature-related Financial Disclosures are encouraging companies to analyse their impacts on nature as well as their interdependence with natural ecosystems.

Companies such as Brambles ((BXB)), GPT Group ((GPT)), Qantas, and Telstra Group ((TLS)) are committed to adopting the program for FY25 and FY26.

Water scarcity and its crossover with Indigenous communities, as well as mining companies, data centres, and nuclear power generators, will continue to grow in importance as climate change accelerates, the broker highlights.

Jarden expects ongoing industrial issues and wage impacts to continue into 2025 from 2024, with Australian companies likely to pay close attention to gender diversity goals post-President Trump's inauguration.

AI and ESG Integration

The growing use of artificial intelligence and machine learning is evident, with AI mentions rising significantly during the August 2024 reporting season. Jarden believes AI governance is essential for addressing issues such as data centre energy use, ethical considerations, and new regulations, including the EU AI Act. AI is also playing an increasingly important role in ESG data collation, reporting, and supply chain management.

Jarden points to increased demand from investors for CEO accountability, focusing on integrity, conflicts of interest, shareholder protections, and avoiding conflicts of interest.

The broker stresses the uncertainty around regulations and political changes, including the Trump administration, which will likely impact ESG and the Inflation Reduction Act. Domestically, the Coalition's energy plans will be in focus. Changes in Australian energy policy create more uncertainty for companies, the broker suggests.

Clean-Tech Sector Opportunities

Deirdre Cooper, Head of Sustainable Equity at Ninety One, an active global investment manager with GBP130.2bn in assets under management at the end of 2024, details the challenges and opportunities for the clean-tech sector as President Trump's term commences.

Cooper explains how higher interest rates and negative sentiment toward the clean-tech sector weighed on stock performance in 2024. Policy uncertainty following the US election exacerbated the negative sentiment.

Still, the current backdrop potentially represents opportunities for investors with a longer-term investment horizon:

"This may be the third major sentiment cycle' I've witnessed in my career. Sentiment towards clean-tech sectors also became extremely negative in 2009/10, 2013/14, and 2014/15. However, history shows that such periods often represent some of the most compelling entry points into decarbonisation companies.

"While this part of the equity market may be out of favour, most investors still ascribe some probability to a transition to net zero, not least because of the increasing frequency of extreme weather events.

"And if we are going to address carbon emissions and move along the net-zero pathway, that will be a tailwind for companies enabling decarbonisation. We think investors are likely underappreciating the future growth from decarbonisation companies, making this an attractive, countercyclical entry opportunity."

Cooper highlights the importance of distinguishing between headline statements from the US administration and actual policy decisions. For instance, a quick withdrawal by the US from the Paris Agreement will likely impact sentiment but not company forecasts. Cooper believes the Inflation Reduction Act is more significant, with bipartisan support likely making it harder to fully dismantle it.

Even if the Act is repealed, Cooper notes the largest renewables producer in the US has secured four years of tax credits, which will provide protection against potential impacts.

Tariffs are viewed as a headwind, particularly with potentially higher US interest rates and given the substantial investment required for decarbonisation. Deregulation of the US planning system, however, could be a positive and accelerate renewable infrastructure projects.

China continues to present decarbonisation opportunities. Cooper notes investments in companies with strong positions in China's large and fast-growing domestic clean-tech market, as well as those well-positioned to export to countries like Thailand, Brazil, Vietnam, and India.

Technological innovation is another supportive factor for decarbonisation, with advancements such as improved battery technology extending EV ranges to up to 1,000km, helping to alleviate range anxiety.

Cooper identifies several areas of interest for investment:

"Areas where we are finding particularly interesting companies include those supporting the power needs of AI and hyperscale data centres. These include developers of renewable energy, battery manufacturers, and firms supplying efficient electrical and cooling equipment, and handling the permitting and planning for new data centre projects."

Morgan Stanley and Decent Work (SDG 8)

Morgan Stanley examines the eighth UN Sustainable Development Goal (SDG): "Decent Work and Economic Growth," which aims to promote sustained, inclusive economic growth, full employment, and decent work for all. Key focus areas include equal pay for equal work, labour rights protection, and actions against child and forced labour.

The broker uses quantitative screening to identify companies aligning with SDG 8. Key performance indicators include average wages, working hours, and temporary contract usage.

Research from the Drucker Institute, Forbes, and Fortune highlights notable benefits of better corporate culture:

-Higher Retention Rates: Companies listed among Fortune's 100 Best Companies to Work For have half the turnover rate of their peers.

-Lower Burnout Levels: Employees at top workplaces report higher well-being.

-Faster Innovation: Companies with inclusive workplace cultures report median annual revenue growth over 5% higher than those in the bottom quartile.

-Resilience During Recession: Companies with thriving workplaces saw stock price increases of 14.4% during the 2007-09 recession, compared to a -35.5% decline for the S&P 500.

-Higher Stock Returns: Historical data show annual stock market outperformance of 2-3% for companies on Fortune's Best Companies lists.

Morgan Stanley lists notable companies aligning with SDG 8, including Cisco, Salesforce, Hilton, AbbVie, Accenture, Nvidia, and Adobe. In 2024, these companies outperformed the S&P500 total return index by over 49% on a weighted basis.

On an equal-weighted basis, the stocks outperformed the equal-weighted S&P500 total return index by approximately 12%. Morgan Stanley also noted the stocks on the list trade at higher valuation multiples, with an equal-weighted average price-to-earnings premium of 20-30%.

The latter might just be music to FNArena's Editors' ears!

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INTERNATIONAL

Three Important Insights From 2024

By Tim Murray, T. Rowe Price Capital Markets Strategist Multi-Asset Division

Risks have shifted from recession to inflation

As we entered 2024, concerns lingered about the potential economic impact of rate hikes made in 2022 and 2023 by the U.S. Federal Reserve and other key central banks.

However, as the year progressed, global growth expectations for both 2024 and 2025 moved higher, with forecasted growth for the U.S. experiencing the sharpest uptick.

But inflation concerns reignited in the latter part of 2024. This was partially due to concerns about the potential impact of U.S. President-elect Donald Trump's campaign promises of higher tariffs and tighter immigration controls.

There also was evidence in late 2024 that inflation rates had stopped falling, with the three-month moving average for the U.S. consumer price index showing a clear upward trend since last July. Notably, services inflation remained somewhat sticky while goods inflation began to show hints of rebounding.

The implication for investors is that they should consider whether their portfolios are properly hedged against inflation risks. They may want to consider adding exposure to asset classes such as natural resources equities that historically have responded well to higher inflation.

"U.S. exceptionalism" has become more extreme

One long-running trend that strengthened dramatically in 2024 was "U.S. exceptionalism"the idea that the U.S. enjoys unique structural advantages over other global markets. Not only did the U.S. economy experience one of the sharpest upticks in expected growth, but U.S. earnings expectations grew at an even faster rate.

U.S. outperformance in 2024 was driven by several fundamental factors, including U.S. dollar appreciation, a surge in capital spending in artificial intelligence infrastructure, and the incoming Trump administration's promises to relax regulatory burdens and seek lower corporate tax rates.

But the trend now appears somewhat extreme, in our view. From December 31, 2010, to December 17, 2024, the average one-year outperformance of the Russell 3000 Index relative to the MSCI All Country World Index ex U.S. was +6.18%. But, over the year ended December 17, 2024, that difference ballooned to +13.89%.

The bottom line is that stock markets have priced in a great deal of "U.S. exceptionalism." A partial reversal could be on the horizon if elevated U.S. earnings expectations are not met in 2025.

The Fed's rate-cutting cycle will be modest

At the end of 2023, the Fed "pivoted," as Chairman Jerome Powell indicated that rate cuts were likely to begin sometime in 2024. This led many investors to increase their allocations to longer-duration U.S. Treasury bonds.

However, the U.S. economy proved much more resilient than expected in 2024. Progress on curbing inflation also appears to have stalled.

So, expectations for Fed rate cuts have turned considerably more modest. As of December 19, 2024, futures markets were pricing in an end point of 3.97% for the key federal funds ratejust -1.4 percentage points below the most recent rate peak.

This shift had numerous implications for asset class performance. Cash once again proved to be king in 2024, as very short duration bonds not only were sheltered from rising rates, but maintained healthy yield levels through the year.

If inflation remains stubborn, that might again be the case in 2025.

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RUDI'S VIEWS

Rudi's View: Feb Season's Best Buys & Key Picks

By Rudi Filapek-Vandyck, Editor

Fresh from the press: **Stockbroker Morgans** harbours positive expectations ahead of the upcoming February results season for the following 12 companies:

-Expecting forecast-beating results from the renamed Breville, BRG Group ((BRG)), Computershare ((CPU)), Guzman y Gomez ((GYG)), and Tasmea ((TEA))

-Expecting a strong outlook from Lovisa Holdings ((LOV)), Megaport ((MP1)), Pinnacle Investment Management ((PNI)), ResMed ((RMD)), Superloop ((SLC)) and Universal Store Holdings ((UNI))

-Regal Partners ((RPL)) is expected to announce capital management

-Treasury Wine Estates ((TWE)) is expected to report better-than-feared financials

On the negative side, Morgans sees earnings risk for Healius ((HLS)), HealtCo Healthcare and Wellness REIT ((HCW)), IDP Education ((IEL)), Monadelphous ((MND)), Ramsay Health Care ((RHC)), Tourism Holdings Rentals ((THL)), and Ventia Services Group ((VNT)).

A soft market update might feature results from ARB Corp ((ARB)), Domino's Pizza ((DMP)), Endeavour Group ((EDV)), and Woolworths Group ((WOW)).

Other companies that might be under threat of releasing a weaker-than-expected result in February are nib Holdings ((NHF)) and PeopleIn ((PPE)).

Taking into account the local share market is trading at a notable premium to its long-term valuation multiples, Morgans prefers caution, suspecting that companies that fail to deliver on high valuations will be punished.

The broker's **best tactical calls** among small caps include Acrow ((ACF)), Lovisa, Megaport, Pinnacle Investment Management, Regal Partners, Superloop, Tasmea and Universal Store.

Preferred exposures on current weakness for resources stocks include BHP Group ((BHP)), Sandfire Resources ((SFR)), South32 ((S32)), Whitehaven Coal ((WHC)) and Woodside Energy ((WDS)).

Key calls for the Financial Services sector are QBE Insurance ((QBE)), Suncorp Group ((SUN)), Challenger ((CGF)), MA Financial ((MAF)) and Tyro Payments ((TYR)).

Taking all of the above, and more, into account, Morgans' **key calls for February** include Computershare, Guzman y Gomez, Lovisa Holdings, Megaport, Pinnacle Investment Management and Superloop.

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Morgan Stanley's six **High Conviction calls** ahead of next month's results releases are:

-Corporate Travel Management ((CTD))

-Data#3 ((DTL))

-Fleetpartners Group ((FPR))

-Life360 ((360))

-Lovisa Holdings ((LOV))

-Tuas ((TUA))

This broker's team of Quant analysts has identified Rio Tinto ((RIO)) and Pro Medicus ((PME)) as top-ranked ideas ahead of February.

The short list of top ranked ideas for the Asia-Pacific region ex-Japan also includes REA Group ((REA)).

The negative side has equally three ASX-listed companies; TPG Telecom ((TPG)), TechnologyOne ((TNE)), and Transurban Group ((TCL)).

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January's re-assessment of the **global mining sector** by **RBC Capital** has triggered a downgrade for recommended portfolio exposures to Diversified & Bulk miners, but RBC retains Overweight recommendations for base metals, precious metals, and uranium.

In terms of individual stocks, and readers should keep in mind this is a global exercise, RBC's selection of Best Ideas has seen the inclusion of Westgold Resources ((WGX)).

Northern Star ((NST)), on the other hand, was removed even before this week's market update.

As reported previously, RBC Capital's global selection of Best Ideas among energy producers includes Woodside Energy ((WDS)) as the sole ASX representation.

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Healthcare analysts at Citi have placed a positive Catalyst Watch on both ResMed ((RMD)) and Australian Clinical Labs ((ACL)) implying both are expected to surprise positively with their upcoming financial updates.

Their colleagues at the retail desk have done the same for both JB Hi-Fi ((JBH)) and Harvey Norman ((HVN)) as industry feedback over the Christmas sales period suggests upside risk to market expectations.

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Ord Minnett has identified Aristocrat Leisure ((ALL)) and Brambles ((BXB)) as two strong (out)performers from 2024 that are most likely able to continue performing in the year ahead.

Sticking with that theme, analysts at **Wilsons** believe the following four outperformers remain poised to see ongoing upgrades to consensus forecasts in 2025:

-Xero ((XRO))

-Hub24 ((HUB))

-TechnologyOne ((TNE))

-WiseTech Global ((WTC))

****

Evans and Partners sees potential for ongoing strong performances from local **Tech companies and AI beneficiaries.**

The broker has kept a positive view on:

-NextDC ((NXT))

-Megaport ((MP1))

-Macquarie Technology Group ((MQG))

As well as on:

-WiseTech Global ((WTC))

-Block ((SQ2))

-SiteMinder ((SDR))

While sticking with a Neutral rating for the time being on (with positive view nevertheless):

-Xero ((XRO))

-TechnologyOne ((TNE))

***

UBS has retained its forecast for a US$2,900/oz gold price by mid year, which equates to A$4,500/oz or even higher if the weak AUD prevails, the broker suggests.

UBS currently has a Buy rating for Northern Star ((NST)), Perseus Mining ((PRU)), Gold Road Resources ((GOR)), and Bellevue Gold ((BGL)).

***

Bell Potter has lined up its **Key Ideas among A-REITs** ahead of February market updates.

Preferred sector exposures are Centuria Industrial REIT ((CIP)), Dexus ((DXS)), Aspen Group ((APZ)), Cromwell Property Group ((CWP)) and HMC Capital ((HMC)).

Sector analysts at JP Morgan believe 2025 is the year when investor interest will broaden from Goodman Group ((GMG)), and to a lesser extent Charter Hall ((CHC)) and Scentre Group ((SCG)).

JPMorgan analysts have upgraded Vicinity Centres ((VCX)) and Abacus Storage King ((ASK)) to Overweight, and Region Group ((RGN)) to Neutral.

Both Goodman Group and Hotel Property Investments ((HPI)) have been downgraded to Neutral, with Charter Hall Long WALE REIT ((CLW)) downgraded to Underweight.

****

Shaw and Partners' Model Large Cap Portfolio currently consists of the following:

-Block ((SQ2))

-CSL ((CSL))

-Flight Centre ((FLT))

-Paladin Energy ((PDN))

-ResMed ((RMD))

-Suncorp Group ((SUN))

-Telix Pharmaceuticals ((TLX))

-Xero ((XRO))

The broker's favourites among **Emerging Companies**:

-Amaero International ((3DA))

-Australian Vanadium ((AVL))

-Bannerman ((BMN))

-Chrysos ((C79))

-Humm Group ((HUM))

-Metro Mining ((MMI))

-Santana Minerals ((SMI))

-Southern Cross Electrical ((SXE))

****

Morgan Stanley's international selection of 31 **Best Businesses**, which aims to combine elements of corporate Quality with 'valuation', forecasts and Quant analysis, for a two-year investment horizon (which can be extended, of course), includes two ASX-listed companies: Macquarie Group ((MQG)) and Rio Tinto ((RIO)).

****

Ord Minnett's selection of **Conviction Calls** ("*our best small cap stock ideas as selected by our analysts*").

-ARB Corp ((ARB))
-Aussie Broadband ((ABB))

-Brazilian Rare Earths ((BRE))
-Cosol ((COS))
-Cuscal ((CCL))
-EQT Holdings ((EQT))
-Electro Optic Systems Holdings ((EOS))
-GQG Partners ((GQG))
-Qoria ((QOR))
-Regis Healthcare ((REG))
-SiteMinder ((SDR))
-Stanmore Resources ((SMR))
-Vault Minerals ((VAU))
-Waypoint REIT ((WPR))
-Zip Co ((ZIP))

****

January's update on the **APAC Conviction List at Goldman Sachs** has seen the inclusion of Worley ((WOR)) and Iluka Resources ((ILU)), for which the broker harbours bullish forecasts for the next four years.

Both are the only ASX-listed stocks included in a selection of 26 stocks.

****

The team of analysts and strategists at **Shaw and Partners** is convinced the time is right to invest in Australian small cap companies.

Shaw's **Top 10 list of Small Cap Ideas for 2025**:

-Amaero International ((3DA))
-Australian Vanadium ((AVL))
-Beforepay ((B4P))
-Bannerman Energy ((BMN))
-Chrysos ((C79))
-Humm Group ((HUM))
-Metro Mining ((MMI))
-Santana Minerals ((SMI))
-Silex Systems ((SLX))
-Southern Cross Electrical Engineering ((SXE))

****

In December, analysts at **Bell Potter** published their most favoured stock picks for the year ahead, with multiple ideas put forward per sector.

-Listed Investment Companies (LICs): Australian Foundation Investment Company (AFI), Qualitas Real Estate Income Fund ((QRI)), and MFF Capital Investments ((MFF))

-Technology & Gaming: Life360 ((360)), Light & Wonder ((LNW)), and Gentrack Group ((GTK))

-Diversified Financials: Perpetual ((PPT)) and Regal Partners ((RPL))

-Real Estate: Aspen Group ((APZ)), Cedar Woods ((CWP)), and Dexus Convenience Retail REIT ((DXC))

-Retailers: JB Hi-Fi ((JBH)), Premier Investments ((PMV)), and Accent Group ((AX1))

-Industrials: GenusPlus Group ((GNP)), SRG Global ((SRG)), and Duratec ((DUR)) as well as Austal Ltd ((ASB)), Brickworks ((BKW)), and IPD Group ((IPG))

-Healthcare: PolyNovo ((PNV)), Clarity Pharmaceuticals ((CU6)), and CSL ((CSL)) as well as EBR Systems ((EBR)), Biome Australia ((BIO)), and Genetic Signatures ((GSS))

-Gold companies: Genesis Minerals ((GMD)), Gold Road Resources ((GOR)), and Santana Minerals ((SMI))

-Base Metals: AIC Mines ((A1M)) and Nickel Industries ((NIC))

-Strategic Minerals: Alpha HPA ((A4N)) and IperionX ((IPX))

-Bulks & Energy companies: Boss Energy ((BOE)), Champion Iron ((CIA)), and Fenix Resources ((FEX))

****

Jarden's December update reduced the number of **Best Ideas** from the circa 110 smaller cap companies covered (ex-AS100) to 18 from 20 previously.

The broker's Emerging Companies' Key Picks (in order of total shareholder return) are:

-Qualitas ((QAL))
-Universal Store Holdings ((UNI))
-SiteMinder ((SDR))
-Temple & Webster ((TPW))
-Nick Scali ((NCK))
-EVT Ltd ((EVT))

The above are all picked by the broker's Emerging Companies research team. The following stock picks have been selected by respective sector analysts:

-Champion Iron ((CIA))
-Domain Holdings Australia ((DHG))
-Genesis Energy ((GNE))
-Integral Diagnostics ((IDX))
-Ingenia Communities Group ((INA))
-Inghams Group ((ING))
-Karoon Gas ((KAR))
-Michael Hill International ((MHJ))
-Monadelphous ((MND))
-Pointsbet Holdings ((PBH))
-Pepper Money ((PPM))
-Telix Pharmaceuticals ((TLX))

****

Macquarie's selection of **best fundamental picks among quality mid-cap companies** on the ASX:

-AUB Group ((AUB))
-Breville Group ((BRG))
-Ebos Group ((EBO))
-Flight Centre ((FLT))
-Fisher & Paykel Healthcare ((FPH))
-Integral Diagnostics ((IDX))
-Lovisa Holdings ((LOV))
-Nick Scali ((NCK))
-Megaport ((MP1))
-Monash IVF ((MVF))
-Propel Funeral Partners ((PFP))
-Pinnacle Investment Management ((PNI))
-Qualitas ((QAL))
-Reliance Worldwide ((RWC))
-Ventia Services ((VNT))

****

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.

December's updated selection consists of 17 companies:

-Aristocrat Leisure ((ALL))
-Ampol ((ALD))
-APA Group ((APA))
-Beach Energy ((BPT))
-Brambles ((BXB))
-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))

****

Morningstar's selection of **Best Buys** on the ASX:

-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))
-Santos ((STO))
-TPG Telecom ((TPG))

****

Macquarie Wealth's 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))

****

Macquarie's ASX Quality Compounders:

The highest quality compounders' as identified by Macquarie quant research inside the ASX300:

-James Hardie ((JHX))
-Cochlear ((COH))
-REA Group ((REA))
-TechnologyOne ((TNE))
-ResMed ((RMD))

-Data#3 ((DTL))
-Pro Medicus ((PME))
-Jumbo Interactive ((JIN))
-PWR Holdings ((PWH))
-Netwealth Group ((NWL))
-Aristocrat Leisure ((ALL))
-Spark New Zealand ((SPK))
-Codan ((CDA))
-Clinuvel Pharmacauticals ((CUV))
-Redox ((RDX))

Given Macquarie's research strong leaning on the past five years, with high barriers to match, the following 11 companies fell just outside the above list:

-Fisher & Paykel Healthcare ((FPH))
-Medibank Private ((MPL))
-Coles Group ((COL))
-The Lottery Corp ((TLC))
-Lovisa Holdings ((LOV))
-CSL ((CSL))
-IDP Education ((IEL))
-Pinnacle Investment Management ((PNI))
-ARB Corp ((ARB))
-Breville Group ((BRG))
-Johns Lyng ((JLG))

My own research and All-Weather stock selections are 24/7 available for paying subscribers: https://fnarena.com/index.php/analysis-data/all-weather-stocks/

See also 2024's final update: https://fnarena.com/index.php/2024/12/23/rudis-view-final-best-buys-conviction-ideas/

as well as last week's: https://fnarena.com/index.php/2025/01/16/rudis-view-best-buys-convictions-for-2025/

(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.)

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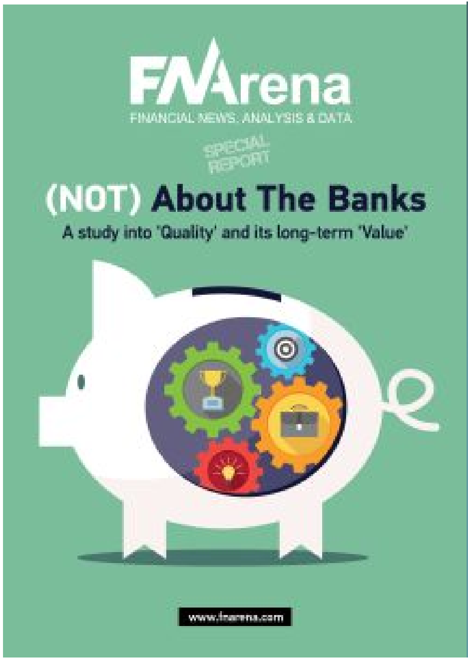

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SMALL CAPS

Chrysos Corp’s Road Paved With Gold

Chrysos Corp's proprietary assay technology is making in-roads into the global gold mining industry where a large addressable market awaits.

-Chrysos Corp accelerates technology deployments
-70% of top fifteen gold miners on board to date
-Large addressable market to be tapped

By Greg Peel

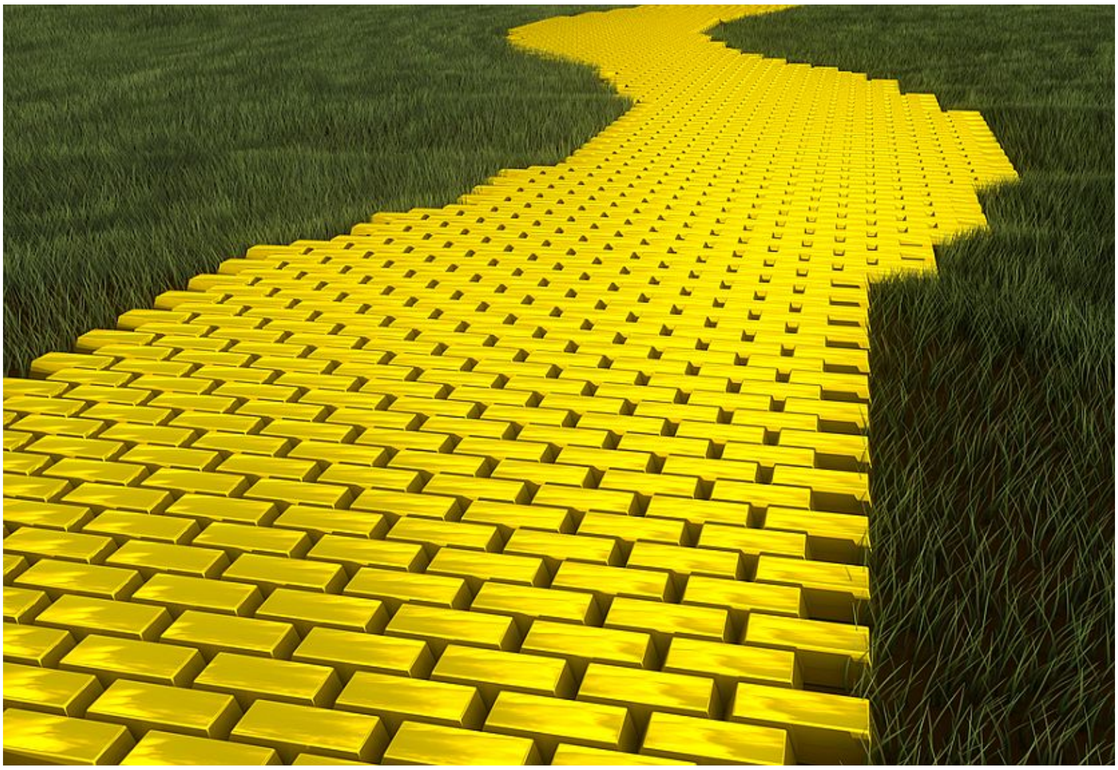
Chrysos Corp ((C79)) provides assay services for the mining industry via its proprietary PhotonAssay technology, described on the company's website as such:

Delivering faster, safer, and more accurate gold analysis, Chrysos PhotonAssay is an environmentally-friendly replacement for fire assay on-site and in the laboratory.

Hitting samples with high-energy X-rays, Chrysos PhotonAssay technology causes excitation of atomic nuclei allowing enhanced analysis of gold, silver, copper and other elements in as little as two minutes.

Chrysos continues to engage 70% of the world's largest fifteen gold miners -- seven of those actively using PhotonAssay -- underpinning Ord Minnett's confidence in a multi-year growth outlook.

This week Chrysos released a December quarter update.



Deployments

Chrysos deployed three new units in the quarter taking total units to 34. Contracted units increased by two to 56. Revenue rose 51% year on year. First half revenue now totals $29m, up 52% year on year, and is growing at a run-rate toward the top end of the FY25 guidance range of 32-54%.

Twelve units are either being shipped or ready to be shipped and installed, including three units that were manufactured during the quarter. Chrysos is continuing efforts to align its deployment and manufacturing cadence to eventually lower its unit inventory.

December quarter capex totalled -$24.8m and while double the average of recent quarters, Shaw and Partners notes, includes one-time property fit-out costs and R&D related spend. The company closed the quarter with over $120m of liquidity, including $26.6m in cash and a $95m undrawn debt facility, and demonstrated it is operating cash flow positive.

Chrysos has now contracted six units in FY25 year to date which compares to just one contracted in FY24. This highlights the company's focus on marketing direct to miners over the last 12-18 months is delivering, Shaw suggests.

It also highlights it takes time to grow lab relationships. Eventually, Shaw believes an improved macro cycle --exploration activity picking up and assay lead times extending-- will provide a further motivation to contract new units across the industry.

While counting near-term units "is fun", Shaw says, stepping back, the broker's longer-term confidence is underpinned by the fact Chrysos is engaging with 70% of the top fifteen gold producers already. It is a question of when, not if, the vast majority adopt PhotonAssay, in Shaw's view.

The seven gold miners actively using PhotonAssay in some capacity, and a further four engaged in paid test work or other engagements of some description, supports Ord Minnett's long-held belief the opportunity ahead for Chrysos is extremely large (total addressable market in excess of 600 units) and underpins a multi-year growth outlook.

While encouraged by industry adoption, as shown by recent contract wins outpacing deployments, Bell Potter would like to see a sustained improvement in unit deployments. If the company can address deployment constraints and demonstrate an ability to accelerate installations, it will be in a better position to capitalise on any further acceleration in industry adoption of its technology, the broker suggests.

Recommendations

In FNArena's universe, three local stockbrokers are currently covering Chrysos.

Bell Potter retains a Hold rating, lifting its price target to $5.70 from $5.50.

Ord Minnett lifts its target to $6.40 from $6.09, retaining an Accumulate rating.

Shaw and Partners reiterates a Buy rating while slightly reducing its target to $7.00 from $7.20, largely driven by higher capex.

WEEKLY REPORTS

Weekly Ratings, Targets, Forecast Changes - 17-01-25

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 January 13 to Friday January 17, 2025
Total Upgrades: 11
Total Downgrades: 6
Net Ratings Breakdown: Buy 60.21%; Hold 32.23%; Sell 7.56%

For the week ending Friday January 17, 2025, FNArena recorded eleven ratings upgrades and six downgrades for ASX-listed companies by brokers monitored daily.

The magnitude of percentage downgrades to average earnings forecasts by analysts significantly outpaced upgrades, driven primarily by stocks in the Resources sector as brokers returned from the Christmas break and marked estimates to market for the December quarter, while also previewing upcoming quarterly production updates.

Rises and falls in average target prices were remarkably even.

Among industrials, Star Entertainment and Premier Investments suffered the largest percentage falls in average earnings forecasts and target prices.

For Star Entertainment, brokers were reacting to a negative update by management the prior week on the company's cash and liquidity position.

Morgans felt the risk/reward payoff for holding Star stock was "unfavourable," citing a lack of short-term funding options, a lack of state government support, risks of more dilutive equity issues, and weakness in the overall market.

This broker lowered its target to 12c from 22c, while Ord Minnett arrived at 17c, down from 30c.

Premier Investment's first half trading update indicated sales missed the consensus forecast by -3%, with higher costs resulting in a more significant impact at the EBIT line, explained Macquarie.

The analyst anticipates ongoing headwinds for Smiggle, with customers still facing higher cost-of-living and interest rate pressures.

UBS retained its Neutral rating for Premier, citing the growth outlook across all divisions, especially Peter Alexander, and the company's previous cost management performance.

The largest falls in average earnings forecasts by analysts befell Coronado Global Resources and Mineral Resources.

While lowering its target for Coronado, partly due to lower hard coking and thermal coal price forecasts, Bell Potter (Buy) noted the company's production profile has de-risked with the commencement of ramp-up of salable production from its lower cost and less weather-affected Mammoth underground mine.

Outperform-rated Macquarie predicted volumes will be "solid" in the December quarter, with both production and sales rising quarter-on-quarter by 4% and 14%, respectively.

Ord Minnett also lowered its 2025 forecasts for hard coking coal and thermal coal by -9% and -8%, respectively, due to weaker commodity demand, higher-for-longer interest rates, and anticipated impacts of Trump tariffs and other trade barriers.

Prior to production results on January 29, Macquarie lowered its FY25 EPS forecast for Mineral Resources by -75% due to higher lithium and iron ore costs. More positively, the broker's FY26 EPS forecast declined by less than -1%.

On the flipside, average target prices rose materially for Insignia Financial, Genesis Minerals, and global mining services provider, Perenti.

Insignia has received a cash bid from CC Capital at $4.30 per share, up from Bain Capital's December bid of $4.00 per share, which was rejected by the board.

UBS kept its $4.05 target and Neutral rating, believing the competing offer is opportunistic and unlikely to change the board's view.

In the prior week, Macquarie raised its target price by 64% to $4.40 on higher earnings and buyer interest and noted longer-term potential in the wealth landscape. This broker's rating was also upgraded to Equal-weight from Underweight.

Genesis Minerals released its December quarter activities report last week to general acclaim by analysts covering the company.

Production of 57koz significantly outperformed the UBS forecast of 46koz due to the Gwalia operations mining a bulk high-grade stope and the Laverton mill restart exceeding expectations. The analyst increased the target to $3.00 from $2.80 and downgraded to Neutral from Buy on valuation.

Accumulate-rated Ord Minnett raised its target to $3.15 from $2.90 and now believes FY25 production could exceed management's guidance.

In research penned on January 6 and summarised last week by FNArena, Citi expected another "solid" upcoming first half result for Perenti, underpinned by contract mining and potential for some improvement in its Drilling Services margin due to improvement in rig utilisation.

The analysts felt an upgrade in earnings guidance is likely in the near-term and raised their target price to $1.60 from $1.15.

Several companies received positive earnings revisions last week, including Capricorn Metals, following a strong operational report the previous week; Ventia Services, after Morgans moderated the expected negative earnings impact from ACCC civil proceedings; and Perseus Mining, which benefited from Macquarie's revised lower Australian dollar forecast.

Earnings forecast for Atlas Arteria also received a boost from Macquarie's new currency forecast and prospects for slightly better French traffic flows based on recent reporting by peers.

Traffic is also running a little better at Dulles Greenway (a 22-km toll road in northern Virginia, USA).

Total Buy ratings in the database comprise 60.21% of the total, versus 32.23% on Neutral/Hold, while Sell ratings account for the remaining 7.56%.

Upgrade

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

Following on from Citi's first impressions of Baby Bunting's 1H update yesterday, the broker raises its target to $2.01 from $1.98 and upgrades to Buy from Neutral.

The analysts anticipate further upside from the company's store refurbishment program and new store formats.

It's also thought margins will continue to surprise on the upside via the delayed impact of supplier renegotiations due to stock turns and annualisation benefits.

Yesterday's summary of Citi research: In an initial view of today's first-half update by Baby Bunting, Citi notes a faster-than-expected acceleration in like-for-like sales in December 2024, which has continued into January.

An expansion in gross margin compared to the previous corresponding period was broadly in line with the consensus forecast, observes the broker.

While material EPS revisions are unlikely, the analysts believe investors should gain confidence a turnaround is gaining momentum. Management reiterated FY25 guidance.

BELLEVUE GOLD LIMITED ((BGL)) Upgrade to Hold from Lighten by Ord Minnett .B/H/S: 3/1/0

Ord Minnett marks to market commodity prices for the December quarter.

The broker downgrades the 2025 copper price forecast by -14%, hard coking coal by -9%, thermal coal by -8%, and aluminium by -8% due to weaker commodity demand, higher-for-longer interest rates, and the impacts of Trump tariffs and other trade barriers.

Ord Minnett upgrades Bellevue Gold to Hold from Lighten, with a lower target price of $1.15, down from $1.35.

EPS forecasts are reduced by -38.1% in FY25 and -25.7% in FY26.

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

Ord Minnett marks to market commodity prices for the December quarter.

The broker downgrades the 2025 copper price forecast by -14%, hard coking coal by -9%, thermal coal by -8%, and aluminium by -8% due to weaker commodity demand, higher-for-longer interest rates, and the impacts of Trump tariffs and other trade barriers.

Fortescue is upgraded to Buy from Accumulate, with the target price raised to $21.10 from $20.50. The company is seen as attractively valued among iron ore producers during a seasonally stronger production period for Chinese steel production.

Ord Minnett raises EPS forecasts by 9.7% and 17.5% for FY25 and FY26, respectively.

GUZMAN Y GOMEZ LIMITED ((GYG)) Upgrade to Neutral from Sell by UBS .B/H/S: 1/3/0

Due to higher forecasts for Australian same-store sales growth and adjusted earnings (EBITDA) margins, UBS raises its target for Guzman y Gomez to $40 from $37 and upgrades to Neutral from Sell.

The analysts believe the company can beat current market expectations due to menu innovation, delivery, extended hours, along with daypart. A daypart refers to a specific segment of the day during which distinct menu items are typically promoted or consumed.

JUMBO INTERACTIVE LIMITED ((JIN)) Upgrade to Hold from Lighten by Ord Minnett .B/H/S: 4/2/0

Ord Minnett highlights that prize pools in the first half of FY25 fell by -4% year-on-year, driven by a lack of jackpots above $100m and a -10% decline in overall jackpot prize pools.

As expected by the broker, lower jackpot pools also slowed the rate of digital penetration. The analyst still anticipates long-term growth for lotteries of around 4%, compared to growth of 7% per annum over the past five years.

The target for Jumbo Interactive is lowered to $12.70 from $13.10. The broker's rating is upgraded to Hold from Lighten due to recent share price weakness.

LOVISA HOLDINGS LIMITED ((LOV)) Upgrade to Overweight from Equal-weight by Morgan Stanley .B/H/S: 3/2/2

Morgan Stanley upgrades Lovisa Holdings to Overweight from Equal-weight, identifying it as the fifth key small/mid-cap idea where the broker has conviction on earnings, and the stock has underperformed heading into 2025.

The analyst sees upside to store growth in FY25/FY26, based on an acceleration in January from website data. Sustaining this run rate would benefit the stock, as store growth is a "key driver" of the share price.

Lovisa is expected to report in late February, with the broker anticipating an improvement in gross margins to 20.8% from 19.5% due to operating leverage.

Overweight rating with a $33.25 target price. Industry view: In-Line.

LIONTOWN RESOURCES LIMITED ((LTR)) Upgrade to Hold from Lighten by Ord Minnett .B/H/S: 1/3/2

Ord Minnett marks to market commodity prices for the December quarter.

The broker downgrades the 2025 copper price forecast by -14%, hard coking coal by -9%, thermal coal by -8%, and aluminium by -8% due to weaker commodity demand, higher-for-longer interest rates, and the impacts of Trump tariffs and other trade barriers.

Liontown Resources is upgraded to Hold from Lighten, with the target price lowered to 62c from 74c. Ord Minnett lifts the FY25 EPS forecast by 14.3%.

NANOSONICS LIMITED ((NAN)) Upgrade to Neutral from Sell by Citi .B/H/S: 2/2/0

Citi's healthcare sector preview to the February reporting season includes an upgrade to Neutral from Sell for Nanosonics. The broker's price target has improved to $3.40 from $3.15 on higher forecasts.

The upgrade is also in response to recent share price weakness.

OOH!MEDIA LIMITED ((OML)) Upgrade to Outperform from Neutral by Macquarie .B/H/S: 2/1/0

Macquarie upgrades oOh!media to Outperform from Neutral, citing expectations that out-of-home growth will exceed other advertising categories, with forecast rate cuts likely to support higher ad spending.

The company is also expected to benefit from cost-out programs, and Macquarie believes the valuation remains appealing.

Management has pointed to more rational competitive behaviour, which should alleviate pressure on gross margins.

The company is expected to report 2024 results on February 24. Macquarie lifts EPS estimates by 7% and 11% for 2025 and 2026, respectively.

The target price decreases to $1.45 from $1.56, based on a 12.5x price-to-earnings valuation. Outperform rating maintained.

RESMED INC ((RMD)) Upgrade to Buy from Hold by Ord Minnett .B/H/S: 3/2/0

Ord Minnett has revised earnings models for healthcare companies following changes in forex assumptions in the December quarter.

The broker raises the target price for ResMed to $43.90 from $40.05 and upgrades the rating to Buy from Hold.

CSL and ResMed remain the top stock picks in the sector, with double-digit EPS growth expected across the analyst's investment horizon.

SCENTRE GROUP ((SCG)) Upgrade to Buy from Neutral by Citi .B/H/S: 4/0/1

2025 is viewed as an "inflection" year by Citi for Australian real estate stocks, with expectations of an interest rate cut in May.

The broker believes the outlook remains robust for high-growth sectors like data centres, self-storage, retail, and land lease. Falling financing costs are also seen as a positive for the industry.

A slower recovery in the domestic office market is anticipated due to higher vacancy rates and ongoing tenant incentives.

Citi's analyst prefers Goodman Group ((GMG)), National Storage ((NSR)), Ingenia Communities ((INA)), Stockland ((SGP)), Scentre Group, and GPT Group ((GPT)).

Scentre Group is upgraded to Buy from Neutral. Target price rises to $3.91 from $3.60.

Downgrade

BEACH ENERGY LIMITED ((BPT)) Downgrade to Sell from Neutral by Citi .B/H/S: 4/1/2

Citi downgrades Beach Energy to Sell from Neutral and raises the target price to $1.30 from $1.20.

The analyst believes the market is not fully accounting for risks associated with Waitsia. Following a December site visit, Citi identifies potential issues with introducing high-pressure gas into the plant and notes a new operator is taking control.

Citi also reviews the outlook for crude oil, forecasting a surplus from 2Q 2025. Historically, the broker points out, the Energy and Production sector underperforms the ASX by -30% during periods of crude oversupply.

CAR GROUP LIMITED ((CAR)) Downgrade to Hold from Accumulate by Ord Minnett .B/H/S: 4/2/0

Due to recent share price strength, Ord Minnett downgrades CAR Group to Hold from Accumulate, retaining the target price at $39.

The broker notes management reconfirmed FY25 guidance for revenue and earnings, including the closure of its wholesale and retail online tyres business following a strategic review.

There are no changes to the analyst's earnings estimates.

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

Ord Minnett marks to market commodity prices for the December quarter.

The broker downgrades the 2025 copper price forecast by -14%, hard coking coal by -9%, thermal coal by -8%, and aluminium by -8% due to weaker commodity demand, higher-for-longer interest rates, and the impacts of Trump tariffs and other trade barriers.

Deterra Royalties is downgraded to Accumulate from Buy, with a $4.40 target price. Ord Minnett lifts EPS forecasts by 8.8% and 9.7% for FY25 and FY26, respectively.

GENESIS MINERALS LIMITED ((GMD)) Downgrade to Neutral from Buy by UBS .B/H/S: 5/1/0

Genesis Minerals' December quarterly activities report revealed production of 57koz at a cost (AISC) of $2,202/oz, significantly outperforming UBS's forecast of 46koz.

The broker attributes the beat to Gwalia mining a bulk high-grade stope and the Laverton mill restart exceeding expectations.

The analysts raise the FY25 outlook to 217koz, 9% above the midpoint of production guidance, with an AISC of $2,244/oz.

UBS downgrades the rating to Neutral from Buy following the recent strong share price. The target price increases to $3.00 from $2.80.

MONADELPHOUS GROUP LIMITED ((MND)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 1/4/0

While a positive outlook for Monadelphous Group supports Macquarie's forecast for low double-digit earnings growth over FY25/26, the broker downgrades to Neutral from Outperform after a strong share price performance.

The target rises to $14.80 from $14.44 on the analyst's slightly higher EPS forecasts.

NETWEALTH GROUP LIMITED ((NWL)) Downgrade to Sell from Neutral by Citi .B/H/S: 1/5/1

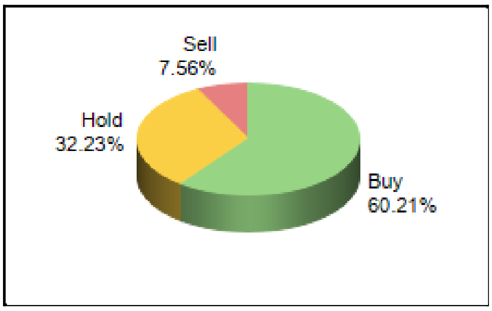
Citi highlights the platform industry recorded the second-highest quarterly net flows for the September 2024 quarter in the last ten years.

The strength is attributed to robust equity markets boosting incremental fund inflows and slowing headwinds from losing market share to industry funds.

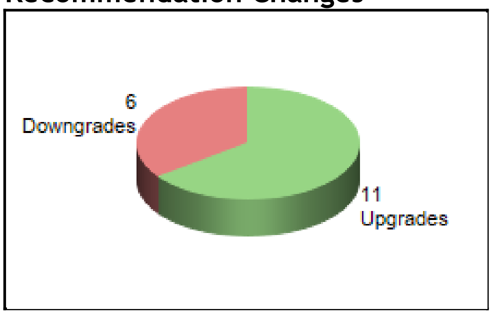
Citi downgrades Netwealth Group to Sell from Neutral due to its high valuation and expectations of downside risk to earnings. The analyst's earnings before depreciation and amortisation forecasts are below consensus by -2% for FY25 and -6% for FY26.

Target price lifts to $28.90 from $27 due to a roll forward of the valuation.

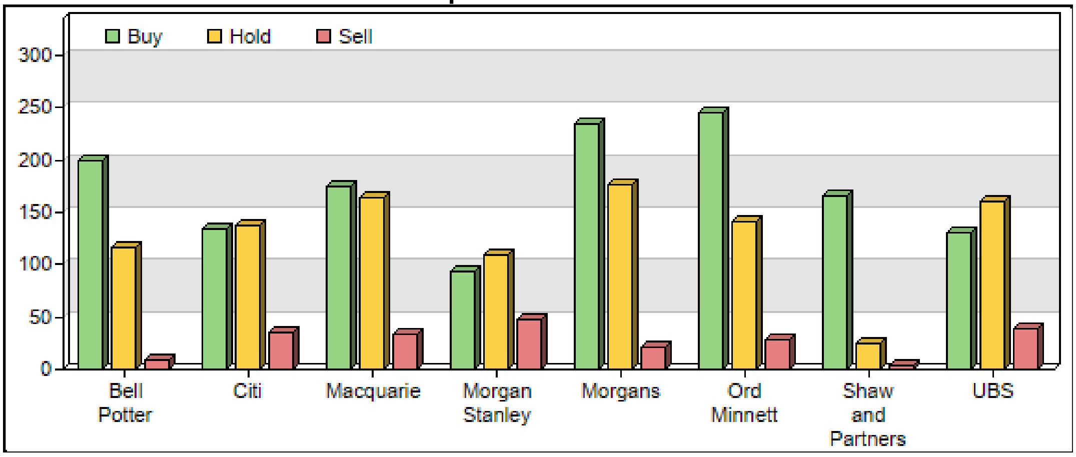
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	BABY BUNTING GROUP LIMITED	Buy	Neutral	Citi
2	BELLEVUE GOLD LIMITED	Neutral	Sell	Ord Minnett
3	FORTESCUE LIMITED	Buy	Buy	Ord Minnett
4	GUZMAN Y GOMEZ LIMITED	Neutral	Sell	UBS
5	JUMBO INTERACTIVE LIMITED	Neutral	Sell	Ord Minnett
6	LIONTOWN RESOURCES LIMITED	Neutral	Sell	Ord Minnett
7	LOVISA HOLDINGS LIMITED	Buy	Neutral	Morgan Stanley
8	NANOSONICS LIMITED	Neutral	Sell	Citi
9	OOH!MEDIA LIMITED	Buy	Neutral	Macquarie
10	RESMED INC	Buy	Buy	Ord Minnett
11	SCENTRE GROUP	Buy	Neutral	Citi
Downgrade				
12	BEACH ENERGY LIMITED	Sell	Neutral	Citi
13	CAR GROUP LIMITED	Neutral	Buy	Ord Minnett
14	DETERRA ROYALTIES LIMITED	Buy	Buy	Ord Minnett
15	GENESIS MINERALS LIMITED	Neutral	Neutral	UBS
16	MONADELPHOUS GROUP LIMITED	Neutral	Buy	Macquarie
17	NETWEALTH GROUP LIMITED	Sell	Neutral	Citi

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	IFL	INSIGNIA FINANCIAL LIMITED	3.825	3.158	21.12%	4
2	GMD	GENESIS MINERALS LIMITED	3.217	2.867	12.21%	6
3	PRN	PERENTI LIMITED	1.590	1.440	10.42%	3
4	AMP	AMP LIMITED	1.574	1.472	6.93%	5
5	SLC	SUPERLOOP LIMITED	2.275	2.150	5.81%	4
6	PNI	PINNACLE INVESTMENT MANAGEMENT GROUP LIMITED	25.338	23.975	5.69%	4
7	NWL	NETWEALTH GROUP LIMITED	27.029	25.757	4.94%	7
8	CPU	COMPUTERSHARE LIMITED	31.912	30.470	4.73%	6
9	PME	PRO MEDICUS LIMITED	209.250	200.917	4.15%	6
10	ACL	AUSTRALIAN CLINICAL LABS LIMITED	3.617	3.483	3.85%	3

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
2	SGR	STAR ENTERTAINMENT GROUP LIMITED	0.248	0.305	-18.69%	4

3	PMV	PREMIER INVESTMENTS LIMITED	32.100	35.340	-9.17%	5
4	BGL	BELLEVUE GOLD LIMITED	1.588	1.713	-7.30%	4
5	CRN	CORONADO GLOBAL RESOURCES INC	1.290	1.390	-7.19%	5
6	LTR	LIONTOWN RESOURCES LIMITED	0.720	0.775	-7.10%	6
7	NHF	NIB HOLDINGS LIMITED	6.443	6.835	-5.74%	6
8	IGO	IGO LIMITED	5.458	5.700	-4.25%	6
9	TYR	TYRO PAYMENTS LIMITED	1.386	1.438	-3.62%	5
10	29M	29METALS LIMITED	0.287	0.297	-3.37%	3

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	CMM	CAPRICORN METALS LIMITED	37.050	25.950	42.77%	3
2	VNT	VENTIA SERVICES GROUP LIMITED	26.400	22.700	16.30%	3
3	PRU	PERSEUS MINING LIMITED	53.376	47.200	13.08%	4
4	ALX	ATLAS ARTERIA	35.900	32.475	10.55%	6
5	PLS	PILBARA MINERALS LIMITED	1.600	1.450	10.34%	5
6	TAH	TABCORP HOLDINGS LIMITED	1.500	1.400	7.14%	5
7	NXT	NEXTDC LIMITED	-8.975	-9.525	5.77%	6
8	NEM	NEWMONT CORPORATION REGISTERED	502.923	477.450	5.34%	4
9	GOR	GOLD ROAD RESOURCES LIMITED	13.167	12.525	5.13%	3
10	SEK	SEEK LIMITED	42.220	40.195	5.04%	5

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	CRN	CORONADO GLOBAL RESOURCES INC	-3.963	-1.346	-194.43%	5
2	MIN	MINERAL RESOURCES LIMITED	-56.567	-31.350	-80.44%	7
3	BGL	BELLEVUE GOLD LIMITED	8.467	12.967	-34.70%	4
4	SGR	STAR ENTERTAINMENT GROUP LIMITED	-3.767	-2.900	-29.90%	4
5	PMV	PREMIER INVESTMENTS LIMITED	141.060	169.800	-16.93%	5
6	NIC	NICKEL INDUSTRIES LIMITED	3.452	3.974	-13.14%	6
7	CIA	CHAMPION IRON LIMITED	48.796	56.097	-13.01%	3
8	MP1	MEGAPORT LIMITED	13.000	14.800	-12.16%	6
9	PDN	PALADIN ENERGY LIMITED	17.458	19.812	-11.88%	5
10	IGO	IGO LIMITED	5.580	6.280	-11.15%	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.

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WEEKLY REPORTS

Uranium Week: Trump Tariff Concerns

Traders stepped back from the U308 spot market awaiting President Trump's inauguration, while the IEA details a bullish outlook for nuclear energy.

-U308 spot market hits a lull
-Nuclear energy entering a new growth phase
-Analysts sharpen uranium stocks' earnings outlook

By Danielle Ecuyer

Politics loom large over uranium

The spectre of incoming President Trump's import tariffs weighed on the U308 spot market last week, according to industry consultants TradeTech.

Zero transactions were recorded between Monday and Thursday, with six transactions occurring on Friday.

One spot transaction took place in the morning session, TradeTech notes, with the consultant's spot price indicator declining by -US$0.25/lb to US$73.75/lb. Five trades were conducted in the afternoon at prices between US$79.25/lb and US$81/lb for the 2026 delivery window.

Over the previous two months, TradeTech's weekly spot price indicator has fallen by -11.1% and by -30.4% over the last year. At current levels, the U308 spot price of US$86.29 is still -14.5% below the 2024 average. TradeTech's mid-term price indicator sits at US$78/lb, and the long-term price indicator at US$82/lb.

The outgoing US administration imposed additional sanctions on more than 200 entities and individuals associated with Russia's energy sector to increase funding pressures for that country in the Ukraine war.

The consultants note sanctions against officials at the State Atomic Energy Corporation, Rosatom, were included. In response, the Russian government announced they are considering plans to offset the impacts of US sanctions.

TradeTech points to a positive tone among buyers in the term uranium market, who believe the suspension of Kazatomprom's joint venture with Cameco, the Inkai project, will be resolved in the coming weeks.

Nuclear energy outlook

The International Energy Agency's (IEA) latest report, **The Path to a New Era for Nuclear Energy**, struck an upbeat tone for uranium and nuclear energy enthusiasts. The agency believes electricity demand will continue to grow. Over the past decade, electricity use has increased more than twice as fast as overall energy use, with electric vehicles, data centres, and AI-related applications driving demand for a "*new era of growth in nuclear energy*."

Interest in nuclear energy is at its highest level since the oil crisis of the 1970s, with more than 40 countries supporting nuclear energy expansion. The IEA estimates the global fleet of 420 reactors will generate record nuclear energy levels in 2025. After hydroelectric power, nuclear energy, at 10% of global generation, is the second-largest source of low-emissions electricity.

Some 70GWs of capacity from around 63 nuclear reactors are under construction, the agency notes, marking one of the highest levels since 1990. Annual investment in new plants and extending the life of existing reactors has risen over 50% in three years to over US$60bn.

From a technological standpoint, nuclear power is reliant on Chinese and Russian technologies. Of the 52 reactors under construction since 2017, 25 are Chinese-designed, and 23 are Russian-designed. The IEA stresses the high concentration of nuclear energy intellectual property, uranium production, and enrichment poses a geopolitical risk and underscores the need for increased diversity in supply chains.

Over half of the nuclear energy projects under construction are in China, which will surpass both the US and

Europe for installed capacity by 2030. The IEA points to policies targeting the development of cost-competitive small modular reactors, with a goal of 40GW capacity by 2050.

<u>What the brokers are saying</u>

Macquarie incorporates the $132m capital raising into its modeling for **Lotus Resources** ((LOT)), noting the company is now fully funded for its Kayelekera project restart.

The project has approximately a 10-year mine life remaining and is due to restart around 3Q 2025. The broker highlights the capital raising was larger than expected and more dilutive, but removes significant risk from the undertaking.

The company is also preparing a scoping study for Letihakane in Botswana, expected in 1Q 2025. Management's previous expectations were for 3mlbpa with a 15-year mine life or a total of 42mlb U308. This mine is lower grade with higher strip ratios, making it more sensitive to price, the analyst notes.

Macquarie expects management to implement some contracts in 2025, targeting 25%-30% for the first four years of Kayelekera, with more spot contracts thereafter.

Adjusting for the increased capital raising, the broker lowers EPS forecasts by -6% to -18% for FY25 to FY27. Target price drops -5% to 40c. Macquarie reinstates the stock with a Buy-equivalent rating.

Macquarie has adopted a Neutral rating on **Paladin Energy** ((PDN)) following a restriction period. The broker's modeling now includes the completed Fission Uranium acquisition, which covers the Patterson Lake South project. This is considered a high-grade uranium resource in the Athabasca Basin in Canada, with an initial 10-year mine life producing approximately 9.1mlbpa of U308.

The broker believes the resource can generate around a 27% internal rate of return at US$85/lb, assuming a later start date than Fission's current expectations and higher costs. Capex is forecast at -CA$1.8bn, with initial opex at -CA$17.8/lb First uranium production is expected in 2031.

Macquarie anticipates the market will focus on Langer Heinrich's ongoing ramp-up and progress at Patterson Lake regarding approvals and costings.

The analyst lowers EPS estimates for higher costs on the Canadian development by -31% to -42% for FY25 to FY27. Target price drops to $9 from $15.

Morgan Stanley and UBS have previewed the upcoming 1H25 results for Paladin. Morgan Stanley expects the focus to be on the success of plant maintenance at Langer Heinrich and updates on water storage management. The shutdown period was used to build a water supply buffer, the broker explains. Target price eases to $10.25 from $10.50. Buy rating retained.

The UBS analyst also expects the market to focus on whether water issues in 1H25, which caused a two-week plant shutdown, will persist into 2H25. The shutdown is forecast to reduce 2Q25 production by -9% on the prior quarter to 580klb. Assuming the water problems are resolved, UBS forecasts FY25 production at approximately 3mlb, with the mine restart planned for July 2025.

The stock remains Buy rated, with a $9.90 target price.

UBS has also previewed the December quarter results for **Boss Energy** ((BOE)), seeking updates on cost and capex guidance for Honeymoon in FY25. The analyst anticipates updates on commissioning for column 3 and the remaining three columns, scheduled to come online in 2025.

UBS retains its FY25 production estimate at 0.79mlb, versus guidance of 0.85mlb. The cost assumption is revised to include an additional -$20m in cost of goods sold for fixed costs at Honeymoon.

Target price remains $3.40, with the Buy rating retained. The company holds $65m in cash and uranium inventory of approximately $145m, placing the balance sheet in a strong position, the analyst concludes.

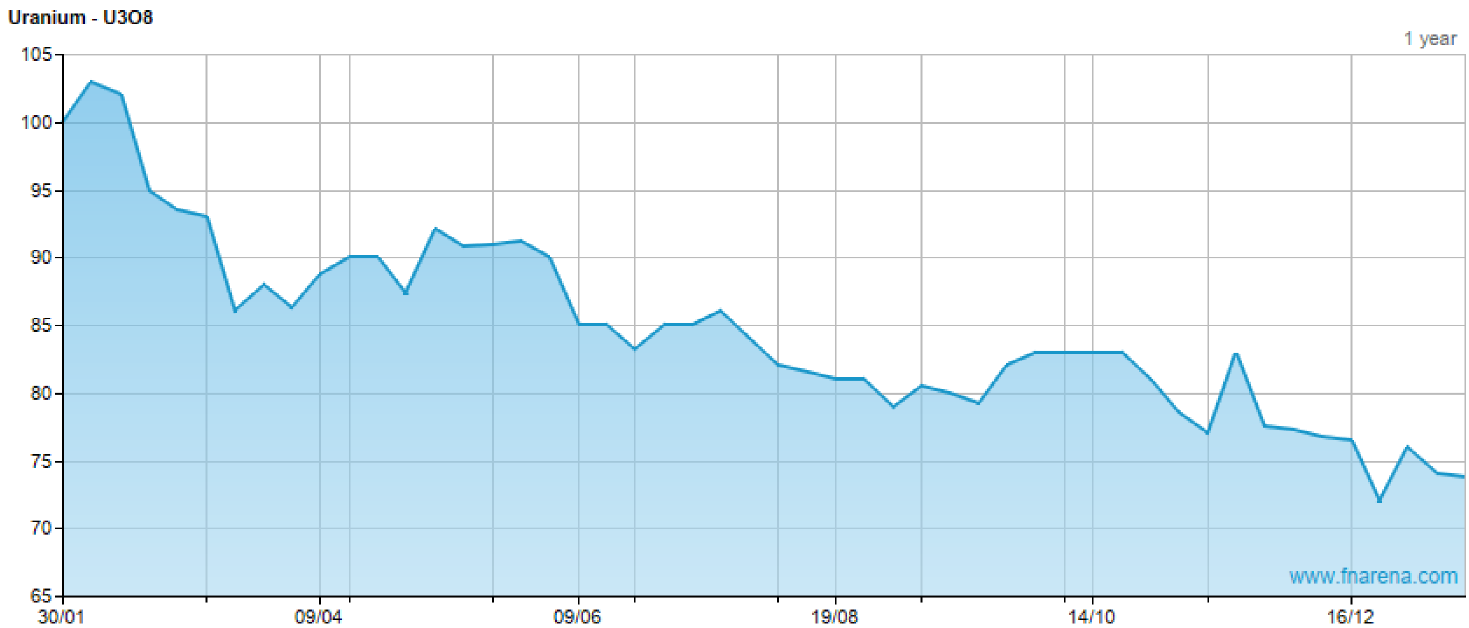
Morgan Stanley reduces Boss Energy's target price to $2.70 from $2.75 and retains a Hold rating.

On Tuesday morning, Macquarie released an initiation of coverage report on Deep Yellow ((DYL)), starting off with an Outperform rating and a maiden price target of $2.

Underpinning the significant potential share price upside are two long-life greenfield urfanium assets capable of delivering 7MB/year by 2023, the report states. The modeling assumes a long-term average uranium price of US$85/lb.

<u>**Uranium companies listed on the ASX:**</u>

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	17/01/2025	0.0600	▼-14.29%	$0.19	$0.03			
AEE	17/01/2025	0.1400	▲ 3.70%	$0.31	$0.11			
AGE	17/01/2025	0.0400	▲ 2.70%	$0.08	$0.03		$0.100	▲150.0%
AKN	17/01/2025	0.0100	0.00%	$0.04	$0.01			
ASN	17/01/2025	0.0700	0.00%	$0.17	$0.05			
BKY	17/01/2025	0.3300	▼- 1.49%	$0.45	$0.27			
BMN	17/01/2025	3.1700	▲ 4.97%	$4.87	$1.90		$7.400	▲133.4%
BOE	17/01/2025	2.8900	▲ 9.58%	$6.12	$2.21	27.8	$3.817	▲32.1%
BSN	17/01/2025	0.0200	▲ 5.88%	$0.21	$0.02			
C29	17/01/2025	0.0400	0.00%	$0.13	$0.03			
CXO	17/01/2025	0.0900	▲ 6.90%	$0.26	$0.08		$0.090	
CXU	17/01/2025	0.0100	0.00%	$0.06	$0.01			
DEV	17/01/2025	0.0900	▼- 1.15%	$0.45	$0.08			
DYL	17/01/2025	1.3300	▲ 4.44%	$1.83	$0.91			
EL8	17/01/2025	0.3000	▲ 7.41%	$0.68	$0.23			
ERA	17/01/2025	0.0030	0.00%	$0.07	$0.00			
GLA	17/01/2025	0.0100	0.00%	$0.03	$0.01			
GTR	17/01/2025	0.0030	0.00%	$0.01	$0.00			
GUE	17/01/2025	0.0800	0.00%	$0.15	$0.05			
HAR	17/01/2025	0.0400	0.00%	$0.26	$0.03			
I88	17/01/2025	0.6200	▲ 8.77%	$1.03	$0.14			
KOB	17/01/2025	0.0700	0.00%	$0.18	$0.07			
LAM	17/01/2025	0.7000	▼- 0.71%	$1.04	$0.48			
LOT	17/01/2025	0.2300	▲ 6.82%	$0.49	$0.17		$0.540	▲134.8%
MEU	17/01/2025	0.0600	▲21.28%	$0.06	$0.04			
NXG	17/01/2025	11.1600	▼- 0.92%	$13.66	$7.89		$16.600	▲48.7%
OAR	17/01/2025	0.0400	0.00%	$0.04	$0.01			
ORP	17/01/2025	0.0400	0.00%	$0.12	$0.03			
PDN	17/01/2025	8.4900	▲ 5.50%	$17.98	$6.83	56.1	$11.508	▲35.6%
PEN	17/01/2025	1.4400	▲12.40%	$2.90	$1.02		$4.810	▲234.0%
SLX	17/01/2025	5.8900	▲ 4.72%	$6.74	$3.35		$7.200	▲22.2%
TOE	17/01/2025	0.2200	▲ 2.33%	$0.52	$0.19			
WCN	17/01/2025	0.0200	▲11.11%	$0.03	$0.01			



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

WEEKLY REPORTS

The Short Report - 23 Jan 2025

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

Summary:

Week Ending January 16th, 2025 (most recent data available through ASIC).

10%+

GSBW34	127.97%
BOE	18.67%
PDN	15.84%
PLS	13.62%
DMP	13.51%
SYR	13.21%
IEL	12.79%
MIN	12.67%
MP1	10.84%
DYL	10.62%

Out: KAR, LTR

9.0-9.9%

LTR	9.98%
LYC	9.58%
KAR	9.52%
LIC	9.26%
ADT	9.01%

In: LTR, KAR, ADT
Out: SGR

8.0-8.9%

SGR	8.76%
JLG	8.60%

In: SGR, JLG
Out: ADT

7.0-7.9%

CTT	7.85%
CTD	7.62%
GMD	7.54%
SEK	7.26%

RIO	7.25%

In: SEK

6.0-6.9%

CUV	6.83%
DRO	6.82%
EDV	6.81%
SLX	6.77%
AD8	6.67%
BGL	6.41%
CIA	6.25%
CHN	6.21%
IMU	6.16%
STX	6.07%

In: STX
Out: SEK

5.0-5.9%

APE	5.91%
SFR	5.33%
NHC	5.11%
NCK	5.04%

In: NHC, NCK
Out: STX

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.5	0.6	NAB	0.6	0.6
ANZ	0.3	0.3	QBE	0.2	0.2
BHP	0.4	0.4	RIO	7.3	7.2
CBA	1.1	1.1	STO	0.9	1.1
COL	0.9	0.9	TCL	1.5	1.4
CSL	0.4	0.4	TLS	0.2	0.2
FMG	1.3	1.3	WBC	0.6	0.6
GMG	0.3	0.4	WDS	2.1	2.2
JHX	0.7	0.6	WES	0.6	0.7
MQG	0.5	0.6	WOW	0.5	0.5

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

Guide:

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

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

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

IMPORTANT INFORMATION ABOUT THIS REPORT

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

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

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

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

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

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

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

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

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WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 24-01-25

Broker Rating Changes (Post Thursday Last Week)

Upgrade

LYNAS RARE EARTHS LIMITED ((LYC)) Upgrade to Buy from Hold by Canaccord Genuity.B/H/S: 0/0/0

Lynas Rare Earths' December quarter NdPr/REO production of 1.3kt/2.6kt, respectively, missed Canaccord Genuity's and consensus forecasts, driven mainly by feedstock processing limits and impurity issues with Kalgoorlie.

Sales were in line with the broker's forecast but below consensus, and pricing was also slightly lower vs the broker's estimate.

The broker has lowered its average pricing forecast for FY25 by -10% and also lowered FY25 EBITDA by -18% on lower December quarter production numbers.

No change to price target of $7.5. Rating upgraded to Buy from Hold on valuation grounds.

NORTHERN STAR RESOURCES LIMITED ((NST)) Upgrade to Buy from Neutral by Goldman Sachs and Upgrade to Neutral from Underweight by Jarden.B/H/S: 0/0/0

Goldman Sachs has updated estimates for Australian gold mining coverage to reflect mark-to-market for December quarter actuals, exchange rate and gold forward curves, an increase in its long-term gold price estimate to US$2,300/oz, ongoing review of asset lives/costs, and company-specific updates.

The broker notes stocks on average are pricing in less than US$2,300/oz, with Northern Star standing out at less than US$2,100/oz. The broker is positive on the outlook for the company on expanded Kalgoorlie Consolidated Gold Mines operations and other asset growth.

With the company going into a 2H production uplift and improving free cash flow generation, combined with other factors, the broker has upgraded Northern Star to Buy from Neutral. Target price lifts to $20.0 from $16.6.

Jarden increased its long-term gold price forecast to US$2,000/oz from US$1,800.

Incorporating this into Northern Star's estimates has resulted in a lift in the target price to $15.8 from $13.0. The rating is also upgraded to Neutral from Underweight.

Looking ahead, the broker expects no change to the company's FY25 guidance of 1.65-1.8moz.

Key catalysts for the remainder of FY25, other than progressing the De Grey Mining ((DEG)) acquisition, include maintaining schedule and budget on the Kalgoorlie expansion, and increasing consistency of delivery from the expanded mills and associated ore sources, the broker says.

SANDFIRE RESOURCES LIMITED ((SFR)) Upgrade to Buy from Hold by Canaccord Genuity.B/H/S: 0/0/0

Canaccord Genuity reviews fundamentals for base metals and electric vehicle materials and updates forecasts for relevant stocks under research coverage.

Overall, the broker lowers its near-term copper, nickel and cobalt pricing, decreases near, mid and long-term lead pricing, and lowers
near-term spodumene and lithium chemicals pricing.

Earnings (EBITDA) revisions were generally lower for all companies under coverage on lower price assumptions, explain the analysts.

Canaccord sees value emerging at Sandfire Resources and upgrades the stock to Buy from Hold. The target falls to 10.75 from $11.25 on the broker's lower near-term copper forecast.

WOODSIDE ENERGY GROUP LIMITED ((WDS)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0

In a note looking ahead to 2025 and previewing December quarterly reports, Jarden has retained Brent oil price forecast of US$80/bbl for 1H25 but lowered 2H25 and 2026 forecast to US$75/bbl from US$80. For LNG, the broker forecasts Asian spot LNG to average US$13/mmbtu in 2025 and US$12 in 2026.

Jarden forecasts AUD/USD to average 0.640 in 2025, down from 0.675 previously, and raised interest rate assumption.

For Woodside Energy, the broker forecasts December quarter production of 51.5m barrels of oil equivalent (mmboe), -3% lower than September quarter but marginally higher than 51.1 mmboe consensus.

The forecast for sales volume is 54.1mmboe, -3% below the prior quarter but 2% above consensus.

Jarden's sensitivity analysis for LNG spot price concludes Woodside is more sensitive than Santos ((STO) to a change in spot price assumption from an earnings and dividend perspective.

A combination of lower AUD and higher near-term spot LNG prices, and expected positive news flow around Woodside Louisiana sell-downs, has led to an increase in target price to $27.

The rating is upgraded to Overweight from Neutral.

Downgrade

BEACH ENERGY LIMITED ((BPT)) Neutral by Jarden.B/H/S: 0/0/0

[Jarden had downgraded to Neutral in the preceding update].

In a note looking ahead to 2025 and previewing December quarterly reports, Jarden has retained Brent oil price forecast of US$80/bbl for 1H25 but lowered 2H25 and 2026 forecast to US$75/bbl from US$80. For LNG, the broker forecasts Asian spot LNG to average US$13/mmbtu in 2025 and US$12 in 2026.

Jarden forecasts AUD/USD to average 0.640 in 2025, down from 0.675 previously, and raised interest rate assumption.

The broker forecasts Beach Energy to report 4.9m barrels of oil equivalent (mmboe) production in the December quarter, -6% lower than the September 2024 quarter but higher than the consensus of 4.8 mmboe.

Sales volume is forecast to be 20% higher at 6.6 mmboe and also higher vs consensus of 5.6 mmboe.

Aside from mark-to-market and updated commodity price assumptions, the broker has included additional LNG sales cargoes in FY25 and higher production estimates in Vic Otway and Bass Basin. This has pushed target price higher to $1.40 from $1.33.

The rating is Neutral, but the broker sees upside risk on a 3-6 month view.

COMPUTERSHARE LIMITED ((CPU)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Jarden estimates that on a weighted average basis, the cash rate outlooks across Computershare's portfolio have remained flat for FY25 but have lifted by 5-10bps from FY26 onwards, reflecting the 'stronger for longer' outlook. As such, the broker's margin income
forecast for FY25 remains around US$745m, in line with guidance but FY26 estimate lifts by around 1%.

All in, the broker has raised the target price to $34.00 from $30.50 to reflect the USD rally, coupled with positive earnings revisions from
margin income upgrades.

The rating is lowered to Neutral from Overweight due to the recent share price rally.

HUB24 LIMITED ((HUB)) Downgrade to Hold from Buy by Canaccord Genuity.B/H/S: 0/0/0

Canaccord Genuity has updated forecasts for Hub24 following "very strong" net inflow numbers in the 2Q25 update which it believes matches the 1Q record performance.

The broker has raised platform funds under administration forecast for FY25 by 5.4% to $109.9bn and FY26 forecast by 4.9%.

Net profit forecast for 1H25 is $44.1m versus consensus of $42.9m.

Target price rises to $74.65 from $65.80 on higher EPS and DPS forecasts. However, the rating is lowered to Hold from Buy.

ORIGIN ENERGY LIMITED ((ORG)) Downgrade to Underweight from Neutral by Jarden and Downgrade to Neutral from Buy by Goldman Sachs. B/H/S: 0/0/0

In a note looking ahead to 2025 and previewing December quarterly reports, Jarden has retained brent oil price forecast of US$80/bbl for 1H25 but lowered 2H25 and 2026 forecast to US$75/bbl from US$80. For LNG, the broker forecasts Asian spot LNG to average US$13/mmbtu in 2025 and US$12 in 2026.

Jarden forecasts AUD/USD to average 0.640 in 2025, down from 0.675 previously, and raised interest rate assumption.

The broker forecasts a strong LNG December quarter for Origin Energy based on high flows along the APLNG pipeline, estimating a 3% increase vs the quarter before.

For domestic gas volumes, the broker forecasts a -19% decline reflecting lower seasonal demand for domestic c gas vs LNG. The broker's overall APLNG revenue estimate of $763m is 11% ahead of consensus.

The broker has incorporated recent movements in electricity prices into Origin's models, leading to around 19c increase in valuation. This, and other adjustments, pushed the target price higher to $10.65 from $9.90.

The rating is lowered to Underweight from Neutral due to concerns around the Sinopec price review impact and limited potential for higher-than-forecast dividends given capex plans.

Goldman Sachs previews the December quarter results for energy companies.

The broker downgrades Origin Energy to Neutral from Buy as the stock is up 17% in the last five months following a disappointing FY24 result.

Higher oil prices at US$80/bbl are expected to benefit the company, and if the crude oil spot price remains at US$80/bbl through 2025, the target price would rise to $10.50, the analyst states.

Free cash flow is anticipated to reach $1bn in FY25 compared to $0.63bn in FY24.

Target price rises to $10.40 from $10.30.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	LYNAS RARE EARTHS LIMITED	Buy	Neutral	Canaccord Genuity
2	NORTHERN STAR RESOURCES LIMITED	Buy	Neutral	Goldman Sachs
3	NORTHERN STAR RESOURCES LIMITED	Neutral	Sell	Jarden
4	SANDFIRE RESOURCES LIMITED	Buy	Neutral	Canaccord Genuity
5	WOODSIDE ENERGY GROUP LIMITED	Buy	Neutral	Jarden
Downgrade				
6	BEACH ENERGY LIMITED	Neutral	Buy	Jarden
7	COMPUTERSHARE LIMITED	Neutral	Buy	Jarden
8	HUB24 LIMITED	Neutral	Buy	Canaccord Genuity
9	ORIGIN ENERGY LIMITED	Neutral	Buy	Goldman Sachs
10	ORIGIN ENERGY LIMITED	Sell	Neutral	Jarden

Price Target Changes (Post Thursday Last Week)

	Company	Last Price	Broker	New Target	Old Target	Change
AEL	Amplitude Energy	$0.20	Goldman Sachs	0.26	0.25	4.00%
			Jarden	0.25	0.26	-3.85%
AGL	AGL Energy	$11.62	Goldman Sachs	11.65	11.50	1.30%

ASN	Anson Resources	$0.06	Petra Capital	0.31	0.35	-11.43%
BGL	Bellevue Gold	$1.15	Goldman Sachs	1.55	1.80	-13.89%
BHP	BHP Group	$39.12	Goldman Sachs	46.80	47.40	-1.27%
BPT	Beach Energy	$1.52	Goldman Sachs	1.33	1.26	5.56%
			Goldman Sachs	1.35	1.26	7.14%
			Jarden	1.40	1.33	5.26%
CKF	Collins Foods	$7.17	Jarden	9.40	9.20	2.17%
CMM	Capricorn Metals	$7.60	Goldman Sachs	7.55	6.15	22.76%
CPU	Computershare	$34.21	Jarden	34.00	30.50	11.48%
CSL	CSL	$270.00	Goldman Sachs	325.40	307.00	5.99%
DEG	De Grey Mining	$2.01	Goldman Sachs	N/A	1.40	-100.00%
DMP	Domino's Pizza Enterprises	$29.66	Jarden	40.00	42.00	-4.76%
EVN	Evolution Mining	$5.66	Goldman Sachs	5.15	4.50	14.44%
EVO	Embark Early Education	$0.76	Canaccord Genuity	1.02	0.96	6.25%
FBU	Fletcher Building	$2.59	Goldman Sachs	2.65	2.75	-3.64%
			Jarden	3.76	N/A	-
GDG	Generation Development	$4.27	Moelis	4.91	3.91	25.58%
GOR	Gold Road Resources	$2.47	Goldman Sachs	2.65	2.35	12.77%
HGO	Hillgrove Resources	$0.04	Canaccord Genuity	0.08	0.10	-15.79%
			Moelis	0.07	0.08	-12.50%
HUB	Hub24	$75.99	Canaccord Genuity	74.65	65.80	13.45%
			Jarden	60.05	50.85	18.09%
			Moelis	77.08	67.92	13.49%
			Wilsons	80.00	74.41	7.51%
IAG	Insurance Australia Group	$8.82	Goldman Sachs	8.10	7.50	8.00%
IGO	IGO Ltd	$5.21	Canaccord Genuity	4.30	4.70	-8.51%
ILU	Iluka Resources	$4.63	Goldman Sachs	7.40	7.70	-3.90%
IRE	Iress	$9.53	Wilsons	11.00	10.26	7.21%
JHX	James Hardie Industries	$54.25	Goldman Sachs	59.30	57.85	2.51%
KAR	Karoon Energy	$1.41	Goldman Sachs	2.04	2.15	-5.12%
			Jarden	1.90	2.00	-5.00%
LTR	Liontown Resources	$0.66	Canaccord Genuity	0.60	0.90	-33.33%
			Canaccord Genuity	0.70	0.90	-22.22%
			Goldman Sachs	0.71	0.87	-18.39%
LYC	Lynas Rare Earths	$6.63	Goldman Sachs	7.40	7.30	1.37%
MIN	Mineral Resources	$35.37	Jarden	27.60	31.20	-11.54%
MYR	Myer	$0.96	Canaccord Genuity	1.15	1.25	-8.00%
NEC	Nine Entertainment	$1.33	Jarden	1.50	1.55	-3.23%
NST	Northern Star Resources	$17.28	Canaccord Genuity	22.85	21.95	4.10%
			Goldman Sachs	19.80	16.60	19.28%
			Goldman Sachs	20.00	16.60	20.48%
			Jarden	15.40	13.10	17.56%
			Jarden	15.80	13.10	20.61%
NWS	News Corp	$49.89	Jarden	50.30	49.80	1.00%
OBM	Ora Banda Mining	$0.75	Moelis	0.83	0.81	2.47%
ORG	Origin Energy	$11.32	Goldman Sachs	10.40	10.30	0.97%
			Jarden	10.65	9.90	7.58%
PDI	Predictive Discovery	$0.27	Canaccord Genuity	0.52	0.50	4.00%
PLS	Pilbara Minerals	$2.32	Canaccord Genuity	3.60	3.90	-7.69%
			Jarden	2.50	3.30	-24.24%
PNI	Pinnacle Investment Management	$25.11	Wilsons	26.50	20.50	29.27%
PNR	Pantoro	$0.11	Moelis	0.15	0.14	7.14%
QOR	Qoria	$0.43	Wilsons	0.57	0.55	3.64%
REH	Reece	$23.05	Goldman Sachs	22.80	23.10	-1.30%
RIO	Rio Tinto	$118.00	Goldman Sachs	146.20	135.10	8.22%
RMD	ResMed	$39.35	Goldman Sachs	48.90	33.50	45.97%
RRL	Regis Resources	$3.21	Goldman Sachs	2.70	2.05	31.71%
RWC	Reliance Worldwide	$5.33	Goldman Sachs	6.05	5.93	2.02%
S32	South32	$3.53	Goldman Sachs	4.00	3.90	2.56%
SFR	Sandfire Resources	$9.90	Canaccord Genuity	10.75	11.25	-4.44%
STO	Santos	$7.13	Goldman Sachs	8.14	7.90	3.04%
SUN	Suncorp Group	$20.06	Goldman Sachs	20.50	19.20	6.77%

VEA Viva Energy	$2.72	Goldman Sachs	3.35	3.30	1.52%
VUL Vulcan Energy Resources	$5.35	Canaccord Genuity	11.75	11.50	2.17%
WDS Woodside Energy	$24.95	Goldman Sachs	25.00	26.20	-4.58%
		Goldman Sachs	25.90	26.20	-1.15%
		Jarden	27.00	26.80	0.75%
Company	Last Price	Broker	New Target	Old Target	Change

More Highlights

CEH COAST ENTERTAINMENT HOLDINGS LIMITED

Travel, Leisure & Tourism Overnight Price: $0.47

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

Canaccord Genuity notes Coast Entertainment's 1H25 trading update was "definitely" positive, reaffirming the positive operating trajectory the company is now on. The 1H25 result was for the period ending December 24, so new rides in Rivertown had only one day of contribution.

Revenue of $47.7m was in line with the broker's estimate. With the company's commentary suggesting multiple growth levers like new attractions, pricing initiatives and international visitation recovery, the broker will await more information to adjust FY25 operating forecasts.

No change to 60c target price and Buy rating.

This report was published on January 21, 2025.

Target price is **$0.60** Current Price is **$0.47** Difference: **$0.135**
If **CEH** meets the Canaccord Genuity target it will return approximately **29%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 1.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 46.50**.

Forecast for FY26:

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

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

CGS COGSTATE LIMITED

Medical Equipment & Devices Overnight Price: $1.19

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

Canaccord Genuity notes Cogstate's 1H25 trading update was in line with expectations and marked an improvement over last year's softer result.

The broker is more confident in its US$47.2m FY25 revenue forecast after the update.

No change to $1.45 target price and Buy rating.

This report was published on January 19, 2025.

Target price is **$1.45** Current Price is **$1.19** Difference: **$0.265**
If **CGS** meets the Canaccord Genuity target it will return approximately **22%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **4.41** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **26.85**.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **5.33** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **22.25**.

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

GDG GENERATION DEVELOPMENT GROUP LIMITED

Wealth Management & Investments Overnight Price: $4.27

Moelis rates ((GDG)) as Buy (1)

Generation Development is going from strength to strength, Moelis states in response to the latest quarterly market update.

Sales inflow of $250 for the December quarter beat the broker's forecast for $190m. In addition, growth in Lonsec Research remains solid, the broker observes, with new product growth underpinned by the continuing expansion of the private market offerings from fund managers.

New product initiatives saw the launch of Lonsec Research logos and SuperRatings enter into a new UK agreement. Forecasts have been upgraded.

Buy rating retained. The stock price valuation is supported by growth, Moelis highlights. The target price has improved to $4.91.

This report was published on January 23, 2025.

Target price is **$4.91** Current Price is **$4.27** Difference: **$0.64**
If **GDG** meets the Moelis target it will return approximately **15%** (excluding dividends, fees and charges).
Current consensus price target is **$4.67**, suggesting upside of **8.8%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY25:

Moelis forecasts a full year **FY25** dividend of **3.20** cents and EPS of **8.00** cents.
At the last closing share price the estimated dividend yield is **0.75%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **53.37**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **8.2**, implying annual growth of **172.4%**.
Current consensus DPS estimate is **2.2**, implying a prospective dividend yield of **0.5%**.
Current consensus EPS estimate suggests the PER is **52.3**.

Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **4.30** cents and EPS of **10.80** cents.
At the last closing share price the estimated dividend yield is **1.01%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **39.54**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **10.8**, implying annual growth of **31.7%**.
Current consensus DPS estimate is **3.1**, implying a prospective dividend yield of **0.7%**.
Current consensus EPS estimate suggests the PER is **39.7**.

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

QOR QORIA LIMITED

Software & Services Overnight Price: $0.44

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

Canaccord Genuity notes Qoria's 2Q25 result showed continuing positive underlying momentum in key operating metrics, setting up a platform for ongoing strong annual recurring revenue (ARR) growth and operating leverage into FY25-26

The broker has modestly revised higher its estimate for FY25-FY26 ARR, but lowered EBITDA for FY25-26 given its revised understanding of the company's guidance.

No change to target price and Buy rating.

This report was published on January 21, 2025.

Target price is **$0.55** Current Price is **$0.44** Difference: **$0.11**
If **QOR** meets the Canaccord Genuity target it will return approximately **25%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY25:

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 2.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 22.00**.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 1.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 44.00**.

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

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