

Major Market Data

ASX 200	8176.9	-28.5	-0.35%	SPI		8212	-14	-0.17%
ASX High	8223.5	18.1		SPI Fair Value		-18		
ASX Low	8164.8	-40.6		SPI Volume		-		
Value	\$6.70 Bn			\$A/\$US		0.6732	-0.0025	-0.37%
Specials				10 yr Bonds Futures		95.79	0.00	0.00%
52 Weeks Hi/Lows	10 Hi	2 Low		90 Day Bills Futures		95.70	0.00	0.00%
Momentum (Top 50)	300 Up	200 Down		Best Sector Today	1	Staples		-0.15%
Asia Today					2	HealthCare		0.75%
New Zealand	12535	-41	-0.32%		3	Info Tech		-1.07%
China	3497	162	4.87%	Worst Sector Today	1	Prop Trusts		0.05%
Hong Kong	21675	-1271	-5.50%		2	Materials		-1.74%
Japan	38886	-418	-1.06%		3	Telecoms		-0.39%
After US trading				After US trading				
Dow Futures	42216	-27	-0.06%	Gold in Asian trade		2643.5	0.37	0.01%
S&P 500 Futures	5745	0.0	0.00%	Oil in Asian trade		75.9	-1.28	-1.66%

Intra-day Chart of ASX 200





Major Point Contributors to ASX 200

Security	Up	IndexPts	Security	Down	IndexPts
CSL	373	6.07	BHP	-107	-18.27
NAB	15	1.56	FMG	-108	-6.16
WBC	13	1.51	WDS	-34	-2.17
GMG	23	1.35	QBE	-40	-2.02
ANZ	12	1.21	S32	-10	-1.52
CBA	20	1.13	MIN	-211	-1.24
MQG	85	1.02	XRO	-257	-1.24
NST	21	0.81	TLS	-3	-1.17
ORG	10	0.58	PLS	-10	-0.95
QAN	8	0.44	IGO	-32	-0.73
	Top 10	15.68		Bottom 10	-35.48

Source Coppo report

Main Sector moves

Local Markets				Aussi Sectors		% Change
				Materials		-1.74
ASX 200	8176.9	-28.50	-0.35	Info Tech		-1.07
New Zealand	12556	-40.88	-0.32	Energy		-0.95
				Telcom		-0.39
Currencies				Consumer Staples		-0.15
SA / SUS	0.673	0.00	-0.40	Industrials		-0.09
EURO / US\$	1.0983	0.00	0.07	Consumer Discretionary		-0.05
				Financials ex REITS		0.14
BONDS				Financials		0.14
Aust 10 Year Bonds	95.785	-0.14	-0.15	Utilities		0.29
US 10 year Bonds				REITS		0.29
				Healthcare		0.75
Australia						
All Ords	8443.7	-35.30	-0.42	Asian Mkts		
ASX 200	8176.9	-28.50	-0.35	Japan		-1.08
ASX 300	8118.5	-29.70	-0.36	Hong Kong		-5.58
Small Ords	3125	-20.20	-0.64	China		4.81
				Korea		-0.51

Source Coppo report

TOP 20

ASX Code	% Move	Cents Move	-6.00%	-4.00%	-2.00%	0.00%
BHP	-2.39%	-107				
CBA	0.15%	20				
CSL	1.29%	373				
NAB	0.40%	15				
WBC	0.42%	13				
ANZ	0.40%	12				
MQG	0.37%	85				
WES	0.13%	9				
FMG	-5.31%	-108				
GMG	0.63%	23				
WPL	-1.27%	-34				
TLS	-0.78%	-3				
RIO	-0.15%	-18				
TCL	-0.23%	-3				
WOW	-0.30%	-10				
WTC	0.30%	40				
ALL	-0.36%	-21				
QBE	-2.43%	-40				
JHX	-0.79%	-43				
STO	-0.55%	-4				

Source Coppo report

Australian Market Overview

The ASX 200 closed **down -28 points or -0.35%** (high +18pts to a low down -40 pts).

Value was \$6.7b with 28 Blocks worth just \$310m

Today we saw a reversal of the **China trade & banks finally had a decent day after a tough 2 weeks of declines.**

The market needed a break & now the question how long does this last before we get the next leg up in resources ?

China reopening was well anticipated & their **mkt opened up +11%**, but then was more subdued as it came back to be **up +5%** 1 ½ hours later & **when we closed it was up +6.5%**

Before today's move **China had rallied +23.4% over the previous 9 trading days** before the week long break for Golden week.

While **Hong Kong that has been on a tear** & at yesterday's close had **rallied +35%** over the **last 3.5 weeks**, was in *need of a slowdown* & that's what it got as it was **down -11%** at one stage, but still recovered well off that low to be **down -6.5%** later on & **when we closed it was down -5.1%**

There had been huge anticipation by some that Chian would add more stimulus measures today & so mkts had bene priming for that.

BUT at the press briefing from **China's top economic planner** — the National Development and Reform Commission — to discuss a package of policies aimed at boosting economic growth **had little to offer**. While officials said they are **confident in reaching China's economic targets this year** and **promised further support**, they *held back in unleashing more stimulus* – **which just gave the mkt an excuse to lock in some profits** after the most extraordinary rallies they have seen in such a short period.

Also the **World Bank** – **who never seem to get it right** – came out & said they expect **China's growth to deteriorate** next year, despite its recent stimulus measures, they said China's growth was set to **fall to 4.3% next year from an estimated 4.8% this year**.

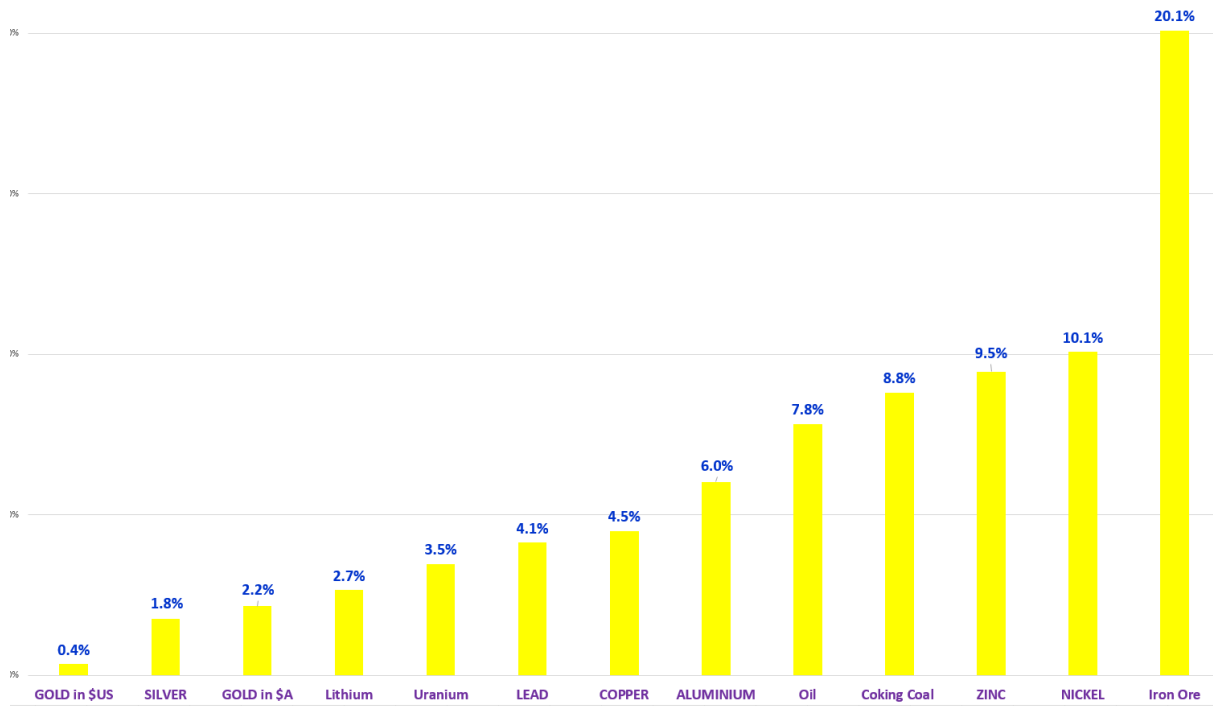
So with all that we saw **Iron Ore** that was trading in **Singapore up at US\$114**, dropped back to **US\$110**, **copper futures -1.7%** & **Oil fell -1.6%**.

With that the **banks after 2 weeks of misery, had a good day**, while the **resources saw profit taking after their huge rallies**.

The mkt will watch to see if they hold these levels & then up again – I suspect there will be plenty who will be watching for the falls to slow & then try & get in & **thus “buy the dips”...**

To put the Iron Ore move into context – the chart below shows the moves we have seen since China's 1st announcement

Commodity price moves - Move China announced measures



Source Coppo Report

Moves in the Banks today & how the “China plays” moved as well

Banks	Last	+/-	% Change today	23rd Sept	Move since China's 1st stimulus
ANZ	3011	12	0.40	3170	-5.0%
CBA	13497	20	0.15	14239	-5.2%
NAB	3727	15	0.40	3970	-6.1%
WBC	3091	13	0.42	3361	-8.0%

Iron Ore	Last	+/-	% Change today	23rd Sept	Move since China's 1st stimulus
BHP	4379	-107	-2.39	3981	10.0%
RIO	12099	-18	-0.15	11234	7.7%
FMG	1927	-108	-5.31	1769	8.9%
MIN	5123	-211	-3.96	3676	39.4%
CIA	670	-31	-4.42	576	16.3%

Resources	Last	+/-	% Change today	23rd Sept	Move since China's 1st stimulus
S32	360	-10	-2.70	320	12.5%
MGX	32.5	0.5	1.56	29	12.1%
ILU	658	-8	-1.20	603	9.1%
IGO	549	-32	-5.51	507	8.3%
LYC	767	-2	-0.26	700	9.6%
CHN	151	-9	-5.63	130	16.2%
NIC	93	-0.5	-0.53	84	10.7%

Lithium	Last	+/-	% Change today	23rd Sept	Move since China's 1st stimulus
PLS	300	-10	-3.23	278	7.9%
MIN	5123	-211	-3.96	3676	39.4%
IGO	549	-32	-5.51	507	8.3%
SYR	29	-2	-6.45	22.5	28.9%
LKE	4.4	0.2	4.76	3.8	15.8%
VUL	446	-14	-3.04	377	18.3%
LTR	83.5	-4.5	-5.11	63	32.5%
PMT	46.5	-1.5	-3.13	35	32.9%
INR	21	-1	-4.55	19.5	7.7%
DLI	25.5	1.5	6.25	20.5	24.4%

Other China plays	Last	+/-	% Change today	23rd Sept	Move since China's 1st stimulus
TWE	1196	5	0.42	1075	11.3%
A2M	635	-2	-0.31	520	22.1%
SMI	35.5	-1	-2.74	37.5	-5.3%
BUB	13.5	-0.5	-3.57	12.5	8.0%

Source Coppo Report

M&A says a lot about how cheap Lithium stocks are

1. The news that **RIO is now looking at Lithium – when its down & out** – shows that the mindset of corporates has changed so dramatically & quickly.
2. **Companies look 2 to 4 years ahead – while the mkt looks 2 to 4 mths ahead**
3. We saw **just 2 months ago** – when **Lithium looked dead for the next 2 years** - **Pilbara Minerals** “acted courageously” with a **\$560 million takeover offer for Latin Resources** and its flagship lithium project **Salinas in Brazil**, despite almost all analyst and investors doubts about the deal & asking why now when the outlook – right now – is so bad!?
4. **But by moving on Latin after assessing scores of lithium projects**, Pilbara Minerals made a **countercyclical bet** and also spread beyond Western Australia where it is still pressing **ahead with a massive expansion of its Pilgangoora mine**.
5. **Pilbara’s bid for Latin comes as Brazil closes in on a deal with the United States to work more closely on critical minerals supply and improve access to Inflation Reduction Act subsidies**.
6. The **US ambassador to Brazil** has suggested a deal on **preferential treatment in critical minerals could be signed** at the G20 leaders’ summit in **Rio de Janeiro in November**.
7. So this deal looks to be an **excellent one & when mkt looks back in a years – possibly a masterstroke buy right at the lows & right before the US signs a big deal with Brazil**.

There have been **plenty of bull markets that started when the M&A activity started**.

- The corporates – who unlike the instos (even though most pretend they do) – have a **“real” 2 to 4 years view & can see cheap assets**.
- All they needed see that the **rate hike cycle was over in the US (and the rate cut cycle has now started) & that China is acting aggressively to stimulate their economy to get 5% GDP**.
- Many others are **too conservative or still bearish looking in the “rear vision mirror” & will wait much longer** (and end up paying a lot more) but theses **“early movers” should never be ignored – they are telling us so much about where commodity prices & resource stocks are heading**.

M&A can cause "PE Expansion" - and given that PE's have been crushed - this could see many stocks lift even without EPS revisions

- Also when you see **M&A it tells you that prospective PE’s may be too low & as a result, stocks that are seen as potential takeover targets quite often see PE expansion after another stock in their sector has received a takeover bid** (this is one of the many reasons I remain bullish (even though I have been too early) on **Lithium stocks for the rest of 2024**(and beyond) ..
- Disclaimer I own **SYR, MIN & PLS**

Highs & Lows Today

Highs

- All Time Highs AAI, DBI, GNP, HMC, IPX, REG, SFR
- 4.5 Year Highs ANN
- 2.5 Year Highs BGA, BVS

Lows

- 4 Year Lows BDM
- 3 Year Lows AGI
- 2 Year Lows LIN

The China Trade has a lot of firepower to keep going & thus put a floor under the resources

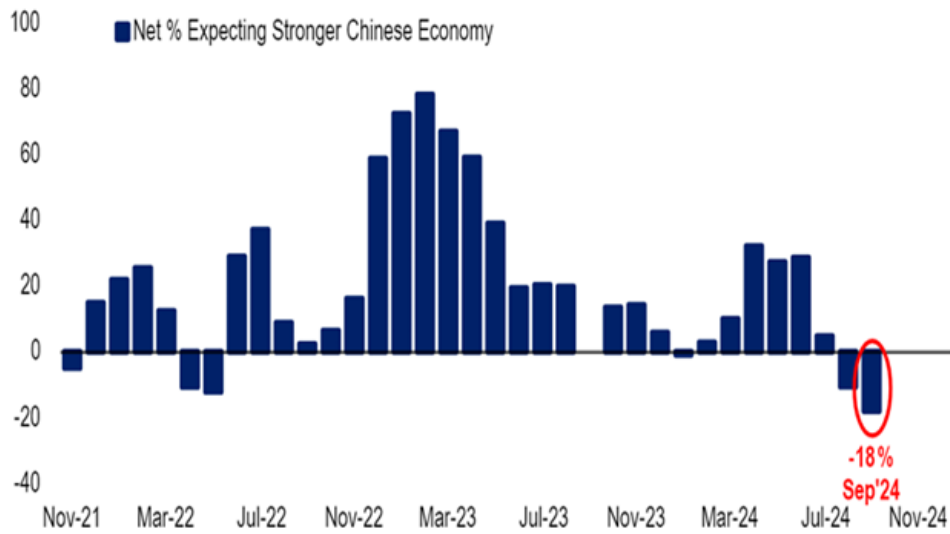
1. **Mutual Fund Flows** saw money out of the US -US\$9.7b the biggest outflow in 7 months - since April.
2. Bank of America's survey of fund managers found last month that "macro pessimism was centred on China", with growth expectations at the lowest point in the 3 years that the bank has been tracking them in this form.



- 3.
4. Hedge Funds big trade has been shorting China's share market – seen as one of the most popular trades among global fund managers & also shorting Australian resources as a proxy for China growth was also a very popular one. So the outlook for profits was poor, as China struggled to escape deflation.

China growth outlook at lowest in 3-year history

Net % expecting stronger Chinese economy



Source: BofA Global Fund Manager Survey

- 5.
6. **BUT** the policy shock unleashed is sizable Bank of America strategist Michael Hartnett estimates about **\$US560 billion** worth of stimulus has been announced, **equivalent to about 3% of China's GDP**
7. Thus money had been exiting China for a long time - but really exited in August **Outflows from China funds moderate as pessimism fades**

Net weekly outflows from Greater China equity funds at \$11million last week vs \$311 million in late July



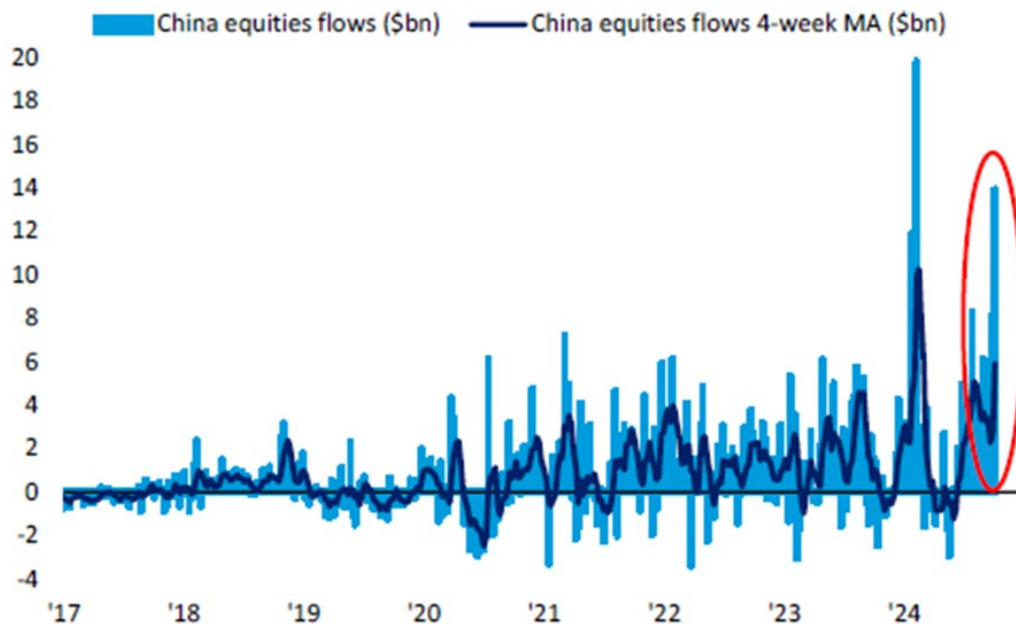
Note: Weekly data from global funds tracked by Lipper, in US\$ millions. By Naomi Rovnick

Source: LSEG

- 8.
9. **BUT** China last week saw massive inflows - the 2nd highest ever recorded with **+\$US13.9b** – so the “**market**” is displaying by this- that it **really believes** that the Chinese gov't will succeed in their “**goal**” of **5% GDP**.

Chart 10: 2nd largest weekly inflow ever to China equity funds

Flows to China equity funds (weekly vs 4wk-ma, \$bn)



10. Source: BofA Global Investment Strategy EPR
11. I have **read many experts** (and with the internet these days there are many out there) who **say China will fail** – as it **has before & don't be sucked in & stay away from China & sell the resources bounce.**
12. The **shorts will be reading these comments & it will be their "Bible" & given them solace that their short positions will yield profits** as soon as the world see that **China's GDP will not meet 5% they are aiming at but fall short.**
13. **Then there are other experts who see these measures by China as significant & they will get GDP of 5%.**
14. What we have **seen out of China has been a plethora of measures = the Bears keep saying there has not been enough done – but then China keeps adding new measures that sort of kills that argument.**
15. So what has now happened is that **unlike the past where they have not done enough & the measures have failed** (the Bears highlight that in the **last 2 years ALL the stimulus measures have failed miserably**), but this time - to me & it looks like the **markets as well - the big difference this time** if that all these **measures combined are now the biggest seen since the pandemic.**
16. **BUT Deutsche Bank says the fiscal stimulus is a big deal** that, when measured against the **size of the economy**, is the **third-biggest of its kind for the country – a Mario Draghi-style "whatever it takes" moment.**
17. **Now resources (and the China trade) will continue to rally** (and then **consolidate, then rally again**) over the **next 4 to 6 months** as the market tries to work out if **"this is the real thing"**
18. **So it seems to be a big chance that there will be more growth measures coming & with everyone the mkt "China trade" just gets another layer of support.**
19. **So any selloff – when they do come – will be short & buyers will be there to "buy the dip"** (and that's not even looking at what those short resources will to do.)

20. **So after 2 years of failed measures – this time they look to be going “all out” with now every policy control are now engaged-** as they use a combination of monetary, regulatory, fiscal and also even **direct intervention into the equity market.**

Chinese stimulus measures so far announced

- A 30-basis point cut in the 1-year medium-term lending facility rate (from 2.60% to 2.30%).
- A 20-basis point cut in the 7-day reverse repo rate (from 1.90% to 1.70%).
- Reserve requirement ratio (RRR) cut by 50bps which frees up ~\$142bn USD of liquidity.
- Lower mortgage rates for existing loans
- Down payment ratio for second homes cut to 15% from 25%.
- PBOC directive allowing financial institutions to borrow for stock investments - 500bn RMB **facility.**
- PBOC providing subsidised funds to be used for share buybacks and purchases by controlling shareholders - 300bn RMB facility
- **Funding for such initiatives** can grow if there is evidence they are working.

This is a “game changer” I saw it immediately on the day it was announced

- **Ben Griffiths at EGG – like me has been in the mkts for over 30 years & I agree with his comments totally about the China situation ..**

To quote him

- “Much has been said (and written about) the **extraordinary events** of last week involving the **unveiling of China's stimulus** measures, aimed primarily at **protecting the central governments 5% growth edict.**
- -Announced 3 trading days subsequent to the US Federal reserve's 0.50% rate cut, the measures achieved the desired '**shock and awe**' response from **financial markets.**
- -Interesting, the same week we heard that **US ownership of Chinese equities had plumbed 5 year lows** and that **India's** weighting in key EM ETF's now eclipsed **that of China's.**
- -The various measures were **noteworthy** for several reasons, not the least of which being the **first steps towards Beijing putting some form of floor under consumer and business confidence.**

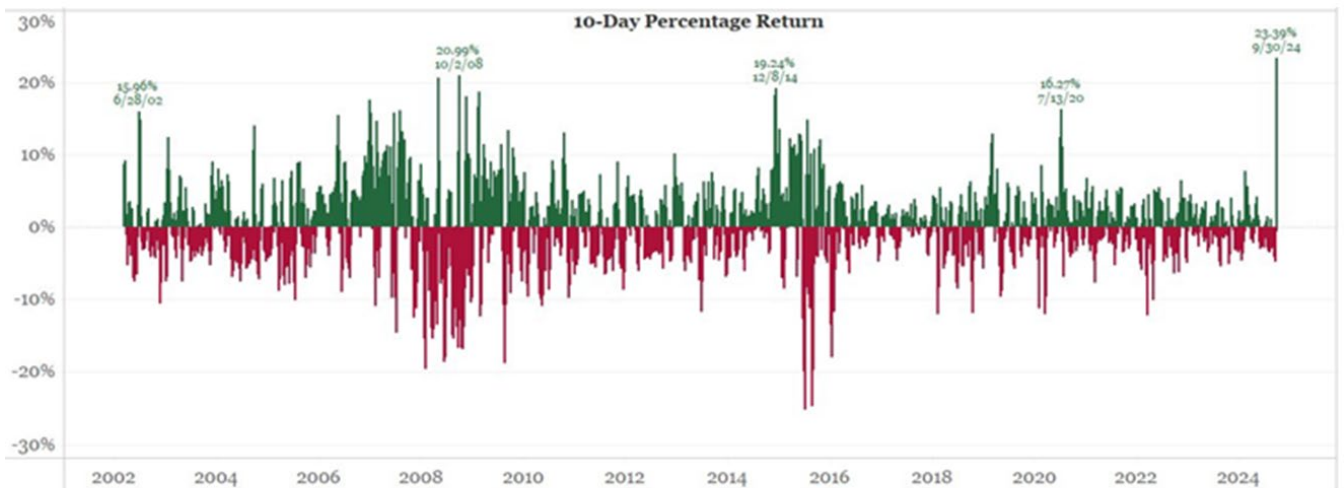
-We thought it was particularly significant that

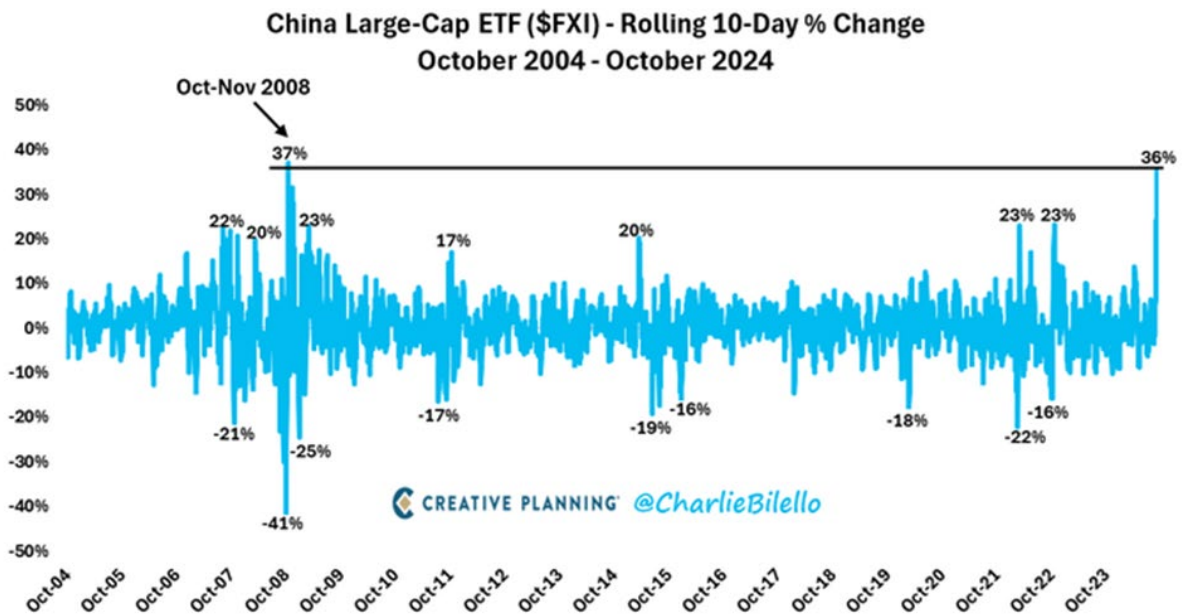
- 1) the **central government finally unbent,**
- 2) they **employed DIRECT intervention** via a variety of measures,
- 3) it was **coordinated** through **several government agencies** (including the PBoC, MOF and Politburo) and
- 4) this was **likely the opening salvo.**

- -The **Chinese stock market staged a powerful rally** in response, with the closely monitored (by the National People's congress) **Shanghai Composite Index + 4.5% on the day of the first announcements.**
- For me it was the **technically significant response from the Shanghai SSE 50 (SSE50)** that caught my attention. **A support line originating in mid 2005 has been underwriting the SSE50, hosting multiple touchpoints (circled) since this time.**
- **Buyers overcame sellers convincingly in 2005, 2006, 2014, March 2024 and again in past days.**
- **Market sages know to put great weight in long term charts like these and this important watershed should not be overlooked by investors.”**



China SHCOMP 10 day move also not seen over last 2 decades





China's HSI has triggered its strongest Breadth advance in history.

A classic Bull Market initiation signal.



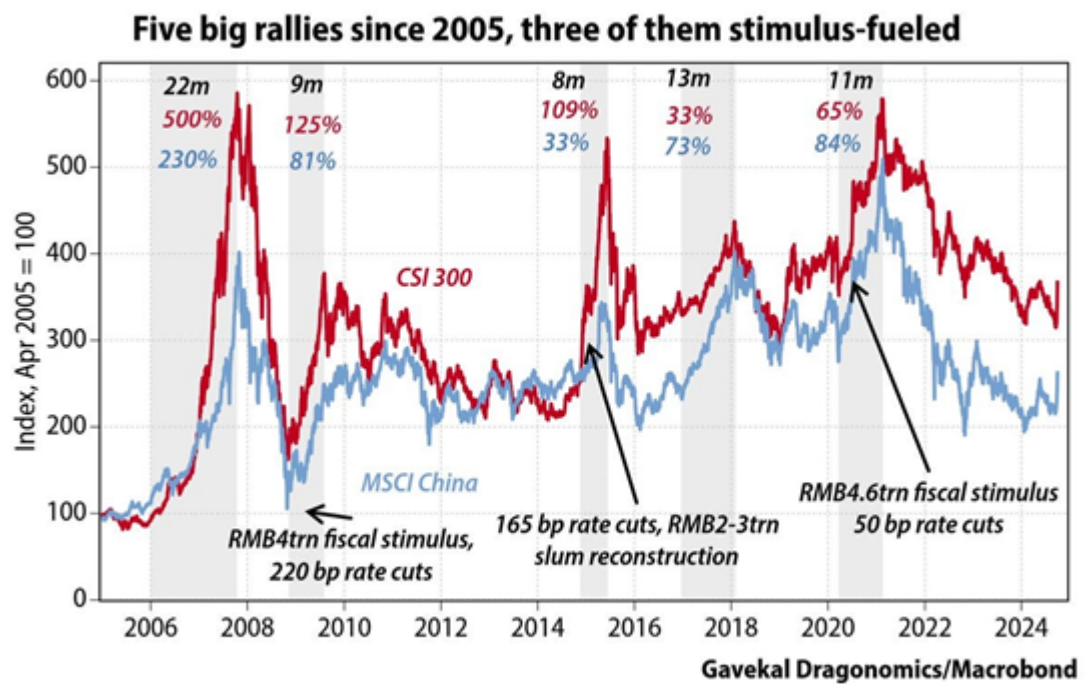
Chinese Stocks:

After rallying over 20% off the lows (a clear seal of approval by market participants on China's stimulus announcements), **even if you think it's overbought it could still get a lot more overbought.**

Chinese stocks are one of those on/off markets, when it's on, it's on.

And this is coming from a key technical level, **and some of the cheapest valuations in recent decades.**

Again, this would not be something the consensus is expecting.



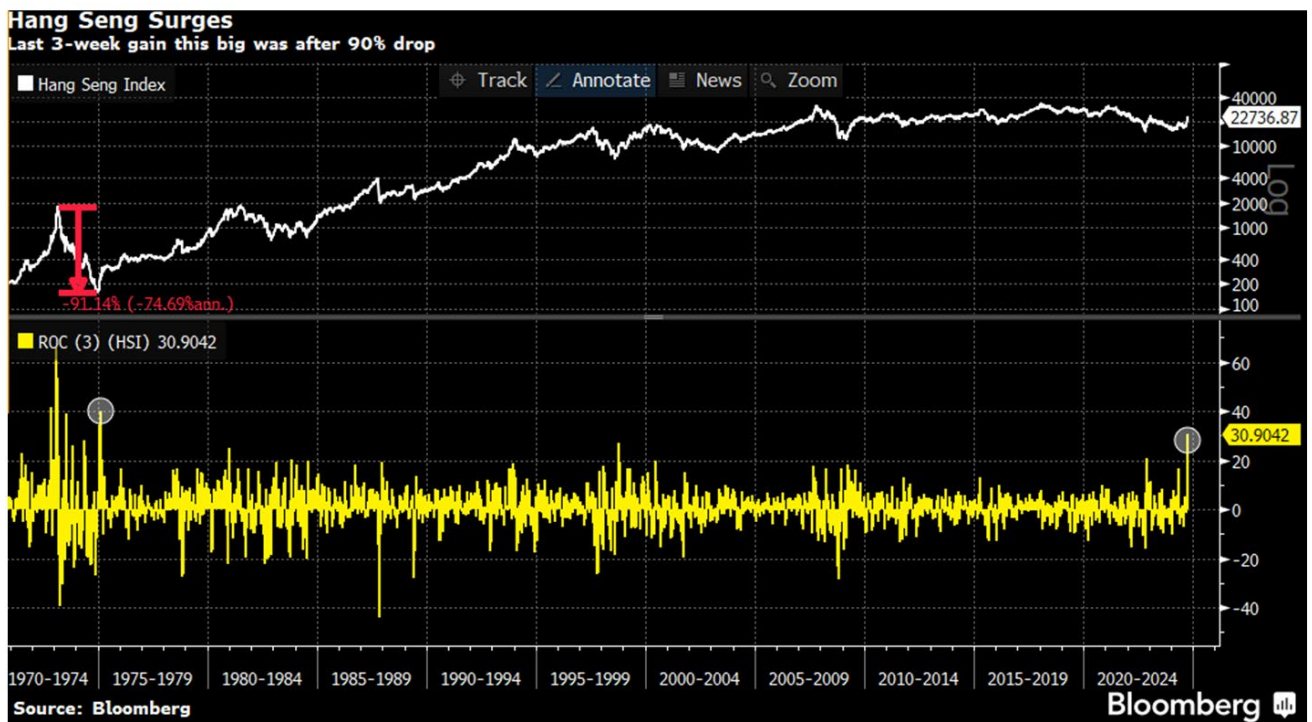
GS: Chinese stocks may advance another +15% to +20%

Goldman Sees 15%-20% Upside for Chinese Stocks



HK up +30% in +3 weeks.

- Last time we've seen this was 1975 - after a 90% drop. **After that massive 3-week pop they had a 7 year run**



Given how big this stimulus now is, expect to see a similar rise in Chinese valuations from here

Chart 8: China stimulus in '08, '16, '20 followed by rise in valuations
China forward P/E



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

China's MSCI weight down to 3.1% (from 5.8% in Feb 2021), that should now increase as time goes on, that will provide further support for Chinese equities

Chart 7: China = 3.1% of MSCI ACWI, below the 2018 high of 4.0%
China % of MSCI ACWI market cap

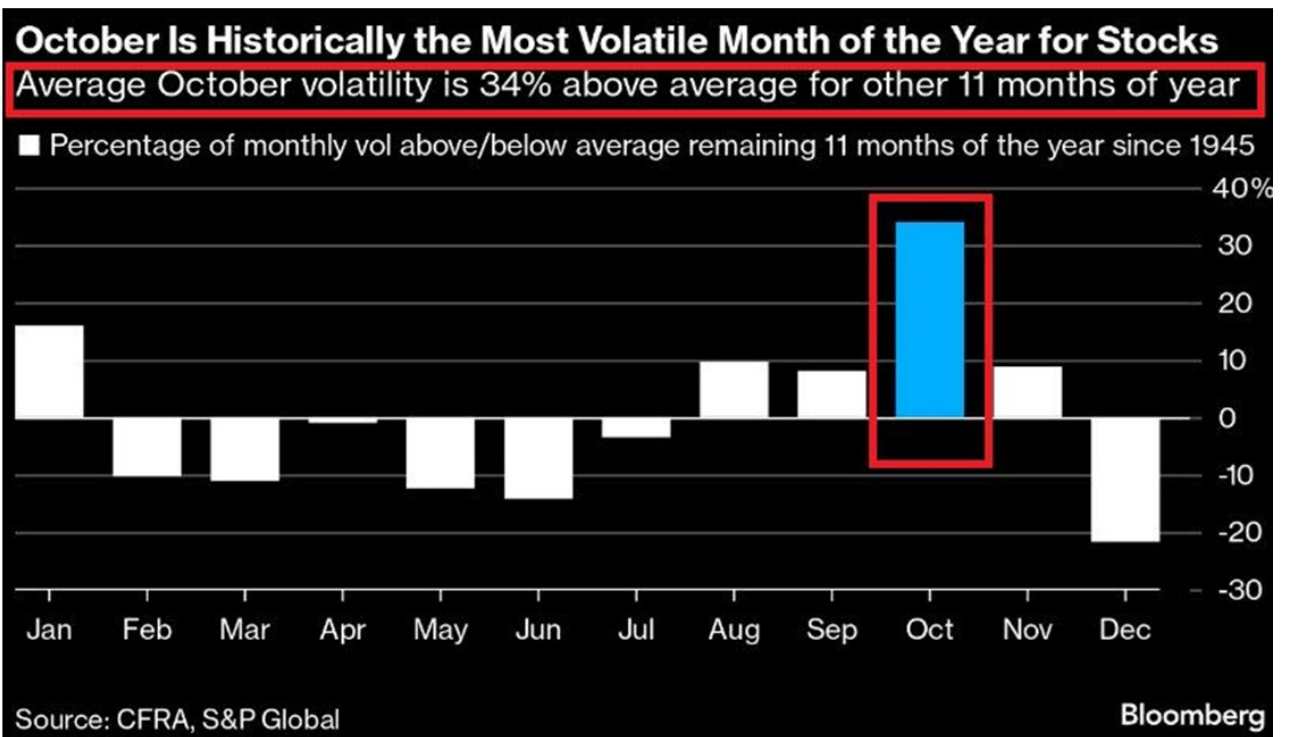


Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH



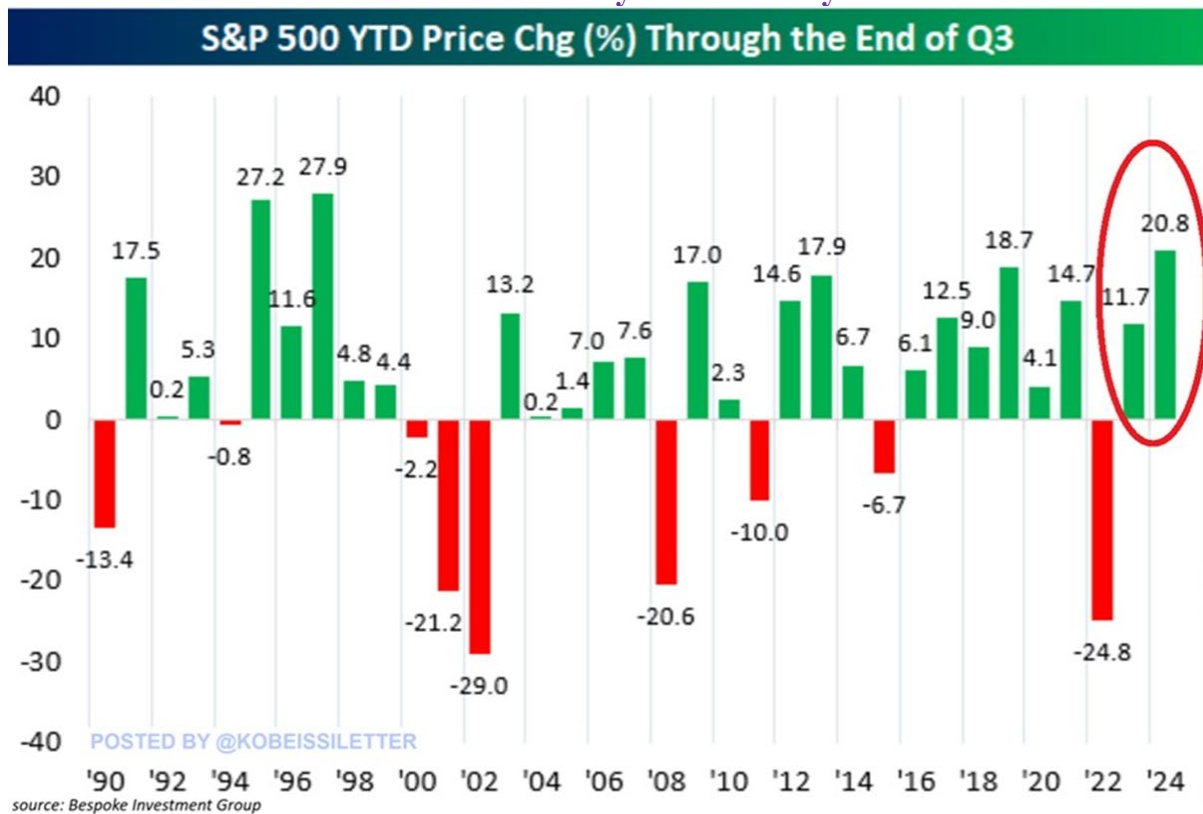
This is why the VIX is so high at 22.6 which is not what you see when mkts are hitting records highs - the US election is the reason



Iron Ore on a tear. Even commodity markets are betting on a China comeback



The S&P 500 has rallied +21% in first 3 quarters, biggest gain since 1997. Also best start to a Presidential election year in history.



AUSTRALIAN EQUITY STRATEGY

Rob Crookston

Small caps are well-placed to outperform

Small caps have underperformed their large cap counterparts since the end of 2021. A rapid tightening cycle from central banks, a slowing economy and elevated risks of a hard landing have all been headwinds for small caps in Australia and globally.

The tide is turning for small caps as the headwinds experienced over the past three years begin to turn. In our view, this is an opportune time to rotate portfolios towards small caps due to a confluence of favourable factors:

- **Attractive valuations:** Small cap valuations are at historically depressed levels relative to large caps.
- **Improving economic conditions:** Small cap earnings should benefit from lower interest rates. Small caps tend to be more cyclical than large caps.
- **Strengthening balance sheets:** Small cap balance sheets should improve from lower interest rates; smalls typically use a higher proportion of floating credit vs large caps.

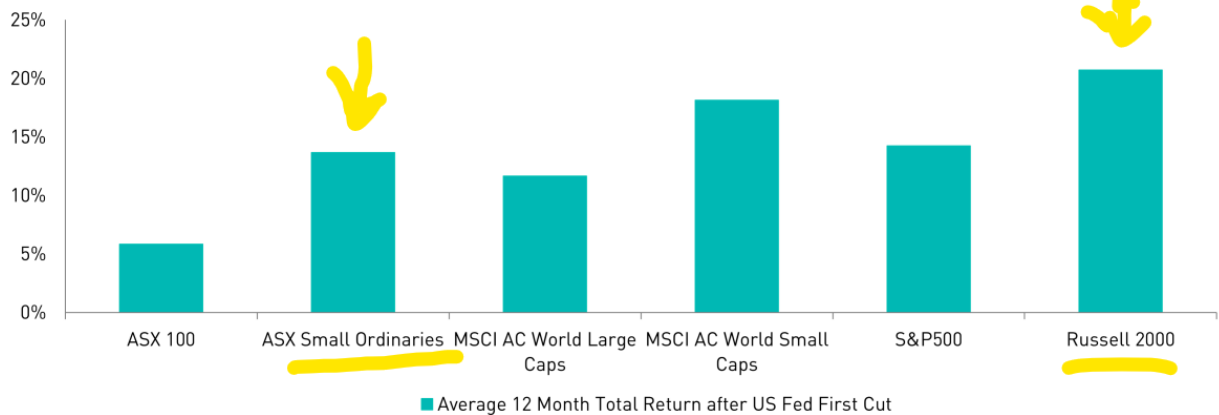
- **Historical precedent:** The start of a US Fed cutting cycle has, on average, coincided with a strong period of returns for small caps (global and domestic).

Bell Potter ASX small cap picks

To implement this view on small caps, we have highlighted our preferred picks from our analysts (with an Investment Strategy overlay).

- **Small Cap Industrials:** 360, APZ, BGA, DRO, GTK, IPG, LNW, NEU, PNV, RPL, SIQ, SRG, UNI
- **Small Cap Resources:** BOE, BPT, CMM
- History often rhymes -
- First US Fed cut supports small caps
- Shifts in monetary policy have consistently played a role in influencing the relative performance of small-cap stocks.
- On average, small caps have outperformed large caps following the first US Fed rate cut.
- The ASX small ords has historically outperformed the ASX 100 by ~8% on a 12-month total return basis once the US Fed initiates a rate-cutting cycle (over the last 30 years).
- The same trend has been seen in the US and for global small caps.
- With the US Fed likely to commence rate cuts imminently, this presents an important catalyst for small caps.

Figure 6 Small caps have outperformed large caps after the first US Fed cut (over the last 30 years)



Source: Refinitiv, Bell Potter

Note: 30 years of data

Figure 7 Bell Potter small cap picks fundamental table

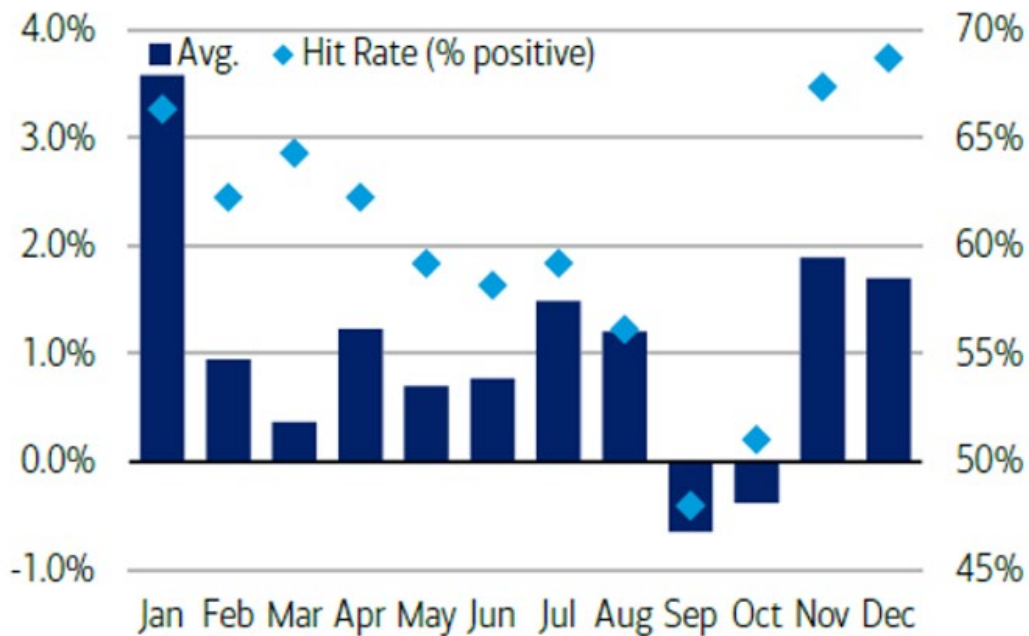
Ticker	Company Name	Sector	12mth fwd PE	EPSg (CAGR FY1-FY3)	ROE FY25	Dividend Yield % (FY25)	Net Debt/EBITDA (FY25)
360	Life360	Information Technology	67.2x	85%	10%	0.0%	-2.9
APZ	Aspen Group	Real Estate	13.9x	7%	7%	4.5%	4.2
BGA	Bega Cheese	Consumer Staples	28.2x	26%	5%	2.0%	1.2
DRO	DroneShield	Industrials	41.0x	31%	7%	0.0%	-7.1
GTK	Gentrack Group	Information Technology	53.9x	51%	10%	0.0%	-2.0
IPG	IPD Group	Industrials	15.2x	12%	19%	3.1%	0.1
LNW	Light & Wonder	Consumer Discretionary	20.8x	27%	52%	0.0%	2.4
NEU	Neuren Pharmaceuticals	Health Care	19.7x	20%	26%	0.0%	-2.1
PNV	Polynovo	Health Care	136.4x	97%	12%	0.0%	-2.9
RPL	Regal Partners	Financials	12.6x	2%	15%	5.1%	-0.9
SIQ	Smartgroup	Industrials	14.5x	7%	30%	5.9%	-0.2
SRG	SRG Global	Industrials	12.2x	9%	14%	4.7%	0.3
UNI	Universal Store	Consumer Discretionary	13.8x	12%	23%	5.0%	0.5
BOE	Boss Energy	Energy	14.2x	103%	14%	0.0%	-1.3
BPT	Beach Energy	Energy	6.0x	20%	12%	5.0%	0.6
CMM	Capricorn Metals	Materials	16.5x	25%	36%	0.0%	-0.6

Source: Bell Potter

US Small Caps do poorly in Sept & October - but after that they soar..

Exhibit 10: Sept/Oct have been the worst months for small cap returns

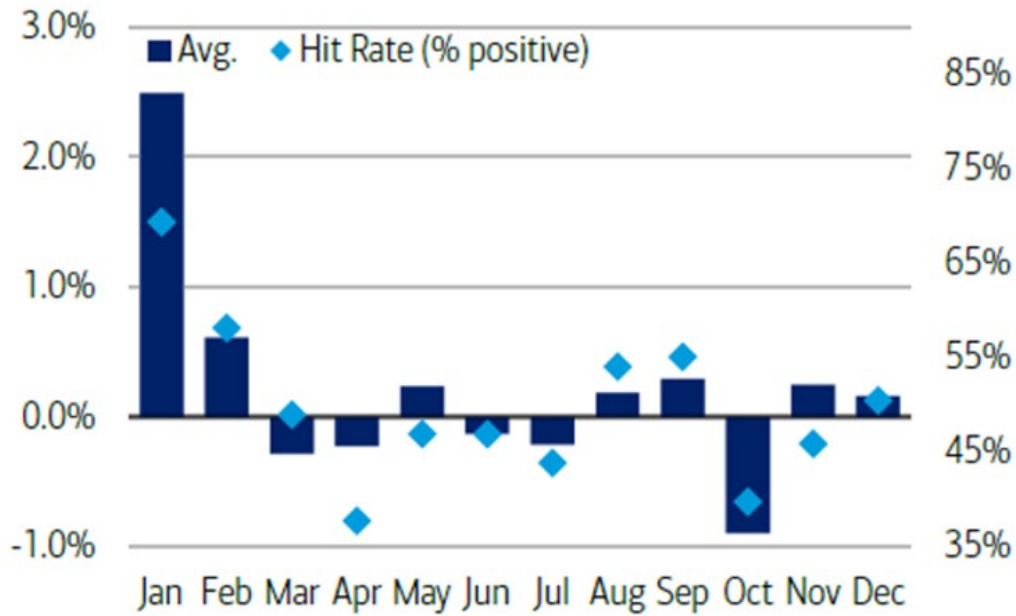
Small cap total returns by month: 1926-present (based on Russell 2000 index since 1979 and CRSP small cap returns 1926-1978)



Source BOA

Exhibit 11: Oct has been the worst month for small relative to large

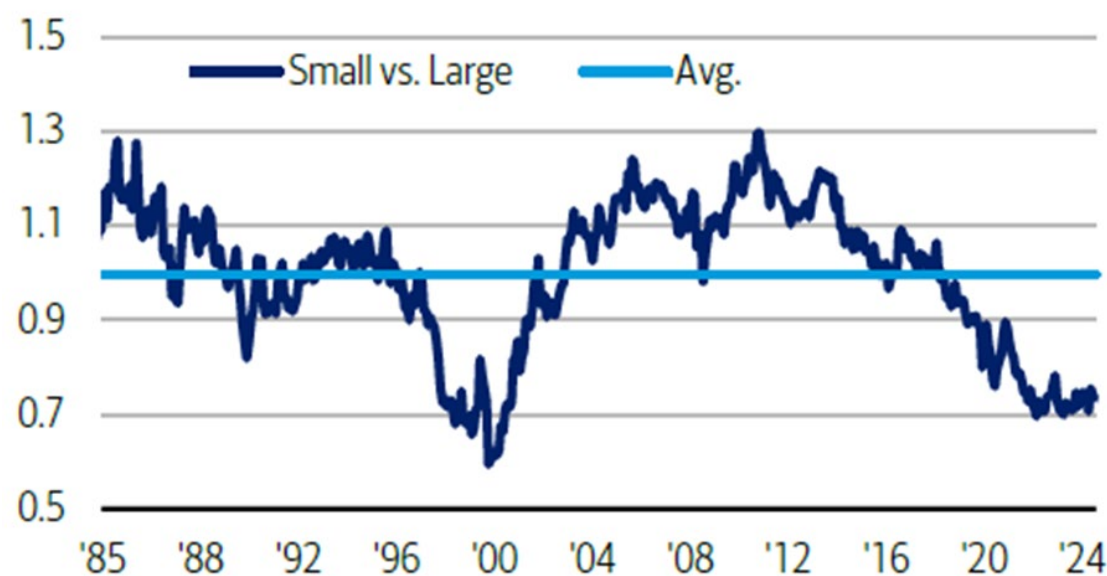
Relative total return performance of small caps vs. large caps by month, 1926-present (based on Russell 2000 vs. Russell 1000 index since 1979 and CRSP small vs. large cap returns 1926-1978)



Source BOA

Exhibit 4: Small caps remain historically cheap vs large caps

Relative Forward P/E: Russell 2000 vs Russell 1000, 1985-9/30/2024



Source: BofA US Equity & Quant Strategy, FactSet

Exhibit 11: Small caps trade at a historical discount vs large on all metrics we track

Relative valuations for the Russell 2000 vs the Russell 1000 (1/31/1985-9/30/2024)

Valuation Metric	Relative Valuation				% Difference From		
	As of Sep-24	Max	Min	Long-Term Average	Max	Min	Long-Term Average
Trailing P/E	0.66	1.27	0.54	0.99	-48%	21%	-34%
Forward P/E	0.73	1.30	0.59	1.00	-43%	24%	-26%
Price/Book	0.44	1.11	0.44	0.75	-60%	0%	-41%
Price/Sales	0.48	1.02	0.43	0.74	-53%	11%	-35%
P/E To Growth	0.62	1.07	0.49	0.77	-42%	28%	-19%
Enterprise Value to FCF	0.63	1.22	0.56	0.84	-48%	12%	-25%

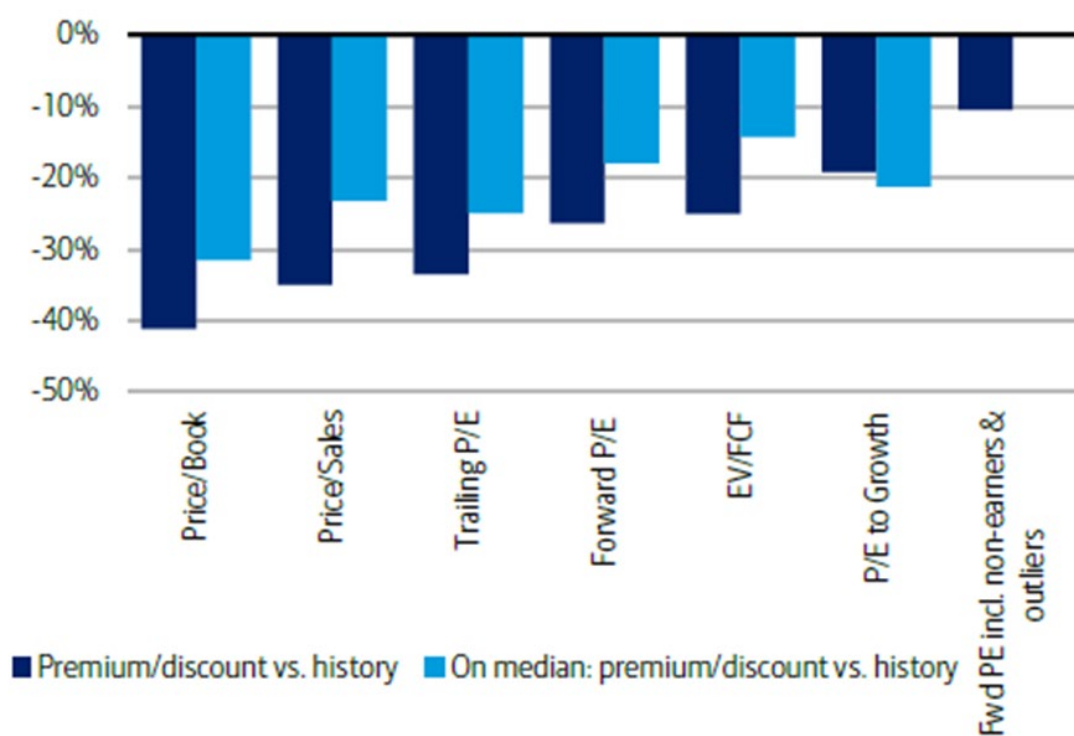
Note: P/E measures exclude negative earnings. Forward P/E is on I/B/E/S consensus N12m forecast earnings. EV/FCF excludes negative FCF.

Source: BofA US Equity & Quant Strategy, FactSet

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Exhibit 15: Small vs large: cheap vs history on most metrics

Russell 2000 vs Russell 1000 valuations vs history (1985-9/30/2024)

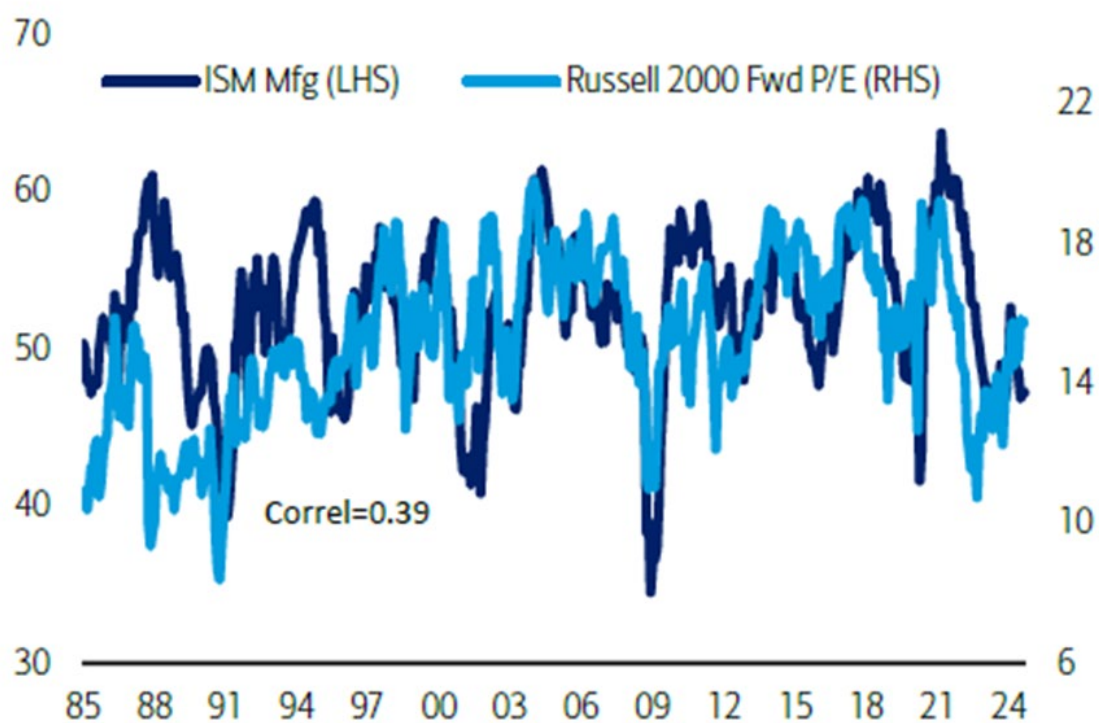


Source: BofA US Equity & Quant Strategy, FactSet

BofA GLOBAL RESEARCH

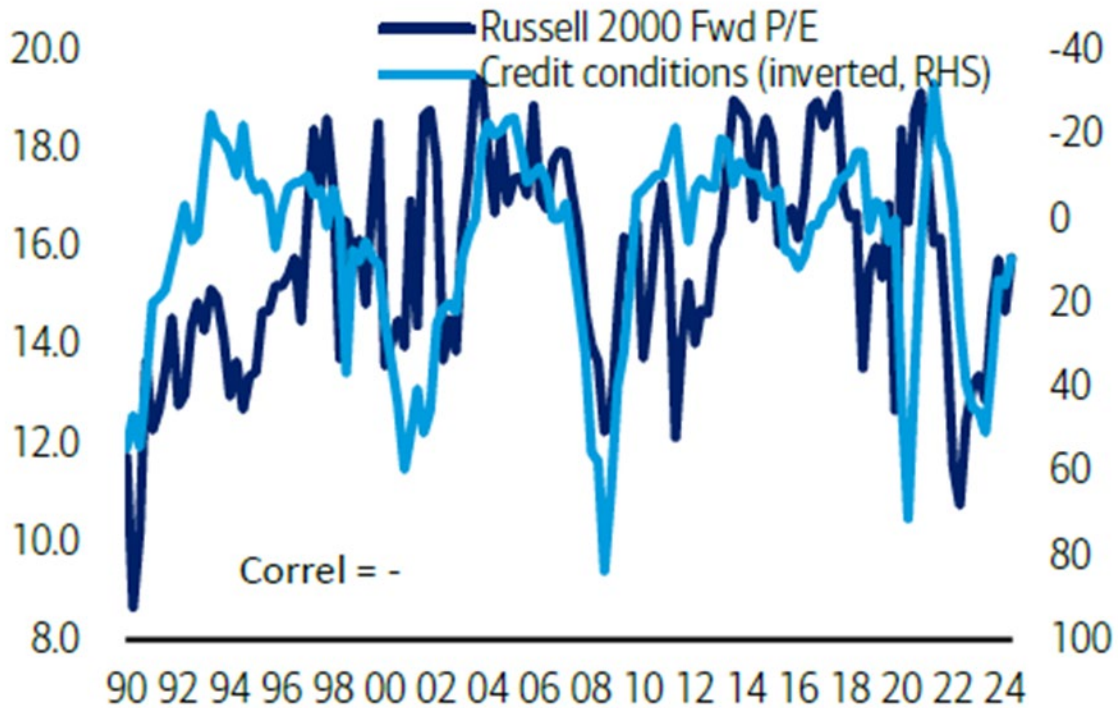
Exhibit 23: Small cap valuations correlated with ISM, pricing in ISM of 55 (above current levels)

Russell 2000 Fwd P/E (LHS) vs ISM Mfg. Index (RHS), 1985-9/2024



Source: Haver Analytics, FactSet, BofA US Equity & Quant Strategy

Exhibit 24: Small cap valuations also correlated with credit conditions, discounting further loosening in the SLOOS as of latest month-end
Russell 2000 Fwd P/E (LHS) vs Senior Loan Officer Opinion Survey (SLOOS) net % tightening loans (RHS, inverted), 1990-9/2024

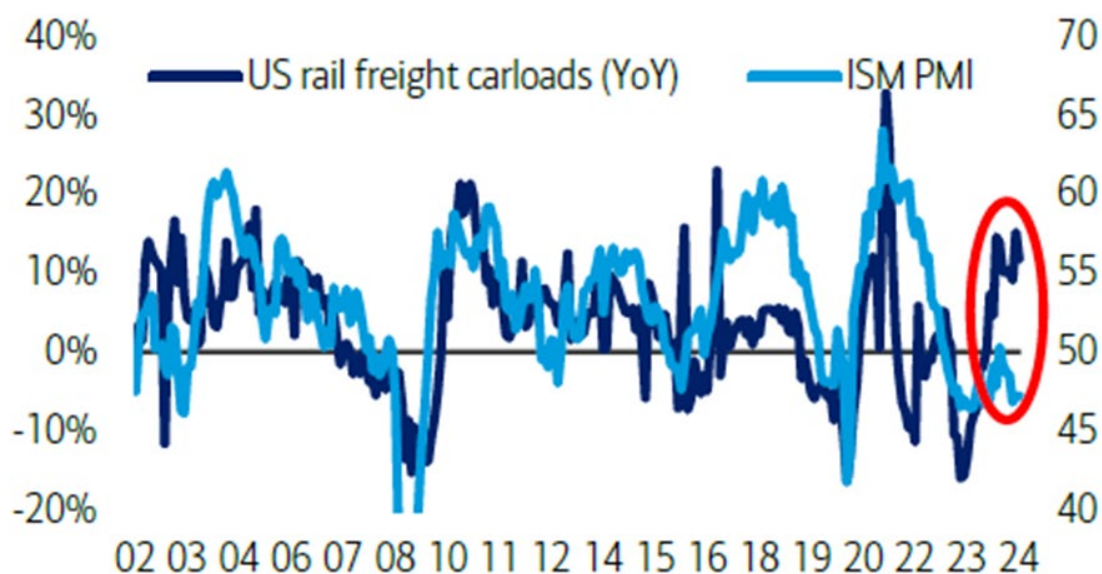


Source: Haver Analytics, FactSet, BofA US Equity & Quant Strategy

US GDP holds up & this supports those numbers

Exhibit 26: Rail freight carloads have also rebounded, pointing to a manufacturing recovery

US rail freight carloads YoY vs. ISM Manufacturing PMI (2002-9/24)



Source: Bloomberg, BofA US Equity & Quant Strategy

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Exhibit 13: Small Business Sentiment Has Improved



Source: National Federation of Independent Business/Haver Analytics

Source: Haver Analytics, Morgan Stanley Research.

A few stocks of interest

DroneShield Limited {1.35 0.02 1.13%}

\$13.5 Million U.S. Government Contract

DroneShield has announced the receipt of a new contract from the US Government. Key points below.

- \$13.5 million contract from a repeat US Government customer for C-UxS systems.
- Full delivery and cash receipt is expected in 4Q2024.

Daniel Laing's View: Strong start to Q4.

- DroneShield has consistently suggested Q4 would be the strongest of the year and the company has begun the final quarter with the second largest contract received in its history. We anticipate further material contract announcements during Q4 and further contracts are required to hit our full-year revenue estimates. We expect the company to provide a Q3 update in the next two weeks, which will provide a more accurate representation of the YTD performance.

We currently have a BUY recommendation and \$1.35 PT on the stock.

Lotus Resources {0.27 0.01 1.92%}

Regan Burrows

Updated Kayelekera FEED and capital

Advanced timeline, lower capex

- LOT have refreshed its development scenario for the Kayelekera uranium restart asset in Malawi.
- The refresh sees timeline to first production of 8-10m (from 15m) and capital costs reducing from US\$88m to US\$50m by stripping out non-essential restart capital items (grid power tie in + additional acid plant). LOM production remains unchanged, as does the mine life of 9.5 years.
- Operating costs have risen, with C1 costs of US\$34.5/lb up from US\$29.1/lb during the steady state of operations, and US\$36.3/lb up from US\$30.1/lb over life of mine. The drivers of the increased cost base stem from higher power costs and demand as well as higher acid costs. At the AISC level, costs rose primarily due to an increase in the royalty rate.
- The board has approved order of long-lead items and the mobilisation of construction crews and equipment.

- First production anticipated in 3Q CY25.
- Current cash on the balance sheet is A\$34m with LOT assessing multiple funding scenarios, which have the ability to leverage the two recent offtake announcements and US\$15m unsecured loan facility from Curzon.

Our recommendation and valuation are under review, we currently have a Buy (Spec) recommendation and a \$0.50/sh valuation for LOT

Neuren Pharmaceuticals {13.61 -0.59 -4.15%}

FDA Feedback on NNZ-2591 Phase 3 Plans

NEU have reported initial feedback from the FDA regarding Phase 3 plans of their second drug asset, called NNZ-2591, in Phelan-McDermid Syndrome (PMS). Overall, the feedback was in line with expectations and there is no change in our expectation that NEU will commence a Phase 3 trial in PMS patients in CY25.

What was confirmed with the FDA regarding the Phase 3 trial:

- A single pivotal Phase 3 trial, if successful, would likely be sufficient for approval.
- Two-arm, placebo-controlled trial.
- Treatment duration of 13 weeks, the same duration used in NEU's Phase 2 trial.
- Patients aged 3-12 years, the same demographic used in NEU's Phase 2 trial.
- Equivalent target dosing (12mg/kg) as used in NEU's Phase 2 trial.
- Open label extension after the initial 13-week treatment period.

All of the above elements were in line with our expectations and reflect the nature of this rare disease lacking any approved treatment options.

What remains to be confirmed with the FDA regarding the Phase 3 trial:

- **Endpoints for primary efficacy analysis.** While efficacy endpoints were clearly the subject of much discussion with the FDA, there has been no final agreement reached yet, and the FDA requested NEU submit additional *existing* information. We hypothesise the requested data is most likely additional safety/efficacy data from the Phase 1/2 trial(s). A reminder that no Phase 3 trial has ever been conducted in PMS before, hence there is no clinical/regulatory precedent to follow in PMS. While NEU did not commit to specific timelines, we expect the existing data should take no more than a few months to assemble, analyse and submit to the FDA.
- **Subject numbers.** The number of subjects in the Phase 3 trial will be influenced by the confirmed primary efficacy endpoint(s). Hence this remains still to be determined, however, the Phase 3 trial with trofinetide was in 180 Rett patients and is a reasonable ballpark to expect for NNZ-2591 in PMS.

Thomas Wakim's view:

- We consider it positive the FDA agreed to a 13-week treatment duration in patients aged 3-12yrs, therefore minimising changes between the Phase 2 and Phase 3 trials. This is a relatively short Phase 3 duration that will allow the outcomes to be known relatively quickly. The timing of Phase 3 results will be dependent on (1) the start of enrolment and (2) recruitment duration. The trofinetide Phase 3 trial in Rett patients was a 12-week duration and therefore provides a useful benchmark at ~25 months from study initiation to topline data readout. Regarding efficacy endpoints, there is no major concern that specific endpoints have not yet been confirmed, in our view, considering the groundbreaking clinical/regulatory territory. We expect the Ph3 primary efficacy endpoint(s) will come from the 14 efficacy endpoints used in the Phase 2 trial (e.g. CGI-I, CGI-S) but will clearly take some additional weeks/months to confirm with the FDA.

There is no change to our forecasts, \$25.00 PT or BUY recommendation.

About Phelan-McDermid Syndrome (PMS): PMS is a rare genetic disease, caused by *SHANK3* gene mutations, resulting in intellectual disability and profound quality of life impacts for patients and families. There are no drugs currently approved for treating PMS. In Dec 2023, NEU reported encouraging data from a single-arm Phase 2 trial in 18 PMS patients. NNZ-2591 is the most advanced drug undergoing clinical development in PMS, with very few others in development. Hence NEU's upcoming Phase 3 will be the first ever pivotal trial in PMS patients.

Opthea {0.88 -0.02 -1.68%}

Thomas Wakim

Additional US-based Management Hires

OPT continue to bolster its US-based management team with 3 new appointments:

1. **Chief Medical Officer:** Dr Parisa Zamiri. An ophthalmologist by training who previously worked at Complement Therapeutics (CMO), Graybug Vision (CMO), and Novartis (Therapeutic Area Head for Ophthalmology).
2. **Chief Financial Officer:** Tom Reilly succeeds the interim CFO appointed in September. Mr Reilly was previously CFO and Head of HR at Amarin, CFO at Cara Therapeutics, Head of Finance at Allergan General Medicines, and held various financial roles at Novartis.
3. **VP Marketing:** Anand Sundaram. Mr Sundaram previously worked in commercial roles at Astellas/Iveric Bio including the launch of Izervay, Novartis including the launch of Beovu, and Genentech including the launch of Lucentis PFS.

The above appointments continue to reflect the company's transition from a Phase 3-stage company to one preparing for BLA submission and early commercial activities, of course pending Phase 3 outcomes and regulatory approvals. Since Fred Guerard joined as CEO in October 2023, there have been at least 10 new management hires, the majority of which are

US-based with extensive ophthalmology industry experience. All eyes remain firmly focused on the upcoming Phase 3 readouts for OPT's sole drug candidate, called sozinibercept, in "early Q2 CY25" (COAST trial) and "mid CY25" (SHORE trial).

There are no changes to our forecasts, we maintain our BUY (speculative) recommendation and \$1.30 valuation. The previously announced leadership changes are summarised in our below 5th September Flash Note.

Summerset Group {10.59 0.00 0.00%}

3QCY24 sales release; +11% y/y

SUM announced 3QCY24 sales at 289 which comprised 129 of new sales, and 160 of resales. No change to CY24 guidance for 675-725 deliveries under ORA.

Key sales metrics include:

- **Total portfolio sales:** Up +11% y/y to 289 vs. 260 pcp. YTD, sales are also trending higher overall, +18% to 877 vs. 743 pcp
- **New sales:** Down -3% y/y to 129 vs. 133 pcp. However, YTD, new sales are also trending up, +12% to 419 vs. 374 pcp.
- **Resales:** Up 26% y/y to 160 vs. 127 pcp. YTD resales also +24% to 458 vs. 369 pcp.

Andy MacFarlane's view: Positive. Total sales recorded a gain driven by lifting resales volumes, despite marginally lower new sales in absolute terms. Notwithstanding economic and RV sales conditions remain challenging in New Zealand, SUM has posted both y/y gains as well a total increase at +18% YTD vs. pcp which is encouraging. With the RBNZ meeting tomorrow and the market pricing 44bp cut (current NZ cash rate 5.25%) momentum for new sales should start to improve into CY25 as SUM builds out its NZ development book (14 sites under construction as at 1H24 result) and expands in Australia (2 under construction in Aus).

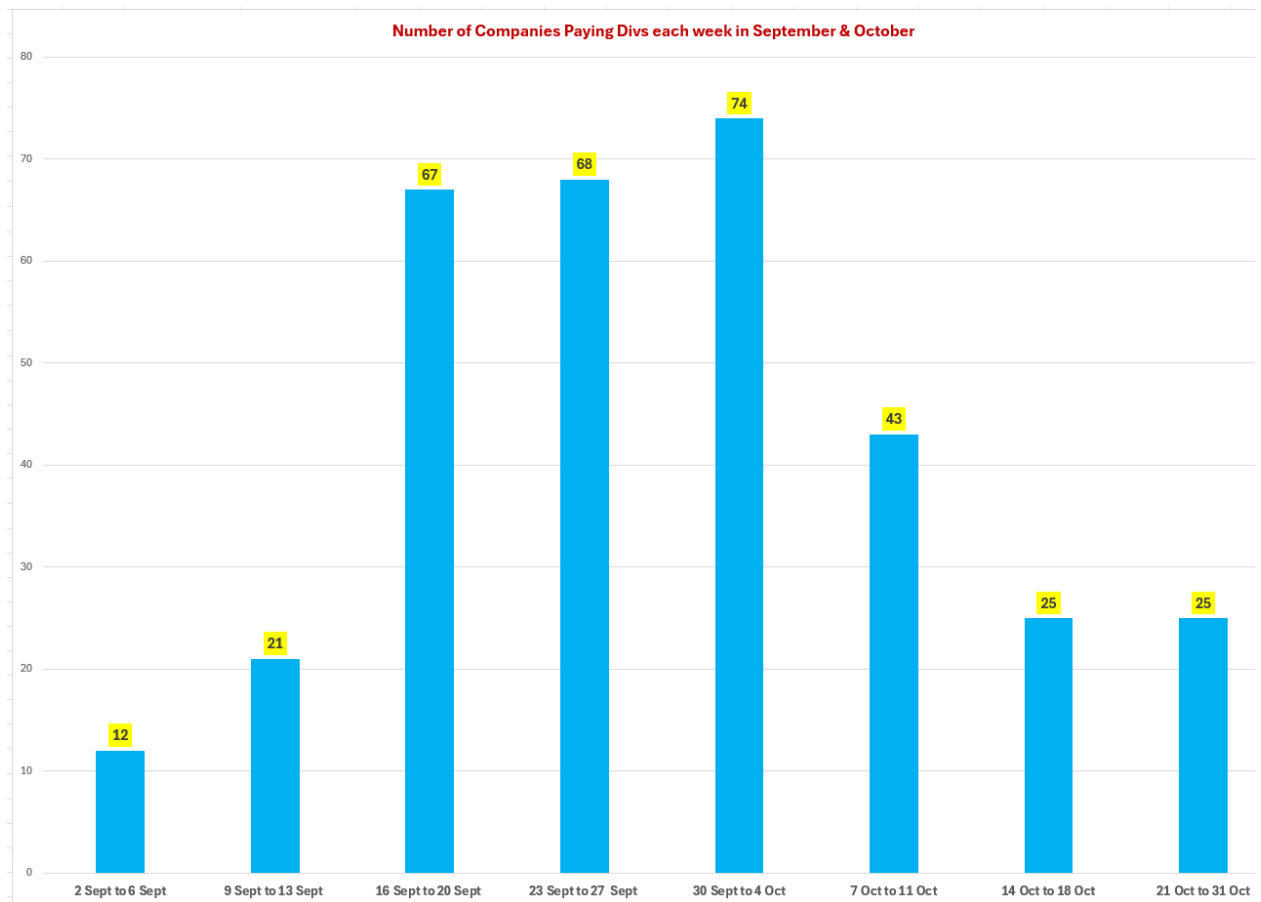
No change to our BUY recommendation and NZ\$14.30 PT on the stock.

Dividends to be Paid each week - over the 8 weeks in Sept + October

Week of	Number of Companies	Dividend Paid
2 Sept to 6 Sept	12	\$ 446,184,329
9 Sept to 13 Sept	21	\$ 455,575,517
16 Sept to 20 Sept	67	\$ 2,925,289,696
23 Sept to 27 Sept	68	\$ 14,350,513,946
30 Sept to 4 Oct	74	\$ 11,637,773,337
7 Oct to 11 Oct	43	\$ 2,872,856,096
14 Oct to 18 Oct	25	\$ 1,161,617,457
21 Oct to 31 Oct	25	\$ 522,324,460
	323	\$ 34,372,134,839

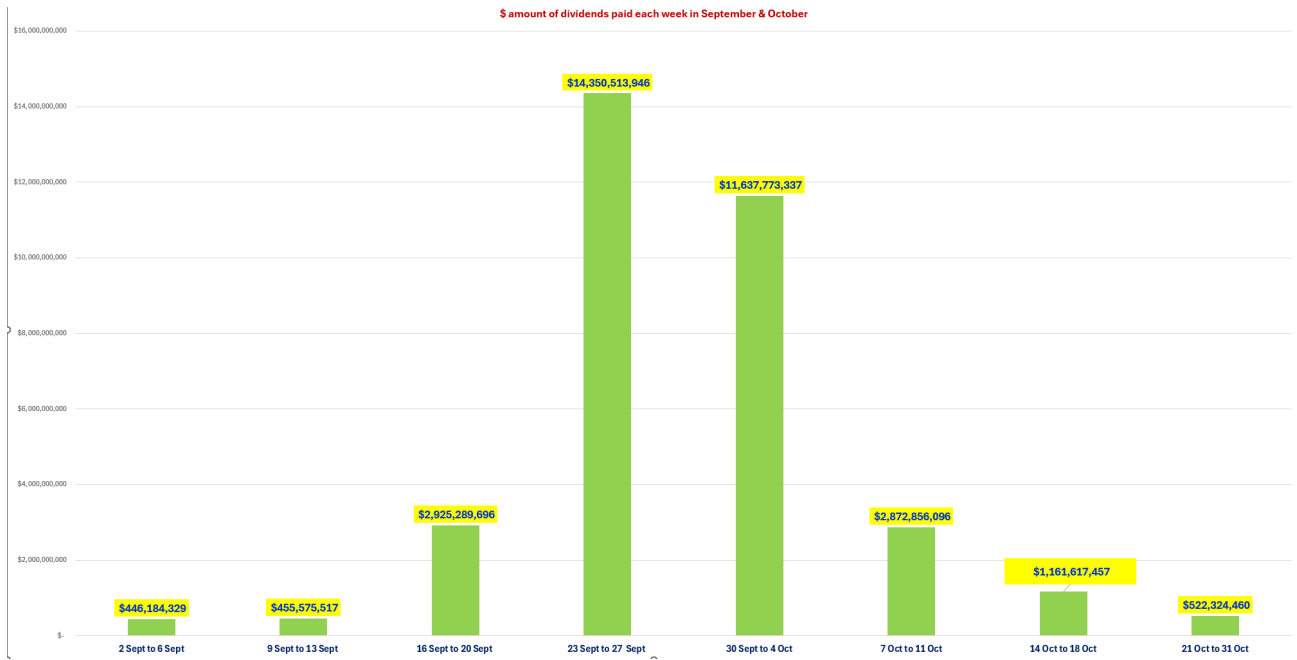
Source Coppo report

**Number of companies paying divs each week in September & October -
chart**



Source Coppo report

Weekly Value of all Dividends to be Paid in September & October - chart



Source Coppo report

All Dividends PAYABLE THIS week

Date Payable	Stock	Stock	Dividend	Amount Paid	Total
7-Oct-24	Ventiaservicesgroup	VNT	9.35	\$ 79,987,796	1
7-Oct-24	Generation Dev Group	GDG	1	\$ 2,972,964	2
7-Oct-24	Austin Engineering	ANG	0.8	\$ 4,692,446	3
7-Oct-24	Cleanaway Waste Ltd	CWY	2.55	\$ 56,849,138	4
8-Oct-24	Orora Limited	ORA	5	\$ 67,174,997	5
8-Oct-24	Silk Logistics	SLH	1.42	\$ 1,157,976	6
8-Oct-24	NIB Holdings Limited	NHF	14	\$ 67,910,901	7
8-Oct-24	Adairs Limited	ADH	7	\$ 12,227,794	8
8-Oct-24	Perpetual Equity Ltd	PIC	4	\$ 15,228,651	9
8-Oct-24	Chorus Limited	CNU	22.1841	\$ 96,253,991	10
8-Oct-24	Wotso Property	WOT	1	\$ 1,621,763	11
9-Oct-24	Wesfarmers Limited	WES	107	\$ 1,213,569,685	12
9-Oct-24	Perseus Mining Ltd	PRU	3.75	\$ 51,607,369	13
9-Oct-24	News Corp..	NWS	10.6838	\$ 3,003,261	14
9-Oct-24	News Corp.. - A Non-Voting Cdi 1:1	NWSLV	10.6838	\$ 395,191	15
9-Oct-24	Duratec	DUR	2.5	\$ 6,209,318	16
9-Oct-24	Count Limited	CUP	2.25	\$ 3,797,938	17
9-Oct-24	NRW Holdings Limited	NWH	9	\$ 40,959,231	18
9-Oct-24	Inghams Group	ING	8	\$ 29,734,368	19
9-Oct-24	Sth Crs Elect Engrn	SXE	5	\$ 13,200,260	20
10-Oct-24	Endeavour	EDV	7.5	\$ 134,323,501	21
10-Oct-24	Cryosite Limited	CTE	2	\$ 976,191	22
10-Oct-24	Brambles Limited	BXB	28.9	\$ 402,481,553	23
10-Oct-24	Finbar Group Limited	FRI	8	\$ 21,769,851	24
10-Oct-24	Pm Capital Fund	PGF	5.5	\$ 25,911,639	25
10-Oct-24	Peppermoney	PPM	5	\$ 22,078,466	26
10-Oct-24	Cochlear Limited	COH	210	\$ 137,540,298	27
10-Oct-24	Pacific Smiles Grp	PSQ	3.25	\$ 5,186,413	28
10-Oct-24	Imdex Limited	IMD	1.3	\$ 6,653,944	29
10-Oct-24	Vulcan Steel	VSL	11.8066	\$ 15,514,884	30
11-Oct-24	Westgold Resources.	WGX	1.25	\$ 11,788,871	31
11-Oct-24	Solvar Limited	SVR	5	\$ 10,417,176	32
11-Oct-24	Monash IVF Group Ltd	MVF	2.5	\$ 9,740,871	33
11-Oct-24	Aust Finance Grp	AFG	4	\$ 10,830,762	34
11-Oct-24	HUB24 Ltd	HUB	19.5	\$ 15,825,743	35
11-Oct-24	Cash Converters	CCV	1	\$ 6,275,450	36
11-Oct-24	TPG Telecom Limited	TPG	9	\$ 167,340,750	37
11-Oct-24	Embelton Limited	EMB	20	\$ 431,571	38
11-Oct-24	Macmahon Holdings	MAH	0.6	\$ 12,929,915	39
11-Oct-24	Blackwall Limited	BWF	2.5	\$ 4,195,064	40
11-Oct-24	Genesis Energy Ltd	GNE	6.37	\$ 68,960,583	41
11-Oct-24	Coventry Group	CYG	3.75	\$ 4,379,655	42
11-Oct-24	Lindsay Australia	LAU	2.8	\$ 8,747,904	43
			Total	\$ 2,872,856,096	

Source Coppo Report / IRESS

Sector moves....

1. **Iron ore stocks**
 - **BHP** {43.79 -1.07 -2.39%},
 - **RIO** {120.99 -0.18 -0.15%}
 - **Fortescue** {19.27 -1.08 -5.31%}
 - **Mineral Resources** {51.23 -2.11 -3.96%}
 - **Champion Iron** {6.70 -0.31 -4.42%}
2. **Resources -**
 - **South32** {3.60 -0.10 -2.70%}
 - **Mt Gibson** {0.33 0.01 1.56%}
 - **Iluka** {6.58 -0.08 -1.20%}
 - **Sandfire Resources** {10.90 -0.01 -0.09%}
 - **Independence Group** {5.49 -0.32 -5.51%}
 - **Lynas** {7.67 -0.02 -0.26%}
 - **Chalice Mining** {1.51 -0.09 -5.63%}
 - **Nickel Industries** {0.93 -0.01 -0.53%}
3. **Tech Stocks ..**
 - **Block (Afterpay)** {97.20 -1.66 -1.68%}
 - **Appen** {1.97 -0.07 -3.20%}
 - **Life 360** {20.00 -0.45 -2.20%}
 - **Megaport** {7.32 -0.19 -2.53%}
 - **Technology One** {24.01 -0.59 -2.40%}
 - **Wisetech** {132.12 0.40 0.30%}
 - **XERO** {145.15 -2.57 -1.74%}
 - **ZIP** {2.72 0.02 0.74%}
4. **Healthcare**
 - **Ansell** {32.65 0.11 0.34%}
 - **Cochlear** {293.43 1.92 0.66%}
 - **CSL** {292.52 3.73 1.29%}
 - **Ramsay Healthcare** {42.58 -0.06 -0.14%}
 - **Resmed** {34.45 0.10 0.29%}
 - **Sonic Healthcare** {26.86 -0.05 -0.19%}
 - **Capital Health** {0.37 -0.01 -1.35%}
 - **Paradigm Biotech** {0.20 -0.01 -2.50%}
 - **Imugene** {0.05 0.00 0.00%}
 - **Telix Pharmaceuticals** {20.63 0.14 0.68%}
 - **Mesoblast** {1.47 -0.05 -2.98%}
 - **Genetic Signatures** {0.57 0.01 1.79%}
 - **Immutep** {0.31 -0.01 -1.59%}
 - **Healius** {1.70 -0.06 -3.42%}
 - **Fisher & Paykel Health** {32.00 0.61 1.94%}
5. **Banks**
 - **ANZ** {30.11 0.12 0.40%},
 - **CBA** {134.97 0.20 0.15%},
 - **NAB** {37.27 0.15 0.40%},
 - **Westpac** {30.91 0.13 0.42%},

- **Bendigo & Adelaide Bank** {11.61 0.04 0.35%}
 - **Bank of Queensland** {6.19 0.00 0.00%}.
 - **Macquarie Bank** {229.58 0.85 0.37%}
6. **Financial Services / Market Related Stocks**
- **Macquarie Bank** {229.58 0.85 0.37%}
 - **QBE** {16.07 -0.40 -2.43%}
 - **IAG** {7.44 0.02 0.27%},
 - **Suncorp** {18.00 0.01 0.06%},
 - **Steadfast**{5.55 -0.11 -1.94%}
 - **AUB Group** {30.46 0.00 0.00%},
 - **Computershare** {25.92 0.16 0.62%},
 - **ASX** {65.31 -0.07 -0.11%},
 - **Humm**{0.85 0.02 2.42%}
 - **Iress** {9.96 -0.10 -0.99%}
 - **Virgin Money plc**{4.22 0.00 0.00%}
7. **Top “DEFENSIVE” Stocks - the ones that outperform in a Bear Market**
- **Woolworths** {32.89 -0.10 -0.30%}
 - **Coles** {17.82 0.05 0.28%}
 - **Metcash** {3.53 -0.04 -1.12%}
 - **CSL** {292.52 3.73 1.29%}
 - **Resmed** {34.45 0.10 0.29%}
 - **Amcor** {16.38 0.04 0.24%}
 - **Orora** {2.63 -0.02 -0.75%}
 - **Wesfarmers** {68.95 0.09 0.13%}
 - **Telstra** {3.83 -0.03 -0.78%}
 - **APA Group** {7.40 -0.08 -1.07%}
 - **Suncorp** {18.00 0.01 0.06%}
 - **IAG** {7.44 0.02 0.27%}
 - **A2 Milk** {6.35 -0.02 -0.31%}
 - **Treasury Wines** {11.96 0.05 0.42%}
8. **Energy**
- **Woodside** {26.34 -0.34 -1.27%}
 - **Ampol** {30.99 -0.28 -0.90%}
 - **Origin** {10.29 0.10 0.98%}
 - **Santos** {7.25 -0.04 -0.55%}
 - **Beach Energy** {1.28 -0.01 -0.39%}
 - **Worley Parsons** {14.76 -0.16 -1.07%},
 - **Karoon Energy** {1.61 -0.02 -0.93%}
 - **Strike Energy** {0.23 -0.01 -2.17%}
9. **Stocks leveraged to Chinese consumer -**
- **A2 Milk**{6.35 -0.02 -0.31%}
 - **Bubs Australia** {0.14 -0.01 -3.57%}
 - **Snylait Milk** {0.36 -0.01 -2.74%}
 - **Treasury Wines** {11.96 0.05 0.42%}
10. **Fund Managers / Brokers-**
- **Bell Financial** {1.28 0.00 0.00%}
 - **Perpetual** {19.71 -0.19 -0.95%}
 - **Regal Partners** {3.61 0.00 0.00%}
 - **Insignia**{2.70 -0.05 -1.82%}
 - **Magellan** {9.98 -0.26 -2.54%}

- **GQG** {2.56 0.06 2.40%}
- **Platinum Asset** {1.20 -0.03 -2.44%}
- **AMP** {1.32 -0.01 -0.75%}
- **Challenger** {6.70 -0.04 -0.59%}

11. Platforms

- **HUB 24** {60.84 -0.42 -0.69%}
- **Netwealth** {25.75 0.15 0.59%}
- **Praemium** {0.58 0.00 0.00%}
- **AMP** {1.32 -0.01 -0.75%}

Golds

- **Northern Star** {16.05 0.21 1.33%}
- **Regis Resources** {1.99 0.00 0.00%}
- **Newmont Gold** {78.11 -0.07 -0.09%}
- **Kingsgate** {1.35 0.00 0.00%}
- **St Barbara** {0.34 0.00 0.00%}
- **Resolute** {0.70 0.01 1.46%}
- **Capricorn Metals** {5.84 0.10 1.74%}
- **Evolution Mining** {4.56 -0.01 -0.22%}
- **Perseus** {2.54 0.00 0.00%}

Coal Stocks

- **Whitehaven Coal** {7.18 -0.07 -0.97%},
- **New Hope Coal** {4.99 -0.07 -1.38%}
- **Terracoml** {0.21 -0.01 -2.38%},
- **Coronado Global Resources** {1.11 -0.05 -4.31%}

Uranium Stocks...

- **ERA** {0.01 0.00 0.00%}
- **Paladin** {11.81 0.02 0.17%}
- **Deep Yellow** {1.45 0.01 0.35%}
- **Boss Energy** {3.38 -0.01 -0.29%}
- **Bannerman Energy** {3.20 -0.07 -2.14%}
- **Lotus Resources** {0.27 0.01 1.92%}

Lithium / Graphite Stocks

- **Arcadium Lithium** {5.94 -0.15 -2.46%}
- **Pilbara Minerals** {3.00 -0.10 -3.23%}
- **Mineral Resources** {51.23 -2.11 -3.96%}
- **IGO** {5.49 -0.32 -5.51%}
- **Syrah** {0.29 -0.02 -6.45%}
- **Lake Resources** {0.04 0.00 4.76%}
- **Liontown Resources** {0.84 -0.05 -5.11%}
- **Vulcan Energy Res.** {4.46 -0.14 -3.04%}

- **Patriot Battery Metals** {0.47 -0.02 -3.13%}
- **Green Tech Metals** {0.10 0.00 3.26%}
- **Ioneer** {0.21 -0.01 -4.55%}
- **Australian Strategic Metals** {0.57 -0.02 -2.59%}

Retail

- **Adairs** {2.04 -0.01 -0.49%}
- **AccentGroup** {2.33 0.05 2.19%}
- **Eagers Automotive** {10.96 -0.11 -0.99%}
- **Bapcor** {5.29 -0.04 -0.75%}
- **Breville** {34.51 0.08 0.23%}
- **City Chic Collective**{0.13 -0.01 -3.85%}
- **Cettire** {1.88 0.02 1.08%}
- **Harvey Norman** {4.88 0.05 1.04%}
- **JB Hi-Fi** {80.49 0.98 1.23%}
- **Kathmandu** {0.46 0.01 2.22%}
- **Kogan** {5.14 -0.02 -0.39%}
- **Lovisa** {35.80 -0.54 -1.49%}
- **Myer** {0.85 0.02 2.42%}
- **Premier Investments** {31.01 0.46 1.51%}
- **Super Retail** {18.09 0.11 0.61%}
- **The Reject Shop** {3.18 0.01 0.32%}
- **Webjet** {6.86 -0.13 -1.86%}

Staples

- **Woolworths** {32.89 -0.10 -0.30%}
- **Coles** {17.82 0.05 0.28%}
- **Metcash** {3.53 -0.04 -1.12%}
- **Endeavour** {4.92 -0.02 -0.40%}

Baby formula stocks

- **A2Milk** {6.35 -0.02 -0.31%}
- **Bubs** {0.14 -0.01 -3.57%}
- **Symlait** {0.36 -0.01 -2.74%}

Domestic Cyclical Stocks –

1. **ARB Group** {43.85 -0.18 -0.41%}
2. **Brickworks** {28.75 -0.11 -0.38%}
3. **Breville** {34.51 0.08 0.23%}
4. **Carsales** {37.17 -0.02 -0.05%}
5. **Cleanaway** {2.90 -0.01 -0.34%}
6. **Domain** {3.24 0.00 0.00%}
7. **Amotic Group (GUD)** {10.09 -0.01 -0.10%}

8. **GWA**{2.42 -0.02 -0.82%}
9. **Helloworld Travel** {1.91 -0.02 -1.04%}
10. **Kelsian**{4.10 -0.11 -2.61%}
11. **Michael Hill**{0.50 0.01 1.01%}
12. **Fletcher Building** {2.92 0.01 0.34%}
13. **Flight Centre** {21.62 -0.05 -0.23%}
14. **Lend Lease** {7.00 -0.12 -1.69%}
15. **Nine Entertainment** {1.22 -0.02 -1.22%}
16. **Orora** {2.63 -0.02 -0.75%}
17. **Qantas**{7.13 0.08 1.13%}
18. **REA Group** {212.00 -0.36 -0.17%}
19. **Regional Express Airlines** {0.56 0.00 0.00%}
20. **Seven West Media**{0.18 0.01 2.86%}
21. **Seek** {25.01 0.04 0.16%}
22. **Stockland** {5.33 0.00 0.00%}
23. **Southern Cross Media** {0.47 -0.01 -2.11%}
24. **Star Entertainment** {0.27 -0.02 -5.26%}
25. **The Lottery Corp** {5.02 0.02 0.40%}
26. **Tabcorp** {0.48 -0.01 -2.06%}
27. **Webjet**{6.86 -0.13 -1.86%}

Domestic Tourism

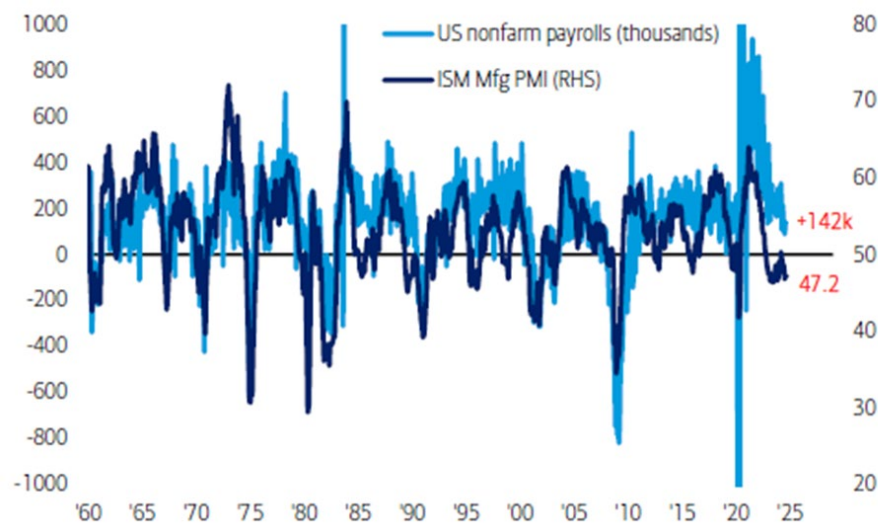
1. **Tourism- Casinos**
 - **Star Entertainment**{0.27 -0.02 -5.26%}
 - **SKY City NZ** {1.37 0.03 1.87%}
2. **Tourism- Airline stocks**
 - **Qantas**{7.13 0.08 1.13%}
 - **Air NZ** {0.49 0.00 0.00%}
 - **Regional Express Airlines** {0.56 0.00 0.00%}
3. **Tourism - Airports -**
 - **Auckland Airport**{6.68 -0.02 -0.30%}
4. **Tourism in and out of Australia - Travel Operators**
 - **Webjet**{6.86 -0.13 -1.86%}
 - **Flight Centre**{21.62 -0.05 -0.23%}
 - **Corporate Travel**{12.62 -0.16 -1.25%}
 - **Kelsian** {4.10 -0.11 -2.61%}
 - **Helloworld Travel** {1.91 -0.02 -1.04%} -
5. **Shopping centers**
 - **Vicinity Centres** {2.23 -0.01 -0.45%}
 - **Scentre Group**{3.58 -0.01 -0.28%}
 - **UniWestfiled**{6.02 -0.10 -1.63%}
6. **Property related -**
 - **REA** {212.00 -0.36 -0.17%}
 - **Domian** {3.24 0.00 0.00%}
7. **Education -**
 - **IDP Education** {15.04 -0.38 -2.46%}
 - **G8 Education** {1.37 -0.01 -0.72%}

News of interest

1. S&P 500 has been up 4 consecutive week & up 7 out of the last 8 weeks.
2. On Friday any **chances of a -50pts cut were extinguished** after the US saw Nonfarm Payrolls surge **+254,000 way above mkt at +150,000** v BUT this time they did the opposite to the last 2 mths and **revision higher the previous months numbers from 142,000 to 159,000.**
3. So with **inflation coming down, the biggest fear is a US recession & these numbers** (although just 1 month) will **dispel those fears for at least a month .**
4. So now any **good US eco data will be good news for mkt given rate cut cycle has now began** (and thus will continue for a while) and if they get **GDP holding up then that's a lethal combination for mkts to be much higher by the end of the year.**

Chart 6: Profits and payrolls historically correlated

US nonfarm payrolls MoM vs ISM manufacturing PMI



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

- 5.
6. Meanwhile the **Citi US Economic Surprise Index showing “greenshoots”** and has turned back **positive for first time since late Apr/early May. The weekly bounce in index was best dated back to early 2023.**



7.

8. **Mutual Fund Flows**

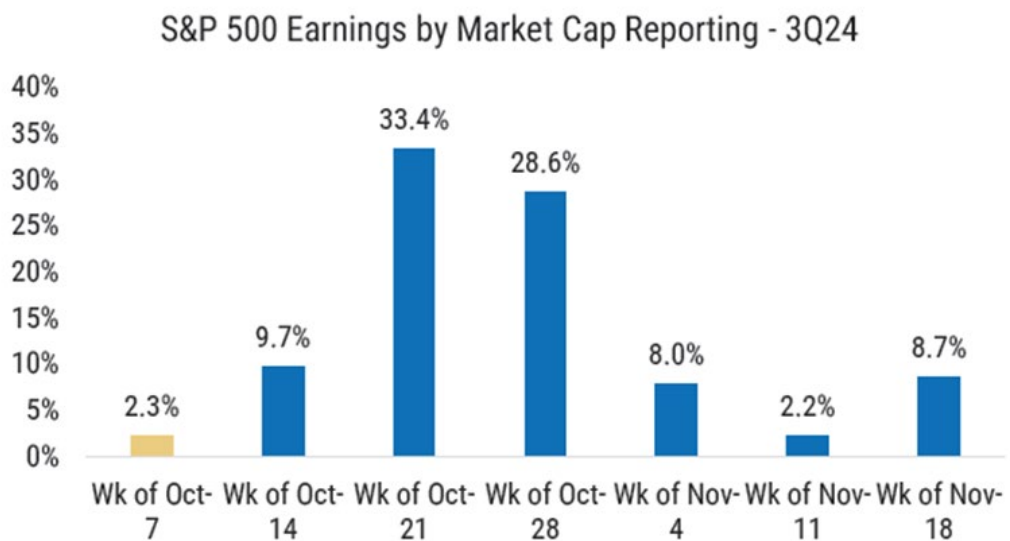
- **US largest outflows since April (-US\$9.7b)**
- **Europe largest outflows Mar 2022 (-US\$6.1b)**
- Emerging Markets +US\$15.5b
- **China +\$US13.9b; 2nd highest ever**

9. NZ rate decision this week

10. This week:

- **FOMC minutes, US CPI, U Mich consumer conf**
- **US EPS Qrtly earnings season kicks off on Friday JPM and WFC among banks**
- **12 FED members speak this week**
- ASEAN Summit; China Premier to attend with Blinken

Exhibit 22: 3Q Reporting Season by Market Cap



○

Q3 Earnings Season Preview - First Three Weeks

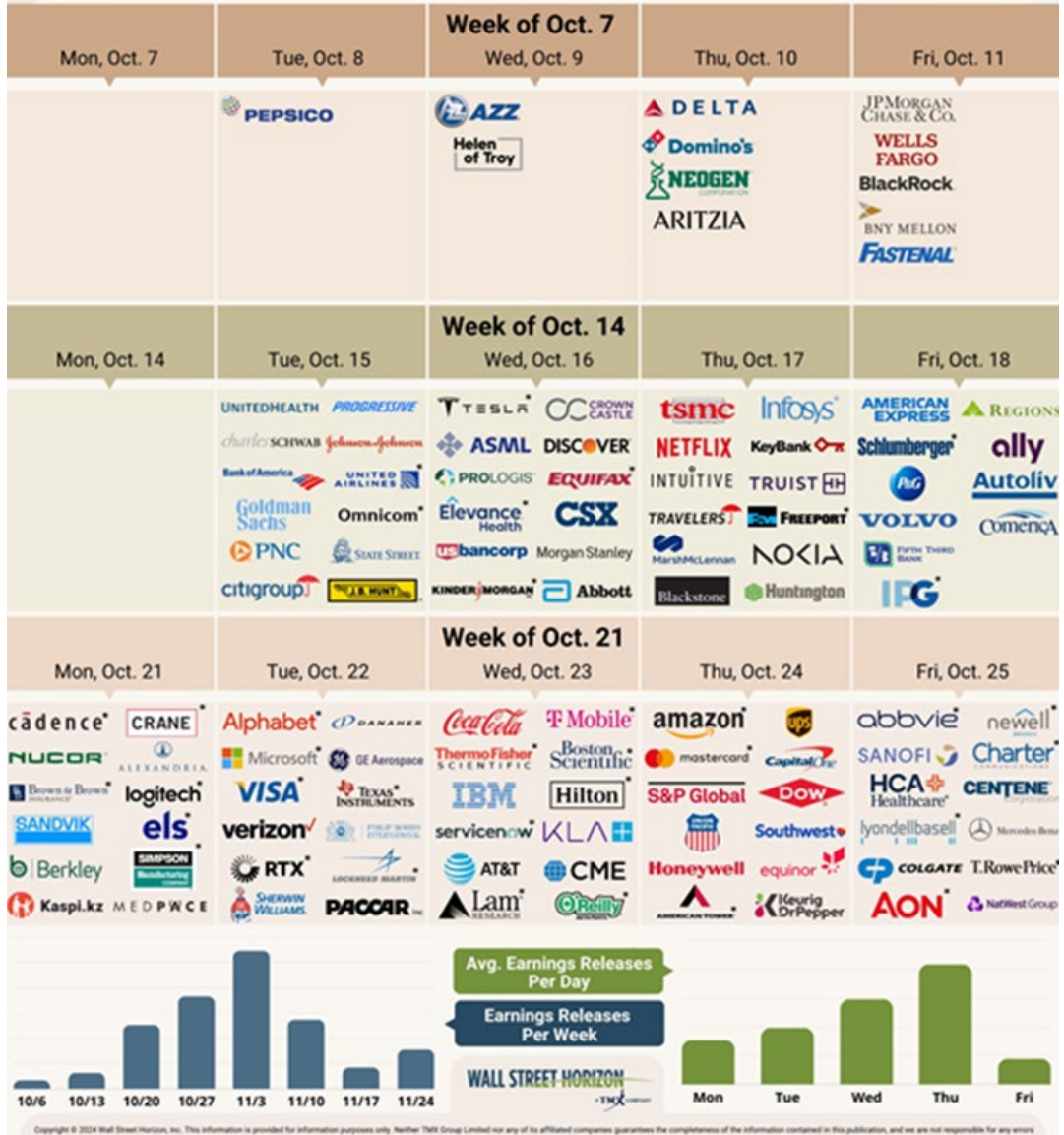


Exhibit 1: Path of S&P 500 price and EPS
as of October 3, 2024



Source: FactSet, Goldman Sachs Global Investment Research

- 11.
12. **Goldman had its 3rd upgrade to S&P 500 forecasts this year**, as sees 6,000 in 3 months (was 5,600 previously). And 1 year from now they see S&P 500 at 6,300 (its 5695 right now)
13. **Cover up ?? Cabinet papers went missing** in Doha just before **Labor blocked Qatar Airways'** extra flights, adding a **layer of intrigue to the saga**.
14. **Light & Wonder** {140.20 2.75 2.00%} last Friday **rose 7.8% after** announcing a **new version of its Dragon Train** poker machines, in response to a US court injunction that halted production of **the original**. Their opponent Aristocrat claims the game infringed on its Dragon Link machines, so Light & Wonder is moving ahead with a court-mandated revision.
15. **Arcadium** {5.94 -0.15 -2.46%} up +45% yesterday after Rio's confirmed move on Arcadium saw oteghrs up as well , with Lontown Resources up +18.92% and Iris Metals +27.78%.
16. **Arcadium** {5.94 -0.15 -2.46%} Rio Tinto is circling Arcadium for a lithium play, clearly trying to scoop it up while prices are in the gutter. Some investors are saying the company is worth closer to **US\$8 billion (\$11.85 billion) than Rio's speculated potential valuation range of between US\$4 billion to US\$6 billion**.
17. **ASX** - FinClear wins clearing licence to disrupt ASX with blockchain trading for private companies. (AFR)
18. **Fortescue** weighs \$50m carbon credit opportunity as Andrew Forrest questions offsets.
19. **Pacific Smiles** - QIC's private debt team invested \$30m in Icon Group and is financing Genesis Capital's pursuit of Pacific Smiles
20. **IGO** is emerging as the frontrunner to acquire Rio Tinto's Winu Project, a copper-gold deposit, with South32 also showing interest. (Aust)
21. **Pro Medicus** has renewed an **8-year contract with Mercy Health at a higher transaction cost, reflecting strong confidence in its medical imaging solutions**.
22. **Freedom Furniture** is testing the market for buyers as it seeks a **comeback after a turnaround** led by Blaine Callard.

23. **Domain** - Kohlberg Kravis Roberts explored a \$2bn buyout of Domain Group but opted against it, choosing instead to partner in the acquisition of Property Exchange Australia, with guidance from Greg Hywood and Michael Stock. (Aust)
24. **ERA** - The Takeovers Panel will review Energy Resources of Australia's discounted capital raise, delaying the process amid shareholder concerns and ongoing litigation over the Jabiluka mineral lease.
25. **Highfield Resources** plans a potential dual listing in Hong Kong after acquiring Yancoal Canada's Southey potash project for \$122m.
26. **Gambling** - Blackstone's bid to add pokies to Crown Sydney was knocked back by NSW.
27. **Aurizon**, backed by Pemba Capital, acquired McR Defence and appointed a new CEO as part of its growth and expansion plans
28. **Arcadium Lithium** shareholders urge the board to **reject** Rio Tinto's **\$5.8bn bid**, calling it too low and pushing for a price **around \$8bn**.
29. **ERA** - The **Takeovers Panel** will review its earlier decision on **Rio Tinto's** uranium deal with ERA, possibly **reversing its clearance** of a **contentious equity raising**.
30. **Kohlberg Kravis Roberts** has **pulled out of the \$3bn Loscam logistics deal** after the owners decided to sell only 40% of the business instead of the whole unit. (The Australian)
31. **IPO** - Goldman Sachs and JPMorgan are expected to secure mandates for **HMC Capital's \$2bn-plus digital infrastructure fund float**. (Aust)
32. **Origin Energy** - Green hydrogen hype fades as costly projects, including Origin's, are cancelled.
33. **Origin Energy** halts hydrogen projects, including Hunter Valley Hydrogen Hub, due to uncertainties and costs.
34. **Guzman y Gomez** - flagged by Goldman Sachs for a sell-off, citing a "stretched valuation
35. **RIO** - Rumors suggest Rio Tinto may **soon pursue a major lithium acquisition**, eyeing targets like **Arcadium** and **Albemarle**, based on discussions from a recent gold mining conference. (Aust)
36. **Woodside Energy** is receiving **multiple offers** for its Driftwood LNG project, with EIG, partially owned by Saudi Aramco, as a potential buyer
37. **Ingenia** - Morningstar **raised** Ingenia's valuation, citing rapid growth and a development pipeline that could **double** its land-lease portfolio in the next decade.
38. **Regis Resources** investors are asking about **dividends** as the McPhillamys gold project faces delays.
39. **UniSuper** has **canceled** its multimillion-dollar mandate with **Tanarra Credit Partners**, led by **John Wylie**, as it shifts its private credit strategy **towards larger investments**
40. **WBC** - Resimac acquires Westpac's auto loan portfolio to support growth, despite recent profit decline.
41. **Alpha HPA Rated New Outperform** at Macquarie; PT A\$1.40
42. **Cochlear upgraded** to Neutral at Citi; PT A\$305
43. **BHP downgraded** to Hold at Jefferies; PT A\$48
44. **Magellan Financial upgraded** to Neutral at Macquarie; PT A\$9.50
45. **Ampol downgraded** to Neutral at BofA
46. **Arcadium Lithium upgraded** to Sector Outperform at Scotiabank
47. **Bellevue Gold upgraded** to Buy at Argonaut Securities; PT A\$1.60
48. **Gold Road upgraded** to Buy at Argonaut Securities; PT A\$2.10
49. **HMC Capital Reinstated Buy** at Goldman; PT A\$8.94

50. **Ora Banda Mining upgraded** to Buy at Argonaut Securities
51. **Ramelius upgraded** to Buy at Argonaut Securities; PT A\$2.60
52. **SPR upgraded** to Speculative Buy at Argonaut Securities
53. **Technology One downgraded** to Neutral at Goldman; PT A\$24.05

Bell Potter Analyst Changes

1. **360 – TP increased** to \$22.50 from \$20.50 – Chris Savage
2. **DXC – TP increased** to \$3.30 from \$3.10 – Andy MacFarlane
3. **GNP – TP increased** to \$2.90 from \$2.70 – Joseph House
4. **GT1 - Valuation decreased** to \$0.14 from \$0.19 – Stuart Howe
5. **IGO – TP decreased** to \$4.00 from \$4.60 – Brad Watson
6. **LKE – Valuation decreased** to \$0.048 from \$0.12 – Stuart Howe
7. **LNW – TP increased** to \$165 from \$161 – Baxter Kirk
8. **LTM – TP increased** to \$6.55 from \$6.25 – Stuart Howe
9. **LTR – Valuation decreased** to \$1.50 from \$1.90 – Stuart Howe
10. **MIN – TP decreased** to \$62.00 from \$66.00 – Brad Watson
11. **PMT – Valuation decreased** to \$0.75 from \$0.90 – Stuart Howe
12. **PLS – TP decreased** to \$3.00 from \$3.15 – James Williamson

ASX 200 Movers today

Stock	Last Price	+/-	% Change		Stock	Last Price	+/-	% Change
WAF	144	10	7.46%		IGO	549	-32	-5.51%
CCP	1677	60	3.71%		FMG	1927	-108	-5.31%
BGL	132	4	2.72%		SGR	27	-2	-5.26%
LNW	14020	275	2.00%		LTR	83.5	-5	-5.11%
FPH	3200	61	1.94%		CIA	670	-31	-4.42%
CMM	584	10	1.74%		CRN	111	-5	-4.31%
CNU	798	12	1.53%		NEU	1361	-59	-4.15%
PMV	3101	46	1.51%		CXO	12	-1	-4.00%
RMS	213	3	1.43%		MIN	5123	-211	-3.96%
NST	1605	21	1.33%		HLS	169.5	-6	-3.42%
SIQ	853	11	1.31%		PLS	300	-10	-3.23%
CSL	29252	373	1.29%		WBT	195	-6	-2.99%
JBH	8049	98	1.23%		EVT	1037	-31	-2.90%
QAN	713	8	1.13%		S32	360	-10	-2.70%
EMR	377	4	1.07%		KLS	410	-11	-2.61%
HVN	488	5	1.04%		NUF	376	-10	-2.59%
DMP	3613	37	1.03%		MFG	998	-26	-2.54%
ORG	1029	10	0.98%		MP1	732	-19	-2.53%
BGA	538	5	0.94%		IEL	1504	-38	-2.46%
AZJ	351	3	0.86%		LTM	594	-15	-2.46%
SGM	1274	10	0.79%		SPK	278	-7	-2.46%
NWS	4112	31	0.76%		QBE	1607	-40	-2.43%
DOW	546	4	0.74%		TNE	2401	-59	-2.40%
TLX	2063	14	0.68%		BHP	4379	-107	-2.39%
VNT	455	3	0.66%		PNV	247	-6	-2.37%
COH	29343	192	0.66%		360	2000	-45	-2.20%
GMG	3682	23	0.63%		STX	22.5	-1	-2.17%
CPU	2592	16	0.62%		NAN	362	-8	-2.16%
SUL	1809	11	0.61%		TAH	47.5	-1	-2.06%
TPG	504	3	0.60%		DTL	747	-15	-1.97%
NWL	2575	15	0.59%		CKF	856	-17	-1.95%
GOR	173.5	1	0.58%		SDF	555	-11	-1.94%
MGR	220	1	0.46%		WEB	686	-13	-1.86%
ALX	474	2	0.42%		REH	2673	-50	-1.84%
WBC	3091	13	0.42%		IFL	270	-5	-1.82%
AGL	1194	5	0.42%		CNI	196.5	-4	-1.75%
TWE	1196	5	0.42%		XRO	14515	-257	-1.74%
NAB	3727	15	0.40%		LLC	700	-12	-1.69%
ANZ	3011	12	0.40%		SQ2	9720	-166	-1.68%
TLC	502	2	0.40%		PME	17943	-288	-1.58%
MQG	22958	85	0.37%		ELD	841	-13	-1.52%
BEN	1161	4	0.35%		DRR	389	-6	-1.52%
FBU	292	1	0.34%		LOV	3580	-54	-1.49%
ANN	3265	11	0.34%		CQE	283	-4	-1.39%
WTC	13212	40	0.30%		NHC	499	-7	-1.38%
RMD	3445	10	0.29%		VEA	299	-4	-1.32%
COL	1782	5	0.28%		WDS	2634	-34	-1.27%
MPL	366	1	0.27%		CTD	1262	-16	-1.25%
BSL	2208	6	0.27%		NEC	121.5	-2	-1.22%
IAG	744	2	0.27%		ILU	658	-8	-1.20%
AMC	1638	4	0.24%		INA	495	-6	-1.20%
BRG	3451	8	0.23%		ARF	413	-5	-1.20%
PDN	1181	2	0.17%		MTS	353	-4	-1.12%
SEK	2501	4	0.16%		ALQ	1440	-16	-1.10%
CBA	13497	20	0.15%		GNC	912	-10	-1.08%
WES	6895	9	0.13%		WOR	1476	-16	-1.07%
HMC	861	1	0.12%		APA	740	-8	-1.07%

Source IRESS

Substantials

Stock	Shareholder	Move	Previous Holding	Current Holding
ABY	Spheria	1.90%	13.47%	15.37%
BOE	JPMorgan	1.02%	5.13%	6.15%
BSL	Perpetual	Ceased		
CTT	Morgan Stanley	1.18%	5.71%	6.89%
FBU	Schroders	3.08%	7.16%	10.24%
HUB	Hyperion	1.01%	8.36%	9.37%
LIC	Blackrock	Ceased		
LRS	GS	1.15%	6.42%	7.57%
NAM	Harvest Lane	Became		5.32%
NAN	First Sentier Investors	-1.02%	7.26%	6.24%
OML	Kayne Anderson Rudnick Investment Management	1.43%	6.87%	8.30%
ORA	Allan Gray	1.23%	14.73%	15.96%
PLS	First Sentier Investors	Became		5.06%
SDR	Morgan Stanley	Became		5.00%
SGR	JPMorgan	Became		5.47%
SGR	JPMorgan	Ceased		
SIG	Perpetual	-1.07%	6.20%	5.13%
SWM	Spheria	1.56%	8.28%	9.84%
VEA	L1 Capital	Became		5.43%

Source Company Announcements

Directors Interest

- RWC – H Sharp **acquired** 39,433 shs via vesting of Rights.

Source Company Announcements / Al Jaucian / Mitchell Hewson

Biggest Blocks Through Market Today

Time	Ticker	Size	Price	Value	%ADV
15:48:37	RIO	150,000	120.3	\$ 18,045,000	9.92
15:41:42	RIO	150,000	120.345	\$ 18,051,750	9.92
15:35:29	RIO	166,000	120.06	\$ 19,929,960	10.98
15:34:54	BHP	455,000	43.94	\$ 19,992,700	5.2
15:12:46	BHP	150,000	43.85	\$ 6,577,500	1.71
15:04:41	WDS	386,159	26.305	\$ 10,157,912	7.39
14:58:03	TLS	1,000,000	3.84	\$ 3,840,000	4.36
13:56:42	STO	500,000	7.3	\$ 3,650,000	6.09
13:16:55	FMG	154,834	19.83	\$ 3,070,358	1.46
13:12:39	FMG	550,000	19.83	\$ 10,906,500	5.2
13:07:54	NXL	472,601	6.48	\$ 3,062,454	27.33
12:57:12	VAE	63,744	82.08	\$ 5,232,108	717.03
12:05:33	LYC	1,979,393	7.89	\$ 15,617,411	62.62
12:03:30	COL	223,071	17.825	\$ 3,976,241	9.25
11:56:32	BHP	100,000	45.405	\$ 4,540,500	1.14
11:41:37	RIO	50,000	124	\$ 6,200,000	3.31
11:25:49	MIN	109,699	54	\$ 5,923,746	6.1
11:25:09	MIN	109,699	53.94	\$ 5,917,164	6.1
11:17:55	BHP	219,708	45.515	\$ 10,000,010	2.51
11:17:35	RIO	80,792	123.775	\$ 10,000,030	5.34
11:14:59	BHP	300,000	45.5	\$ 13,650,000	3.43
11:08:20	STO	1,089,532	7.395	\$ 8,057,089	13.26
11:02:51	PLS	1,000,000	3.185	\$ 3,185,000	3.79
10:54:27	GDG	1,350,000	2.9	\$ 3,915,000	435.02
10:45:07	EVN	900,000	4.58	\$ 4,122,000	9.18
10:44:57	NST	248,737	16.01	\$ 3,982,279	6.13
10:43:32	STO	460,881	7.395	\$ 3,408,215	5.61
10:40:10	BGA	660,000	5.325	\$ 3,514,500	98.29
10:39:17	BHP	220,922	45.265	\$ 10,000,034	2.52
10:38:49	RIO	81,275	123.04	\$ 10,000,076	5.37
10:35:32	NAB	110,000	37.08	\$ 4,078,800	2.53
10:32:33	QBE	285,467	16	\$ 4,567,472	6.94
10:30:57	HMC	1,318,156	8.7	\$ 11,467,957	120.1
10:18:01	CTD	250,000	12.635	\$ 3,158,750	33.63
10:09:14	FPH	175,900	31.46	\$ 5,533,814	39.32
10:07:11	QBE	642,488	16.42	\$ 10,549,653	15.61
09:25:51	LNW	38,847	138.3568	\$ 5,374,747	22.78
08:04:56	LNW	125,376	138.6288	\$ 17,380,724	73.51
				\$ 310,637,455	

Source Coppo Report / Bloomberg

Stock Moves in each Sector

Industrials

Banks

ANZ {30.11 0.12 0.40%}, **CBA** {134.97 0.20 0.15%}, **Virgin Money plc** {4.22 0.00 0.00%}, **NAB** {37.27 0.15 0.40%}, **Westpac** {30.91 0.13 0.42%}, **Bendigo & Adelaide Bank** {11.61 0.04 0.35%}, **Bank of Queensland** {6.19 0.00 0.00%}

Financial Services / Market Related Stocks

Macquarie Bank {229.58 0.85 0.37%}, **QBE** {16.07 -0.40 -2.43%}, **IAG** {7.44 0.02 0.27%}, **Suncorp** {18.00 0.01 0.06%}, **AUB Group** {30.46 0.00 0.00%}, **Computershare** {25.92 0.16 0.62%}, **ASX** {65.31 -0.07 -0.11%}, **A2B Australia** {65.31 -0.07 -0.11%}, **Humm** {0.85 0.02 2.42%}, **Iress** {9.96 -0.10 -0.99%}

Fund Managers / Brokers

Challenger {6.70 -0.04 -0.59%}, **Platinum Asset** {1.20 -0.03 -2.44%}, **Bell Financial** {1.28 0.00 0.00%}, **K2 Asset Mgt** {0.05 0.00 0.00%}, **Pinicacle Investment** {18.58 -0.16 -0.85%}, **AMP** {1.32 -0.01 -0.75%}, **Perpetual** {19.71 -0.19 -0.95%}, **IOOF** {2.70 -0.05 -1.82%}, **Magellan** {9.98 -0.26 -2.54%}

Insurers

AMP {1.32 -0.01 -0.75%}, **IAG** {7.44 0.02 0.27%}, **Medibank** {3.66 0.01 0.27%}, **NIB Holdings** {6.00 -0.01 -0.17%}, **QBE** {16.07 -0.40 -2.43%}, **Suncorp** {18.00 0.01 0.06%}, **Ausbrokers** {30.46 0.00 0.00%}, **Steadfast** {5.55 -0.11 -1.94%}, **Tower** {1.24 0.02 1.64%}

Retailers

Harvey Norman {4.88 0.05 1.04%}, **JB Hi-Fi** {80.49 0.98 1.23%}, **Myer** {0.85 0.02 2.42%}, **Metcash** {3.53 -0.04 -1.12%}, **Adairs** {2.04 -0.01 -0.49%}, **Automotive Holdings** {2.04 -0.01 -0.49%}, **Breville** {34.51 0.08 0.23%}, **Premier Investments** {31.01 0.46 1.51%}, **Accent Group** {2.33 0.05 2.19%}, **Super Retail** {18.09 0.11 0.61%}, **City Chic Collective** {0.13 -0.01 -3.85%}, **The Reject Shop** {3.18 0.01 0.32%}, **Wesfarmers** {68.95 0.09 0.13%}, **Woolworths** {32.89 -0.10 -0.30%}, **Webjet** {6.86 -0.13 -1.86%}, **Kathmandu** {0.46 0.01 2.22%}, **Lovisa** {35.80 -0.54 -1.49%}

Healthcare

Ansell {32.65 0.11 0.34%}, **Australian Pharmaceutical** {32.65 0.11 0.34%}, **Cochlear** {293.43 1.92 0.66%}, **CSL** {292.52 3.73 1.29%}, **Capital Health** {0.37 -0.01 -1.35%}, **Genetic Signatures** {0.57 0.01 1.79%}, **Fisher & Paykel Health** {32.00 0.61 1.94%}, **Healius** {1.70 -0.06 -3.42%}, **Imugene** {0.05 0.00 0.00%}, **Immutep** {0.31 -0.01 -1.59%}, **Mesoblast** {1.47 -0.05 -2.98%}, **Mayne Pharma** {4.50 -0.12 -2.60%}, **Paradigm Biotech** {0.20 -0.01 -2.50%}, **Ramsay Healthcare** {42.58 -0.06 -0.14%}, **Resmed** {34.45 0.10 0.29%}, **Sonic Healthcare** {26.86 -0.05 -0.19%}, **Sigma** {2.00 -0.03 -1.48%}, **Telix Pharmaceuticals** {20.63 0.14 0.68%}, **Virtus Health** {20.63 0.14 0.68%}

Aged Care

Regis Healthcare {6.43 -0.06 -0.92%}

Media

Carsales {37.17 -0.02 -0.05%}, **Domain Holdings** {3.24 0.00 0.00%}, **Newscorp** {41.12 0.31 0.76%}, **Nine Entertainment** {1.22 -0.02 -1.22%}, **REA Group** {212.00 -0.36 -0.17%}, **Seek** {25.01 0.04 0.16%}, **Seven West Media** {0.18 0.01 2.86%}, **Sky Network TV** {2.43 0.00 0.00%}, **Southern Cross Media** {0.47 -0.01 -2.11%},

Telcos

Telstra {3.83 -0.03 -0.78%}, **Hutchison** {0.03 0.00 0.00%}, **Nextdc** {17.70 -0.14 -0.78%}, **Spark NZ** {2.78 -0.07 -2.46%}, **Chorus** {7.98 0.12 1.53%}, **TPG Telecom** {5.04 0.03 0.60%}, **Macquarie Telecom** {83.15 -0.88 -1.05%},

Transport

Brambles {18.86 0.01 0.05%}, **Aurzion** {3.51 0.03 0.86%}, **Qantas** {7.13 0.08 1.13%}, **Qube** {3.85 -0.01 -0.26%}, **REX** {0.56 0.00 0.00%}, **Alliance Aviation** {2.90 0.03 1.05%}, **MMA Offshore** {2.90 0.03 1.05%}, **Auckland Airport** {6.68 -0.02 -0.30%}, **Air NZ** {0.49 0.00 0.00%}, **Atlas Arteria** {4.74 0.02 0.42%}, **Transurban** {13.06 -0.03 -0.23%}

Travel & Tourism

Qantas {7.13 0.08 1.13%}, **Auckland Airport** {6.68 -0.02 -0.30%}, **Air NZ** {0.49 0.00 0.00%}, **Webjet** {6.86 -0.13 -1.86%}, **Ardent Leisure** {alg}, **Event Hospitality** {10.37 -0.31 -2.90%}, **Corporate Travel** {12.62 -0.16 -1.25%}, **Flight Centre** {21.62 -0.05 -0.23%}, **Kelsian** {4.10 -0.11 -2.61%}, **Helloworld Travel** {1.91 -0.02 -1.04%}

Building Materials

Hardies {54.10 -0.43 -0.79%}, **GWA** {2.42 -0.02 -0.82%}, **Reece** {26.73 -0.50 -1.84%}, **Fletcher Building** {2.92 0.01 0.34%}, **Brickworks** {28.75 -0.11 -0.38%}, **Reliance Worldwide** {5.70 -0.06 -1.04%}

Vehicles

Eagers Automotive {10.96 -0.11 -0.99%}, **Bapcor** {5.29 -0.04 -0.75%}, **ARB Corp** {arq}, **McMillan Shakespeare** {15.50 0.20 1.31%}, **Smartgroup** {8.53 0.11 1.31%}, **SG Fleet** {2.56 0.03 1.19%}, **Fleetpartners Group** {3.07 -0.01 -0.32%}

Business Services

McMillan Shakespeare {15.50 0.20 1.31%}, **SG Fleet** {2.56 0.03 1.19%}, **ZIP** {2.72 0.02 0.74%}

Food & Beverages

Collins Foods {8.56 -0.17 -1.95%}, **Domino's Pizza** {36.13 0.37 1.03%}, **Fonterra** {4.46 0.20 4.69%}, **Graincorp** {9.12 -0.10 -1.08%}, **Select Harvest** {3.79 0.14 3.84%}, **Treasury Wines** {11.96 0.05 0.42%}, **Endeavour** {4.92 -0.02 -0.40%}

Engineering & Construction

ALQ {14.40 -0.16 -1.10%}, **Downer EDI** {5.46 0.04 0.74%}, **GWA** {2.42 -0.02 -0.82%}, **Lend Lease** {7.00 -0.12 -1.69%}, **Monadelphous** {12.89 0.01 0.08%}, **McMillan Shakespeare** {15.50 0.20 1.31%}, **NRW Holdings** {3.55 0.00 0.00%}, **Seven Group Holdings** {43.44 -0.15 -0.34%}, **Worley** {14.76 -0.16 -1.07%}

REITS

Abacus Property {1.25 -0.02 -1.58%}, **BWP Trust** {3.65 -0.01 -0.27%}, **Charter Hall Group** {15.81 -0.07 -0.44%}, **Cromwell Property** {0.45 0.01 1.12%}, **Charter Hall Retail** {3.52 -0.02 -0.56%}, **Dexus** {7.63 -0.03 -0.39%}, **Vicinity Centres** {2.23 -0.01 -0.45%}, **Goodman Group** {36.82 0.23 0.63%}, **GPT** {5.01 -0.01 -0.20%}, **Lend Lease** {7.00 -0.12 -1.69%}, **Mirvac** {2.20 0.01 0.46%}, **Peet** {1.29 0.00 0.00%}, **Region Group** {2.27 0.00 0.00%}, **Scentre Group** {3.58 -0.01 -0.28%}, **Stockland** {5.33 0.00 0.00%}, **Unibailrodawestfield** {6.02 -0.10 -1.63%}

Steel

Bluescope {22.08 0.06 0.27%}, **Sims** {12.74 0.10 0.79%}

Paper & Packaging

Ancor {16.38 0.04 0.24%}, **Orora** {2.63 -0.02 -0.75%},

Utilities

AGL {11.94 0.05 0.42%}, **APA Group** {7.40 -0.08 -1.07%}, **Origin** {10.29 0.10 0.98%},

Infrastructure

APA {7.40 -0.08 -1.07%}, **Transurban** {13.06 -0.03 -0.23%}

Chemicals

Incitec Pivot {2.97 -0.02 -0.67%}, **Orica** {17.96 0.02 0.11%}

IT, Software Services

Appen {1.97 -0.07 -3.20%}, **Computershare** {25.92 0.16 0.62%}, **Technology One** {24.01 -0.59 -2.40%}

Agricultural

Graincorp {9.12 -0.10 -1.08%}, **Ridley Corp** {2.49 -0.04 -1.58%}, **Fonterra** {4.46 0.20 4.69%}, **Incitec Pivot** {2.97 -0.02 -0.67%}, **Nufarm** {3.76 -0.10 -2.59%}, **Aust Ag** {1.41 0.01 0.71%}, **Elders** {8.41 -0.13 -1.52%},

Baby Formula + Stocks Leveraged to Chinese Consumers

A2 Milk {6.35 -0.02 -0.31%}, **Bega Cheese** {5.38 0.05 0.94%}, **Synlait** {0.36 -0.01 -2.74%} **Treasury Wines** {11.96 0.05 0.42%},

Consumer Products

ARB {43.85 -0.18 -0.41%}, **Amotiv** {10.09 -0.01 -0.10%}, **Treasury Wines** {11.96 0.05 0.42%}

Diversified Financials

ASX {65.31 -0.07 -0.11%}, **Challenger** {6.70 -0.04 -0.59%}, **Computershare** {25.92 0.16 0.62%}, **Humm Group** {0.85 0.02 2.42%}, **Iress** {9.96 -0.10 -0.99%}, **Insignia** {2.70 -0.05 -1.82%}, **HUB** {60.84 -0.42 -0.69%}, **Netwealth** {25.75 0.15 0.59%}, **Macquarie Bank** {229.58 0.85 0.37%}, **Perpetual** {19.71 -0.19 -0.95%}

Resources

Iron Ore

BHP {43.79 -1.07 -2.39%}, **S32** {3.60 -0.10 -2.70%}, **RIO** {120.99 -0.18 -0.15%}, **Mt Gibson** {0.33 0.01 1.56%}, **Fortescue** {19.27 -1.08 -5.31%}

Others resources

Iluka {6.58 -0.08 -1.20%}, **ERA** {0.01 0.00 0.00%}, **Metals X** {0.44 -0.02 -3.33%}, **Sandfire Resources** {10.90 -0.01 -0.09%}, **Independence Group** {5.49 -0.32 -5.51%}, **Base Resources** {0.19 0.00 0.00%}, **Lynas** {7.67 -0.02 -0.26%}, **Alkane** {0.46 0.00 0.00%}

Energy Stocks

Ampol {30.99 -0.28 -0.90%}, **Origin** {10.29 0.10 0.98%}, **Santos** {7.25 -0.04 -0.55%}, **Worley Parsons** {14.76 -0.16 -1.07%}, **Woodside** {26.34 -0.34 -1.27%}, **Beach Energy** {1.28 -0.01 -0.39%}, **New Hope Corp** {4.99 -0.07 -1.38%}, **Whitehaven Coal** {7.18 -0.07 -0.97%}

Mining Services

Monadelphous {12.89 0.01 0.08%}, **Orica** {17.96 0.02 0.11%}, **Downer** {5.46 0.04 0.74%}, **Worley** {14.76 -0.16 -1.07%}, **Seven Group Holdings** {43.44 -0.15 -

0.34%}, **Emeco** {0.77 -0.03 -3.16%}, **Matrix Composites & Engineering** {0.35 0.00 0.00%}, **NRW Holdings** {3.55 0.00 0.00%}

Coal Stocks

Whitehaven Coal {7.18 -0.07 -0.97%}, **New Hope Coal** {4.99 -0.07 -1.38%} **Terracoml** {0.21 -0.01 -2.38%}, **Coronado Global Resources**{1.11 -0.05 -4.31%}

Gold

Northern Star {16.05 0.21 1.33%}, **Regis Resources** {1.99 0.00 0.00%}, **Newmont Gold**{78.11 -0.07 -0.09%}, **St Barbara** {0.34 0.00 0.00%}, **Resolute** {0.70 0.01 1.46%}, **Pantoro** {0.12 0.00 0.00%}, **Evolution Mining** {4.56 -0.01 -0.22%}, **Perseus** {2.54 0.00 0.00%}, **OceanaGold** {2.54 0.00 0.00%}, **Bellevue Gold** {1.32 0.04 2.72%}, **Gold Road Resources** {1.74 0.01 0.58%} , **Raemlius Resources** {2.13 0.03 1.43%} , **Westgold Resources** {2.48 -0.03 -1.20%}

Uranium Stocks

ERA {0.01 0.00 0.00%}, **Deep Yellow** {1.45 0.01 0.35%}, **Paladin** {11.81 0.02 0.17%}, **Boss Energy**{3.38 -0.01 -0.29%}, **Bannerman Energy** {3.20 -0.07 -2.14%} , **Lotus Resources** {0.27 0.01 1.92%}

Lithium / Graphite Stocks

Pilbara Minerals {3.00 -0.10 -3.23%}, **Syrah** {0.29 -0.02 -6.45%}, **Neometals** {0.12 0.02 14.29%}, **European Metals Holdings** {0.17 0.00 0.00%}

Bell Potter Research

[Life360 \(360\) Buy, TP\\$22.50 – Chris Savage](#)

Choose life

No change in forecasts. There is no change in our forecasts which we last updated at the release of the 2Q/1H2024 result in August. Our 2024 forecasts remain consistent with the guidance where we are around the middle of the adjusted and statutory EBITDA ranges and consistent with if not slightly below VA consensus. We continue to forecast strong top line revenue growth in 2024, 2025 and 2026 of 22%, 20% and 17% and positive statutory EBITDA and NPAT in 2025 and beyond.

Expecting a strong Q3. Life360 will report its 3Q2024 result on Wednesday, 13th November and we expect a strong result. Note Q3 is typically the strongest quarter for paying circle growth with back-to-school in the northern hemisphere. Our key forecasts for 3Q2024 are: Revenue up 22% y-o-y to US\$96.2m; Paying circles up 121k q-o-q to 2.15m; ARPPC up 6%

y-o-y to US\$127.76; and AMR up 28% y-o-y to US\$331.2m. We expect the company to reiterate its 2024 guidance but see some prospect of an upgrade at EBITDA given the relatively large uplift in H2 opex assumed in the current guidance.

Investment view: PT up 10% to \$22.50, Maintain BUY. We have increased the multiple we apply in our EV/Revenue valuation from 6.25x to 7.0x due to the rally in the tech sector since we last updated our price target. We have also reduced the WACC we apply in the DCF from 9.1% to 8.6% due to a reduction in the risk free rate from 4.5% to 4.0%. The net result is a 10% increase in our PT to \$22.50 which is >15% premium to the share price so we maintain our BUY recommendation. Potential catalysts for the stock include the upcoming Q3 result which, as mentioned, we expect to be strong with some potential of an EBITDA guidance upgrade. We also see some potential for the paying circle growth to positively surprise given our Q3 forecast of 121k is below the Q2 actual of 132k. Another potential catalyst is inclusion in the S&P/ASX 100 index at the next quarterly rebalance in early December which can cause some initial volatility in the share price but ultimately we expect the impact to be positive.

Dexus Cnv. Ret. REIT (DXC) Buy, TP\$3.30 – Andy MacFarlane & Connor Eldridge

VFACTS data points to cooling EV sales

Cooling EV sales momentum y/y; fuel-reliant robust

VFACTS & CarExpert released new vehicle data for September 2024. EV sales improved on August (+9% m/m), but has witnessed a notable drop in annualised terms, -27.2% y/y with Tesla recording a -48.8% y/y decline. Key takeouts include:

- 1. **Aus car sales -0.9% m/m, -9.8% y/y** –Total car sales dropped below 100k in September to 99.9k as EV contribution cycles y/y declines and hybrids witnessed a pull back (-18% m/m, but +34% y/y).
- 2. **Fuel reliant car sales +4% y/y** –Increased in absolute terms to 828k vehicles YTD vs. 795k at pcp.
- 3. **EV sales -27% y/y** –Large y/y fall driven by declining Tesla volumes to 2,649 in September.

Investment view and Earnings changes: Buy

No change to our Buy recommendation or earnings estimates, however, we increase our target price to \$3.30 (was \$3.10) as we adopt updated BP risk-free rate assumptions at 4.0% (was 4.5%). Data continues to point to trend growth in ICE vehicles of which there are more than 1m p.a. added to Australian roads highlighting longevity for the convenience retail sub-sector. Notwithstanding DXC has sold down c.10% of its portfolio in the last 12m at a -1% to -2% discount to BV, the stock is trading at a 15% discount to NTA. We assume +10bp cap rate expansion in our NAV (to 6.40%) but given recent movement in global interest rates its foreseeable that cap rates should hold steady at 1H25 for DXC given broader cost of capital as well as relative valuation vs peers (WPR 5.74% WACR, CQR 4.94%). Recent operator reinvestment by Viva (OTR acquisition), BP (X-Convenience acquisition) and Couche-Tard (bid for 7-Eleven) underpins our sector view.

Genusplus Group (GNP) Buy, TP\$2.90 – Joseph House

Communication is key

Communications capabilities get a boost

We make the following comments in relation to the proposed CommTel acquisition:

Communications capabilities boosted: CommTel specialises in installing, maintaining and managing a range of telecommunications systems and solutions to the mining, oil and gas, transport, power utilities, and public safety sectors. CommTel has several multi-year contracts with Tier 1 customers, yielding recurring work.

Proposal update: GNP has announced that the creditors of CommTel network Solution Pty Ltd today voted in favour of its proposal to acquire CommTel. GNP will now work towards finalising formal documentation for the acquisition and satisfying the remaining conditions precedent to completion. The acquisition is scheduled to complete by the end of October 2024. The total net consideration under the proposal is ~\$6m plus up to \$7m of earn-out payments for the acquisition of IP associated with the CommTel business, linked to EBIT performance milestones in FY25-26.

Attractive acquisition price: The acquisition multiple (not including the maximum of \$7m of earn-out payments) is compelling at 1.5x FY24 EBIT and compares with GNP's 11.8x FY24 EBIT multiple (at the last close price before the acquisition was announced). Including the maximum of \$7m of deferred consideration payments, the acquisition multiple would be ~3.3x FY24 EBIT. The acquisition is expected to be immediately EPS accretive.

EPS & valuation changes: After incorporating the CommTel acquisition into our model, our EPS outlook upgrades by 4-8% in FY26-27. Our valuation lifts 4% to \$2.90/sh on these model changes and adjustments to our working capital forecasts.

Investment thesis: Buy, TPS\$2.90/sh (prev. \$2.70/sh)

The upcoming CommTel acquisition will be highly complementary to GNP's existing Communications segment. The acquisition proposal is financially attractive at a multiple of 1.5-3.3x (with the upper end dependent on earn-out payments) and will be immediately EPS accretive. We see GNP's valuation multiples as undemanding considering our EPS CAGR expectation of 23% p.a. over FY24-27.

Green Technology Metals Ltd (GT1) Buy (Speculative), Valuation\$0.14ps – Stuart Howe

Lithium price review

Lithium price outlook downgrade

We have downgraded our lithium price outlook: Spodumene concentrate 6% Li₂O now US\$1,050/t in 2025 (previously US\$1,400/t) trending higher to LT US\$1,500/t in 2028 (previously US\$1,600/t); Lithium carbonate now US\$12,500/t in 2025 (previously US\$20,000/t) trending higher to LT US\$20,000/t in 2028 (previously US\$22,500/t). The downgrades are based on our updated lithium supply-demand outlook, now expecting supply

deficits to emerge in 2027 (previously 2026). The result is marginal cost supported prices over 2025 before higher incentive prices from 2026.

Changes to GT1 estimates: Valuation now \$0.14/sh (previously \$0.19/sh). With steady state operations beyond 2027, near-term earnings changes are not meaningful.

Leveraging the EcoPro partnership for asset development

GT1 recently completed an \$8m equity placement to leading South Korean battery supply chain group EcoPro Innovation as part of a strategic partnership; EcoPro is now GT1's largest shareholder with 16.6% interest. Under a Framework Agreement, GT1 and EcoPro will negotiate to joint venture on GT1's upstream mine development assets and planned downstream lithium conversion facilities. We expect further news flow from GT1 as this collaboration matures and with ongoing exploration and project studies. GT1's is aiming to take its most advanced asset (the proposed Seymour mine) through permitting and to a Final Investment Decision in mid-2025.

Investment view – Speculative Buy, Valuation \$0.14/sh

GT1's hard rock lithium assets in Ontario Canada are on the doorstep of North America's EV sector. Leading South Korean battery materials group EcoPro is a major shareholder and potential asset-level joint venture partner, highlighting the value in GT1's portfolio. GT1 also has a lithium offtake agreement with LG Energy Solution (also a shareholder) and further share register support from Primero and AMCI Group.

GT1 is an asset development company with prospective operations and cash flows. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Disclosure: Bell Potter Securities acted as Co-Manager to GT1's A\$14.6m equity raising in December 2023 and received fees for that service.

IGO Ltd (IGO) Sell, TP\$4.00 – Bradley Watson

Lithium price outlook downgrade

Updating our lithium price demand and supply forecasts.

We have downgraded our lithium price outlook: Spodumene concentrate 6% Li₂O (SC6) now US\$1,050/t in CY25 (previously US\$1,400/t) trending higher to long term US\$1,500/t in CY28 (previously US\$1,600/t); Lithium carbonate now US\$12,500/t in CY25 (previously US\$20,000/t) trending higher to long term US\$20,000/t in CY28 (previously US\$22,500/t). The downgrades are based on our updated lithium supply-demand outlook, now expecting supply deficits to emerge in CY27 (previously CY26). The result is marginal cost supported prices over CY25 before higher incentive prices from CY26.

Changes to forecast and valuations.

Updating our model for the downgrade results in SC6 price reductions of: FY25 -5%, FY26 -15%, FY27 -22%, relative to our previous realisation adjusted forecasts. Resulting EPS changes are: FY25 -29%, FY26 -30%, FY27 -45%. Using our BPe lithium price forecasts our

valuation decreases to \$5.80ps (previously: \$7.30ps, using US\$1,600/t SC6 long term), which unadjusted would result in a HOLD recommendation, where the previous forecast would result in a BUY recommendation, applying our recommendation structure.

Investment view: SELL, TP\$4.00ps (prev. TP\$4.60ps).

We continue to adjust our valuation to generate our Target Price by blending our BPe lithium price forecast valuation, with a spot price valuation (50.50). We reduce our Target Price by 12.9% and maintain our SELL recommendation because of the downgrade to our lithium price outlook. In our model, the current share price implies a long-term lithium SC6 price of US\$1,500/t, which is significantly higher than spot (~US\$775/t). We forecast significantly lower earnings in FY25 given weak commodity pricing. IGO's earnings and share price will continue to be under pressure until lithium prices begin to improve. We think that further share price depreciation could be catalysed over the next half, as lower lithium prices are reflected in quarterly reports, and evidenced in half year financial results.

Lake Resources N.L. (LKE) Hold (Speculative), Valuation\$0.048ps – Stuart Howe

Update & lithium price changes

Lithium price outlook downgrade

We have downgraded our lithium price outlook: Spodumene concentrate 6% Li₂O now US\$1,050/t in 2025 (previously US\$1,400/t) trending higher to LT US\$1,500/t in 2028 (previously US\$1,600/t); Lithium carbonate now US\$12,500/t in 2025 (previously US\$20,000/t) trending higher to LT US\$20,000/t in 2028 (previously US\$22,500/t). The downgrades are based on our updated lithium supply-demand outlook, now expecting supply deficits to emerge in 2027 (previously 2026). The result is marginal cost supported prices over 2025 before higher incentive prices from 2026.

Changes to LKE estimates: Valuation now \$0.048/sh (previously \$0.12/sh). With steady state operations beyond 2027, near-term earnings changes are not meaningful.

LKE valuation cut; partnering process critical for Kachi

At 30 June 2024, LKE had cash of \$23m and no debt; cuts to corporate and project expenditure, and potential non-core tenement sales, should provide funding headroom to mid-2025. Kachi Project environmental approval is expected in the March 2025 quarter. LKE is progressing financing and product offtake discussions alongside a strategic partnering process. We do not expect Kachi will be materially progressed in the absence of a strategic partner. However, from mid-2025 Kachi will present as one of few independent and permitted development assets potentially capable of delivering material near-term lithium supply into improved markets from 2028.

Investment view – Speculative Hold, Valuation \$0.048/sh

Key to LKE's success will be maintaining tension with respect to financing and offtake, amid a weak lithium market. In parallel, permitting will continue. The Kachi project's large scale, DLE technology selection and advanced stage of permitting does potentially make LKE a

strategically important company over the long term. DLE brings ESG benefits including less land disturbance and water consumption.

LKE is an asset development company with prospective operations and cash flows. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Light & Wonder Inc. (LNW) Buy, TP\$165.00 – Baxter Kirk

Not a One-Hit Wonder

Can LNW convert the Dragon Train install base?

With the share price down 21% (3/10/24 close) since the Dragon Train (DT) preliminary injunction was issued ([view note here](#)), we have analysed the situation in more detail and reviewed industry data points. LNW can continue generating revenue from the 2.2k unit Nth. Am. DT install base, however, in the event remedies are to be paid to ALL it would likely come in the form of royalties / account of profits generated from DT, incentivising LNW to convert these DT games to other premium Kascada-compatible games. Channel checks underscore our view that LNW can make meaningful progress in converting the DT install base. Meanwhile, our review of July-September 2024 industry data showed: (1) LNW core and leased game performance held strong; (2) US slot Gross Gaming Revenue (GGR) has remained elevated; (3) US iGaming GGR continued to grow, up 34% YoY; and (4) SciPlay games held top grossing positions.

Market fears extend beyond Dragon Train

We have valued the mid-to-long term cash flows of the DT install base, possible remedies payable, and possible lost earnings in 4Q24 and CY25 and believe the market is pricing in risks beyond lost earnings from DT. The Q2 2024 Eilers survey of casino operators showed 3 LNW games in the Top 5 most anticipated premium leased games. These titles included Huff N'Puff Money Mansion (#1), Squid Game (#2) and DT (#4), highlighting the breadth of LNW's game portfolio/roadmap. We see 4Q24/CY25 lease additions for these games as catalysts in shifting market sentiment. TP rises 2% on lower risk-free rate in-line with BP house view. No EPS changes.

Investment view: Retain Buy; TP A\$165/CDI (prev. \$161/CDI)

We retain our Buy rating. Our Buy rating is predicated on LNW's cross-platform strategy and leading scale producing a portfolio of high-performing games in both land-based and digital markets. We continue to expect improvement in product quality to strengthen LNW's competitive advantage, supporting higher ROIC and share gains. In addition, at 11.4x NTM EBIT(A), LNW trades at a 28% discount to close comp ALL.

Arcadium Lithium PLC (LTM) Hold, TP\$6.55 – Stuart Howe

Lithium price review

Lithium price outlook downgrade

We have downgraded our lithium price outlook: Spodumene concentrate 6% Li₂O now US\$1,050/t in 2025 (previously US\$1,400/t) trending higher to LT US\$1,500/t in 2028 (previously US\$1,600/t); Lithium carbonate now US\$12,500/t in 2025 (previously US\$20,000/t) trending higher to LT US\$20,000/t in 2028 (previously US\$22,500/t). The downgrades are based on our updated lithium supply-demand outlook, now expecting supply deficits to emerge in 2027 (previously 2026). The result is marginal cost supported prices over 2025 before higher incentive prices from 2026.

Changes to LTM estimates: Target price now \$6.55/CDI (previously \$6.25/CDI). The lithium price changes alone cut our base case valuation to \$5.25/CDI; with disclosure of talks with Rio Tinto (RIO, not rated), we have applied a 25% premium.

RIO talks make sense; negotiations underway

LTM has confirmed RIO's approach regarding a potential acquisition. A deal would make sense given RIO's desire to build a lithium business and the relevant scale LTM would provide. LTM's portfolio solves for RIO's reluctance to take on permitting risks with several already approved development and expansion projects. It would provide RIO with an integrated chemicals business at the bottom of the cost curve and the ability to sequence expansions as lithium market demand grows. If broad valuation agreement can be reached, we would expect LTM to facilitate a period of due diligence prior to any binding proposal.

Investment view – Hold, Target Price \$6.55/CDI

LTM is a large and diversified exposure to lithium in terms of mode of production, asset location, downstream processing and end markets. Its asset base is readily expandable into strengthening markets. While the Allkem-Livent merger from which LTM was formed likely enhanced the group's corporate appeal, we see relatively low risk in the current market of a competing approach to the RIO talks. On applying a premium for control to our base-case valuation, our recommendation structure aligns with a Hold rating.

Liontown Resources Ltd (LTR) Buy (Speculative), Valuation\$1.50ps – Stuart Howe

Lithium price review

Valuation ▼

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Changes to LTR estimates: Valuation now \$1.50/sh (previously \$1.90/sh); EPS FY25e now -9.8cps (previously -1.5cps); FY26e -60%; and FY27e -54%.

Ramp-up time at Kathleen Valley; cost update the next focus

Under our lithium price and project ramp-up assumptions, LTR's current debt capacity is sufficient to take Kathleen Valley through to steady state production and positive free cash flow. With pro forma cash of \$500m at 30 June 2024 and around \$120m left to spend on the project, LTR had a cash buffer of around \$380m for working capital and project ramp-up. LTR announced the first Kathleen Valley spodumene concentrate shipment of 11,855wmt late last month and that the project had produced more than 28,000wmt since first production in July 2024. Concentrate grades have averaged 5.2% Li₂O to date, in line with other prominent WA producers. We expect an operating cost update from LTR over the next few months.

Investment view – Speculative Buy, Valuation \$1.50/sh

LTR's 100% owned Kathleen Valley lithium project remains highly strategic in terms of scale, long project life and location in a tier-one mining jurisdiction. LTR has offtake contracts with top-tier EV and battery OEMs. Under our modelled assumptions, we expect that LTR is fully funded to free cash flow.

LTR is an asset development company; our Speculative risk rating recognises this higher level of risk.

Disclosure: Bell Potter Securities acted as Joint Lead Manager to LTR's October 2023 placement (\$365m) & share purchase plan and received fees for that service.

Mineral Resources Ltd (MIN) Buy, TPS\$62.00 – Bradley Watson

Lithium price outlook downgrade

Updating our lithium price demand and supply forecasts.

We have downgraded our lithium price outlook: Spodumene concentrate 6% Li₂O (SC6) now US\$1,050/t in CY25 (previously US\$1,400/t) trending higher to long term US\$1,500/t in CY28 (previously US\$1,600/t); Lithium carbonate now US\$12,500/t in CY25 (previously US\$20,000/t) trending higher to long term US\$20,000/t in CY28 (previously US\$22,500/t). The downgrades are based on our updated lithium supply-demand outlook, now expecting supply deficits to emerge in CY27 (previously CY26). The result is marginal cost supported prices over CY25 before higher incentive prices from CY26.

Changes to forecast and valuations.

Updating our model for the downgrade results in SC6 price reductions of: FY25 -5%, FY26 -15%, FY27 -22%, relative to our previous realisation adjusted forecasts. Resulting EPS changes are: FY25 +17cps, FY26 -18%, FY27 -33%, including reflecting the 1QFY25 average iron ore price, which was higher than we forecast. Because of the downgrade to our long-term lithium price forecast our Target Price reduces 6%. We continue to forecast long-term real iron ore prices of \$95.00/t (62% Fe CFR).

Investment view: Buy, TPS\$62.00ps (prev. \$66.00ps).

MIN's share price has increased from recent lows on several positive catalysts, including: (1) strengthening iron ore prices on Chinese economic stimulus measures, (2) receipt of the Onslow Haul Road sale proceeds, (3) and speculation on lithium supply moderation, and (4) sector M&A activity. MIN's share price remains sensitive to news on the balance sheet and commodity price sentiment. MIN has several options to strengthen its balance sheet further including: (1) refinancing debt to defer the maturity schedule, with first Notes redeemable at par-value in May 2025, (2) releasing capital by selling the Onslow ~\$800m carried expenditure loan, and (3) releasing capital by selling interests in its Energy assets. We'd expect these options and others to be under active consideration.

Patriot Battery Metals Inc. (PMT) Buy (Speculative), Valuation \$0.75ps – Stuart Howe

Lithium price review

Lithium price outlook downgrade

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Changes to PMT estimates: Valuation now \$0.75/sh (previously \$0.90/sh). With steady state operations beyond 2027, near-term earnings changes are not meaningful.

Just keep drilling; optimisation studies ongoing

Alongside around 6 drill rigs looking to upgrade and extend the current project Mineral Resource Estimate, PMT is undertaking trade-off and optimisation studies to evaluate accelerated development of the high-grade CV5 Nova Zone and optimise mine and processing plant design. We expect ongoing updates from the company relating to these activities. The recent Shaakichiuwaanaan Project Preliminary Economic Assessment outlined a two-stage development targeting annual production of around 800ktpa at 5.5% Li₂O Spodumene Concentrate; total capex of US\$962m; and all-in sustaining costs of US\$593/t on average over a 24-year project life.

Investment view – Speculative Buy, Valuation \$0.75/CDI

The Shaakichiuwaanaan Project is highly strategic in terms of scale, jurisdiction and access to North American lithium-ion battery supply chains. PMT is funded to take the Project to full feasibility by the end of 2025. While permitting risks may be an impediment to PMT's near-term corporate appeal, we expect value re-rating as the Project is de-risked through permitting and as the Group's MRE continues to expand.

PMT is an asset development company with prospective operations and cash flows. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Disclosure: Bell Potter Securities acted as Co-Manager of PMT's C\$75m flow-through equity offer in May 2024 and received fees for that service.

Pilbara Minerals Ltd (PLS) Hold, TP\$3.00 – James Williamson

Lithium price review

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Changes to PLS estimates: Our target price is now \$3.00/sh (previously \$3.15/sh). EPS changes are the result of our updated price outlook and model adjustments following our recent Pilgangoora site visit: FY25 -62%; FY26 -69%; and FY27 -44%.

Key takeaways from Pilgangoora site visit

Key takeaways from last week's Pilgangoora site visit include: (1) Scale: The operation has expanded significantly over the past 12 months, as P1000 and mid-stream plant construction progresses, and mine development advances in preparation for increased ore feed requirements; (2) Competitive advantage: The crushing and ore sorting facility is believed to be a global first in hard-rock lithium processing, and offers upside risk to lithium recoveries, unit costs and reported Ore Reserves. Further operational enhancements include: The transition to an owner/miner operating model; fleet upgrades; offtake structure; and site infrastructure. These will all drive a lower cost base and further strengthen PLS' market leading position.

Investment view – Hold, TP \$3.00/sh (previously \$3.15/sh)

PLS operates a low-cost asset in a tier one jurisdiction, is diversifying through the lithium value chain, and has a strong balance sheet (\$1.6b cash at 30 June 2024) that can support expansion projects through sustained periods of market weakness. It offers a clean exposure to global lithium fundamentals and sentiment. On our updated valuation, we maintain our hold recommendation.

Sector

Eye on Lithium – Stuart Howe, Brad Watson, James Williamson, Regan Burrows & David Coates

Battery minerals sector review

Lithium price outlook downgrade

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Lithium demand: Our demand model is supported by global EV penetration increasing to 50% of new car sales in 2030, and other sources of EV demand growing modestly (i.e. lithium-based energy storage systems). In 2024 to date, global light vehicle sales growth (i.e. ICE vehicles and EVs) has slowed to 1.5% versus pcp (last year +9.4% pcp). YTD global EV market penetration is 17%, compared with 14% in the pcp, largely driven by China, where EV penetration has increased to 40% from 32% in 2023. Excluding China, global EV penetration of 9% is largely unchanged from 2023 levels. Through 2025, macroeconomic tailwinds should support strong growth in light vehicle, and potentially EV sales, particularly in the US and China. However, growing plug-in hybrid vehicle sales, which typically have batteries around one-third the size of Battery Electric Vehicles, may weigh on lithium demand growth in the near-term. Longer term, a shift toward BEV's will drive robust lithium demand growth.

Lithium supply: We have modelled existing and probable projects out to 2030 and also assume growth of non-modelled supply across the forecast period. In the absence of further production curtailments, we forecast modest market surpluses out to 2026. We expect recent market weakness to limit new project financing and, when combined with permitting risks, will constrain and delay any major new supply additions such to re-establish market deficits in the longer term. We expect supply chain inventory shifts to be an ongoing driver of price volatility, as observed through the 2022 post-COVID inventory build, followed by a de-stocking in 2023.

Rio Tinto approaches Arcadium Lithium

Arcadium Lithium PLC (LTM, Hold, TP\$6.55/CDI) and Rio Tinto (RIO, not rated) have confirmed RIO's approach regarding a potential acquisition of LTM. The approach is non-binding and LTM has provided no further comment. A deal would make sense given RIO's desire to build a lithium business and the relevant scale LTM would provide.

Disclosure: Bell Potter Securities acted as Co-Lead manager to LRS' \$37m placement in April 2023; as Co-Manager to GT1's \$14.6m equity raising in December 2023; as Joint Lead Manager in DLI's November 2023 \$70m entitlement offer; as Joint Lead manager to ARU's \$41.5m and \$121m raise in August and December 2022; as Joint Lead Manager and Underwriter to NIC's US\$185m Institutional Placement of January 2023; as Joint Lead Manager to LTR's October 2023 \$365m placement and SPP; and received fees for these services; and as a syndicate to facilitate secondary sales through the CDI BLOCK TRADE and SHARES BLOCK TRADE for PMT's C\$75m financing in May 2024; and Bell Potter Securities holds shares in A4N, and options in GT1 and KM1. Analyst James Williamson holds shares in A4N and DVP.

Real Estate – Andy MacFarlane & Connor Eldridge

Bells Weekly TREITs

Reflecting - REITs +0.8% vs. flat XJO w/w

A-REITs lifted again this week XPJ +0.8%. **GMG (+4.0% w/w)** drove the index as news flow was diverse. Hong Kong REITs surged (+6.0%) after Beijing launched an economic stimulus package. Domestically, living sector names outperformed notwithstanding CoreLogic data showed continued but slowing dwelling price growth in September (**SUM +4.3%, CWP +1.8%, MGR +0.9%**). We also heard a positive outlook on land lease (**LIC +7.3%, APZ +4.3%**) from an unlisted industry CEO. Clear though that the VIC market continues to be challenging. Elsewhere, VFACTS data on Thursday also showed a notable drop in in EV sales (-27% y/y); net net positive for **DXC (-0.6%)** whilst peer satellite **DXI (-6.1%)** saw an exit of major shareholder **GOZ (-1.1%)** via block trade, as well as positive deal momentum for GOZ securing TPG as its co-investment partner on an industrial strategy

Chart & Thought of the Week – ACDC

The nascent data centre sub-sector in Aus Commercial real estate in focus with HMC reported in press to be looking at \$2bn Global Switch Australia and CBRE published a detailed report we explore in our CoTW. Demand is clearly rapidly growing as the world increases its reliance on cloud technology and adopts AI. Supply is lagging, notwithstanding build time frames, driven by the challenge of securing power in well connected, low risk areas with approval to develop. CBRE estimate current power supply to be c.1.5 GW nationally. By 2030 this is expected to be c.2.5 GW (which channel checks suggest could be understated) but still lagging demand as hyperscalers grow their need for power.

Upcoming Catalysts / Events

-RBNZ meeting- 9th Oct – Cash rate current: 5.25%. Market pricing 43bp cut.

-MGR- 14th Oct – Living & Logistics investor presentation.

-BP Foundations conference- 17th Oct

Cedar Woods Prop. (CWP) Buy, TP\$7.15 – Connor Eldridge & Andy MacFarlane

Chasing the bears out of the woods

Key stock drivers reviewed. In this note we highlight CWP's attractive position in the cycle, which we believe is not reflected in the current share price (-7.4% vs. XPJ m/m). We discuss why FY25 guidance is more than achievable, as well as why we think CWP can continue to scale the business and maintain earnings growth in future years. Key points include:

1. **Guidance is very achievable** -CWP have a track record of conservative guidance. Present guidance (10% NPAT growth) marks the first time that current management (since 2017) have issued an earnings target for the full year ahead. We think this reflects confidence around future earnings, underscored by record presales (\$559m) to settle in FY25&26. We forecast 11% EPS growth (vs consensus 8%).

2. **Plenty of runway in WA** -We are comfortable with CWP's WA exposure, despite the state's exposure to mining sector downturns (seen in 2014). CWP is far more diversified than it was last downturn (13/40 projects in Perth today vs. 20/26 in 2014 incl. 3 regional), and the relative price point of WA plus CWP's already-strong embedded margins are enough to sustain group earnings growth (3yr CAGR +8.9%).
3. **Increased long-term confidence** -CWP has demonstrated a disciplined acquisition strategy over time. We believe the strategy is repeatable (as shown in 2H24 with 4 acquisitions) and the scalability of earnings is improving via 2 recently announced capital partnerships (QIC & TGRE).

Investment view: Maintain Buy; slight EPS increases.

CWP have a strong outlook with record presales, strong demand / runway in key markets, a diverse pipeline of well acquired projects, coupled with the group's conservative track record and decision to reintroduce guidance. We adjust FY25-27 EPS estimates by +0.6% to +1.2% after updating expectations at key projects and reducing our WACC risk free rate to 4%. The net result is a 10% increase in the price target to \$7.15.

HUB24 Ltd (HUB) Buy, TP\$66.50 – Hayden Nicholson

Mark-to-markets

Positive domestic equity movements

We review data points and account for outsized global equity market returns, driving a strong positive 1Q25 mark-to-market. Key points are summarised below.

FUA revisions: With the S&P/ASX 200 returning +6.5% over the Sep-24 quarter and the MSCI World up +6.0%, we have revised our market movements for Platform FUA by +3.8ppts to +\$4.2bn (prev. baseline estimate of +2.0ppts for the period), reflecting a high correlation to domestic equities (as evidenced in prev. quarters and the trading update released on 14 August) and lower assumed equity. Our net flow forecasts for the Sep-24 quarter are broadly unchanged at +\$3.5bn (which includes a +\$0.6bn BPe institutional flow from EQT). We derive closing Platform FUA of \$92.1bn, which is in the range of superseded FY25 guidance targeting \$92-100bn.

Trading activity: We surmise R3M retail stockbroker turnover (Australian composite) grew +15.0% QoQ or 19.1% vs R6M to Jun-24. The number of trades executed grew +10.5% QoQ and we believe the impact could lead to higher ancillary fees scaling with market movement (dollar value leverage).

Dealer groups: Micro/small practices where 10 or less advisers are represented grew +18 QoQ to 1,687; bank and diversified license movements had the highest adviser attrition QoQ, including Macq Bank -8, AMP Fin Planning -6, Charter Fin Planning -6. The total adviser population grew +171 to 15,867.

EPS: We model -2%/+1%/-1% over FY25/26/27 to reflect our FUA upgrades and the benefit of operating margins while non-platform earnings are broadly unchanged. We account for a higher effective tax rate, expected to move into mid-20s (23.2% FY24).

Investment view: Retain Buy recommendation

We reiterate our Buy recommendation and value the company using a blend of DCF and SOTP methodologies. Our price target rises +13% to \$66.50 on EBITDA changes and capitalisation multiples. Key catalysts include recent addition to the S&P/ASX 100 index, the scheduled 1Q25 market update (15 Oct) and investor strategy day (28 Nov).