

Major Market Data

ASX 200	8523.7	-7.5	-0.09%	SPI		8509	-24	-0.28%
ASX High	8540.3	9.1		SPI Fair Value		-18		
ASX Low	8504.7	-26.5		SPI Volume		39,624		
Value	\$9.08 Bn			\$A/\$US		0.6467	-0.0042	-0.64%
Specials				10 yr Bonds Futures		95.72	0.01	0.01%
52 Weeks Hi/Lows	9 Hi	15 Low		90 Day Bills Futures		96.62	-0.01	-0.01%
Momentum (Top 500)	305 Up	195 Down		Best Sector Today	1	Staples		0.30%
Asia Today					2	HealthCare		-1.01%
New Zealand	12591	-58	-0.46%		3	Info Tech		-1.14%
China	3389	-27	-0.79%	Worst Sector Today	1	Prop Trusts		0.44%
Hong Kong	23711	-479	-2.02%		2	Materials		-1.78%
Japan	38633	-376	-0.97%		3	Telecoms		-0.18%
After US trading				After US trading				
Dow Futures	42119	-118	-0.28%	Gold in Asian trade		3379.3	-11.88	-0.35%
S&P 500 Futures	5973	-16.0	-0.27%	Oil in Asian trade		75.0	0.26	0.35%

Intra-day Chart of ASX 200



Well this is happening right now



In 1963, the Bronx Zoo had an exhibit called "The Most Dangerous Animal in the World" It was a mirror.

Major Point Contributors to ASX 200

Security	Up	IndexPts	Security	Down	IndexPts
CBA	282	15.72	BHP	-71	-12.00
WBC	67	7.66	CSL	-310	-5.00
NAB	54	5.52	RIO	-275	-3.40
WES	92	3.48	EVN	-38	-2.52
ALL	123	2.56	FMG	-26	-1.47
BXB	49	2.26	S32	-8	-1.13
ANZ	13	1.29	WTC	-165	-1.03
WOW	28	1.14	CPU	-49	-0.91
SUN	25	0.90	ORG	-15	-0.86
MQG	74	0.87	CAR	-62	-0.78
	Top 10	41.40		Bottom 10	-29.09

Source Coppo report

Main Sector moves

Local Markets				Aussi Sectors	% Chang
ASX 200	8523.7	-7.50	-0.09	Materials	-1.78
New Zealand				Info Tech	-1.14
				Healthcare	-1.01
				Utilities	-0.73
Currencies				REITS	-0.73
SA / SUS	0.6467	0.00	-0.64	Energy	-0.55
EURO / USS	1.1457	0.00	-0.20	Telcom	-0.18
				Industrials	-0.09
BONDS				Consumer Staples	0.30
Aust 10 Year Bonds	95.715	0.01	0.01	Consumer Discretionary	0.61
US 10 year Bonds				Financials ex REITS	0.92
				Financials	0.92
Australia					
All Ords	8741.4	-16.50	-0.19	Asian Mkts	
ASX 200	8523.7	-7.50	-0.09	Japan	-0.91
ASX 300	8451.5	-9.40	-0.11	Hong Kong	-1.99
Small Ords	3217	-32.10	-0.99	China	-0.79
				Korea	0.15

Source Coppo report

ASX 200 Movers today

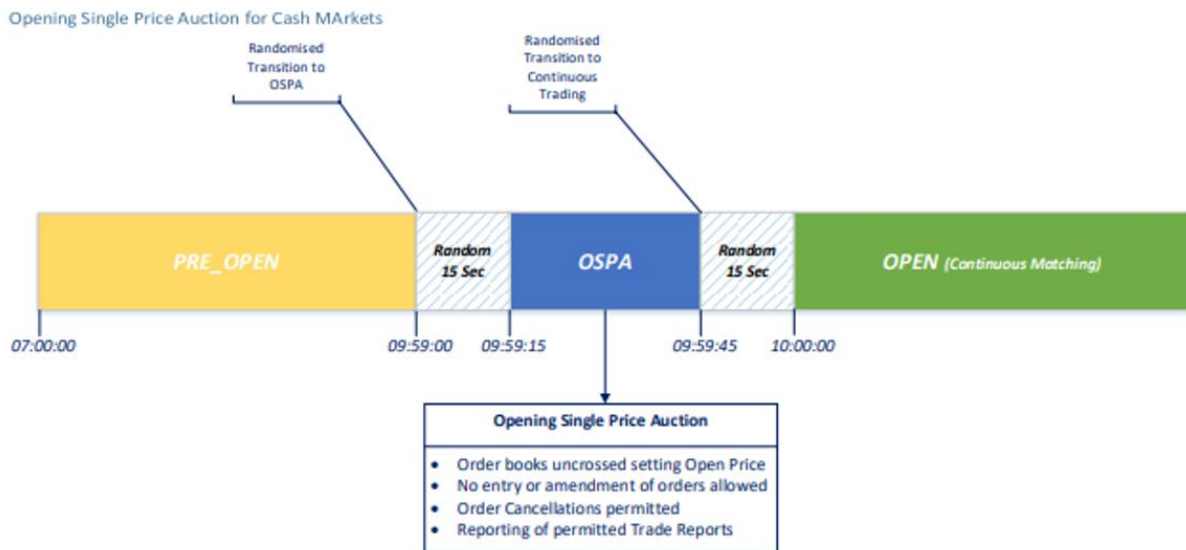
Stock	Last Price	+/-	% Change	Stock	Last Price	+/-	% Change
KLS	357	33	10.19%	MP1	1329	-85	-6.01%
TAH	74.5	2	2.76%	BGL	94.5	-6	-5.50%
IEL	376	9	2.45%	SDR	455	-25	-5.21%
BXB	2370	50	2.16%	EVN	778	-37	-4.54%
CNI	170	4	2.10%	SMR	188	-8	-4.08%
CHC	1946	40	2.10%	PRU	356	-14	-3.78%
GPT	505	10	2.02%	ING	362	-14	-3.72%
HDN	133	3	1.92%	NEU	1244	-48	-3.72%
WBC	3359	57	1.73%	DTL	726	-28	-3.71%
HMC	478	8	1.70%	FBU	291	-11	-3.64%
COH	28843	465	1.64%	CIA	418	-15	-3.46%
ALL	6673	102	1.55%	SGR	14.5	-1	-3.33%
CBA	18285	267	1.48%	VEA	210	-7	-3.23%
DXS	691	10	1.47%	HLS	75	-3	-3.23%
360	3251	44	1.37%	NWH	278	-9	-3.14%
EVT	1630	22	1.37%	AAI	4294	-133	-3.00%
RGN	240	3	1.27%	LTR	65	-2	-2.99%
TWE	814	10	1.24%	FLT	1226	-37	-2.93%
BRG	2859	34	1.20%	TLX	2500	-75	-2.91%
CLW	429	5	1.18%	LIC	641	-19	-2.88%
SQ2	9773	108	1.12%	MND	1712	-50	-2.84%
CWY	273	3	1.11%	LOV	2971	-86	-2.81%
SCG	364	4	1.11%	S32	290	-8	-2.68%
BSL	2290	25	1.10%	SFR	1140	-30	-2.56%
NAB	3912	41	1.06%	WOR	1346	-34	-2.46%
NWS	4935	49	1.00%	MIN	2205	-54	-2.39%
KAR	204	2	0.99%	RWC	416	-10	-2.35%
WES	8456	76	0.91%	CTD	1301	-31	-2.33%
BOQ	790	7	0.89%	RIO	10355	-245	-2.31%
IFL	348	3	0.87%	LNW	12908	-293	-2.22%
A2M	818	7	0.86%	LYC	934	-21	-2.20%
MTS	369	3	0.82%	IPL	268	-6	-2.19%
SUN	2157	17	0.79%	CKF	716	-16	-2.19%
ALX	532	4	0.76%	DOW	610	-13	-2.09%

Source IRESS

ASX -- Big changes to market Open & Close

- from this Monday, 23rd June, the ASX will be moving from a staggered open to a single auction (OSPA).

Here's how the new open will work:



- There will also be a new **post-close trading session**, which will run after the CSPA finishes and **continue until 16:21:30**.
- This **late trading session** will only occur at the “closing price”.

Australian Market Overview

1. The **ASX 200** **trod water again** as it **closed down -7 points or -0.09%** (**high +3 pts to low -16 pts**)
2. **US Futures** were down marginally **-0.3% to -0.4% all day**.
3. Value was \$big again at \$9.1b as the Transitions seemed to still be going with plenty more blocks through today.
4. Over the **last few days there were a number of massive Transition Portfolios in the market** – yesterday was a whopper (11 Blocks worth \$1.4b), but today it all clamed back down.
5. Markets **remain on hold as we await to see what Trump decides**.
6. **Israel-Iran attacks have now gone for 6 days**, thankfully without any major escalation, the world is **awaiting Trump's decision on US involvement**
7. **US insiders** suggests is that **Trump is keen for US airstrikes**, but these are **not confirmed**. Nothing came out of National Security meeting overnight
8. **TRUMP: HAVEN'T CLOSED DOOR TO CONVERSATIONS WITH IRAN** - which lifted stocks last night – but then they drifted back after he said
9. **TRUMP: POSSIBLE THAT FIGHTING NECESSARY TO BLOCK IRAN NUCLEAR**.
10. NYT reported that **Iran preparing to retaliate if US joins strikes**, including proxy attack on **US forces in Middle East or Strait of Hormuz** – as we know that would be a very bad move to take on the might of the US navy.

11. Reports continue that **yet more US fighter jets are being deployed** to Middle East though officials stress their defensive nature
12. Trump and Netanyahu speak, **Israeli defence establishments believe Trump likely to enter the war in the coming days**
13. US futures -0.4%
14. Later in the day Donald Trump has reportedly greenlit attack plans for Iran ahead of his White House Situation Room meeting, after telling the press he “may” or “may not” order US forces to join the conflict.
15. The President told senior aides late on Tuesday (US time) he had approved the plans but was waiting to see if Iran would abandon its nuclear program, three sources familiar with the matter told the Wall Street Journal.
16. Also, last night the **US Fed left rates unchanged at 4.25-4.50%, in-line as expected** - mkt still going for 2 more cuts in 2025. Market has the view that that the next Fed Chair of the FED - will **take a more dovish stance after Powell's term ends in May 2026**

We saw employment drop 2500 jobs in May, vs mkt at 22,500 and down from 89,000 in April. The unemployment rate was steady at 4.1%

Market also focused on

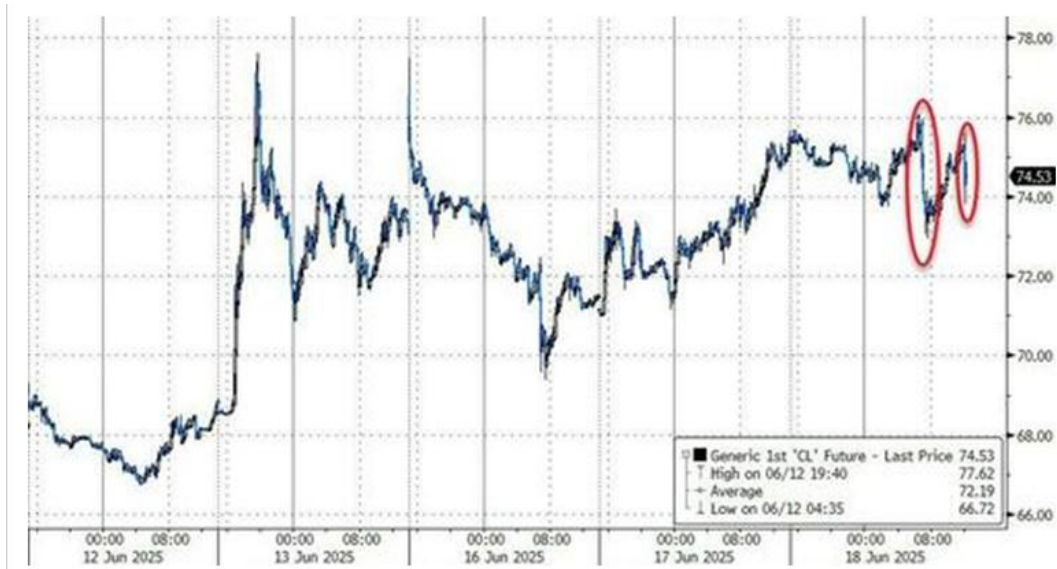
1. **US markets closed tonight - Thursday**
2. Friday in US is **quad witching** (so a bit of volatility)
3. Friday - US also have their **2ndQTR major market indices rebalance** – so will be a lot of volume thought the US on Friday night.
4. While we have **ASX Index changes here on Friday at 4.10pm on the close**

Israel-Iran conflict fuels best month for energy stocks since 2022 - look below for what was happening in the past

- Oil is up +20.8% in June so far & Oil options are now more bullish than after Russia's invasion of Ukraine

Oil prices last night were unchanged, but saw some notable swings intraday lower on Trump comments (and a large crude draw was ignored)...

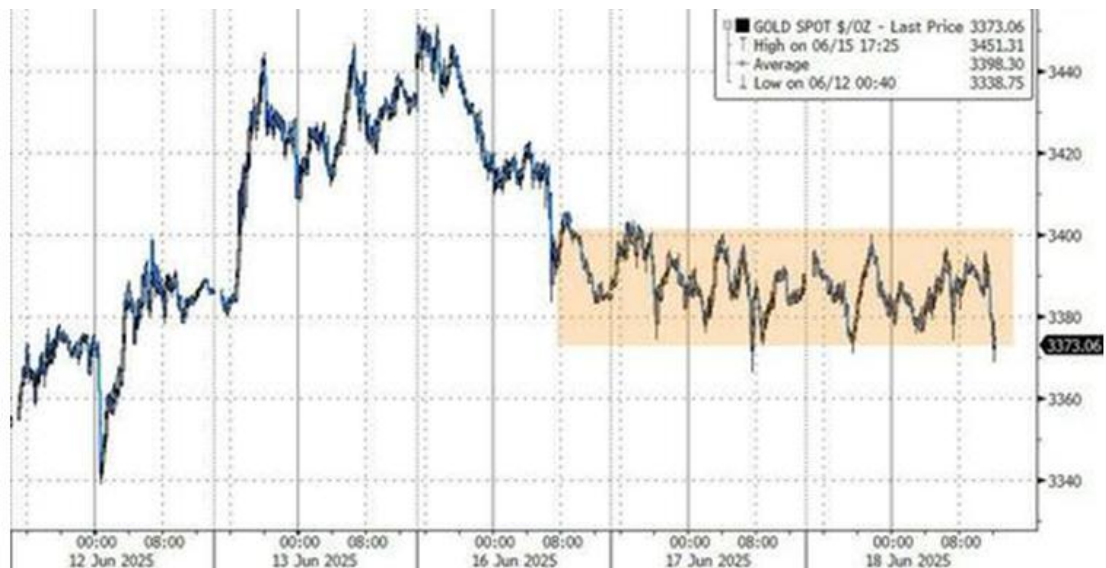
Oil moves in the last 5 days - has run & now range trading to see what comes next



Energy

- **Woodside** {25.63 -0.02 -0.08% }
- **Ampol** {25.96 -0.50 -1.89% }
- **Origin** {10.85 -0.15 -1.36% }
- **Santos** {7.74 -0.05 -0.64% }
- **Beach Energy** {1.36 -0.01 -0.73% }
- **Worley Parsons** {13.46 -0.34 -2.46% },
- **Karoon Energy** {2.04 0.02 0.99% }
- **Strike Energy** {0.16 -0.01 -3.13% }

Gold **down -US\$20** to US\$3386 last night , but it too in the last 2 days has been in broadly in a narrow trading range



Golds

- **Northern Star** {20.38 -0.20 -0.97% }
- **Regis Resources** {4.62 -0.05 -1.07% }
- **Newmont Gold** {89.00 -0.85 -0.95% }
- **Kingsgate** {2.30 -0.14 -5.74% }
- **St Barbara** {0.32 -0.01 -1.56% }
- **Resolute** {0.61 -0.06 -8.27% }
- **Capricorn Metals** {10.28 0.05 0.49% }
- **Evolution Mining** {7.78 -0.37 -4.54% }
- **Perseus** {3.56 -0.14 -3.78% }
- **Catalyst Metals** {5.75 -0.05 -0.86% }

Index changes to be implemented at 4.10pm on Friday 20th June - so tomorrow

S&P/ASX 20 Index

Addition

- **Brambles** {23.70 0.50 2.16% }

Removal

- **James Hardie** {37.15 -0.20 -0.54% }

S&P/ASX 50 Index

Addition

- **Evolution Mining** { 7.78 -0.37 -4.54% }

Removal

- **Pilbara Minerals** { 1.30 -0.01 -0.38% } may be the time to buy this *if* you have been waiting, as it has also been hit with **tax loss selling**

S&P/ASX 100 Index

Addition

- **Pinnacle** { 19.73 -0.02 -0.10% }
- **Perseus** { 3.56 -0.14 -3.78% }

Removals

- **Paladin Energy** { 7.46 -0.10 -1.32% }
- **Viva Energy** { 2.10 -0.07 -3.23% }

S&P/ASX 200 Index

Addition

- **Austal** { 6.24 0.03 0.48% }
- **Nick Scali** { 18.18 -0.38 -2.05% }

Removals

- **Healius** { 0.75 -0.03 -3.23% } trading a record high + seeing **tax loss selling**
- **Stanmore Resources** { 1.88 -0.08 -4.08% }

Highs & Lows Today

Highs

- **All Time Highs GNP, QAL**
- **8 Year Highs TLS**

- 4 Year Highs **CDA**
- 2.5 Year Highs **HDN**
- 2 Year Highs **CLW, TPG**
- 1 Year Highs **BOE,DYL**

Lows

- **All Time Lows CRD, HLS**
- 11 Year Lows **DMP**
- 5 Year Lows **LIC**
- 2 Year Lows **AVH, AX1 KGN**
- 1 Year Lows **VUL**

Given that we have seen the Gulf War 1 & 2 – markets have been trying to work out how this will play out vs what history has shown us.

So I thought I'd add in some **old reports that I was writing at the time.**

1. One thing I did do back in **Jan & Feb 2003** was to **try to predict the date that the US would launch their attack on Iraq.**
2. I kept saying **March 15th 2003 at 3am** – as it was a “**moonless night**” – as we know it was around that time & most at the time thought it would be much later.
3. In fact what I was told years later (as it was **no longer a secret**) by a **senior Goldman executive in 2005**, that they were amazed as in late Feb 2003 - the **US Pentagon contacted GS & wanted to know everything about me.**
4. At the time GS had no idea why, **but the reason was - that I was the only one who was continually predicting pretty much the exact date-** that they had also picked as the day they would launch their attack (the AFR has quoted it a few times & had ridiculed me on the date I chosen & the reasons why – so they probably picked it up from there).
5. The Pentagon obviously realized that **I had no inside info from the US but was making a** (what turned out to be a very good) **calculated guess – based on history – so they did nothing.**
6. The reason why I kept so hard on that day was that having followed US military history – the **US has launched many battles on “moonless nights”** as it gives them a huge tactical advantage.
7. So given what we are about to go through – its important to remind ourselves about how the markets were reacting back then & what stocks & commodities did at the time..

It just gives a “real time” look at Feb/ March 2003

- So these are from my reports from 2003

29TH JANUARY 2003

1990 / 1991 Gulf War – repeating itself in 2003

Is History Repeating Itself ??

- ♦ The US market fell hard over Aug & Sept {with mkt **dropping -19.3%** from Aug to its low on the 11th October 1990} after the invasion caused great uncertainty, but was *recovering well into January* when the war began {Jan 17th}
- ♦ Its not hard to feel that war has been well discounted since the 12 chemical warheads were found on 16th Jan {Dow has **fallen -7.4%** since then}. Unlike Gulf War I that lasted 42 days, it is believed that this will last just a few weeks - due to the massive US weapons arsenal, that includes new weapons never used before, that can wipe out all electrical / computers over 100m hit radius {without hurting people} – these are apparently ready to be used, plus US “smart bombs” that now have 90% hit rate vs 30% in Gulf War I} & Saddam’s wafer thin support could crack in first 48 hours after intense bombing.
- ♦ Thus in Gulf War I – once war began {& Iraq scuds could not hit the Saudi Oil fields} the *markets rallied hard*

2002- 2003 Gulf War II

Date	Last	% Move	What happened / May happen
March 03		+2%	War possibly begins <i>late Feb / early March</i> & world markets rally hard {+10% plus} as it becomes apparent victory will be lightening quick – in Gulf War I Iraqi troops did not want to fight & could not surrender fast enough – will be worse this time... Oil price falls – but will gold ?
Feb 03			Troop buildup will be complete with 200,000 to 250,000 troops in Gulf. UN Inspectors will report again on 14th Feb {BIG DAY} Powel presents to UN on 5th Feb {also a very big day}
Jan-03			Hans Blix report on 27th Jan damming on Iraq, nerve gas and 8,500 litres of anthrax missing – where is it ?? War is now inevitable,
Jan-03	8088	-3.0%	Dow down -7.4% since UN on 16th Jan found 12 chemical warheads
31-Dec-02	8341.63	-6.2%	US talks very tough & deploys 25,000 troops in late Dec to Gulf
30-Nov-02	8896.09	+5.9%	28th Nov UN weapons inspectors arrive in Iraq
31-Oct-02	8397.03	+10.6%	Mkt recovering off 5 year lows & 6 mths where mkt fell -27%
30-Sep-02	7591.94	-12.4%	Markets crumble with many saying major Bear mkt, S&P -47% off high
31-Aug-02	8663.5	-0.8%	6th Aug Secretary-General Kofi Annan asks that Iraq accept inspections
31-Jul-02	8736.59	-5.5%	US begins to target Saddam & his weapons of mass destruction
30-Jun-02	9243.26	-6.9%	US earnings / economy look shaky -
31-May-02	9925.25	-0.2%	
30-Apr-02	9946.22	-4.4%	
31-Mar-02	10403.9	+2.9%	
28-Feb-02	10106.1	+1.9%	
31-Jan-02	9920	-1.0%	

1990 – 1991 Gulf War I

Date	All Ords	Dow Jones	Value - Aust	What Happened
30-Jun-90	-0.7%	+0.1%	\$5.66b	
31-Jul-90	4.9%	+0.9%	\$5.52b	Happy Days
31-Aug-90	-4.2%	-10.0%	\$5.67b	Iraq shock invasion of Kuwait on 2nd Aug mkt's fall hard
30-Sep-90	-7.3%	-6.2%	\$3.09b	Uncertainty
31-Oct-90	-5.0%	-0.4%	\$3.96b	11th October oil price peaks at US\$40.42 on the day the mkt bottoms,
30-Nov-90	-0.6%	+4.8%	\$4.45b	the UN Security Council allows use military action Iraqi forces occupying Kuwait, and demanded a complete withdrawal by 15th

				of January 1991.
31-Dec-90	-3.0%	+2.9%	\$3.48b	
31-Jan-91	3.3%	+3.9%	\$3.70b	17th of January 1991 (3 a.m. Iraq time), with allied troops of 28 countries, led by the US launching an aerial bombardment on Baghdad.
28-Feb-91	6.4%	+5.3%	\$4.44b	42 days later war ends - cease-fire on 28th February 1991
31-Mar-91	2.7%	+1.1%	\$5.21b	Aust Value recovers by +60% from Gulf War levels
30-Apr-91	6.2%	-0.9%	\$5.42b	
31-May-91	-1.6%	+4.8%	\$6.54b	
30-Jun-91	-0.3%	-4.0%	\$4.70b	

SEPT 2002

1990 Gulf War –possibly a “carbon copy” in 2002

After Kuwait invasion, we saw the following month, values **fall by -20%** from their pre war levels to just **\$3.7 billion** over the 5 months from September 1990 to **final cease fire** on 28th February 1991. Straight after that values **jumped back over next 4 months** to \$5.46 billion or **+48%** above the war levels.

So a war will kill value, but once over should recover – but given the timing it is likely that mkt will remain very quiet & boring.

Is History Repeating Itself ??

The US market fell hard over Aug & Sept {with mkt **dropping -19.3%** from Aug to its low on the 11th October 1990} but was **recovering well into January** when the war began {Jan 17th} – a move that is likely to be **repeated this time** with **seasonals** pointing to **major bottom in US mkt** between now and the first 2 weeks of October – the more pessimistic everyone gets, the more it confirms a **major bottom is likely to be occurring** over next 3 weeks.

Date	All Ords	Dow Jones	Value - Aust	What Happened
30-Jun-90	-0.7%	0.1%	\$5.66	
31-Jul-90	4.9%	0.9%	\$5.52	Happy Days
31-Aug-90	-4.2%	-10.0%	\$5.67	Iraq shock invasion of Kuwait on 2nd Aug mkt's fall hard
30-Sep-90	-7.3%	-6.2%	\$3.09	Uncertainty
31-Oct-90	-5.0%	-0.4%	\$3.96	11th October oil price peaks at US\$40.42
30-Nov-90	-0.6%	4.8%	\$4.45	the UN Security Council allows use military action Iraqi forces occupying Kuwait, and demanded a complete withdrawal by 15th of January 1991.
31-Dec-90	-3.0%	2.9%	\$3.48	
31-Jan-91	3.3%	3.9%	\$3.70	17th of January 1991 (3 a.m. Iraq time), with allied troops of 28 countries, the US launching an aerial bombardment on Baghdad.
28-Feb-91	6.4%	5.3%	\$4.44	42 days later war ends - cease-fire on 28th February 1991
31-Mar-91	2.7%	1.1%	\$5.21	Value recovers by +60% from Gulf War levels
30-Apr-91	6.2%	-0.9%	\$5.42	
31-May-91	-1.6%	4.8%	\$6.54	
30-Jun-91	-0.3%	-4.0%	\$4.70	

		Days of Dow to hit Low	Loss	1 month	3 months	6 mths	1 ye:
Iraq Invades Kuwait	08/02/1990 – 08/23/1990	21	-13.3	0.1	2.3	16.3	22.4
Gulf War Ultimatum	24/12/1990 - 16/01/1991	23	-4.3	17	19.8	18.7	24.5

After the Iraqis invaded Kuwait on 2nd August, we saw the **Dow fall 13.1%** from 2899 to 2483 over the next 16 trading days

ASX 200 fell over same period 1666 to 1514 or **-9.1%**

Oil Price {West Texas} was at US\$23.11 & soared to US\$31.93 by 23rd Aug & peaked at

US Invasion began on 10th Jan Oil price was US\$27.71 11th Jan \$27.29 14th Jan 20.78 14th Jan 30.30 16th Jan \$32 & then fell to \$21.60 on 17th Jan & 19.25 by 18th Jan & the settled back at \$21...
Peak US\$40.42 on 11th Oct

Gold US\$370.65 to 412 by 24th Aug

16th Jan peaked at 403.70 then 17th Jan 383 18th Jan 378 & BACK TO \$370

16th Jan war began by 17th US had complete control, of the air space & was their's

Average Month Value in 8 months of 1990 to August, was **\$4.64 billion**, BUT from Sept 1990 to December 1990 value those 4 months was just \$3.74 b or -19% below the year to date average.

After the war from Feb 1991 until June 1991 we saw value surge back to \$6 billion or about +60% above those

13th February 2003

1. **WAR Confirmed** – the *most important confirmation* came that war is coming **very very soon**, with news on Friday that the US are sending their most “elite assault force” to the Gulf immediately. **The 101st Airborne** {16,000 soldiers & 270 helicopters} have been at the **forefront of many US military assaults**. They were the first troops to land in France on D-Day at 12.30am behind the enemy lines {before beach landings hours later}, their helicopters were in action from the beginning of Iraq air war, that began on 17th January {at 3.00am} plus they were also first troops that entered deep into Iraqi territory on February 24th 1991, the day the ground war began {at 4.00am}& & also they were in Afghanistan. **The US values their military history** & thus they will **always use** the 101st Airborne in any major attack. Hence the move of these forces should be seen as **very significant**.
 2. **The US** are talking weeks {not months} until war begins – unless Saddam gives in or bolts off, then **March 3rd** is a “**moonless night**” & thus highly probable that they will begin then at around **3.00am**. For those who feel the moonless night theory is ridiculous, then its worth remind that in **Gulf War I** the 17th January 1991 was chosen because it was a “moonless night” {it was perfect for US as in 15th Jan the UN ultimatum expired}. The US sent their Apache attack helicopters into Iraq after midnight on 17th January & with their {superior} nightvision they were able to fly in the darkness & **knock out** all the **Iraqi radar stations**. **At 2.13am** the US navy **fired missiles** at Baghdad {which interestingly could not navigate over the Iraqi desert & instead flew {without permission} over Iran as they used mountains to navigate & then they turned back in Iraq}. **At 3.00am** {with radar down & too dark for Iraq’s to see anything, the first **10 Stealth bombers** attacked – **6 minutes after** the Stealth’s left, **the missiles arrived** On the first night **200 targets were hit**. Iraqi soldiers said that because it was **so dark** “we **could not see any of the aircraft** & just sprayed fire into the air to try & hit them”. That night there was **not one allied plane lost** out of **1,700 that flew** {against Pentagon estimates of 20% losses}. So darkness was their friend that night & the US will wait again for **night of complete darkness**, for their attack.
 3. **Thus going on**, a short sharp war is possible, in **Gulf War I** we saw after the ground war began on 24th Feb 1991, **75%** of Iraqi troops were **surrendering / deserting** almost immediately {after 6 weeks of bombing they had had enough} – in fact if interested Saddam was disgusted & said his troops were “**fighting like women**” { in fact on 2nd day of ground assault Saddam was so annoyed - that he accused **5 of his top ranking** officers of “betrayal” & ordered their **execution** – the sentence was then carried out ‘**immediately**’ by his personal guard – therefore any high ranking Iraqi officer will be very nervous right now & even more so once the US attack commences.
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4. **After Vietnam** the American Military said they would **never underestimate an enemy** – but in Vietnam the enemy fought for a cause they were **willing to die for**. Thus is we get a short sharp war {with mass Iraqi surrenders as in Gulf War I} the market’s are likely to rally hard in March / April.

	3rd March 1991		
	Iraq accepts cease-fire		
	Performance for following months (%):		
	<u>1 month</u>	<u>2 month</u>	<u>3 month</u>
CCL	6.7	27.0	36.8
HVN	23.3	19.8	33.7
WES	7.9	18.2	31.8
FCL	14.3	22.9	31.4
SBC	-21.4	21.4	28.6
FOA	8.5	17.4	20.4
SRP	7.3	15.6	20.4
BHP	5.2	16.1	19.4
WBC	3.0	15.3	18.7
NCM	11.8	21.5	18.3
AMC	2.9	13.5	17.9
CML	1.1	15.1	17.2
BOQ	4.9	14.5	15.9
RIO	15.5	22.7	15.9
WSF	9.4	20.1	15.8
PBL	22.9	16.7	14.6
WPL	2.4	11.1	14.6
NCP	4.1	13.0	14.0
MAY	-3.5	10.5	14.0
NAB	-0.9	6.2	14.0

26th February 2003

1. Value was **\$1.8 billion** with trades **55,758** due to the index arb buying all afternoon, make no mistake the instos were very very quiet & in this present state of the world most are not willing to commit funds back into the market until this “pea soup fog” that has entrenched itself is eliminated. This is **bear market stuff**, but the only thing missing has been the **extremely low volumes**. Volumes have declined but not to desperate lows **just yet**. In the US last years average mkt volume was **1.5b shares** {from **1.8b** during bull mkt} has come back recently to **1.3 billion shares**.
2. Value here has been low for the last 3 months as the uncertainty of the Gulf War has put many instos to the sidelines, in February with 2 days to go we have had **\$35b**, in January \$39b & Dec last year **\$33.1 billion** – that’s vs the average monthly value in 2002 of **\$45.6b**.
3. In Gulf War I value in **Australia fell -33%** from **\$5.6b** to **\$3.7b** for the 5 months before the Gulf War, once the war was over – value over the next 4 months recovered by **+45%** back to **\$5.4 billion**. This is what WILL happen here & in the US once this war {which will occur very soon} is over.

How Value died & then recovered in Gulf War I in 1990 – 1991

Date	Value - Aust	
30-Jun-90	\$5.66	
31-Jul-90	\$5.52	World in recession
31-Aug-90	\$5.67	Iraq shock invasion of Kuwait on 2nd Aug mkt's fall hard
30-Sep-90	\$3.09	Uncertainty
31-Oct-90	\$3.96	11th October oil price peaks at US\$40.42 {US mkt bottomed that day !!}
30-Nov-90	\$4.45	the UN Security Council allows use military action Iraqi forces occupying Kuwait, and demanded a complete withdrawal by 15th of January 1991.
31-Dec-90	\$3.48	
31-Jan-91	\$3.70	17th of January 1991 (3 a.m. Iraq time), with allied troops of 28 countries, led by the US launching an aerial bombardment on Baghdad.

28-Feb-91	\$4.44	42 days later war ends - cease-fire on 28th February 1991
31-Mar-91	\$5.21	Value recovers by +45% from Gulf War levels over next 4 months
30-Apr-91	\$5.42	
31-May-91	\$6.54	

Thursday 6th February 2003

With WAR only a few weeks away its worth looking at market reaction to gold, oil, markets to previous wars & how – in most cases the big snap back rally that then occurs after conflict has began. In 90 years of war's the Dow has managed in the **12 months following** the start of the war an average **gain of +14.9%** {and **+5.9%** in 6 mths after} – basically after every “crisis” the US mkt falls hard but in almost time after {22 out of 25 cases} the US mkt has over the following 4 to 8 months the US market has recovered “very strongly”

One of the BEST PERFORMING markets in the worldis.....IRAQ

The Iraqi's are also betting on a war, an exit of Saddam & an increase in tourism.....

- **Baghdad stock market's** benchmark BSI index, is **"one" of the best performing stockmarket in the world** this year with a **+31% rise** YTD
- Baghdad was also one of the world's **best-performing exchanges last year** with a **+24% gain** {most of that gain came late in the year as US began to send troops to the Gulf} in 2001 their mkt fell -35%.
- In February, shares in Baghdad **hotels** were the **market's best performers** - with Iraqi investors obviously betting on a quick war - followed by the ousting of Saddam will lead to a **surge of visitors and tourists**.
- Shares of the **Palestine Hotel**, a towering Star Wars-style structure that overlooks the Tigris River on Abu Nawas Street, **rose +47%** last month,
- The nearby **Ishtar Hotel**, formerly operated by **Starwood Hotels & Resorts Worldwide Inc.**'s **Sheraton Hotels**, and the **Sadir Hotel** both **rose +63%** during the same period. The hotels are partly owned by the Iraqi government.

Friday 7th March

By mid next week the US will be at maximum capacity with about **195,000** men in the Gulf plus the Brits with **30,000** – the big news is that the most “elite assault force” is right now arriving in the Gulf. **The US 101st Airborne** 20,000 soldiers & 270 helicopters} have been at the **forefront of many US military assaults**. They were the first troops to land in France on D-Day {the men in “Band of Brothers” were 101st} at 12.30am behind the enemy lines {before beach landings hours later}, **their helicopters** were in action from the beginning of Iraq air war, that began on 17th January {at 3.00am} plus they were also first troops that entered deep into Iraqi territory on February 24th 1991, the day the ground war began {at 4.00am}& & also they were in Afghanistan. **The US values their military history** & thus they will **always use** the **101st Airborne** in any major attack. Hence the arrival of these forces should be seen as **very significant** that an attack is imminent & **Australia / NZ will be the first markets** to trade as the US will launch at around 1.00am Iraq time which will mean we will see it here first at between 9.00am to 11.00am in the morning – that will be a wild day...

22 YEARS AGO - the ASX 200 was also **bottoming** as this all was happening

..

- 22 years ago on the 13th March 2003 that the ASX 200 bottomed at 2700, a few reports from then to take us back to how the market feeling in those desperate times.
- As we know from this week the market rallied for 2 years without a pullback of more than 5%

These are all from 22 years ago this week in March 2003

Afternoon Market Report

Institutional Dealing Desk

JBWere

Monday, February 10, 2003
4.35 PM

Richard Coppleson

Henry Gordon

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hgordon@jbwere.com.au

MAJOR MARKET DATA

MAJOR MARKET DATA				Points	Percentage		Points	Percentage
ASX 200	2890.20	-15.8	-0.54 %	SPI	2873	-14	-0.48 %	
ASX High	2905.60	-0.4	10.33am	SPI Premium	-17.20	pts		
ASX Low	2883.70	-22.3	3.02pm	SPI Fair Value	-13.2	points		
Value	\$1.62bn			SPI Volume	7,796	contracts		
No. of Trades	47,901			\$A/\$US	0.59165	0.0011	0.19 %	
Specials	\$157m			10 yr Bond Futures	94.765	-0.11	-0.12 %	
52 Week Hi/Lows	Hi 14	Lo 40		90 Day Bills Futures	95.29	-0.080002	-0.08 %	
Momentum	369 up	603 dwn		Best Sector Today	1.Energy	0.18%		
JBWere Mkt Share	10.80%		0		2.Financials	-0.34%		
NZSE	2090.54	12.1	0.62 %		3.Industrials	-0.49%		
				Worst Sector Today	1.Info Tech	-3.04%		
RBA Cash Rate	4.75 %				2.Telcoms	-1.32%		
Bills Implied Tighten	-4 points				3.Healthcare	-0.89%		

AUSTRALIAN MARKET OVERVIEW

1. **The ASX 200** was dead quiet, **falling -15.8 points**, with markets still waiting to see *if war begins in next 3 weeks* {3rd March moonless night a high probability} or if UN delays which then just causes yet more uncertainty. Blix says Iraq has *provided more assistance* and documents over **last 2 days** {weekend} but US has said it is *all too late*
2. **The big day is Friday** when Hans Blix gives his next {possibly final} assessment of Iraq. Also with this week seeing some heavyweight *companies reporting*, many are waiting to see how they transpire – many have been waiting a long time for this week to begin. Also worrying markets is fact that US has increased its terror threat level **to High** from Elevated, due to *increased terrorist chatter* about a possible attack..
3. **This week we get coys like:** LEI, WES, JUP, PPX, FGL & GMF *tomorrow, Wednesday:* CBA, BLD & FXJ, **Thursday:** NCP, CCL, RUP, ANN, FCL, JHX & CXP & then on **Friday** we get qrtly sales from CML & FOA.
4. **The big problem** is that the market is too difficult with so many companies blowing up in last week {LLC, AMP, SRP, ALL} that it doesn't matter if you are a *value manager* or *growth manager* – everything is getting hit and there is **NOWHERE to HIDE**. Thus many are hoping that the reporting season will provide instos with some more concrete guidance as to how they are traveling.
5. The market is selling any stock now that it feels may come out with any hint of a **profit warning / downgrade:** with falls in: **Telstra** {\$4.30 -7.0 -1.60%}, **Brambles** {\$4.29 -13.0 -2.94%} **Lend Lease** {\$8.36 -22.0 -2.56%}, **Orica** {\$8.56 -23.0 -2.62%} & **CSL** {\$14.96 -64.0 -4.10%}
6. **Value** here as a result was desperate with just \$1.6 billion trading & trades only 47,890 - in the US on Friday they were also very quiet with value at just 1.2 billion shares vs 1.5b on a normal day.
7. **Banks:** the banks continued to fall today after over the **"last week"** they modestly *under performed* the broader market again last week, declining -2.5% relative to a **-1.7% ASX 200 decline**. CBA last recovered some of its recent lost ground (+2.2%), whilst each of WBC (-3.7%), NAB (-4.2%) ANZ (-4.5%) traded lower & Macquarie shed some of its recent strong gains (-6.7%), **Today we saw:** **NAB** {\$30.29 -7.0 -0.23%} **CBA** {\$26.25 -22.0 -0.83%}, **Westpac** {\$13.56 -7.0 -0.51%} **St George** {\$17.86 -16.0 -0.89%} & **Macquarie Bank** {\$23.80 -50.0 -2.06%} – but **ANZ** {\$16.68 21.0 1.28%} which **fell -4.5%** last week bounced back today.

8. **Resources:** all weaker with war around corner & US economic data out Friday not as encouraging as it first seemed: : **RIO** {\$32.98 -34.0 -1.02%} **BHP** {\$9.20 -7.0 -0.76%} **Iluka** {\$4.18 -1.0 -0.24%} **WMC Resources** {\$3.74 -6.0 -1.58%} **Alumina** {\$4.77 -3.0 -0.63%} **MIM** {\$1.44 -4.0 -2.70%}
9. **WAR Confirmed** – the **most important confirmation** came that war is coming **very very soon**, with news on Friday that the US are sending their most “elite assault force” to the Gulf immediately. **The 101st Airborne** {16,000 soldiers & 270 helicopters} have been at the **forefront of many US military assaults**. They were the first troops to land in France on D-Day at 12.30am behind the enemy lines {before beach landings hours later}, their helicopters were in action from the beginning of Iraq air war, that began on 17th January {at 3.00am} plus they were also first troops that entered deep into Iraqi territory on February 24th 1991, the day the ground war began {at 4.00am} & also they were in Afghanistan. **The US values their military history** & thus they will **always use** the 101st Airborne in any major attack. Hence the move of these forces should be seen as **very significant**.
10. **The US** are talking weeks {not months} until war begins – unless Saddam gives in or bolts off, then **March 15** is a “**moonless night**” & thus highly probable that they will begin then at around **3.00am**. For those who feel the moonless night theory is ridiculous, then its worth remind that in **Gulf War I** the 17th January 1991 was chosen because it was a “**moonless night**” {it was perfect for US as in 15th Jan the UN ultimatum expired}. The US sent their Apache attack helicopters into Iraq after midnight on 17th January 1991 & with their {superior} night vision they were able to fly in the darkness & **knock out** all the **Iraqi radar stations**.
11. **At 2.13am** the US navy **fired missiles** at Baghdad {which interestingly could not navigate over the Iraqi desert & instead flew {without permission} over Iran as they used mountains to navigate & then they turned back in Iraq}. **At 3.00am** {with radar down & too dark for Iraq’s to see anything, the first **10 Stealth bombers** attacked – **6 minutes after** the Stealth’s left, **the missiles arrived** On the first night **200 targets were hit**. Iraqi soldiers said that because it was **so dark** “we **could not see any of the aircraft** & just sprayed fire into the air to try & hit them”. That night there was **not one allied plane lost** out of **1,700 that flew** {against Pentagon estimates of 20% losses}. So darkness was their friend that night & the US will wait again for **night of complete darkness**, for their attack.
12. **Thus going on**, a short sharp war is possible, in **Gulf War I** we saw after the ground war began on 24th Feb 1991, **75%** of Iraqi troops were **surrendering / deserting** almost immediately {after 6 weeks of bombing they had had enough} – in fact if interested Saddam was disgusted & said his troops were “**fighting like women**” { in fact on 2nd day of ground assault Saddam was so annoyed - that he accused **5 of his top ranking** officers of “betrayal” & ordered their **execution** – the sentence was then carried out “**immediately**” by his personal guard – therefore any high ranking Iraqi officer will be very nervous right now & even more so once the US attack commences.
13. **After Vietnam** the American Military said they would **never underestimate an enemy** – but in Vietnam the enemy fought for a cause they were **willing to die for**. Thus is we get a short sharp war {with mass Iraqi surrenders as in Gulf War I} the market’s are likely to rally hard in March / April.
14. In 1991, following the cease-fire the best performing stocks {of the leaders} over the next 3 months were.

Afternoon Market Report Institutional Dealing Desk

JBWere

Wednesday, March 12, 2003

5.00 PM

Richard Coppleson

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MAJOR MARKET DATA

		Points	Percentage			Points	Percentage
ASX 200	2718.40	-4.8	-0.18 %	SPI	2710	-3	-0.11 %
ASX High	2726.30	3.1	Open	SPI Premium	-8.40	pts	
ASX Low	2702.70	-20.5	3.06pm	SPI Fair Value	-7.4	points	
Value	\$2.07bn			SPI Volume	15,436	contracts	
No. of Trades	51,013			\$A/\$US	0.60515	0.0002	0.03 %
Specials	\$328m			10 yr Bond Futures	94.915	-0.09	-0.09 %
52 Week Hi/Lows	Hi 1	Lo 75		90 Day Bills Futures	95.26	-0.01	-0.01 %
Momentum	347 up	583 dwn		Best Sector Today	1.Materials	0.68%	
JBWere Mkt Share	6.20%		0		2.Utilities	0.62%	
NZSE	2090.54	-6.0	-0.32 %		3.Cons Disc	0.51%	
				Worst Sector Today	1.Telecoms	-2.16%	

Page 8

Goldman Sachs

Afternoon Market Report

RBA Cash Rate	4.75 %			2.Info tech	-1.99%	
Bills Implied easing	-1 points			3.Healthcare	-1.76%	

AUSTRALIAN MARKET OVERVIEW

- The market hit a fresh **4 1/4 year closing low** {lowest since December 1998} as the market just fell with instos not prepared to buy any stock while UN situation hots up & world is in a real mess. The market was down **-20 points** at its low at about 3.00 PM, but a **\$50m buy portfolio** leading up to the close saw the market rally back **+15 points** to see it close down just **-4.8 points**.
- Technically it was interesting that the market has now twice in the last 2 days hit a low of **2702** & bounced off it twice. There are a few very interesting positions in the market that are worth watching. (1) the were about **3,500 March 2700 SPI PUT** options that a client bought a while ago, from traders & is now almost in the market, if mkt goes below 2700 then if traders need to hedge may cause them to sell about **1750 SPI** {vs normal daily volume of 8,000}. About 1,000 of those options were traded today – thus taking less sting out of the traders if the SPI falls below 2,700 ie may only need to sell 1250 SPI. (2) This one is **far more interesting**, a month ago Macquarie Bank **sold about 10,000 SPI** at around 3050 {i.e. about **350 points above** these levels} – the seller was rumoured to be an Asian investor. If they decide to cash in that {very profitable} position, then we may see about **10,000 SPI being bought back** within the next 3 weeks. (3) Plus if that occurs, it could see a massive amount of Index arb buying – as they are still possibly **short about \$600m of stock** & with fair value at **-7.5 points** they will all come in and **buy stock / sell SPI** if that discount comes in to about -4 to -2 points.

News of interest

- GS said **systematics** bought +US\$2.8b of Global Equities last week, and this leads to only small buy flows on 1 week view. Now they say on 1 week basis **CTAs** will be

buyer of +US\$1.7b in US on up tape, and only smalls to sell – just -US\$406m on down tape,.

2. **FED last night** -The 2025 dot was unchanged and Fed **said outlook less uncertain**, but '26/'27 dots was **hawkish**, and estimate changes are **stagflationary**.
3. **Powell** sounded confused as to what they will do as he said
 - **"cuts could come quickly or could not come quickly"**,
 - **"Economic uncertainty has diminished, but remains elevated**. It peaked in **April** and has since then **come down**".
4. Goldman summed up the press conference succinctly:
 - **"Powell NOT sounding particularly dovish"**
 - Powell is confident on unemployment:
 - **"The labor market's not crying out for a rate cut,"**he says.
 - On tariff-driven inflation, Powell warned:
 - **"We're beginning to see some effects and we do expect to see more of them over the coming months."**
 - ...which seems to be more about surveys than hard data!
 - Powell said that **The Fed 'can't assume tariff inflation hit will just be a one-time thing'**, but they did exactly that in the SEP with PCE expected to decline significantly next year and beyond.
 - **"We feel like we're going to learn a great deal more over the summer about tariffs,"** Powell says, adding that they didn't expect to know too much yet at this point.
 - On gauging the **tariff effect**:
 - **"That process is very hard to predict, and we haven't been through a situation like this, and I think we have to be humble about our ability to forecast it."**
 - **Powell admitted that tariff uncertainty has declined**(which upset a lot of establishment narrative builders), and he is **right** (it's just that **geopolitical uncertainty** has risen now which has **lifted equity and bond uncertainty modestly**)...
5. **PointsBet** {1.19 -0.01 -0.42%} the other day snubs Betr's pitch, wins Bennelong's backing for MIXI deal ahead of decisive vote. PointsBet CEO and Bennelong reject Betr bid, back MIXI's \$1.20-a-share offer.
6. **Platinum** {0.49 -0.02 -3.96%} – RECORD LOW yesterday and L1 Capital finish due diligence, move to finalise merger terms. DigiDirect buys Mwave out of administration, eyes retail group dominance.
7. **HomeCo Daily Needs REIT** {1.33 0.03 1.92%} reported 20th June 2025 portfolio revaluation gain of \$142m, reaffirms FY25 guidance, + 8.5c div
8. **KMD Brands** {0.26 -0.01 -3.77%} had a trading update - deceleration in sales, down from +0.5% in 1st ½ 2025, to -1.9% in 2nd ½ 2025 YTD
9. **Kelsian** {3.57 0.33 10.19%} wins \$91m US transport deal with Worley for Louisiana LNG project.
10. **Karoon Energy** {2.04 0.02 0.99%} wins six offshore exploration blocks in Brazil's Santos Basin. (Capital Brief)
11. **Mayne** {5.20 -0.14 -2.62%} shareholders approve \$672m Cosette deal amid looming court fight over termination.
12. **Woodside** inks 15-year LNG deal with Petronas for 1 million tonnes of LNG from 2028.
13. **Whitehaven** {5.82 -0.05 -0.85%} AustralianSuper reveals surprise \$60m coal stake in Whitehaven, now second-largest holder. (AFR)

14. **Macquarie** {212.90 0.38 0.18%} buys stakes in three UK airports from Ontario Teachers' Pension Plan.
15. **Boss Energy** {4.64 -0.02 -0.43%} hits FY25 output target at Honeymoon uranium project.
16. **Lynas** {9.34 -0.21 -2.20%} begins terbium oxide production in Malaysia, boosting non-China rare earth supply.
17. **Cochlear** {288.43 4.65 1.64%} UBS **upgrades** Cochlear to 'buy' on Nucleus Nexa launch and growth outlook. (Capital Brief)
18. **NextDC** {14.04 0.03 0.21%} raises \$2.2b in debt to fund data centre growth and new contracts.
19. **Macquarie** {212.90 0.38 0.18%} closes US\$6.8b Americas infrastructure fund with \$US1.3b in co-investment. (Aust)
20. UBS CEO's **phone and staff data leaked** in supplier **cyber attack**, though **no** client data was affected.
21. **Centuria Capital** {1.70 0.04 2.10%} **upgraded** to Hold at **Bell Potter**; PT A\$1.80
22. **Centuria Office REIT** {1.17 -0.07 -5.28%} **downgraded** to Sell at **Bell Potter**; PT A\$1.10
23. **Evolution** {7.78 -0.37 -4.54%} **downgraded** to Underperform at Jefferies; PT A\$6.75
24. **Platinum** {0.49 -0.02 -3.96%} **upgraded** to Hold at **Bell Potter**
25. **Sonic Healthcare** {26.27 0.05 0.19%} Rated New Buy at **Bell Potter**; PT A\$33.70

Propel Funeral Partners {4.39 -0.14 -3.09%}

Appointment of Co-CEOs

PFP has this morning announced the appointment of Co-CEOs, Fraser Henderson, previous Head of M&A and Lilli Rayner, previous CFO. Both are co-founders of the business alongside outgoing CEO, Albin Fraser. The company has also appointed current Group Financial Controller, Arash Noaen as Group CFO.

Chami Ratnapala's view

As expected.

- The announcement, which was due before the end of June, is as expected by us for the existing two co-founders to take on the role of the new Co-CEOs. With the Co-CEOs having co-founded the business with outgoing CEO, Albin back in 2011, we expect a smooth transition in both operations and more importantly in the M&A deployment. We continue to believe that latter as a key growth driver for the business alongside the recovery in organic volumes currently from a weaker period. We see some positivity in industry volume trends following a weaker April which appears supportive heading into the largest period for the business (1Q, Jul-Sep).

There is no change in our forecasts. We currently have a BUY recommendation and \$5.50 PT.

HomeCo Daily Needs REIT{1.33 0.03 1.92%}

2H25 revaluations; momentum gaining for retail

HDN announced preliminary revaluations for 2H25 with total portfolio valuations up +\$80m (+1.7% h/h) ex. capex. Guidance for FY25 FFO / share of 8.8c was reiterated and DPS of 8.5c was confirmed (in line with BPe and VA consensus), with 4QFY25 DPS of 2.125c declared.

Key revaluation details include:

- **Total portfolio valuation** up +\$142m (+3.0%) to c.\$5.0bn vs. \$4.9bn at 1H25, or +\$80m (+1.7%) on a net basis (ex. capex)
- **Portfolio WAV cap rate** compressed to 5.56% vs. 5.62% at 1H25 and 5.64% pcg

Accounting for capital transactions during the period, HDN expects gearing to remain at the mid-point of its 30-40% target gearing range (was 36.0% as at 1H25).

Andy MacFarlane's view: Positive.

- As we saw earlier this week for non-discretionary retail REIT peer, RGN, cap trans market evidence is beginning to manifest in the start of a valuation cap rate compression cycle. Indeed, HDN's portfolio reflected broadly flat WAV cap rate last half, with -6bp decline in 2H, which we think could accelerate in the coming halves, supported by strong retail activity across convenience (LFR, neighbourhood centres) as well as larger sub-regional and regional assets in CY25, and sustainable low-to-mid single digit organic NOI growth. Trading at a mild -8% discount to NTA, and with an 8% TSR, we see better relative value opportunities across our coverage at this point.

No change to our HOLD recommendation and \$1.35 PT on the stock.

Sell-side and other professional Fed watchers have on balance penciled in a couple of cuts this year, no sooner than June.

- Some don't think the Fed makes will lower rates at all this year. x.com/NickTimiraos/s...

Fed call as of 6/10/2025

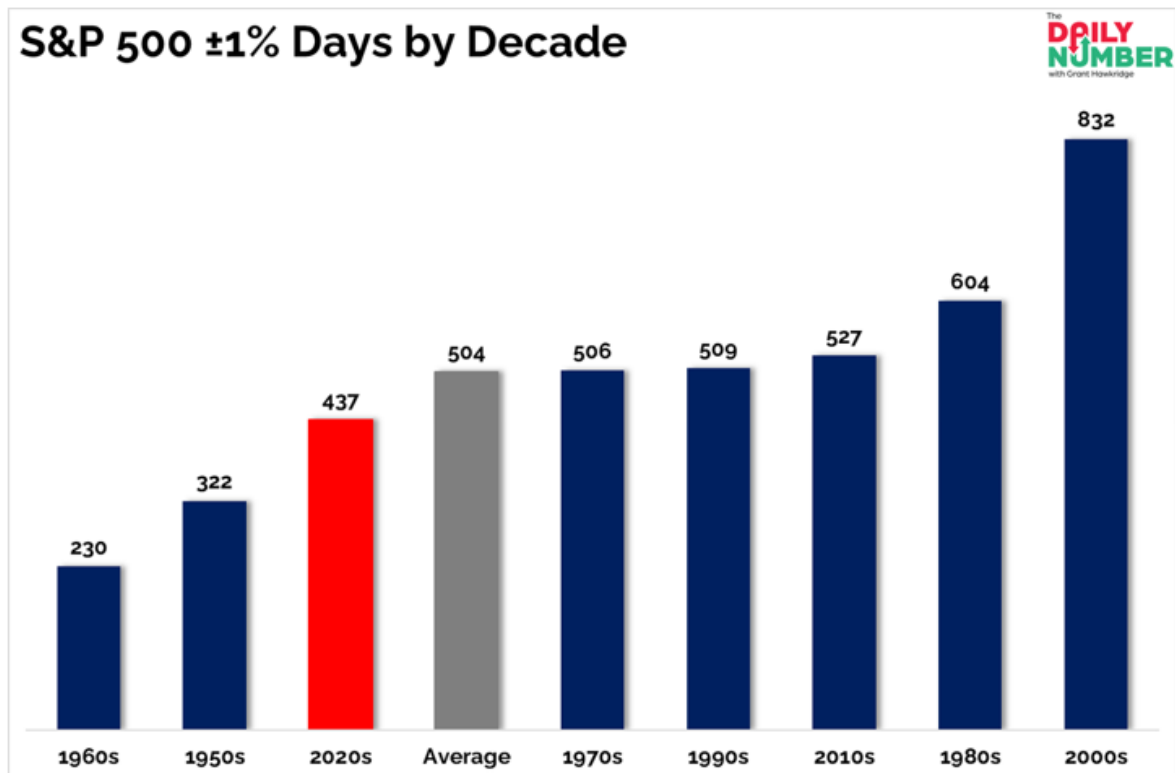
	Next move	Cuts in 2025	Publish date
Bank of America	--	none	1/10/2025
Barclays	Dec cut	25 BPS	5/13/2025
BNPP	--	none	12/6/2024
Citigroup	Sept cut	75 BPS	6/6/2025
Deutsche Bank	--	none	11/21/2024
Goldman Sachs	July cut	75 BPS	5/4/2025
Jefferies	Sept cut	75 BPS	5/2/2025
JP Morgan	Dec cut	25 BPS	5/13/2025
LH Meyer	--	none	4/3/2025
Morgan Stanley	--	none	4/8/2025
MUFG	July cut	100 BPS	5/15/2025
Nomura	Dec cut	25 BPS	4/5/2025
Oxford Economics	Dec cut	25 BPS	2/3/2025
RBC	Sept cut	75 BPS	4/10/2025
S&P Global Ratings	Oct cut	50 BPS	5/1/2025
Standard Chartered	Sept cut	25 BPS	6/8/2025
TD Securities	Oct cut	50 BPS	5/14/2025
UBS	Sept cut	100 BPS	5/9/2025
Wells Fargo	Sept cut	100 BPS	5/8/2025

Source: The Wall Street Journal

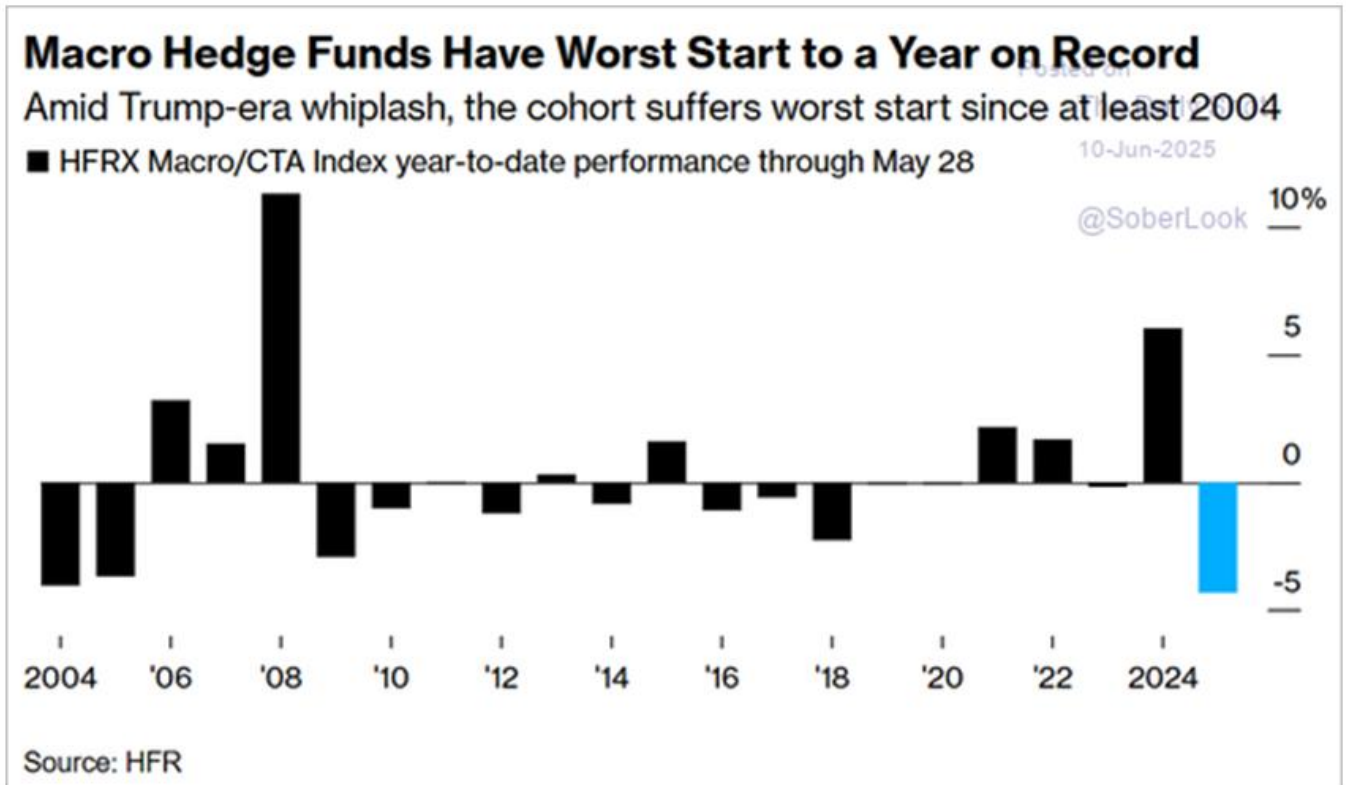
437 \pm 1% days and counting.

The 2020s are on track to be the most volatile decade in market history.

- But here's the twist... **The S&P 500 is up over+ 80% since 2020.**
- Big moves. Big gains.
- Not the combo we're used to.

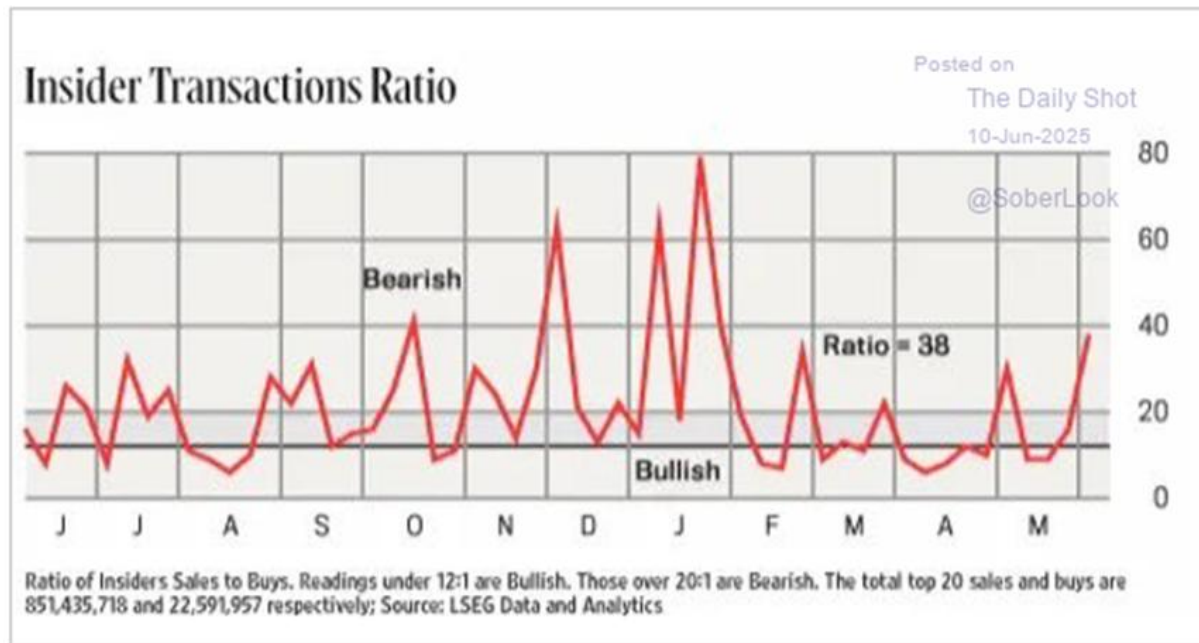


Macro hedge funds took a hit in May.



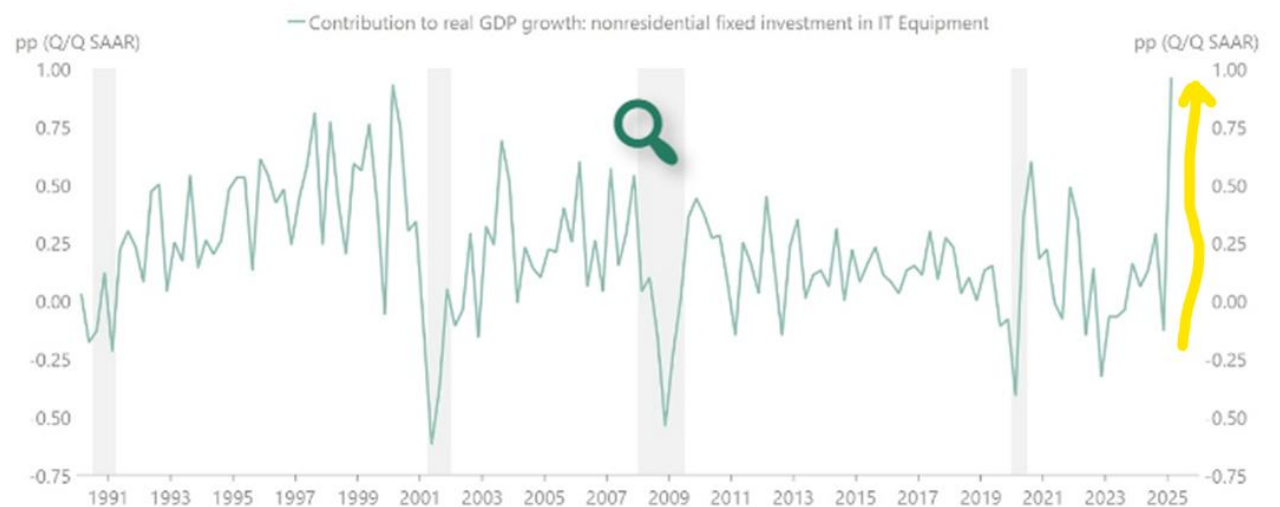
Corporate insiders have been selling

- but they don't get it right that much –
- they just listen to all the bearishcometary
- & worry their stock will fall & they will have to sell alot lower ..



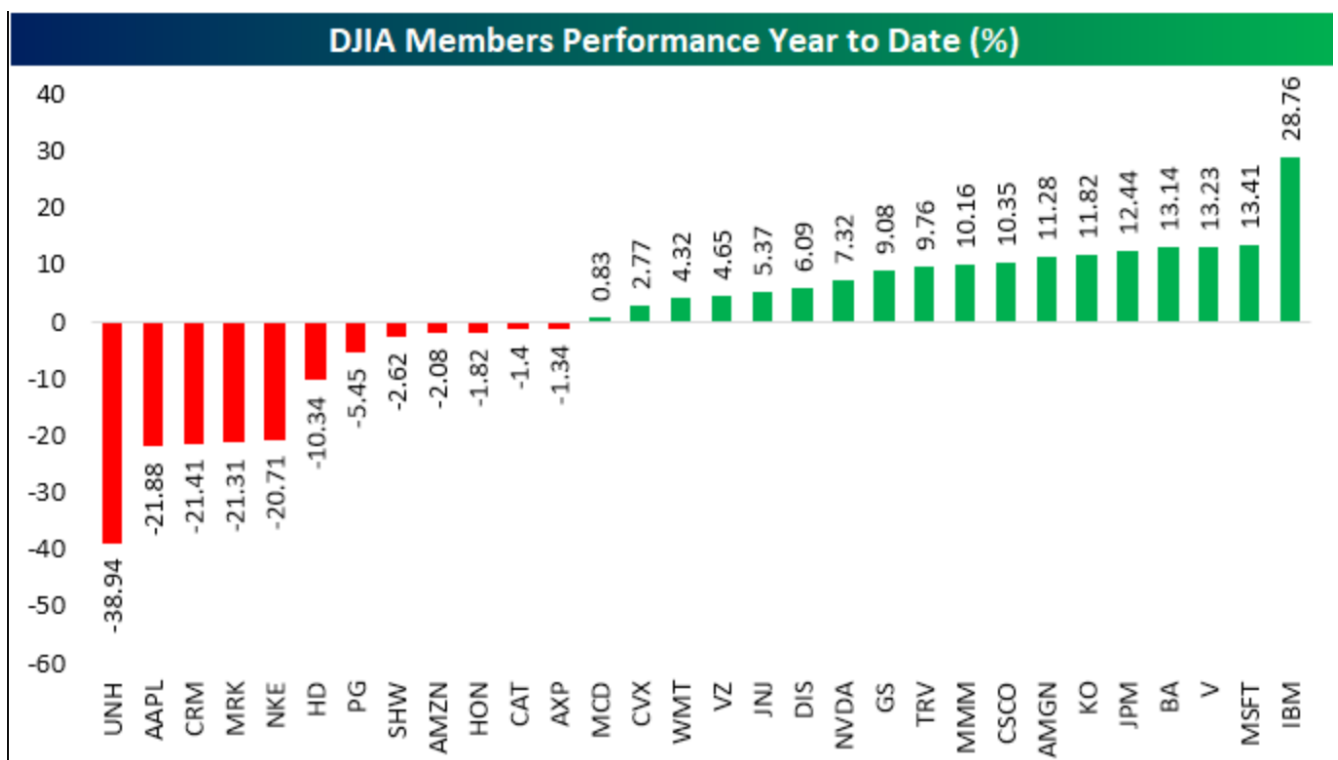
Source: Barron's

Data Centre Construction Contributing One Percentage Point to US GDP Growth



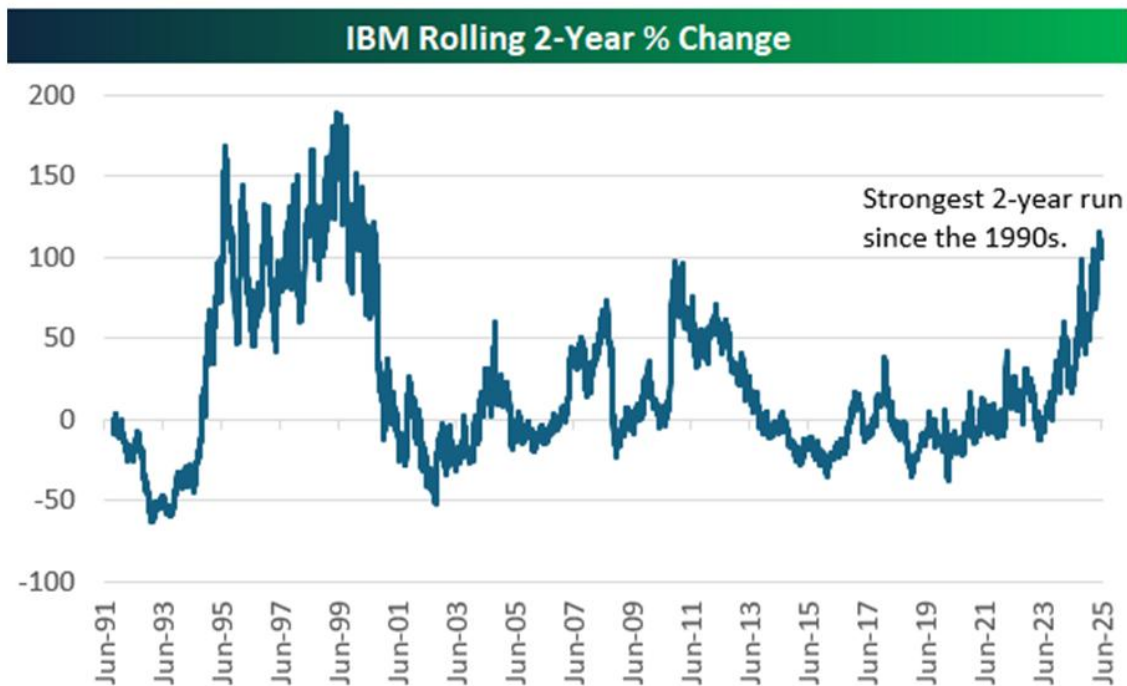
How the Dow stocks have gone in 2025 YTD

- With only a couple of weeks left in the first half of the year, the Dow Jones Industrial Average is close to flat on the year, but individual member performance has seen solid breadth with **18 of the 30 index members higher year to date**.
- Looking to the top, by far the biggest winner has been a legacy member of the Tech sector: International Business Machines (IBM).
- Big Blue is up 28.8% year to date, which is more than twice the gain of the next best performer in the Dow: Microsoft



IBM is currently experiencing a renaissance thanks to AI.

- As shown below, its rolling 2-year percentage change is sitting above 100% for the first time since the 90s Dot Com boom.



Bell Potters Emerging Leaders Conference a few weeks back

Emerging Leaders Notes Day 2

Life360 (360)

- Built family platform and will expand into an ecosystem through other product offerings
- Partnerships in non-core offerings
- Daily inbound on partnership opportunities
- Expect other revenue (currently 10% revenue) could reach similar level as subscription - 8x the users to monetise. Advertising a key component, data, lead gen, hybrid services – insurance piece.... More miles driven, an obvious match for insurance.
- No competition from up and commers. It is tough. Mobile is now a mature category. Hard for someone to come head-to-head. More location, but not a lot of direct competition.
- Starting to look more at acquisition opportunities
- Have inbound regularly on 360 being a takeover target. A lot of unknown on the political side, insurance, financial to increase monetisation.

Summerset Group (SNZ)

- 54 villages (47 NZ, 7 AUS), 25 completed villages, 18 villages under construction, 11 in land bank yet to commence construction
- \$8.1bn in assets and undrawn debt capacity of ~\$790m to support further growth
- Have reached peak gearing
- On track to meet guidance of 650-730 units across portfolio
- NTA should double over next 10 years as land bank is developed into new villages
- 1Q CY25 settlements 14% higher vs pcg, driven by 31% increase in resales
- Rate cuts improving sentiment in NZ + VIC

GDI Property Group (GDI)

- \$1bn portfolio of office (82%) and car park (18%) assets in Perth
- NTA \$1.19, growing FFO of 3.07cps in 2024
- Investors penalise non-core assets in NTA valuation yet non-core car yards have been disposed at a premium to NTA – if can continue to implement this strategy should see closure of the discount
- Positive long-term implications expected in Perth office market
- Leasing enquires are strong up 15% vs pcg
- Supply gap emerging, low sub-lease availability, and rent pressure point expected in 2027
- Vacancy levels forecasted to trend downward, + existing lessees will try renegotiate contracts earlier than expiry before rent pressure point

Dexus Convenience Retail REIT (DXC)

- Fuel-reliant new car sales remain strong, gradual transition to EVs
- >90 strategically located assets (\$700m asset value) with close to 100% occupancy
- Balance sheet capacity for development and restocking
- Trading at a 17% discount to NTA, has historically traded at a premium pre-high-interest rate period

Cedar Woods Properties (CWP)

- Record number of presales (\$700m) supports 15% NPAT growth guidance for FY25
- Confirmed expectation of strong growth in FY26 considering the significant presales
- Chronic shortfall in housing, housing completions to fall short of 393k gov target in capital cities by 2029
- Interest rates and favourable policy environment should propel demand for housing, specifically for first home buyers
- Partnerships, like with QIC & TGRE, expected to continue for future acquisitions which provides scale, funding opportunities and improved project metrics
- Solid balance sheet of \$90m liquidity to accelerate acquisition activity
- Expects VIC market to rebound in next 12 months, SA/WA performing well, QLD best performing market

Southern Cross Electrical Engineering (SXE)

- Diversified industrials provider with disciplined track record of M/A activity for inorganic growth

- Key sector exposures the beneficiary of strong tailwinds
- Infrastructure including data centres, renewable transition, hospitals and the Western Sydney airport development providing growing work
- Turning over \$120m in data centres revenues for FY25, positioning/tendering on \$500m of work over the next 2 years
- Force Fire acquisition provides cross selling opportunity with other businesses
- Other adjacent markets of interest for expansion
- Geographic diversification in electrical
- Security
- Manufacturing
- Further geographical expansion in Fire
- HVAC
- Building management systems
- Automation
- Expand into defence sectors and sustainable buildings as end markets

SRG Global (SRG)

- Record 1H result of \$59m EBITDA and return to net cash position of \$9.1m since Diona acquisition which is now fully integrated into SRG
- FY25 guidance upgraded to \$125-128m of EBITDA, \$91-94m of EBIT(A)
- \$3.4bn in work on hand with 80% annuity/recurring revenue. \$8.5bn opportunity pipeline
- Continue to have competitive edge in critical infrastructure by being a specialist industrial services provider, generalist providers subcontract work and aren't as trustworthy for critical infrastructure

Perenti (PRN)

- Diversified mining services provider with 65 % of revenue derived from gold companies and 67% of revenue derived from underground operations
- 1H result had record revenue of \$1.73bn
- FY25 guidance has been reaffirmed, \$3.4-3.6bn revenue, \$325-345m EBIT(A), \$330m capex, >\$150m FCF
- Tailwinds
- Increasing underground mining as surface deposits get depleted. Requires highly skilled operators and technical capabilities which PRN has
- North American opportunity to expand off the back of the Nevada Gold Mine
- Drilling activity expected to increase towards the end of FY25
- Increasing work on hand with \$15.5bn pipeline of opportunities
- Contracts have 3–5 year terms and have great track record of renewing contracts so can plan for LoM work for each contract – builds reliable revenues

Duratec (DUR)

- Specialist technical expertise in upgrading and extending the life and use of infrastructure
- FY25 guidance of \$570-585m revenue, \$50-53m EBITDA – downgraded last year due to delays in expected projects and weather. Order book of \$400m with \$1.7bn in tenders and \$4bn pipeline of opportunities

- Defence outlook – taking on much larger construction projects
- Growth in fuel infrastructure
- Growing need for more robust marine structures
- Currently 12% gross margin, expect to increase to 14%
- Mining & Industrial outlook – expanding presence in NT, QLD and NSW while renewing work in WA
- Building & Facade outlook
- Working on 2 ECI projects with work anticipated to be valued over \$50m
- Energy outlook – active projects with Woodside, Santos and Inpex support growth
- Continuing to leverage cross-subsidiary synergies to rollout capabilities to existing clients

DroneShield (DRO)

- Surge in demand from surge in drone utilisation in war
- Strong tailwind of increased government defence spending
- \$2.34bn project pipeline, more even contribution across jurisdictions
- Growing software solutions that sit inside hardware
- Goal to have 50% of revenue derived from software solutions (currently <10%)
- Expect \$6-7m of routine revenues with one-off larger contracts to supplement quarterly revenue
- Aus gov initiative to rollout counter-drone systems across military bases / overseas deployed troops – in tendering process and expect to participate in some way

Austal (ASB)

- 51 ships under construction or scheduled for construction over next 7 years
- 72 vessels under sustainment contracts
- Record orderbook of \$14.2bn supplemented by expansion into submarine module production
- Expanding shipbuilding facilities supported by \$220m cap raise
- Mobile shipyard in Alabama. 3 very large sheds for ship construction and maintenance. Ability to life ships out of the water. Broken ground on construction
- US navy – gave them \$400m to build 20 submarine modules at a time. Alabama.
- Commercial shipbuilding in Philippines and Vietnam – only way to be competitive
- Additional opportunities in AUKUS – Pillar two – Autonomy and additive manufacturing.

Civmec (CVL)

- \$285m in contracts awarded in Q3 FY25, Order book of \$760m, \$13.2bn in tendered works and \$2.8bn balanced machines pipeline
- 4 strategic locations in key activity hubs; Port Headland, Henderson, Gladston, Newcastle
- Growth in OEM division – CVL is only Aus company with complete in-house balanced machines offering
- 4 machines currently at different phases of design or manufacture (1 reclaimer, 3 shiploaders)
- Secured \$40m of maintenance work during Q3 FY25
- Future opportunities in naval shipbuilding and defence

- Acquisition of Luerssen Australia will provide CVL with in-house design capability, expanding shipbuilding programs
- MOU to form JV with ASB for LAND8710 Phase 2 program

Alpha HPA (A4N)

- High margin material producer of high purity alumina for semiconductor, DLE and batteries
- Stage 1 in production – 350tpa production
- Stage 2 in construction – first production 2027, 10,000tpa production
- DFS capex \$553m – fully funded
- Markets
- Thermal management for AI data centres
- Semiconductors alumina fillers to limit alpha radiation
- Alpha sapphire – downstream to supply sapphire wafers
- Battery anode coating for safety benefits
- Produce better performing DLE sorbents
- MOU signed for HPA plant in North America (Alpha Polaris)

Sector moves....

1. Iron ore stocks

- **BHP** {36.13 -0.73 -1.98% },
- **RIO** {103.55 -2.45 -2.31% }
- **Fortescue** {14.77 -0.26 -1.73% }
- **Mineral Resources** {22.05 -0.54 -2.39% }
- **Champion Iron** {4.18 -0.15 -3.46% }

2. Resources -

- **South32** {2.90 -0.08 -2.68% }
- **Mt Gibson** {0.26 -0.01 -1.89% }
- **Iluka** {3.71 -0.06 -1.59% }
- **Sandfire Resources** {11.40 -0.30 -2.56% }
- **Independence Group** {4.05 -0.07 -1.70% }
- **Lynas** {9.34 -0.21 -2.20% }
- **Chalice Mining** {1.63 0.08 5.18% }
- **Nickel Industries** {0.71 -0.01 -1.39% }

3. Tech Stocks ..

- **Block (Afterpay)** {97.73 1.08 1.12% }
- **Appen** {1.04 0.06 5.58% }
- **Life 360** {32.51 0.44 1.37% }
- **MegaPort** {13.29 -0.85 -6.01% }
- **Technology One** {40.55 -0.60 -1.46% }
- **Wisetech** {106.89 -2.04 -1.87% }
- **XERO** {191.88 -1.68 -0.87% }
- **ZIP** {2.71 -0.05 -1.81% }
- **DecidrAi Industries** {0.50 0.05 11.11% }

4. Healthcare

- **Ansell**{30.05 -0.49 -1.60% }
- **Cochlear** {288.43 4.65 1.64% }
- **CSL** {238.71 -3.26 -1.35% }
- **Clarity Pharmaceuticals** {2.20 0.02 0.92% }
- **Ramsay Healthcare** {36.16 -0.36 -0.99% }
- **Resmed** {38.62 -0.29 -0.75% }
- **Sonic Healthcare** {26.27 0.05 0.19% }
- **Paradigm Biotech** {0.30 -0.01 -3.23% }
- **Imugene** {0.01 0.00 0.00% }
- **Telix Pharmaceuticals** {25.00 -0.75 -2.91% }
- **Mesoblast** {1.67 -0.12 -6.70% }
- **Genetic Signatures** {0.39 -0.01 -2.50% }
- **Immutep**{0.24 -0.01 -2.08% }
- **Healius**{0.75 -0.03 -3.23% }
- **Fisher & Paykel Health** {33.80 -0.50 -1.46% }

5. Banks

- **ANZ** {29.13 0.09 0.31% },
- **CBA** {182.85 2.67 1.48% },
- **NAB** {39.12 0.41 1.06% },
- **Westpac** {33.59 0.57 1.73% },
- **Bendigo & Adelaide Bank** {12.62 0.07 0.56% }
- **Bank of Queensland** {7.90 0.07 0.89% }.
- **Macquarie Bank** {212.90 0.38 0.18% }

6. Financial Services / Market Related Stocks

- **Macquarie Bank** {212.90 0.38 0.18% }
- **QBE** {23.36 0.06 0.26% }
- **IAG** {8.95 0.04 0.45% },
- **Suncorp** {21.57 0.17 0.79% },
- **Steadfast**{5.87 0.00 0.00% }
- **AUB Group** {35.00 -0.26 -0.74% },
- **Computershare** {40.68 -0.62 -1.50% },
- **ASX** {68.72 -0.27 -0.39% },
- **Humm**{0.44 0.00 0.00% }
- **Iress** {8.27 -0.05 -0.60% }

7. Top “DEFENSIVE” Stocks - the ones that outperform in a Bear Market

- **Woolworths** {32.14 0.24 0.75% }
- **Coles** {21.98 -0.03 -0.14% }
- **Metcash** {3.69 0.03 0.82% }
- **CSL** {238.71 -3.26 -1.35% }
- **Resmed** {38.62 -0.29 -0.75% }
- **Amcor** {13.93 -0.07 -0.50% }
- **Orora** {1.79 -0.01 -0.28% }
- **Wesfarmers** {84.56 0.76 0.91% }
- **Telstra** {4.92 0.01 0.20% }
- **APA Group** {8.54 0.06 0.71% }
- **Suncorp** {21.57 0.17 0.79% }
- **IAG** {8.95 0.04 0.45% }
- **A2 Milk** {8.18 0.07 0.86% }
- **Treasury Wines** {8.14 0.10 1.24% }

8. **Stocks leveraged to Chinese consumer -**
 - **A2 Milk**{8.18 0.07 0.86% }
 - **Bubs Australia** {0.16 0.01 3.23% }
 - **Snylait Milk** {0.61 0.00 0.00% }
 - **Treasury Wines** {8.14 0.10 1.24% }
9. **Fund Managers / Brokers-**
 - **Bell Financial** {1.13 -0.04 -3.00% }
 - **Perpetual** {17.20 0.03 0.17% }
 - **Regal Partners** {2.11 0.04 1.93% }
 - **Insignia**{3.48 0.03 0.87% }
 - **Magellan** {8.33 -0.08 -0.95% }
 - **GQG** {1.95 -0.09 -4.41% }
 - **Platinum Asset** {0.49 -0.02 -3.96% }
 - **AMP** {1.22 0.01 0.41% }
 - **Challenger** {7.83 0.05 0.64% }
10. **Data Centres**
 - **Megaport** {13.29 -0.85 -6.01% }
 - **Goodman Group** {34.54 -0.05 -0.14% }
 - **NextDC** {14.04 0.03 0.21% }
 - **DigiCo Infrastructure REIT** {3.90 0.00 0.00% }
 - **Infratil** {9.79 -0.25 -2.49% }
 - **Spark NZ** {2.14 -0.03 -1.38% }
 - **Macquarie Technology** {62.27 -0.67 -1.06% }
 - **5G Networks** {0.15 0.00 0.00% }
11. **Platforms**
 - **HUB 24** {80.79 -1.37 -1.67% }
 - **Netwealth** {30.80 -0.27 -0.87% }
 - **Praemium** {0.62 -0.02 -2.38% }
 - **AMP** {1.22 0.01 0.41% }

Coal Stocks

- **Whitehaven Coal** {5.82 -0.05 -0.85% },
- **New Hope Coal** {3.95 -0.05 -1.25% }
- **Terracoml** {0.07 0.00 -2.86% },
- **Coronado Global Resources**{0.14 0.00 0.00% }

Uranium Stocks..

- **Paladin** {7.46 -0.10 -1.32% }
- **Deep Yellow** {1.71 -0.02 -1.16% }
- **Boss Energy**{4.64 -0.02 -0.43% }
- **Bannerman Energy** {3.57 0.10 2.88% }
- **Lotus Resources** {0.21 0.00 0.00% }

Lithium / Graphite Stocks

- **Pilbara Minerals**{ 1.30 -0.01 -0.38% }
- **Mineral Resources** { 22.05 -0.54 -2.39% }
- **IGO** { 4.05 -0.07 -1.70% }
- **Syrah** { 0.28 0.02 5.77% }
- **Lake Resources** { 0.03 0.00 0.00% }
- **Liontown Resources** { 0.65 -0.02 -2.99% }
- **Vulcan Energy Res.** { 3.50 -0.09 -2.51% }
- **Patriot Battery Metals** { 0.24 -0.01 -4.00% }
- **Green Tech Metals** { 0.02 0.00 0.00% }
- **Ioneer** { 0.10 0.00 -4.00% }
- **Australian Strategic Metals** { 0.56 -0.06 -9.68% }

Retail

- **Adairs** { 2.67 0.00 0.00% }
- **AccentGroup** { 1.29 -0.01 -0.77% }
- **Eagers Automotive** { 16.97 0.09 0.53% }
- **Bapcor** { 4.82 0.00 0.00% }
- **Breville** { 28.59 0.34 1.20% }
- **City Chic Collective**{ 0.08 0.01 8.22% }
- **Cettire** { 0.30 -0.02 -4.76% }
- **Harvey Norman** { 5.33 -0.02 -0.37% }
- **JB Hi-Fi** { 109.97 0.41 0.37% }
- **Kathmandu** { 0.26 -0.01 -3.77% }
- **Kogan** { 3.75 -0.04 -1.06% }
- **Lovisa** { 29.71 -0.86 -2.81% }
- **Myer** { 0.62 -0.02 -2.38% }
- **Premier Investments** { 19.20 -0.33 -1.69% }
- **Super Retail** { 13.65 -0.20 -1.44% }
- **The Reject Shop** { 6.64 0.00 0.00% }
- **Webjet** { 4.52 -0.07 -1.53% }

Staples

- **Woolworths** { 32.14 0.24 0.75% }
- **Coles** { **21.98 -0.03 -0.14%** }
- **Metcash** { 3.69 0.03 0.82% }
- **Endeavour** { 4.02 -0.02 -0.50% }

Baby formula stocks

- **A2Milk** { 8.18 0.07 0.86% }
- **Bubs** { 0.16 0.01 3.23% }
- **Symlait** { 0.61 0.00 0.00% }

Domestic Cyclical Stocks –

1. **ARB Group** {29.95 -0.62 -2.03% }
2. **Brickworks** {33.15 -0.09 -0.27% }
3. **Breville** {28.59 0.34 1.20% }
4. **Carsales** {36.34 -0.51 -1.38% }
5. **Cleanaway** {2.73 0.03 1.11% }
6. **Domain** {4.37 0.01 0.23% }
7. **Amotic Group (GUD)** {7.50 -0.04 -0.53% }
8. **GWA**{2.28 0.06 2.70% }
9. **Helloworld Travel** {1.35 -0.04 -2.53% }
10. **Kelsian**{3.57 0.33 10.19% }
11. **Michael Hill**{0.41 0.01 2.50% }
12. **Fletcher Building** {2.91 -0.11 -3.64% }
13. **Flight Centre** {12.26 -0.37 -2.93% }
14. **Lend Lease** {5.54 0.02 0.36% }
15. **Nine Entertainment** {1.61 -0.02 -1.23% }
16. **Ooh!Media** {1.74 -0.01 -0.29% }
17. **Orora** {1.79 -0.01 -0.28% }
18. **Qantas**{10.15 0.02 0.20% }
19. **REA Group** {235.34 -1.03 -0.44% }
20. **Seven West Media**{0.15 -0.01 -3.33% }
21. **Seek** {23.77 -0.14 -0.59% }
22. **Stockland** {5.60 0.04 0.72% }
23. **Southern Cross Media** {0.61 -0.03 -4.69% }
24. **Star Entertainment** {0.15 -0.01 -3.33% }
25. **The Lottery Corp** {5.23 -0.02 -0.38% }
26. **Tabcorp** {0.75 0.02 2.76% }
27. **Webjet**{4.52 -0.07 -1.53% }

Domestic Tourism

1. **Tourism- Casinos**
 - **Star Entertainment**{0.15 -0.01 -3.33% }
 - **SKY City NZ** {0.84 -0.02 -2.34% }
2. **Tourism- Airline stocks**
 - **Qantas**{10.15 0.02 0.20% }
 - **Air NZ** {0.54 0.00 0.00% }
3. **Tourism - Airports -**
 - **Auckland Airport**{7.32 -0.07 -0.95% }
4. **Tourism in and out of Australia - Travel Operators**
 - **Webjet**{4.52 -0.07 -1.53% }
 - **Flight Centre**{12.26 -0.37 -2.93% }
 - **Corporate Travel**{13.01 -0.31 -2.33% }
 - **Kelsian** {3.57 0.33 10.19% }
 - **Helloworld Travel** {1.35 -0.04 -2.53% } -
5. **Shopping centers**
 - **Vicinity Centres** {2.52 0.00 0.00% }
 - **Scentre Group**{3.64 0.04 1.11% }
 - **UniWestfiled**{7.18 -0.12 -1.64% }

- 6. **Property related -**
 - **REA** {235.34 -1.03 -0.44% }
 - **Domian** {4.37 0.01 0.23% }
- 7. **Education -**
 - **IDP Education** {3.76 0.09 2.45% }
 - **G8 Education** {1.16 -0.02 -1.28% }

Stock Moves in each Sector

Industrials

Banks

ANZ {29.13 0.09 0.31% }, **CBA** {182.85 2.67 1.48% }, **Virgin Money plc** {182.85 2.67 1.48% }, **NAB** {39.12 0.41 1.06% }, **Westpac** {33.59 0.57 1.73% }, **Bendigo & Adelaide Bank** {12.62 0.07 0.56% }, **Bank of Queensland** {7.90 0.07 0.89% }

Financial Services / Market Related Stocks

Macquarie Bank {212.90 0.38 0.18% }, **QBE** {23.36 0.06 0.26% }, **IAG** {8.95 0.04 0.45% }, **Suncorp** {21.57 0.17 0.79% }, **AUB Group** {35.00 -0.26 -0.74% }, **Computershare** {40.68 -0.62 -1.50% }, **ASX** {68.72 -0.27 -0.39% }, **A2B Australia** {68.72 -0.27 -0.39% }, **Humm** {0.44 0.00 0.00% }, **Iress** {8.27 -0.05 -0.60% }

Fund Managers / Brokers

Challenger {7.83 0.05 0.64% }, **Platinum Asset** {0.49 -0.02 -3.96% }, **Bell Financial** {1.13 -0.04 -3.00% }, **K2 Asset Mgt** {0.07 0.00 0.00% }, **Pinicacle Investment** {19.73 -0.02 -0.10% }, **AMP** {1.22 0.01 0.41% }, **Perpetual** {17.20 0.03 0.17% }, **Magellan** {8.33 -0.08 -0.95% }, **Regal Partners** {2.11 0.04 1.93% }, **Insignia** {3.48 0.03 0.87% }

Insurers

AMP {1.22 0.01 0.41% }, **IAG** {8.95 0.04 0.45% }, **Medibank** {4.85 -0.03 -0.61% }, **NIB Holdings** {6.43 -0.09 -1.38% }, **QBE** {23.36 0.06 0.26% }, **Suncorp** {21.57 0.17 0.79% }, **Ausbrokers** {35.00 -0.26 -0.74% }, **Steadfast** {5.87 0.00 0.00% }, **Tower** {1.42 -0.01 -0.35% }

Retailers

Harvey Norman {5.33 -0.02 -0.37% }, **JB Hi-Fi** {109.97 0.41 0.37% }, **Myer** {0.62 -0.02 -2.38% }, **Metcash** {3.69 0.03 0.82% }, **Adairs** {2.67 0.00 0.00% }, **Automotive Holdings** {2.67 0.00 0.00% }, **Breville** {28.59 0.34 1.20% }, **Premier Investments** {19.20 -

0.33 -1.69% }, **Accent Group** {1.29 -0.01 -0.77% }, **Super Retail** {13.65 -0.20 -1.44% }, **City Chic Collective** {0.08 0.01 8.22% }, **The Reject Shop** {6.64 0.00 0.00% }, **Wesfarmers** {84.56 0.76 0.91% }, **Woolworths** {32.14 0.24 0.75% }, **Webjet** {4.52 -0.07 -1.53% }, **Kathmandu** {0.26 -0.01 -3.77% }, **Lovisa** {29.71 -0.86 -2.81% }

Healthcare

Ansell {30.05 -0.49 -1.60% }, **Australian Pharmaceutical** {30.05 -0.49 -1.60% }, **Cochlear** {288.43 4.65 1.64% }, **CSL** {238.71 -3.26 -1.35% }, **Genetic Signatures** {0.39 -0.01 -2.50% }, **Fisher & Paykel Health** {33.80 -0.50 -1.46% }, **Healius** {0.75 -0.03 -3.23% }, **Imugene** {0.01 0.00 0.00% } , **Immutep** {0.24 -0.01 -2.08% } , **Mesoblast** {1.67 -0.12 -6.70% }, **Mayne Pharma** {5.20 -0.14 -2.62% }, **Paradigm Biotech** {0.30 -0.01 -3.23% }, **Ramsay Healthcare** {36.16 -0.36 -0.99% }, **Resmed** {38.62 -0.29 -0.75% }, **Sonic Healthcare** {26.27 0.05 0.19% }, **Sigma** {3.21 -0.03 -0.93% }, **Telix Pharmaceuticals** {25.00 -0.75 -2.91% }, **Virtus Health** {25.00 -0.75 -2.91% }

Aged Care

Regis Healthcare {7.63 0.01 0.13% }

Media

Carsales {36.34 -0.51 -1.38% }, **Domain Holdings** {4.37 0.01 0.23% }, **Newscorp** {49.35 0.49 1.00% }, **Nine Entertainment** {1.61 -0.02 -1.23% }, **REA Group** {235.34 -1.03 -0.44% }, **Seek** {23.77 -0.14 -0.59% }, **Seven West Media** {0.15 -0.01 -3.33% }, **Sky Network TV** {2.69 0.00 0.00% }, **Southern Cross Media**{0.61 -0.03 -4.69% },

Telcos

Telstra {4.92 0.01 0.20% }, **Hutchison** {0.03 0.00 0.00% }, **Nextdc** {14.04 0.03 0.21% }, **Spark NZ** {2.14 -0.03 -1.38% }, **Chorus** {7.92 -0.06 -0.75% }, **TPG Telecom** {5.46 0.02 0.37% }, **Macquarie Telecom** {62.27 -0.67 -1.06% },

Transport

Brambles {23.70 0.50 2.16% }, **Aurzion** {3.05 -0.05 -1.61% }, **Qantas** {10.15 0.02 0.20% }, **Qube** {4.26 -0.02 -0.47% }, **Alliance Aviation** {2.22 -0.14 -5.93% }, **MMA Offshore** {2.22 -0.14 -5.93% }, **Auckland Airport** {7.32 -0.07 -0.95% }, **Air NZ** {0.54 0.00 0.00% }, **Atlas Arteria** {5.32 0.04 0.76% }, **Transurban** {14.52 0.04 0.28% }

Travel & Tourism

Qantas {10.15 0.02 0.20% }, **Auckland Airport** {7.32 -0.07 -0.95% }, **Air NZ** {0.54 0.00 0.00% }, **Webjet** {4.52 -0.07 -1.53% }, **Ardent Leisure** {alg}, **Event Hospitality** {16.30 0.22 1.37% }, **Corporate Travel** {13.01 -0.31 -2.33% }, **Flight Centre** {12.26 -0.37 -2.93% }, **Kelsian** {3.57 0.33 10.19% }, **Helloworld Travel** {1.35 -0.04 -2.53% }

Building Materials

Hardies {37.15 -0.20 -0.54%}, **GWA** {2.28 0.06 2.70%}, **Reece** {16.03 -0.20 -1.23%}, **Fletcher Building** {2.91 -0.11 -3.64%}, **Brickworks** {33.15 -0.09 -0.27%}, **Reliance Worldwide** {4.16 -0.10 -2.35%}

Vehicles

Eagers Automotive {16.97 0.09 0.53%}, **Bapcor** {4.82 0.00 0.00%}, **McMillan Shakespeare** {16.02 -0.08 -0.50%}, **Smartgroup** {7.26 -0.11 -1.49%}, **SG Fleet** {7.26 -0.11 -1.49%}, **Fleetpartners Group** {2.99 -0.02 -0.66%}

Business Services

McMillan Shakespeare {16.02 -0.08 -0.50%}, **SG Fleet** {16.02 -0.08 -0.50%}, **ZIP** {2.71 -0.05 -1.81%}

Food & Beverages

Collins Foods {7.16 -0.16 -2.19%}, **Domino's Pizza** {19.73 -0.19 -0.95%}, **Fonterra** {19.73 -0.19 -0.95%}, **Graincorp** {7.76 -0.08 -1.02%}, **Select Harvest** {4.26 -0.07 -1.62%}, **Treasury Wines** {8.14 0.10 1.24%}, **Endeavour** {4.02 -0.02 -0.50%}

Engineering & Construction

ALQ {16.85 -0.09 -0.53%}, **Downer EDI** {6.10 -0.13 -2.09%}, **GWA** {2.28 0.06 2.70%}, **Lend Lease** {5.54 0.02 0.36%}, **Monadelphous** {17.12 -0.50 -2.84%}, **McMillan Shakespeare** {16.02 -0.08 -0.50%}, **NRW Holdings** {2.78 -0.09 -3.14%}, **Seven Group Holdings** {svw}, **Worley** {13.46 -0.34 -2.46%}

REITS

BWP Trust {3.59 0.00 0.00%}, **Charter Hall Group** {19.46 0.40 2.10%}, **Cromwell Property** {0.35 0.00 0.00%}, **Charter Hall Retail** {4.09 0.02 0.49%}, **Dexus** {6.91 0.10 1.47%}, **Vicinity Centres** {2.52 0.00 0.00%}, **Goodman Group** {34.54 -0.05 -0.14%}, **GPT** {5.05 0.10 2.02%}, **Lend Lease** {5.54 0.02 0.36%}, **Mirvac** {2.25 -0.02 -0.88%}, **Peet** {1.61 -0.02 -0.92%}, **Region Group** {2.40 0.03 1.27%}, **Scentre Group** {3.64 0.04 1.11%}, **Stockland** {5.60 0.04 0.72%}, **Unibailrodawestfield** {7.18 -0.12 -1.64%}

Steel

Bluescope {22.90 0.25 1.10%}, **Sims** {15.45 -0.01 -0.06%}

Paper & Packaging

Amcor {13.93 -0.07 -0.50%}, **Orora** {1.79 -0.01 -0.28%},

Utilities

AGL {10.19 -0.14 -1.36%}, **APA Group** {8.54 0.06 0.71%}, **Origin** {10.85 -0.15 -1.36%},

Infrastructure

APA {8.54 0.06 0.71%}, **Transurban** {14.52 0.04 0.28%}

Chemicals

Incitec Pivot {ipl}, **Orica** {18.93 -0.26 -1.35%}

IT, Software Services

Appen{1.04 0.06 5.58%}, **Computershare** {40.68 -0.62 -1.50%}, **Technology One** {40.55 -0.60 -1.46%}

Agricultural

Graincorp {7.76 -0.08 -1.02%}, **Ridley Corp** {2.85 -0.01 -0.35%}, **Fonterra** {2.85 -0.01 -0.35%}, **Incitec Pivot** {ipl}, **Nufarm** {2.35 -0.03 -1.26%}, **Aust Ag** {1.39 0.01 0.36%}, **Elders** {6.33 -0.07 -1.09%},

Baby Formula + Stocks Leveraged to Chinese Consumers

A2 Milk {8.18 0.07 0.86%}, **Bega Cheese** {5.45 -0.05 -0.91%}, **Synlait** {0.61 0.00 0.00%} **Treasury Wines** {8.14 0.10 1.24%},

Consumer Products

ARB {29.95 -0.62 -2.03%} , **Amotiv** {7.50 -0.04 -0.53%}, **Treasury Wines** {8.14 0.10 1.24%}

Diversified Financials

ASX {68.72 -0.27 -0.39%}, **Challenger** {7.83 0.05 0.64%}, **Computershare** {40.68 -0.62 -1.50%}, **Humm Group** {0.44 0.00 0.00%}, **Iress** {8.27 -0.05 -0.60%}, **Insignia** {3.48 0.03 0.87%}, **HUB** {80.79 -1.37 -1.67%}, **Netwealth** {30.80 -0.27 -0.87%}, **Macquarie Bank** {212.90 0.38 0.18%}, **Perpetual** {17.20 0.03 0.17%}

Resources

Iron Ore

BHP {36.13 -0.73 -1.98%}, **S32** {2.90 -0.08 -2.68%}, **RIO** {103.55 -2.45 -2.31%}, **Mt Gibson** {0.26 -0.01 -1.89%}, **Fortescue** {14.77 -0.26 -1.73%}

Others resources

Iluka {3.71 -0.06 -1.59%}, **Metals X** {0.56 -0.03 -4.31%}, **Sandfire Resources** {11.40 -0.30 -2.56%}, **Independence Group** {4.05 -0.07 -1.70%}, **Base Resources** {4.05 -0.07 -1.70%}, **Lynas** {9.34 -0.21 -2.20%}, **Alkane** {0.73 -0.02 -2.68%}

Energy Stocks

Ampol {25.96 -0.50 -1.89%}, **Origin** {10.85 -0.15 -1.36%}, **Santos** {7.74 -0.05 -0.64%}, **Worley Parsons** {13.46 -0.34 -2.46%}, **Woodside** {25.63 -0.02 -0.08%}, **Beach Energy** {1.36 -0.01 -0.73%}, **New Hope Corp** {3.95 -0.05 -1.25%}, **Whitehaven Coal** {5.82 -0.05 -0.85%}

Mining Services

Monadelphous {17.12 -0.50 -2.84%}, **Orica** {18.93 -0.26 -1.35%}, **Downer** {6.10 -0.13 -2.09%}, **Worley** {13.46 -0.34 -2.46%}, **Seven Group Holdings** {svw}, **Emeco** {0.79 0.01 0.64%}, **Matrix Composites & Engineering** {0.19 -0.01 -2.63%}, **NRW Holdings** {2.78 -0.09 -3.14%}

Coal Stocks

Whitehaven Coal {5.82 -0.05 -0.85%}, **New Hope Coal** {3.95 -0.05 -1.25%}, **Terracoml** {0.07 0.00 -2.86%}, **Coronado Global Resources**{0.14 0.00 0.00%}

Gold

Northern Star {20.38 -0.20 -0.97%}, **Regis Resources** {4.62 -0.05 -1.07%}, **Newmont Gold**{89.00 -0.85 -0.95%}, **St Barbara** {0.32 -0.01 -1.56%}, **Resolute** {0.61 -0.06 -8.27%}, **Pantoro** {3.15 -0.25 -7.35%}, **Evolution Mining** {7.78 -0.37 -4.54%}, **Perseus** {3.56 -0.14 -3.78%}, **OceanaGold** {3.56 -0.14 -3.78%}, **Bellevue Gold** {0.95 -0.06 -5.50%}, **Gold Road Resources** {3.36 0.01 0.30%}, **Raemlius Resources** {2.60 -0.05 -1.89%}, **Westgold Resources** {2.97 -0.01 -0.34%}, **Catalyst Metals** {5.75 -0.05 -0.86%}

Uranium Stocks

Deep Yellow {1.71 -0.02 -1.16%}, **Paladin** {7.46 -0.10 -1.32%}, **Boss Energy**{4.64 -0.02 -0.43%}, **Bannerman Energy** {3.57 0.10 2.88%}, **Lotus Resources** {0.21 0.00 0.00%}

Lithium / Graphite Stocks

Pilbara Minerals {1.30 -0.01 -0.38%}, **Syrah** {0.28 0.02 5.77%}, **Neometals** {0.07 0.00 -2.74%}, **European Metals Holdings** {0.17 -0.01 -2.86%}

Bell Potter Research

Centuria Capital Group (CNI) Hold, TP\$1.80 – Andy MacFarlane

Time for a Reset

Upgrade to Hold (was Sell); relative value appearing

We upgrade CNI to Hold (was Sell) following underperformance vs. the REIT sector (-3% vs +10% XPJ on 1yr basis), and in particular CHC (not covered; +52%) as its closest large cap diversified peer.

On balance, we think concerns re private credit vis-à-vis CNI (Bass Capital) have tapered (some systematic risk still lingers), with recent evidence of cap trans markets normalising (eg retail, NZ) + AUM growth across the business (BGO \$200m industrial partnership) improving beyond credit. Moreover, while still wary regarding office (c.33% underlying exposure), the market is ascribing little value to CNI's FUM platform at 7.8% of RE FUM (peers 6-10%). CNI is levered to an improving real estate cycle where we think valuations are close to trough, and volumes should start to pick up. We see a solid result for CNI at FY25 (BPe in line with guidance) and PE of 13x 1yr fwd is based on our below-consensus estimates, with the recent acquisition of ResetData (OpCo / PropCo) yet to feature, but could for FY26+.

Earnings and valuation changes

No changes to our earnings estimates. Our target price increases though as we roll forward our valuations which captures higher earnings in FY26+ with an improved outlook for direct CRE as well as real estate credit. Our target price is based on 50 / 50 blend of our SOTP and DCF valuations.

Investment view: Upgrade to Hold

We upgrade CNI to Hold as we think the macro backdrop presents a more positive environment for CRE managers, and given CHC's outperformance, we believe CNI will start to screen more attractively on a sector-relative basis. While we retain a conservative outlook regarding CNI's syndication (particularly office) business with fund rollovers in place, and risks bottom-up for debt finance (Bass Capital) book, NZ where CNI earns high margin FM fees, appears to be entering a more constructive backdrop for managers, and recent Aus deals (eg BGO in Industrial) point towards an improving setting for earnings growth, margin expansion and PE re-rate.

Centuria Office REIT (COF) Sell, TP\$1.10 – Connor Eldridge

Running too soon

SP has run ahead of market conditions – downgrade to Sell

COF's share price has performed strongly over the past 3m (+8.9% q/q) which in our view is inconsistent with the prolonged challenging conditions observed across suburban office markets. We see limited near term catalysts and potential downside risk to consensus earnings, consistent with our revised estimates. On a sector relative basis, and considering the negative TSR, we downgrade our recommendation to Sell.

Extended downtimes.

With c.9% vacancy on foot (occupancy 91.4% at 3Q25), retention proving challenging, near-record downtimes across leasing markets and 13% of the portfolio expiring in FY26, we see more downside than upside risk in the near-term.

Unencouraging transactional evidence.

Additionally, recent transactional evidence (both completed & on-market) is pointing to office sector cap rates wider than COF's book – which is to be expected – but implies little-to-no upside from where the market is pricing it now (implied WACR 8.66%). We increase our 12m WACR expansion estimate from +40bp to +60bp to reflect market conditions.

Earnings changes.

We reduce our FY25e-FY27e FFO/share estimates by -1% to -2% reflecting: (1) sustained difficult leasing conditions and (2) significant upcoming expiry in FY26, but limited movement in our longer dated movements reflecting (3) the longer-term health of the sector. Our FY25 FFO/share estimate is in-line with guidance (11.8cps) and slightly below VA consensus (11.9c), and our FY26 estimate now sits -5% below consensus (11.7cps vs 12.2cps).

Investment view: Downgrade to Sell.

We appreciate that there is deep value in this name (-28% discount to NTA) when taking a long-term view (given white collar employment growth and limited new supply) but considering the lack of near-term catalysts and BP estimates for negative FFO growth (-14% FY25 & -1% FY26) we see better relative value elsewhere in the sector.

Clarity Pharmaceuticals (CU6) Buy (Speculative), Valuation\$4.90ps – John Hester

Expanded Deal - SpectronRX

Commercial Supply Arrangements Taking Shape

CU6 has extended its Clinical Manufacturing Agreement with SpectronRX (Spectron) in the US for the supply of ⁶⁴Cu to a Commercial Manufacturing Agreement. The extension of the Agreement is in lieu of prospective approvals for both SAR-bisPSMA and SARTATE across prostate cancer and neuroendocrine tumours. Spectron are the incumbent supplier of ⁶⁴Cu SAR bisPSMA for ongoing clinical studies in the US. Spectron will also manufacture finished doses of ⁶⁴Cu-SAR-bisPSMA for the mCRPC market. The Commercial Manufacturing Agreement is non-exclusive, hence CU6 may contract additional finished dose providers as required while supplying the isotope from either Spectron or Nusano (located in Utah). The Commercial Supply Agreement with Nusano (also for the supply of ⁶⁴Cu) was announced in April 2025. The production of ⁶⁴Cu is a high yield, relatively low cost operation with a single run on the Cyclotron (from a purified ⁶⁴Ni target) producing thousands of patient doses.

Manufacturing

Spectron expects to expand finished dose manufacturing capacity up to 400,000 patient ready doses of SAR-bisPSMA annually from its single production facility in Indiana by the time of commercialisation. In addition, Nusano will eventually produce sufficient ⁶⁴Cu for up to 18,000 patient doses daily at capacity (potentially 3.6m doses annually). Putting this in context, the annual PSMA PET market in the US today is estimated at ~300,000 scans and growing, while the market for neuroendocrine PET imaging may eventually exceed 100,000 scans annually. Accordingly, we believe the two ⁶⁴Cu supply agreements are more than sufficient to meet long term demand.

Investment View: Maintain Buy (Spec), Valuation \$4.90

No changes to earnings or valuation. CU6 has now established a multilayered and abundant supply of ⁶⁴Cu capable of meeting prospective demand across multiple indications. We maintain our Buy (Spec) recommendation and Valuation \$4.90.

Platinum Asset Management (PTM) Hold, TP\$0.49 – Marcus Barnard

Revised terms of L1 merger

Revised terms favour L1

The merger terms are being adjusted to favour L1. We do not see this as surprising given the outflows seen from PTM during April and May. Since the merger was announced on 1 May, PTM has seen FUM decline by \$2.0bn from \$10.3bn at end March, to \$8.3bn at end May, driven by outflows of \$1.8bn (including a \$1.0bn institutional mandate) and negative investment returns of \$0.1bn.

As part of the May announcement L1 bought 9.6% of the shares from Kerr Neilson, which we believe would have made abandoning the merger expensive. L1 has clearly sought to improve terms, although apart from the performance fee split, it seems there was little else to negotiate. Under the revised terms, L1 Capital shareholders will own 74% of the combined entity, down from 75% previously. Offsetting this, the combined entity receives performance fees (PF) relating to the first 3.0% of absolute returns, rather than the first 5.0% as previously laid out. We estimate L1 will receive around 73m fewer shares in the combined group, worth around \$36m, but will retain performance fees that we believe were valued at \$143m. In other words, L1 has taken around \$100m off the table, which is probably a similar amount to the present value of management fees lost on the \$1.0bn institutional mandate.

Investment view, Hold TP \$0.49 (from Sell \$0.52)

The further outflows seen in May mean we lower our forecasts and valuation. Adjusting for the May FUM, Our EPS forecast decreases by 1.1% for FY25, by 12.6% for FY26 and by 13.3% for FY27. Our price target reflects the revised DCF valuation of PTM as a standalone business, rather than the merged entity. Given the share price is close to our target we move our recommendation to HOLD (from Sell).

We await further announcements regarding the terms of the merger, and the scope for upside through synergies and growth opportunities driven by L1's track record.

Sonic Healthcare (SHL) Buy, TP\$33.70 – Martyn Jacobs

Intelligent Pathology

Global Pathology Leader

SHL is a global Pathology company operating in several European markets as well as Australia, US and NZ, holding leading positions in Australia, Germany, Switzerland, UK, Belgium and the #3 position in the US. Pathology is an essential healthcare service with mandated growth, but the international network has been developed over decades via dozens of acquisitions in select markets. Pathology comprises of c.85% of group revenue, followed by the 3rd largest Australian radiology business (by number of clinics / radiologists, but 2nd largest by market share) comprising c.10% of revenue and the balance via a domestic clinical services business.

FY25 – Moving Beyond the COVID Hangover

SHL should return to growth, with c.7.9% / c.9.1% / c.9.7% revenue, EBITDA and Normalised NPAT growth. We expect EBITDA margins to begin to recover in FY25 and deliver c.110bp improvement through to FY27. Growth is being driven by right sizing the business, the impact of acquisitions in FY24 and normalising organic operations post COVID. Our estimates are broadly in line with consensus.

Innovation Drives Future Growth

Between PathologyWatch and Franklin.ai, SHL is setting the scene for speeding up diagnostic processes and improving diagnostic accuracy. While genetic testing is <10% of revenue now, expected CAGR of c.22% over the next decade is expected to drive material improvement in performance over time.

Investment View: Initiate with BUY, TP of \$33.70 / sh

We adopt a blended valuation across DCF, EV/EBITDA & PE methodologies. The TP represents a c.28% premium to the current price, in addition to an expected dividend yield of c.4%. SHL typically trades at a c.27% premium to the XJO, but this has narrowed to c.13%. Short-term catalysts include completing the LADR acquisition and the forthcoming FY25 results to at least meet consensus expectations.