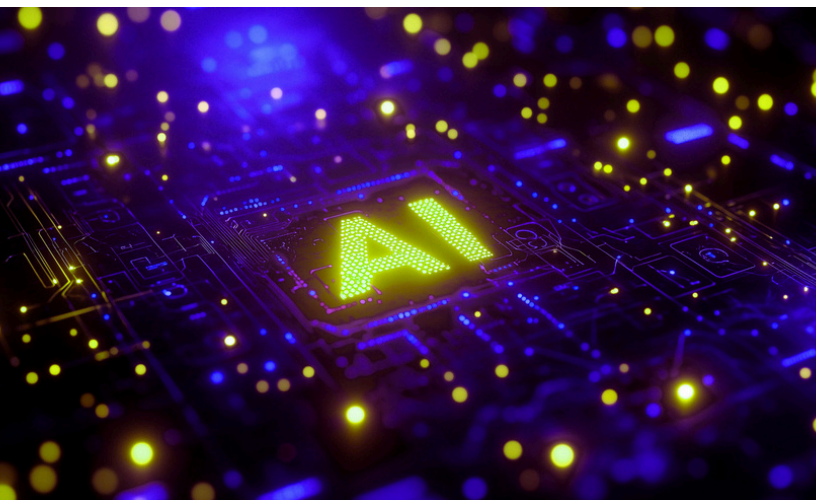
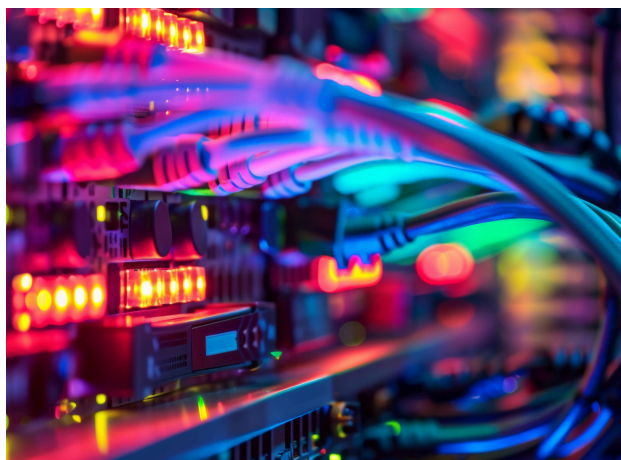


Reporting Season Guide

February 2025



Contributors



Steven Daghlian | Market Analyst & Editorial Manager, CommSec

Steven Daghlian is a CommSec Market Analyst and Editorial Manager with 20 years of markets experience. A well-known and widely recognised face in the industry, Steven now appears regularly on CommSec podcasts, radio and social channels, extending his expertise to equip newer investors with the confidence to start investing.



Henry Jennings | Senior Market Analyst, Marcus Today

Henry is a financial markets analyst with 40 years of experience both in Australia and London. He has been a trader and broker, and for the last nine years, he has been writing for the Marcus Today newsletter. Henry writes about small and large caps, resources, tech, and strategy. For the last five years, he has been running a small-cap portfolio for Marcus Today's investors and is a regular media presenter, featuring on Livewire, ABC and SBS.



Chris Conway | Managing Editor, Livewire Markets

Chris has had a passion for financial markets for over 20 years and worked as an analyst and portfolio manager, before crossing the desk to become the managing editor for Livewire. Portfolio construction is Chris' favourite endeavour. He believes that there are some powerful processes that can help all investors identify great opportunities and outperform the market - and he's passionate about bringing them to life to share them with you.



Carl Capolingua | Content Editor, Market Index

Carl has over 30 years investing experience and has helped investors navigate several bull and bear markets over this time. He is a well respected markets commentator who specialises in how the global macro impacts Australian and US equities. Carl has a passion for technical analysis and has taught his unique brand of price-action trend following to thousands of Aussie investors.



Kerry Sun | Content Editor, Market Index

Kerry is a Content Strategist at Market Index. He writes the daily Morning Wrap and Weekend Newsletter. Kerry is passionate about trading and the catalysts that influence the market. His content focuses on highlighting the key data and insights that matter most to investors.

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Half-year profit reporting season: what investors need to know

By Steven Daghlia, CommSec

The half-year profit reporting season is upon us once again, marking one of the most crucial and intriguing times of the year for investors. This period provides a wealth of information about company performance over the six months to December 2024, including sales, profits, dividend payments, and company guidance.

Why pay attention?

In addition to the obvious benefits of keeping up-to-date with company performance, there are other reasons investors might find this time of the year useful.

Firstly, stocks can be more volatile than usual each reporting season, particularly when companies either delight or disappoint investors with their results. In fact, share price moves in excess of 5% on reporting day are commonplace when analysts are left surprised. Market overreaction to reports or outlooks can offer investors with a buying or selling opportunity.

Market backdrop

This reporting season comes at a time when the share market is near record highs, making it more challenging for some companies to impress investors, especially in recently outperforming sectors. The uncertainty surrounding US tariffs on major trading partners, their potential impact on costs, currencies, and markets more broadly could keep some companies cautious with their outlooks. Other businesses could grow more conservative with their dividend payments and blame 'intense competition' or 'challenging conditions' for underperformance. Nevertheless, businesses that are broadly proving resilient, growing earnings and managing costs, could still be well rewarded by markets.

The strengthening US dollar and the weakening Australian dollar also add an additional layer of complexity, benefiting some companies while disadvantaging others.

Sector Highlights

- **Banks:** The big five banks (ANZ, CBA, NAB, WBC, MQG) represent about 20% of our share market and have been standout performers on the ASX over the past year. Considering some have experienced the best annual gains in 15 years, impressing investors may prove difficult. While most bank earnings are scheduled for release between mid-April and early May, both CBA and Bendigo & Adelaide Bank will post results mid-month.

- **Miners:** Mining and energy stocks, representing about a third of the share market combined, have faced challenges in the past year, due in part to fluctuating commodity prices, a sluggish Chinese economy and firmer US dollar. While mining and energy sectors declined by almost 20% in 2024, investors able to look through the noise and adopt a long-term view, could find some opportunities in a region of the market which has underperformed.

Continued challenges facing China – Australia’s largest trading partner – together with a US trade war, could place profits and dividends under pressure.

Commodity prices have generally gone backwards over the past six or 12 months, including iron ore, nickel, uranium, copper and oil. While lithium price declines have somewhat calmed recently, the battery material is only worth a fraction of its 2022 peak. Softer commodity prices, together with higher costs, will likely weigh on company profits. The outlier has been gold, which has hit record highs, helping boost profits and share prices alike.

- **Consumer Stocks:** Retailers have shown a surprising degree of resilience despite difficult trading conditions, cost of living pressures, 13 rate hikes and formidable competition from larger international players like Amazon and Temu.

Despite the challenging backdrop, consumer discretionary stocks were up about 20% last year, with particularly strong gains from the likes of JB Hi-Fi (up 74%), Adairs (up 50%), and Wesfarmers (up around 25%).

Recent data showed that spending over the holiday shopping season was healthy. Spending rose strongly in November, with gains across department stores, clothing, footwear and accessories. A significantly weaker Australian dollar could also be a headwind for importers.

Consumer Staples are a very different story following three years of declines on the ASX. The sector, of course, is dominated by supermarket chains and because of the essential items that many of these companies sell, they're generally considered to be defensive stocks. Having said that, the sector dropped by ~4.5% last year, but it's been a mixed bag. Both Coles and Treasury Wine Estates improved, while Woolies and Endeavour Group both went backwards by close to 20%. A more value-conscious consumer would have likely continued to affect margins.

- **Insurers:** Generally considered a defensive sector, insurers have benefited from manageable claims and benign weather. Higher rates/bond yields would have also provided a boost to income earned on their multi-billion dollar investment portfolios. While the LA wildfires in January were catastrophic, insurers like QBE (which earns more in the US than here in Australia), is still considered to have a relatively small share of the Californian market.

- **Healthcare:** Healthcare stocks slightly underperformed the broader market in the 2024 calendar year. Sector heavyweight, CSL, has barely budged on the ASX for five consecutive years. It flagged single-digit growth in revenues and low double-digit growth in profits. Its CSL Behring unit will continue to be its key earner, while its smaller flu vaccine business is expected to record more modest improvements in sales, partly because of vaccine fatigue. The strength of the US dollar could be a headwind.

Hearing implant maker Cochlear had a strong performance six months ago, with a big lift in annual sales, profits and dividends. However, this time around, it has adopted a much more cautious outlook, anticipating no more than 11% growth in FY25 earnings. That's been reflected in a few lacklustre months on the ASX since August 2024.

ASX: JBH

JB Hi-Fi

JB HI-FI

Reporting date: Monday, 10 February 2025 (confirmed)

What it does

JB Hi-Fi is Australia's largest retailer of consumer electronics and appliances, known for its industry-leading efficiency metrics and ability to win market share.

Why it is important

JBH is one of the first major retailers to report, offering key insights into several consumer trends such as sales performance during Nov-Dec, changes to consumer spending patterns, the impact of growing RBA rate cut expectations, sales margins amid sticky and rising costs, and the impact of AI-related developments on electronics sales.

JBH shares rallied 75% in 2024 despite reporting a 16.5% fall in FY24 earnings. The stock is now trading at a price-to-earnings ratio of 25x versus a historical average of approximately 13x. Analysts such as Goldman Sachs believe the market is factoring growth and margins that are too high at current price levels. Will JB Hi-Fi rise to the occasion, or will the stock suffer a correction from the lack of earnings growth?

Company data

Performance		Key Fundamentals		Size	
1 Week	+4.17%	Shares Issued	109,333,981	Market Cap	\$11,206,733,053
1 Month	+7.95%	Sector	Consumer Cyclical	ASX Rank	48 of 2,348
2025 YTD	+10.60%	Similar Companies	SRY / PMV / SUL	Sector Rank	3 of 155
1 Year	+82.94%	EPS	\$3.997	Broker Consensus	
vs Sector (1yr)	+58.97%	DPS	\$3.41		
vs ASX 200 (1yr)	+71.68%	Book Value Per Share	\$14.26	Breakdown	3 Buy · 4 Hold · 4 Sell
				Recommendation	Hold
				Last Updated	31/01/25

Source: Market Index. Data current as at COB, 4/2/2025

ChartWatch

JB Hi-Fi (JBH) chart as at close 3-Feb



Current technicals

Short (light green) and long-term (dark green) uptrend ribbons show well-established and strong respective trends, and both have strong track records of acting as a zone of dynamic demand. The price action is rising peaks & rising troughs, which demonstrates demand reinforcement and supply removal. The candles are predominantly demand-side in nature (i.e., white bodies and or downward-pointing shadows). In summary, JBH's technicals are a picture of demand-side control (as has been the case for most of the last 15 months!).

View: There is nothing in the JBH chart that suggests prevailing short and long term trends cannot continue. I view a close below 96.89-97.61 as the end of the short-term uptrend and a close below 91.16 as likely neutralising (at best) the long-term uptrend. Supply is at 102.79, and this point must be consumed by the demand-side to perpetuate prevailing uptrends.

Henry's take

Excellent management and execution are the drawcards with JBH. Despite the headwinds posed by a subdued economy, it has delivered time and time again. Cost control has been important, as has the ability to retain solid margins. This will be key given the fall in the AUD. NPAT is forecast at around \$270m, up approximately 2.4%. Gross margins are expected to be around 22%. It will also be interesting to see whether JBH has seen a sales bump due to the new Apple offering and any upgrades to embrace AI. Online sales will also be a key feature as they continue to grow rapidly.

ASX: CSL

CSL Ltd



Reporting date: Tuesday, 11 February 2025 (confirmed)

What it does

CSL is a global biotechnology company specialising in medicines for immune deficiencies, hemophilia, and other rare diseases, as well as vaccines for influenza and therapies for iron deficiency and nephrology. Its core product, immunoglobulins (IG), accounted for approximately 40% of FY24 group revenue.

Why it is important

CSL is the largest constituent of the S&P/ASX 200 Healthcare Index and the third-largest ASX-listed company by market cap. Despite stable earnings and dividend growth, its stock has traded sideways since November 2019. The company has missed earnings expectations in the past two reporting seasons (Feb-23 and Aug-24), leading to single-day declines of 7.5% and 4.6%, respectively.

In its latest FY24 result, CSL provided weaker-than-expected FY25 guidance, missing estimates by 5.5%, largely due to a slower ramp-up in Behring’s gross margin and US\$50 million in foreign exchange headwinds. Meanwhile, its US\$12 billion acquisition of Vifor has struggled to generate adequate returns, contributing to a decline in return on invested capital (ROIC) from over 20% historically, to just 10.5% in FY24.

Company data

Performance		Key Fundamentals		Size	
1 Week	+0.57%	Shares Issued	484,206,716	Market Cap	\$132,687,166,385
1 Month	-3.32%	Sector	Healthcare	ASX Rank	3 of 2,348
2025 YTD	-2.68%	Similar Companies	EBO / SIG / NEU	Sector Rank	1 of 231
1 Year	-9.25%	EPS	\$8.812	Broker Consensus	
vs Sector (1yr)	-11.78%	DPS	\$3.9735		
vs ASX 200 (1yr)	-20.17%	Book Value Per Share	\$57.475		
				Breakdown	6 Buy · 1 Hold · 0 Sell
				Recommendation	Strong Buy
				Last Updated	31/01/25
Source: Market Index. Data current as at COB, 4/2/2025					

ChartWatch

CSL Limited (CSL) chart as at close 3-Feb



Current technicals

The short-term downtrend ribbon (light pink-amber) is well established, and the long-term downtrend ribbon (dark pink) has just been established. The price action is falling peaks and falling troughs, which demonstrates supply reinforcement and demand removal. The candles are predominantly supply-side in nature. Note, however, that both price action and candles since the 282.20 point of demand have grown increasingly mixed in nature, potentially indicating a growing equilibrium between demand and supply. In summary, CSL's technicals are consistent with general supply-side control, but with an increasing skew towards short-term equilibrium.

View: Only the recent rally from the 24-Jan 268.52 point of demand threatens growing supply-side control. Should candles realign with short and long-term downtrends (3-Feb candle suggests this has started) – there would be nothing in the CSL chart that suggests prevailing downtrends cannot continue. I view a close above 282.20 as an end of the short-term downtrend and a close above 292.32 as likely neutralising (at best) the long-term downtrend. Demand is at 268.52, and this point must be consumed by the supply-side to perpetuate prevailing downtrends.

Henry's take: It is almost un-Australian not to like CSL, but it has been a serious underperformer for a while. The acquisition of Vifor complicated matters and has been a drag—just how much remains to be seen. Behring is the key driver and pillar of strength here. No major surprises are expected. Behring margins should remain solid and start improving. Vaccines should post modest top-line growth, but the commentary will be interesting given the changes in the US. A new Health Secretary (vaccines could be an issue) and possible disruptions to blood collections due to immigration policy may impact guidance. Looking for a return to pre-COVID margins for Behring by FY28.

ASX: ORG

Origin Energy

Reporting date: Thursday, 13 February 2025 (confirmed)



What it does

Origin Energy is Australia's largest listed energy retailer and generator, operating assets like the Eraring coal power station and various gas plants. It supplies electricity to millions of customers and holds a 27.5% stake in APLNG, exporting liquefied natural gas. Origin also has a 20% interest in Octopus Energy, the UK's largest electricity retailer and owner of the Kraken software platform.

Why it is important

Origin Energy is set to benefit from energy transition volatility. As coal exits the National Electricity Market (NEM) and renewable energy sources like wind and solar increase, its gas and battery assets stand to benefit from price volatility. APLNG is a world-class LNG project, with 2P reserves covering LNG sales and purchase agreements beyond 2035.

Origin shares experienced a 6.7% selloff on January 31 after the company downgraded its FY25 APLNG production guidance by 2-3%, due to weaker well optimisation and lower output at key fields. The company also flagged higher-than-expected tax rates to weigh on cash flow, with no second-half dividend guidance. Despite the company's energy and Octopus segments performing well – the market will be looking for more visibility on well productivity, LNG sales and near-term cash flow.

Company data

Performance		Key Fundamentals		Size	
1 Week	-5.93%	Shares Issued	1,722,747,671	Market Cap [?]	\$17,778,755,965
1 Month	-5.41%	Sector	Utilities	ASX Rank	36 of 2,348
2025 YTD	-5.32%	Similar Companies	MCY / MEZ / CEN	Sector Rank	1 of 30
1 Year	+24.79%	EPS	\$0.808	Broker Consensus	
vs Sector (1yr)	+12.38%	DPS	\$0.55		
vs ASX 200 (1yr)	+13.67%	Book Value Per Share	\$5.508		
				Breakdown	4 Buy · 2 Hold · 2 Sell
				Recommendation	Hold
				Last Updated	31/01/25

Source: Market Index. Data current as at COB, 4/2/2025

ChartWatch

Origin Energy (ORG) chart as at close 3-Feb



Current technicals

Recent news has triggered a major supply-side event on the ORG chart in the form of the 31-Jan long black candle with low session close. This terminated the short-term uptrend and swung the price action to falling peaks and falling troughs which demonstrates supply reinforcement and demand removal. The long-term uptrend remains intact, but the 3-Feb candle does not demonstrate it is so far acting as a zone of dynamic demand. This is a concern. In summary, ORG's technicals are consistent with equilibrium, but also of growing supply-side control.

View: Equilibrium is usually an environment a trend follower associates with abstinence. A close below the 10.25 point of demand / long-term uptrend ribbon would likely confirm the supply-side has gained control.

Henry's take

Analysts anticipate EPS of 55c for this quarter, with estimates ranging from 53c to 57c. Origin's earnings are forecast to decline at 3.8% per annum, while its annual revenue is expected to grow at 1.4% per year. 2Q Sales volumes and revenue beat estimates, APLNG production was 2-3% lower. Well-optimisation activities and field performance were weaker than expected. In the energy retail business, the new Kraken system will be a focus, with a disappointing update in the latest quarterly numbers. Strong revenue growth was coupled with increased costs. It would be good to get some more commentary on AI's ability to enhance call centre efficiency and further cost-cutting initiatives. FY24 was considered a transition year, so the outlook statement will be important. Price targets were cut following the recent quarterly.

ASX: PLS

Pilbara Minerals



Reporting date: Thursday, 20 February 2025 (estimate)

What it does

Pilbara Minerals owns the Pilgangoora Lithium-Tantalum project in Western Australia's Pilbara region, home to one of the world's largest spodumene deposits. Stage 1 production began in 2018, and in early 2023, the company approved the P1000 project, set to boost production capacity to around 1mtpa.

Why it is important

PLS, the largest ASX-listed lithium company, is often seen as a proxy for lithium prices. Between January 2023 and July 2024, short sellers targeted PLS to capitalise on falling lithium prices. Throughout much of this period, it was the most shorted stock on the market, with short interest peaking at 22%.

Despite the challenges in the underlying commodity, PLS has consistently demonstrated its operational excellence. In its latest December quarter report, the company beat expectations for production, shipments, and realised prices by 1.5%, 9.3%, and 4.0%, respectively. Looking ahead, PLS boasts a significant growth pipeline, including the recently acquired Latin Resources and the P2000 Project — both awaiting further studies and a final investment decision. The company notes that the progression of these projects will depend on prevailing lithium market conditions and customer demand.

Company data

Performance		Key Fundamentals		Size	
1 Week	+3.29%	Shares Issued	3,217,930,006	Market Cap	\$7,578,225,164
1 Month	+8.03%	Sector	Basic Materials	ASX Rank	76 of 2,348
2025 YTD	+7.53%	Similar Companies	MIN / PNX / S32	Sector Rank	15 of 1,042
1 Year	-30.33%	EPS	\$0.085	Broker Consensus	
vs Sector (1yr)	-24.26%	DPS	\$0.00		
vs ASX 200 (1yr)	-41.22%	Book Value Per Share	\$1.077	Breakdown	9 Buy · 4 Hold · 1 Sell
				Recommendation	Buy
				Last Updated	31/01/25
Source: Market Index. Data current as at COB, 4/2/2025					

ChartWatch

Pilbara Minerals (PLS) chart as at close 3-Feb



Current technicals

Short and long-term downtrend ribbons show well-established and strong respective trends, and both have strong track records of acting as a zone of dynamic supply. The price action is falling peaks and falling troughs, which demonstrates supply reinforcement and demand removal. The candles are predominantly supply-side in nature. Note, however, that both price action and candles since the 2.06 point of demand have grown increasingly mixed in nature, potentially indicating growing equilibrium between demand and supply. In summary, PLS's technicals are consistent with general supply-side control, but with an increasing skew towards short-term equilibrium.

View: The recent period of equilibrium is likely a transition period – but to what – a rally and change of trend, or an extension of the long-term downtrend? The return to falling peaks and falling troughs in the price action, and a growing predominance of supply-side candles threatens a more forceful resumption of the prevailing short and long-term trends, particularly if the 2.06 point of demand is consumed.

Henry's take

Given that we have seen the quarterly report recently, there should be no surprises in the results. We saw strong operational performance from PLS. The expansion plan P1000 is on track, both in terms of time and budget, with full ramp-up set for mid-CY25. It would be good to see some commentary on the outlook, given that lithium prices are barely raising a pulse. At least they do appear to have bottomed. Production of 188.2kt was better than expected, and FPB costs of \$621/t were also better than expected, with more savings to come as P1000 ramps up. A positive quarterly sets up the results nicely. Shorts may consider covering some of their positions.

ASX: WES

Wesfarmers



Reporting date: Thursday, 20 February 2025 (confirmed)

What it does

Wesfarmers is a diversified conglomerate, with 65% of its earnings generated by Bunnings. Its key segments include: i) Bunnings, the market leader in home improvement retail; ii) Kmart Group, a diversified retailer; iii) Officeworks, the leading office supply retailer; iv) WesCEF, which operates across chemicals, energy, and fertiliser industries, along with a lithium project; v) WIS, focused on industrial products and services; and vi) Health, which was expanded through the acquisition of pharmacy wholesaler API.

Why it is important

Wesfarmers is the largest constituent of the S&P/ASX 200 Discretionary Index and the eighth-largest company by market cap. Its upcoming result will offer valuable insights for the retail sector, spanning areas such as DIY and trade, discount retailing, and the scaling of its lithium and healthcare businesses.

The stock saw a 6% rally in late January following a “Buy” upgrade from Goldman Sachs. Analysts expect Wesfarmers to achieve the highest FY24-27 earnings growth rates among large-cap stocks in their coverage (compared to competitors like WOW, COL, EDV, and JBH). Key drivers include Bunnings’ market share gain, eCommerce growth, and the increasing earnings contributions from its lithium and healthcare segments.

Company data

Performance		Key Fundamentals		Size	
1 Week	-0.80%	Shares Issued	1,134,305,025	Market Cap	\$84,914,074,172
1 Month	+4.25%	Sector	Consumer Cyclical	ASX Rank	8 of 2,348
2025 YTD	+4.66%	Similar Companies	HVN / MYR / KGN	Sector Rank	1 of 155
1 Year	+28.91%	EPS	\$2.257	Broker Consensus	
vs Sector (1yr)	+5.12%	DPS	\$1.98		
vs ASX 200 (1yr)	+17.78%	Book Value Per Share	\$7.564		
				Breakdown	1 Buy · 2 Hold · 5 Sell
				Recommendation	Sell
				Last Updated	31/01/25
Source: Market Index. Data current as at COB, 4/2/2025					

ChartWatch

Wesfarmers (WES) chart as at close 3-Feb



Current technicals

Short and long-term uptrend ribbons show well-established and strong respective trends, and both have strong track records of acting as a zone of dynamic demand. The price action is rising peaks & rising troughs, which demonstrates demand reinforcement and supply removal. The candles are predominantly demand-side in nature. In summary, WES's technicals are a picture of demand-side control - control that appears to be growing with the recent break to new highs.

View: There is nothing in the WES chart that suggests prevailing short and long-term trends cannot continue. I would view a close below 73.22 as the end of the short-term uptrend, and a close below 69.56 as likely neutralising (at best) the long-term uptrend. Supply is at 77.64 and this point must be consumed by the demand-side to perpetuate prevailing uptrends.

Henry's take

Quality management. The focus will be on Bunnings and Kmart. No major surprises are expected following the recent Catch update. Kmart has been a standout, and anecdotal evidence suggests this trend will continue. EBIT rose 23% in FY24. The 'Anko' brand is hitting all the right buttons in a tough retail environment. Bunnings accounts for 57% of group EBIT and remains the value proposition for customers, driving profits once again. An update on lithium is unlikely to be positive, but the market will focus on Bunnings and Kmart.

ASX: FMG

Fortescue

Reporting date: Thursday, 20 February 2025 (confirmed)



What it does

Fortescue operates six mines and has built rail infrastructure connecting its operations to a five-berth port at Port Hedland. Since starting production in 2009, FMG has aggressively ramped up output. In addition to its wholly owned operations, FMG holds a 69% stake in the Iron Bridge JV, which will significantly boost production once operational. The company plans to invest approximately 10% of annual net profits into decarbonisation projects through Fortescue Future Industries.

Why it is important

Fortescue is the largest pure-play iron ore stock and the tenth-largest company by market cap. Over the past year, the stock has faced significant pressure from multiple fronts. China, the largest consumer of iron ore, has struggled to prop up iron ore demand amid a deteriorating property market. Additionally, Fortescue's focus on green technologies has impacted its reputation as a well-capitalised and high-yielding dividend stock. These factors contributed to two large block trades last year, with fund managers offloading \$1.1 billion and \$1.9 billion at a 5-6% discount. Investors will be looking for updates on Iron Bridge production, green capex, and their impact on free cash flow and dividends.

Company data

Performance		Key Fundamentals		Size	
1 Week	+1.99%	Shares Issued	3,078,964,918	Market Cap	\$59,285,469,496
1 Month	+4.59%	Sector	Basic Materials	ASX Rank	10 of 2,348
2025 YTD	+5.51%	Similar Companies	BSL / CIA / SGM	Sector Rank	2 of 1,042
1 Year	-31.35%	EPS	\$2.981	Broker Consensus	
vs Sector (1yr)	-25.68%	DPS	\$1.97		
vs ASX 200 (1yr)	-42.50%	Book Value Per Share	\$10.178		
				Breakdown	2 Buy · 6 Hold · 3 Sell
				Recommendation	Hold
				Last Updated	31/01/25

Source: Market Index. Data current as at COB, 4/2/2025

ChartWatch

Fortescue Metals (FMG) chart as at close 3-Feb



Current technicals

The short-term trend ribbon (light green-amber) shows a neutral short-term trend and the long-term downtrend ribbons show a well-established and strong, long-term downtrend. The long-term downtrend ribbon has a strong track record of acting as a zone of dynamic supply. The price action is falling peaks and falling troughs, which demonstrates supply reinforcement and demand removal. The candles are predominantly supply-side in nature. Note, however, that both price action and candles since the 17.20 point of demand have grown increasingly mixed in nature, potentially indicating growing equilibrium between demand and supply. In summary, FMG's technicals are consistent with general supply-side control, but with an increasing skew towards short-term equilibrium.

View: The recent period of equilibrium potentially belies the consistency and pervasiveness of the long-term downtrend. The return to falling peaks and falling troughs in the price action, and a growing predominance of supply-side candles, threatens a more forceful resumption of the prevailing short and long-term trends, particularly if the 17.20 point of demand is consumed.

Henry's take

The recent quarterly report should ensure no real surprises. The 2Q result was pretty much in line with expectations. Iron Bridge still seems to have some issues, and the discount FMG receives in the market reflects that. C1 costs were guided to US\$18.24/wmt, down from the previous quarter, as shipped volumes rose. Some analysts were concerned about the FCF in the quarterly report, as well as net debt due to increased working capital. Expect some commentary on the recent bid for Red Hawk (RHK), as it extends mine life at Solomon Hub.

ASX: MP1

Megaport

Reporting date: Thursday, 20 February 2025 (confirmed)



What it does

Megaport is a leading provider of Network as a Service (NaaS). Its global Software-Defined Network allows customers to quickly connect with over 420 service providers including major cloud providers like AWS, Microsoft Azure, and Google Cloud, serving over 2,637 customer logos globally.

Why it is important

Megaport's upcoming results are crucial for investors due to growth, profitability, and competitive positioning concerns. Despite strong FY24 results (28% revenue growth, 182% EBITDA rise), FY25 guidance (\$214m–\$222m revenue) falls short of some analyst expectations, raising fears of a slowdown. Pricing strategy missteps may have affected competitiveness, making future plans key. The company is expanding sales and marketing efforts, hiring talent from competitors, and leveraging global diversification (57% revenue from North America). Investors will watch closely to see if these initiatives drive sustained growth and market strength.

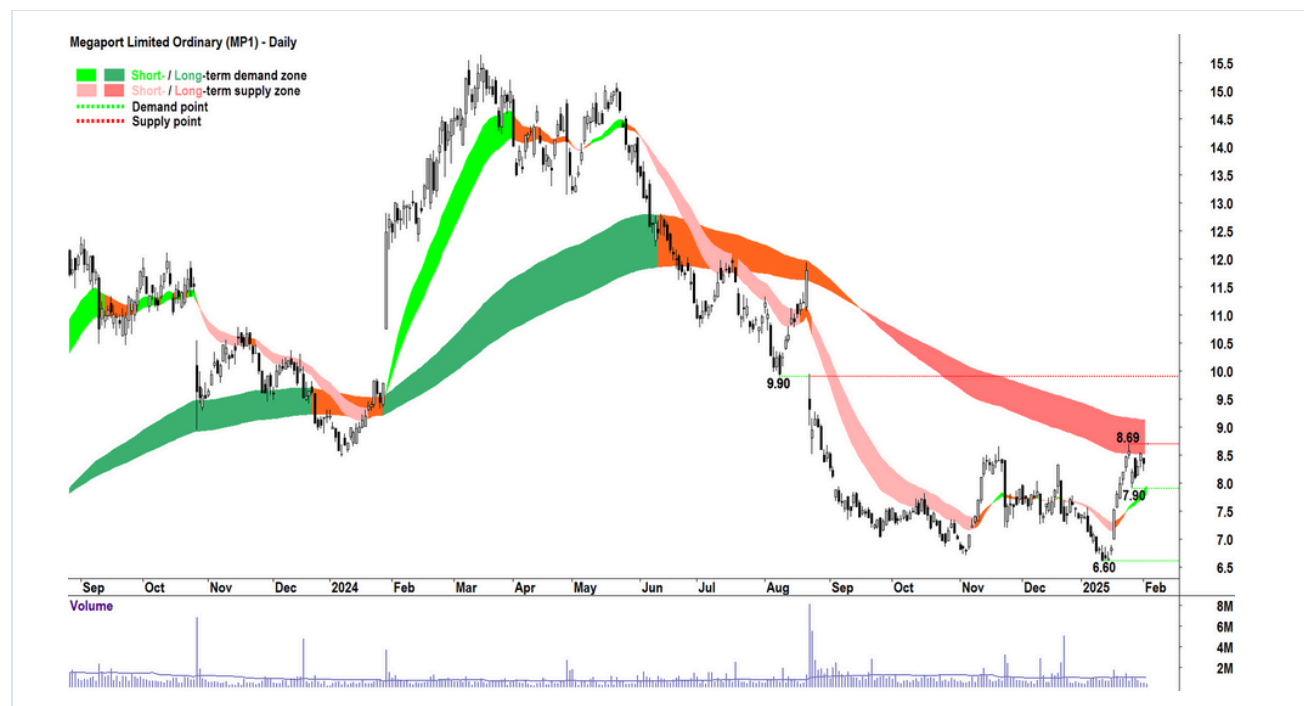
Company data

Performance		Key Fundamentals		Size	
1 Week	+5.25%	Shares Issued	160,375,680	Market Cap	\$1,382,438,362
1 Month	+16.64%	Sector	Technology	ASX Rank	275 of 2,348
2025 YTD	+16.96%	Similar Companies	OCL / DTL / MAQ	Sector Rank	15 of 244
1 Year	-32.23%	EPS	\$0.06	Broker Consensus	
vs Sector (1yr)	-88.11%	DPS	\$0.00		
vs ASX 200 (1yr)	-43.40%	Book Value Per Share	\$0.961	Breakdown	3 Buy · 6 Hold · 0 Sell
				Recommendation	Buy
				Last Updated	31/01/25

Source: Market Index. Data current as at COB, 4/2/2025

ChartWatch

Fortescue Metals (FMG) chart as at close 3-Feb



Current technicals

The short-term uptrend ribbon is recently established and the long-term downtrend ribbon is well established. The price action is rising peaks and rising troughs which demonstrates demand reinforcement and supply removal. The candles since the 6.60 point of demand are predominantly demand-side in nature. In summary, MP1's technicals are consistent with general equilibrium, but with an increasing skew towards demand-side control.

View: The recent rally from the 14-Jan 6.60 point of demand is impressive both in terms of price action and candles, and poses a substantial threat to long-term supply-side control. Should the price begin to trade above the long-term downtrend ribbon, and should that ribbon begin to act as a zone of dynamic demand – it would confirm the transition to a long-term uptrend – and, therefore, total demand-side control. The point of demand at 8.69 has been consumed, and bolsters the change of control argument.

Henry's take

A large short position in this stock makes any positive results a potential catalyst for a move higher. The focus is on Net Revenue Retention (NRR), and any sign of stabilisation will be a positive development. At the AGM, the company emphasised that NRR is the key driver of revenue growth. Previously, the company guided to FY25 revenue of \$214m–\$222m and underlying EBITDA of \$57m–\$65m. Megaport has invested in new products, a new pricing structure, and better sales and support staff. Revenue growth will be the catalyst for any rerating.

ASX: NEM

Newmont Corporation



Reporting date: Thursday, 20 February 2025 (confirmed)

What it does

Newmont is the world’s largest gold producer with a portfolio predominantly in Australia and the Americas. The company is also the only gold producer listed in the S&P 500 Index.

Why it is important

Investors will be eager to evaluate Newmont’s financial performance amid the backdrop of soaring gold prices. The company’s divestiture of non-core assets has also proven highly successful, with four announced sales generating US\$3.6 billion—well above the initial expectation of at least US\$2 billion. However, despite these positive developments, Newmont has a history of operational setbacks, as reflected in its first-quarter 2025 earnings report, which missed expectations by 5.8%, with all-in-sustaining costs coming in 11.5% higher than anticipated.

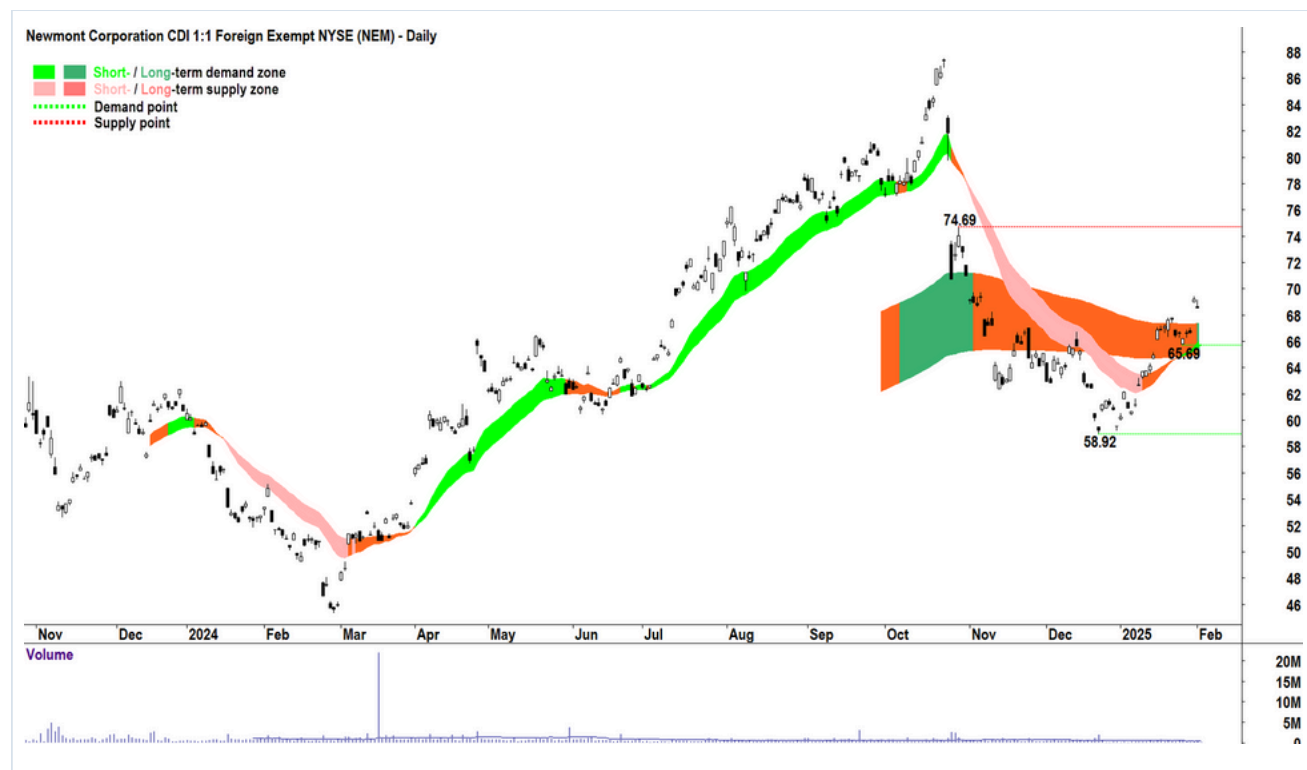
Company data

Performance		Key Fundamentals		Size	
1 Week	+7.28%	Shares Issued	116,193,650	Market Cap [?]	\$8,307,845,975
1 Month	+17.41%	Sector	Basic Materials	ASX Rank	66 of 2,348
2025 YTD	+20.09%	Similar Companies	MGOC / QUAL / VGS	Sector Rank	14 of 1,043
1 Year	+39.48%	EPS	-\$3.483	Broker Consensus	
vs Sector (1yr)	-	DPS	\$1.0535		
vs ASX 200 (1yr)	+26.55%	Book Value Per Share	\$41.981		
				Breakdown	3 Buy · 2 Hold · 1 Sell
				Recommendation	Buy
				Last Updated	31/01/25

Source: Market Index. Data current as at COB, 7/2/2025

ChartWatch

Newmont (NEM) chart as at close 3-Feb



Current technicals

Both short and long-term uptrend ribbons are recently established. The price action is rising peaks and rising troughs, which demonstrates demand reinforcement and supply removal. The candles since the 58.92 point of demand are predominantly demand-side in nature. In summary, NEM's technicals are consistent with demand-side control.

View: The demand-side appears back in control here, but both short and long-term trends are new and further confirmation via continued strong price action and candles is welcome. I would view a close below 65.69 as the end of the short-term uptrend and likely neutralising (at best) the long-term uptrend. Supply is at 74.69 and this point must be consumed by the demand-side to perpetuate prevailing uptrends.

Henry's take

The recent production downgrade has hurt sentiment, with 5.6moz of production now expected for 2025 (down from 6moz). The recent sales of assets following the Newcrest merger raise capital management questions. A \$3bn buyback program is already in place. Asset sales have exceeded expectations, and with cash in hand, we could see moves to reward shareholders. Including the recent sale of Porcupine, NEM has delivered around \$4.3bn in total proceeds from its non-core assets. Gold prices at record highs provide a serious tailwind, and its peers have all been reporting positively. Capital management initiatives make an upside surprise possible.

ASX: ZIP

Zip Co



Reporting date: Tuesday, 25 February 2025 (confirmed)

What it does

Zip is a digital payments provider offering point-of-sale credit and instalment payments both online and in-store. Founded in 2013, it operates in Australia, New Zealand, and the US. In the US, Zip functions like other BNPL providers with a "Pay in 4" product, while in Australia, its offerings resemble a digital credit card.

Why it is important

Zip’s December quarter result has already flagged a slightly weaker-than-expected outcome, driven by lower-than-expected revenue yield in ANZ and slightly higher costs. This drove the stock 25% lower on 30-Jan-25. The upcoming result will provide greater clarity on these drivers as well as broader trends regarding the financial conditions and health of Australian and US consumers.

Company data

Performance		Key Fundamentals		Size	
1 Week	-27.46%	Shares Issued	1,305,590,863	Market Cap	\$2,983,275,122
1 Month	-25.81%	Sector	Financial Services	ASX Rank	162 of 2,348
2025 YTD	-22.80%	Similar Companies	LFG / LFS / MMS	Sector Rank	53 of 652
1 Year	+191.08%	EPS	\$0.006	Broker Consensus	
vs Sector (1yr)	-	DPS	\$0.00		
vs ASX 200 (1yr)	+181.81%	Book Value Per Share	\$0.305		
Source: Market Index. Data current as at COB, 4/2/2025				Breakdown	4 Buy · 1 Hold · 0 Sell
				Recommendation	Strong Buy
				Last Updated	31/01/25

ChartWatch

ZIP Co (ZIP) chart as at close 3-Feb



Current technicals

Recent news has triggered a major supply-side event on the ZIP chart in the form of the 30-Jan long black candle with low session close. This terminated the short-term uptrend and swung the price action to falling peaks and falling troughs, which demonstrates supply reinforcement and demand removal. The long-term uptrend remains intact, but the 31-Jan and 3-Feb candles do not demonstrate it is so far, acting as a zone of dynamic demand. This is a concern. In summary, ZIP's technicals are consistent with equilibrium but also growing supply-side control.

View: Equilibrium is usually an environment a trend follower associates with abstinence. A close below the long-term uptrend ribbon would likely confirm the supply-side has gained control.

Henry's take

The recent quarterly report set the scene, and the stock has rerated lower on the back of some disappointment, particularly regarding Cash EBITDA. Yields and NIMs were marginally lower, and operating costs were higher QoQ, which was another negative in the quarterly. It appears that ZIP is investing more in US growth. The official results should provide more clarity on management targets and potentially some news on new product penetration. The market needs assurance that the US investment will pay off.

ASX: QAN

Qantas

Reporting date: Thursday, 27 February 2025 (confirmed)



What it does

Qantas Airways is the flagship carrier of Australia and is the largest airline in Australia by capacity share, serving destinations domestically and internationally.

Why it is important

As Australia's national carrier, few companies inspire such emotive responses as Qantas. Pushing that to one side (we're here to talk about the investment thesis), the forthcoming results will offer insights into how the company is managing costs, its ageing fleet, and generating revenue and profits amid fluctuating fuel costs and post-pandemic travel demand. The share price has rallied strongly over the past 12 months, with the stock up more than 60% and trading near a 52-week high, so any disappointment could be met savagely by investors. Keep an eye out for a potential dividend as well. Qantas hasn't paid one since pre-COVID, in 2019, but there is an expectation from some analysts that dividends will resume in 2025. There is also the potential for another on-market share buyback to be announced.

Company data

Performance		Key Fundamentals		Size	
1 Week	-1.63%	Shares Issued	1,513,199,279	Market Cap	\$14,125,715,269
1 Month	+2.81%	Sector	Industrials	ASX Rank	41 of 2,348
2025 YTD	+4.07%	Similar Companies	AIZ / AQZ / REX	Sector Rank	8 of 202
1 Year	+65.22%	EPS	\$0.751	Broker Consensus	
vs Sector (1yr)	+50.72%	DPS	\$0.00		
vs ASX 200 (1yr)	+54.13%	Book Value Per Share	\$0.191	Breakdown	7 Buy · 2 Hold · 0 Sell
				Recommendation	Strong Buy
				Last Updated	31/12/24

Source: Market Index. Data current as at COB, 4/2/2025

ChartWatch

Qantas Airways (QAN) chart as at close 3-Feb



Current technicals

Short and long-term uptrend ribbons show well-established and strong respective trends, and both have strong track records of acting as a zone of dynamic demand. The price action is rising peaks & rising troughs, which demonstrates demand reinforcement and supply removal. The candles are predominantly demand-side in nature. In summary, QAN's technicals are a picture of demand-side control - control that appears to be growing with the recent break to new highs.

View: There is nothing in the QAN chart that suggests prevailing short and long-term trends cannot continue. I would view a close below 8.68 as the end of the short-term uptrend, and a close below 8.00 as likely neutralising (at best) the long-term uptrend. Supply is at 9.58 and this point must be consumed by the demand-side to perpetuate prevailing uptrends.

Henry's take

Expect a slight beat in the group's domestic business (leisure and corporate demand). Given that US airlines are experiencing strong growth, QAN should be in the same boat (or plane). Recent changes to the Frequent Flyer program are a net benefit to QAN. Certainly not for members, however, who will see higher redemption costs offset by more seats. The underlying business is performing well; Japan has been very popular, and lower fuel costs will help. The 1H trading update was positive, but the stock has soared and now needs to deliver. Incremental changes to the \$120m provision for the baggage handler issue will be recognised in the Interim Financial Report for H1 FY25. Still awaiting fines for this and other matters—an update on the numbers could be provided. Capital management progress is always a driver, and capex is important as the fleet ages.

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