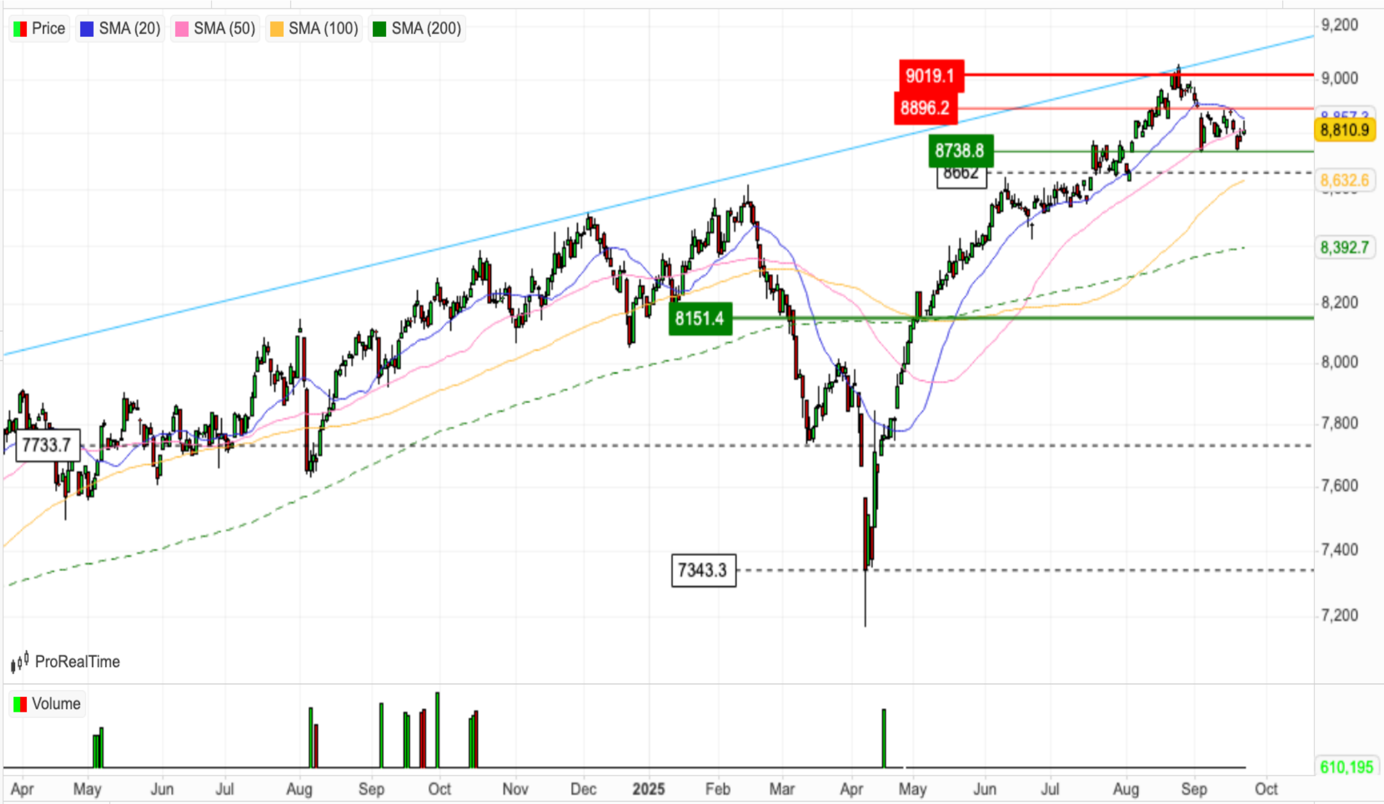
Monday, 22 September 2025



Support / Potential "buy" levels	**$8,738.**
Resistance	$9,019.

Key Takeaways

ASX 200 climbs 0.43% on gold and mining strength – PRN

Today, we are reviewing **Perenti (ASX: PRN), which has rewarded us with nearly 90% in capital gains from our $2.25 entry point and now operates as a truly diversified global mining services company.** Its FY25 results were impressive, with revenue hitting $3.49 billion, underlying EBIT(A) climbing to $333 million, and free cash flow reaching $286 million, all while cutting net debt by 35%. That said, with much of the turnaround story now priced in, we're moving to a "Hold" and will look to re-enter at a more compelling valuation.

Market Movers: Australian equities rose on Monday, with the ASX 200 up 0.43% as gold, mining and materials stocks led gains. Reece surged 14.15%, Genesis Minerals hit all-time highs with a 13.66% jump, while Greatland Resources gained 11.58%. Losses came from Regis Healthcare, down 27.11%, Viva Energy off 8.38% and New Hope down 6.68%. The Australian dollar weakened near $0.658, bond yields climbed, and gold hit a record US$3,710 per ounce.

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Our Latest Recommendation

Perenti's (ASX: PRN) Operational Excellence Evident, Yet Valuation Signals a Cautious Hold

Since our initial recommendation, Perenti (ASX: PRN) has proven its credentials, delivering nearly 90% in capital gains from our $2.25 entry point. After such a remarkable run, the question for investors shifts from whether the company can complete its turnaround to whether the market has already fully factored in its success. Our assessment is that it has, and for now, we are moving to a "Hold," awaiting a more attractive valuation to re-enter.

A Truly Diversified Global Mining Services Business Spanning Four Continents and Providing Resilience Across Commodity Cycles

Perenti employs approximately 10,500 people across four continents, operating across contract mining, drilling services, and mining technology solutions. This operational breadth gives it a rare resilience through commodity cycles and market fluctuations. By maintaining financial discipline and being selective with new projects, the company has successfully transformed from a complex, debt-heavy operation into a streamlined, high-quality operator. A robust pipeline of secured work now points to its strong global positioning.

From Turnaround to Sustained Operational Excellence: FY25 Results Highlight Record Revenue, Earnings, and Free Cash Flow

The company's story has shifted from recovery to operational strength, and FY25 results underscore this transformation:

- **Revenue:** $3.49 billion – a 4.4% increase, marking a new record for the company.

- **Underlying EBIT(A):** $333 million – up 6.1% year-on-year, reflecting robust operational performance.

- **Free Cash Flow:** $286 million – another record, supporting debt reduction and financial flexibility.

- **Net Debt:** down 35% – demonstrating significant deleveraging and a stronger balance sheet.

- **Leverage:** 0.5x – improved financial stability and room for strategic initiatives.

These figures clearly confirm that Perenti is in excellent operational health and generating sustainable value for shareholders, even as some market scepticism appears to remain.

Why Consolidation Is Likely and Why a "Hold" Is a Prudent Decision Despite Strong Fundamentals

Perenti has executed its turnaround and delivered on our investment thesis. Its diversified business model and financial performance are firmly established, justifying the gains captured so far. Yet, with consolidation appearing likely, we are moving our recommendation to "Hold." This decision reflects caution, not doubt. We will continue monitoring operational progress closely and are ready to re-enter if the market offers a more attractive valuation for this resilient, well-managed business.

Market Movers

Australian equities edged higher on Monday, buoyed by strength in gold, metals and mining names, with investors balancing optimism in commodities against lingering caution around global monetary policy.

At the close in Sydney, the S&P/ASX 200 rose 0.43%, reversing part of last week's softness and reflecting a broader rotation into resource-linked sectors.

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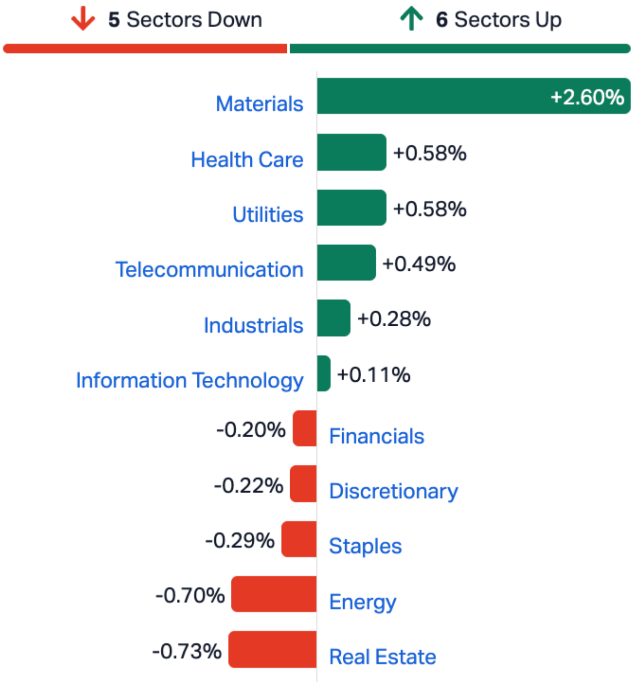

Among the standouts, plumbing supplies distributor Reece Ltd surged 14.15% to close at 11.78, marking its strongest session in years, as investors welcomed upbeat earnings guidance that pointed to continued resilience in construction demand despite higher borrowing costs. Genesis Minerals gained 13.66% to a record 5.74, extending a rally that has seen the gold developer emerge as one of the market's top performers this year. Greatland Resources also impressed, adding 11.58% to 7.13 as enthusiasm for exploration prospects spread across the sector.

Losses were concentrated elsewhere, with aged-care operator Regis Healthcare tumbling 27.11% to 6.72 after warning of margin pressure from rising staffing costs and regulatory compliance. Viva Energy Group slipped 8.38% to 1.80 as weaker refining margins weighed, while coal producer New Hope Corporation shed 6.68% to 3.91 on concerns that slowing Asian demand could hit exports. Overall market breadth was only marginally positive, with 601 stocks advancing against 577 decliners, and 416 finishing unchanged. The S&P/ASX 200 VIX, a measure of implied volatility, ticked up 0.65% to 11.05, suggesting investors remain wary of risks ahead.

Currency markets underscored that caution. The Australian dollar slipped below $0.658, marking a fourth consecutive decline and lingering at a two-week low.

Crosses	Price			Day	Year	Date
AUDUSD	0.65788	▼	0.00091	-0.14%	-3.71%	14:25
EURAUD	1.7853	▲	0.0057	0.32%	9.79%	Sep/22
GBPAUD	2.0481	▲	0.0072	0.35%	4.84%	Sep/22
AUDNZD	1.1257	▲	0.0035	0.32%	3.23%	Sep/22
AUDJPY	97.4070	▼	-0.0430	-0.04%	-0.78%	Sep/22
AUDCNY	4.6821	▼	-0.0027	-0.06%	-2.91%	Sep/22
AUDCHF	0.5231	▼	-0.0005	-0.10%	-9.66%	Sep/22
AUDCAD	0.9082	▲	0.0010	0.11%	-1.74%	Sep/22

The retreat reflected renewed strength in the greenback, which has been buoyed by a more hawkish tone from the Federal Reserve. Last week's quarter-point rate cut was largely priced in, but the Fed's messaging suggested that policymakers remain cautious about loosening too quickly. Market participants are now awaiting speeches from several Fed officials this week, including Chair Jerome Powell, for clarity on the balance between supporting growth and preserving inflation credibility.

At home, attention is turning to economic data that could influence the Reserve Bank of Australia's trajectory. PMI figures are due today, followed by Wednesday's release of the Monthly CPI Indicator, which will help clarify whether July's sharp jump in consumer prices was largely driven by the expiry of electricity subsidies or signals deeper inflationary persistence.

The answer will be crucial for rate expectations. Markets currently price a 75% chance of a November cut, down from near certainty earlier in the month, with swaps now implying fewer than two additional cuts by mid-next year.

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Bonds	Yield	Day	Month	Year	Date
Australia 10Y	4.2740	0.02%	-0.017%	0.300%	14:23
Australia 52W	3.45	0.023%	0.068%	-0.385%	Sep/22
Australia 20Y	4.92	0.036%	-0.017%	0.413%	Sep/22
Australia 2Y	3.40	0.020%	0.066%	-0.222%	Sep/22
Australia 30Y	5.03	0.035%	-0.026%	0.485%	Sep/22
Australia 3Y	3.45	0.015%	0.093%	-0.095%	Sep/22
Australia 5Y	3.68	0.012%	0.125%	0.053%	Sep/22
Australia 7Y	3.99	0.023%	0.083%	0.200%	Sep/22

Australian government bond markets reflected that shift. The 10-year yield climbed to 4.29%, a two-week high, as investors digested remarks from Governor Michelle Bullock, who stressed that the central bank would remain alert to changes in the economic outlook but noted that recent data have largely aligned with expectations. While the RBA sees inflation converging toward the 2–3% target range and the labour market remaining close to full employment, global conditions continue to inject uncertainty. The emphasis on a “measured approach” has reinforced expectations that policymakers will not be rushed into further easing unless the inflation outlook deteriorates materially.

Elsewhere in Asia, Chinese equities posted modest gains, breaking a two-day losing streak. The Shanghai Composite rose 0.22% to 3,829, while the Shenzhen Component advanced 0.67% to 13,158, supported by technology shares.

Indexes	Price		Day	Month	Year	Date
HK50	26,313.00	-232.10	-0.87%	1.87%	44.20%	Sep/22
SHANGHAI	3,829.21	9.12	0.24%	-1.40%	39.30%	Sep/22
CSI 300	4,522.72	20.80	0.46%	1.20%	40.77%	Sep/22
SHANGHAI 50	2,922.79	13.05	0.45%	-2.24%	30.31%	Sep/22
CH50	15,016.52	66.89	0.45%	-0.09%	32.58%	Sep/22

Investors responded positively to signs of progress in US-China relations, with President Donald Trump and President Xi Jinping reportedly making headway on a potential TikTok agreement and planning to meet in South Korea in six weeks for broader discussions, including trade and security issues. Technology names led the advance: Hygon Information Technology jumped 10.6%, Cambricon Technologies gained 3.4%, Foxconn Industrial added 6.6%, and Dawning Information Technology climbed 10%. The PBoC, meanwhile, kept its one- and five-year loan prime rates unchanged at 3% and 3.5% for a fourth consecutive month, opting against additional stimulus despite mounting evidence of slowing momentum.

In the US, stock futures were little changed after last week’s strong performance.

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The Dow advanced 1.05%, the S&P 500 rose 1.22% and the Nasdaq Composite jumped 2.21% to new record highs, fuelled by optimism following the Fed's rate cut and guidance for two further reductions this year. Markets are now turning toward the personal consumption expenditures price index, the Fed's preferred inflation gauge, for confirmation that price pressures remain subdued. Investors also kept a close eye on geopolitical developments, including Trump's latest comments about TikTok's future in the US, where he suggested media magnate Rupert Murdoch and his son Lachlan could play a role in securing its operations.

Commodities markets offered a more mixed picture. WTI crude oil rebounded toward US$63 per barrel after a three-day slide, underpinned by renewed geopolitical tensions in Europe. Reports of Russian airstrikes near the Polish border, incursions into Baltic airspace and fresh EU sanctions proposals—including a ban on Russian LNG imports and restrictions on more shadow vessels—rekindled concerns of escalation. Yet gains were capped by supply dynamics, with Iraq boosting exports as OPEC+ production curbs ease, adding to a market already grappling with sluggish demand growth.

	Price			Day	Month	Year	Date
Crude Oil	62.792	▲	0.392	0.63%	-3.14%	-10.81%	14:26
Brent	67.064	▲	0.384	0.58%	-2.58%	-9.30%	14:26
Natural gas	2.9255	▲	0.0375	1.30%	4.04%	2.33%	14:25
Gasoline	1.9815	▲	0.0134	0.68%	-7.91%	-1.03%	14:26
Heating Oil	2.3113	▲	0.0124	0.54%	-1.56%	7.14%	14:26
Coal	103.35	▲	0	0%	-7.31%	-25.91%	Sep/19
Ethanol	1.83	▲	0	0%	2.81%	17.31%	Sep/19
Urals Oil	61.56	▼	-1.63	-2.58%	-2.43%	-11.91%	Sep/19

Gold, by contrast, surged to an all-time high of US$3,710 per ounce, cementing its position as the standout performer of the year. The metal has rallied 40% so far in 2025, driven by a potent combination of safe-haven demand, robust central bank purchases and sustained ETF inflows.

	Price			Day	Month	Year	Date
Gold	3710.98	▲	26.23	0.71%	10.18%	41.26%	14:26
Silver	43.526	▲	0.447	1.04%	12.85%	41.88%	14:26
Copper	4.5647	▼	0.0082	-0.18%	2.23%	6.56%	14:26
Steel	3,103.00	▼	-6.00	-0.19%	-0.86%	2.41%	Sep/22
Lithium	73,850.00	▲	350	0.48%	-10.48%	1.86%	Sep/22
Platinum	1,421.70	▲	5.30	0.37%	6.77%	47.86%	Sep/22
Iron Ore	105.44	▲	0.20	0.19%	3.86%	14.70%	Sep/19

The Fed's recent pivot toward easing has provided fresh impetus, with markets pricing in two additional 25-basis-point cuts by December. That dovish turn, coupled with heightened geopolitical tensions and ongoing trade uncertainty, has reinforced the appeal of bullion as investors seek refuge from volatility elsewhere.

Regards,
Mark Elzayed
Investor Pulse

INVESTOR PULSE

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Market Data

ASX Top 20

CBA	Commonwealth Bank	165.57	−0.60	−0.36%
BHP	BHP	40.03	+0.39	+0.98%
CSL	CSL	199.24	+0.87	+0.44%
WBC	Westpac Bank	38.56	+0.01	+0.03%
NAB	National Australia Bank	43.65	−0.14	−0.32%
ANZ	ANZ	33.02	−0.03	−0.09%
FMG	Fortescue Metals	19.31	+0.59	+3.15%
WES	Wesfarmers	92.90	−0.18	−0.19%
MQG	Macquarie Group	221.86	−0.70	−0.31%
RIO	Rio Tinto	116.92	+2.92	+2.56%
WOW	Woolworths	27.29	−0.09	−0.33%
TLS	Telstra	4.87	+0.04	+0.83%
GMG	Goodman Group	34.09	−0.27	−0.79%
TCL	Transurban	14.04	+0.05	+0.36%
SQ2	Block Inc			
ALL	Aristocrat Leisure	68.74	+0.12	+0.17%
NCM	Newcrest Mining			
REA	REA Group	232.44	+2.66	+1.16%
WDS	Woodside Energy	22.81	−0.22	−0.96%
XRO	Xero	163.80	+1.21	+0.74%

Commodities & Forex

TIO1!	IRON ORE
GC1!	GOLD
SI1!	SILVER
HG1!	COPPER
ZW1!	WHEAT
CL1!	CRUDE OIL
NG1!	NATURAL GAS
NCF1!	COAL
LTH1!	LITHIUM

AUDUSD	Australian Dollar / U.S. Dollar	0.65782	−0.17%	−0.00
AUDGBP	AUSTRALIAN DOLLAR / BRITISH POUND	0.4878	−0.27%	−0.00
AUDEUR	AUSTRALIAN DOLLAR / EURO	0.5600	−0.23%	−0.00
AUDNZD	Australian Dollar / New Zealand Dollar	1.12556	+0.12%	+0.00
AUDJPY	Australian Dollar / Japanese Yen	97.394	−0.09%	−0.09
AUDCNY	AUSTRALIAN DOLLAR / CHINESE YUAN	4.6767	−0.30%	−0.0141
AUDTHB	AUSTRALIAN DOLLAR / THAI BAHT	20.925	−0.21%	−0.045
AUDIDR	AUSTRALIAN DOLLAR / INDONESIAN ...	10,928.1	−0.02%	−1.9

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Economic Calendar

+3

Time	Event	Actual	Forecast	Prior
September 22				
21:00	Consumer Confid. Flash *		−15.3 Net balance	−15.5 Net balance
September 23				
20:45	S&P Global Comp PMI Flash			55.4 Index (diffusion)
September 25				
19:30	GDP Cons Spending Final			0.5%
	GDP Final		3.3%	−0.5%
	Initial Jobless Clm		235 K Person	231 K Person
21:00	Existing Home Sales		3.96 M Number of	4.01 M Number of
September 29				
16:00	Consumer Confid. Final *			−15.5 Net balance
September 30				
08:30	NBS Manufacturing PMI*			49.4 Index (diffusion)
13:00	GDP QQ			0.7%
	GDP YY			1.3%
21:00	JOLTS Job Openings			7.181 M Person
October 1				