



Support / Potential "buy" levels	\$8,400.
Resistance	\$9,094.

KEY TAKEAWAYS

Australian Stocks Slide as RBA Signals Patience on Rates — Recommendation: NAB

Today we are taking profit on National Australia Bank (ASX: NAB) at \$41.48, securing a 120.82% return for our members while maintaining confidence in the bank's long-term fundamentals. NAB's FY25 performance was strong, with cash earnings of \$7,091 million, a full-year dividend of \$1.70 per share, a 9% rise in Australian business lending, and a 7% increase in customer deposits, though much of this strength is already reflected in the share price near our \$41.50 target. Given current market volatility and technical consolidation between \$40.50 support and \$43.00 resistance, locking in gains now balances realized upside with cautious near-term risk while allowing long-term exposure to dividends and business banking growth.

Market Movers: Australian shares fell 1.94% on Tuesday, dragged down by technology, gold and mining stocks, while James Hardie, GQG Partners and Pilbara Minerals saw gains. The RBA minutes signalled no immediate rate change despite slightly higher inflation and a tight labour market. The Australian dollar rose to \$0.649, 10-year yields held at 4.46%, and commodities were weaker as WTI fell to \$59.4 and gold to \$4,020 amid global uncertainty.

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- Growth Portfolio:** 21% p.a. average return - ideal for investors seeking higher capital growth.
- Balanced Portfolio:** 15% p.a. average return with a 5% dividend yield - the perfect blend of growth and income.
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**Past performance is not indicative of future performance*

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OUR LATEST RECOMMENDATION

NAB (ASX: NAB): Locking in Gains Amid Market Volatility: Taking Profit After a 120.82% Return



We have decided to take profit on NAB at this time, securing a 120.82% return for our members. While the bank's fundamentals remain strong, the current environment of market volatility and macroeconomic uncertainty makes this a prudent move. NAB continues to deliver growth and a stable dividend stream, but with much of this strength already reflected in the share price, locking in gains now allows investors to realize the substantial

upside achieved while maintaining confidence in the bank's long-term potential.

Investment Thesis: Strong Operational Performance and a Solid Dividend Stream Underpin Growth

Our investment thesis for NAB is rooted in its robust operational performance and the stability of its dividend. In FY25, NAB delivered a 1% increase in underlying profit, with cash earnings broadly stable at \$7,091 million, despite a slight rise in credit impairment charges. Key growth indicators include a 9% increase in Australian business lending balances, a 7% rise in customer deposits, and proprietary home lending penetration improving to 41% from 38% in FY24. The bank also maintained a full-year dividend of \$1.70 per share, providing a reliable income stream for investors. These results highlight NAB's continued momentum in its core business segments and its capacity to sustain shareholder returns even in a period of economic uncertainty.

Wrap-up: Securing Returns While Remaining Confident in Long-Term Fundamentals

Bringing together NAB's strong business positioning and its FY25 performance, the bank demonstrates both high-margin growth potential in business banking and a consistent dividend stream, making it fundamentally strong.

However, with the stock trading near \$41.48 and much of these strengths already priced in, combined with the current volatile market environment, we are choosing to take profit now, locking in a 120.82% return for our members. The target price of \$41.50 reflects a sensible near-term ceiling, capturing gains while leaving the opportunity to re-enter in future market cycles. This approach balances the rewards of recent performance with caution amid near-term risks, while long-term investors can still retain exposure for dividends.

Company's Valuation: DCF, Comparative Analysis, and Ratios Supporting Target Price

Our target price of \$41.50 is derived from multiple valuation approaches:

- **Comparative Analysis:** Peer-average P/E (13.5x FY26 EPS) and P/B (1.5x) suggest a valuation range of \$40.50–\$41.00.

- **Dividend Discount Model (DDM):** Using the FY25 dividend of \$1.70, a growth rate of 2.5%, and cost of equity 7%, the DDM yields \$38.72.

- **Target Price Justification:** A modest premium of 7% above the DDM is warranted due to NAB's high-margin business banking momentum, capital strength, and share buyback capacity, which provide buffers against risk and improve future EPS. This positions \$41.50 as a sensible near-term ceiling.

Technical Analysis, Price Levels, and Wrap-Up

NAB trades at \$41.50, following a mild pullback from recent highs (\$43.00). Key levels:

- **Support (S1):** \$40.50, providing a strong consolidation base.

- **Resistance (R1):** \$43.00, representing recent highs and volume accumulation.

Price action suggests short-term consolidation, and our target aligns closely with this technical base.

MARKET MOVERS

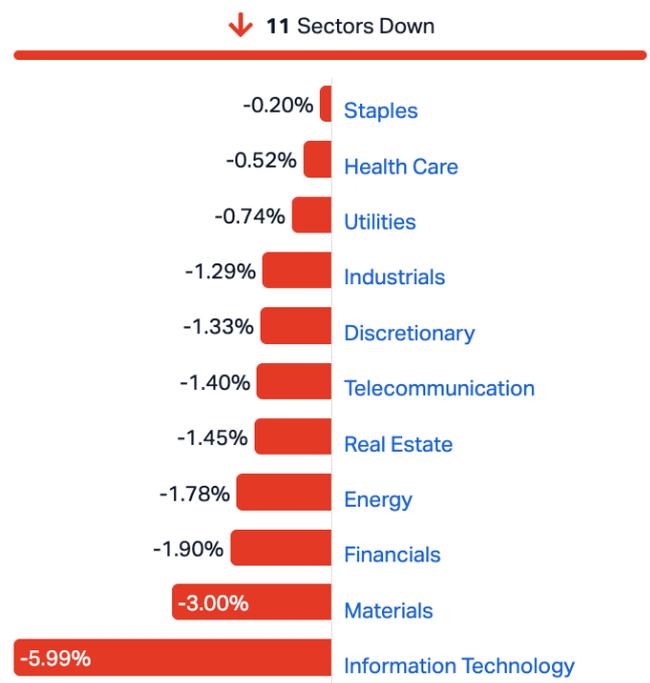
Australian equities retreated sharply on Tuesday as a broad sell-off across technology, gold and mining names dragged the market to its weakest level in three months. The S&P/ASX 200 closed down 1.94% after a session dominated by risk aversion and negative sentiment. Declines were widespread, with 998 stocks falling compared with just 210 advancers, while 339 ended unchanged. The breadth of the losses reflected both domestic concerns and a weaker global tone.



A small group of outperformers provided limited support. James Hardie Industries jumped 9.91% to 27.95 as investors rewarded the building materials group for resilience in a

softer housing backdrop. GQG Partners rose 3.65% to 1.49 and Pilbara Minerals climbed 3.28% to 4.09, reaching a 52-week high as lithium producers with stronger fundamentals continued to attract selective buying interest. These gains were not enough to offset the drag from growth-oriented sectors. Technology One slumped 17.20% to 29.26, making it the worst performer of the day. IperionX fell 9.01% to 4.95 and DroneShield dropped 5.77% to 2.45 as investors cut exposure to companies most sensitive to shifts in interest rate expectations.

The S&P/ASX 200 VIX rose 16.97% to 14.27, marking a six-month high and signalling a renewed appetite for hedging.



Domestic macro signals offered little comfort. Minutes from the Reserve Bank of Australia's November meeting indicated that quarterly inflation had come in a little stronger than expected.

Policymakers viewed part of this rise as temporary but acknowledged that tighter spare capacity may be creating more durable price pressures. The labour market was described as slightly tight, and unemployment was expected to remain broadly stable. Despite the 75bps of rate cuts delivered earlier in 2025, financial conditions were only moderately easier and the board judged policy settings to be a little restrictive although not restrictive enough to warrant further adjustment. Members reiterated that they had no need to alter the cash rate at present and stressed a data dependent approach. They noted that a hold would remain appropriate in scenarios involving stronger demand, lower supply capacity or a view that policy was no longer

restrictive. Further easing would be considered only if labour conditions weaken or growth fails to meet expectations.

The Australian dollar strengthened to about \$0.649 as traders absorbed the RBA's tone.



Crosses	Price	Day	Year	Date
AUDUSD	0.64801	▼ 0.00137 -0.21%	-0.92%	13:13
EURAUD	1.7890	▲ 0.0039 0.22%	10.29%	Nov/18
GBPAUD	2.0299	▲ 0.0039 0.19%	4.59%	Nov/18
AUDNZD	1.1463	▼ -0.0019 -0.17%	3.76%	Nov/18
AUDJPY	100.5520	▼ -0.2560 -0.25%	-0.60%	Nov/18
AUDCNY	4.6106	▼ -0.0055 -0.12%	-2.51%	Nov/18
AUDCHF	0.5150	▼ -0.0019 -0.37%	-10.70%	Nov/18
AUDCAD	0.9106	▼ -0.0021 -0.23%	-0.16%	Nov/18

Markets significantly scaled back near-term expectations for monetary easing and have priced only a 40% probability of a rate cut by May next year. October labour market data contributed to this recalibration. Employment grew strongly and the unemployment rate fell, contradicting earlier concerns about weakening conditions and reducing pressure on the central bank to move quickly.

Australian government bonds held steady at elevated yields. The 10-year yield was close to 4.46%, its highest level in six months.

Investors interpreted the RBA minutes as indicating that only clear deterioration in the labour market would justify further cuts. Policymakers noted that underlying inflation was near the top of the target band and that the effect of this year's policy easing had yet to materialise in economic growth. Markets now assign no probability to cuts in 2026, which represents a marked shift in longer term rate expectations.



Bonds	Yield	Day	Month	Year	Date
Australia 10Y	4.4450	▼ -0.02%	0.286%	-0.121%	13:09
Australia 52W	3.64	▼ -0.026%	0.250%	-0.539%	Nov/18
Australia 20Y	4.96	▼ -0.029%	0.196%	-0.030%	Nov/18
Australia 2Y	3.68	▼ -0.034%	0.333%	-0.421%	Nov/18
Australia 30Y	5.04	▼ -0.028%	0.174%	0.031%	Nov/18
Australia 3Y	3.74	▼ -0.035%	0.367%	-0.345%	Nov/18
Australia 5Y	3.94	▼ -0.037%	0.369%	-0.247%	Nov/18
Australia 7Y	4.18	▼ -0.035%	0.330%	-0.209%	Nov/18

Weakness extended across the broader Asia Pacific region. Chinese equities fell for a third consecutive session.



Indexes	Price	Day	Month	Year	Date
HK50	25,928.00	▼ -456.28 -1.73%	0.27%	31.86%	Nov/18
SHANGHAI	3935	▼ 37 -0.92%	1.95%	17.73%	13:13
CSI 300	4,566.08	▼ -31.97 -0.70%	0.61%	14.82%	Nov/18
SHANGHAI 50	3,003.86	▼ -8.21 -0.27%	0.97%	12.45%	Nov/18
CH50	15,230.55	▼ -9.49 -0.06%	1.47%	13.51%	Nov/18

The Shanghai Composite slipped 0.3% to 3,958 and the Shenzhen Component declined 0.5% to around 13,140. Sentiment was weighed down by geopolitical tension between China and Japan. Tokyo made an effort to defuse a diplomatic dispute following comments by Japanese Prime Minister Sanae Takaichi who suggested that a Chinese move on Taiwan could endanger Japan's security and might invite

a military response. Beijing advised its citizens to postpone travel to Japan and reports suggested that Chinese Premier Li Qiang is unlikely to meet Takaichi at the G20 summit in South Africa. Selling pressure was broad. Sungrow Power fell 3.2%. AVIC Chengdu Aircraft lost 2.7%. Agricultural Bank of China eased 1.3%. BYD was lower by 1.1%.

Global sentiment remained cautious. U.S. stock futures edged higher early Tuesday although Wall Street had closed sharply lower on Monday. Investors trimmed exposure to AI related names ahead of Nvidia's earnings on Wednesday.



Indexes	Price	Day	Month	Year	Date
US30	46468	▼ 122 -0.26%	-0.55%	7.35%	13:14
US400	3,146.16	▼ -58.85 -1.84%	-3.53%	-2.10%	Nov/17
US2000	2,339.70	▼ -48.53 -2.03%	-6.41%	1.45%	Nov/17
US500	6643.80	▼ 28.61 -0.43%	-1.38%	12.26%	13:14
US100	24647	▼ 153 -0.62%	-2.02%	19.08%	13:14
USVIX	22.38	▲ 2.55 2.55%	4.15%	6.80%	Nov/17

The results are expected to be scrutinised closely as concerns about stretched valuations build. Market unease increased after filings revealed that Peter Thiel sold a holding of nearly USD 100 million in Nvidia. Traders were also preparing for earnings from Target and Walmart along with a batch of delayed U.S. economic data including the September jobs report. The information will help shape expectations for the Federal Reserve's next meeting. Fed Vice Chair Philip Jefferson emphasised rising downside risks to the labour market and urged caution in future policy adjustments. In corporate news, Berkshire Hathaway disclosed the purchase of 17.9 million Alphabet shares in the third quarter and reduced positions in Bank of America and Apple. Ford reached an agreement with Amazon to sell certified used cars on the ecommerce platform and became the second major automaker to do so.

Commodity markets added further pressure. WTI crude declined to US\$59.4 per barrel as concerns about

oversupply overshadowed the impact of upcoming U.S. sanctions on Russian producers Rosneft and Lukoil which take effect on November 21.

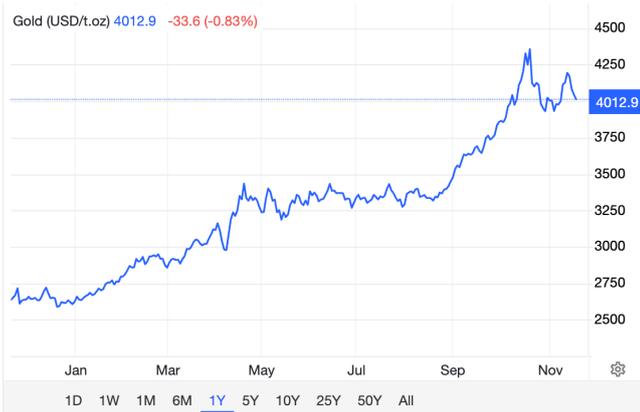


	Price	Day	Month	Year	Date
Crude Oil	59.460	▼ 0.45 -0.75%	4.26%	-14.14%	13:14
Brent	63.814	▼ 0.386 -0.60%	4.56%	-12.98%	13:14
Natural gas	4.3397	▼ 0.0213 -0.49%	28.14%	45.19%	13:14
Gasoline	1.9747	▼ 0.0073 -0.37%	8.09%	-2.98%	13:14
Heating Oil	2.5378	▼ 0.0092 -0.36%	15.58%	13.37%	13:14
Coal	110.20	▼ -0.40 -0.36%	5.96%	-22.26%	Nov/17
Ethanol	1.69	▼ -0.0300 -1.74%	-3.57%	0.30%	Nov/17
Urals Oil	55.07	▲ 1.27 2.36%	-2.50%	-17.67%	Nov/14

Expectations of increased output from both OPEC and non-OPEC members combined with slowing demand growth have driven a bearish tone. Russia's Novorossiysk port resumed oil shipments after a two-day suspension caused by a Ukrainian attack which also contributed to the sell off. Traders continued to monitor other geopolitical risks. Export disruptions in Sudan, Iran's seizure of a tanker in Gulf waters and the possibility of U.S. military action in Venezuela could reinforce volatility even if the prevailing narrative is one of near-term surplus.

Gold prices weakened further to around US\$4,020 per ounce and marked a fourth straight session of declines.

Investors adjusted their expectations for U.S. rate cuts as several Fed officials delivered hawkish comments and as the absence of key economic data over recent weeks clouded visibility. Jefferson indicated that risks to employment had increased relative to inflation and recommended a gradual pace for further reductions.



Attention now turns to Thursday's September jobs report and to the Fed's meeting minutes due on Wednesday. These releases are likely to influence prospects for December's policy meeting. Markets currently estimate a 43% chance of a 25bps reduction next month which is a significant drop from more than 60% earlier in November.

Regards,
 Mark Elzayed
 Investor Pulse

	Price		Day	Month	Year	Date	
Gold	4012.93	▼	33.64	-0.83%	-7.87%	52.37%	13:14
Silver	49.703	▼	0.507	-1.01%	-4.98%	58.94%	13:14
Copper	4.9556	▼	0.0197	-0.40%	-1.29%	19.11%	13:14
Steel	3,080.00	▼	-5.00	-0.16%	1.72%	-7.76%	Nov/18
Lithium	87,400.00	▲	1250	1.45%	18.11%	10.98%	Nov/18
Platinum	1,514.40	▼	-16.50	-1.08%	-7.56%	56.28%	Nov/18
Iron Ore	104.42	▲	0.47	0.45%	-1.02%	2.61%	Nov/17

MARKET DATA

ASX Top 20

 CBA^D* Commonwealth Bank	153.22 -2.57 -1.65%	 WOW^D* Woolworths	27.98 -0.17 -0.60%
 BHP^D* BHP	40.90 -1.58 -3.72%	 TLS^D* Telstra	4.92 -0.01 -0.20%
 CSL^D* CSL	180.08 -0.36 -0.20%	 GMG^D* Goodman Group	28.83 -0.88 -2.96%
 WBC^D* Westpac Bank	37.87 -1.16 -2.97%	 TCL^D* Transurban	14.87 -0.05 -0.34%
 NAB^D* National Australia Bank	40.60 -0.87 -2.10%	 SQ2 Block Inc	
 ANZ^D* ANZ	35.85 -0.33 -0.91%	 ALL^D* Aristocrat Leisure	56.48 -0.71 -1.24%
 FMG^D* Fortescue Metals	20.05 -0.41 -2.00%	 NCM Newcrest Mining	
 WES^D* Wesfarmers	79.96 -0.94 -1.16%	 REA^D* REA Group	195.01 -4.69 -2.35%
 MQG^D* Macquarie Group	192.67 -3.27 -1.67%	 WDS^D* Woodside Energy	25.96 -0.51 -1.93%
 RIO^D* Rio Tinto	129.08 -3.51 -2.65%	 XRO^D* Xero	118.25 -3.97 -3.25%

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Commodities & Forex

 TIO1!^o IRON ORE	 AUDUSD Australian Dollar / U.S. Dollar	0.64812 -0.18% -0.00
 GC1!^o GOLD	 AUDGBP AUSTRALIAN DOLLAR / BRITISH POUND	0.4921 -0.24% -0.0012
 SI1!^o SILVER	 AUDEUR AUSTRALIAN DOLLAR / EURO	0.5589 -0.21% -0.0012
 HG1!^o COPPER	 AUDNZD Australian Dollar / New Zealand Dollar	1.14640 -0.05% -0.00
 ZW1!^o WHEAT	 AUDJPY Australian Dollar / Japanese Yen	100.541 -0.22% -0.22
 CL1!^o CRUDE OIL	 AUDCNY AUSTRALIAN DOLLAR / CHINESE YUAN	4.6080 -0.14% -0.0065
 NG1!^o NATURAL GAS	 AUDTHB AUSTRALIAN DOLLAR / THAI BAHT	21.045 -0.09% -0.019
 NCF1!^o COAL	 AUDIDR AUSTRALIAN DOLLAR / INDONESIAN ...	10,863.6 -0.01% -1.6
 LTH1!^o LITHIUM		

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