


**Support / Potential "buy" levels**
**\$8,738.**
**Resistance**
**\$9,019.**
**KEY TAKEAWAYS**
**Aussie Market Gains on Gold, Healthcare, and Financials Strength – Recommendation: ABB**

Today, we are keeping our HOLD rating on Aussie Broadband, as the business keeps firing on all cylinders, FY25 revenue came in at A\$1.1 billion, EBITDA reached A\$138.2 million, and more than 100,000 new customers joined, lifting NBN market share to 8.4%. We like the fibre-led growth story, the Symbio acquisition, and the strong margins, over 45–50% in Enterprise and Business, that underpin its solid cash flow and balance sheet. That said, with a 36.9% gain since our initial coverage at \$4.22 per share, we think much of the good news is already priced in, so we’re staying cautious on near-term upside.

**Market Movers:** Australia stocks rose 0.85% on Monday, led by gains in Gold, Financials, and Healthcare, with DroneShield and Evolution Mining hitting all-time highs. The Australian dollar strengthened to USD 0.656 ahead of the RBA policy decision, while 10-year yields eased to 4.35%. China’s tech shares surged as AI investment continued, while US futures were flat amid mixed data. WTI crude fell on resumed Kurdish exports, and gold climbed past USD 3,800 on a weaker dollar.

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## OUR LATEST RECOMMENDATION

**Aussie Broadband HOLD: Fibre Expansion Strong, Yet Valuation Warrants Caution**


Since our initial coverage of ABB, when it was trading at \$4.22 per share, the stock has gained more than 36.9%, reflecting the company's consistent operational execution and growth strategy. Aussie Broadband Group (ASX: ABB) continues to stand out in Australia's competitive telecommunications sector. The Group combines its core broadband business with Symbio, a Tier-1 voice provider acquired in FY24. Its focus on customer experience drives strong loyalty and higher ARPU than competitors. This is reinforced by investments in fibre infrastructure, proprietary software for data and billing, and Australian-based customer support. These advantages have helped Aussie Broadband steadily gain market share, particularly among high-value NBN customers, while expanding its offerings to include residential, business, enterprise, and wholesale solutions.

**Momentum from Strategic Execution: Solid Financial Performance Backed by Growth Initiatives**

Aussie Broadband's FY25 results reflect its strong operational execution:

- **Revenue:** A\$1.1 billion, up 18.7% YoY
- **Underlying EBITDA:** A\$138.2 million, up 14.7% YoY
- **NPAT:** A\$32.8 million, up 24.5% YoY
- **New internet customers:** 100,000+, pushing NBN market share to 8.4%
- **Divestment:** Sale of Buddy Telco for A\$8 million to focus on higher-margin segments

- **Wholesale growth:** Six-year agreement with More and Tangerine expected to add 250,000 connections and A\$12 million in annual EBITDA from FY27

The 'Look-to-28' strategy sets ambitious targets—group revenue above A\$1.6 billion and EPS growth exceeding 20% CAGR—offering a clear roadmap, though current market conditions suggest limited near-term upside.

**Industry Outlook and Fibre-Led Market Dynamics: Shifts in Demand and Opportunities for Agile Providers**

Australia's broadband market continues to shift toward fibre, driven by growing demand for high-speed internet for remote work, digital services, and entertainment. NBN Co's rollout of multi-gigabit plans from September 2025 accelerates this transition, particularly for FTTN and FTTC customers. Smaller, agile providers like Aussie Broadband continue to capture share from incumbents, reflecting customer preference for quality over price. Rural connectivity challenges and upgrade costs remain, but the outlook is positive for providers with robust fibre networks and high-speed offerings.

**Earnings, Profitability, and Margins: Strong Performance Across Customer Segments**

Key figures highlighting Aussie Broadband's earnings and profitability:

- FY25 Underlying EBITDA: A\$138.2 million, up 14.7% YoY
- FY26 Guidance: Up to A\$167 million, growth of 14–21%
- Gross Margin: 36.1%, with Enterprise and Business segments exceeding 45–50%, residential 30–31%
- Dividend: Fully franked 6.4 cents per share for FY25
- Symbio contribution: Boosted EBITDA beyond expectations

**Balance Sheet Strength and Cash Flow Generation: Providing Flexibility for Strategic Growth**

The company maintains a healthy balance sheet and strong cash flows. H1 FY25 operating cash flow before interest and tax reached A\$128.2 million, up 54.1% from normalized FY23. Net borrowings fell to A\$101.1 million after repaying A\$120 million in FY24. Capital expenditure of A\$32.6 million,

including A\$15.4 million in software, supports ongoing fibre expansion and platform development, underpinning the 'Look-to-28' growth strategy while maintaining financial stability.

### Valuation and Outlook: HOLD Rating Reflecting Strong Fundamentals with Limited Near-Term Upside

Aussie Broadband's fundamentals, fibre-led growth, and diversified offerings support steady performance. However, much of this momentum appears priced in at current levels, suggesting limited upside in the near term. Given its market position and consistent execution, we assign a HOLD rating for ABB, acknowledging solid growth prospects while taking a cautious view on immediate gains.

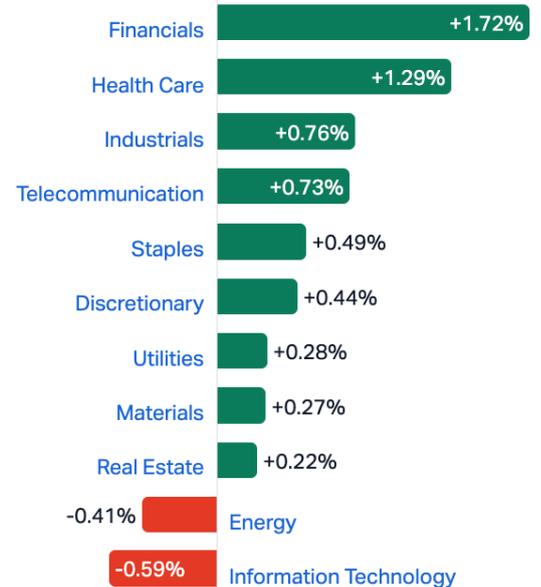
### MARKET MOVERS

Australia's equity market opened the week on a positive note, with the ASX 200 advancing 0.85% by the close of trade on Monday, driven by broad-based strength in Gold, Financials, and Healthcare stocks.



Gains in these sectors offset weakness in resources, leaving local equities comfortably higher. Market breadth leaned in favour of the bulls, with 687 stocks advancing, 541 declining, and 363 ending unchanged. The standout performer of the session was DroneShield Ltd, which surged nearly 18% to close at AUD 4.40, marking an all-time high for the defence technology company. Evolution Mining followed with a gain of over 5%, also hitting record highs as investors piled into gold miners, while Austal Ltd added close to 5% on solid demand. On the downside, Regis Healthcare fell more than 4% to AUD 6.03, making it the day's weakest performer, followed closely by Iluka Resources and Whitehaven Coal, which both lost more than 3%, underlining the divergence between the day's winners and laggards.

↓ 2 Sectors Down      ↑ 9 Sectors Up



Currency markets were equally lively, with the Australian dollar strengthening to around USD 0.656 in anticipation of the Reserve Bank of Australia's policy announcement tomorrow.



Crosses	Price	Day	Year	Date
AUDUSD	0.65690	▲ 0.00322 0.49%	-5.04%	14:25
EURAUD	1.7850	▼ -0.0008 -0.04%	10.84%	Sep/29
GBPAUD	2.0463	▼ -0.0022 -0.11%	5.81%	Sep/29
AUDNZD	1.1348	▲ 0.0048 0.43%	4.15%	Sep/29
AUDJPY	97.7170	▼ -0.0240 -0.02%	-1.57%	Sep/29
AUDCNY	4.6781	▲ 0.0109 0.23%	-3.48%	Sep/29
AUDCHF	0.5230	▲ 0.0024 0.46%	-10.54%	Sep/29
AUDCAD	0.9146	▲ 0.0035 0.38%	-2.23%	Sep/29

While markets expect the cash rate to remain at 3.60%, a 25-basis point cut in November is widely priced in. The RBA has already reduced rates three times this year, suggesting a

pivot toward supporting growth as inflation moderates. Governor Michele Bullock continues to emphasize caution, reiterating the bank's firm commitment to its 2–3% inflation target. Recent data confirmed that inflation pressures are easing: the second quarter CPI slowed to 2.1% from 2.4%, while the trimmed mean dropped to 2.7% from 2.9%. However, August's monthly CPI edged up to 3% from 2.8%, raising the risk that third-quarter data could show renewed price momentum. That divergence is a key reason why the bank is unlikely to shift from its data-driven approach. Externally, the Aussie dollar drew support from broad weakness in the greenback ahead of a raft of upcoming US data releases, which investors hope will clarify the Fed's policy path amid concerns over a looming US government shutdown.

**Bond markets echoed the cautious mood, with Australia's 10-year yield slipping to around 4.35%, easing back from recent highs in tandem with US Treasuries.**



Bonds	Yield	Day	Month	Year	Date
Australia 10Y	4.3310	▼ -0.06%	0.012%	0.374%	14:25
Australia 52W	3.54	▼ -0.043%	0.122%	-0.258%	Sep/29
Australia 20Y	4.94	▼ -0.044%	-0.035%	0.398%	Sep/29
Australia 2Y	3.48	▼ -0.055%	0.128%	-0.102%	Sep/29
Australia 30Y	5.02	▼ -0.045%	-0.064%	0.443%	Sep/29
Australia 3Y	3.50	▼ -0.092%	0.110%	-0.014%	Sep/29
Australia 5Y	3.75	▼ -0.062%	0.163%	0.136%	Sep/29
Australia 7Y	4.05	▼ -0.062%	0.119%	0.274%	Sep/29

The pullback was partly underpinned by fiscal relief, as the federal budget deficit for FY2024/25 came in smaller than expected, reducing funding pressure. Still, traders remain reluctant to push yields much lower until the RBA decision is known. Markets expect no change tomorrow but remain heavily tilted toward another cut in November, even as policymakers grapple with inflation data that is sending

mixed signals. The outcome is likely to reinforce Governor Bullock's message of patience and pragmatism.

**Elsewhere in Asia, Chinese equities presented a mixed picture. The Shanghai Composite slipped 0.2% to 3,820, while the tech-focused Shenzhen Component rose 1.3% to 13,380, moving back toward multi-year highs as Beijing's push into artificial intelligence continued to attract capital inflows.**



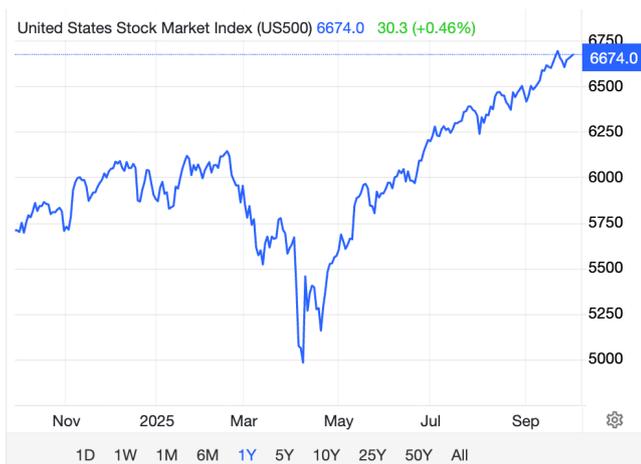
Indexes	Price	Day	Month	Year	Date	
HK50	26,633.00	▲ 504.80	1.93%	3.96%	26.02%	Sep/29
SHANGHAI	3863	▲ 34	0.90%	-0.27%	15.85%	14:07
CSI 300	4,622.67	▲ 72.62	1.60%	2.19%	15.05%	Sep/29
SHANGHAI 50	2,977.18	▲ 36.16	1.23%	-0.13%	8.05%	Sep/29
CH50	15,200.08	▲ 172.01	1.14%	1.99%	8.44%	Sep/29

Data showed global hedge funds remain increasingly active in mainland markets, lured by the rapid progress of China's high-tech industries. Economic data provided a modest boost, with industrial profits rising 0.9% year-on-year in the first eight months of 2025, reversing a 1.7% decline seen in the January–July period. Key individual movers included Zhongji Innolight, Eoptolink Technology, Shenzhen H&T Intelligent, Sungrow Power, and Contemporary Amperex, all of which posted healthy gains. Investors are now awaiting PMI data for clearer signals on the broader growth trajectory.

**In the US, futures were little changed after a downbeat week on Wall Street, as optimism around artificial intelligence cooled and the Federal Reserve's policy outlook became increasingly uncertain.**

The S&P 500 and Nasdaq both lost ground last week, while the Dow edged lower. Nvidia's announcement of a USD 100 billion partnership with OpenAI sparked scepticism about whether the AI boom in infrastructure spending can be

sustained, feeding volatility across the sector. Meanwhile, stronger-than-expected US macroeconomic data, lower jobless claims and an upwardly revised GDP growth rate of 3.8% for Q2, dampened hopes for aggressive Fed easing. Attention now shifts to Friday's September nonfarm payrolls report, which will serve as a critical test of the labour market's resilience. Despite last week's pullback, all three major indices remain on track to close September in positive territory, with the Dow, S&P 500, and Nasdaq showing month-to-date gains.



Indexes	Price	Day	Month	Year	Date	
US30	46427	▲ 179	0.39%	2.38%	9.56%	14:25
US400	3,267.79	▲ 33.11	1.02%	0.10%	4.76%	Sep/26
US2000	2,434.32	▲ 23.28	0.97%	2.55%	9.42%	Sep/26
US500	6673.99	▲ 30.29	0.46%	3.97%	15.75%	14:25
Trade Desk	47.14	▲ 0.38	0.81%	-10.47%	-56.93%	Sep/26
US100	24646	▲ 142	0.58%	6.04%	22.79%	14:25
USVIX	15.29	▼ -1.45	-1.45%	0.44%	-1.67%	Sep/26

**In commodities, energy markets faced renewed supply-side pressures. WTI crude oil futures slid to USD 65.2 per barrel after Iraq's Kurdistan region resumed exports over the weekend, ending a two-and-a-half-year suspension.** The agreement between Iraq's federal government, the Kurdistan Regional Government, and international oil companies initially paves the way for 180,000–190,000 barrels per day to flow to Turkey's Ceyhan port, with volumes expected to rise toward 230,000 barrels per day. The resumption comes alongside reports that OPEC+ will approve another output increase, potentially lifting supply by at least 137,000 barrels per day in November. This move adds to concerns of a supply glut, especially after last week's surge in Brent prices, driven by ongoing Ukrainian strikes on Russian energy infrastructure, underscored the geopolitical risks facing global energy markets.

**Gold markets, by contrast, reflected a wave of bullish sentiment. Prices surged past USD 3,800 per ounce for the first time ever, underpinned by a softer dollar and growing expectations that the Federal Reserve will deliver further rate cuts later this year.**



	Price	Day	Month	Year	Date	
Gold	3813.93	▲ 45.27	1.20%	9.76%	44.78%	14:26
Silver	46.843	▲ 0.773	1.68%	15.23%	50.24%	14:26
Copper	4.7472	▲ 0.0361	0.77%	5.16%	5.51%	14:26
Steel	3,034.00	▲ 13.00	0.43%	-0.49%	-11.21%	Sep/29
Lithium	73,550.00	▼ -50	-0.07%	-7.67%	-3.86%	Sep/29
Platinum	1,627.70	▲ 38.90	2.45%	14.34%	66.28%	Sep/29
Iron Ore	105.44	▼ -0.10	-0.09%	3.79%	13.40%	Sep/26

US PCE inflation data released Friday aligned with forecasts, reinforcing market conviction that policy easing is on the horizon. Futures now price a 90% chance of a cut in October and a 65% probability of another in December. Traders will closely track this week's US economic calendar—including job openings, ADP private payrolls, the ISM manufacturing PMI, and nonfarm payrolls—for additional confirmation. At the same time, investors remain alert to the possibility of a US government shutdown, which could add further volatility to financial markets. On the trade front, President Donald Trump escalated tensions last week by announcing new tariffs on imported drugs, trucks, and furniture, effective October 1, casting another shadow over the economic outlook.

Regards,  
Mark Elzayed  
Investor Pulse

**MARKET DATA**
**ASX Top 20**

 <b>CBA<sup>D</sup></b> Commonwealth Bank	168.43 +3.55 +2.15%	 <b>WOW<sup>D</sup></b> Woolworths	26.90 +0.11 +0.41%
 <b>BHP<sup>D</sup></b> BHP	41.91 -0.31 -0.73%	 <b>TLS<sup>D</sup></b> Telstra	4.89 +0.04 +0.82%
 <b>CSL<sup>D</sup></b> CSL	199.00 +4.77 +2.46%	 <b>GMG<sup>D</sup></b> Goodman Group	33.05 +0.17 +0.52%
 <b>WBC<sup>D</sup></b> Westpac Bank	38.95 +0.78 +2.04%	 <b>TCL<sup>D</sup></b> Transurban	13.76 +0.03 +0.22%
 <b>NAB<sup>D</sup></b> National Australia Bank	44.29 +0.65 +1.49%	 <b>SQ2</b> Block Inc	
 <b>ANZ<sup>D</sup></b> ANZ	33.39 +0.56 +1.71%	 <b>ALL<sup>D</sup></b> Aristocrat Leisure	70.10 +1.40 +2.04%
 <b>FMG<sup>D</sup></b> Fortescue Metals	18.73 -0.40 -2.09%	 <b>NCM</b> Newcrest Mining	
 <b>WES<sup>D</sup></b> Wesfarmers	92.42 +0.29 +0.31%	 <b>REA<sup>D</sup></b> REA Group	230.93 -0.34 -0.15%
 <b>MQG<sup>D</sup></b> Macquarie Group	220.20 +2.91 +1.34%	 <b>WDS<sup>D</sup></b> Woodside Energy	23.42 +0.09 +0.39%
 <b>RIO<sup>D</sup></b> Rio Tinto	121.25 -1.95 -1.58%	 <b>XRO<sup>D</sup></b> Xero	157.34 -0.90 -0.57%



**Commodities & Forex**

 <b>TIO1!</b> IRON ORE	 <b>AUDUSD</b> Australian Dollar / U.S. Dollar	0.65673 +0.35% +0.00
 <b>GC1!</b> GOLD	 <b>AUDGBP</b> AUSTRALIAN DOLLAR / BRITISH POUND	0.4882 0.00% 0.0000
 <b>SI1!</b> SILVER	 <b>AUDEUR</b> AUSTRALIAN DOLLAR / EURO	0.5602 +0.13% +0.0007
 <b>HG1!</b> COPPER	 <b>AUDNZD</b> Australian Dollar / New Zealand Dollar	1.13484 +0.19% +0.00
 <b>ZW1!</b> WHEAT	 <b>AUDJPY</b> Australian Dollar / Japanese Yen	97.715 -0.11% -0.11
 <b>CL1!</b> CRUDE OIL	 <b>AUDCNV</b> AUSTRALIAN DOLLAR / CHINESE YUAN	4.6742 +0.12% +0.0056
 <b>NG1!</b> NATURAL GAS	 <b>AUDTHB</b> AUSTRALIAN DOLLAR / THAI BAHT	21.177 +0.40% +0.085
 <b>NCF1!</b> COAL	 <b>AUDIDR</b> AUSTRALIAN DOLLAR / INDONESIAN ...	10,942.1 -0.09% -10.4
 <b>LTH1!</b> LITHIUM		



**Economic Calendar**

		Actual	Forecast	Prior	
					
<b>September 29</b>					
16:00	 	Consumer Confid. Final * <input type="checkbox"/>	Coming soon	-14.9 Net balance	-15.5 Net balance
<b>September 30</b>					
08:30	 	NBS Manufacturing PMI* <input type="checkbox"/>	49.7 Index (diffusion)	49.4 Index (diffusion)	
13:00	 	GDP QQ <input type="checkbox"/>	0.3%	0.7%	
		GDP YY <input type="checkbox"/>	1.2%	1.3%	
21:00	 	JOLTS Job Openings <input type="checkbox"/>	7.125 M Person	7.181 M Person	
<b>October 1</b>					
19:15	 	ADP National Employment <input type="checkbox"/>	50 K Person	54 K Person	
21:00	 	ISM Manufacturing PMI <input type="checkbox"/>	49 Index	48.7 Index	
<b>October 2</b>					
16:00	 	Unemployment Rate <input type="checkbox"/>	6.2%	6.2%	
19:30	 	Initial Jobless Clm <input type="checkbox"/>	223 K Person	218 K Person	
<b>October 3</b>					
15:30	 	S&P GLOBAL SERVICE PMI <input type="checkbox"/>	54.2 Index (diffusion)	53.6 Index (diffusion)	51.8 Index (diffusion)
19:30	 	Non-Farm Payrolls <input type="checkbox"/>	50 K Person	22 K Person	
		Unemployment Rate <input type="checkbox"/>	4.3%	4.3%	