


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

## KEY TAKEAWAYS

### ASX 200 edges up as gold stocks rally – Review: CDA

Today, we are reviewing one of our favourite stocks, **Codan Ltd (ASX: CDA)**, which has wrapped up a strong FY25, posting revenue of **\$674.2 million, up 22%**, and net profit of **\$103.5 million, up 27%**. The standout was its communications division, with revenue climbing 26% and an order book of \$253 million, boosted by a \$15 million contract to supply radios for the Australian Defence Force's new drone program. With debt reduced by \$45.8 million, solid cash generation, and its place in the S&P/ASX 200, Codan looks like a resilient long-term buy, offering both steady growth and defence exposure.

**Market Movers:** Australian stocks closed higher Tuesday, with the ASX 200 up 0.40% as gains in Gold, Metals & Mining and Materials supported the market. Telix Pharmaceuticals, Lynas Rare Earths and DroneShield led advances, while Regis Healthcare, Vault Minerals and Premier Investments lagged. Softer PMI data weighed on the Australian dollar and bond yields eased. Investors await inflation data for RBA direction, while global focus remains on Fed policy, oil supply pressures and record-high gold.

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**STOCK REVIEW**
**Codan Ltd (ASX: CDA)**


Source: CDA, weekly chart (2025)

Codan (ASX: CDA) reported a strong FY25, underlining its resilience and strategic alignment with key growth sectors, notably defence. Group revenue rose 22% to \$674.2 million, driving a 28% lift in EBIT to \$146.0 million and a 27% jump in net profit after tax to \$103.5 million. The Communications division, which covers tactical defence and unmanned systems, was a standout performer, with revenue up 26% and an order book swelling to \$253 million. Disciplined financial management was also evident, with net debt falling by \$45.8 million thanks to strong second-half cash generation, leaving Codan well-positioned for both growth and future acquisitions.

The company's valuation reflects a diversified business model and healthy profitability. Unlike pure-play defence firms, Codan combines technology expertise with growing defence exposure, reducing reliance on any single market. Its communications arm is particularly well-placed for modern warfare demands, exemplified by a \$15 million contract to supply Sentry Mesh 6161 radios for the Australian Defence Force's new Sypaq Systems CorvoX drones. This deal highlights Codan's ability to leverage core radio-communications expertise to capture high-growth segments like unmanned systems, where tactical communications contributed roughly \$100 million in FY25 revenue. Its inclusion in the S&P/ASX 200 further underscores a mature, stable, and steadily growing business profile that appeals to a wide range of institutional investors.

**From a technical standpoint, Codan offers lower volatility and a more stable profile than many high-growth peers. Average daily volumes and technical indicators are moderate, reflecting an established and diversified operation. For investors seeking defence technology exposure but with a preference for resilience and steady**

growth, Codan stands out. Its value lies not in a single blockbuster contract but in a string of profitable wins across multiple divisions. Strong financial performance, disciplined capital management, and strategic acquisitions, including Kägwerks, make it a sensible and compelling addition to a well-rounded portfolio.

**MARKET MOVERS**

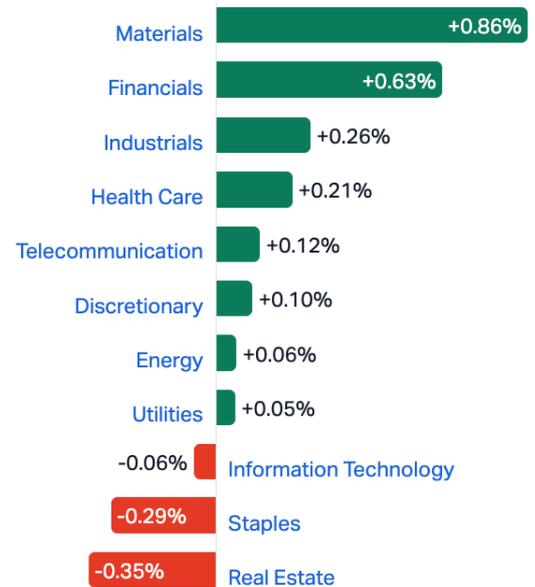
Australia's equity market closed higher on Tuesday, with gains concentrated in the Gold, Metals & Mining and Materials sectors, helping the ASX 200 advance 0.40% by the close in Sydney.



The move extended recent resilience in local equities despite softening economic data and growing questions about the domestic and global outlook. Investor appetite remained broadly positive, supported by strength in resource-linked names, even as weaker PMIs and currency moves highlighted underlying headwinds.

↓ 3 Sectors Down

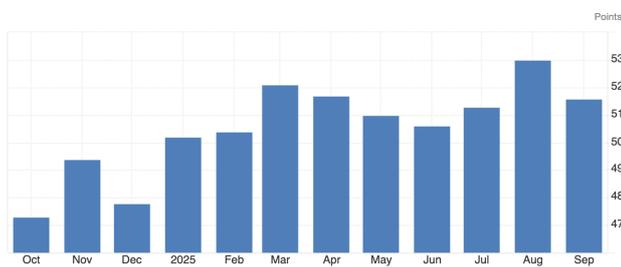
↑ 8 Sectors Up



Among the strongest performers were Telix Pharmaceuticals Ltd, which rose 9.73% to 16.46, Lynas Rare Earths Ltd, up

8.11% to 16.53 and hitting a five-year high, and DroneShield Ltd, which added 7.85% to 3.57. The day's laggards included Regis Healthcare Ltd, down 4.85% to 6.47, Vault Minerals Ltd, which slipped 4.71% to 0.66, and Premier Investments Ltd, weaker by 3.88% at 20.32. Market breadth showed a modestly positive tilt, with 618 stocks advancing, 542 declining and 407 unchanged, while the S&P/ASX 200 VIX edged 1.59% lower to 10.86.

**Fresh economic data added a layer of caution. The S&P Global Australia Manufacturing PMI eased to 51.6 in September from 53 in August, its eighth straight month of expansion but at a slower pace.**



New orders contracted at the sharpest rate in eight months, and export demand softened again after a brief improvement, with US tariffs weighing heavily. Business confidence slipped to a one-year low, reflecting global trade uncertainty. Input costs remained elevated, driven in part by trade policies, though selling price inflation moderated as firms struggled to pass on higher costs amid stiff competition. The composite PMI dropped to 52.1 from 55.5, marking the weakest expansion in a year, with both manufacturing and services losing momentum.

**The Australian dollar retreated past \$0.658, reversing the prior day's gains, as markets reassessed growth signals ahead of Wednesday's monthly CPI indicator.**

Traders remain divided on whether July's inflation spike was temporary or evidence of persistent price pressures. If the latter proves correct, hopes of earlier rate cuts may fade, with some investors pushing back expectations for Reserve Bank easing well into next year. RBA Governor Michele Bullock reiterated this week that while recent data have aligned with forecasts, policy decisions remain sensitive to shifting conditions. She stressed that rate reductions already implemented should lend support to household spending, but global volatility and trade uncertainty still cloud the outlook.



Crosses	Price	Day	Year	Date
AUDUSD	0.65901	▼ 0.00107 -0.16%	-4.59%	15:05
EURAUD	1.7896	▲ 0.0019 0.10%	10.44%	Sep/23
GBPAUD	2.0515	▲ 0.0042 0.21%	5.51%	Sep/23
AUDNZD	1.1264	▲ 0.0016 0.14%	3.61%	Sep/23
AUDJPY	97.3430	▼ -0.1730 -0.18%	-1.39%	Sep/23
AUDCNY	4.6895	▼ -0.0071 -0.15%	-3.01%	Sep/23
AUDCHF	0.5223	▼ -0.0007 -0.14%	-10.13%	Sep/23
AUDCAD	0.9118	▼ -0.0007 -0.08%	-1.62%	Sep/23

**In bond markets, Australia's 10-year yield slipped to around 4.28% after briefly touching a two-week high earlier in the session.**



Bonds	Yield	Day	Month	Year	Date
Australia 10Y	4.2650	▼ -0.02%	-0.024%	0.347%	15:00
Australia 52W	3.45	▼ -0.006%	0.065%	-0.324%	Sep/23
Australia 20Y	4.90	▼ -0.024%	-0.041%	0.424%	Sep/23
Australia 2Y	3.40	▼ -0.011%	0.065%	-0.140%	Sep/23
Australia 30Y	5.00	▼ -0.028%	-0.054%	0.491%	Sep/23
Australia 3Y	3.45	▼ -0.019%	0.096%	-0.014%	Sep/23
Australia 5Y	3.68	▼ -0.019%	0.126%	0.123%	Sep/23
Australia 7Y	3.98	▼ -0.028%	0.078%	0.253%	Sep/23

The retreat reflected investor caution following the PMI release and signs of weaker inflation pressures. Softer labour market data in recent weeks has also given policymakers additional space to ease policy if required. Still, Governor Bullock emphasized that the economy remains fundamentally strong, though risks persist from both global and domestic fronts, including a slower-than-expected rebound in consumer demand. Swaps pricing now reflects less conviction in the prospect of two further cuts by mid-2026, leaving this week's inflation print as a key marker for the near-term policy path.

The session also played out against a broader backdrop of caution in Asia. In China, equities slipped, with the Shanghai Composite down 0.18% at 3,822 and the Shenzhen Component off 0.29% at 13,120.



Indexes	Price	Day	Month	Year	Date	
HK50	26,176.00	▼ -168.14	-0.64%	1.34%	37.76%	Sep/23
SHANGHAI	3,793.91	▼ -34.67	-0.91%	-2.31%	32.51%	Sep/23
CSI 300	4,487.99	▼ -34.62	-0.77%	0.42%	33.89%	Sep/23
SHANGHAI 50	2,904.61	▼ -17.57	-0.60%	-2.85%	23.49%	Sep/23
CH50	14,958.62	▼ -57.90	-0.39%	-0.48%	25.61%	Sep/23

Profit-taking weighed on growth stocks after a strong run that had lifted the Shanghai index to ten-year highs earlier this month. Investor sentiment was further tempered by policy caution from the People’s Bank of China, which kept key lending rates steady for a fourth consecutive month. While reluctant to introduce major stimulus, the central bank pledged to maintain liquidity support. Names such as Cambricon Technologies, Dawning Information and Contemporary Amperex all registered losses, underscoring the fragile tone.

**Wall Street futures held steady in early Tuesday trading after another record-setting rally the prior day. The S&P 500 and Nasdaq Composite added 0.44% and 0.7% on Monday, marking fresh all-time highs, while the Dow gained 0.14%.**

Strength was concentrated in megacap technology stocks, with Nvidia climbing nearly 4% after outlining plans to invest as much as \$100 billion in OpenAI, Oracle rising 6.3% on leadership changes and AI momentum, and Apple rallying 4.3% on strong iPhone 17 demand. Tesla also added 1.9% amid renewed optimism on product development and self-driving advances. Investor focus now turns to Friday’s release of the PCE price index, the Federal Reserve’s preferred inflation gauge, which could provide more clarity on the trajectory of US interest rates.

In commodities, WTI crude slipped below US\$62 a barrel, its fifth straight session of losses, as supply concerns overshadowed geopolitical tensions. Reports of a potential resumption of Iraq’s Kurdistan exports—about 230,000 barrels per day—added to bearish sentiment, alongside expectations of elevated OPEC+ shipments. Meanwhile, geopolitical risks persisted, with NATO warning that Russian violations of airspace in Estonia and Poland risked escalating tensions, while Middle East instability deepened as the UN moved to recognize a Palestinian state.

**Gold extended its record-setting rally, breaking above US\$3,750 an ounce, buoyed by a weaker dollar and expectations of further US rate cuts.**



	Price	Day	Month	Year	Date	
Gold	3754.54	▲ 7.3	0.19%	11.52%	41.25%	15:07
Silver	43.852	▼ 0.207	-0.47%	13.71%	36.42%	15:07
Copper	4.5670	▼ 0.0226	-0.49%	2.23%	2.20%	15:07
Steel	3,082.00	▼ -13.00	-0.42%	-1.53%	-1.66%	Sep/23
Lithium	73,850.00	▲ 0	0%	-10.48%	1.86%	Sep/23
Platinum	1,441.80	▲ 17.60	1.24%	8.28%	46.02%	Sep/23
Iron Ore	105.49	▲ 0.05	0.05%	3.83%	15.16%	Sep/22

Market participants are pricing in almost two additional 25-basis-point reductions this year following last week’s Fed move. However, views remain divided among policymakers, with new Fed Governor Stephen Miran warning that policy is too restrictive, while others argue caution is warranted given lingering inflation. Fed Chair Jerome Powell is due to speak later today, with investors watching closely ahead of the PCE data for further guidance.

Regards,  
 Mark Elzayed  
 Investor Pulse

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

 <b>CBA<sup>D</sup>*</b> Commonwealth Bank	166.87 +1.30 +0.79%	 <b>WOW<sup>D</sup>*</b> Woolworths	27.15 -0.14 -0.51%
 <b>BHP<sup>D</sup>*</b> BHP	40.22 +0.19 +0.47%	 <b>TLS<sup>D</sup>*</b> Telstra	4.87 0.00 0.00%
 <b>CSL<sup>D</sup>*</b> CSL	199.94 +0.70 +0.35%	 <b>GMG<sup>D</sup>*</b> Goodman Group	33.85 -0.24 -0.70%
 <b>WBC<sup>D</sup>*</b> Westpac Bank	38.84 +0.28 +0.73%	 <b>TCL<sup>D</sup>*</b> Transurban	14.09 +0.05 +0.36%
 <b>NAB<sup>D</sup>*</b> National Australia Bank	44.09 +0.44 +1.01%	 <b>SQ2</b> Block Inc	
 <b>ANZ<sup>D</sup>*</b> ANZ	33.27 +0.25 +0.76%	 <b>ALL<sup>D</sup>*</b> Aristocrat Leisure	68.47 -0.27 -0.39%
 <b>FMG<sup>D</sup>*</b> Fortescue Metals	19.10 -0.21 -1.09%	 <b>NCM</b> Newcrest Mining	
 <b>WES<sup>D</sup>*</b> Wesfarmers	93.10 +0.20 +0.22%	 <b>REA<sup>D</sup>*</b> REA Group	231.97 -0.47 -0.20%
 <b>MQG<sup>D</sup>*</b> Macquarie Group	222.42 +0.56 +0.25%	 <b>WDS<sup>D</sup>*</b> Woodside Energy	22.87 +0.06 +0.26%
 <b>RIO<sup>D</sup>*</b> Rio Tinto	118.28 +1.36 +1.16%	 <b>XRO<sup>D</sup>*</b> Xero	163.97 +0.17 +0.10%

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**17**
**Commodities & Forex**

 <b>TIO1!</b>  IRON ORE	 <b>AUDUSD</b> Australian Dollar / U.S. Dollar	0.65896 -0.13% -0.00
 <b>GC1!</b>  GOLD	 <b>AUDGBP</b> AUSTRALIAN DOLLAR / BRITISH POUND	0.4870 -0.16% -0.0008
 <b>SI1!</b>  SILVER	 <b>AUDEUR</b> AUSTRALIAN DOLLAR / EURO	0.5586 -0.07% -0.0004
 <b>HG1!</b>  COPPER	 <b>AUDNZD</b> Australian Dollar / New Zealand Dollar	1.12593 +0.20% +0.00
 <b>ZW1!</b>  WHEAT	 <b>AUDJPY</b> Australian Dollar / Japanese Yen	97.341 -0.11% -0.11
 <b>CL1!</b>  CRUDE OIL	 <b>AUDCNY</b> AUSTRALIAN DOLLAR / CHINESE YUAN	4.6865 -0.14% -0.0065
 <b>NG1!</b>  NATURAL GAS	 <b>AUDTHB</b> AUSTRALIAN DOLLAR / THAI BAHT	20.971 +0.08% +0.016
 <b>NCF1!</b>  COAL	 <b>AUDIDR</b> AUSTRALIAN DOLLAR / INDONESIAN ...	10,988.2 +0.29% +31.4
 <b>LTH1!</b>  LITHIUM		

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**Economic Calendar**

		Actual	Forecast	Prior
				
<b>September 23</b>				
20:45	 	S&P Global Comp PMI Flash <input type="checkbox"/>		55.4 Index (diffusion)
<b>September 25</b>				
19:30	 	GDP Cons Spending Final <input type="checkbox"/>		0.5%
		GDP Final <input type="checkbox"/>	3.3%	-0.5%
		Initial Jobless Clm <input type="checkbox"/>	235 K Person	231 K Person
21:00	 	Existing Home Sales <input type="checkbox"/>	3.96 M Number of	4.01 M Number of
<b>September 29</b>				
16:00	 	Consumer Confid. Final * <input type="checkbox"/>		-15.5 Net balance
<b>September 30</b>				
08:30	 	NBS Manufacturing PMI* <input type="checkbox"/>		49.4 Index (diffusion)
13:00	 	GDP QQ <input type="checkbox"/>		0.7%
		GDP YY <input type="checkbox"/>		1.3%
21:00	 	JOLTS Job Openings <input type="checkbox"/>		7.181 M Person
<b>October 1</b>				
19:15	 	ADP National Employment <input type="checkbox"/>		54 K Person
21:00	 	ISM Manufacturing PMI <input type="checkbox"/>	49.2 Index	48.7 Index