

Australian Brokers Call - 27 March 2023

Summary Of Brokers Calls

Company	CMP	Call	Target AUD	By
AIS	\$0.59	Buy	\$0.95	Bell Potter
ALL	\$36.60	Add	\$43.00	Morgans
BHP	\$43.37	Sell	\$39.00	UBS
BXB	\$13.50	Buy	\$14.55	Citi
CAJ	\$0.27	Outperform	\$0.34	Macquarie
CCX	\$0.47	Neutral	\$0.56	Citi
CNB	\$1.00	Outperform	\$1.70	Macquarie
CXO	\$0.78	Sell	\$0.75	Citi

AIS AERIS RESOURCES LIMITED **Overnight Price: \$0.59**

Bell Potter rates AIS as Buy

Aeris Resources has reported the discovery of a massive new sulphide lens, now identified as the Bacalar lens, within the Bentley deposit at its Jaguar operation. Drilling identified sulphides 60m along strike, 100m down plunge and up to 15m true thickness.

Bell Potter finds the potential for new discoveries and further resource growth at Jaguar to be a key opportunity for Aeris Resources. The broker estimates the Bacalar lens could contain between 230,000-280,000 tonnes of ore, and notes grades appear to compare favourably to current resource grades.

The Buy rating is retained and the target price increases to \$0.95 from \$0.92.

Australian Brokers Call - 27 March 2023

ALL ARISTOCRAT LEISURE LIMITED

Overnight Price: \$36.60

Morgans rates ALL as Add

During an investor roundtable attended by Morgans, management at Aristocrat Leisure confirmed its expectation for positive profit (NPATA) growth in FY23, weighted to the 2H.

While A&NZ trading is currently 'subdued' the company indicated land-based gaming revenues in the Americas is experiencing strong growth. The broker increases its forecasts marginally due to the recent buyback extension and retains its \$43 target and Add rating.

BHP BHP GROUP LIMITED

Overnight Price: \$43.37

UBS rates BHP as Sell

BHP Group and Hatch Engineering have agreed to a pilot study for an electric smelting furnace plant in Australia to produce low emission steel. The facility will test and optimise production of iron from ESF using renewable electricity and hydrogen replacing coking coal.

UBS expects decarbonisation of steel to push prices higher in certain regions long-term, a moderation in iron ore and coking coal demand and a growing premium for high-quality raw materials which can materially reduce emissions. In the near term, the broker is cautious on iron ore prices on China's recovery being consumption- not construction-led, maintaining a Sell rating and unchanged \$39 target.

BXB BRAMBLES LIMITED

Overnight Price: \$13.50

Citi rates BXB as Buy

Citi feels the macro environment is becoming more favourable for Brambles, noting pallet prices are moderating but remain around 50% higher than rolling contracts.

Further, the broker expects the moderation of pallet pricing, in combination with the purchasing of fewer pallets, is sufficient to support more robust cash flow for Brambles. Citi expects Brambles can deliver further outperformance looking ahead.

The Buy rating and target price of \$14.55 are retained.

Australian Brokers Call - 27 March 2023

CAJ CAPITOL HEALTH LIMITED

Overnight Price: \$0.27

Macquarie rates CAJ as Outperform

Following the release of Medicare data for February, Macquarie highlights total diagnostic imaging volumes rose by 7.8% on the previous corresponding period, and benefits growth was also strong.

The broker expects the ongoing recovery in face-to-face GP consultations will result in improving imaging volumes. It's felt Capitol Health is well placed in the near-term compared to peers with strong specialist recruitment and overexposure to recovery locations in Victoria. The Outperform rating and 34c target are retained.

CCX CITY CHIC COLLECTIVE LIMITED

Overnight Price: \$0.47

Citi rates CCX as Neutral

While Citi expects conditions will remain challenging for City Chic Collective into early FY24, it continues to find the retailer a good business. It feels the company's North American prospects would be improved by the opening of stores when balance sheet pressure subsides.

Competitor Torrid has announced its intention to reduce promotional activity, which the broker points out could see City Chic Collective achieve better sell through over the second half, with discounting allowing for the clearing of excess inventory. The Neutral rating and target price of \$0.56 are retained.

CNB CARNABY RESOURCES LIMITED

Overnight Price: \$1.00

Macquarie rates CNB as Outperform

A drilling update by Carnaby Resources for Mount Hope at the Greater Duchess copper gold project was positive and indicates upside potential, according to Macquarie.

Further drilling could help define the footprint of mineralisation at Mount Hope, explains the analyst, with the deposit currently open at depth and across strike extents.

The Outperform rating and \$1.70 target are unchanged.

Australian Brokers Call - 27 March 2023

CXO CORE LITHIUM LIMITED

Overnight Price: \$0.75

Citi rates CXO as Sell

Core Lithium has announced the sale of an additional 18,500 tonnes of offtake to Youha, to be enacted before the 300,000 tonnes contracted in 2019. Citi highlights the additional volume will be comprised of the initial 3,500 tonnes of spodumene concentrate from stockpiles expected in April.

Payment for the remaining 15,000 tonnes is expected to be 80% paid in April, with the remaining 20% paid on delivery. According to the broker, pricing for this additional sale is linked to Fastmarkets, and terms are improved for Core Lithium.

The Sell rating is retained and the target price decreases to \$0.75 from \$0.90.

Australian Brokers Call - 27 March 2023

DISCLAIMER for General Advice: (This document is for general advice only).

This document is provided by Laverne Securities Pty Ltd T/as Investor Desk. Laverne Securities Pty Ltd, CAR 001269781 of Laverne Capital Pty Ltd AFSL No. 482937.

The material in this document may contain general advice or recommendations which, while believed to be accurate at the time of publication, are not appropriate for all persons or accounts. This document does not purport to contain all the information that a prospective investor may require. The material contained in this document does not take into consideration an investor's objectives, financial situation or needs. Before acting on the advice, investors should consider the appropriateness of the advice, having regard to the investor's objectives, financial situation, and needs. The material contained in this document is for sales purposes. The material contained in this document is for information purposes only and is not an offer, solicitation or recommendation with respect to the subscription for, purchase or sale of securities or financial products and neither or anything in it shall form the basis of any contract or commitment. This document should not be regarded by recipients as a substitute for the exercise of their own judgment and recipients should seek independent advice.

The material in this document has been obtained from sources believed to be true but neither Investor Desk and Banyan Tree nor its associates make any recommendation or warranty concerning the accuracy or reliability or completeness of the information or the performance of the companies referred to in this document. Past performance is not indicative of future performance. Any opinions and or recommendations expressed in this material are subject to change without notice and, Investor Desk and Banyan Tree are not under any obligation to update or keep current the information contained herein. References made to third parties are based on information believed to be reliable but are not guaranteed as being accurate.

Investor Desk and Banyan Tree and its respective officers may have an interest in the securities or derivatives of any entities referred to in this material. Investor Desk and Banyan Tree do and seek to do, business with companies that are the subject of its research reports. The analyst(s) hereby certify that all the views expressed in this report accurately reflect their personal views about the subject investment theme and/or company securities.

Although every attempt has been made to verify the accuracy of the information contained in the document, liability for any errors or omissions (except any statutory liability which cannot be excluded) is specifically excluded by Investor Desk and Banyan Tree, its associates, officers, directors, employees, and agents. Except for any liability which cannot be excluded, Investor Desk and Banyan Tree, its directors, employees and agents accept no liability or responsibility for any loss or damage of any kind, direct or indirect, arising out of the use of all or any part of this material. Recipients of this document agree in advance that Investor Desk and Banyan Tree are not liable to recipients in any matters whatsoever otherwise; recipients should disregard, destroy or delete this document. All information is correct at the time of publication. Investor Desk and Banyan Tree do not guarantee reliability and accuracy of the material contained in this document and is not liable for any unintentional errors in the document.

The securities of any company(ies) mentioned in this document may not be eligible for sale in all jurisdictions or to all categories of investors. This document is provided to the recipient only and is not to be distributed to third parties without the prior consent of Investor Desk and Banyan Tree.