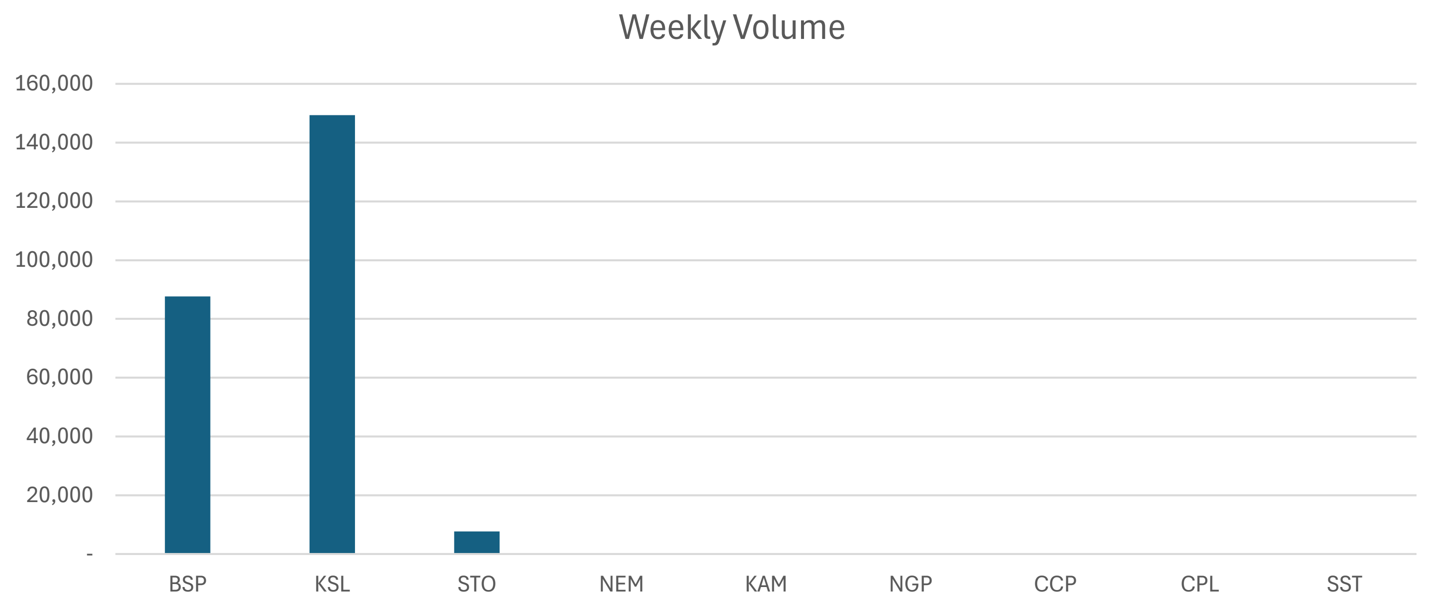
JMP WEEKLY REPORT

12-16 JAN 2026

Weekly Trade Commentary

- Last week saw only 3 stocks traded on the local market with a total trading value of K2,257,095.23.
- BSP traded 87,656 shares, steady at K24.55.
- KSL traded 149,348 shares, also steady at K3.81.
- Lastly , STO managed to trade 7,669 shares changing hands steady at K18.50.

STOCK	WEEKLY VOLUME	CLOSING PRICE	VALUE	BID	OFFER	CHANGE K	CHANGE %
BSP	87,656	24.55	112,758.15	24.55	-	-	-
KSL	149,348	3.81	1,858,660.08	-	3.85	-	-
STO	7,669	18.50	285,677.00	18.50	22.00	-	-
NEM	-	181.00	-	-	-	-	-
KAM	-	1.92	-	1.95	-	-	-
NGP	-	1.35	-	-	-	-	-
CCP	-	4.60	5,798.10	-	4.62	-	-
CPL	-	0.65	248,394.60	-	0.60	-	-
SST	-	50.00	-	-	50.00	-	-
Total	**244,673**		**2,257,095.23**				



Key Takeaways

- NEM – Form 3 as filed – David Thornton

https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-12-NEM-Form-3-as-filed-David-Thornton.pdf

- NEM – Form 3 as filed – Mark Rodgers

https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-12-NEM-Form-3-as-filed-Mark-Rodgers.pdf

- NEM – Form 3 as filed – David Fry

https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-12-NEM-Form-3-as-filed-David-Fry.pdf

- Market Announcement: KAM - NTA as at 31 December 2025

https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-13-KAM-NTA-as-at-31-December-2025.pdf

- Market Announcement: NEM - Fourth Quarter and FY 2025 Conference Call

https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-14-NEM-Fourth-Quarter-and-FY-2025-Conference-Call.pdf

- Market Announcement: STO - Unquoted securities

https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-15-STO-Appendix-3G-Notification-of-issue-conversion-or-payment-up-of-unquoted-equity-securities.pdf

https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-15-STO-Appendix-3H-Notification-of-cessation-of-securities.pdf

https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-15-STO-Appendix-3G-Notification-of-issue-conversion-or-payment-up-of-unquoted-equity-securities2.pdf

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https://www.pngx.com.pg/wp-content/uploads/2026/01/2026-01-15-STO-Appendix-3H-Notification-of-cessation-of-securities2.pdf

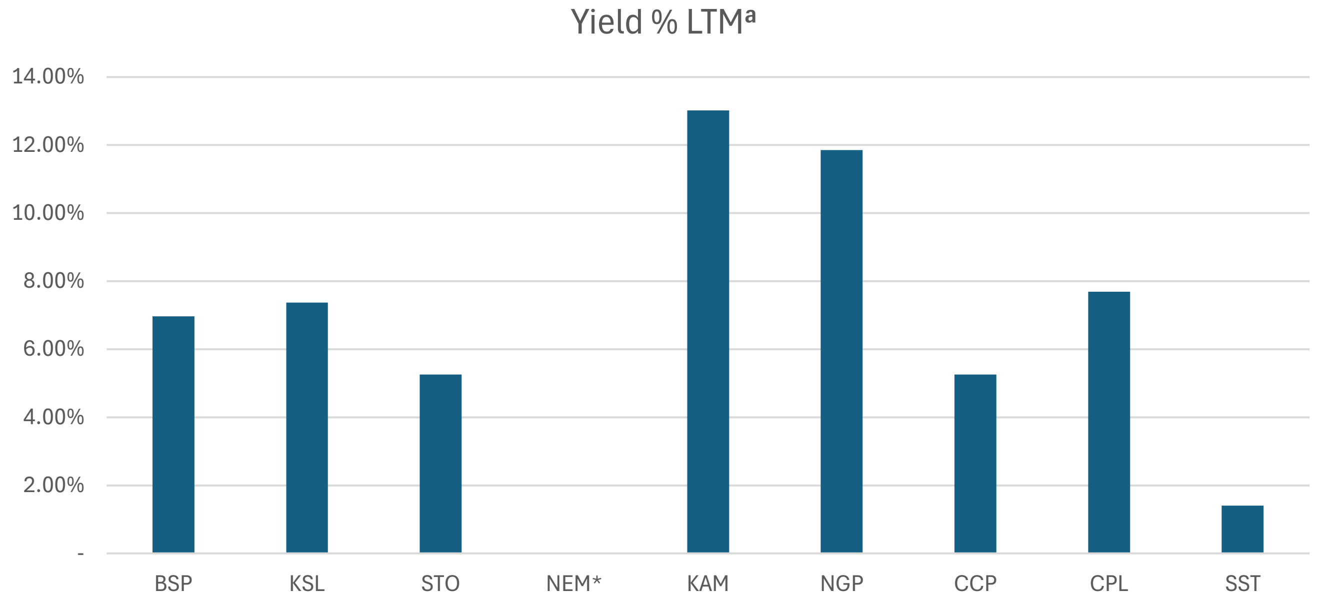
Weekly Yield Chart

STOCK	NUMBER OF ISSUED SHARES	MARKET CAP	2023 INTERIM DIV	2023 FINAL DIV	2024 INTERIM DIV	2024 FINAL DIV	2025 INTERIM DIV	Yield % LTM[a]
BSP	467,219,979	11,470,250,484	K0.370	K1.060	K0.450	K1.210	K0.500	6.97%
KSL	287,949,279	1,097,086,753	K0.100	K0.160	K0.106	K0.155	K0.126	7.38%
STO	3,247,772,961	60,083,799,779	K0.310	K0.660	K0.506	K0.414	K0.559	5.26%
NEM*	-	-	-	-	-	-	-	-
KAM	50,693,986	97,332,453	K0.120	-	K0.200	-	K0.250	13.02%
NGP	45,890,700	61,952,445	K0.030	-	K0.040	K0.120	K0.040	11.85%
CCP	307,931,332	1,416,484,127	K0.110	K0.130	K0.120	K0.121	K0.121	5.26%
CPL	206,277,911	134,080,642	K0.050	-	-	-	K0.050	7.69%
SST	31,008,237	1,550,411,850	K0.350	K0.600	K0.400	K0.300	K0.400	1.40%
Total		**75,911,398,533**						**5.49%**

** aLTM = Last Twelve Months. We have calculated yields based on most recently declared interim and final dividends.*

** NEM pays quarterly dividends. We have added last 4 payments at current FX rates.*

** NEM has been excluded from Market-wide yield calcs.*



The Dividend Yield Formula

$$\text{Dividend Yield} = \frac{\text{Annual Dividends Per Share}}{\text{Current Share Price}} \times 100$$

Dividend yield - is calculated by dividing a company's annual dividends per share by its current share price and expressing the result as a percentage.

BANK OF PAPUA NEW GUINEA

Domestic Markets Department - Money Markets Operations Unit

Auction Number: **14 JAN-26 / GOI / Government Treasury Bill**

Settlement Date: **16-JAN-26**

Amount on Offer: K350.000 million

TERMS	ISSUE ID 2025 / 63	ISSUE ID 2025 / 91	ISSUE ID 2025 / 4741 182	ISSUE ID 2025 /4700 273	ISSUE ID 2025 / 4743 364	TOTAL
Weighted Average Yield	0.000	0.00%	4.95%	5.11%	5.37%	
Amount on offer Kina Million	0.000	0.000	30.00	70.00	250.000	350.000
Bids Received Kina Million	0.00	0.000	37.730	74.00	300.570	412.30
Successful Bids Kina Million	0.00	0.000	30.00	70.00	210.570	310.57
Overall Auction OVER-SUBSCRIBED by	0.00	0.000	7.730	4.00	50.570	62.30

BELL POTTER AUSTRALIAN EQUITY CORE PORTFOLIO

DECEMBER MONTHLY

Paul Basha • Strategist Evelyn Murdoch • Associate

As of 5 December 2025

A TIME TO BE RESOURCEFUL

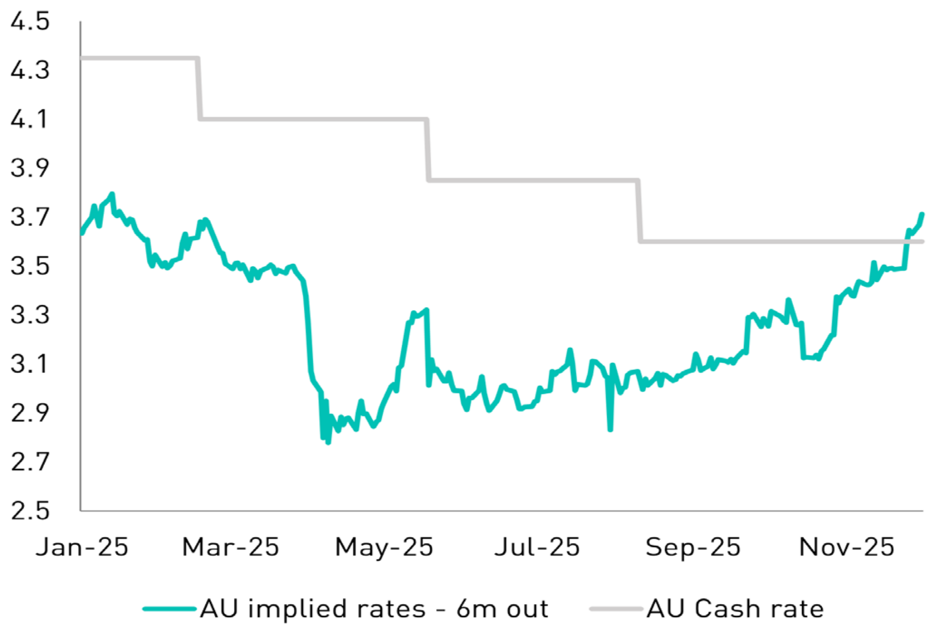
We are making a sector positioning shift in the Core Portfolio, moving overweight Resources and cutting Real Assets to Underweight.

Rotating into Resources

Our previous thesis for Real Assets was predicated on a view of continued rate cuts in 2026, but that trajectory is no longer a certainty. With a better-than-expected jobs print in mid-November and CPI data remaining uncomfortably hot, the direction of travel for monetary policy is becoming difficult to judge and it is no longer guaranteed that the next move is down. The overweight Real Assets positioning has worked successfully with our yield sensitive holdings and has outperformed the ASX200 over the past month. The immediate duration tailwind for the sector has faded however, and we are taking profits to redeploy.

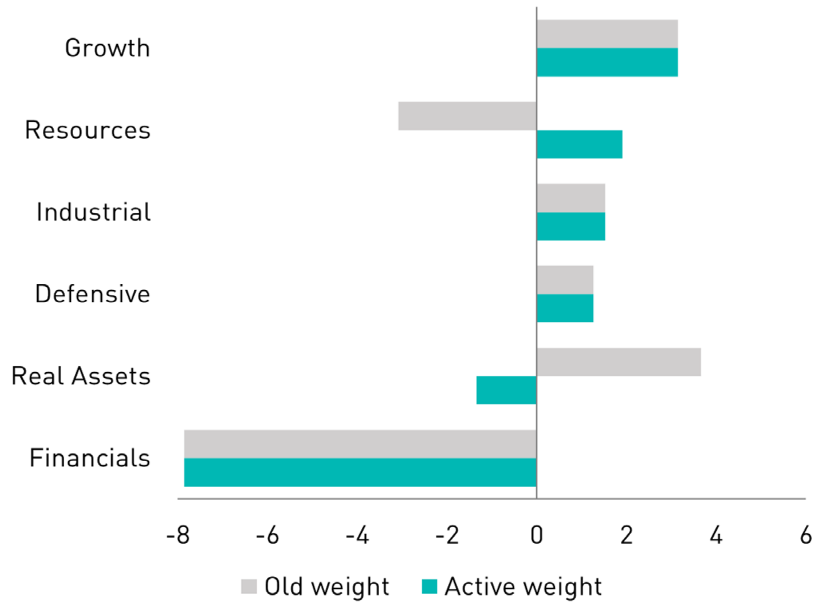
That capital is rotating into Resources were we are in the early stages of an earnings upgrade cycle driven by supportive supply/demand dynamics for physical commodities. This pivot (and stock selection within) helps increase the EPS growth in the portfolio from 12.8% to 13.4% with the P/E lowering slightly from 20.6x to 20.3x. ROE also increases to 17.3% from 16.6% and yield unchanged at 3%. We are higher than the market on growth (7.6%) though paying slightly more for it (12MF P/E for ASX200 at 17.9x).

Figure 3: Expectations for cuts have come out of market pricing, and the direction of the next move is open for debate.



Source: Refinitiv

Figure 4: We move overweight resources by taking profits and moving underweight real assets



Source: Bell Potter Research

The case for resources

We are seeing the first genuine resources upgrade cycle in three years, catalyzed by a shift in global macro conditions. Cyclical tailwinds supporting the resource sector:

Expected US interest rate cuts should stimulate global growth and act as a headwind for the US$. This expansionary monetary setting is interacting with tight physical markets, fostering a setup where scarcity pricing could significantly drive commodities and resource equities higher.

A weaker US$ provides further support to the sector, given that most commodities are priced in the currency.

A liquidity rally is building across key Asian markets as credit expands. We see a rising risk of further Chinese stimulus over the next 12-18 months. While a property rebound isn't anticipated, increased support for the property sector to boost consumer sentiment, alongside greater infrastructure spending, should lift commodity demand.

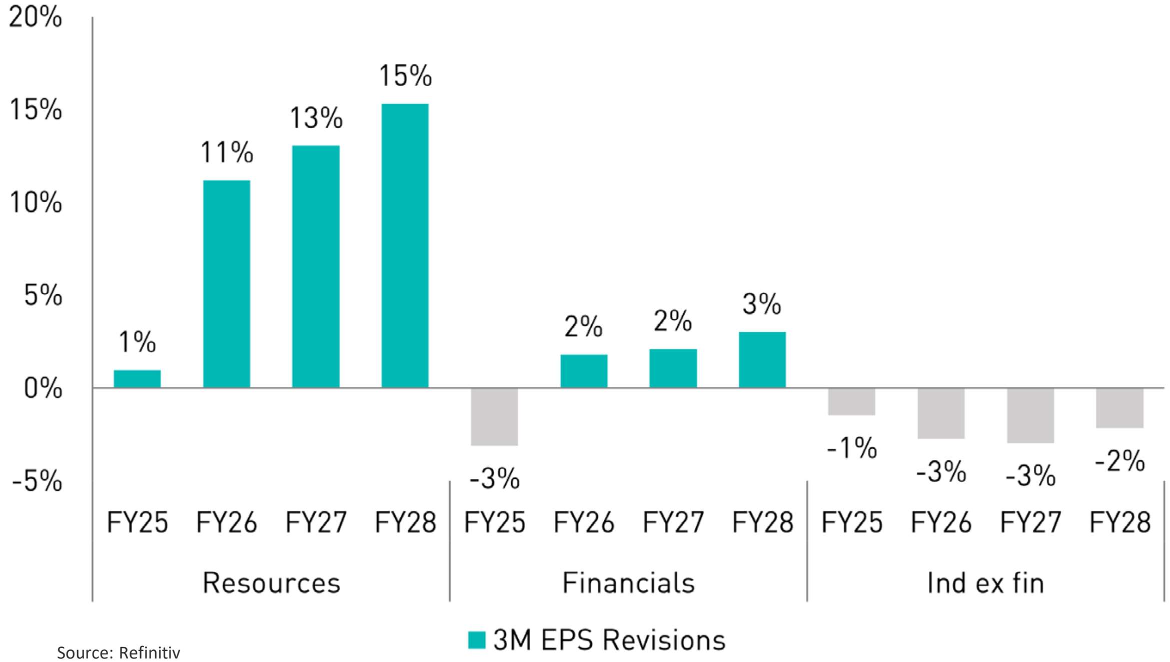
Spot prices for key resource commodities (iron ore, copper, gold) are currently trading above consensus estimates, which is expected to maintain strong earnings momentum across the ASX resource sector.

At the same time, structural demand is rising, and these non-cyclical forces are raising the floor for the sector, for copper:

Electrification / Data Centers: The AI trade is evolving into a physical infrastructure boom. Data centers are incredibly energy and copper-intensive, creating a new layer of base metal demand. The AI trade is just the tip of the spear. The broader story is the modernization of global power grids to support decarbonization and electric transport. This is a copper and aluminum-intensive super-cycle that dwarfs the demand from data centers alone.

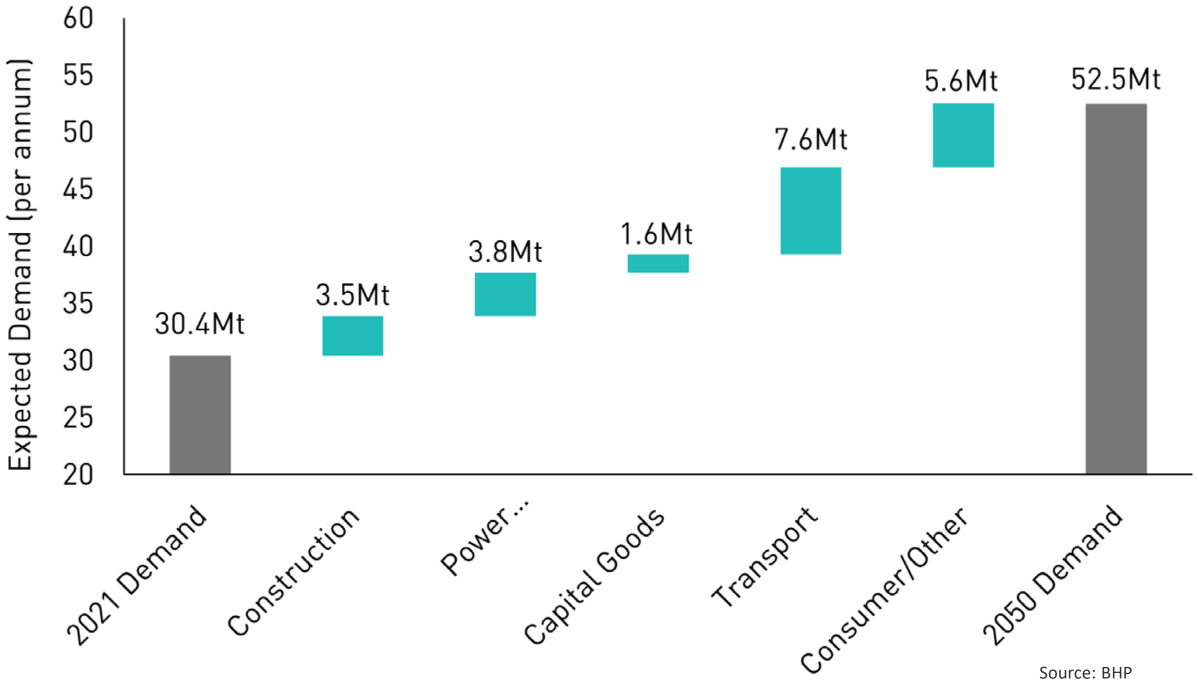
Strategic Re-Industrialisation: Western nations are no longer just consumers of goods but are rebuilding manufacturing capacity. From batteries to defense systems, the drive for domestic production capability (onshoring) is creating sustained, strategic demand for industrial metals independent of the broader business cycle.

Figure 5: Resource earnings have been strongly revised up over the past 3 months, while Industrials have downgraded over this time



Source: Refinitiv

Figure 6: Copper demand is set to grow downstream across the value chain. We expect a step change in demand over the next 10-15 years



Source: BHP

Commodity thematics: A copper supercycle, and gold has more legs

Copper: The structural case for copper is compelling. The market has faced a series of significant supply disruptions over the last year, with major mines in Indonesia, the Congo, and Chile all facing shutdowns or halts. This creates a major short-term production headwind.

This supply constraint is running into a significant step up in demand. The energy transition requires a massive build-out of power grids, and data centers are incredibly copper-hungry, making the metal a “picks and shovels” play on the AI thematic. This is layered on top of traditional demand and the accelerating adoption of EVs, which use four times more copper than a combustion engine vehicle. This demand is emerging just as the supply side faces long-term challenges. Global copper head grades are in structural decline, and there has been a persistent fall in major new discoveries for over a decade.

Gold: We see the recent pullback in gold as a consolidation, not a bearish signal. The run-up past US$4,000/oz was extreme in pace, and pullbacks are healthy. The structural drivers that pushed gold to record highs remain firmly in place: persistent investor demand (both retail and central bank) as a hedge against US fiscal sustainability, ongoing geopolitical tensions, and concerns over debasement of fiat currencies.

Iron Ore: Prices remain above US$100/t, defying consensus calls for a collapse. The market is prematurely pricing in a supply glut from Simandou coming alone that has yet to arrive, while ignoring the ongoing resilience of steel production rates.

Copper and gold are our preferred exposures, supported by physical deficits that are keeping prices structurally elevated. While some forecast a 'grind lower' in 2026 as the US cycle turns, the long-term investment case remains intact. We also maintain a short-term positive view on iron ore. With spot prices holding above $100/t, the commodity continues to defy bearish forecasts. The upgrade thesis here doesn't require prices to rally further; they simply need to hold above consensus decks to deliver value.

Rio Tinto (RIO) – Pivoting to copper

We add Rio at a 4% weight (~2% active) into the Core portfolio. The thesis is driven by a structural pivot from iron ore to copper, with group copper production set to rise ~20% over the next three years as Oyu Tolgoi hits its stride and Escondida grades improve. This creates a clear path to ~1Mtpa of production, accompanied by a margin tailwind as unit costs benefit from strong gold and silver by-product credits. RIO offers valuable diversification through its aluminium & lithium division, providing leverage to a tightening physical market.

The investment case is evolving into a story of simplification and higher-quality earnings. Management is focused on costs and is consolidating the business into three core profit centers: Iron Ore, Copper, and a combined Aluminium & Lithium division. With wage inflation running ahead of revenue - an area where peers like BHP have historically outperformed - reining in the cost base is a priority. They are also focused on portfolio optimization with the potential sale of non-core assets like borates and titanium dioxide as examples which could unlock ~$5-10bn of capital, providing capital to delever the balance sheet or boost shareholder returns.

This improved structure supports a fundamental shift in capital allocation. Even as Simandou volumes come online in late 2025, the relative dominance of the iron ore division is shrinking—forecast to drop from ~85% of EBITDA in FY23 to ~55% by FY26. We expect the majority of the growth capex budget to now target the Aluminium & Lithium space. The focus will likely be on bringing Rincon and the acquired Arcadium assets (Fenix, Sal De Vida, Nemaska) to market, while more complex projects like Jadar are potentially de-prioritised.

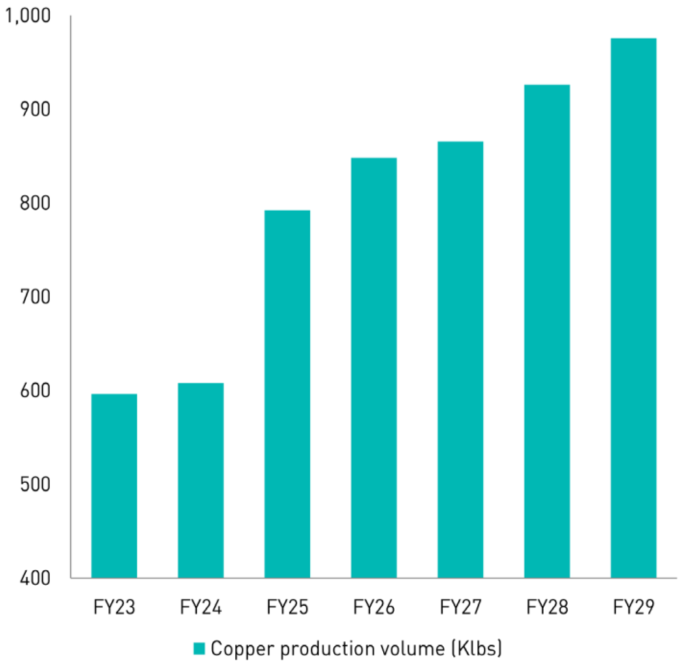
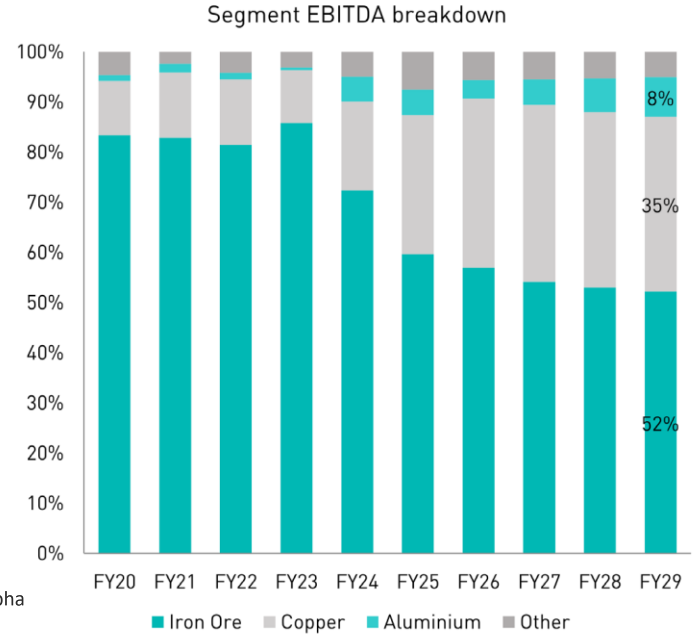


Figure 7: RIO's copper production is set to continue to increase, creating a clear path to ~1Mtpa of production

Source: Visible Alpha

Figure 8: Even with Simandou ramping up, EBITDA from the iron ore segment continues to shrink, with copper becoming more important for the overall business



Source: Visible Alpha

Energy rotation

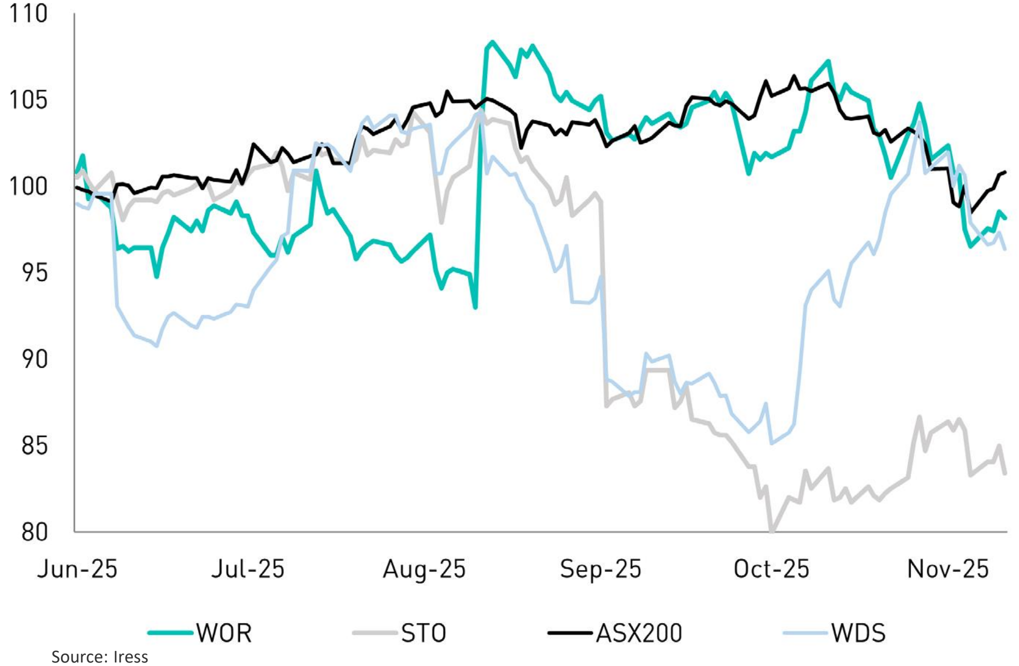
We are rotating out of Worley (WOR) and into Santos (STO) following mixed operational updates at WOR and a clearer inflection emerging in STO's free-cash-flow and balance-sheet trajectory into FY26.

Selling Worley (WOR): WOR was initially our preferred energy-adjacent exposure, leveraged to both traditional and new-energy infrastructure. However, the recent AGM highlighted a softer near-term earnings profile, with above normal 1H:2H skew driven by restructuring charges, capability resets and isolated project cancellations. It additionally confirmed a slower than expected start to the year for global engineering awards as tariff uncertainty and cost inflation delay FID cycles. While contracting margins have generally behaved as expected, the risk/reward has deteriorated with consensus now baking in a deeper 2H skew. On valuation and earnings momentum, we think WOR's catalysts are now more back-ended and less compelling relative to alternatives within the sector.

Buying Santos (STO): By contrast, Santos is looking relatively cheap after its sell-off and screens as the more attractive risk/reward exposure to energy STO is emerging from its peak capex phase, with Barossa LNG and the Pikka oil development approaching completion, and group capex set to decline materially post-2025. The ramp up of major projects and normalized capex spend supports stronger FCF yields and a faster decline in gearing, providing a cleaner translation of earnings into distributable cash.

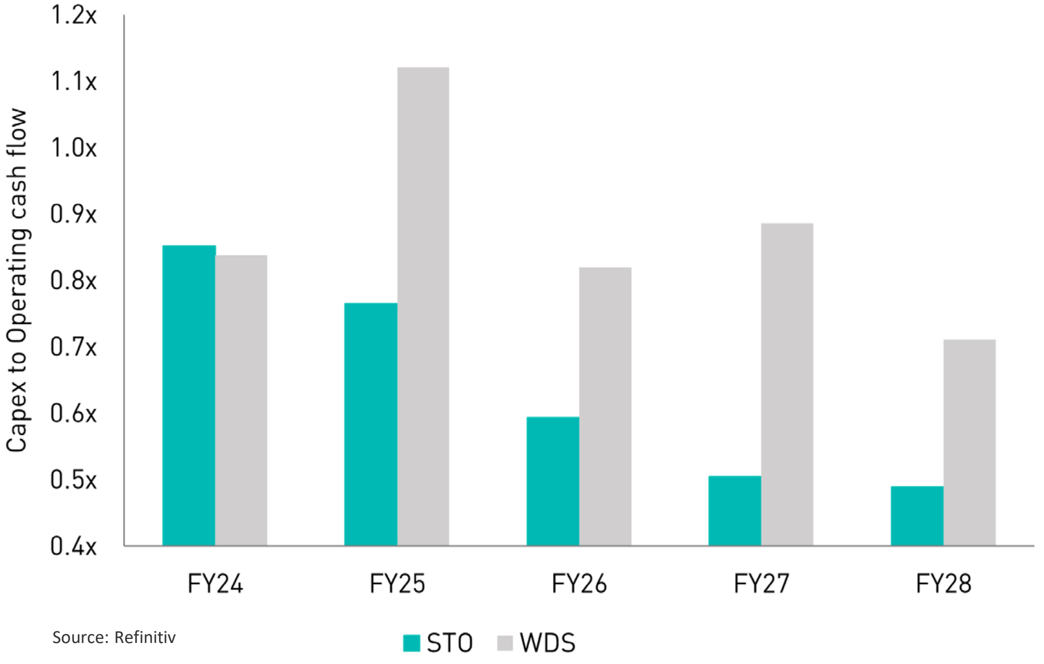
The Comparison (STO vs WDS): Woodside sits at the opposite point in the cycle, with its commitment to the Louisiana LNG project, on top of ongoing spend at Scarborough and Trion, pushing group capex higher into FY26. This elevates execution risk and lifts its FCF breakeven oil price, with DPS and ROIC expected to step down for WDS in FY26, while STO grinds higher. STO's entry into a capex-lite phase, combined with lower execution complexity, makes it the cleaner and more attractive exposure at this point in the cycle.

Figure 11: Santos has underperformed WOR, WDS and the broader market significantly as the XRG bid fell through. We think it presents better value now.



Source: Iress

Figure 12: Santos is past peak capex at the same time operating cash flow steps up as projects come online



Source: Refinitiv

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