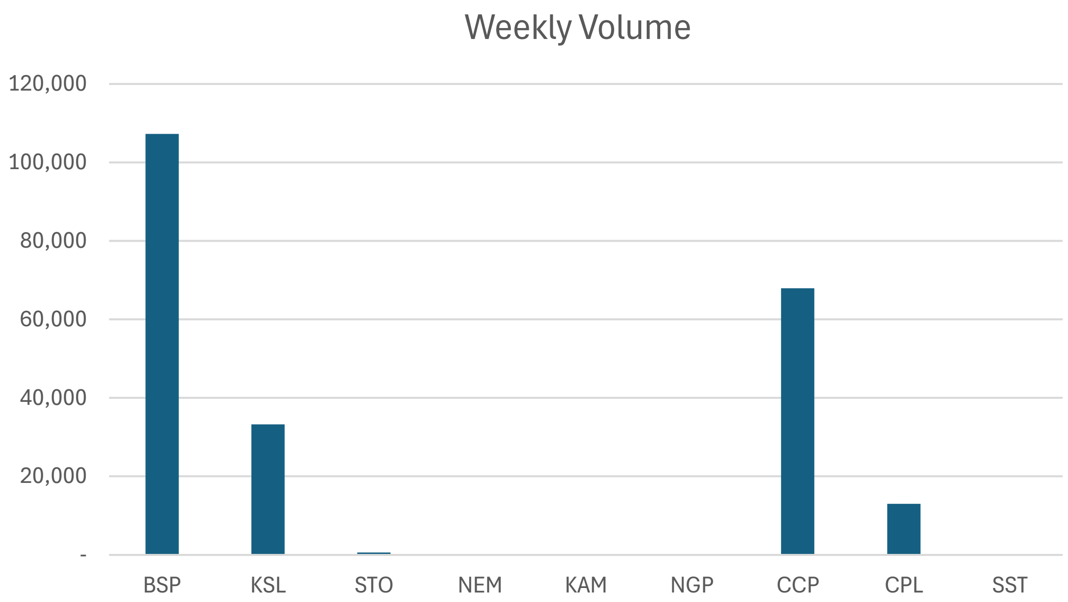
JMP WEEKLY REPORT

02-06 FEB 2026

Weekly Trade Commentary

- Last week saw 5 stocks traded on the local market with a total trading value of K3,097,090.72.
- BSP traded 107,278 shares steady at K24.55. This culminates 86% of the total trade value for last week.
- KSL only traded 33,285 shares, closing 2t lower at K3.81.
- STO only did 600 shares but closed the week 50t higher at K19.00.
- CCP traded 67,922 shares 4t higher at K4.66.
- Lastly, CPL traded 12,983 shares. Changing hands 4t higher at K0.64.

STOCK	WEEKLY VOLUME	CLOSING PRICE	VALUE	BID	OFFER	CHANGE K	CHANGE %
BSP	107,278	24.55	2,633,674.90	-	25.00	-	-
KSL	33,285	3.81	127,154.61	-	3.83	(0.02)	(0.52%)
STO	600	19.00	11,400.00	-	22.00	0.50	2.70%
NEM	-	181.00	-	-	-	-	-
KAM	-	1.96	-	1.96	-	-	-
NGP	-	1.35	-	-	-	-	-
CCP	67,922	4.66	316,502.09	4.62	-	0.04	0.87%
CPL	12,983	0.64	8,359.12	0.60	0.65	0.04	6.67%
SST	-	50.00	-	-	50.00	-	-
Total	**222,068**		**3,097,090.72**				2.18%



Key Takeaways

- CPL- Appointment of Mr. Ajay Patel as COO
https://www.pngx.com.pg/wp-content/uploads/2026/02/CPL-Market-Announcement-COO-Mr.-Ajay-Patel.pdf

- BSP | 2025 Full Year Investor Presentation Notification
https://www.pngx.com.pg/wp-content/uploads/2026/02/2025-Full-Year-Results-Investor-Presentation-Notification.pdf

- NIU – December 2025 Quarterly Activities Report
https://www.pngx.com.pg/wp-content/uploads/2026/02/2026-02-06-NIU-December-2025-Qtrly-Activities-Report1.pdf

- NIU – September 2025 Appendix 5A – Quarterly Cashflow Report
https://www.pngx.com.pg/wp-content/uploads/2026/02/2026-02-06-NIU-September-2025-Appendix-5A-Quarterly-Cashflow-Report.pdf

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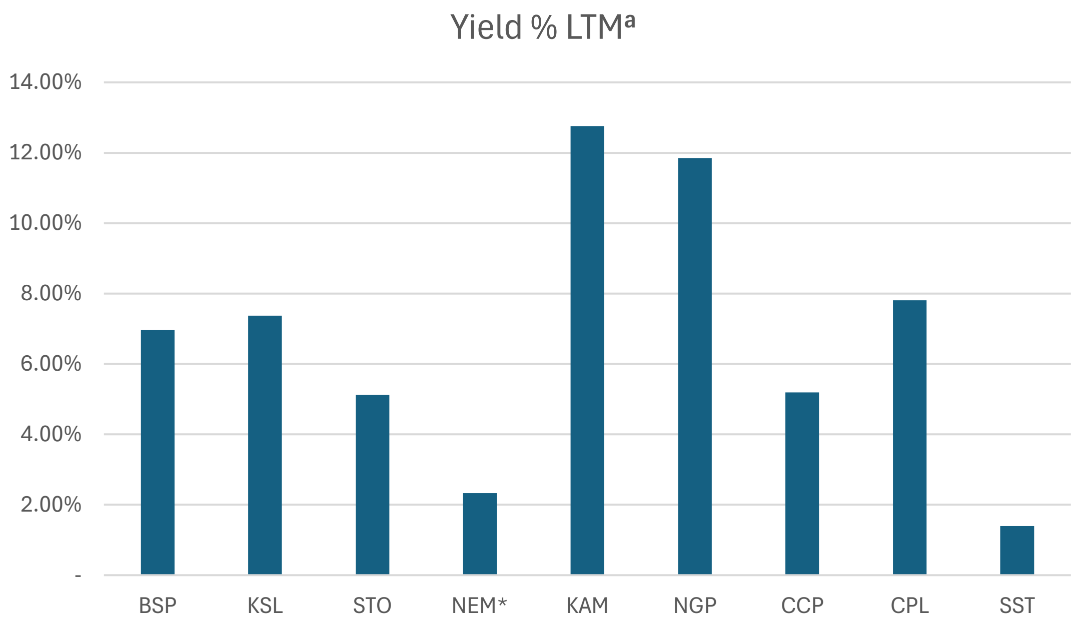
Weekly Yield Chart

STOCK	NUMBER OF ISSUED SHARES	MARKET CAP	2023 INTERIM DIV	2023 FINAL DIV	2024 INTERIM DIV	2024 FINAL DIV	2025 INTERIM DIV	Yield % LTMª
BSP	467,317,665	11,472,648,676	K0.370	K1.060	K0.450	K1.210	K0.500	6.97%
KSL	292,965,754	1,116,199,523	K0.100	K0.160	K0.106	K0.155	K0.126	7.38%
STO	3,261,616,703	61,970,717,357	K0.310	K0.660	K0.506	K0.414	K0.559	5.12%
NEM*	1,097,000,000	198,557,000,000	-	-	-	K2.110	K2.110	2.33%
KAM	53,259,588	104,388,792	K0.120	-	K0.200	-	K0.250	12.76%
NGP	45,890,700	61,952,445	K0.030	-	K0.040	K0.120	K0.040	11.85%
CCP	307,931,332	1,434,960,007	K0.110	K0.130	K0.120	K0.121	K0.121	5.19%
CPL	206,277,911	132,017,863	K0.050	-	-	-	K0.050	7.81%
SST	31,008,237	1,550,411,850	K0.350	K0.600	K0.400	K0.300	K0.400	1.40%
Total		**276,400,296,513**						5.39%

** 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.*



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: **04 FEB-26 / GOI / Government Treasury Bill**

Settlement Date: **6-FEB-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%	5.28%	5.41%	5.50%	
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	40.00	70.00	527.76	637.76
Successful Bids Kina Million	0.00	0.000	40.00	70.00	267.76	377.76
Overall Auction OVER-SUBSCRIBED by	0.00	0.000	10.00	00.00	277.76	287.76

BANK OF PAPUA NEW GUINEA

Domestic Markets Department - Money Markets Operations Unit

Auction Number: **20-JAN-26/GOB/Government Bond**

Settlement Date: **23-JAN-26**

Amount on Offer: K140.000 million

Series	Amount on Offer (K'million)	Bids Received (K'million)	Successful Bids (K'million)	Successful Bids Yield	Weighted Average Rate (WAR)	Coupon Rate	Overall Auction Net Subscription
Issue ID 2026/5057 (3 years)	20.000	29.000	24.000	5.74%-6.53	6.38%	5.75%	K9.000
Issue ID 2026/5058 (5 years)	40.000	51.000	44.000	5.99%-6.79%	6.70%	6.00%	K11.000
Issue ID 2026/5059 (7 years)	20.000	24.000	24.000	6.24%-6.91%	6.78%	6.25%	K4.000
Issue ID 2026/5060 (10 years)	40.000	49.000	42.000	6.50%-7.11%	7.06%	6.50%	K9.000
Issue ID 2026/5061 (15 years)	20.000	22.000	22.00	6.75%-7.56%	7.46%	6.75%	K2.000
TOTAL	140.00	175.000	156.000				K35.000

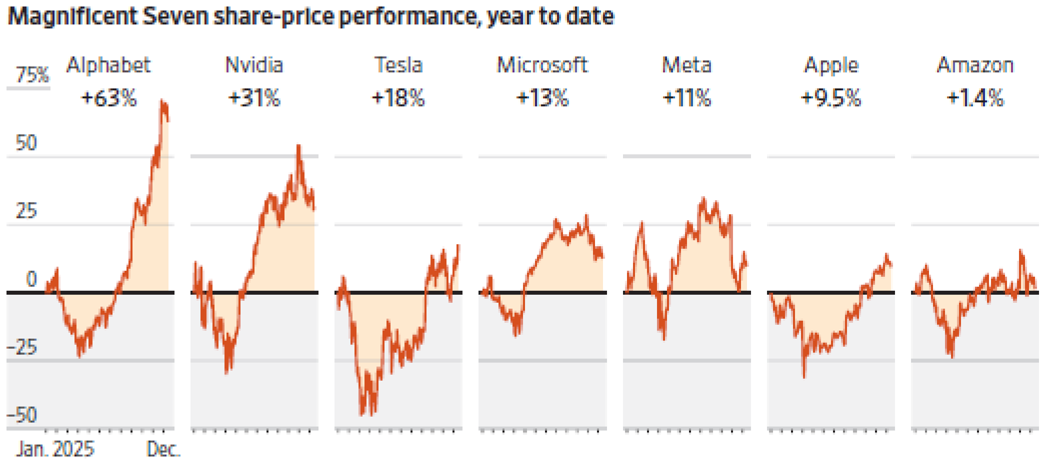
What we have been reading

THE GREAT BROADENING: NAVIGATING THE NEXT PART OF THE CYCLE IN 2026

BELL POTTER- Monthly Bell February 2026

By: Rob Crookston, Strategist

To understand the 12 months ahead, one must acknowledge the surprising hardiness of the year just passed. Despite a "rollercoaster" of geopolitical volatility—highlighted by the significant tariff-induced market drawdown in April 2025—global equity markets closed in the green. Critically, the drivers of these returns have shifted. While 2024 was a year of valuation expansion, 2025 saw earnings growth doing the "heavy lifting," particularly in the US and Emerging Markets (EM). The defining characteristic of the past year was index concentration. In the US, the "Magnificent 7" continued to exert gravity defying influence, with the top ten constituents of the S&P 500 now comprising roughly one-third of the index. However, the closing months of 2025 provided a preview of the 2026 theme: Emerging Markets emerged as a standout performer, and value factors began to keep pace with growth.



Source: FactSet

The Constructive Case for 2026

We maintain a constructive stance on risk assets for 2026, supported by five primary pillars: expansionary fiscal policy, bank deregulation, tariff de-escalation, a supportive "Fed Put," and the AI capex backstop.

1.The Fiscal and Regulatory Tailwind

The US economy enters 2026 bolstered by the "One Big Beautiful Bill Act" (OBBBA). This legislation is significantly front-loaded, preventing the expiration of key tax provisions and potentially lowering the effective corporate tax rate from 21% to as low as 12%. Complementing this is an aggressive deregulatory push in the banking sector. By unwinding post-2008 capital buffer requirements, the Trump administration could unlock nearly $140 billion in capital, equivalent to $2.6 trillion in lending capacity. This is not merely a financial sector win; it is a structural boost to M&A activity and credit access for the broader economy.

2.Passing "Peak Tariffs"

The hyper-volatility regarding trade policy appears to have peaked in mid-2025. With the US administration facing low approval ratings linked to cost-of-living concerns, pragmatism is expected. We have already seen exemptions for essential goods and Australian beef; further rollbacks in early 2026 are likely as the administration seeks to restore political capital ahead of the mid-term elections.

3.The Physicality of AI

The anticipated $6.7 trillion in data center capital expenditure through 2030 represents a massive cyclical tailwind for the real economy. In 2026, this spending acts as a backstop for GDP, pulling forward demand for construction, power infrastructure, and industrial metals.

The RBA vs The Fed

A critical theme for the 2026 portfolio is the divergence in monetary policy. The US Federal Reserve is expected to continue its easing cycle, with markets pricing in at least two additional cuts. Conversely, the Reserve Bank of Australia (RBA) remains delicately poised. While we view current market pricing of 35bp of hikes as excessively hawkish, the reality of "sticky" domestic services inflation suggests a “one and done” stance (after February's hike) or the potential for one more hike in mid-2026.

This divergence creates a compelling case for Australian investors: hold domestic floating-rate credit to capture elevated yields while hedging global equity exposure to protect against a strengthening A$ as interest rate differentials widen.

Key Investment Calls for 2026

1.Emerging Market Opportunity

EM equities trade at a significant discount to developed markets. We expect China to be a primary beneficiary of the broadening theme, leveraging its self-contained AI ecosystem to drive efficiency gains from an attractive valuation floor. Structural reforms in South Korea and the "China Plus One" supply chain diversification in India provide robust regional catalysts. Historically, a weakening US$ has acted as a primary accelerator for EM returns; 2026 is shaping up to be a textbook example of this dynamic.

2.The Great Rotation

In the Australian context, our recommendation is a tactical rotation into resources. For the first time in three years, the sector is entering a genuine upgrade cycle. Resource earnings have seen 11-15% upward revisions in recent months, while industrials are facing downgrades and have stretched valuations. The combination of "scarcity pricing" in tight physical metal markets and the copper-intensive demand of the data center boom creates a structural "super-cycle" that is largely independent of the standard business cycle.

Gold is also being well supported by political uncertainty and a weakening US$.

3.Adding Some Value

While the AI thematic continues to underpin growth, the broader macro backdrop, characterized by accelerating economic activity, front-loaded fiscal stimulus, and sticky bond yields, is starting to favor the value factor. With index concentration at historic highs and valuations stretched in the mega-cap tech sector, value remains materially under-owned, representing a key pocket of opportunity in 2026, while mitigating concentration risk in portfolios.

Increasing exposure to value serves as a portfolio hedge against “rapid reflation”—our key risk case. Unlike long-duration growth stocks, value sectors typically outperform in environments of rising nominal growth and yield pressure, offering protection if inflation proves persistent.

Risk Factors: The Narrow Path
While the outlook is positive, the path for returns is narrow. We outline 3 risks worth monitoring:
Rapid Reflation: Should US inflation rebound toward 4%, the Fed may be forced into a policy reversal that markets are ill-prepared for.
AI Valuation Compression: The emergence of low-cost Chinese AI models (like DeepSeek) could challenge the high-margin dominance of US chipmakers, leading to a repricing of the world's largest companies.
Policy Volatility: There remains a tail-risk that the "Trump Put" fails if the administration prioritizes ideological trade goals over equity market stability.

Key Message - Expect Broad Returns in 2026
The investment mantra for 2026 is diversification through broadening. The "Magnificent 7" may have led us to the mountaintop, but the next phase of the journey will be driven by the miners, the builders, the lenders, and the emerging economies. For the disciplined investor, 2026 offers a wealth of opportunity beyond the crowded trades of the past decade.

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