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PNGX EQUITIES • FIXED INCOME • INVESTOR EDUCATION

Heavy BSP trade lifts value to K17.31m as volume eases

ISSUED

w/e 24 Jul 2026

COVERAGE

PNGX-listed equities

PERIOD

20 – 24 July 2026

TOTAL TRADING VALUE	TOTAL VOLUME	STOCKS TRADED	MARKET YIELD (LTM)
K17.31m	**4,730,881**	**5 of 10**	**5.50%**
vs K11.96m	vs 6,229,273	—	-1bp wow
+45% on prior week	−24% on prior week	BSP, KSL, NGP, CCP, PLC	weighted-avg, legacy methodology

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WEEKLY TRADE COMMENTARY

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PNGX EQUITY MARKET — WEEK ENDING 24 JULY 2026

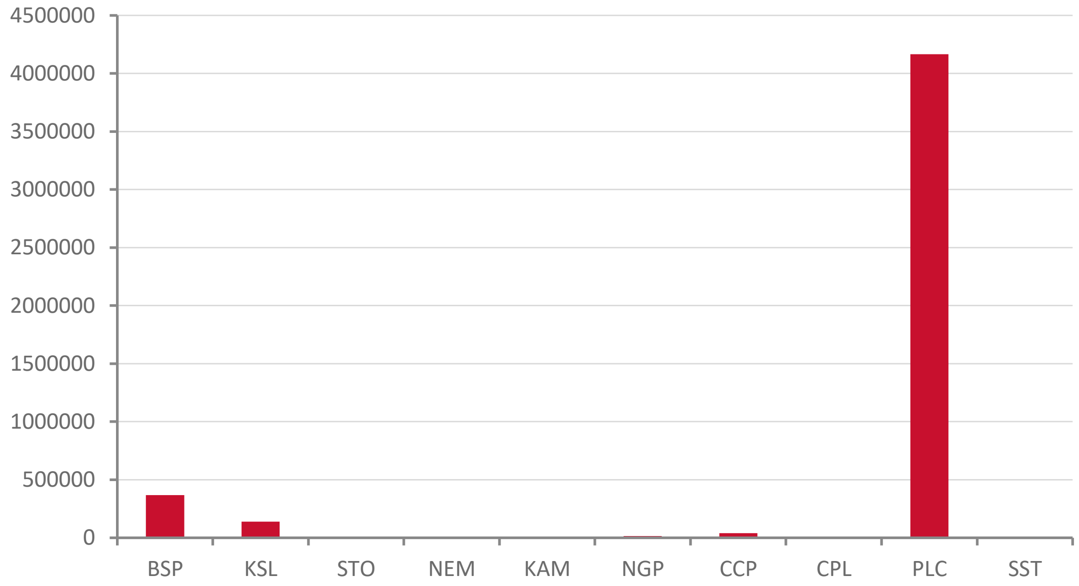
A high-value week led by BSP — turnover jumped 45% to K17.31m even as volume eased 24% to 4.73m shares, a sign the tape skewed to the heavyweight. BSP alone traded 367,183 shares, up 20t to K28.20, for K10.27m — its biggest single-counter value in weeks. PLC stayed the volume leader at 4,166,698 shares, steady at K1.48, for K6.17m. KSL traded 140,000 shares steady at K4.74, CCP 40,767 up 1t to K4.66, and NGP 16,233 up 1t to K1.36. STO, KAM and CPL sat out.

PRICE & VOLUME

STOCK	VOLUME	CLOSE (K)	VALUE (K)	CHANGE	CHANGE %
BSP	367,183	28.20	10,270,374.00	+0.20	+0.71%
KSL	140,000	4.74	663,600.00	—	—
STO	—	22.37	—	—	—
NEM	—	490.00	—	—	—
KAM	—	2.21	—	—	—
NGP	16,233	1.36	22,027.32	+0.01	+0.74%
CCP	40,767	4.66	189,974.22	+0.01	+0.22%
CPL	—	0.95	—	—	—
PLC	4,166,698	1.48	6,166,713.04	—	—
SST	—	50.00	—	—	—
TOTAL	**4,730,881**		**17,312,688.58**		+0.11%

Source: PNGX matched on-market trades, week ending 24 July 2026. JMP Securities analysis.

WEEKLY VOLUME



Volume by counter (shares matched). PLC still leads at 4.17m shares, with BSP a heavyweight second at 367k (worth K10.27m). KSL 140k, CCP 41k and NGP 16k follow; STO, NEM, KAM, CPL and SST did not trade.

DIVIDEND YIELD

PNGX-LISTED EQUITIES — TRAILING-TWELVE-MONTH YIELDS

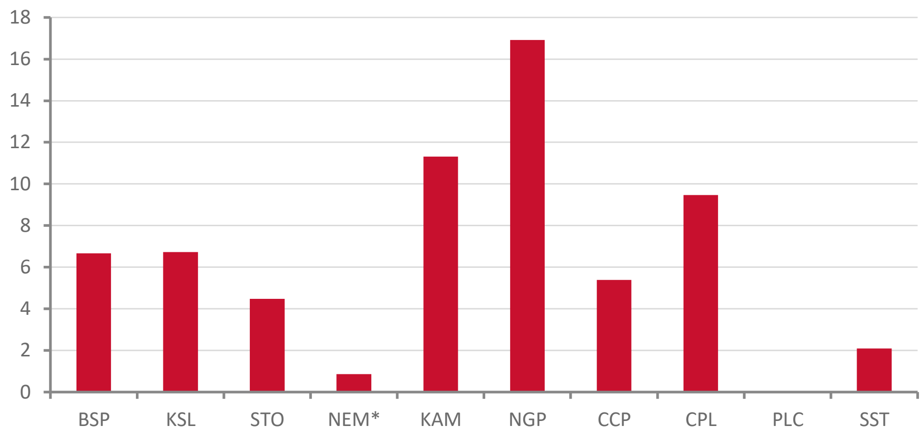
Market-wide LTM dividend yield held at 4.77% this week (weighted by market cap, legacy methodology), steady week on week. BSP's yield eased to 6.67% as it rose to K28.20, while NGP slipped to 16.91% and CCP to 5.39% on small upticks. NGP (16.91%) still leads, with KAM (11.31%) and CPL (9.47%) next. KSL (6.73%), BSP (6.67%), CCP (5.39%) and STO (4.48%) follow, with SST at 2.10%. PLC remains pre-dividend.

DIVIDEND TABLE (PGK)

STOCK	ISSUED SHARES	MKT CAP (K)	INT 24	FIN 24	INT 25	FIN 25	YIELD %
BSP	467,317,665	13,178,358,153	0.450	1.210	0.500	1.380	**6.67%**
KSL	294,332,296	1,395,135,083	0.106	0.155	0.126	0.193	**6.73%**
STO	3,261,616,703	72,929,749,479	0.506	0.414	0.559	0.443	**4.48%**
NEM*	1,097,000,000	537,530,000,000	—	2.110	2.110	USD $0.520	**0.86%**
KAM	53,259,588	117,703,689	0.200	—	0.250	—	**11.31%**
NGP	45,890,700	62,411,352	0.040	0.120	0.040	0.190	**16.91%**
CCP	307,931,332	1,434,960,007	0.120	0.121	0.121	0.130	**5.39%**
CPL	206,277,911	195,964,015	—	—	0.050	0.040	**9.47%**
PLC	860,718,662	1,273,863,620	—	—	—	—	**—**
SST	31,008,237	1,550,411,850	0.400	0.300	0.400	0.650	**2.10%**
TOTAL / WEIGHTED-AVG							**5.50%**

LTM = Last twelve months. Yields use most recently declared interim and final dividends. NEM dividends in USD until PGK rate announced; NEM excluded from market-wide yield. PLC now added.

YIELD % (LTM)



THE DIVIDEND YIELD FORMULA

Dividend Yield = ***Annual Dividends per Share ÷ Current Share Price*** × **100**

Calculated by dividing a company's annual dividends per share by its current share price, expressed as a percentage.

KEY MARKET ANNOUNCEMENTS

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PNGX-LISTED COMPANIES — WEEK ENDING 24 JULY 2026

Five filings crossed the tape, led by quarterly results. STO lodged its 2026 Second-Quarter Report, and NEM released a cluster of Q2 2026 disclosures — its Form 8-K earnings release, Form 10-Q, and a notification of dividend distribution. PNGX also issued a public-holiday notice for Remembrance Day.

ANNOUNCEMENTS

STOCK	ANNOUNCEMENT	SOURCE
STO	2026 Second-Quarter Report	*pngx.com.pg/.../2026-07-24-STO-2026-Santos-Second-Quarter-Report.pdf*
NEM	Q2 2026 Earnings Release (Form 8-K)	*pngx.com.pg/.../2026-07-24-NEM-Q2-2026-Earnings-Release-Form-8-K.pdf*
NEM	Q2 2026 Form 10-Q	*pngx.com.pg/.../2026-07-24-NEM-Newmont-Q2-Form-10Q-As-Filed.pdf*
NEM	Notification of dividend distribution	*pngx.com.pg/.../2026-07-24-NEM-Notification-of-dividend-distribution.pdf*
PNGX	Public Holiday Notice — Remembrance Day	*pngx.com.pg/.../PNGX-Public-Holiday-Notice-Remembrance-Day.pdf*

Source: PNGX market announcements, 20 – 24 July 2026.

BPNG TREASURY BILL AUCTION

DOMESTIC MARKETS DEPARTMENT — MONEY MARKETS OPERATIONS UNIT

AUCTION *22-JUL-26 / GOI / Government Treasury Bill*

SETTLEMENT *24-JUL-26*

AMOUNT ON OFFER

K270.0m

UNDER-SUBSCRIBED BY K32.70M

TERMS	ISSUE / 63	ISSUE / 91	ISSUE / 182	ISSUE / 273	ISSUE / 364	TOTAL
Weighted Avg Yield	—	—	4.85%	5.04%	5.03%	
Amount on Offer (K’m)	—	—	20.00	50.00	200.00	**270.00**
Bids Received (K’m)	—	—	4.20	34.50	198.60	**237.30**
Successful Bids (K’m)	—	—	4.20	34.50	166.60	**207.30**
Over / (Under) Subscribed (K’m)	**—**	**—**	**−15.80**	**−15.50**	**−1.40**	**−32.70**

Source: Bank of Papua New Guinea — Domestic Markets Department, T-Bill auction 22 July 2026 (settlement 24 July 2026).

BPNG GOVERNMENT BOND AUCTION

NEW ISSUANCE — WEEK ENDING 24 JULY 2026

AUCTION *21-JUL-26 / GOB / Government Bond*

SETTLEMENT *24-JUL-26*

AMOUNT ON OFFER

K300.0m

NET SUBSCRIPTION K25.00M

SERIES	AMOUNT ON OFFER (K'm)	BIDS RECEIVED (K'm)	SUCCESSFUL BIDS (K'm)	SUCCESSFUL YIELD	WEIGHTED AVG RATE	COUPON RATE	NET SUBSCRIPTION (K'm)
Issue ID 2026/5057 — 3 yr	50.00	65.00	55.00	6.11–6.17%	6.12%	6.40%	+15.00
Issue ID 2026/5058 — 5 yr	50.00	50.00	50.00	6.43–6.43%	6.43%	6.80%	0.00
Issue ID 2026/5059 — 7 yr	50.00	60.00	50.00	6.59–6.59%	6.59%	6.90%	+10.00
Issue ID 2026/5060 — 10 yr	100.00	100.00	100.00	6.73–6.73%	6.73%	7.10%	0.00
Issue ID 2026/5061 — 15 yr	50.00	50.00	50.00	7.13–7.13%	7.13%	7.40%	0.00
TOTAL	**300.00**	**325.00**	**305.00**				+25.00

Source: Bank of Papua New Guinea — Domestic Markets Department, GOB auction 21 July 2026 (settlement 24 July 2026).

INVESTOR EDUCATION

TOPIC OF THE WEEK — INDEX FUNDS

WHAT IS AN INDEX FUND?

An index fund is a pooled investment vehicle designed to replicate the composition and performance of a benchmark index (e.g. the S&P 500 or ASX 200) rather than trying to beat it through active selection. The manager buys the index's constituents in roughly the same proportions — usually market-cap weighted — and investors hold a pro-rata claim on the underlying basket.

As the index rebalances — additions, deletions, weight changes — the fund trades to keep tracking error low, so returns closely mirror the index minus a small expense ratio (often just a few basis points for large, liquid indices). Turnover is low, which keeps transaction costs and, for taxable accounts, capital-gains distributions minimal versus active funds.

Two wrappers dominate. Traditional index mutual funds price once daily at NAV and you transact directly with the fund; ETFs trade intraday on an exchange, kept close to NAV by an arbitrage mechanism in which authorised participants create and redeem large blocks in-kind — the same process behind ETFs' tax-efficiency edge.

KEY MECHANICS

01 Full replication

The fund holds every constituent at (or near) index weight — practical for liquid, large-cap indices like the S&P 500 or ASX 200.

02 Sampling / optimisation

For indices with thousands of illiquid names (broad bond or small-cap indices), the fund holds a representative subset chosen to minimise tracking error, since buying every security isn't practical.

03 Market-cap weighting

The most common scheme: larger companies get proportionally larger allocations, and weights self-rebalance as prices move. Equal- and factor-weighted variants trade higher fees for a different tilt.

04 Tracking error vs difference

Tracking error is the volatility of the fund-vs-index return gap; tracking difference is the cumulative gap that actually shows up in your P&L — driven by fees, cash drag and rebalancing costs.

WHAT WE'VE BEEN READING

EXTERNAL RESEARCH HIGHLIGHTS — BEYOND PNGX

FEATURED READ

How central banks can contain financial-stability risks as AI accelerates

IMF Blog • Tobias Adrian, Financial Counsellor

Artificial intelligence is increasingly embedded in how financial firms price risk, allocate credit and respond to stress — part of the decision-making architecture of the system itself. For central banks and supervisors, the challenge is to govern AI in ways that reinforce, not undermine, financial stability. The IMF flags three priorities: stronger oversight of AI-driven trading and lending, better visibility into AI use and correlated exposures, and deeper cooperation on operational resilience and cyber defence.

Under normal conditions AI helps — improving liquidity, lowering costs, speeding price discovery and strengthening fraud detection. Under stress, the same features amplify: IMF analysis shows some AI-based funds rebalance far faster than traditional strategies, and future flash crashes may arise less from coding errors than from many models reacting in parallel to one signal. Concentration is the other worry — many AI applications lean on a handful of cloud, data and model providers, so one disruption could hit many institutions at once.

JMP read: For a small market like PNG the direct AI-trading risk is limited, but the second-order channels matter. The same cloud and data concentration the IMF warns about sits under the global banks and exchanges PNG connects to, and AI-enhanced cyber threats are a rising operational risk for any institution. The takeaway travels: resilience will depend less on any single model than on the governance, oversight and cyber defences around them.

FIGURE — AI ACROSS THE SYSTEM

Source: IMF Blog (T. Adrian); JMP illustration. Relative embeddedness of AI across financial functions — illustrative.

ALSO ON OUR DESK

- AI is now a financial-stability issue spanning markets, institutions and supervision — IMF
- Under stress, AI-driven strategies can rebalance in parallel and amplify swings — IMF
- Concentration in a few cloud/data/model providers is a systemic vulnerability — IMF

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Speak to your equities trader for any orders, research questions or market colour.

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WHAT THIS REPORT COVERED THIS WEEK

- Weekly trade activity — 5 stocks traded, K17.31m value (+45% pw)
- Dividend yields — market-wide LTM 4.77% (steady; BSP yield eases as it rises to K28.20)
- 5 PNGX filings — STO Q2, NEM Q2 results & dividend, Remembrance Day notice
- BPNG T-Bill auction — under-subscribed by K32.70m
- BPNG bond auction — new K300m issuance, net subscription K25.00m
- Investor Education — Index Funds
- External research — IMF on AI and financial stability

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