

## **Credit Research Update**

### **New AUD High Yield**

After the successful launch of the 9.00% pa APMF Narangba Notes last week we have another new AUD high yield secured transaction that will launch in the next few days.

This will be for a repeat issuer, Labassa Capital. It will fund a DA approved residential land project west of Brisbane. The funding is to hold the land only with no development or construction risk. The exit is expected to be refinance to another land hold or a civil works construction funding facility. The notes will be at 9.00% for 12 months.

**Investors will be advised when the transaction launches.**

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### **ClearView Wealth Mandates Subordinated Notes**

ClearView Wealth Ltd (rated BBB/Stable), will potentially launch an AUD benchmark Floating Rate 10 year non-call 5 year Tier 2 Subordinated Notes transaction. The notes are expected to be rated BB+ by Fitch.

ClearView is an ASX-listed (\$309m market cap) Australian business offering life insurance, superannuation and investment products and services. The credit profile of ClearView is solid and driven by its strong capitalisation and low investment portfolio risk. As of 31 December 2024, the group's regulatory capital base was \$103.2m and represented 4.0 times the Prescribed Capital Amount (PCA).

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We expect the proposed notes to be attractively priced. ClearView's existing \$75m subordinated notes have a coupon of three-month Bank Bill Swap Rate ('BBSW') plus a margin of 6.00% per annum.

**For more information, please contact your Fixed Income Solutions representative.**

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### **Peet First Half 2025 Profit Result**

Peet recently announced its first half 2025 profit result. It was a sound result from the property developer which continues to consistently deliver reasonable or better results despite some challenges currently facing the market. While balance sheet gearing increased modestly, the company remains well placed to withstand any (unexpected) severe downturns in the property market.

The company delivered a net profit after tax of \$25.2m which was a 63% increase on the prior corresponding period. Peet benefitted from a high exposure to strong markets in Queensland, Western Australia and South Australia with its relative underexposure to New South Wales and Victoria a positive given the weakness in these two states, particularly the latter. The company expects to deliver a similar performance in the second half with full year net profit forecast in a range of \$50.0m-\$55.0m.

Balance sheet gearing has increased modestly to 35.3% from 34.8% at 30 June 2024 although remains well within comfort levels. The company has also noted that operating cash flow generation should be strong in the second half of the 2025 financial year due to minimal deferred land payments which should reduce gearing over the period.

Overall, Peet continues to manage its business well with balance sheet protection remaining a priority. We remain comfortable with both the 2021 and 2024 Peet Notes.

**For more information, please contact your Fixed Income Solutions representative.**

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### **MA Financial 2024 Financial Year Earnings Release**

MA Financial recently announced its 2024 financial year profit result. The company delivered a reasonable performance for the financial year with earnings similar to the previous year. The

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highlight of the result was the outlook with MA Financial advising that it expected financial year 2025 profits to be materially higher than those reported in 2024.

The key earnings driver for MA Financial remains the Asset Management division which delivered close to three quarters of EBITDA (\$83.2m) for the company during the 2024 financial year. The Finsure and MA Money businesses though are the ones with the best growth prospects with the former continuing to grow revenue and earnings rapidly and the latter setting a target of net profit after tax of \$15.0m-\$20.0m for the 2026 financial year from a current circa breakeven position.

MA Financial has increased its Investments portfolio over the past 12 months with the assistance of the funds raised in the Notes issuances. The funds have mainly been deployed in the Lending division which increased in value from \$17.1m to \$37.9m as well as the Private Credit business where the asset base increased from \$87.6m to \$114.7m. The company maintains adequate liquidity with \$40.0m of gross cash on hand at 31 December 2024.

The company continues to perform soundly and the stronger than expected 2025 guidance was a credit positive. Accordingly, there are no material imminent concerns with the credit of MA Financial.

**For more information, please contact your Fixed Income Solutions representative.**

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### **Term Deposit Update**

Our Short-Term Money Market (STMM) service strives to collate Term Deposit (TD) and Negotiable Certificates of Deposit (NCD) levels from a broad base of institutional connections. Our strong connection with these financial institutions and their treasury teams enabled FIS to source the most competitive rates across the market for our clients. If you would like to be quoted rates at different maturities, please reach out.

<b>Short-Term Money Markets Card</b>	<b>Min</b>	<b>3m</b>	<b>6m</b>	<b>9m</b>	<b>12m</b>	<b>36m</b>	<b>60m</b>
<b>Best Rates</b>	\$250k	4.85%	4.65%	4.70%	4.55%	4.15%	4.55%

*Rates are indicative and subject to change.*

**Please contact the FIS Money Markets team on 02 8222 8904 or email [TD@fixedincomesolutions.com](mailto:TD@fixedincomesolutions.com) if you have any questions or would like to learn more.**

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## Economic Update

Last week Australian GDP for the quarter to December was broadly as expected rising 0.6%, or 1.3% over the year. On a per capita basis, GDP rose for the first time in two years, albeit by just 0.1%, ending the longest run of consecutive declines on record. In other data, consumer sentiment rose by 4.0% m/m to 95.9 in March, its highest since March 2022. The details suggest the gains in confidence have come from easing inflation fears and also from the recent rate cut.

Offshore, President Trump's tariffs continued to be the focus with tariffs imposed on Canada and Mexico then deferred. This uncertainty has impacted financial markets with the US dollar down sharply over the week.

US consumer confidence has also been week with data released for January down 0.2% on a nominal basis and 0.5% for real sales volumes - despite a stronger-than-expected rise in personal income of 0.9%.

Over in Europe the ECB cut its key rates by 25bps, bringing the deposit rate to 2.50%. GDP growth was revised down by 0.2ppt for 2025 and 2026 to 0.9% and 1.2%.

<b>Global Stock Indices</b>			
	<b>11-Mar-25</b>	<b>Δ Week %</b>	<b>Δ Year %</b>
Dow Jones	41,912	-2.96	8.10
S&P 500	5,615	-4.02	9.70
NASDAQ	17,468	-4.81	9.05
ASX 200	7,882	-3.86	2.31
FTSE 100	8,600	-3.06	12.14
MSCI EAFE	2,467	1.13	5.80
<b>Government Bond Yields</b>			
<b>U.S.</b>	<b>11-Mar-25</b>	<b>Δ Week Bps</b>	<b>Δ Year Bps</b>
2 Year	3.86	-0.13	-0.68
10 Year	4.18	-0.07	0.08
30 Year	4.51	-0.03	0.25
<b>AUS</b>			
2 Year	3.72	0.02	0.02
10 Year	4.36	0.10	0.41
<b>EU/UK</b>			
10 Year Bund	2.83	0.34	0.57
10 Year Gilt	4.64	0.09	0.67
<b>INDEX</b>			
Bloomberg Global Bond Aggregate	475.58	1.73	10.24
<b>Key Market Data</b>			
3 month BBSW	4.11	-0.01	-0.24
6 month U.S. SOFR	4.18	-0.07	-1.05
Australian 10-year Swap	4.30	-0.07	0.06
Australian iTraxx	74.06	4.86	11.71

Source: Bloomberg

## Credit Research Team

### **Bradley Newcombe**

Fixed Income  
Research

Brad has over 25 years' experience in accounting, equity and fixed income market roles. Previous experience includes Westpac Treasury, a Director of Fixed Income Research (Credit) at FIIG Securities and Head of Fixed Income Research at Millinium Capital Partners. Brad has a Bachelor of Accountancy (QUT) and a Master of Commerce (QUT).

### **William Arnold**

Fixed Income  
Research

Will has over 20 years' experience in debt capital and fixed income markets. Past roles include Director of Fixed Income Research at FIIG Securities, Fixed Income Analyst at Standard Life Investments managing the world's second largest GBP money market fund, European Banks Analyst at NabCapital managing some of the group's largest credit risk exposures and Senior Advisor at Queensland Treasury Corporation. Will holds a Bachelor of Business (UQ), CFA Level 1 (Chartered Financial Analyst Institute) and an MBA (London School of Business).

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