Andrew von Dadelszen

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VERSUS

WEBSITE:
vond.co.nz

Bay Brokers Limited

Ph: 07-578 7453 Mobile: 021-762 440 Email: andrew@vond.co.nz

INVESTMENT STRATEGIES

2021 started with such promise, but continued a dismal Covid induced 2020. As we ahead towards 2022, the outlook remains in tatters, with our fearmongering Prime Minister just promising more of the same. This government is all fearful spin, aimed at keeping us all safe - but the reality is (despite the headline gloss) we are rapidly heading into a socialist state where "mother knows best". This government continues to encourage mediocracy and dependence. Productivity remains a "dirty word", and we splash cash (borrowed) in a "spray and walk away" methodology. This arrogant Labour Government is great on promises, but they have no idea on execution. Debt funding infrastructure needs is great, but what we have is an out of control, inflation driven economy, with little hope of increasing fairness & equality, mental health improvement, not to mention affordable housing.

Depite Robertson and Ardern's rhetoric, this country is spiralling towards a third world economy at an alarming rate.

With the change of leadership, National can once again become the safe set of hands that has marked its history. Of course, the lefties will say that National will just ride rough-shod over the environment (and New Zealand's ballooning underclass), but both have been ignored by this current lot.

There has never been an effective eliminate strategy for Covid, so from front-footing it initially, our Labour Government quickly switched to back-footing it from a global perspective.

After nearly two years of gloomy Covid forecasts, Treasury now thinks unemployment will fall as low as 3.1% next year, while the economy will grow at 4.9% in 2023, and about 2.3% a year thereafter. House prices will continue to rise, before briefly falling in 2023 (although staying higher than now overall). All that economic growth means a higher tax take. Next year, Treasury is expected to pull in nearly $10bn more revenue (tax take) than it expected to raise back at the May 2021 Budget announcement.

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STATISTICS NZ DATA

Estimated population at 12-December-21	**5,159,572**
Births 30-Sept year (↑ 2.8% yoy)	**59,382**
Deaths 30-Sept year (↑ 5.8% yoy)	**34,578**
Natural Increases (Births minus Deaths) 30-Sept year	**24,804**
Fertility Rate (births per woman)	**1.66**
Net Migration Oct-21 year (46,308 in; 48,016 out)	**-1,708**
Inflation Rate Sep-21 year (↑ 2.2% in Sep qtr)	**4.9%**
Food Price Index Oct-21 year	**3.7%**
Consumer Price Index Sep-21 year	**4.9%**
Annual GDP Growth Sep-21 year (-3.7% Sep-21 qtr)	**4.9%**
GDP per Capita Sep-21 year	**-3.8%**
Annual Wage Inflation Sep-21 Year	**2.4%**
Wages average per hour July-21 qtr (↑2.8% yoy)	**$35.25**
Average FTE weekly earnings at Sep-21	**$1,367.00**
Employment rate Sep-21 qtr (up from 67.7%)	**68.8%**
Unemployment Sep-21 qtr (↓ from 5.3% yoy)	**3.4%**
Underutilisation rate Sep-21 qtr	**9.2%**
Size of NZ Economy June-21 year	**$340bn**

LOCAL ISSUES

ALL COMMENTS REGARDING LOCAL GOVERNMENT ARE MY PERSONAL VIEWS, AND DO NOT PURPORT TO REPRESENT THE VIEWS OF OUR REGIONAL COUNCIL – OF WHICH I AM AN ELECTED REPRESENTATIVE.

NZ AN EXPENSIVE PLACE TO GET INFRASTRUCTURE RESOURCE CONSENTS, REPORT FINDS

The cost of RMA consenting is out of control in New Zealand, and no-more-so than in the Bay of Plenty. The problem is that local government seems to take an overly "risk averse" mentality to RMA decision-making, and this has undermined the Act, to make it no longer fit for purpose.

SOURCE: Stuff, 10-Dec-2021

New Zealand is an expensive place for infrastructure projects to get resource consents, which currently have a $1.29 billion a year price tag. Growth in consultants and legal fees were driving consenting costs up by $500m a year, according to the report for the New Zealand Infrastructure Commission. Those two areas accounted for 70% of all consenting expenditure.

"*Worst of all, the system disproportionately penalises smaller communities and projects. For projects under $1m, the cost of consents is approximately three times the proportion paid by bigger projects, and that simply isn't fair*."

Costs depended on the project and the sector, but a typical New Zealand infrastructure project required a firm to spend an average of 5.5% of its budget on seeking a resource consent.

That appeared to be more than in other countries. The cost of an Environmental Impact Assessment in the United Kingdom and European Union (EU) varied from 0.1% to 5% of total project costs.

In terms of 'pre-construction' costs, New Zealand was also expensive, at a typical 10% of project costs compared with 5% to 10% in Australia, 3% to 5% in North America, 3% to 5% for road in the EU and 5% to 10% for EU energy projects.

In New Zealand, a project worth less than $200,000 saw consenting average 16% of the total cost.

A bigger spend did not mean a faster result, with the time taken to get a consent decision nearly doubling within five years, according to the report.

"*Slow decision-making increases risk to infrastructure providers which tends to increase project financing costs, prevents contracts being awarded to contractors, delays the procurement of critical materials with long lead times and acts as a barrier to new market entrants looking to invest and build infrastructure in New Zealand*," Commission CEO Ross Copland said.

"The old adage 'time is money' holds true for infrastructure projects, unfortunately we have a planning system that has little respect for time or money."

STAGE I – TAKITIMU NORTH LINK IS ABOUT TO START

Artist impression - the Wairoa Road overbridge is one of three large span ridge bridges across the project

Artist impression - the overbridge interchange at Te Rangituanehu/ Minden Road is a collection of three bridges providing on and off ramps

STILL WAITING TO MEET MY LATEST GRANDSON – SYDNEY BASED, NOW 8 MONTHS OLD

NATIONAL'S NEW LEADER – CHRISTOPHER LUXON

Who is Chris Luxon? Luxon has ethics grounded in faith, well that's all the better for our often-sordid politics, recently dogged by revelations of harassment and bullying.

He is right to cry unfairness when his ethics are put under the spotlight: "My view on these sorts of issues shouldn't be any different from any of the other 120 people that are here as well," he says. Luxon's no theocrat and doesn't deserve to be painted as one.

"*I believe in a New Zealand that rewards hard work and New Zealand that empowers Kiwis to take a punt and to create prosperity for themselves and their families*," he said. "*But most of all, I believe in a New Zealand that while small in size is large in ambition and I want us to rediscover that and get our mojo back because growing our economy and rising productivity are the single biggest things that we can do to improve the daily lives of all New Zealanders*."

Bridges has the smarts and fire in his belly to put up a good fight against Finance Minister Grant Robertson, who has had an easy run of late .

Much of what he's learnt has been taken from former National Party leader and Prime Minister, Sir John Key, and they have similar corporate backgrounds. Key is a "key advisor" to Luxon, so you can be assured of a similar style. We will delegate responsibilities, and only accept one mis-step, if you want to retain your portfolio. That, in itself, will be refreshing – compared to Labour!

"We have a choice: a choice between our current road to mediocrity, or a pathway to a more confident, aspirational and prosperous future" – Christopher Luxon

THE DIVISIVE COLLINS IS GONE

Collins' divisive leadership style made a no-confidence vote against her almost inevitable. She demanded loyalty, but didn't give it. In short, she "*lived by the sword, and hence died by the sword*".

Collins has been called "*combustible" and "polarising*". She has said if you can't be loved, it is best to be feared. And that applied not just to political opposition, but opposition within her own ranks. Judith Collins had just 20 months in the top job, as both National Party Leader and Leader of the Opposition in Parliament. History is unlikely to be kind to this time in her political history.

HON DR NICK SMITH ON THE NATIONAL PARTY

Source: Newsroom, 6-Dec-2021

The multiple changes in leader clearly have not helped the National Party. Nick Smith points the finger at John Key, who Smith says created a culture within National where too many wanted to be boss.

"*John Key was very encouraging of new talent coming through, almost to the point that when he retired too many people wanted to be leader and too few wanted to be part of a team that was going to be able to advance National*."

Smith says Christopher Luxon as the Party's new leader and Nicola Willis as deputy, is an "awesome outcome", made all the better through it being a consensus decision by caucus. He says Willis' liberal views will provide a healthy balance to Luxon's more conservative values.

But for Smith, a more pressing concern in this age of social media is the future of democracy. "*For the best part of my political career, we saw the rise of democracies around the world, but in the last 10 years democracy has been going in the opposite direction."*

"I think right now we really need to look at the US where the polarisation of their politics is making their country weaker."

Smith says the challenge will be ensuring the contest of ideas between political parties is managed in a way that serves the national interest.

NATIONAL WILL NOW RESET POLICY

Muriel Newman recently commented "*There is no shortage of issues to take a stand on. The old National leadership's deal with the red devil on housing is the most obvious. Then there's Todd Muller and James Shaw's deal on the Zero Carbon Act. The current Government's injection of race into every area of policy needs an answer. The National Party's policy to make taxes even more progressive belongs with the hard left."*

The RMA deal, to say it politely, wasn't sensible. I understand the intent, but the detail needed a lot more work, before it hit the legislative process. To recap, Labour and National came out in late October saying they would pass a law under urgency, before Christmas, while the country tries to recover from COVID restrictions. The basic idea is that every residential section will allow 3 three story houses.

This would allow an eight-metre wall one metre from your boundary, and there's no right to object. If you think that this will get more homes built, sorry. As nearly every submitter to the shortened select committee has told both Labour and National, homes aren't getting built because councils can't afford to connect them. Zoning just isn't the problem. Zoning more land when you're short of infrastructure is like buying more cars when you're short of fuel. Luxon needs to reverse the decision to support this, and tell Labour there is no consensus on this policy.

Newman continued "*Todd Muller gleefully signed up to the Zero Carbon Act in a bizarre bromance with James Shaw. The policy had basic flaws, and won't achieve New Zealand's strategic objective for climate change. New Zealand needs to remain aligned with our trading partners, recognising that a small trading nation can't get out of line with them. The key will be to both minimalise cost and bureaucracy*."

The Zero Carbon Act means Wellington climate tzars decide what sort of car you buy and how you cook your steak. It sets targets for New Zealand to be carbon neutral by 2050, even if no other country does so. It needs to be amended to favour a cap and trade tied to our trading partners' emissions, with favourable treatment for methane.

NEWMAN CONTINUES

5% of income taxpayers pay a third of income tax. Half of taxpayers pay 8% of income tax. Progressive taxation is divisive because some voters are makers, but most are takers who feast off them. It is tall poppy syndrome in the tax code, and National wants more of it.

Last month National said it would extend the bottom rate, shifting more of the COVID debt onto a smaller number of tax payers. If we want the future to be wealthier and more united, a commitment to lower flatter taxes would go a long way.

Then there's the Government's racialisation of everything. Children are learning there are two versions of science, one for Māori and one for the rest of humanity. Everything from healthcare to water systems are being put into the co-governance model. PHARMAC is funding drugs for members of one race but not others. The Government setting race relations back decades and the next Government must be committed to universal humanity instead of commodifying people into identities.

LUXON'S NATIONAL PARTY RESHUFFLE DEC-2021

RANK	MP	+/-	Portfolios
1	Christopher Luxon	+27	Leader, National Security
2	Nicola Willis	+14	Housing, Social Investment,
3	Simon Bridges	+4	Finance, Infrastructure
4	Chris Bishop	+4	Leader of the House, Covid-19 response
5	Shane Reti	-3	Health, Maori-Crown relations, Pacifica Peoples
6	Louise Upston	-1	Social Development, Employment, Child Poverty reduction
7	Erica Stanford	+18	Education, Immigration
8	Matt Doocey	+12	Mental Health, Youth
9	Simeon Brown	+10	Transport, Public Service
10	Barbara Kuriger	+4	Agriculture, Biosecurity, Food Safety
11	Scott Simpson	-1	Climate Change, Environment
12	Paul Goldsmith	nc	Justice, Workplace relations and Safety
13	Melissa Lee	-4	Broadcasting & Media, Digital Economy, Ethnic Communities
14	Mark Mitchell	-1	Police, SFO, Counter-Terrorism
15	Andrew Bayly	-12	SMEs, Commerce, Manufacturing, Building & Construction
16	Gerry Brownlee	-1	Foreign Affairs, GCSB, Emergency Management
17	Stuart Smith	nc	Energy & Resources, EQC, Viticulture
18	Michael Woodhouse	-14	Dep Shadow Leader, SOEs, ACC, Statistics, Sport & Recreation
19	Judith Collins	-18	Research Science Innovation & Technology
20	David Bennett	-9	Economic & Regional Development
UR	Jacqui Dean	-3	Assistant Speaker, Conservation
UR	Todd McClay	-15	Trade & Export Growth, Tourism
UR	Simon O'Connor	+3	Corrections, Customs, Arts Culture & Heritage
UR	Ian McKelvie	+5	Seniors, Forestry, Racing
UR	Todd Muller	+7	Oceans & Fisheries, Internal Affairs
UR	Maureen Pugh	nc	Community & Volunteer Sectors
UR	Harete Hipango	+1	Maori Development, Whanau Ora, Children
UR	Chris Penk	+2	Shadow Attorney General, Courts
UR	Tim Van de Molen	+6	Defence, Veterans, Horticulture
UR	Nicola Grigg	+7	Rural Communities, Land Information
UR	Joseph Mooney	+7	Treaty Negotiations, Water, Space
UR	Penny Simmonds	+7	Tertiary Education, Early Childhood, Disabilities
UR	Simon Watts	+7	Local Government

NATIONAL'S NEW FINANCE SPOKESPERSON

SOURCE: Politik, 6-Dec-2021

Simon Bridges has taken the high profile Finance Spokesperson role for National. He has also added the complimentary Infrastructure portfolio role. In a recent "Working Party" podcast, Bridges stated he is highly critical of Reserve Bank Governor, Adrian Orr. "*Ultimately, he has probably made things worse*," Bridges told the podcast. "*His policy implementation has led to the housing problems; we've got the big inflation, and he's been focused on a whole bunch of other things that may or may not be important.* ***But these are not the job of the Reserve Bank, whether it's Maori issues or climate change and the like.***"

Those comments give a clue to the direction that Bridges is likely to take National's economic policy. He is, he told POLITIK, "*a kind of a free-market guy*."

"*Generally speaking, I believe in lower taxes, less red tape and spurring innovation and a more productive country*," he said. "*But I'm also open to new ideas. I don't know what they are right now. But if a bright young economist, the next Milton Friedman or Kenneth Galbraith, come along and have ideas that are relevant to us today and that allow us to reset things and deal with things differently, I'll be very open to that. I'm a collector and a hoarder of new ideas, and I will be on the lookout for them over the next 12 months or so.*"

Post-Covid is going to require a more complex policy response. National's new leader, Christopher Luxon, has already signalled that increasing productivity will be a top priority for National. The issue has been a long-running irritant in New Zealand economic policy formation. In 2018, the OECD said: "*Labour productivity (in New Zealand) has failed to catch up with leading OECD countries, despite generally beneficial policy settings. Poor labour productivity can be traced to a lack of international connection and agglomeration, high rates of qualification and skills mismatch, muted competitive pressures, and low rates of capital investment and research and development activity*."

Bridges is also spokesperson on infrastructure, and the provision of infrastructure, particularly for housing, has been a limiting factor in the provision of housing. That too impacts on productivity.

But the next National-Act government is also likely to face major challenges on the fiscal front. The scale of the challenge is easily seen when it is remembered that the 2019 Budget forecast net debt as a percentage of GDP was expected to be 18.7% in 2023. Now, as a consequence of the COVID borrowing, that will have nearly tripled to 48%. To put that in perspective, net debt, as reported in Treasury's Briefing to the Incoming Government in 1990, was at 51.7%. That led directly to the December 1990 mini-Budget with its benefit cuts, prescription charges and income-related rents for state housing. So acting now or very soon might avoid a repeat of 1990. Treasury's Long Term Fiscal Statement is less optimistic than the Finance Minister's Budget Economic and Fiscal Update.

The BEFU bases its projections on an assumption that only New Zealand Superannuation and indexed welfare expenditure is assumed to grow. Treasury argues that if the projections are based on historical averages, expenditure growth (particularly in health) will be larger than that. The Long Term Fiscal Statement suggests that raising income tax by 1% by 2025 and not adjusting for fiscal drag would generate enough tax to keep the Budget in surplus up till 2035.

A National-Act government would be unlikely to agree to that. So what could they do?

"*Surpluses aren't the be-all and end-all of everything*," Bridges told POLITIK. "*But getting back to surplus, all things being equal, is a very good goal indeed. And so if I can in pushing arguments about productivity, spending and debt and inflation, bring us back to some rationality and focus on these issues that you've got to earn a dollar and you've got to spend it wisely, and it can't all just be borrow, borrow; I'll be doing New Zealand a service.*"

Bridges' memoir "National Identity" has no chapters on the economy, taxation or business but does talk about education, which is clearly a passion of his. Perhaps not surprisingly, for someone with a post-graduate degree from Oxford, he believes in educational success. "*As finance spokesperson, I'll take a real interest in education*," he said. "*If we keep slipping down the league tables, that will see a continuing decline in productivity. If we sort it out, then, in the long run, we will go a long way to sorting out productivity*."

In the short term, he is critical of an immigration policy that has made it difficult for skilled workers to come into New Zealand. "*We want to make sure we're retraining our people into the right skills because part of the problems is a skills mismatch between New Zealanders and what we actually need*," he said. "*It* *takes time, though, and it will require some reasonable immigration in the meantime*."

The Luxon/Bridges combination has got National Party supporters buzzing with excitement (including me). Look out Ardern & Robertson – a freight-train is coming for you.

RESERVE BANK COST TAXPAYERS $6BN

SOURCE: Dr Bryce Wilkinson of @nzinitiative

It is easy to squander taxpayers' money if you are a central bank. The losses amount to a few thousand dollars per household, but hardly anyone is aware of it.

This is how it works.

First, look for a great pile of assets to buy. Then buy a big chunk of them. Sure, you must outbid everyone else, but you have the ultimate ATM.

Suppose the assets were selling for $1 before you started buying and you drive them up to, say $1.10.

Of course, even you have to stop buying at some point. That is when things can turn sour. Asset prices might drift back to $1 because the biggest buyer – you – has dropped out. Your paper losses mount. Oops.

Those who sold to you are smiling. They can now buy the asset back for $1 and keep the profit.

But the losses are not your problem. Treasury has promised taxpayers will pick them up. Genius.

This, in a nutshell, is the Reserve Bank of New Zealand's Long-term Asset Purchase Scheme (LAPS).

It did indeed target a great pile of assets. At the end of February 2020, $77 billion of government bonds were potentially available for purchase. Government deficit spending rocketed that up to $138 billion by the end of October 2021, more than $75,000 per household.

The RBNZ started hoovering up these assets under the LAPS scheme from March 2020. Initially, it bought between four and seven billion dollars a month.

Prices rose sharply, reducing the cost of new borrowing. The RBNZ was pleased to take the credit for this.

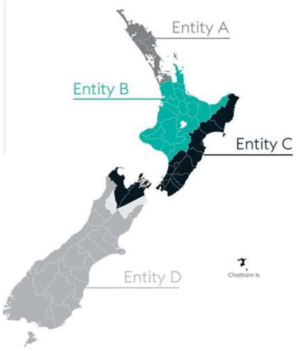
The RBNZ stopped buying in July 2021. By then, it had bought $53 billion of government bonds. That is about $30,000 per household.

But the prices of these bonds have fallen since July, lifting the cost of new borrowing (ie interest rates). By the end of October 2021, the RBNZ's losses had reached $5.8 billion. But for the indemnity, the RBNZ's equity of $2.76 billion would be negative.

The losses for taxpayers look set to rise by many more billions. Rising inflation expectations depress bond prices, lifting interest yields. Taxpayers are enduringly exposed because the RBNZ has badly mismatched its assets and liabilities.

Under the indemnity, the RBNZ can shrug its shoulders and keep its massive gamble open. But someone should be accountable. Surely it is Treasury and the Minister of Finance.

GOVT'S PROPOSED INFRASTRUCTURE SPEND



Robertson says when it comes to Three Waters there will be "hundreds of billions" raised over a multi-decade horizon to bring that infrastructure up to scratch and provide for growth. The official projection is $185bn over 30 years but that is now expected to rise. The debt will be raised on the balance sheets of the four new public-owned entities.

Light rail in Auckland has been projected to cost between $9 - 16.3bn to fund, depending on the option that is chosen. But there are estimates it could run out to a $20b range once associated urban development along the rail pathway and inflated material costs are factored in.

The "Let's get Wellington Moving" initiative which will bring light rail to the Capital is expected to touch on $10bn.

The cost of an Auckland harbour crossing by tunnel — which is Robertson's preferred option — has ballooned to $15bn; a 50% increase on the previous estimate of $10bn. These are significant cost escalations.

In his May 2021 Budget, Robertson said the Government would spend $57.3bn on infrastructure between 2021-2024, increasing what was already a large figure in the 2020 Budget. That is going up again. He told the Herald "we will have to add to that".

Treasury's HYEFU update on 15th December showed a massive increase in tax take, and we await what Robertson now has to say then about another agenda of work outlined in the 2021 Budget announcement, including further clarification on hypothecating revenue from the Emissions Trading Scheme for emissions reduction projects. The Green Infrastructure Fund Green Bonds programme for 2022 are central to this. Robertson concedes that this is a "massive" programme. "*The thing for me, it is about having the infrastructure backbone for a higher wage, lower carbon economy*," he said.

However, this Labour Government is great at grand announcements, but are unlikely to even get close to actually doing the mahi, and getting such substantive infrastructure actually built.

GANG NUMBERS DOUBLE IN 5 YEARS

Gang violence is out of control – we seem to be having daily shootings at present, and yet this Labour Government just don't seem to care. Gang affiliations around the country seem to be growing at a fast rate, with more than 8,000 gang members now officially recorded in New Zealand.

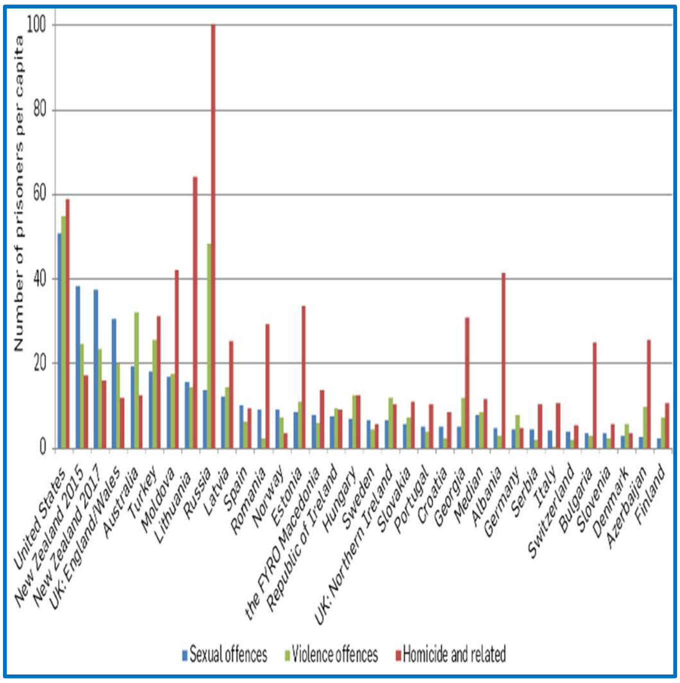
That is almost double the figure recorded by authorities five years ago, when there were 4,420 people recorded as gang members on the national gang list.

A total of 8,061 gangsters have been identified in New Zealand as of June, according to data given under the Official Information Act to Stuff. Police add to the list using information from search warrants and operations or simply from someone with a gang tattoo or with a gang patch.

The data also shows a marked increase in the number of people affiliated to gangs in the Auckland region - with the latest numbers now showing 1,611 gang members in our largest city. Five years ago, there were 863 gang members officially recorded on the list.

It is understood there are tensions between the Comancheros and rival motorcycle gang the Head Hunters. This government just doesn't have the courage to go hard on gangs (gangsters).

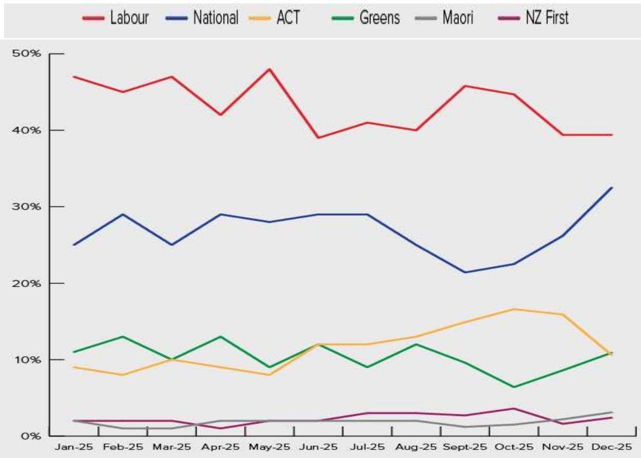
SERIOUS CRIMINAL OFFENDING NUMBERS GLOBALLY



Curia December 2021 Poll				
	Vote	Change	Seats	Change**
Labour	39.5%	0.2%	49	(16)
National	32.6%	6.4%	40	7
Act	10.6%	(5.3%)	13	3
Green	10.9%	2.3%	14	4
Maori	3.0%	0.7%	4	2
NZ First	2.3%	0.6%	-	-
Other	1.1%	(5.0%)	-	-

* Change from Novemberr ** Change since election

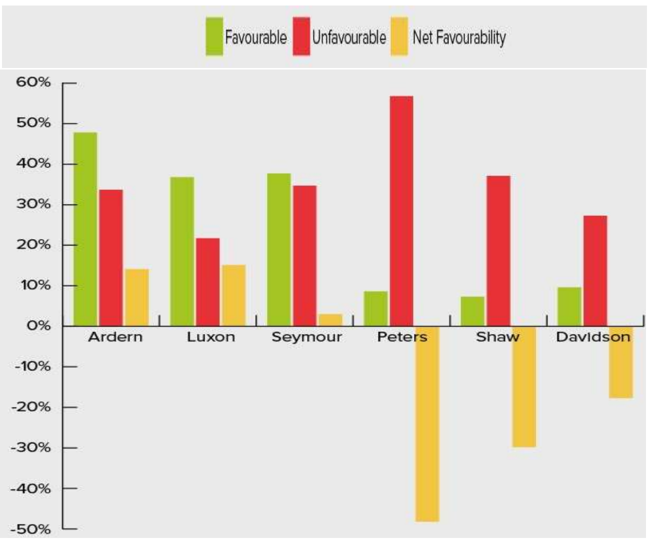
TAXPAYER' UNION CURIA POLL – POST LUXON AS LEADER



The results of December's *Taxpayers' Union Curia Poll*. This has been highly anticipated because it is the first scientific poll since Chris Luxon took over as National Party Leader.

It's good news for him. National has risen 6.4% to 32.6%. But ACT has taken a big hit, and Labour is holding steady. Interestingly, the Greens are the second biggest Party winner (up 2.3%), despite being completely out of the spotlight in the media.

LUXON PASSES ARDEN FOR NET FAVOURABILITY



Christopher Luxon has had a great start, and is already ahead of Jacinda Ardern as the most "Net Favourable" Leader.

All in all, National is back, and 2023 is now looking "game on".

Roy Morgan November 2021 Poll				
	Vote	Change*	Seats	Change**
Labour	43.5%	(6.0%)	46	-19
National	26.0%	3.0%	34	1
Green	10.5%	1.0%	14	4
Act	16.0%	nc	22	12
Maori	2.0%	nc	4	2
NZ First	2.5%	1.0%	-	-
* Change from October		** Change since election		

NOTE: This poll was conducted before the election of the new National leader.

DIRECTION

Right 46.0% (-2.0%) Wrong 44.5% (+6.0%)

This is the first poll since the 2020 election that doesn't have Labour and Greens able to form a Government. They would need the support of the Maori Party to govern.

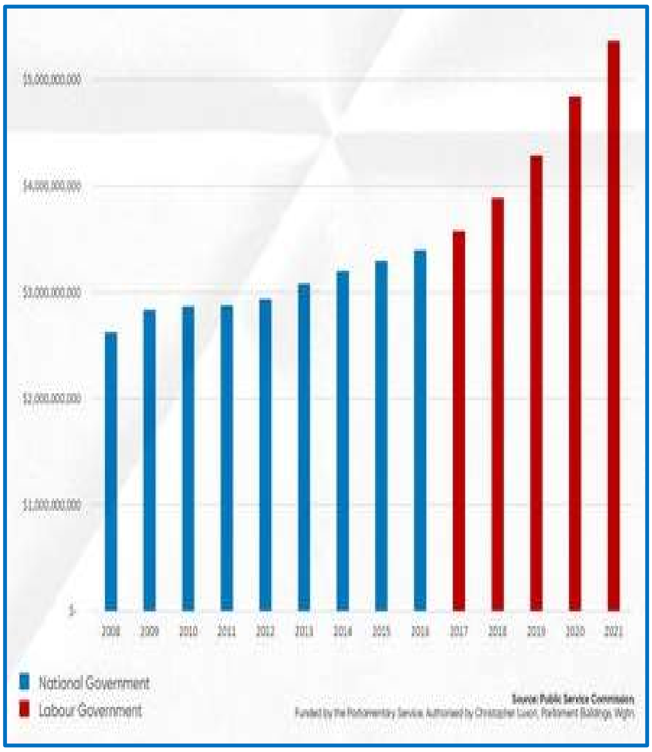
The net country direction is on the verge of going negative which is a huge change from the beginning of 2021 when it was a massive +54%.

The gap between the Centre Left and Centre Right varies by gender and age. The gap is:

All voters +2.5%	Women +17.5%	Men -13%	
Women under 50	+32%	Men under 50	-12.5%
Women over 50	+0%	Men over 50	-13.5%

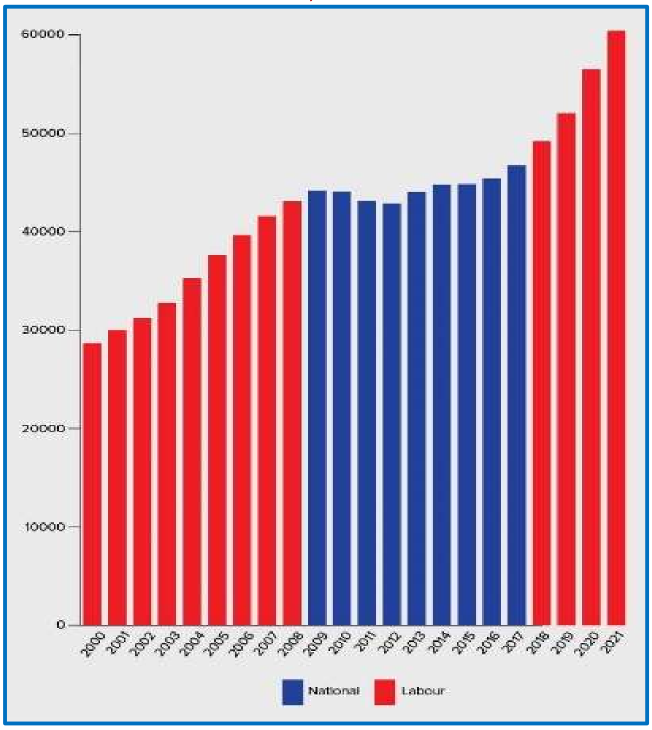
So the Centre Right has large leads with both young and older men. Older women are now split equally between Lab/Greens and Nat/ACT, while younger women go massively for Lab/Greens – which is what is keeping them competitive.

PUBLIC SERVICE SPENDING – LABOUR V NATIONAL



PUBLIC SERVICE FT EMPLOYEES – LABOUR V NATIONAL

THIS EXCLUDES CONTRACTORS, FRONTLINE POLICE & DHB STAFF



The two graphs above clearly demonstrate the philosophical difference between Labour and National.

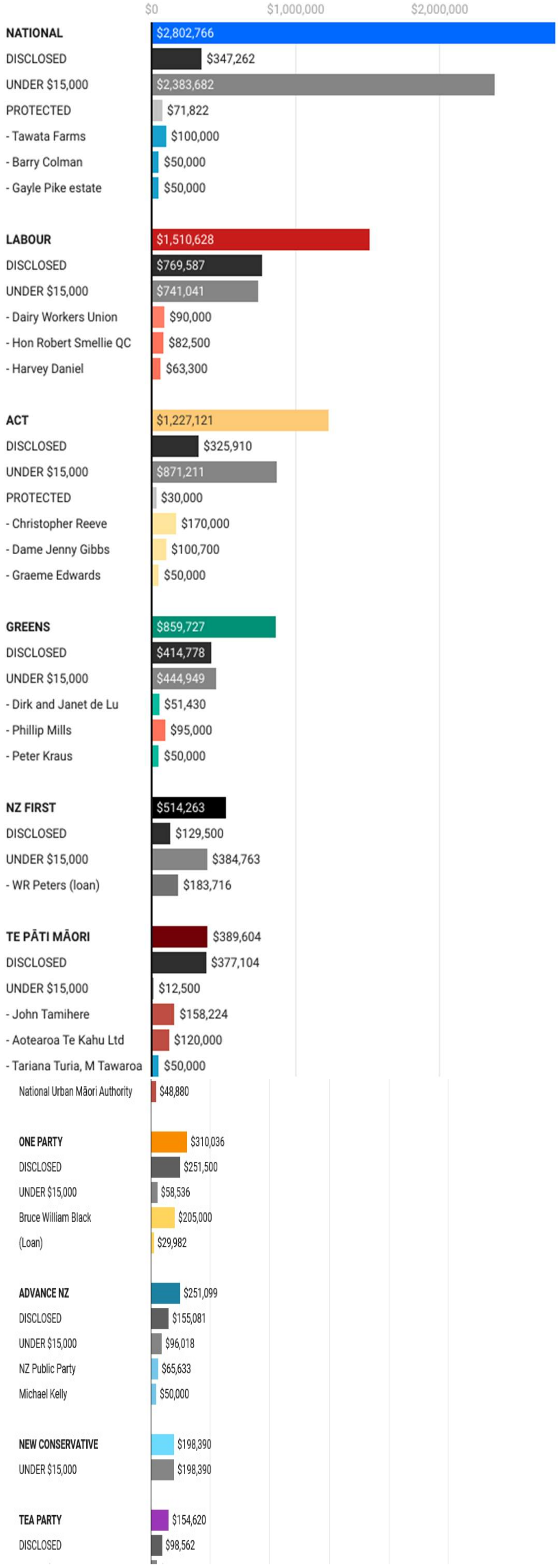
National strongly believes in personal responsibility, and are ambitious for all New Zealanders.

Labour believes in "mother knows best" and want Central Government to micro-manage New Zealanders daily lives.

"Politics is too serious a matter to be left to politicians."

~ CHARLES DE GAULLE

PARTY DONATIONS & LOANS (2020 & 2021)



LABOUR'S MOVE FOR TAXPAYER FUNDING

Source: Newshub, 6-Dec-2021

One major change would be to lower the threshold at which political parties have to disclose the identity of donors from $15,000 to $1500 – to bring it into line with the regime for individual candidates.

This is a stupid comparison. The maximum you can spend on a candidate campaign is $28,200. So the $1,500 donation disclosure threshold is basically 5% of the spending limit.

The maximum a party can spend on a party campaign is $3,229,400. The $15,000 donation disclosure threshold is already just 0.46% of that and the proposed limit would be 0.05% of that.

ACT leader David Seymour says a law change will not solve the problem of politicians trying to game the system.

"If people think it's a problem that people who break the law are being taken to court, then they don't understand what it is for a law to not be working," Seymour says.

"The law is working – that's why people are being prosecuted... we aren't talking about changing the laws around murder because people have been charged with it."

He has accused Labour of seeking to use its "own political advantage so it can replace the system with taxpayer funding", which he says could also make it harder for parties like his to raise money through donations.

This is absolutely the end game. Labour want an excuse to bring in (greater) taxpayer funding for political parties.

THREE WATERS

Source: Kiwiblog, 2-Dec-2021

Recently, Local Government Minister Nanaia Mahuta recorded a lengthy podcast with the Taxpayers' Union. Here is a summary:

***Taxpayers' Union**: How does taking water assets off councils save money?*

Nanaia Mahuta: Because of economies of scale. We need to solve under-investment. Water has to be financially sustainable. We're not taking the assets.

What do mean you're not taking the assets? Councils lose ownership except in name.

Councils will own the assets. We have to prevent privatisation. Economies of scale.

What ownership rights will councils have?

Councils will set strategic performance expectations.

There will be good governance. Water won’t compete with other council services for funding.

Can you rule out iwi groups receiving water royalties?
We have to prevent privatisation. Iwi cannot sell the assets. Iwi care about the long term.

You said iwi won’t have a veto right. But iwi will be 50% of boards and major decisions require a 75% majority. So, iwi hold a veto, correct?
No.

Given 61 of 67 councils oppose your reform, how has consultation shaped your reform?
First, we need public ownership. Second, we must prevent privatisation. Third, we need solutions. Fourth, we want good governance.

Will ratepayers be represented on the working group?
Only through councils.

You signed off a Cabinet paper on the reform on 18 October. Four days later, your office received a summary of council submissions. Was your consultation a sham?
I received regular feedback from DIA and LGNZ through that period.

Why are the reforms so unpopular?
The current system does not work.

61 of 67 mayors oppose your reform.
It’s about the ratepayers.

Ratepayers hate your reforms. Have you seen our poll? It’s three to one against.
It’s about economies of scale.

Castalia has rubbished your cost modelling.
Castalia accepts privatisation. We must prevent privatisation.

Your cost savings are based on Scottish data which was not adjusted for New Zealand.
It was adjusted.

You are promising operating cost savings of 50% and [up to 9,000] more jobs in water. How does that make sense?
Economies of scale. Better funding.

You only looked at new statutory entities, not the existing Council Controlled Organisations (CCO) model. Why?
Because water needs to be able to borrow off council balance sheets. There is no way to do that with a CCO. Economies of scale. Prevent privatisation. Good governance. Affordable services.

Why is the Treaty relevant when we’re talking about pipes not water?
Excellent question. Iwi will achieve better environmental and drinking water outcomes for the whole community.

How are Māori more connected to the environment than anybody else?
They’re not. But Māori are very connected to the environment.

Why not leave water with councils and guarantee their debt instead?
Economies of scale.

It’s almost comical – if it wasn’t so serious. Nanaia has a “blind determination” to see her reforms through, but don’t undervalue the power of public opinion. If Jacinda sees a close election looming, she will abandon Nanaia and her reforms in the blink of an eye.

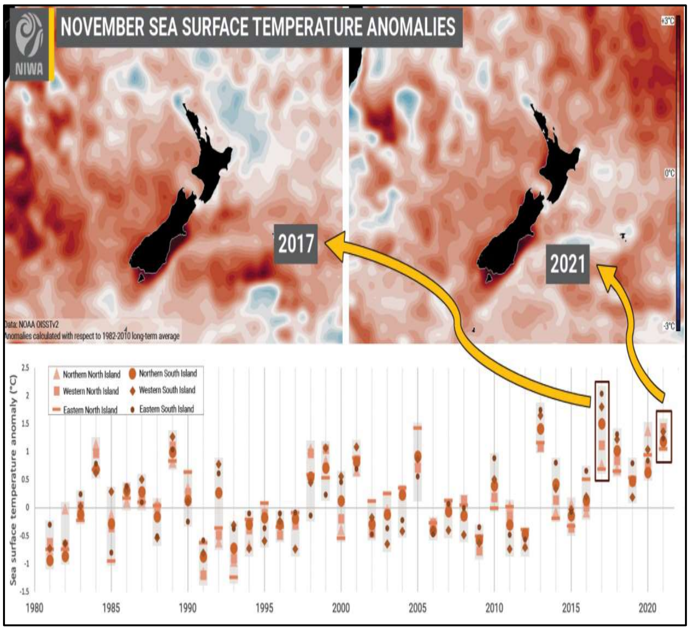
At the beginning of this year, Nanaia Mahuta was saying it could be optional for councils to be included in her Three Waters reforms. But in October she announced Three Waters would now be a compulsory "all in" reform, whether councils like it or not.

RNZ has now revealed Mahuta made the "all in" decision back in June, but kept it quiet for four months so that anti-Three Waters councils wouldn't hit the roof during her official feedback period. It's an incredible example of dishonest, manipulative lawmaking.

Three Waters has become a real problem for this Government. Nanaia Mahuta's Cabinet colleagues are spooked by the intensity of public opposition to her plans and last week she announced she's delaying legislation until March next year.

NIWA PREDICTING MARINE HEATWAVE

Marine heatwave conditions became established in New Zealand’s coastal waters during the second half of November. Temperature anomalies ranged from +1.1˚C to +1.5˚C for the month as a whole. NIWA climate models indicate that unusually warm seas will continue to be a factor this summer, with the potential for marine heatwave conditions in December and January in particular. According to NIWA, this is comparable to the conditions observed in November 2017, which marked the beginning of an unprecedented marine heatwave around the country and in the Tasman Sea.



TAURANGA HOSPITAL UPGRADE – FAR TOO LATE

SOURCE: BOP Times, 3-Dec-21

GOVT ANNOUNCES $15.14M FOR EXTRA ICU BEDS

The Government has announced it will allocate $15.14m to provide urgent-care beds at Tauranga Hospital to help the city cope with Covid-19.

Health Minister Andrew Little announced the funding, saying it was expected to result in two additional intensive care unit (ICU) beds and four high dependency unit (HDU) beds. Since then (15th December) Minister Little has announced plans to increase Coronary Care beds by 75 – this will allow more room for Covid-19 cases. I am presuming that Tauranga Hospital is now finally going to complete the 3rd floor fitout (equivalent to two wards) in their approximately 10 year 5 story new build – which has never been fitted out!

New Zealand had done well so far during the pandemic to avoid hospitals becoming over-run, Little said. "*As I have said before, I have asked district health boards to identify ways of increasing intensive-care capacity within six months, such as projects to convert unused wards*."

What is astounding is that they are only doing this now – not one year ago. There really has been no plan – no forward thinking nor risk management. Yes the Health system needs overhauling – but not in the middle of a pandemic; and don't centralise power back to Wellington – "Mother knows best" will never work!

Cabinet earmarked $100m of capital funding from the Covid-19 Response and Recovery Fund to "accelerate" the ICU projects. Another $544m of operational funding is expected to be available to fund ongoing costs such as staffing, Little said.

Tauranga Hospital was among the first to receive money for this purpose. Money has also been given to hospitals in the North Shore and Christchurch. Another $65.1m has been given for a new six-bed facility, 30 in-patient beds and two negative pressure rooms at Waitakere Hospital in Henderson, Auckland.

Acting chief operating officer Bronwyn Anstis said the Bay of Plenty's "significant and sustained growth" in population had resulted in a paralleled increase in demand on health services and facilities. "*Frequently this means that our ICU and HDU facilities are at, or near, capacity,*" she said.

THE EXISTING ICU CONTAINS 10 BEDS

Anstis said the "constrained capacity" of the ICU and HDU departments had been "an area of concern" and the funding to expand was timely and welcomed. In November, district health board data showed an estimated 230 people would die and there would be almost 31,000 Covid-19 cases in the local area next year if only an 80% vaccination rate was achieved. The modelling figures show with an 80% vaccination rate in the local area there would be 2200 hospitalisations, but at 90% that would drop to 1200.

Ministry of Health data shows as of December 1, 90% of the eligible population of the Bay of Plenty District Health Board had received one dose and 82% were fully vaccinated.

The funding announcement comes just weeks after concerns a temporary ward at Tauranga Hospital was akin to "1960s army barracks". In October, the hospital made changes to its wards to allow for urgent work to prepare to treat potential Covid-19 patients. Part of an orthopaedic ward was cleared and a temporary ward - 1D - was created in the former transit lounge. Lounge patients would be housed in the conference centre.

A couple needing four days of care said during the husband's stay, there were 25 patients in the ward with curtains separating the beds and toilets at one end. They felt unsafe at potential cross-contamination of Covid-19 and questioned the hospital's duty of care.

Bay of Plenty District Health Board chief executive Pete Chandler acknowledged the "overflow" area was "not ideal".

The number of total active cases for the Western Bay of Plenty as at 2nd December was 62 – now on 16th December it has risen to 120 (with 1 death in hospital).

$644 MILLION BOOST AS ICU AND HOSPITALS BRACE FOR WIDESPREAD COVID-19

SOURCE: RNZ, 3-Dec-21

Minister of Health Andrew Little announced this morning the government would spend $100 million upgrading buildings and facilities and $544 million for operating costs, including staffing to prepare for when Covid was widespread in the community next year.

He said he had asked hospitals to identify ways of quickly increasing their intensive care beds - even though there was more than enough capacity than was likely to be needed.

FOUR INITIAL PROJECTS WERE ANNOUNCED

The biggest was at West Auckland's Waitākere Hospital, which had been given $65.1 million to build space for 30 new ward beds, six ICU beds and two negative pressure rooms.

It currently had no ICU, sending patients to North Shore hospital instead.

Its district health board was getting a further $5 million to covert eight existing elective surgery beds to surge intensive care beds.

Bay of Plenty was given $15.5m to create two more ICU beds and 4 high dependency unit beds. Canterbury was getting $12m for 12 ICU beds.

Intensive care doctors and nurses have long worried about how intensive care service around the country would cope when Covid became truly endemic, saying the government was overestimating how much capacity there was.

That was because they would have to care for people with Covid-19 on top of all the other usual care, for example, people who had been in car accidents, had a heart attack or who were recovering from certain serious surgeries. They have said there is not enough capacity to cope without the high standard of care falling or some planned operations being put off. The biggest barrier was not physical beds and equipment, but the nurses needed to staff these.

There were not yet details on how the new funding would help to fix the problem.

Little had earlier said 1400 nurses had completed a 4-hour online course to give them skills to help as a surge workforce if needed. But those in the field said they would be able to provide care around the edges at best.

HEALTH SYSTEM REFORM

CONSULTANTS BIGGEST WINNER

The special government unit established to overhaul the country's health system will spend $18 million, 69% of its $25.96m budget this year, on contractors and consultants, its director has estimated.

In addition, the Transition Unit's head, Stephen McKernan, confirmed the total outlay on contractors and consultants, from the division's inception in June, 2020 to Oct 11, 2021, was $10.4m.

The single largest beneficiary of the contractor spending to date is Ernst and Young (EY), where McKernan is a partner.

LABOUR SIDELINES ITS OWN HEALTH COMMITTEE

SOURCE: Kiwiblog, 2-Dec-2021

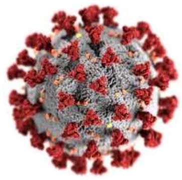
Labour voted in Parliament for the bill that will do the biggest ever restructuring of the health system not to go to the Health Committee. Instead they set up a special select committee to consider it.

Here's who Labour has on the Health Select Committee:

Dr Liz Craig (doctor, public health specialist)
Tracey McLellan (psychologist, nurses union)
Dr Anae Neru Leavasa (doctor, GP)
Sarah Pallett (midwife, midwifery lecturer)
Dr Gaurav Sharma (dcotor, GP)
Tangi Utikere (Deputy Mayor)

So five of the six Labour MPs on the Health Select Committee are health professionals. There was obviously a huge risk they might actually ask questions they were not meant to, so instead it has gone to a new committee. The Government really doesn't like independence.

LATEST COVID STATISTICS



As at 16th December there are 120 active cases of Covid in the Western Bay of Plenty (7 new cases and nearly all in Tauranga), including 1 death in Tauranga Hospital. Why isn't the Ministry actively publicising these numbers -doesn't suit the spin…

There are 5 active cases in the Eastern Bay; 20 cases in Rotorua (2 households); Taupo now has 13; , and 2 in each of Turangi and Mangakino. Tauranga residents need to take note of the growing numbers in Tauranga.

Based on the cases in the last fortnight, unvaccinated people are **8 times** more likely to get Covid-19 than people who have received two doses, and **45 times** more likely to be hospitalised.

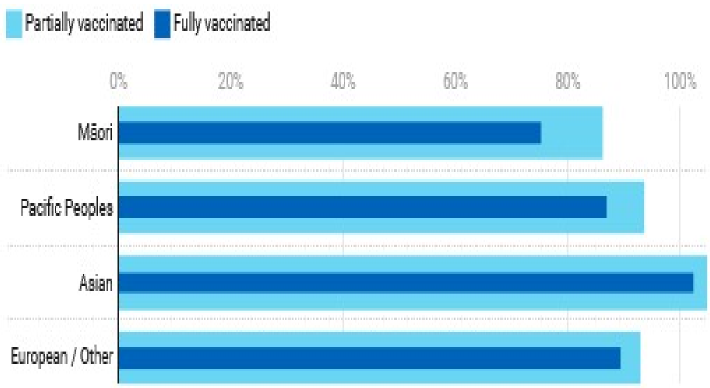
Also, of the 475 cases who have been hospitalised, 308 are aged under 50. Only 32 of the 475 were fully vaccinated. Of the 51 cases that went into ICU, 19 are aged under 50.

Of the 44 deaths, 11 are aged under 60.

As of 15th December, only 7 DHB's (All 3 in Auckland, Capital & Coast, Hutt Valley, Canterbury and Southern) have reached the 90% of the eligible population (4.21m) needing to be double vaccinated. Bay of Plenty DHB is at 86.0% fully vaccinated (with Tauranga City at 87.9%), and Lakes DHB is currently at 84.4%.

We currently have 254,184 people (6.0%) still unvaccinated country-wide.

PERCENTAGE VACCINATED BY ETHNICITY



"It is the mark of an educated mind to be able to entertain a thought without accepting it."
~ ARISTOTLE

IS WORLD WAR THREE LOOMING?

SOURCE: UK The Week, 2-Dec-2021

TENSIONS AT A NUMBER OF GEOPOLITICAL FLASHPOINTS MEANS THE THREAT OF REAL CONFLICT LOOMS

As tensions ramp up between the West and its antagonists in Russia and China, fears are growing that proxy wars could develop into wider armed conflict.

US officials have warned the European Union that Moscow may be on the verge of another military invasion of Ukraine as its troops gather near the border, while others remain wary of multiple hotspots where Beijing might want to make its military mark over the next decade.

CHINA

MI6 chief Richard Moore recently warned that the rise of China was the Secret Intelligence Service's "single greatest priority" as Beijing continues to "conduct large scale espionage operations against the UK and our allies".

Moore, known as C, said "*tectonic plates are shifting*" as China shows more willingness to assert its power.

In his first public speech, made to the International Institute for Strategic Studies, he said Beijing's "growing military strength" and desire for reunification with Taiwan, by force if necessary, "pose a serious challenge to global stability and peace".

His comments came weeks after US President Joe Biden said America had a commitment to defending Taiwan, although a White House statement later insisted that its policy of "strategic ambiguity" remained in place.

The policy "*leaves vague exactly how the United States would react*", explained The New York Times, and many experts think it is now time for more clarity.

The newspaper suggested Biden's rhetoric "may be reflecting a desire to toughen Washington's language to counter new Chinese capabilities, which would allow far more subtle moves to strangle Taiwan - cutting off undersea cables, internet connections and liquid natural gas shipments - than an outright invasion".

Tensions also remain high in the South China Sea. Beijing views the expanse off the coast of East Asia as sovereign territory, while Washington regards "China's militarisation of the area as a transparent rewriting of the international rules", said The National Interest. "Neither side is backing down – nor does either country seem interested in a compromise," the US magazine added.

Biden held virtual talks with Chinese President Xi Jinping last month, in part, to ensure that the competition between them "didn't drift into armed conflict due to a misunderstanding at a global hotspot", said BBC's China correspondent Stephen McDonnell.

Pentagon officials remain wary that China could start a military conflict in the Taiwan Strait or other hotspots "sometime in the next decade", said Michael Beckley, an associate professor at Tufts University, and Hal Brands, professor of global affairs at Johns Hopkins, in The Atlantic. While Biden may have asserted that the US is not seeking to begin a new cold war, that is "the wrong way to look at US-China relations", they said.

"*A cold war with Beijing is already under way. The right question, instead, is whether America can deter China from initiating a hot one*."

RUSSIA

A build-up of nearly 100,000 Russian troops, artillery and tanks along the border of Ukraine over the past month has prompted fears of a new invasion, although Russia denies it has any such intention, said Politico.

"*We see an unusual concentration of troops, and we know that Russia has been willing to use these types of military capabilities before to conduct aggressive actions against Ukraine*," the head of NATO, Jens Stoltenberg, has said.

Ukraine and the West have also pointed the finger at Russia for the migrant crisis on the border between Poland and Belarus. The Belarusian government has been accused of "*causing the crisis by encouraging migrants from the Middle East to come to Belarus and then taking them to the border*", said DW.

Polish Prime Minister Mateusz Morawiecki accused Russia of being the "mastermind" behind the crisis, with Belarusian President Alexander Lukashenko a key ally of Russian President Vladimir Putin.

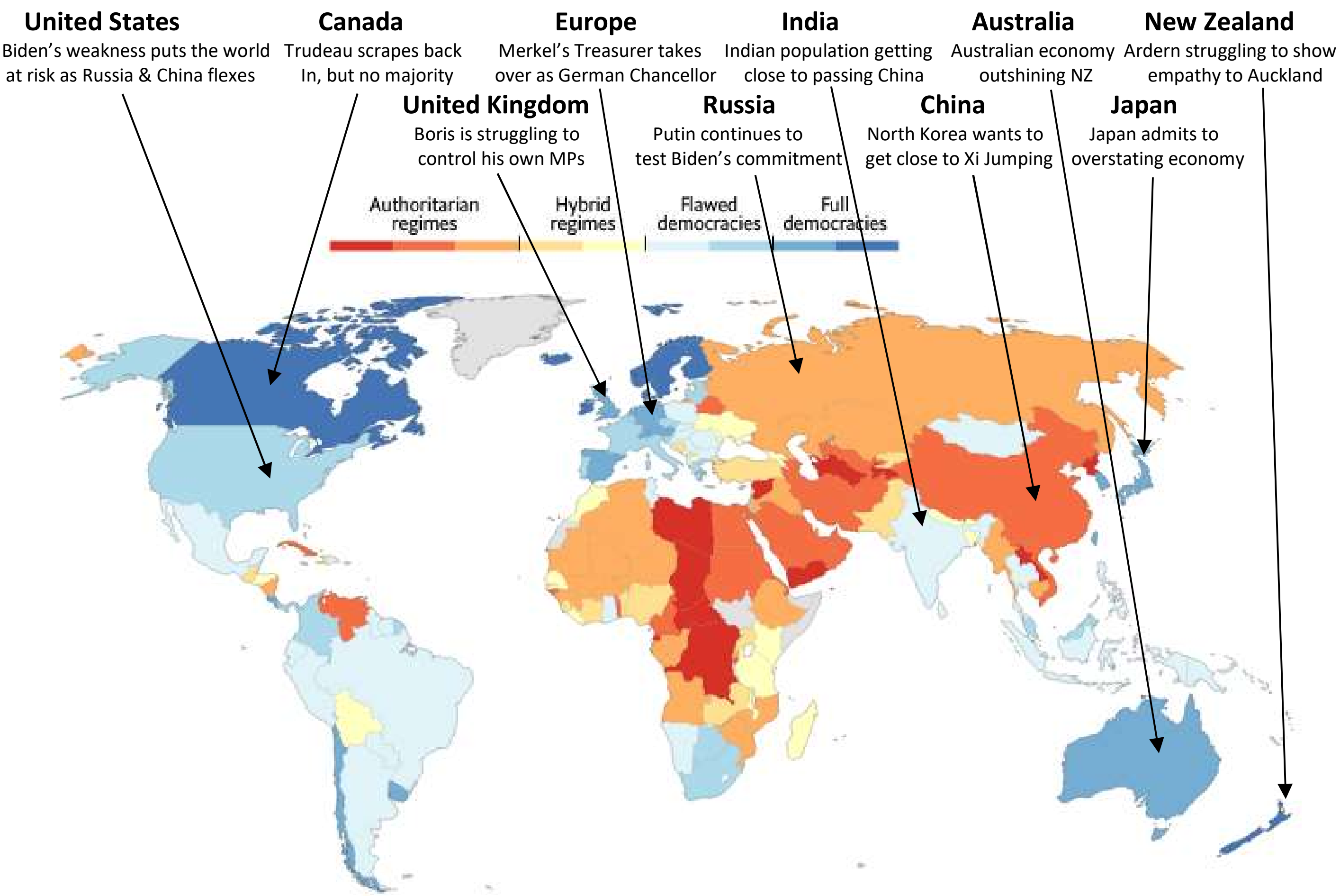
US Secretary of State Antony Blinken has said the situation is designed to "*threaten security, sow division, and aim to distract from Russia's activities on the border with Ukraine*".

Ukraine's Foreign Minister Dmytro Kuleba sees Russia's actions as part of a wider plan. "*When we see migrants used as a weapon, when we see disinformation used as a weapon, when we see gas used as a weapon, and soldiers and their guns… these are not separate elements,*" he said. "*They are all part of a broad strategy to shatter Europe*."

Indeed, these "flashpoint" events may individually seem to have "complex roots", said Bob Seely in The Telegraph, but the work of Putin is "behind them all".

"*Putin's Kremlin has been preparing for conflict ever since he declared the new age of hostility in a 2007 speech in Munich*," Seely continued, but his words have been "*largely ignored by nervous Western nations*".

THE WORLD AT A GLANCE — GLOBAL DEMOCRACY INDEX 2020



I STRONGLY RECOMMEND THAT YOU "GET OFF THE BEATEN TRACK" IN JAPAN (I DID SO IN THE 80'S). TOKYO IS NOT JAPAN. PLEASE SUPPORT JAPAN CUSTOM TOURS, WHEN CONDITIONS ALLOW – YOU WON'T REGRET IT.

THE GLOBAL ECONOMIC OUTLOOK

GLOBAL OUTLOOK

Output in most OECD countries has now surpassed its late-2019 level and is converging on its pre-pandemic path but lower-income economies, particularly those where vaccination rates are low, are at risk of being left behind.

INTERNATIONAL FORECASTS	2017	2018	2019	2020	2021F	2022F
Australia						
Real GDP % yr	2.4	2.8	1.9	-2.4	3.0	5.0
CPI inflation % yr	1.9	1.8	1.8	0.9	3.0	2.5
Unemployment rate %	5.5	5.0	5.2	6.8	4.9	3.7
United States						
Real GDP % yr	2.3	3.0	2.2	-3.5	5.6	4.0
CPI inflation % yr	2.1	2.4	1.9	1.2	4.5	3.1
Unemployment rate %	4.4	3.9	3.7	8.1	5.4	4.2
Japan						
Real GDP % yr	1.7	0.6	0.3	-4.8	2.3	2.7
Euro zone						
Real GDP % yr	2.6	1.9	1.3	-6.6	4.9	4.4
United Kingdom						
Real GDP % yr	1.7	1.3	1.4	-9.9	6.7	5.5
China						
Real GDP % yr	6.9	6.7	5.8	2.3	8.5	5.7
East Asia ex China						
Real GDP % yr	4.7	4.4	3.7	-2.4	3.8	4.9
World						
Real GDP % yr	3.8	3.6	2.8	-3.3	5.4	4.6
NOTE: Westpac Forecasts finanised 5-Nov-21						

GLOBAL DEBT INCREASE

As The Economist recently noted, governments have spent US$17 trillion ($25t) on the pandemic, including loans and guarantees, for a combined total of 16 per cent of global GDP. On current forecasts, government spending will be greater as a share of GDP in 2026 than it was in 2006 in every major advanced economy. The United States is about to put US$1.8 trillion into expanding its welfare state; Europe is doling out a €750 billion ($850bn) investment fund; and Japan is promising a "new capitalism", with even more government largesse.

THE UNEVENNESS OF THE RECOVERY IS WIDESPREAD

The recovery is also uneven within advanced economies. Employment is still relatively weak in the United States, but is already higher than its pre-pandemic level in the Euro Area. At the same time, United States GDP has recovered faster than Europe's. Different protection models mean different challenges looking ahead.

UNCERTAINTY AROUND OMICRON CONTINUES

The spread of the Omicron variant of COVID-19 has been significantly faster in South Africa compared to Delta, though hospitalizations and ICU admissions appear to be much smaller as a proportion of cases. This could reflect either a less severe form of the virus or protection from vaccines. March. Markets continue to be volatile as uncertainty around the variant continues.

A shortage of workers in some sectors also reflects a decline in labour force participation rates in most OECD countries. Participation is expected to normalise as the effects of the pandemic wane increasing labour supply helping to keep wage growth moderate.

Imbalances also remain across industries, with sectors dependent on interpersonal contact such as travel, tourism and leisure continuing to suffer, while demand for consumer goods has been strong, especially in the United States.

NEW ZEALAND'S ECONOMIC OUTLOOK

POPULATION: 5.149 MILLION

WESTPAC ECONOMIC FORECASTS % CHANGE	Quarterly				Annual			
	Jun-21	Sep-21	Dec-21	Mar-22	2019	2020	2021F	2022F
GDP (Production)	2.8	-6.0	2.1	2.9	2.4	-2.1	3.8	4.6
Employment	1.0	2.0	0.0	0.3	1.2	0.6	3.5	0.6
Unemployment Rate % s.a.	4.0	3.4	3.8	3.7	4.0	4.8	3.8	3.5
CPI	1.3	2.2	0.7	0.8	1.9	1.4	5.2	2.8
Current Account Balance % of GDP	-3.3	-4.5	-5.5	-5.7	-2.9	-0.8	-5.5	-6.3

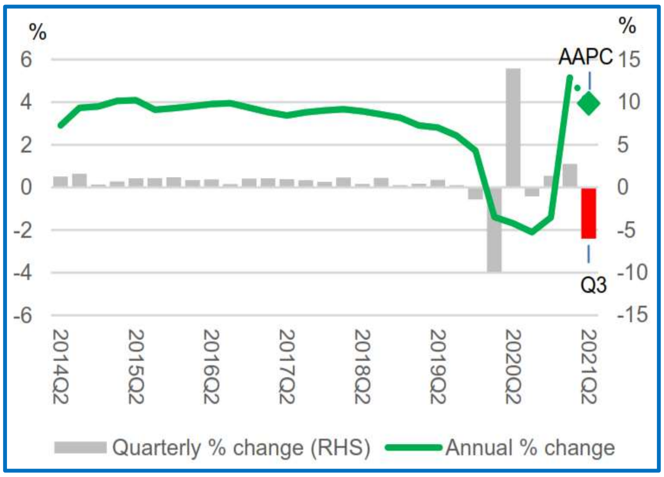
Treasury report that partial indicators of GDP show that economic activity fell substantially following the delta-outbreak and subsequent restrictions during the September 2021 quarter, with economists estimating a fall between 1% and 7% in September quarter GDP. Treasury anticipate a near 6% decline.

CONSTRUCTION ACTIVITY FELL

The volume of building work put in place fell 8.6% from the June 2021 quarter following the delta outbreak and subsequent reimposition of higher Alert Levels in August. Both residential and non-residential construction activity experienced large falls, but these were not as severe as those experienced in the June 2020 quarter (Figure 1), given the shorter period under Alert Level 4 for most of the country.

Manufacturing volumes fell 8.7% from the June 2021 quarter, with 10 of the 13 manufacturing industries experiencing reduced sales.

NZ – REAL GDP



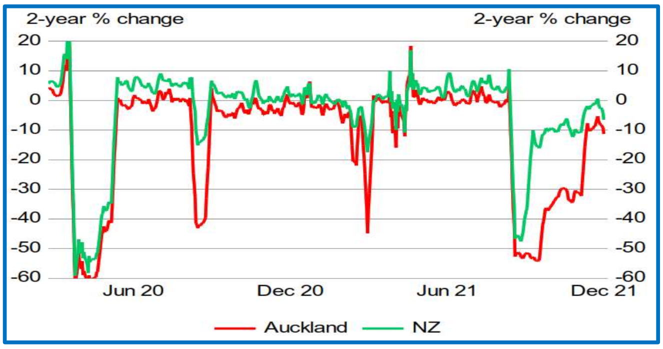
SOURCE: Treasury

BENEFIT & EMPLOYMENT SUPPORT

Weekly Benefit Numbers		29-Oct	5-Nov	12-Nov	19-Nov	26-Nov	3-Dec
Work Ready	number	108,471	107,844	102,924	102,261	101,607	101,718
Health Condition & Disability	number	81,384	81,465	80,241	80,325	80,364	80,397
Total Jobseeker Support	number	189,855	189,309	183,165	182,586	181,971	182,115
Wage Subsidy August 2021 (cumulative)	$m	3,720	3,956	4,172	4,321	4,494	4,633
Unique jobs supported	number	1,282,152	1,290,603	1,296,192	1,300,179	1,304,898	1,308,258
Businesses associated with paid application	number	329,961	331,665	332,970	334,104	335,061	335,739

SOURCE: Treasury

CARD SPENDING



SOURCE: Treasury

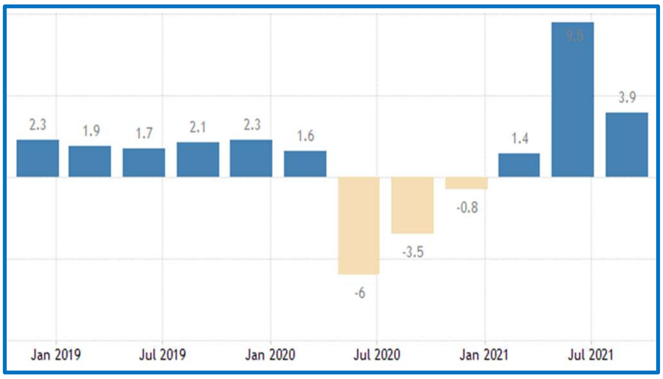
AUSTRALIAN ECONOMIC OUTLOOK

POPULATION: 25.733 MILLION

AUSTRALIA	2017	2018	2019	2020	2021F	2022F
Real GDP % yr	2.4	2.8	1.9	-2.4	3.0	5.0
CPI inflation % yr	1.9	1.8	1.8	0.9	3.0	2.5
Unemployment rate %	5.5	5.0	5.2	6.8	4.9	3.7

The 2022 Australian federal election will be held on or before 21 May 2022 to elect members of the 47th Parliament of Australia. All 151 seats in the lower house, the House of Representatives, and the seats in the upper house, the Senate, will be up for election. Many believe that Morrison could go as early as March, rather than wait until May.

AUSTRALIA – ANNUAL GDP GROWTH RATE



The ongoing rollout of vaccinations and significant policy stimulus has laid the groundwork for a sustained economic recovery in Australia. GDP is forecast to return to its pre-pandemic trend in many advanced economies over the next year. China's economy has already returned to its pre-pandemic path, though the outlook has become more uncertain.

Economic activity in Australia contracted sharply in the September quarter due to the lockdowns associated with outbreaks of the Delta variant of COVID-19. This setback has delayed but not derailed the economic recovery that was underway in the first half of the year. A rapid bounce back in domestic demand is forecast in the December and March quarters as restrictions are further eased. By mid 2022, the outlook is broadly in line with the pre-Delta recovery path. Under the central scenario, GDP is forecast to grow by around 3% over 2021, 5½% over 2022 and 2½% over 2023.

The unemployment rate is expected to be a little below 5% at the end of 2021, before declining to around 4% by the end of 2023.

UNITED STATES ECONOMIC OUTLOOK

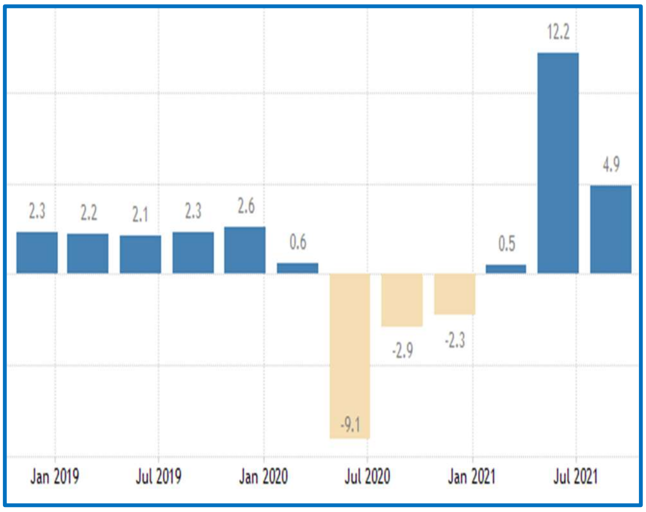
POPULATION: 330.086 MILLION

UNITED STATES	2017	2018	2019	2020	2021F	2022F
Real GDP % yr	2.3	3.0	2.2	-3.5	5.6	4.0
CPI inflation % yr	2.1	2.4	1.9	1.2	4.5	3.1
Unemployment rate %	4.4	3.9	3.7	8.1	5.4	4.2

OECD Data suggests Real GDP is anticipated to grow by 5.6% in 2021, before rising by 3.7% and 2.4% in 2022 and 2023 respectively. Supply disruptions will gradually ease, facilitating a rebuild of business inventories and stronger consumption growth in the near-term. With the continued recovery in the labour market, nominal wage growth will pick up further. While price inflation is projected to moderate in some sectors as supply disruptions abate, higher wages, along with recent increases in housing rents and shipping rates, will lead to stronger overall consumer price growth than prior to the pandemic.

The spreading Omicron variant of covid could bring the US economic growth down to 3.8% (from 4.2%) according to Goldman Sachs. 2022 growth is looking to also fall to 2.9% (previous estimate was 3.3%) as supply shortages and border closures could lead to further disruption to global supply chains.

UNITED STATES – ANNUAL GDP GROWTH RATE



LABOUR DEMAND APPEARS STRONG...

Labour market reports in the US presented mixed messages, though other data indicate a tight labour market, increasing the likelihood of a faster tightening in monetary policy. The services sector appears to be recovering strongly in the US.

The unemployment rate down to 4.2%, though the rate would be much higher if labour force participation had recovered to the same extent as employment.

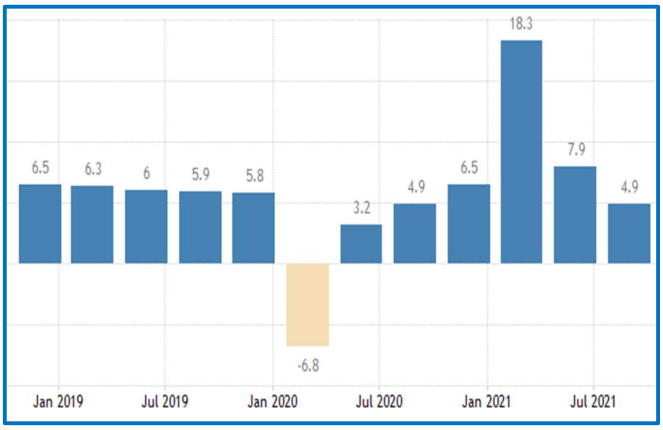
CHINESE ECONOMIC OUTLOOK

POPULATION: 1,404.331 MILLION

CHINA	2017	2018	2019	2020	2021F	2022F
Real GDP % yr	6.9	6.7	5.8	2.3	8.5	5.7

Chinese history plays out in cycles, or so goes the well-worn cliché. Whether or not that is true, it is undeniable that five years after the last major downturn, the spectre of another Chinese property crash—and associated financial turbulence—is once again tormenting global markets.

CHINA - ANNUAL GDP GROWTH RATE



The most troubled large developer, Evergrande, had over US$300 billion of liabilities alone as of June. The industry's total interest-bearing debt more than doubled since 2014 to over 25 trillion yuan (US$3.9 trillion) in 2020, according to Goldman Sachs, and foreign investors are heavily involved. Developers have over US$17 billion of high-yield offshore debt maturing before next May.

And Chinese President Xi Jinping has thoroughly consolidated his power over the past half-decade, to a point that he appears willing to tolerate a significant growth slowdown in early 2022, even ahead of the crucial 20th Chinese Communist Party Congress next fall, when Mr. Xi is widely expected to make a bid for a precedent-breaking third term as the party's head.

While the possibility of a full-fledged Chinese financial crisis and a recession can't be ruled out, the more likely scenario is a rough start to 2022—and further restructuring of offshore property debt—followed by rebounding growth later in the year in the run-up to the party congress. The bigger risk may be in the years to follow. For both political and demographic reasons, housing looks unlikely to return as a major structural growth driver for China, and there are few obvious replacements, particularly given the leadership's apparent desire to give priority to self-sufficiency and political control over efficiency and growth.

UNITED KINGDOM ECONOMIC OUTLOOK

POPULATION: 67.093 MILLION

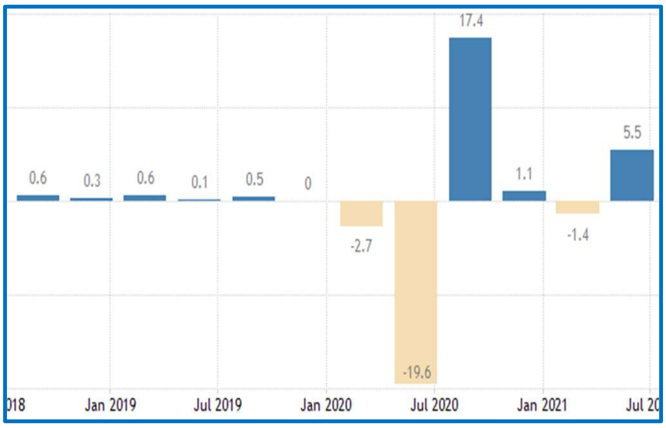
UNITED KINGDOM	2017	2018	2019	2020	2021F	2022F
Real GDP % yr	1.7	1.3	1.4	-9.9	6.7	5.5

When the UK's cost of living surged to a ten-year high in October it overshot the market expectation and the figure was more than double the target set by the Bank of England (BofE). Data released by the Office for National Statistics, the Consumer Prices Index, which measures the cost of living, rose by 4.2% in the 12 months to October – up from 3.1% in September.

The 4.2% was "worse than expected", CNBC said, after economists had forecasted 3.9%. The data will "surely add more pressure" on the BofE to act at its next meeting on 16 December, where it is due to announce if it has raised interest rates or kept them at an all-time low of 0.1%.

This week the BofE's monetary policy chief warned that UK inflation will soar above 5% next spring.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



EU ECONOMIC OUTLOOK

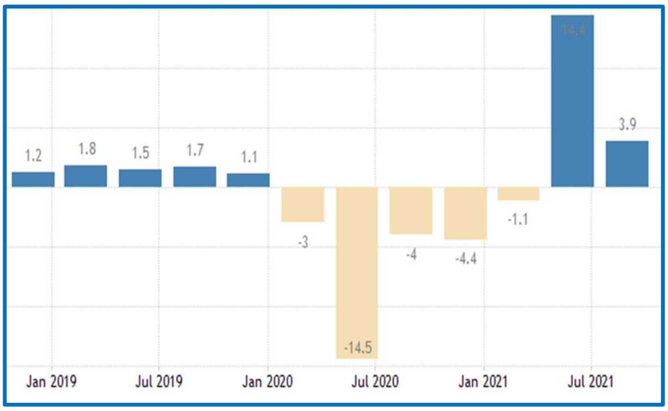
POPULATION: 447.320 MILLION

EORO ZONE	2017	2018	2019	2020	2021F	2022F
Real GDP % yr	2.6	1.9	1.3	-6.6	4.9	4.4

Centre-left Social Democratic Party Leader, and former Finance Minister in Angela Merkel's previous government, 63 year old Olaf Scholz has been sworn in as the new Chancellor of Germany. Scholz has a reputation for getting things done. Under a Scholz-led government, Germany will likely be more aligned with the United States on the world stage and he will also seek a more assertive, unified European Union.

Consumer spending remained strong in the euro area in October, with retail sales rising 0.2% in the month. The spread of COVID-19 has since intensified in Europe, with a number of countries reintroducing restrictions, suggesting that the boost given to GDP by consumer demand will fade over the rest of the December quarter.

EUROZONE – ANNUAL GDP GROWTH RATE



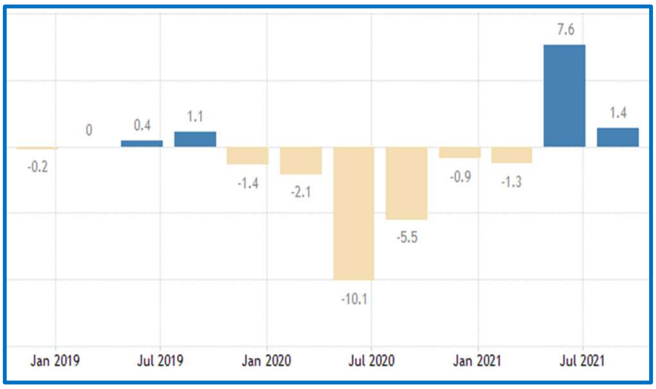
Japanese Economic Outlook

POPULATION: 125.758 MILLION

JAPAN	2017	2018	2019	2020	2021F	2022F
Real GDP % yr	1.7	0.6	0.3	-4.8	2.3	2.7

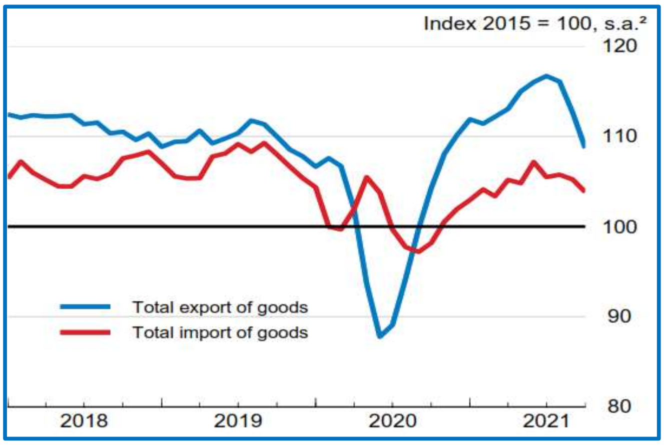
The re-introduction and expansion of the fourth state of emergency in July held back the economic recovery. Significant progress in vaccination and falling rates of infection are now supporting the resumption of stronger consumption growth and lifting investment, as supply chain disruptions are resolved. A new economic policy package will boost activity. As a result, the economy is projected to grow by 1.8% in 2021, 3.4% in 2022 and 1.1% in 2023.

JAPAN – ANNUAL GDP GROWTH RATE



Private consumption is projected to continue to recover as remaining confinement Covid measures are lifted, supported by measures in the new economic policy package including benefits to households and a resumption of the "Go To Travel" campaign. While they are currently affected by supply-chain disruptions, exports are set to expand steadily as trade partners recover. Imports will also grow, reflecting the recovery of domestic consumption and business investment. Recent surveys point to strong planned investment.

TRADE HAS REBOUNDED IN JAPAN



SOURCE: OECD, BANK OF JAPAN

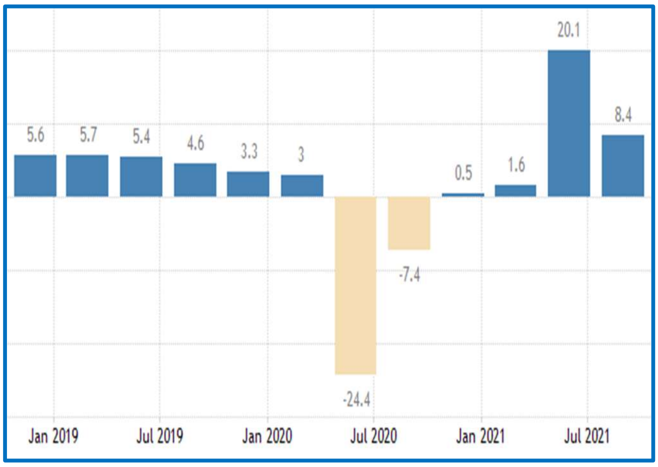
Indian Economic Outlook

POPULATION: 1,378.595 MILLION

After the second infection wave that peaked in May, the recovery is gaining momentum and GDP is projected to grow at 9.4% in fiscal year (FY) 2021-22 before reverting to 8.1% in FY 2022-23 and 5½ per cent in FY 2023-24. Inflation has remained close to the upper band of the Reserve Bank of India (RBI), but should ebb as supply chain disruptions are overcome. Financial markets remain strong and capital inflows support the build-up in reserves. The appearance of a new virus variant, especially if combined with a relaxation of attitudes, is the major downside risk, together with a less supportive global economic and financial environment.

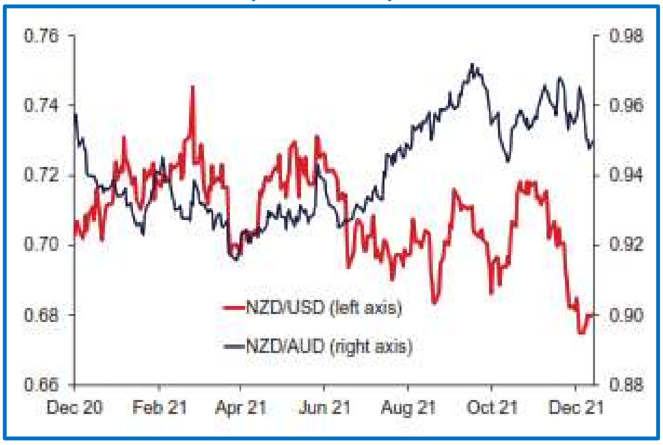
OECD state that the macroeconomic policy mix is well-balanced. The RBI stands ready to act forcefully if increases in global commodity prices feed into wages and then to core prices. The government is also committed to invest more in social and physical infrastructure, although well-targeted, direct fiscal support to vulnerable households and firms should also be increased. Reducing unnecessary regulation in product and labour markets, accelerating the sale of public companies in non-strategic sectors, following the successful sale of Air India, and restructuring state-owned banks would boost investment and job creation.

INDIA - GDP GROWTH RATE



CURRENCIES

NZD/USD & NZD/AUD



Source: Westpac

Some of the deceleration of credit availability is temporary and appropriate, but elsewhere, some facets need re-examining. Well-intended regulation to protect the vulnerable from loan sharks, stemming from the Credit Contracts and Consumer Finance Act (CCCFA), is having ludicrous consequences.

But the availability of credit has tightened significantly for home and small-to-medium-sized (SME) business loans, with some commentators describing this tightening as "insane". It is one of many factors driving a major shift in the housing market in recent weeks.

The commercial property market is seeing a turn too, driven by rises in interest rates that are fundamentally altering the price point for buyers.

Some $500 billion of credit is accessible via the banking sector, roughly 1.5 times the size of the economy, so movements in credit availability have a big impact.

Unsustainable debt growth

Mortgage debt at $326b, for example, is up 11% on a year ago. However, double-digit mortgage growth versus single-digit income growth is not sustainable. Credit growth needed to slow and house price inflation too. The impact of credit on the economy has become influential in recent decades. It started with the importance of bank loans as sources of funding, including mortgage funding for SMEs and other business activity.

Now, the impact can be serious if that prime bank channel of funding chokes and other avenues are not available. Big businesses can access alternative sources. Small businesses typically cannot.

There is a big list of changes in credit conditions.

- The tighter loan-to-value ratio (LVR) restrictions have been tightened twice.
- Investors need a 40% deposit. Banks have less scope to lend on a greater than 80% LVR.
- One major bank has stopped writing 80%-plus LVR loans completely.

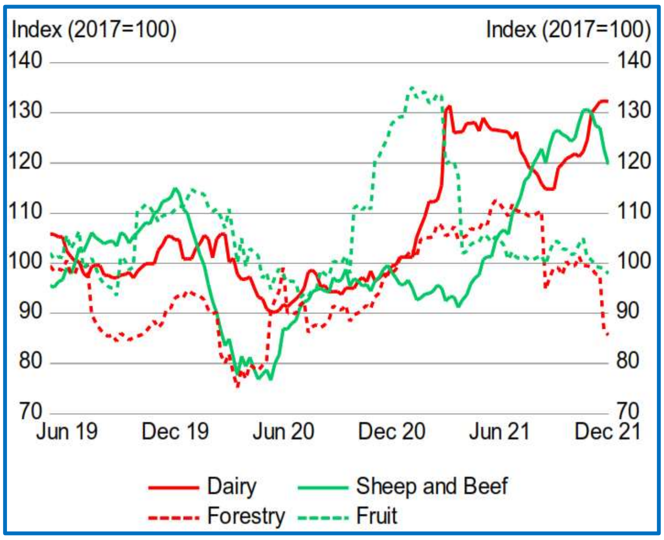
There is also the application of debt serviceability restrictions. The Reserve Bank is consulting on Debt-to-income (DTI) ratios – which impose a cap on debt as a multiple of income – and a floor on the test interest rates used by banks to assess borrowers' ability to service a loan. A couple of banks are already applying DTI's of around six. To put that in perspective, 55% of new commitment lending to investors was at a DTI of six or above in September.

INFLATION

In several countries, consumer price inflation has increased to its highest rate in years and inflation expectations have picked up. The increase in global inflation has continued for longer than initially anticipated, and it is possible that inflationary pressures persist for some time yet due to strong global demand and ongoing capacity constraints. Nonetheless, central banks in advanced economies generally expect inflation to return to levels consistent with their targets next year, as bottlenecks in global goods markets ease and labour force participation picks up.

COMMODITIES

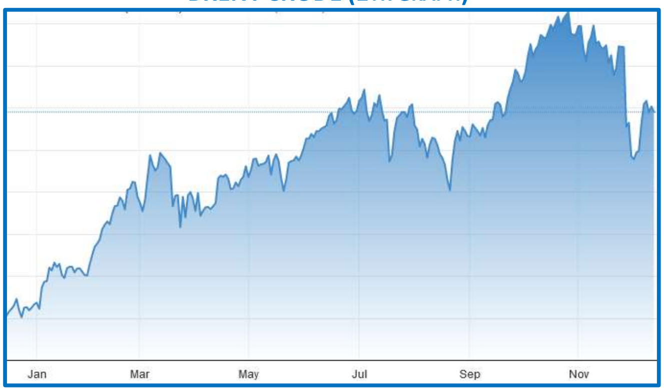
WORLD COMMODITY PRICES



OIL

The price of oil continues its rocky ride, with Brent Crude (NZ's benchmark oil) closing at US$74.50/bbl on 13th December.

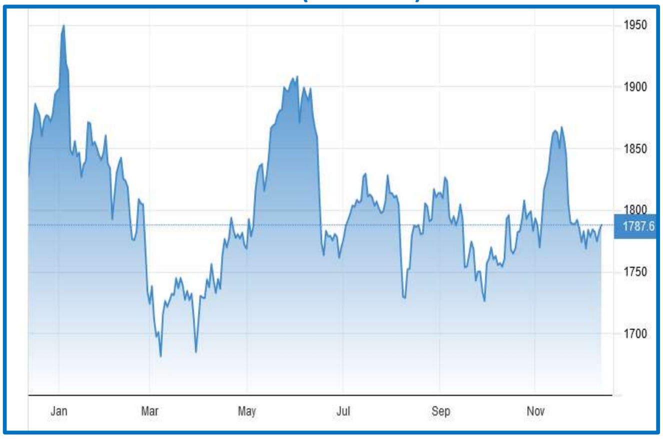
BRENT CRUDE (1yr graph)



GOLD

Gold is trading at around US$1,780 /t oz, down 2.1% for the last 12 months. Gold is seen as an inflation hedge.

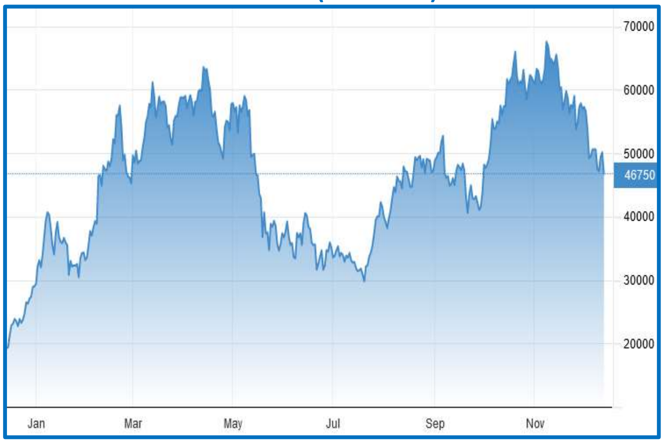
GOLD (1YR GRAPH)



BITCOIN

Cryptocurrency prices remain extremely volatile, closing at US$46,741/unit on 13th December 2021 (up from US$18,876 one year earlier).

BITCOIN (1YR GRAPH)



AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

NIWA SEASONAL CLIMATE OUTLOOK DECEMBER 2021 – FEBRUARY 2022

			Temperature		Rainfall		Soil moisture		River flows	
			Outcome	Probability	Outcome	Probability	Outcome	Probability	Outcome	Probability
North Island	North	Northland, Auckland, Waikato, Bay of Plenty	Above	70%	Near	45%	Near	45%	Near	45%
North Island	West	Central North Island, Taranaki, Whanganui, Manawatu, Wellington	Above	70%	Near	40%	Near	45%	Near	40%
North Island	East	Gisborne, Hawke's Bay, Wairarapa	Above	65%	Near	45%	Below	45%	Below	40%
South Island	North	Tasman, Nelson, Marlborough, Buller	Above	70%	Below	40%	Near	40%	Near/below	35%
South Island	West	West Coast, Alps and foothills, inland Otago, Southland	Above	75%	Below	40%	Near/below	40%	Below	40%
South Island	East	Coastal Canterbury, east Otago	Above	70%	Below	40%	Below	50%	Below	50%

FARMING CONDITIONS

A SUMMARY OF RNZ WEEKLY REPORTS TO DATE

For orchards... Over the key spring period, conditions were mixed in the key growing regions of Bay of Plenty, Hawke's Bay, Tasman and Marlborough. In the Bay of Plenty (kiwifruit), plenty of rain meant lower pollination rates (bees do not work in the rain), and damaging winds around Ōpōtiki blew over shelter trees and whipped flowers off the vines. While the 2022 harvest should still be larger as vines mature (following Zespri's aggressive rollout plan), these conditions are expected to result in lower yields for kiwifruit orchards. The Hawke's Bay and Tasman region (apples) had good sunshine and apple trees blossomed well, which bodes well for a good crop next year. The Marlborough region (wine) saw several frosts, though it is understood there has been minimal damage to vineyards. Good sun at the start of November kicked off flowering but heavy rain in the first week of December was unwanted with

Sauvignon Blanc vines still in flower. The Niwa seasonal climate outlook forecasts above-average temperatures across the whole country, with near to below average rain expected. It is hoped this means good harvest conditions for orchards.

For honey... Late flowering at the start of the 2021/22 season resulted in the spring nectar flow being slower to kick in. However, warmer weather over the past month has seen better honey flow in most regions and beekeepers are looking forward to a good season according to Apiculture NZ.

For meat and dairy... It was a challenging spring, particularly in western regions due to persistent rainfall and cooler temperatures slowing pasture production, reducing pasture cover levels and resulting in more damage to pastures. This resulted in lower milk production and keeping lamb growth rates in check after a slow start to the season.

FONTERRA LIFTS FORECAST

Fonterra has lifted its forecast farmgate milk price on the back of strong demand, a move that will pump almost $13 billion into regional New Zealand.

The dairy cooperative will now pay a range of $7.90-$8.90 per kilogram of milk solids (kgMS), up from the previous forecast of $7.25-$8.75 per kgMS. The midpoint is now $8.40 per kgMS versus the prior forecast of $8.00.

"At an $8.40 midpoint, this would equal the highest farmgate milk price paid by the co-op, and would see almost $13 billion flow into regional NZ through milk price payments this season," said chief executive Miles Hurrell.

While the increase puts pressure on input costs, Hurrell said the cooperative remains comfortable with its earnings guidance range of 25-to-40 cents per share. According to Hurrell, the move is a result of continued demand relative to supply.

FONTERRA'S RESTRUCTURE

Fonterra's farmer suppliers have voted in support of changes which aim to make it easier to join the co-operative, while maintaining farmer ownership amid falling milk supply.

Some 85% of farmers voted in favour at Fonterra's special meeting in Invercargill, ahead of the 75% required.

Fonterra chairman Peter McBride said the result was a strong mandate for change, with all resolutions achieving above 80%. McBride had told the recent farmer meeting that Fonterra had to decide whether it was a corporate or a co-operative, as trying to have a foot in both camps was not sustainable.

"*I agree*," Fonterra's Shareholder Fund Chair, John Shewan said. "*That is why I believe the fund should be bought out*." The fund accounts for about 6.7% of Fonterra's total shares, and farmers agreed to restrict the size to 10% of total shares, from 20%.

Shewan said he was "very concerned" at the impact the proposed changes to the capital structure have had on the fund's unit price during the consultation period.

Farmers are committed to overhauling Fonterra's capital structure as it eyes a future where milk supply is expected to flatline or decline, and as Fonterra tries to stem the loss of farmer suppliers to rivals, who don't require them to outlay cash for shares.

2021 NZ HERALD BROKER PICKS

AS AT 16TH DECEMBER 2021

Remember: This is just a game, and Broker picks should not be considered a recommendation; nor a portfolio structure. Always seek professional advice.

I run my picks based on the calendar year, so there is still a week to go. This year my core stocks of Port of Tauranga and Pushpay Holdings have both been negative – but remember that I play a "long game", and both stocks have been stellar performers over the past 5 (at least) years. My Sky Television pick (+69.6%) has certainly paid off.

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		Share Trader	
Ebos Group	36.5%	Ebos Group	36.5%	Ebos Group	36.5%	Ebos Group	36.5%	a2 Milk	(52.1%)	a2 Milk	(52.1%)	a2 Milk	(52.1%)
Port of Tauranga	(6.6%)	Mainfreight	31.1%	F&P Healthcare	(2.5%)	Genesis	(16.6%)	EBOS Group	36.5%	Ryman Healthcare	(16.0%)	Mainfreight	31.1%
Pushpay Holdings	(27.6%)	Spark	1.6%	Mainfreight	31.1%	Katmandu	21.9%	Mainfrieght	31.1%	Serko	18.1%	Oceania Healthcare	(3.1%)
Sky Televison	69.6%	Turners Auto	49.2%	Mercury NZ	(4.6%)	Skellerup	72.6%	Ryman Healthcare	(16.0%)	Spark	1.6%	Pacific Edge Bio	13.1%
Z Energy	15.3%	Z Energy	15.3%	Ryman Healthcare	(16.0%)	Spark	1.6%	Spark	1.6%	The Warehouse	(2.2%)	Plexure Group	(59.8%)
TOTAL CHANGE	14.4%		26.8%		8.9%		23.2%		0.2%		(10.1%)		(14.1%)
NZ50 Index	(2.4%)		(2.4%)		(2.4%)		(2.4%)		(2.4%)		(2.4%)		(2.4%)
+/- NZ50 Index	16.8%		29.2%		11.3%		25.6%		2.6%		(7.7%)		(11.7%)

NOTE: Dividends have been included. The NZ50 Index does include dividends.

NEW ZEALAND EQUITIES

Our NZ Market has underperformed global markets this year, but remember they have had a stellar run since 2009.

KEY MARKETS	CODE	1 YR	5 YR/pa
NZ 50 Index	^NZ50	-2.4%	17.1%
ASX 200 Index	^AXJO	10.8%	5.6%
London FTSE 100	^FTSE	9.4%	0.2%
US Dow Jones	^DJI	18.1%	16.2%
US S&P500	^GSPC	25.4%	21.8%
US NASDAQ	^IXIC	21.4%	37.2%

RAKON HAS A COMPETITIVE ADVANTAGE

A global shortage of microchips may not be good for your Christmas present list, but one New Zealand company is cashing in. Rakon, an Auckland-based company which manufactures crystal oscillators (listen to the podcast for an explanation of what these are) has quadrupled its operating profit year-on-year.

Their products are mainly used in things like GPS transmitters, military hardware, radio transmitters, and so on.

Since the supply of computer chips has dried up, Griffin says Rakon – which may have been considered a ‘second-tier’ supplier to many of their clients up until now, given they can’t produce at scale the way chip foundries in Taiwan or South Korea can – has found itself in a sweet spot: electronics manufacturers are stockpiling chips, trying to get their hands on as many as possible, as supply is still reduced.

Suddenly, in the space of a year, Rakon’s wares became hugely sought-after around the world.

The chip shortage, Griffin says, demonstrates the fragility of some aspects of the global economy: countries are reliant on one another for components; often, a chip designed in Silicon Valley will actually be manufactured in Taiwan. That means if there’s a disruption in one of those countries, production suffers.

Additionally, complicated geopolitics – particularly around the state of Taiwan – mean the future is unpredictable.

And computer chips, by their nature, are a boom-and-bust kind of product: there are surges in demand when new consumer electronics come on the market, but it’s lumpy and hard to predict when the chips will be in and out of demand.

Griffin says while the shortage is ongoing and acute, it hasn’t really been passed on to the consumer in the form of increased prices.

Instead, long waiting lists have become a feature of buying things like new cars, certain goods – like the PlayStation 5 – and also bulk-buying things like laptops.

He says while countries are investing hundreds of billions of dollars to increase chip manufacturing foundries, it will take some time for that increased supply to flow through – meaning the chip shortage is likely to continue for another year or two, at the very least.

TOURISM HOLDINGS

THL led the market higher, jumping 6% to $3.02, after announcing it would absorb its ASX-listed competitor Apollo Tourism & Leisure in a deal valued at $144m.

But instead of stumping up cash, THL will issue enough new shares to give Apollo shareholders approximately 25% stake in the enlarged group.

THL said it hopes to cut as much as $19m of costs from the combined operations and apply for a foreign-exempt listing on the ASX so Australian investors can buy in easily. The merger will provide some safety in numbers as the group navigates the recovery of tourism as the pandemic fades into the background of daily human lives.

EBOS

Pharmaceutical group Ebos came off a trading halt this morning having successfully raised $674 million in an institutional share placement.

New shares were issued a 5.5% discount to the previous NZX closing price of $36.50, but the on-market price lifted 5.5% to $38.50 in afternoon trading.

Ebos is using the cash to buy medical device distributor LifeHealthcare, which operates in Australia, NZ and Asia, for A$1.2b in cash and A$23m of shares.

“The acquisition of LifeHealthcare accelerates EBOS’ medical devices strategy and creates a platform for Ebos to capitalise on additional future growth opportunities,” said chief executive John Cullity.

An investment advisor at Craigs Investment Partners, Peter McIntyre, said the dual acquisitions were helping to hold the index up, with traders otherwise waiting for US inflation data to be released overnight.

NEW ZEALAND REFINING

NZR has launched an investigation to see if it can repurpose some of its facilities at its Marsden Point oil refinery to produce green hydrogen.

NZR has signed a memorandum of understanding with the green energy company Fortescue Future Industries (FFI) to study the commercial and technical feasibility of producing, storing, distributing and exporting hydrogen products from its decommissioned site, as the refinery transitions to become an import only terminal.

CEO Naomi James said green hydrogen had the potential to help support the country's transition away from fossil fuels for energy generation.

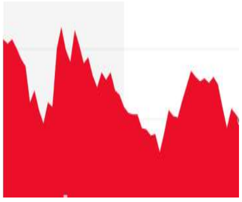
AGRI SECTOR STOCKTAKE

Jarden highlights current market trends (commodity prices, input costs, COVID-19 strategies and farming conditions) and reviews estimates and ratings to reflect these factors, recent trading updates and price movements. Post changes, Jarden's preferred agri merit order is: Overweight Comvita (CVT) and Delegat Group (DGL), Neutral Scales Corporation (SCL), PG Wrightson (PGW) and Seeka (SEK), Underweight NZ King Salmon (NZ)K and Sell Sanford (SAN).

1. **CVT:** 12mth Target Price (TP) $4.00 (+8%), up to Overweight. The early stages of transformation are promising, as CVT aims to transition from a volatile agri to an FMCG brand stock. The new harvest model stood up after a poor 2021 harvest and brand investment is showing signs of working in China, during a period of industry consolidation after catalysts including strict NZ export standards, oversupply and COVID-19. Jarden likes recent progress and the added appeal of ESG potential from the reforestation project.
2. **DGL:** 12mth TP $15.10 (+1%), retain Overweight. Following a poor 2021 harvest, FY22 represents an earnings low point. As DGL cycles the bad harvest and freight issues, combined with volume growth, returns should mechanically expand from here. Jarden continues to like DGL given its strong volume growth outlook supported by a strong brand, which has become more valuable in uncertain times.
3. *SCL:* 12mth TP $4.90 (-9%), downgrade to Neutral. December market update gets the FY22 earnings decline out of the way, noting SCL has historically been conservative on maiden guidance and this comes before a year of known unknowns. The apple demand outlook is positive and SCL remains confident on restoring Horticulture margins following automation projects already underway. Following downgrades to the near-term earnings outlook, Jarden's TP is below the share price, which has recently been very strong. This is offset by the significant earnings potential from long-awaited M&A.
4. **PGW:** 12mth TP $4.15 (+20%), upgrade to Neutral. The recent update and commentary provide more confidence in PGW sustaining a larger sales base from consistent spring retail sales growth driven by market share and horticulture strength in particular. PGW's technical offering also provides a partial offset to industry regulation headwinds, which could drive demand for a higher level of expertise.
5. **SEK:** 12mth TP $5.40 (+4%), retain Neutral. Jarden has consolidated earnings for recent acquisitions but note that in the past, while acquisitions have expanded the balance sheet, earnings have been offset by dilution. Therefore, while they believe it is likely there will be strong earnings growth going forward, they remain cautious given further dilution coupled with high gearing. They also note the operational risk given the reliance on aggressive Sungold growth on top of the usual agricultural harvest risk.
6. **NZK:** 12mth TP $1.35 (-16%), downgrade to Underweight. The temperature forecast for this summer is a marine heatwave and presents a significant risk of mortality, with sea temperatures already +1.1˚C to +1.5˚C around the country for November. This follows a difficult farming year and ongoing restricted air travel, likely meaning higher costs for longer, so raises NZK's funding risk. A final decision on Blue Endeavour also has the potential to drag out into next year. With many issues to navigate, Jarden views the balance of risk on the downside.
7. **SAN:** 12mth TP $4.30 (+1%), retain Sell. While food commodity prices are at all-time highs, seafood continues to lag and there are still insufficient signs of sustained improvement to date. We assume that earnings recover over the next few years but with plenty of refurbishment capex to go and material changes in SAN's leadership and Board. Jarden still views SAN as a difficult recovery play.

ALL GRAPHS ONE YEAR

Air New Zealand



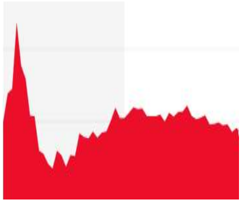
Research 14th December

AIR announced it entered a revised support package with the NZ Government. Under the revised package, total available liquidity increases from $1.5bn to $2bn. In addition, composition of support has changed; the existing Government debt facility reduces from $1.5bn to $1bn and AIR now has the ability to issue up to $1bn of non-voting redeemable preference shares to the Crown. Importantly, preference shares can only be subscribed once at least $850mn is drawn under the loan facility. Further, preference shares are not convertible to ordinary shares but are treated as equity for accounting purposes.

2022 P/E: (6.6)   2023 P/E: (62.5)

NZX Code:	**AIR**
Share Price:	**$1.53**
12mth Target: ↓	**$0.80**
Projected return (%)	
Capital gain	-47.7%
Dividend yield (Net)	0.00%
Total return	**-47.7%**
Rating: SELL	
52-week price range: 1.41-1.895	

Contact Energy



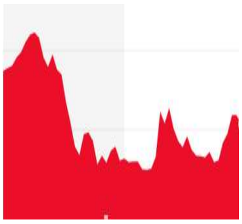
Research 15h December

CEN is New Zealand's second largest electricity generator and second largest energy (gas, LPG and electricity) retailer. CEN needs cleanly to swap out the Wairakei geothermal for the improved geo futures option. Investors need to be convinced that the company can fully build out a c. 400MW Tauhara resource over the next 20 years. There is further upside if the company can find a way to exit thermal ownership while retaining some of the capacity support. Contact's margin is held back by reducing demand risk through selling lower margin PPAs (41% of Tauhara's offtake) and the costly replacement of the Wairakei geothermal plant.

2022 P/E: 30.1   2023 P/E: 30.6

NZX Code:	**CEN**
Share Price:	**$7.70**
12mth Target: ↓	**$9.77**
Projected return (%)	
Capital gain	26.9%
Dividend yield (Net)	4.6%
Total return	**31.5%**
Rating: BUY	
52-week price range:6.60-11.16	

Chorus



Research: 2nd December

ComCom determination on maximum allowable revenue (MAR) for Regulatory Period 1 (RP1 CY22-24) is due to be published in December, following a long journey, with the MAR two years late and CNU still subject to finalisation of the initial regulated asset base (RAB) in CY22. This is an important milestone providing clarity for investors and supporting a more stable regulatory outlook. While it should essentially confirm the current earnings and operating cash flow profile over RP1 and into RP2, it is still important to differentiate CNU from regulated peers. There is the shorter term nuisance associated with finalising RAB.

2022 P/E: 72.3   2023 P/E: 79.7

NZX Code:	**CNU**
Share Price:	**$6.93**
12mth Target: ↓	**$6.38**
Projected return (%)	
Capital gain	-7.9%
Dividend yield (Net)	4.3%
Total return	**--3.6%**
Rating: NEUTRAL	
52-week price range: 6.03-8.72	

EBOS

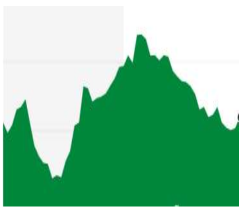
Research: 10th December

Scaling up in medical devices, beachhead into South East Asia. EBO has announced it has agreed to acquire LifeHealthcare, which is on strategy on two fronts: 1) it would achieve a scale position in ANZ medical devices distribution; and 2) provide an entry into South East Asia, also through medical devices distribution. Whilst initially ROCE dilutive (vs. EBO target), notwithstanding being earnings accretive, management expects the growth nature of this sector to close the return gap over time while also providing longer duration growth prospects for the EBO group as a whole. The additional risk exposure from EBO entering Asia, part managed through the deal structure and, on the opportunity side, providing a beachhead for potential further bolt-on acquisitions.

2022 P/E: N.M.   2023 P/E: 42.2

NZX Code:	**EBO**
Share Price:	**$38.30**
12mth Target:	**$38.00**
Projected return (%)	
Capital gain	-0.8%
Dividend yield (Net)	2.6%
Total return	**1.8%**
Rating: OVERWEIGHT	
52-week price range: 26.75-39.00	

EROAD



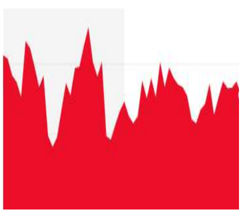
Research: 29th November

ERD pre-released key unit metrics at the 2Q update in October, highlighting 5% growth, driven by a solid NZ result. 1H22 revenue of $48m, up 9% yoy with underlying EBITDA of $14.6m up 7%. Revised guidance was provided at the 2Q update in October for FY22 standalone (excluding Coretex) revenue growth of 10-13% and the EBITDA margin to be in line with FY21. The company is withdrawing this guidance given the Coretex acquisition should complete next week and standalone guidance is no longer appropriate. The withdrawal of guidance does not reflect operational factors. Expect short-term outperformance as ERD joins the NZ50 Index, after growing its market valuation by $165m in the past year. It replaces Napier Port on the NZ50 Index.

2022 P/E: N.M.   2023 P/E: 42.2

NZX Code:	**ERD**
Share Price:	**$5.10**
12mth Target: ↑	**$6.77**
Projected return (%)	
Capital gain	32.7%
Dividend yield (Net)	0.0%
Total return	**32.7%**
Rating: OVERWEIGHT	
52-week price range: 3.90-6.77	

Fisher & Paykel Healthcare



Research: 26th November

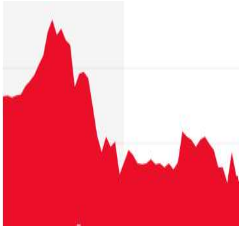
FPH has delivered a stronger than expected interim result, with revenue -1% to $900m on pcp and NPAT -2% to $222m on pcp. The key variances from Jarden forecasts were stronger Hardware sales, with Consumables and Homecare revenues in line. Gross margin was also stronger, with elevated freight costs proving a slightly lower impact. Thematically, delta has provided a stronger for longer demand profile for Hospital and shallowed its normalisation path, which Jarden still expects the company to enter over the next 12 months before returning to growth in 2H23E.

2022 P/E: 47.5   2023 P/E: 53.4

NZX Code:	**FPH**
Share Price:	**$31.77**
12mth Target: ↑	**$34.00**
Projected return (%)	
Capital gain	7.0%
Dividend yield (Net)	1.2%
Total return	**8.2%**
Rating: NEUTRAL	
52-week price range:27.10-36.55	

"No great genius has ever existed without some touch of madness."

~ ARISTOTLE



Fonterra Shareholders' Fund — Research: 10th December

Strong yes vote from farmers for capital structure changes. FSF farmers have given the co-operative's new capital structure proposal their green light, with 85% of the total farmer votes in support of the proposal with just under 83% of eligible votes cast. Given the dampening impact these capital structure changes have had on the value of farmers' share investment in the co-operative, Jarden sees this as a reasonably clear signal of support from farmers on their broader collective interest in maintaining a strong co-operative against the ongoing loss of milk supply to independent processors. That restrictions on non-voting outside non-farmer investors have been further tightened will likely have helped generate support also. Should it get Government support, these changes will see the outside investor Unit Fund market remain capped in size while at the same time providing farmers significantly more flexibility in the amount they have invested in FSF. Farmers will be able to choose to reduce or expand the relative level of their investment with reference back to milk supply. FSF has reduced its FY22E earnings guidance to 25-35 cps from 25-40 cps. The decrease in earnings guidance comes on the back of sustained high pricing for key commodities with the Farm Gate Milk Price (FGMP) guidance lifted from $7.90 - $8.90 to $8.40 - $9.00 per kgMS.

2022 P/E: 11.4   2023 P/E: 10.0

NZX Code:	**FSF**
Share Price:	**$3.60**
12mth Target:	**$4.17**
Projected return (%)	
Capital gain	15.8%
Dividend yield (Net)	5.0%
Total return	**20.8%**
Rating: NEUTRAL	
52-week price range:3.50-5.15	

Gentrack Group — Research: 26th November

Slight revenue and earnings beat: GTK reported FY21 operating revenue of $105m, up 7% yoy and in line with the recently provided guidance. EBITDA of $12.7m is up 5% and slightly ahead of guidance of $12m. Opex Cash Flow of $10.3m is in line with JARDe, with ending cash also in line at $26m. Utilities revenue grew 8.8% to $89m, with ARR down 0.3%, reflecting prior customer losses. The company noted that the number of UK B2C energy retailer failures has accelerated over the past 3 months, with a GTK customer (top 5 customer representing 5-9% of Utilities revenue) entering administration in the past weeks. The company expects further supplier failures across the market in coming months. Veovo (airports) revenue fell 11% to $16.7m, with ARR up 7.7% driven by new customers going live.

2022 P/E: 11.4   2023 P/E: 10.0

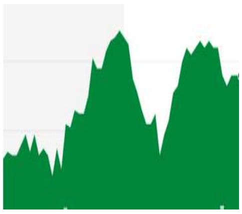
NZX Code:	**GTK**
Share Price:	**$1.84**
12mth Target: ↑	**$1.90**
Projected return (%)	
Capital gain	3.3%
Dividend yield (Net)	0.0%
Total return	**3.3%**
Rating: NEUTRAL	
52-week price range1.26-2.18	

Heartland Group — Research: 1st December

HGH is a New Zealand owned and operated bank that focuses on higher-risk products where it has a competitive advantage and does not need to compete with the major banks. Such products include savings and deposits, reverse mortgages, motor vehicle finance, business finance, rural finance and personal lending.

2022 P/E: 13.8   2023 P/E: 13.1

NZX Code:	**HGH**
Share Price:	**$2.37**
12mth Target:	**$2.46**
Projected return (%)	
Capital gain	3.8%
Dividend yield (Net)	7.5%
Total return	**11.3%**
Rating: BUY	
52-week price range:1.60-2.40	

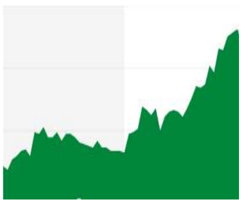


Kathmandu Holdings — Research: 9th November

KMD is a specialist outdoor retailer. The company is engaged in designing, marketing and retailing clothing and equipment for travel and adventure. The Company operates approximately 110 stores in Australia and over 46 stores in New Zealand. KMD presented a clearly articulated product and brand strategy across Rip Curl, Kathmandu and Oboz. Over the past 12-18 months, Rip Curl has performed extremely well and as such it was welcome that the message from the company was that it will stay the course in terms of leading with innovation and technology to reinforce its proposition as a technical surf brand.

2022 P/E: 19.3   2023 P/E: 12.8

NZX Code:	**KMD**
Share Price:	**$1.51**
12mth Target:	**$1.75**
Projected return (%)	
Capital gain	15.9%
Dividend yield (Net)	3.1%
Total return	**19.2%**
Rating: BUY	
52-week price range:1.21-1.68	



NZME — Research: 18th November

NZM is NZ's leading audio company, NZ Herald and OneRoof. Key highlights included market share growth across all platforms. With 2 of the markets (radio and print advertising) flat to down, the more important thing was the growth generated across NZM's core digital platforms. This is dominated by digital publishing ad revenue (display) with digital sub revenue becoming more meaningful (over $10m in FY21F), while OneRoof is showing good growth also. NZM confirmed its guidance for FY21F EBITDA of $63-67m, down a touch on FY20 ($67.3m) and noted encouraging 4Q revenues.

2021 P/E: 8.5   2022 P/E: 7.3

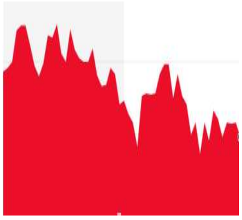
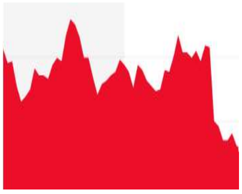
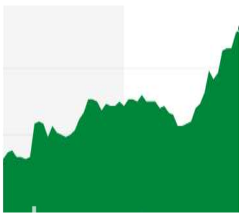
NZX Code:	**NZM**
Share Price:	**$1.45**
12mth Target: ↑	**$1.45**
Projected return (%)	
Capital gain	0.0%
Dividend yield (Net)	4.4%
Total return	**4.4%**
Rating: BUY	
52-week price range: 0.62-1.465	

Pacific Edge — Research: 15th November

PEB's 1H22 operating result was broadly in line with JARDe, delivering operating revenue of $5.4m vs. JARDe of $6.3m and total lab throughput (TLT) of 11,136 vs. JARDe of 11,248. Pleasingly, 2Q22 showed reasonable growth in total volumes with 5,780 tests, 8% higher than 1Q22 (5,356). There were no big surprises for Jarden in this result, with the recent raise reducing the focus on the cash position and the cost increase a result of growing the sales team and wider support staff as PEB scales its US strategy.

2022 P/E: (53.9)   2023 P/E: (38.8)

NZX Code:	**PEB**
Share Price:	**$1.38**
12mth Target:	**$1.40**
Projected return (%)	
Capital gain	1.4%
Dividend yield (Net)	0.0%
Total return	**1.4%**
Rating: NEUTRAL	
52-week price range: 0.62-1.46	

	**Port of Tauranga** Shipping costs have recently fallen from their peak for some indices but are still over 2x what they were a year ago. While many are hoping that this is a sign of a longer term trend, there are conflicting opinions, with one explanation for the recent decline a slowdown in China while it deals with power issues. Current expectations (Ministry of Transport and other anecdotal evidence) are for a normalisation 18 months from now and at levels higher than pre-pandemic. POT's share price is down 6.6% (dividend adjusted) in the last 12 months. Supply chain issues and the delayed wharf extension continues to frustrate management. That said POT is exceptionally well positioned to capitalise on its "big ship" monopoly within the port sector. I retain my – HOLD (Jarden has it a SELL). I retain POT as a CORE portfolio holding. 2021 P/E: 52.5 2022 P/E: 47.5	**NZX Code:** **POT** **Share Price:** **$6.78** **Jarden's 12mth Target:** **$5.70** **Projected return (%)** Capital gain -15.9% Dividend yield (Net) 1.6% **Total return** **-14.3%** **My Rating: HOLD** 52-week price range: 6.51-7.83
	**Pushpay Holdings** Research: 23rd November PPH has established itself as a leading provider of digital solutions to the US faith sector, capturing c.50% market share of digital giving within its core market, Evangelical Protestant. PPH has a compelling product offering, as evidenced by its market share and supported by our industry conversations. The market has heavily reduced the shareprice, which offers another buying opportunity to longer-term investors. 2022 P/E: 33.9 2022 P/E: 31.6	**NZX Code:** **PPH** **Share Price:** **$1.31** **12mth Target:** ↓ **$1.75** **Projected return (%)** Capital gain 33.6% Dividend yield (Net) 0.0% **Total return** **33.6%** **Rating: OVERWEIGHT** 52-week price range1.30-2.10
	**Rakon** RAK is a global high technology company and a world leader in its field. It designs and manufactures advanced frequency control and timing solutions, and Its three core markets are Telecommunications, Positioning and Space and Defence. RAK now expects to achieve Underlying EBITDA of $44m to $49m in FY2022, having more than doubled is 1st Half result ($26.4m from $11.4m in 2021). !st Half NPAT came in at $18.9m versus $4.6m pcp.The increase in RAK's FY2022 expected revenue and earnings reflects a strong order book for the remainder of FY2022 and some narrowing of the supply chain risk window affecting the availability of materials and parts. 2022 P/E: 28.7 2022 P/E: 25.3	**NZX Code:** **RAK** **Share Price:** **$1.80** **12mth Target:** ↑ **$2.24** **Projected return (%)** Capital gain 24.4% Dividend yield (Net) 0.0% **Total return** **24.4%** **Rating: BUY** 52-week price range: 0.50-1.90
	**Sky Television** Research: 8th December Better cost management and first signs of all-important revenue stability. SKT has announced a major upgrade to FY22 earnings, with its FY22 EBITDA guidance up from $115-130m to $150-160m. While SKT expects costs to be higher in FY22 than they were in FY21, the upgrade in guidance reflects the benefit of stabilising core revenues (potentially some COVID-related bring forward in streaming) as well as costs below previously budgeted levels. In the context of a challenging period when EBITDA fell from $286m in FY18 to $186m in FY21 (SKT expects a further large decline in FY22), the first signs of core sub revenue stabilisation and a lower increase in cost base are meaningful. Jarden has made meaningful changes to their nearer term earnings estimates, driving a rise in our 12m target price from $1.80 to $2.42, and have upgraded from Neutral to Overweight. They see significant upside potential if SKT derisks its longer term proposition and notes their revised target price still incorporates a relatively conservative approach on long-term sub revenue (some further fall) and costs (rising again in the next rights cycle).. 2022 P/E: 26.4 2023 P/E: 7.8	**NZX Code:** **SKT** **Share Price:** **$2.73** **12mth Target:** ↑ **$2.42** **Projected return (%)** Capital gain -11.4% Dividend yield (Net) 5.7% **Total return** **-5.7%** **Rating: OVERWEIGHT** 52-week price range: 1.51-2.74
	**Steel & Tube** Research: 16th December STU has updated its 1H22 EBIT guidance to $20-22m with ~2 weeks of the half left. This follows recent guidance for at least $17m, reflecting another month of strong trading through the rebound from recent lockdowns. Revenue in the first five months was up 22% on the pcp, with the lift split roughly equally between price and volume (+11%). Having reported 14% growth in the first four months, this suggests a very strong November. Extrapolating the 22% YTD revenue growth across the full six months (~$276m implied) and assuming inflationary opex (+ some allowance for staff bonuses) Jarden estimates the gross margin has expanded to ~22.8% in 1H, up from 20.4% in FY21. While they do see evidence of recent operational improvements (inventory management, pricing discipline) and a more rational competitive environment, they note some portion of the recent gross margin expansion likely reflects STU's accounting for COGS (average pricing), which provides some margin uplift in a rising price environment. Expect a moderation in input price growth ahead, which could see this component of margin expansion revert over time. STU has not offered guidance for FY22 given COVID uncertainty but continues to highlight its strong order book and expectation of positive market conditions medium term. 2022 P/E: 10.1 2023 P/E: 12.0	**NZX Code:** **STU** **Share Price:** **$1.48** **12mth Target:** ↑ **$1.46** **Projected return (%)** Capital gain -1.4% Dividend yield (Net) 7.0% **Total return** **5.6%** **Rating: NEUTRAL** 52-week price range: 0.84-1.51

Turners Automotive Group Research: 19th November

Strong 1H22 result - reported NPBT of $23.2m, up 24% y/y. TRA posted a strong 1H21 result despite the recent lockdowns, with meaningful earnings growth across its three largest segments. The Auto Retail segment saw profits lift 32% y/y on elevated margins (constrained supply, better purchasing) and increased market share (expanding footprint, "Tina" brand campaign). Earnings lifted 30% in the Finance segment, with solid growth in receivables (+13% h/h) generated through the dealer network and higher attachment on its own car sales, combined with historically low impairments reflecting the higher quality lending over recent years. Insurance earnings lifted 28% on lower overheads and claims (fewer vehicle movements during lockdown) but with early signs of parts and labour inflation. Credit Management earnings remain subdued (-31%) given the strength in the economy but do provide some countercyclical buffer if the economy turns.

2022 P/E: 11.8 2023 P/E: 11.5

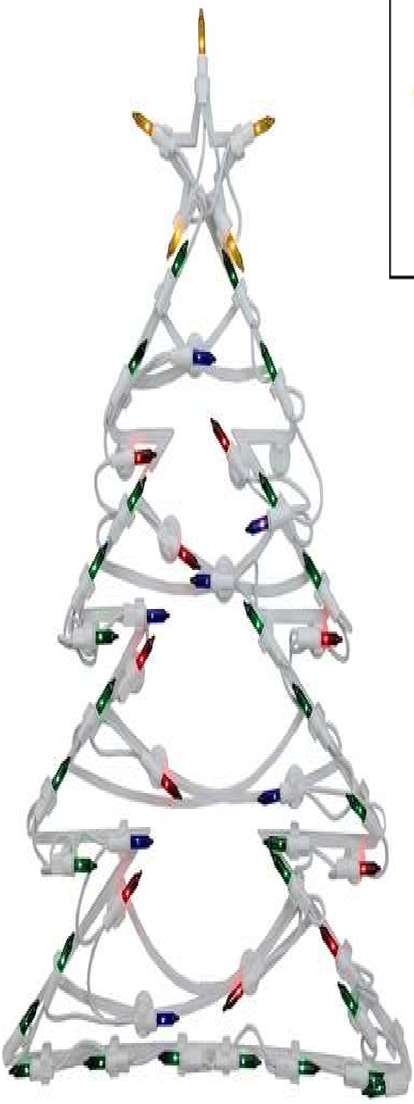
NZX Code:	**TRA**
Share Price:	**$4.43**
12mth Target: ↑	**$4.76**
Projected return (%)	
Capital gain	7.4%
Dividend yield (Net)	5.1%
Total return	**12.5%**
Rating: BUY	
52-week price range: 2.93-4.57	

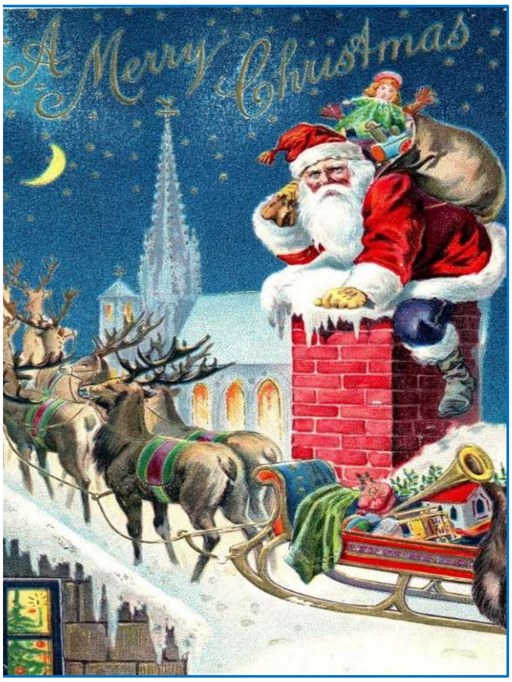
Z Energy Research: 5th November

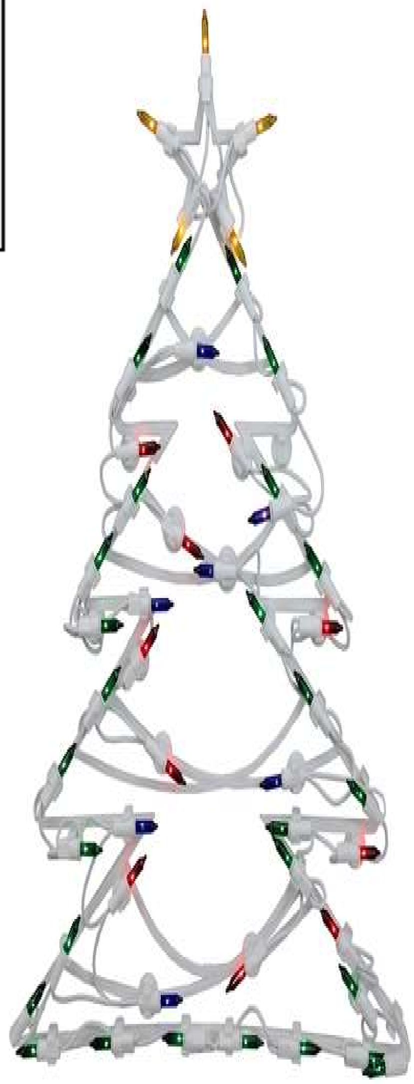
ZEL reported 1H22 EBITDA of $114m, up 20% on PCP of $95m and on track to achieve mid-guidance range of $290m for FY22E. The proposed sale to Ampol (Not Covered) appears on track, with hurdles due for possible completion by 2Q22. While COVID is having a meaningful negative impact, prudent accumulation of Carbon credits ahead of the steep price increase allows ZEL to continue with pre the recent lockdown profit guidance for EBITDA to be in a range of NZ$270m to $310m; Jarden estimate increased from $281m to NZ$290m. Jarden retains their $3.76 target price and Neutral rating.

2022 P/E: N.M. 2023 P/E: 36.6

NZX Code:	**ZEL**
Share Price:	**$3.48**
12mth Target:	**$3.76**
Projected return (%)	
Capital gain	8.0%
Dividend yield (Net)	1.9%
Total return	**9.9%**
Rating: NEUTRAL	
52-week price range: 2.52-3.65	







JARDEN'S NZ LISTED COMPANIES – EARNINGS FORECAST

AS AT 13TH DECEMBER 2021

NZ LISTED COMPANIES 13th December 2021			Mrkt Cap	Price 13-Dec-21	Target Price	Price Earnings (x)		Net Yield (%)	
Source: Jarden Estimates	Ticker	Rec	(NZ$m)	(NZ$)	(NZ$)	FY21	FY22	FY21	FY22
COMMUNICATION SERVICES									
Chorus	CNU	N	3,190	7.08	6.45	85.1	65.6	4.9%	6.4%
NZME	NZM	O	284	1.44	1.45	12.8	11.7	4.2%	4.5%
Sky Network Television	SKT	O	428	2.45	2.42	9.3	8.8	6.9%	7.3%
Spark New Zealand	SPK	O	8,501	4.55	4.78	17.9	17.6	5.5%	5.5%
CONSUMER DISCRETIONARY									
Kathmandu Holdings	KMD	B	1,070	1.51	1.75	12.4	10.6	4.8%	5.7%
Michael Hill International	MHJ	B	464	1.20	1.15	14.1	14.0	5.7%	5.7%
Restaurant Brands NZ	RBD	U	1,905	15.28	14.00	37.4	28.3	n.m.	n.m.
Sky City Entertainment Group	SKC	O	2,424	3.19	3.65	19.7	16.2	4.4%	5.3%
The Warehouse Group	WHS	N	1,383	3.99	4.30	10.5	10.1	6.6%	7.0%
Turners Automotive Group	TRA	B	383	4.45	4.76	11.5	10.9	5.6%	6.1%
CONSUMER STAPLES									
Comvita	CVT	N	235	3.36	3.70	16.3	14.4	2.8%	4.2%
Delegat's Group	DGL	O	1,435	14.20	15.00	22.1	19.3	1.3%	1.5%
Fonterra Shareholders' Fund	FSF	N	413	3.85	4.17	10.3	10.2	6.0%	7.3%
My Food Bag Group	MFB	B	276	1.14	1.80	12.1	11.2	6.6%	7.2%
nz King Salmon Investments	NZK	O	192	1.38	1.60	27.1	12.8	0.7%	2.2%
PGG Wrightson	PGW	U	333	4.41	3.45	21.5	20.8	4.2%	4.3%
Sanford	SAN	S	463	4.95	4.25	16.9	14.1	2.0%	3.0%
Scales Corporation	SCL	B	797	5.60	5.35	28.1	22.0	3.4%	3.9%
Seeka Kiwifruit Industries	SEK	N	211	5.25	5.20	16.8	14.3	7.0%	3.5%
Synlait Milk	SML	N	751	3.44	3.60	12.0	8.2	n.m.	n.m.
The a2 Milk Company	ATM	N	4,422	5.95	6.60	31.5	24.0	n.m.	n.m.
ENERGY									
New Zealand Refining	NZR	N	317	0.88	1.02	n.m.	n.m.	n.m.	n.m.
Z Energy	ZEL	N	1,814	3.49	3.76	20.9	16.9	n.m.	n.m.
FINANCIALS									
NZX	NZX	N	502	1.79	1.80	30.6	25.6	3.4%	3.7%
Heartland Bank	HGH	B	1,379	2.34	2.46	13.6	12.4	5.6%	6.0%
HEALTH CARE									
AFT Pharmaceuticals	AFT	O	451	4.31	5.15	17.4	15.1	4.3%	5.0%
Ebos Group	EBO	O	6,321	38.50	38.00	25.0	23.6	2.8%	3.0%
Fisher & Paykel Healthcare	FPH	N	18,583	32.20	34.00	53.3	44.3	1.2%	1.3%
Pacific Edge	PEB	N	1,092	1.35	1.40	n.m.	n.m.	n.m.	n.m.
HEALTH CARE PROVIDERS & SERVICES									
Arvida Group	ARV	N	1,419	1.98	2.05	13.5	11.3	3.3%	4.0%
Oceania Healthcare	OCA	O	947	1.34	1.45	13.3	11.5	4.2%	4.8%
Ryman Healthcare	RYM	S	6,115	12.23	11.75	19.2	16.1	2.1%	2.5%
Summerset Group Holdings	SUM	O	2,968	12.90	16.50	21.6	16.5	1.3%	1.8%
TRANSPORT & LOGISTICS									
Air New Zealand	AIR	S	1,762	1.57	0.85	n.m.	20.3	n.m.	3.1%
Auckland International Airpo	AIA	U	11,362	7.72	6.60	91.3	41.8	0.9%	1.9%
Freightways	FRE	N	2,112	12.75	13.00	23.5	22.1	3.8%	4.0%
Mainfreight	MFT	O	9,133	90.75	97.00	28.4	26.8	1.5%	1.9%
Port of Tauranga	POT	S	4,685	6.89	6.00	41.1	39.7	2.2%	2.3%
INDUSTRIALS									
Fletcher Building	FBU	N	5,737	7.06	7.23	13.2	13.3	4.8%	4.8%
Metro Performance Glass	MPG	B	67	0.36	0.52	12.8	6.4	2.8%	9.4%
Skellerup Holdings	SKL	B	1,190	6.10	6.20	23.4	21.0	3.6%	3.9%
Steel & Tube Holdings	STU	N	231	1.39	1.32	13.1	13.7	5.3%	5.0%
INFORMATION TECHNOLOGY									
EROAD	ERD	O	535	4.85	6.77	35.6	17.3	n.m.	n.m.
Gentrack Group	GTK	N	179	1.79	1.90	n.m.	55.2	n.m.	1.5%
Pushpay Holdings	PPH	O	1,596	1.40	1.75	27.1	23.1	n.m.	n.m.
Serko	SKO	N	818	6.90	6.00	n.m.	n.m.	n.m.	n.m.
Vista Group International	VGL	O	520	2.25	2.80	n.m.	n.m.	n.m.	n.m.
REAL ESTATE									
Argosy Property	ARG	N	1,300	1.54	1.42	18.9	20.0	4.4%	4.4%
Asset Plus	APL	O	111	0.30	0.31	n.m.	17.8	5.9%	6.2%
Goodman Property Trust	GMT	U	3,659	2.62	1.99	34.5	31.3	2.2%	2.5%
Investore Property	IPL	N	699	1.90	1.72	21.2	20.3	4.2%	4.2%
Kiwi Property Group	KPG	O	1,859	1.19	1.12	19.8	18.6	4.7%	4.9%
New Zealand Rural Land Co	NZL	O	107	1.11	1.19	15.8	18.6	5.2%	5.8%
Precinct Properties NZ	PCT	O	2,535	1.60	1.46	20.5	19.9	4.2%	4.4%
Property For Industry	PFI	U	1,475	2.92	2.42	27.6	28.0	2.7%	2.8%
Stride Stapled Group	SPG	O	1,088	2.06	2.16	12.7	12.4	4.8%	4.9%
Vital Healthcare Property Trus	VHP	U	1,750	3.04	2.36	32.2	28.1	3.3%	3.4%
UTILITIES									
Contact Energy	CEN	B	6,011	7.72	10.53	46.4	46.2	4.6%	5.0%
Genesis Energy	GNE	O	3,030	2.90	3.60	18.0	17.5	6.1%	6.2%
Infratil	IFT	N	5,852	8.10	8.25	n.m.	90.5	2.4%	2.5%
Mercury NZ	MCY	O	8,237	6.05	7.14	41.4	37.6	3.6%	4.0%
Meridian Energy	MEL	O	12,147	4.72	5.79	43.1	39.5	3.7%	3.9%
Trustpower	TPW	U	2,274	7.27	6.97	26.8	25.6	3.9%	3.9%
Vector	VCT	S	4,058	4.06	3.63	26.4	25.7	4.3%	4.3%
MARKET AVERAGE						**21.7**	**20.8**	**3.2%**	**3.6%**

PE ratios exclude: IFT, MEL, PEB   Recommendations: B = BUY O=OVERWEIGHT N=NEUTRAL U=UNDERWEIGHT S=SELL

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD

AS AT 16TH DECEMBER 2021

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
Seeka	N	$5.24	5.8%	9.9%	4.8%	7.6%	0.4	0.9	2.0	1.5	57.0%
The Warehouse Group	N	$4.00	12.2%	8.8%	9.0%	9.6%	1.4	1.4	1.4	1.4	-30.4%
Asset Plus	O	$0.31	8.7%	8.7%	8.7%	9.1%	1.2	0.7	0.1	0.9	42.8%
My Food Bag	B	$1.12		8.3%	9.2%	10.1%		1.3	1.3	1.2	26.3%
Genesis Energy	O	$2.88	7.9%	7.9%	8.0%	8.1%	0.4	0.6	0.7	0.7	53.3%
Spark	O	$4.55	7.8%	7.8%	7.8%	7.8%	0.8	0.9	1.0	1.0	76.5%
Turners	B	$4.38	6.3%	7.2%	7.9%	8.5%	1.4	1.7	1.6	1.5	172.6%
Stride	O	$2.07	7.2%	7.2%	7.2%	7.2%	1.2	1.1	1.1	1.2	27.9%
Heartland Group	B	$2.37	6.4%	7.1%	7.6%	8.2%	1.4	1.3	1.3	1.3	639.0%
Michael Hill	B	$1.21	5.6%	6.8%	7.9%	7.9%	2.8	1.5	1.4	1.4	-37.7%
Kiwi Property Group	O	$1.18	6.4%	6.7%	6.9%	7.2%	1.3	1.2	1.1	1.1	47.4%
NZ Rural Land Co	O	$1.12		6.3%	7.4%	8.1%		1.3	1.2	1.0	60.1%
Trustpower	U	$7.21	3.9%	6.2%	3.2%	3.2%	0.8	1.4	1.0	1.0	58.5%
Argosy Property	N	$1.59	6.1%	6.1%	6.3%	6.4%	1.2	1.2	1.2	1.1	49.0%
Precinct Properties	O	$1.63	6.0%	6.1%	6.3%	6.4%	1.0	1.0	1.1	1.1	48.4%
Fletcher Building	N	$7.16	5.7%	6.1%	6.5%	6.5%	1.7	1.6	1.6	1.6	14.7%
Steel and Tube	N	$1.46	3.3%	5.9%	6.8%	7.1%	1.7	1.4	1.4	1.4	-7.3%
Investore Property	N	$1.94	5.7%	5.8%	6.0%	6.0%	1.1	1.0	1.1	1.2	42.1%
Contact Energy	B	$7.83	5.5%	5.8%	5.8%	6.7%	0.7	0.7	0.5	0.6	33.3%
NZME	O	$1.46		5.7%	6.3%	6.3%		1.9	2.0	2.1	0.6%
PGG Wrightson	N	$4.55	8.8%	5.4%	5.7%	6.0%	0.8	1.1	1.1	1.1	6.1%
Fonterra	N	$3.62	5.3%	5.3%	6.1%	7.5%	1.7	1.7	1.6	1.3	55.3%
Meridian Energy	O	$4.60	4.9%	4.9%	5.1%	5.3%	0.5	0.7	0.7	0.7	33.3%
Chorus	N	$7.08	4.9%	4.9%	4.9%	6.3%	0.4	0.3	0.2	0.2	264.3%
NZX	N	$1.77	4.7%	4.7%	5.3%	5.4%	1.0	1.0	1.0	1.0	23.6%
Scales Corporation	N	$5.80	4.6%	4.6%	5.3%	5.6%	1.0	1.0	0.9	1.2	-29.5%
Vector	S	$4.03	4.5%	4.5%	4.5%	4.5%	1.1	1.0	0.9	0.9	156.6%
Vital Healthcare	U	$3.13	4.2%	4.5%	4.6%	4.9%	1.3	1.3	1.3	1.2	51.8%
Freightways	N	$12.97	3.6%	4.2%	5.1%	5.4%	1.3	1.1	1.1	1.1	48.3%
Skellerup	B	$6.19	3.3%	3.9%	4.3%	4.7%	1.2	1.2	1.2	1.2	8.8%
Property For Industry	U	$3.04	3.7%	3.9%	4.0%	4.0%	1.2	1.3	1.3	1.3	36.8%
Mercury	O	$5.97	3.9%	3.7%	4.5%	5.1%	0.7	0.5	0.5	0.5	43.0%
Kathmandu	B	$1.51	3.3%	3.6%	5.4%	6.4%	1.9	1.7	1.7	1.7	-6.5%
Sky Network Television	O	$2.63		3.2%	9.0%	9.6%		0.9	1.6	1.5	-12.5%
Goodman Property	U	$2.63	3.0%	3.1%	3.3%	3.7%	1.3	1.3	1.3	1.3	22.7%
Oceania Healthcare	O	$1.35	2.4%	3.0%	4.1%	4.6%	1.7	1.8	1.8	1.8	43.6%
Port of Tauranga	S	$6.90	2.6%	2.9%	3.1%	3.2%	1.1	1.1	1.1	1.1	34.8%
Sky City	O	$3.03	3.2%	2.8%	6.4%	7.8%	1.7	1.2	1.2	1.2	36.4%
Z Energy	N	$3.47	5.6%	2.8%			0.0	1.4			60.0%
Arvida	N	$1.95	2.7%	2.6%	3.4%	4.0%	1.8	2.3	2.2	2.2	34.1%
AFT Pharmaceuticals	O	$4.29		2.5%	6.0%	6.9%		2.0	1.3	1.3	54.0%
Comvita	O	$3.42	1.7%	2.5%	3.9%	5.8%	3.4	3.0	2.2	1.7	-1.0%
Infratil	N	$8.00	2.5%	2.5%	2.7%	2.8%	-1.2	0.8	0.4	0.4	45.8%
Ebos	O	$38.46	2.4%	2.4%	3.1%	3.3%	1.4	1.5	1.4	1.4	24.0%
Mainfreight	O	$90.08	1.1%	1.8%	2.1%	2.6%	2.5	2.4	2.4	1.9	2.1%
Delegat's Group	O	$14.49	1.9%	1.7%	1.8%	2.1%	3.2	3.3	3.4	3.3	45.5%
Fisher & Paykel Healthcare	N	$32.60	1.7%	1.7%	1.7%	1.8%	2.4	1.7	1.5	1.7	-10.6%
Ryman Healthcare	S	$12.46	1.8%	1.5%	2.0%	2.4%	2.0	2.6	2.5	2.5	75.3%
Summerset	O	$13.42	1.0%	1.3%	1.7%	2.0%	3.4	3.4	3.3	3.3	41.3%
Sanford	S	$5.04		1.2%	2.5%	3.7%		4.1	2.9	2.3	27.7%
Auckland Airport	U	$7.60			1.3%	2.6%			1.3	1.3	18.5%
Air New Zealand	S	$1.55				3.9%				1.4	3.1%
a2 Milk	N	$5.92									-55.6%
Eroad	O	$4.89									4.0%
Gentrack	N	$1.87				2.1%				1.1	-10.2%
Metro Performance Glass	B	$0.37			3.8%	12.8%			2.8	1.6	53.9%
New Zealand King Salmon	U	$1.40			1.0%	3.1%			3.6	4.3	23.2%
New Zealand Refining Company	N	$0.87									30.8%
Pacific Edge	N	$1.34									-97.7%
Pushpay	O	$1.33									-5.1%
Restaurant Brands	U	$15.52									50.5%
Serko	N	$6.90									-52.6%
Synlait	N	$3.44									49.0%
Tourism Holdings	-	$3.06									31.6%
Vista Group	O	$2.32				0.5%				1.9	-32.6%
MEDIAN			3.0%	3.6%	4.5%	5.1%	1.3	1.3	1.3	1.3	33.3%

Source: Jarden

NOTE: 1. The Net Debt/Equity ratio is calculated as Gross Debt less cash holdings divided by Total Equity. Negative ratios indicate a net cash position.
2. Ratings: B – Buy, O – Overweight, N – Neutral, U – Underweight, S – Sell, R – Restricted.
3. FY0 represents the current financial year

Australian Forecasts 13th December 2021 Source: Jarden	Ticker	Rec	Market Cap (A$m)	Price 13-Dec-21 (A$)	Target Price (A$)	Price Earnings (x) FY21	Price Earnings (x) FY22	Net Yield (%) FY21	Net Yield (%) FY22
COMMUNICATIONS									
Carsales.com	CAR	U	7,387	26.22	24.50	34.3	31.0	2.3%	2.6%
Domain Holdings Australia	DHG	O	3,163	5.43	5.50	49.2	38.4	1.0%	1.3%
REA Group	REA	O	22,122	167.96	178.00	49.4	40.0	1.1%	1.3%
Uniti Group	UWL	O	3,018	4.40	4.67	32.6	29.4	n.m.	n.m.
CONSUMER DISCRETIONARY									
Accent Group	AX1	O	1,340	2.48	3.00	16.1	15.3	5.0%	5.2%
Beacon Lighting Group	BLX	O	646	2.90	2.20	25.3	23.2	2.3%	2.6%
Crown Resorts	CWN	O	7,730	11.45	12.10	29.0	23.4	n.m.	n.m.
Domino's Pizza Enterprises	DMP	O	10,573	122.53	113.00	40.7	34.2	1.9%	2.3%
Flight Centre Travel Group	FLT	N	3,538	17.78	21.30	42.0	19.0	1.1%	2.6%
Harvey Norman Holdings	HVN	U	6,422	5.17	5.45	12.3	12.5	5.4%	5.3%
JB Hi-Fi	JBH	U	5,475	47.80	49.00	15.8	15.7	4.1%	4.2%
Nick Scali	NCK	N	1,205	14.92	12.60	19.1	16.9	4.2%	4.7%
Premier Investments	PMV	O	5,015	31.64	32.80	21.8	20.5	2.8%	2.9%
Super Retail Group	SUL	U	2,834	12.59	11.70	15.5	15.2	4.2%	4.2%
The Reject Shop	TRS	B	258	6.75	9.80	15.2	12.5	3.3%	4.0%
The Star Entertainment Grou	SGR	B	3,531	3.72	4.77	19.1	16.9	n.m.	n.m.
Wesfarmers	WES	O	67,652	59.85	60.60	27.8	25.2	2.9%	3.2%
CONSUMER STAPLES									
Coles Group	COL	O	23,751	17.86	18.10	21.8	19.3	3.7%	4.2%
Costa Group Holdings	CGC	O	1,310	2.83	3.60	21.4	11.7	2.4%	3.9%
Endeavour Group	EDV	U	12,177	6.82	6.30	21.6	20.6	3.4%	3.5%
Lynch Group Holdings	LGL	B	420	3.45	5.10	11.7	10.9	4.3%	4.6%
Metcash	MTS	O	4,332	4.50	4.80	14.4	14.0	4.9%	4.9%
Treasury Wine Estates	TWE	N	8,693	12.08	11.60	22.7	21.0	2.8%	3.1%
Woolworths Group	WOW	O	49,128	40.66	40.90	29.9	28.2	2.4%	2.6%
EMERGING COMPANIES									
Consumer Finance (EM)									
Harmoney Corporation	HMY	B	186	1.78	3.30	40.1	11.4	n.m.	n.m.
Diversified Consumer Services (EM)									
IDP Education	IEL	O	9,876	35.59	32.08	57.6	45.6	1.2%	1.5%
SILK Laser Australia	SLA	B	233	4.40	6.32	15.6	12.3	n.m.	n.m.
Health Care Providers & Services (EM)									
Estia Health	EHE	B	568	2.18	3.10	16.2	14.8	4.3%	4.7%
Healthia	HLA	B	266	2.10	2.90	17.2	14.7	2.4%	2.9%
Regis Healthcare	REG	B	516	1.72	3.02	20.9	19.6	4.8%	5.1%
Hotels, Restaurants & Leisure (EM)									
Collins Foods	CKF	B	1,483	12.75	14.16	23.8	20.5	2.2%	2.6%
PointsBet Holdings	PBH	B	2,051	7.82	16.40	n.m.	n.m.	n.m.	n.m.
Internet & Direct Marketing Retail (EM)									
Adore Beauty Group	ABY	B	403	4.30	5.70	79.3	64.2	n.m.	n.m.
Kogan.com	KGN	U	865	8.12	8.86	29.5	21.8	2.0%	3.7%
Temple and Webster Group	TPW	O	1,293	10.77	15.81	n.m.	61.9	n.m.	n.m.
Software (EM)									
Bravura Solutions	BVS	U	602	2.43	2.65	15.8	15.0	4.4%	4.6%
Class	CL1	N	321	2.59	3.08	33.9	30.1	2.3%	2.3%
ELMO Software	ELO	O	449	5.00	6.02	n.m.	n.m.	n.m.	n.m.
Nitro Software	NTO	B	629	2.62	4.54	n.m.	n.m.	n.m.	n.m.
ReadyTech Holdings	RDY		385	3.62	4.63	23.0	19.8	n.m.	n.m.
Specialty Retail (EM)									
Adairs	ADH	B	675	3.96	5.38	7.9	7.2	7.8%	8.6%
Autosports Group	ASG	O	451	2.25	3.19	10.7	11.4	5.6%	5.3%
City Chic Collective	CCX	O	1,316	5.69	6.72	32.5	25.3	1.1%	1.4%
Eagers Automotive	APE	O	3,507	13.69	16.58	12.8	13.9	3.1%	2.9%
Lovisa Holdings	LOV	N	2,220	20.72	15.92	35.5	28.5	1.9%	2.5%
Peter Warren Automotive	PWR	B	479	2.80	4.72	8.9	8.9	6.5%	6.6%
ENERGY									
Beach Energy	BPT	B	2,718	1.20	1.75	6.6	5.6	1.7%	1.7%
Cooper Energy	COE	N	463	0.28	0.29	n.m.	n.m.	n.m.	n.m.
Santos	STO	O	13,498	6.48	8.00	16.5	10.1	1.6%	2.1%
Senex Energy	SXY	N	822	4.45	4.60	20.8	9.9	2.1%	2.7%
Woodside Petroleum	WPL	B	21,361	22.03	27.80	16.5	10.4	4.9%	6.2%
FINANCIALS									
Banks									
ANZ Banking Group	ANZ	N	77,202	27.47	29.40	12.8	11.8	n.m.	n.m.
Bendigo and Adelaide Bank	BEN	N	4,903	8.77	9.40	12.4	12.1	n.m.	n.m.
Bank of Queensland Limited	BOQ	O	5,087	7.94	9.60	11.8	11.4	n.m.	n.m.
Commonwealth Bank of Aust	CBA	O	166,543	97.90	101.00	20.1	18.9	n.m.	n.m.
National Australia Bank	NAB	O	93,571	28.63	31.00	14.9	14.0	n.m.	n.m.
Westpac Banking Corporatio	WBC	U	76,256	20.85	24.30	13.0	11.2	n.m.	n.m.
Capital Markets									
ASX	ASX	U	17,314	89.71	75.80	33.3	31.8	2.7%	2.8%
HUB24	HUB	U	1,913	27.96	29.30	42.8	36.2	1.0%	1.1%
IOOF Holdings	IFL	B	2,395	3.70	5.30	9.5	8.4	7.4%	8.4%
Netwealth Group	NWL	U	3,879	15.96	14.50	53.8	44.8	1.5%	1.8%

	Ticker	Rec	Market Cap (A$m)	Price 13-Dec-21 (A$)	Target Price (A$)	Price Earnings (x) FY21	Price Earnings (x) FY22	Net Yield (%) FY21	Net Yield (%) FY22
DIVERSIFIED FINANCIALS									
AMP	AMP	N	3,077	0.94	1.20	9.9	10.5	n.m.	n.m.
Challenger	CGF	N	4,523	6.69	6.15	17.3	16.4	3.4%	1.9%
Janus Henderson Group	JHG	U	9,991	58.12	49.95				
Magellan Financial Group	MFG	U	5,391	29.12	36.00	11.7	12.3	7.4%	6.8%
Pendal Group	PDL	B	2,182	5.72	8.95	9.6	8.6	9.3%	10.3%
Perpetual	PPT	U	2,040	36.13	38.00	14.4	13.7	5.7%	5.9%
Platinum Asset Management	PTM	U	1,597	2.73	3.40	13.5	13.8	6.3%	6.2%
INSURANCE									
Insurance Australia Group	IAG	B	10,813	4.40	5.65	15.2	14.1	5.9%	6.1%
Medibank Private	MPL	N	9,253	3.37	3.50	20.1	19.1	4.2%	4.4%
Nib Holdings	NHF	N	3,245	7.10	7.10	21.3	19.1	3.4%	3.7%
QBE Insurance Group	QBE	B	17,659	11.96	14.20	15.5	11.8	2.7%	4.0%
Suncorp Group	SUN	O	13,657	10.85	12.90	13.2	12.7	6.5%	6.8%
HEALTH CARE									
CSL	CSL	O	135,931	298.31	352.20	36.8	31.8	0.7%	0.8%
Telix Pharmaceuticals	TLX	B	2,265	7.97	7.90	n.m.	n.m.	n.m.	n.m.
Cochlear	COH	O	14,141	215.65	258.20	40.4	35.5	1.7%	2.0%
Resmed Incorporated	RMD	O	53,116	36.63	39.64	0.6	0.6	0.8%	0.9%
HEALTH CARE PROVIDERS & SERVICES									
Healius	HLS	O	3,063	4.93	5.16	18.1	20.6	7.4%	3.4%
Integral Diagnostics	IDX	O	985	4.87	5.97	21.2	18.4	1.8%	2.3%
Ramsay Health Care	RHC	B	15,858	69.50	84.30	23.7	21.5	1.7%	1.8%
Sonic Healthcare	SHL	N	20,864	43.63	38.77	26.6	29.6	3.8%	2.4%
TRANSPORT & LOGISTICS									
Atlas Arteria	ALX	O	6,262	6.55	7.00	22.1	16.8	4.9%	6.0%
Aurizon Holdings	AZJ	N	6,221	3.39	4.30	12.4	19.2	8.1%	5.3%
Qantas Airways	QAN	B	9,420	5.01	6.80	24.9	7.2	3.0%	7.0%
QUBE Holdings	QUB	B	6,375	3.33	3.55	33.3	29.7	2.1%	2.3%
Sydney Airport	SYD	N	23,111	8.59	8.75	n.m.	n.m.	1.1%	n.m.
Transurban Group	TCL	N	41,897	13.69	13.50	52.1	49.4	4.3%	4.6%
INDUSTRIALS									
ALS	ALQ	N	6,315	13.13	13.25	23.7	21.6	2.6%	2.9%
Brambles	BXB	N	15,178	10.58	11.14	27.5	26.1	2.6%	2.8%
Cleanaway Waste Managemen	CWY	B	5,960	2.90	3.25	24.8	21.8	2.7%	3.0%
Emeco Holdings	EHL	B	485	0.90	1.75	5.7	5.3	7.6%	8.4%
IPH	IPH	B	1,897	8.71	9.49	20.7	19.3	4.8%	5.2%
Monadelphous Group	MND	O	896	9.45	11.80	12.9	12.2	6.6%	6.8%
NRW Holdings	NWH	O	716	1.60	2.90	6.8	6.7	8.4%	8.4%
INFORMATION TECHNOLOGY									
Afterpay	APT	O	27,748	95.89	138.00	n.m.	n.m.	n.m.	n.m.
Altium	ALU	U	5,648	42.96	27.00	50.9	42.9	0.7%	0.8%
Computershare	CPU	O	11,930	19.76	18.75	30.3	26.3	2.3%	2.5%
Sezzle Incorporated	SZL	S	690	3.48	6.10	n.m.	n.m.	n.m.	n.m.
Wisetech Global	WTC	O	17,254	53.08	50.00	80.5	61.4	0.2%	0.3%
Xero	XRO	B	20,992	141.10	150.00	0.4	0.2	n.m.	n.m.
MATERIALS									
Amcor Public	AMC	B	24,801	16.14	18.10	18.7	17.8	3.2%	3.3%
BlueScope Steel	BSL	O	10,438	21.18	24.30	4.7	n.m.	2.4%	n.m.
Macmahon Holdings	MAH	O	387	0.18	0.35	6.4	5.8	3.3%	3.3%
Orora	ORA	O	2,931	3.37	3.50	16.9	17.0	4.4%	4.7%
Pact Group Holdings	PGH	B	903	2.63	4.20	9.6	9.2	5.2%	5.5%
Sims	SGM	B	2,928	14.82	17.50	7.4	n.m.	3.6%	n.m.
REAL ESTATE									
Abacus Property Group	ABP	O	2,919	3.52	3.80	17.1	16.6	5.5%	5.6%
Arena REIT	ARF	N	1,557	4.52	4.00	25.8	24.0	3.7%	4.0%
Aventus Group	AVN	N	1,971	3.46	3.50	16.3	15.7	5.5%	5.6%
BWP Trust	BWP	S	2,658	4.15	3.50	22.7	22.0	4.5%	4.6%
Centuria Capital Group	CNI	O	2,607	3.31	3.45	21.7	20.4	3.5%	3.7%
Centuria Industrial REIT	CIP	O	2,473	3.92	4.10	20.5	19.9	4.5%	4.7%
Centuria Office REIT	COF	U	1,395	2.35	2.40	12.8	12.5	7.2%	7.3%
Charter Hall Group	CHC	O	9,166	19.74	21.10	22.9	20.9	2.2%	2.3%
Charter Hall Long Wale REIT	CLW	B	3,192	5.03	5.75	15.6	14.9	6.3%	6.6%
Charter Hall Retail REIT	CQR	O	2,404	4.17	4.40	14.2	13.5	6.3%	6.5%
Charter Hall Social Infrastructu	CQE	B	1,423	3.92	3.70	21.1	19.9	4.6%	4.8%
Dexus	DXS	N	11,806	11.01	11.10	15.4	14.8	4.9%	5.1%
Goodman Group	GMG	U	47,140	25.31	22.90	27.4	25.4	1.4%	1.5%
GPT Group	GPT	O	9,911	5.19	5.35	18.0	15.6	4.8%	5.5%
Home Consortium	HMC	N	2,319	7.99	7.70	29.2	26.8	1.5%	1.6%
Homeco Daily Needs REIT	HDN	O	1,176	1.49	1.70	16.2	15.6	5.8%	5.9%
Mirvac Group	MGR	O	11,477	2.92	3.30	17.2	16.9	3.8%	3.9%
National Storage REIT	NSR	U	2,951	2.49	2.20	24.7	21.7	3.8%	4.0%
SCA Property Group	SCP	B	3,165	2.86	3.15	15.1	14.2	5.8%	6.0%
Scentre Group	SCG	B	16,196	3.13	3.45	19.7	15.0	4.1%	5.0%
Stockland Corporation	SGP	U	10,305	4.33	4.60	11.5	11.4	6.5%	6.6%
Vicinity Centres	VCX	N	7,919	1.75	1.80	11.8	11.2	6.6%	7.0%
MARKET AVERAGE*						**20.0**	**17.3**	**3.1%**	**3.2%**

***PE ratios exclude: TPW, ALU, WTC, JHC**

JARDEN'S AUSTRALIAN'S COMPANY NET DIVIDEND YIELD

AS AT 16TH DECEMBER 2021

COMPANY	RATING	PRICE (AU$)	DIVIDEND YIELD				DIVIDEND COVER			
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2
Pendal Group Limited	B	$5.56	7.1%	9.3%	9.7%	10.8%	1.2	1.1	1.1	1.1
NRW Holdings Limited	O	$1.58	8.0%	8.5%	8.5%	8.5%	1.5	1.7	1.8	1.8
Magellan Financial Group Limited	U	$28.78	7.3%	7.6%	7.5%	6.9%	1.1	1.0	1.1	1.2
Autosports Group Limited	O	$2.20	4.2%	7.2%	5.7%	5.4%	2.3	1.7	1.7	1.7
Centuria Office REIT	U	$2.36	7.0%	7.1%	7.2%	7.3%	1.2	1.1	1.1	1.1
Platinum Asset Management Limited	U	$2.69	9.1%	7.0%	6.6%	6.4%	1.2	1.2	1.2	1.2
IOOF Holdings Limited	B	$3.62	6.4%	6.9%	7.6%	8.6%	1.1	1.4	1.4	1.4
Peter Warren Automotive Holdings Limitec	B	$2.80		6.8%	6.5%	6.6%		1.7	1.7	1.7
Monadelphous Group Limited	O	$9.40	5.3%	6.7%	6.6%	6.9%	1.0	0.9	1.2	1.2
Suncorp Group Limited	O	$10.76	6.9%	6.5%	6.6%	6.9%	1.1	1.0	1.2	1.2
Emeco Holdings Limited	B	$0.90	4.2%	6.3%	7.6%	8.5%	2.9	2.7	2.3	2.2
Adairs Limited	B	$3.92	5.8%	6.3%	7.8%	8.6%	1.9	1.6	1.6	1.6
Stockland Corporation Limited	U	$4.27	5.5%	6.2%	6.4%	6.4%	1.3	1.3	1.3	1.3
Charter Hall Long Wale REIT	B	$5.18	5.6%	5.9%	6.1%	6.3%	1.0	1.0	1.0	1.0
Perpetual Limited	U	$35.38	4.8%	5.6%	5.9%	6.0%	1.3	1.2	1.2	1.2
Harvey Norman Holdings Limited	U	$5.02	6.9%	5.6%	5.5%	5.4%	1.7	1.5	1.5	1.5
Homeco Daily Needs REIT	O	$1.48	2.8%	5.5%	5.8%	5.9%	1.0	1.0	1.1	1.1
Charter Hall Retail REIT	O	$4.28	5.4%	5.5%	6.0%	6.2%	1.2	1.2	1.1	1.1
SCA Property Group	B	$2.93	4.2%	5.1%	5.7%	5.9%	1.2	1.1	1.1	1.1
Aventus Group Limited	N	$3.50	4.9%	5.1%	5.3%	5.5%	1.1	1.1	1.1	1.1
Woodside Petroleum Limited	B	$22.07	1.7%	4.9%	6.1%	3.7%	1.2	1.2	1.5	2.0
Vicinity Centres	N	$1.74	5.7%	4.9%	6.6%	7.0%	1.2	1.3	1.3	1.3
Atlas Arteria Limited	O	$6.61	3.6%	4.9%	6.0%	7.2%	-0.2	0.9	1.0	1.1
Abacus Property Group	O	$3.60	4.8%	4.9%	5.3%	5.4%	1.1	1.1	1.1	1.1
Nick Scali Limited	N	$14.82	4.4%	4.8%	4.2%	4.8%	1.6	1.3	1.2	1.3
Pact Group Holdings Limited	O	$2.48	3.9%	4.7%	5.6%	5.9%	2.9	2.1	2.0	2.0
GPT Group	O	$5.36	4.2%	4.6%	5.3%	5.5%	1.3	1.2	1.2	1.2
Dexus	N	$11.27	4.5%	4.6%	4.7%	4.9%	1.3	1.3	1.3	1.3
Metcash Limited	B	$4.48	3.9%	4.5%	4.9%	4.9%	1.4	1.4	1.4	1.5
JB Hi-Fi Limited	U	$46.00	6.1%	4.5%	4.2%	4.2%	1.5	1.5	1.5	1.5
Super Retail Group Limited	U	$12.28	7.2%	4.4%	4.3%	4.4%	1.5	1.5	1.5	1.5
Regis Healthcare Limited	B	$1.81	3.8%	4.4%	4.7%	5.1%	1.0	1.0	1.0	1.0
Insurance Australia Group Limited	B	$4.25	4.6%	4.4%	6.0%	6.2%	1.6	1.2	1.2	1.2
BWP Trust	S	$4.15	4.4%	4.4%	4.5%	4.6%	1.0	1.0	1.0	1.0
IPH Limited	B	$8.75	4.0%	4.3%	4.8%	5.1%	1.0	1.0	1.0	1.0
Charter Hall Social Infrastructure	O	$3.84	5.0%	4.3%	4.5%	4.8%	0.8	1.0	1.0	1.0
Centuria Industrial REIT	O	$3.98	4.2%	4.3%	4.4%	4.6%	1.0	1.1	1.1	1.1
Orora Limited	O	$3.32	4.2%	4.2%	4.5%	4.8%	1.2	1.3	1.3	1.2
Scentre Group	B	$3.10	2.2%	4.1%	5.0%	5.6%	2.1	1.3	1.3	1.3
Bravura Solutions Limited	U	$2.47	3.4%	4.1%	4.2%	4.4%	1.5	1.5	1.4	1.5
Lynch Group Holdings Limited	B	$3.44		4.0%	4.3%	4.7%		2.0	2.0	2.0
Medibank Private Limited	N	$3.41	3.7%	3.9%	4.1%	4.3%	1.3	1.2	1.2	1.2
Accent Group Limited	O	$2.40	4.7%	3.8%	5.1%	5.4%	1.2	1.2	1.2	1.2
Challenger Limited	N	$6.68	3.0%	3.6%	3.5%	1.9%	1.7	1.7	1.9	3.6
Sims Limited	B	$15.42	2.7%	3.5%	3.5%	5.2%	2.7	3.6	3.8	3.3
National Storage REIT	U	$2.50	3.2%	3.5%	3.7%	3.9%	1.0	1.1	1.1	1.1
Mirvac Group	O	$2.90	3.4%	3.5%	3.7%	3.8%	1.4	1.5	1.5	1.5
Coles Group Limited	O	$17.51	3.5%	3.5%	3.8%	4.3%	1.2	1.3	1.2	1.2
Arena REIT	N	$4.42	3.3%	3.5%	3.8%	4.0%	1.0	1.0	1.0	1.0
Centuria Capital Group Limited	O	$3.26	3.1%	3.4%	3.6%	3.7%	1.2	1.2	1.3	1.3
Nib Holdings Limited	N	$6.91	3.4%	3.3%	3.4%	3.7%	1.5	1.4	1.3	1.4

Source: Jarden

NOTE:

1. The Net Debt/Equity ratio is calculated as Gross Debt less cash holdings divided by Total Equity. Negative ratios indicate a net cash position.
2. Ratings: B – Buy, O – Outperform, N – Neutral, U – Underperform, S – Sell, R – Restricted.
3. FY0 represents the current financial year

JARDEN'S AUSTRALIAN EQUITIES

AUSTRALIAN ECONOMICS - ARE CRACKS APPEARING IN THE HOUSING RECOVERY?

November data showed that the strongest housing recovery on record continues to roll on, with prices up a record 24% in the 14 months since Sep-20. That said, growth is moderating and some cracks are starting to appear in the recovery, with affordability, sentiment and concerns around higher rates all weighing on the market. Our long-held 2022 forecast has been for +7% house price growth, after +22% in 2021. However, with fixed rates lifting faster than we expected, some risk of earlier rate hikes, surging supply and affordability crimping demand, Jarden sees more uncertainty in the outlook. As such, they modestly downgrade their central forecast for 2022 to +5%, albeit they do see a risk of modest falls if sentiment turns. Looking forward to 2023, given their expectation of rate hikes from May-23, they expect a modest softening in prices, likely low single digits. The key risks Jarden sees for the housing market remain higher rates and more aggressive macroprudential tightening from APRA, albeit moderating price growth should reduce the risk of a material tightening. Importantly for the banks, downside risk to the housing market suggests some risk to Jarden's above-consensus housing credit forecast, albeit they are becoming more confident in the upside to business credit towards high single digits which should offer support.

RAMSAY HEALTH CARE (RHC.AX) PROJECTED RETURN: 22.4%

A$69.50 BUY 12 MONTH TARGET: A$84.30

RHC has hosted the first day of a two-day strategy presentation focusing on industry dynamics overlaid with the company's growth strategy. Growing confidence is emerging from RHC on its recovery as volumes return and it steps up its investment in brownfield capacity. The company is focusing on a number of key growth areas. Top-line growth plus RHC's confidence on accessing nursing staff and stable COVID costs over the medium term support the return of earnings leverage with normalised NPAT growth of 10.7% by FY24. Jarden maintains their Buy rating and forecasts remain unchanged. They base their 12mth target price of $84.30 on roll-forward of our spot DCF valuation by cost of equity less dividends. Key risks include competition, government reforms in key markets (Australia, UK and France), prosthesis list reform and further COVID-19 disruption to elective surgeries.

RAMSAY HEALTH CARE Year to 30 JUNE		2021A	2022F	2023F	2020F
Operating Revenue	A$m	13,328.1	13,646.7	14,272.6	14,865.7
Operating EBITDA	A$m	2,053.5	1,984.2	2,351.4	2,497.9
Adjusted NPAT	A$m	449.0	435.8	670.2	740.8
Earnings/Share	Ac	192.6	185.5	286.7	317.4
EPS Growth	%	47.5%	-3.7%	54.6%	10.7%
EV/EBITDA	x	12.8	13.2	11.1	10.5
Price/Earnings Ratio	x	36.0	37.4	24.2	21.9
Gross Div Yield	%	3.1%	1.5%	2.4%	2.6%
Net Dividend	%	2.2%	1.1%	1.7%	1.8%

JARDEN'S AUSTRALIAN EQUITY FOCUS LIST AS AT 10TH DECEMBER 2021

Index / Stock Name	Stock Code	Current Price $	Gross Stock Performance % Fortnight	Month	Quarter	Year
ASX100 Index	ASX100	21,663	-0.1	-0.2	0.9	14.4
ANZ Banking Group	ANZ	27.61	1.2	-1.1	3.0	24.6
Aristocrat Leisure	ALL	44.87	-2.1	-5.1	-3.9	45.2
Beach Energy	BPT	1.22	-3.2	-7.3	20.3	-34.0
BHP	BHP	40.20	4.1	9.4	-1.8	3.5
Cimic	CIM	18.30	-1.6	-5.1	-11.8	-27.9
IOOF Holdings	IFL	3.72	-1.3	-5.6	-16.0	4.4
James Hardie	JHX	56.87	3.8	6.2	9.9	54.7
QBE Insurance	QBE	12.09	-1.3	3.6	3.0	22.6
Resmed	RMD	37.65	6.1	7.0	-6.5	32.3
Seek	SEK	35.12	1.6	2.3	10.5	29.8
United Malt Group	UMG	4.32	3.7	6.0	6.5	1.0
Wisetech	WTC	51.58	-2.5	-4.0	8.3	63.6
Xero	XRO	140.99	-0.6	-4.7	-3.7	0.0

Stock Code	Date Added to Focus List	Price When Added to Focus List $	ASX 100 Index When Added	Return Since Added to Focus List	Index Return Since Added	Over / (Under) Performance
ANZ	16/12/2020	23.55	18,805	23.3%	15.2%	8.1%
ALL	2/04/2019	25.50	16,584	79.3%	30.6%	48.7%
BPT	9/12/2021	1.22	21,663	0.0%	0.0%	0.0%
BHP	24/06/2020	35.90	16,580	25.3%	30.7%	-5.4%
CIM	24/06/2020	24.28	16,580	-20.4%	30.7%	-51.1%
IFL	17/08/2021	4.65	21,686	-18.0%	-0.1%	-17.8%
JHX	3/09/2019	22.75	17,879	155.3%	21.2%	134.1%
QBE	12/07/2021	10.65	21,113	14.6%	2.6%	11.9%
RMD	20/05/2019	16.35	17,349	132.4%	24.9%	107.5%
SEK	15/06/2021	32.21	21,209	9.7%	2.1%	7.5%
UMG	12/07/2021	4.44	21,113	-1.9%	2.6%	-4.5%
WTC	14/08/2020	19.93	17,085	159.2%	26.8%	132.4%
XRO	14/09/2020	90.81	16,538	55.3%	31.0%	24.3%

Note: The above information summary on the subject companies does not, and does not attempt to, contain everything material there is to be said about the companies or the business of the companies.

JARDEN'S FIXED INTEREST BONDS… BBB+, BBB, BBB- 16TH DECEMBER 2021

Issuer	NZDX Code	Coupon	Maturity Date	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/ $100	Best Indicative Volume	Total Depth Within 10 BP
Precinct Properties	PCT010	5.540	17/12/2021	2	BBB+(NR)	Senior	5,000	1.145	-	369,000	369,000
Genesis Power	GNE030	4.140	18/03/2022	2	BBB+	Senior	5,000	1.160	101.78	25,000	2,100,000
GMT Bond Issuer	GMB030	5.000	23/06/2022	2	BBB+	Senior	5,000	1.630	101.66	18,000	1,018,000
Heartland Bank	HBL010	4.500	8/09/2022	4	BBB	Senior	5,000	2.031	101.90	500,000	2,246,000
Air New Zealand	AIR020	4.250	28/10/2022	2	BBB	Senior	5,000	3.169	101.52	103,000	103,000
Contact Energy	CEN040	4.630	15/11/2022	4	BBB	Senior	5,000	1.977	102.81	85,000	348,000
TrustPower	TPW150	4.010	15/12/2022	4	BBB-(NR)	Senior	5,000	2.600	101.42	10,000	10,000
Meridian Energy	MEL030	4.530	14/03/2023	2	BBB+	Senior	5,000	2.159	104.08	212,000	212,000
Wellington Intl Airport	WIA030	4.250	12/05/2023	2	BBB	Senior	10,000	2.475	102.86	100,000	100,000
Summerset	SUM010	4.780	11/07/2023	4	BBB-(NR)	Senior	5,000	2.746	104.00	15,000	15,000
GMT Bond Issuer	GMB050	4.000	1/09/2023	2	BBB+	Senior	5,000	2.448	103.78	1,000,000	1,000,000
Kiwi Property Group Limited	KPG020	4.000	7/09/2023	2	BBB+	Senior	5,000	2.525	103.60	52,000	52,000
Z Energy	ZEL050	4.320	1/11/2023	4	BBB-(NR)	Senior	5,000	2.491	103.90	18,000	18,000
Meridian Energy	MEL040	4.880	20/03/2024	2	BBB+	Senior	5,000	2.739	105.86	466,000	489,000
Heartland Bank	HBL020	3.550	12/04/2024	4	BBB	Senior	5,000	-	-	-	-
Investore Property	IPL010	4.400	18/04/2024	4	BBB(NR)	Senior	5,000	-	-	-	-
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	2.743	103.53	25,000	45,000
GMT Bond Issuer	GMB040	4.540	31/05/2024	2	BBB+	Senior	5,000	2.857	104.20	347,000	347,000
Wellington Intl Airport	WIA040	4.000	5/08/2024	2	BBB	Senior	10,000	-	-	-	-
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	2.909	101.97	1,000,000	1,000,000
Z Energy	ZEL060	4.000	3/09/2024	4	BBB-(NR)	Senior	5,000	2.862	103.14	500,000	500,000
Precinct Properties	PCT020	4.420	27/11/2024	2	BBB+(NR)	Senior	5,000	3.000	104.24	25,000	25,000
Property for Industry	PFI010	4.590	28/11/2024	4	BBB(NR)	Senior	5,000	-	-	-	-
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	2.735	104.57	25,000	25,000
Vector Limited	VCT090	3.450	27/05/2025	4	BBB	Senior	5,000	2.975	101.76	831,000	831,000
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	-	-	-	-
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	3.008	103.90	1,000,000	1,014,000
Summerset	SUM020	4.200	24/09/2025	4	BBB-(NR)	Senior	5,000	2.900	104.52	13,000	13,000
Property for Industry	PFI020	4.250	1/10/2025	4	BBB(NR)	Senior	5,000	-	-	-	-
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	3.086	103.97	250,000	275,000
Argosy Property	ARG010	4.000	27/03/2026	4	BBB+(NR)	Senior	5,000	-	-	-	-
Trustpower	TPW180	3.350	29/07/2026	4	BBB-(NR)	Senior	5,000	3.150	101.33	20,000	400,000
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	3.185	97.93	500,000	500,000
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	2.800	97.65	48,000	48,000
Metlifecare	MET010	3.000	30/09/2026	4	BBB-(NR)	Senior	5,000	-	-	-	-
Argosy Property	ARG020	2.900	29/10/2026	4	BBB+(NR)	Senior	5,000	-	-	-	-
Ryman Healthcare	RYM010	2.550	18/12/2026	4	BBB-(NR)	Senior	5,000	3.320	96.48	2,000	2,000
SkyCity Entertainment	SKC050	3.020	21/05/2027	4	BBB-	Senior	5,000	3.455	98.10	250,000	807,000
Precinct Properties	PCT030	2.850	28/05/2027	2	BBB+(NR)	Senior	5,000	3.385	97.53	250,000	250,000
Investore Property	IPL020	2.400	31/08/2027	4	BBB(NR)	Senior	5,000	3.450	94.73	55,000	598,000
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	3.080	92.49	1,000,000	1,100,000
Summerset	SUM030	2.300	21/09/2027	4	BBB-(NR)	Senior	5,000	3.390	94.31	206,000	206,000
Oceania Healthcare	OCA010	2.300	19/10/2027	4	BBB-(NR)	Senior	5,000	3.480	94.18	45,000	45,000
Argosy Property	ARG030	2.200	27/10/2027	4	BBB+(NR)	Senior	5,000	3.489	93.53	100,000	262,000
Vector Limited	VCT100	3.690	26/11/2027	4	BBB	Senior	5,000	3.490	101.31	500,000	2,219,000
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	3.140	93.83	250,000	2,280,000
Arvida Group	ARV010	2.870	22/02/2028	4	BBB-(NR)	Senior	5,000	3.531	96.57	250,000	265,000
Kiwi Property Group Limited	KPG050	2.850	19/07/2028	2	BBB+	Senior	5,000	3.250	98.84	53,000	53,000
GMT Bond Issuer	GMB0928	2.262	4/09/2028	2	BBB+	Senior	50,000	-	-	-	-
Oceania Healthcare	OCA020	3.300	13/09/2028	4	BBB-(NR)	Senior	5,000	3.532	98.68	100,000	1,100,000
Chorus	CNU020	4.350	6/12/2028	4	BBB	Senior	5,000	2.215	113.91	359,000	1,486,000
Trustpower	TPW170	3.970	22/02/2029	4	BBB-(NR)	Senior	5,000	-	-	-	-
Wellington Intl Airport	WIA060	4.000	1/04/2030	2	BBB	Senior	10,000	3.374	105.37	25,000	25,000
GMT Bond Issuer	GMB0930	2.559	4/09/2030	2	BBB+	Senior	50,000	-	-	-	-
Chorus	CNU040	2.510	2/12/2030	4	BBB	Senior	5,000	3.302	94.01	250,000	1,265,000
Wellington Intl Airport	WIA080	3.320	24/09/2031	2	BBB	Senior	10,000	3.300	100.96	123,000	123,000

LIMITATIONS and DISCLAIMER