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INVESTMENT STRATEGIES

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Authorised by AJ von Dadelszen, Caledon Apartments, Fourth Avenue, Tauranga

March 2025

THE WORLD WITH TRUMP BACK

US stock markets fell again yesterday (11th March) as investors grew increasingly fearful about tariffs, and President Donald Trump's refusal to rule out a looming recession. The US S&P 500 increased 58% during Trump's first term as President, despite plenty of twists and turns, and there's every chance you'll be rewarded for keeping your cool this time around too. With Trump we can expect unreasonable demands, threats and brinkmanship, then eleventh-hour negotiations before the "*world's greatest deal*" is announced. We need to get used to this dreadful approach. Trump is the ultimate bully!

Despite Trump's uncertainty, financial markets can perform well. The US economy is strong, albeit faltering, with earnings growth exceeding expectations. However, modest tariffs, slower growth, and declining bond yields could still make for a rewarding period, albeit a much bumpier ride.

LUXON'S LEFTIST KNOCKERS

The media love to highlight Luxon's short-comings, but I have listened to Luxon on many occasions – and I have to say, I have never heard him give a poor presentation. Don't believe the media's spin that his leadership is vulnerable. Yes, he does need to answer questions more decisively but, be sure, he is a great leader and in no threat from within his Caucus. Misinformation is rife.

VERSUS

SHAREMARKETS	CODE	YTD	5 yr/pa
New Zealand	^NZ50	-5.3%	1.5%
Australia	^AXJO	-2.8%	3.6%
United Kingdon	^FTSE	6.9%	2.6%
US - Dow Jones	^DJI	0.5%	9.5%
US - S&P500	^GSPC	-2.3%	15.0%
US - NASDAQ	^IXIC	-6.6%	19.6%

WEBSITE: vond.co.nz

CONTENTS

STATISTICS NZ DATA

Estimated NZ population as at 10-Mar-25 **5,370,444**

Population: 1950: 1,911,608 2000: 3,855,266 Growth 1.8% this year

Births / Deaths: Births: **58,047** Deaths: **37,941** Sept-24 year

Deaths per 1000 live births**:** Pasifika: **7.3** Māori: **5.7** European: **3.8**

Māori population Estimate Dec-23 (**17.8% of NZ pop**) **887,493**

Net Migration Nov-24yr (**NZ: -48,000; Non NZ: 78,500**) ↓ **30,600**

NZer Migration Oct-24yr (**Depart: 72,900; Arriv: 25,000**) **- 48,000**

Non NZ Migration Sept-24yr (**Depart: 53,200; Arriv: 144,900**) **+ 91,700**

Net migration by country Oct-24yr India: 28,500; China: 16,000; Philippines: 15,8000; Fiji: 5,500; Sri Lanka5,900; UK:5,500;

Annual GDP Growth Sept-24 year (**Qtly Sep-24 -1.0%**) **0.1%**

Annual GDP Per Capita Sept-24 year **-1.2%**

Real Gross Disposable Income Sept-24 year **-0.8%**

Inflation Rate (CPI) Dec-24 year (↓ from 3.3% to Jun-24) **2.2%**

Non-Tradable Inflation (Domestic) Sept-24 year **4.9%**

Food Price Inflation Sept-24 year **1.2%**

Household Cost of Living Sept-24qutr ↓ **5.4%**

NZ Core tax Revenue at 2023/24 year ↑ **$167.3 bn**

NZ Core Govt Debt at Sept-24 Treasury Data ↑ **$174.6 bn**

Debt per person (public+private) Jun-23 ↑ **$151,080**

Minimum Wage (up from $23.15 currently) from 1st April 25 **$23.50**

Living wage from 1-June-24 **$27.80**

NZ Median Wage from 30-Feb-24 **$33.56**

Annual Wage Inflation Sept-24 year **3.8%**

Wages average per hour Dec-24 qtr **$42.57**

Labour force participation rate Sept-24 qtr **67.8%**

Unemployment Dec-24 qtr ↑ **5.1%**

Youth Unemployment Dec-24 Highest in last decade **23%**

Beneficiaries (Job seeker/Solo/Supported living) Mar-24 ↑ **370,251**

(11.6% of working-age population as at 31-Mar-24)

Jobseeker Support numbers Mar-24 ↑ **187,986**

Size of Māori Economy 2024 (2013: $43bn 2020: $69bn) **$126 bn**

Size of NZ Economy (NZ GDP) Sept-24 year **$420 bn**

"We must protect our natural environment – without saying No. We have to be much smarter than that. It's about the economy & the environment. We need both."

Prime Minister Christopher Luxon, at the 2025 Bluegreens Forum

PLEASE NOTE: 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.

MINISTER BISHOP ANNOUNCES DETAIL ON INFRASTRUCTURE FUNDING

Bishop's announcement included:

- *Replacing Developer Contributions with a Development Levy System*
- *Establishing regulatory oversight of Development Levies to ensure charges are fair and appropriate,*
- *Increasing the flexibility of targeted rates,*
- *Improving the Infrastructure Funding and Financing Act, and*
- *Broadening existing tools to support value capture.*

These changes are crucial. Councils have delayed developments due to cost burdens on ratepayers, but these reforms will address that issue.

So how does each work:

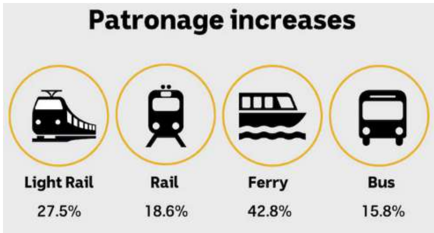
1. Under this new system, councils and other infrastructure providers will be able to charge developers for their share of aggregate infrastructure growth costs across an urban area over the long-term.
2. But it is important that prices are fair and appropriate, so we will also establish regulatory oversight of Development Levies, which will be integrated with the regulatory oversight of water services and rates.
3. We will allow councils to set targeted rates that apply when a rating unit is created at the subdivision stage. This will enable councils to set targeted rates that only apply to new developments.
4. The IFF Act was passed in 2020 so that developers could freely arrange private funding and financing solutions for enabling infrastructure. It was supposed to allow developers to bypass the issue of relying on councils for the timely provision of infrastructure. But at a high-level, the Government has agreed to make several remedial amendments to improve the effectiveness of the Act, particularly for developer-led projects. These changes will remove unnecessary barriers and make the overall process simpler.
5. We will enable IFF Act levies to be charged for major transport projects, e.g., projects delivered by NZTA. This change has the potential to kickstart our embrace of Transit Oriented Development or TOD. TOD promotes compact, mixed-use, pedestrian friendly cities, with development clustered around, and integrated with, mass transit. The idea is to have as many jobs, houses, services and amenities as possible around public transport stations.

FAST-TRACK CHANGES

Speeding up land acquisitions – The Govt has also announced plans to amend the Public Works Act to speed up the land acquisition process for projects connected to its fast-track consenting regime and Roads of National Significance. Landowners who voluntarily sell their land will receive an additional 'premium payment', while those who object to their land being required will make submissions to the Land Information Minister or their local authority rather than the Environment Court.

QUEENSLAND HAS 50 cents PUBLIC TRANSPORT FARES

Queensland's 50-cent public transport fares have reached the six-month milestone, with a significant increase in patronage of nearly 20%. For the past six months, every trip on Queensland public transport has been priced at just 50 cents, whether it is a lengthy four-hour journey from Gympie to the Gold Coast or a brief five-minute bus ride from the Gabba to the CBD.



According to new data released by the Department of Transport and Main Roads, there has been an 18.3% rise in the number of individuals utilizing public transport compared to 2023.

FARE SAVINGS

A commuter traveling from the Gold Coast to Brisbane used to pay $29 daily. With 50c fares, they could have saved $3,640 over six months (excluding public holidays). Those commuting from Brisbane's suburbs have saved nearly $1,000.

THE KICKER

So, **how is Queensland State paying for this?** The answer is that they are levying coal exporters (to the tune of A$12 billion a year) to pay for this and other State initiatives.

THE LESSON

This is not affordable for us and therefore not a model that we should replicate in New Zealand.

"Housing is an enabler of economic growth & prosperity"
Minister Chris Bishop

REGIONAL STATISTICS

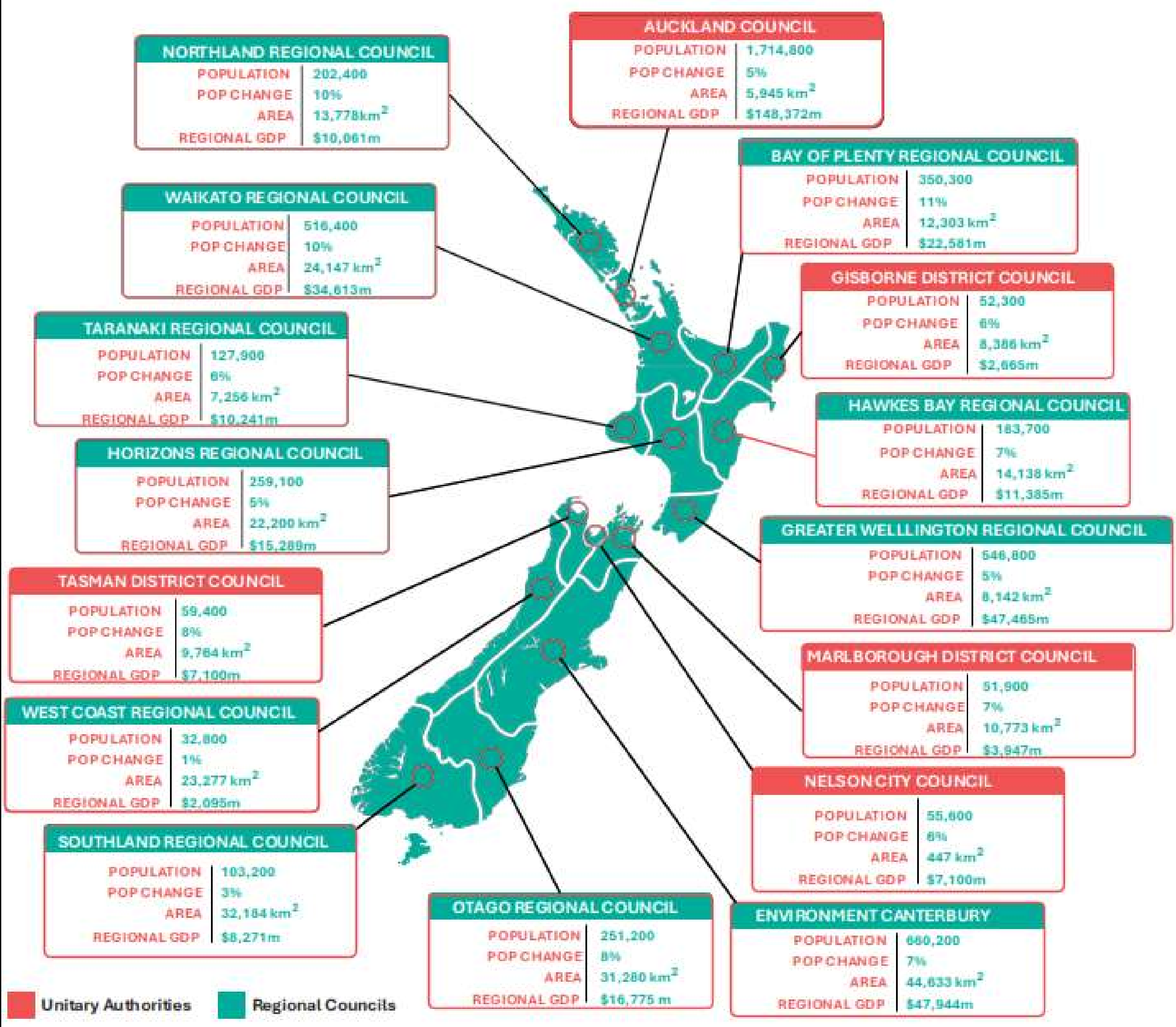
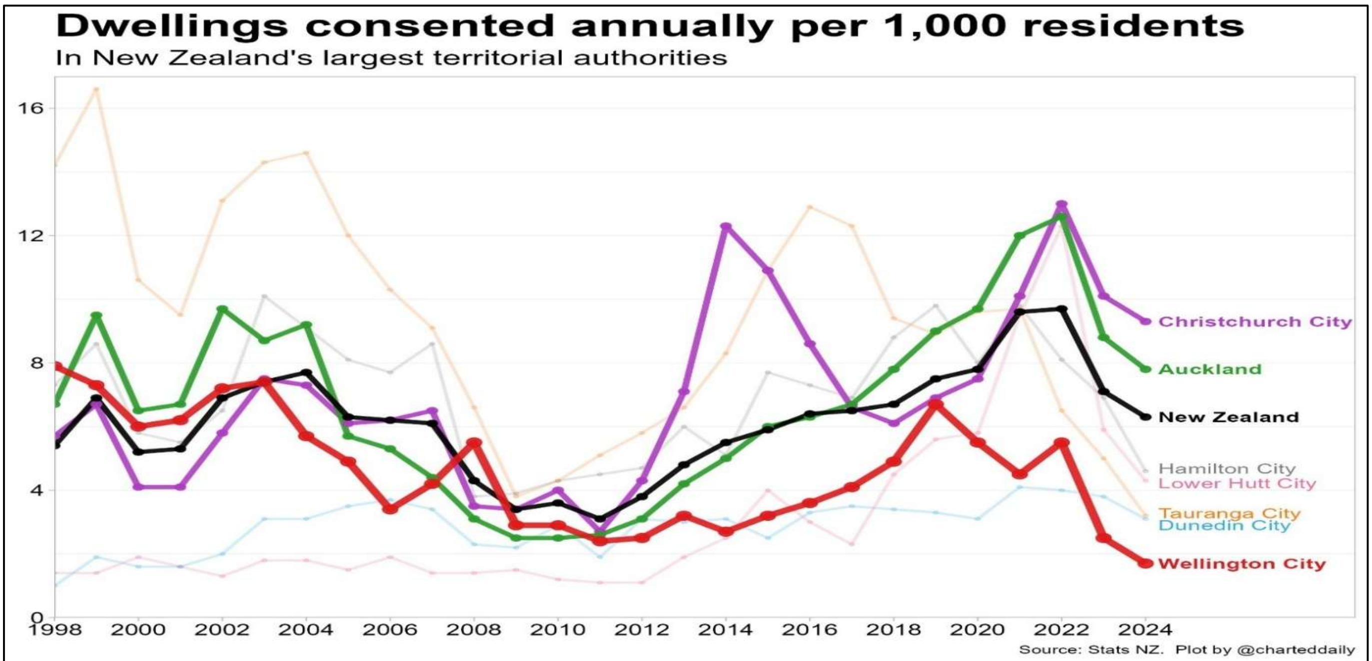
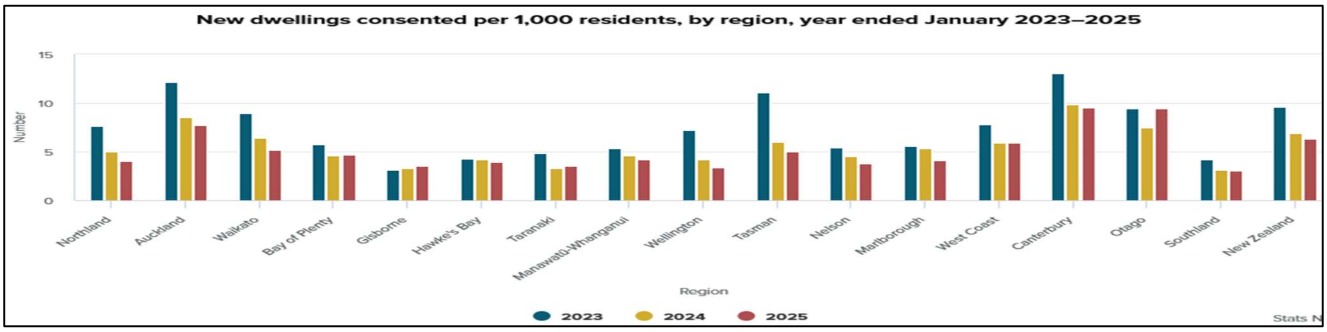


Figure 1: Regional context data

** Population change is for 5 years*





BRITISH WRITER PENS THE BEST DESCRIPTION OF TRUMP

Source: Economist, Feb-25

Someone asked "Why do some British people not like Donald Trump?" Nate White, an articulate and witty writer from England wrote the following response:

A few things spring to mind. Trump lacks certain qualities which the British traditionally esteem. For instance, he has no class, no charm, no coolness, no credibility, no compassion, no wit, no warmth, no wisdom, no subtlety, no sensitivity, no self-awareness, no humility, no honour and no grace – all qualities, funnily enough, with which his predecessor Mr. Obama was generously blessed.

So for us, the stark contrast does rather throw Trump's limitations into embarrassingly sharp relief. Plus, we like a laugh. And while Trump may be laughable, he has never once said anything wry, witty or even faintly amusing – not once, ever.


I don't say that rhetorically, I mean it quite literally: not once, not ever. And that fact is particularly disturbing to the British sensibility – for us, to lack humour is almost inhuman.

But with Trump, it's a fact. He doesn't even seem to understand what a joke is – his idea of a joke is a crass comment, an illiterate insult, a casual act of cruelty. Trump is a troll. And like all trolls, he is never funny and he never laughs; he only crows or jeers. And scarily, he doesn't just talk in crude, witless insults – he actually thinks in them. His mind is a simple bot-like algorithm of petty prejudices and knee-jerk nastiness. There is never any under-layer of irony, complexity, nuance or depth. It's all surface.

Some Americans might see this as refreshingly upfront. Well, we don't. We see it as having no inner world, no soul. And in Britain we traditionally side with David, not Goliath. All our heroes are plucky underdogs: Robin Hood, Dick Whittington, Oliver Twist. Trump is neither plucky, nor an underdog. He is the exact opposite of that. He's not even a spoiled rich-boy, or a greedy fat-cat. He's more a fat white slug. A Jabba the Hutt of privilege.

And worse, he is that most unforgivable of all things to the British: a bully. That is, except when he is among bullies; then he suddenly transforms into a snivelling sidekick instead.

There are unspoken rules to this stuff – the Queensberry rules of basic decency – and he breaks them all. He punches downwards – which a gentleman should, would, could never do – and every blow he aims is below the belt. He particularly likes to kick the vulnerable or voiceless or female – and he kicks them when they are down. So the fact that a significant minority – perhaps a third – of Americans look at what he does, listen to what he says, and then think 'Yeah, he seems like my kind of guy' is a matter of some confusion and no little distress to British people, given that:

- Americans are supposed to be nicer than us, and most are.
- You don't need a particularly keen eye for detail to spot a few flaws in the man.

This last point is what especially confuses and dismays British people, and many other people too; his faults seem pretty bloody hard to miss.

After all, it's impossible to read a single tweet, or hear him speak a sentence or two, without staring deep into the abyss. He turns being artless into an art form; he is a Picasso of pettiness; a Shakespeare of shit. His faults are fractal: even his flaws have flaws, and so on ad infinitum.

God knows there have always been stupid people in the world, and plenty of nasty people too. But rarely has stupidity been so nasty, or nastiness so stupid. He makes Nixon look trustworthy and George W look smart. In fact, if Frankenstein decided to make a monster assembled entirely from human flaws – he would make a Trump.

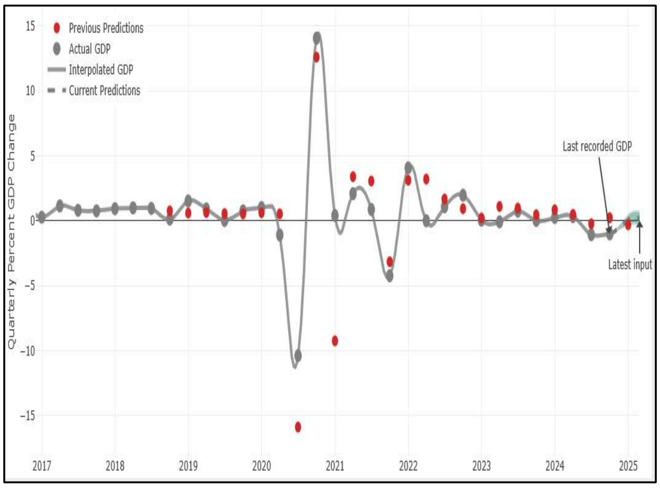
TAXPAYERS' UNION / CURIA March-25 POLL				
Party	**Vote**	**Change***	**Seats**	**Change****
National	33.6%	1.7%	42	(7)
ACT	7.7%	(2.3%)	10	(1)
NZ First	5.1%	(1.3%)	6	(2)
Labour	34.1%	2.8%	42	8
Green	10.0%	(3.2%)	12	(3)
Māori	6.5%	2.1%	8	2
Other	3.0%	0.3%	-	nc
* Change from Feb-25 ** Change since election				
Polling Period: 2nd to 4th March 2025				

ONE NEWS/VERIAN POLL - February 2025				
Party	**Vote**	**Change***	**Seats**	**Change****
National	34%	(3%)	43	(6)
Act	9%	1%	11	nc
NZ First	5%	(1%)	6	(2)
Labour	33%	4.0%	42	8
Green	10%	nc	13	(2)
Maori	4%	(3%)	6	nc
Other	3%	(2%)	-	-
* Change from December 2024 ** Change since election				
Polling Period: 3rd to 7th February 2025				

GDP LIVE – A HUGE BREAKTHROUGH

Massey University has invented a world-leading artificial intelligence (AI) programme to calculate NZ's GDP and inflation in real time. The programme uses data collected daily and are found at www.gdplive.net

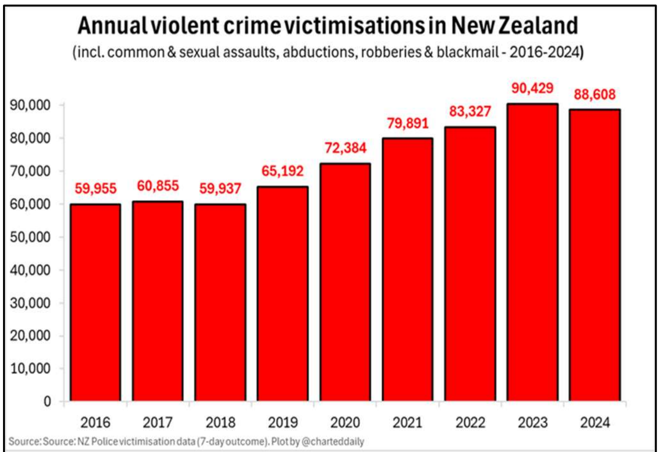
GDP QUARTERLY CHANGE

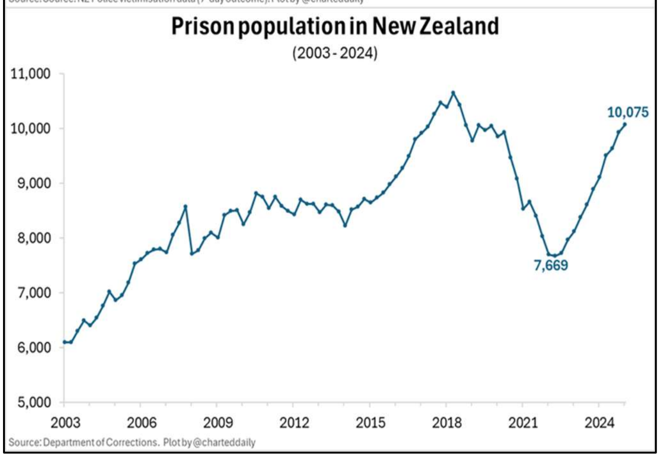


"GDPLive.net fills a crucial gap, providing policymakers, businesses and the public with a real-time dashboard of the New Zealand economy that official statistics simply cannot match." Oliver Hartwich, CEO of the New Zealand Initiative

CRIME HAS TURNED DOWN - JUST

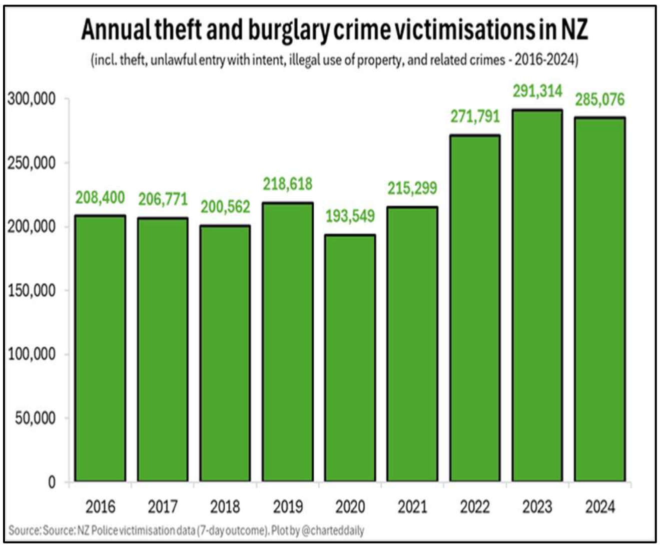
New @nzpolice data shows reported violent crime in NZ fell 2% in 2024—the first annual drop since 2018. Aggravated robberies, blackmail/extortion, sexual assaults, and other assaults all declined. Meanwhile the prison population is the highest since 2018 & up 31% since 2022.





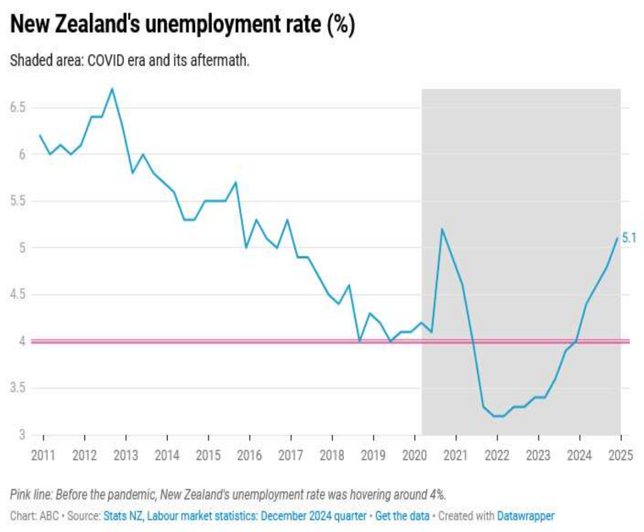
Violent crime levels were steady until 2018. Then Labour's policy of trying to reduce the prison population hit, and there was a massive 50% increase in just five years. The drop in 2024 of almost 2,000 is modest but a worthwhile start of reversing the trend.

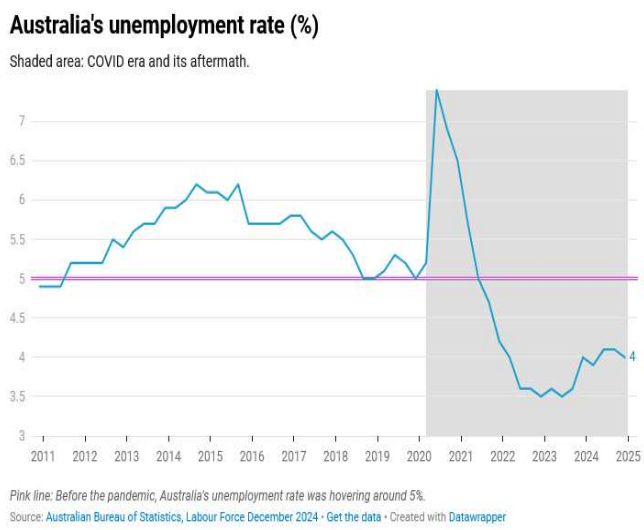
Reported thefts and burglaries also fell 2% in 2024 — the first annual decline since Covid hit in 2020.



UNEMPLOYMENT CHANGES – NZ VERSUS AUSTRALIA

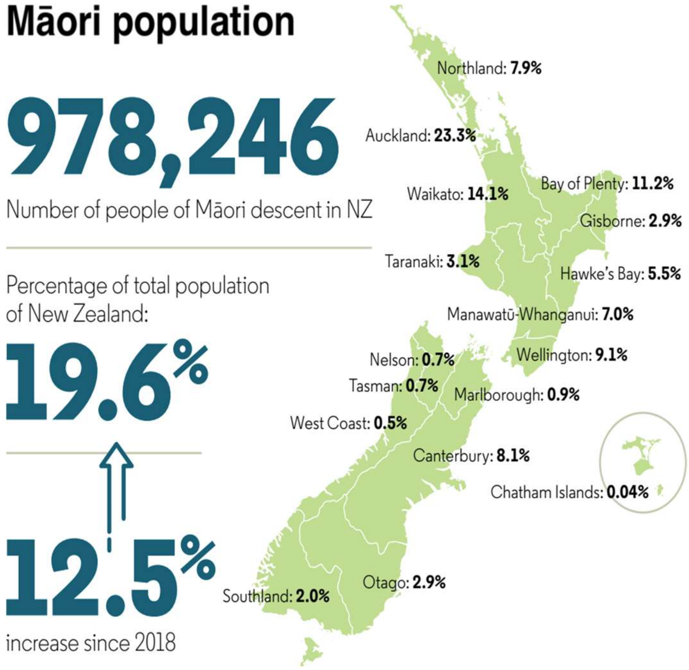
To address inflation, the RBNZ and RBA raised interest rates to slow economic activity, anticipating higher unemployment as a result. They aimed to increase unemployment to reduce wage and inflation pressures. However, the employment outcomes have differed significantly between the two countries (see graphs below):





Comparing unemployment rates between countries requires caution, as these rates can hide significant details about a country's labour force. For instance, while New Zealand's labour force hasn't grown in the past year, this isn't evident from its unemployment rate. Many Kiwis have moved to Australia or stopped job searching, which would raise NZ's unemployment rate if they were included.

In contrast, Australia's labour force has been growing for 12 months and is at its largest ever, with record-high participation and employment-to-population ratios. Thus, NZ's unemployment rate may mask negative economic aspects, while Australia's reflects positive trends. Despite this, the graphs above still show the differing strategies our central banks are using to combat inflation.



SOURCE: Stats NZ, Census 2023

Statistics NZ has published Census 2023 findings on the country's Māori population. It includes two categorisations: A person is of Māori descent if they are descended from Māori. This is based on the genealogical concept of a line of people – in other words, whakapapa. The other categorisation, affiliation to the Māori ethnic group, is a self-determined cultural affiliation.

The number of NZers of Māori descent has now risen to nearly 1 million people, or back up to 20% of the population. Last time Māori made up such a high proportion of the population was in the 1870s – but back then, the population was declining due to the impact of imported diseases. Now, it's resurgent.

ANOTHER TAXPAYER WRAUGHT BY TE PĀTI MĀORI CO-LEADER

Te Pāti Māori co-leader Debbie Ngarewa-Packer spent more than $39,000 on flights over three months to September 30th 2024 - but refused to say why. We now know that this was mainly a "surfing trip to Hawaii".

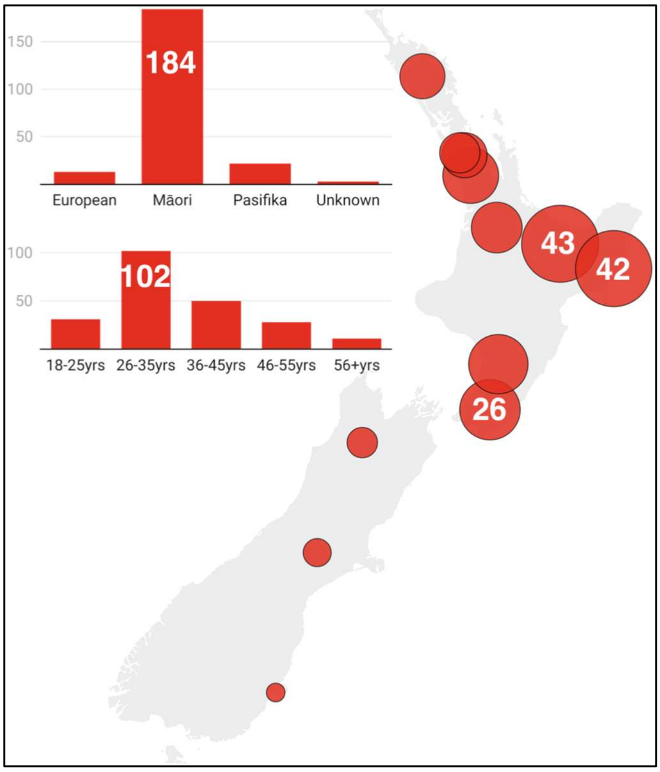
Well, she's at it again – having recently seen visiting the Cook Islands. She said she was protesting the Cook Islands new deal with China, but it is believed that she was there celebrating her 30th Wedding Anniversary (despite it being a Parliamentary sitting week).

Because she is an Opposition MP, Parliamentary Services refuse to disclose anything other than the total amounts being spent. The wrought goes on and taxpayers don't seem to even be able to question this shameful waste of taxpayers money.

MĀORI MAKE UP 83% OF THOSE CHARGED UNDER NEW GANG LAWS

Māori are over-represented in police statistics, prisons, and the justice system more generally. And now, they are also over-represented in figures on the Govt's flagship new gang laws. There have been more than 300 charges laid under the gang patch ban, and the vast majority of those alleged offenders are Māori.

UNEVEN APPLICATION OF GANG LAW CHARGES



Source: Police Minister

During the first three months of the new gang laws, which include the patch ban and non-association rules, there have been charges laid against 222 alleged offenders. Of those charged under the new regime, 184 (or 83%) were Māori, who make up just 17.8% of the general population.

Justice Minister Paul Goldsmith says the Govt makes no apologies for getting tough on gangs. "*This legislation is meant to be uncomfortable. If you don't like it, don't break the law, it's that simple. Gang members want all the rights of being a NZer, but accept none of the responsibilities*."

HOW TO BOOST THE NZ ECONOMY

SOURCE: NZ Herald, 20-Feb-25

Cutting the corporate tax rate could boost the economy by billions of dollars a year, according to modelling done by consultancy Deloitte.

Lowering the corporate tax rate is one of a suite of policy and tax changes the Government is mulling ahead of the May 22 Budget, as it tries to inject life into the country's idling economy. Reducing the rate from 28% to 25% could increase the economy by $25 billion over the next decade, with GDP $25 billion higher between 2025 and 2034. An additional 10,815 full-time jobs could be created over this period, the Deloitte report states.

Lowering the tax rate to 20%, the average in the Asia Pacific, could increase GDP by $67 billion over the next 10 years, creating 27,765 jobs.

The current 28% rate is too high compared to Europe's 19.9%, the OECD's 23.7%, and the global average of 23.5%. However, spending cuts would be necessary to offset revenue loss and prevent deficit growth.

Although the increased economy and tax base would eventually cover the revenue reduction, interim spending cuts are essential for making these corporate tax cuts viable.

1 IN 6 NEW ZEALANDS ARE DISABILITY – STATS NZ

Statistics NZ say that in 2023 an estimated 17% of people living in New Zealand households were identified as disabled – a total of 851,000 people. Among those identified, some population groups were more likely to be disabled than others. The female disability rate was 18%, while the male rate was 15%. This difference of 3% points equated to 89,000 more disabled females than males. Females were more likely to be disabled at all stages of life, except for childhood.

One in 10 children were identified as disabled, and the rate of disability increased with age for adults:

- 10% of children (0 to 14 years) were disabled
- 12% of adults aged 15 to 44 years were disabled
- 17% of adults aged 45 to 64 years were disabled
- 35% of adults aged 65 and over were disabled

Just over 1 in 5 Māori (21%) were disabled. The Māori disability rate was higher than the national rate and the rate for all other ethnic groups. For Māori children, the rate was 14% (higher than the national rate of 10%), and for Māori adults it was 24% (higher than the national rate of 18%).

People in the LGBTIQ+ (Rainbow) population were more likely to be disabled (29%) than those in the non-LGBTIQ+ population (17%).

Māori and LGBTIQ+ populations had higher rates of disability, despite both groups being younger on average than the total population.

56% of disabled adults aged 15 to 64 years had a paid job, compared with 82% of non-disabled adults in this age range. Job satisfaction was lower among disabled adults, with 12% of employed disabled adults giving a low job satisfaction rating (a rating of 1 or 2 out of 5), compared with 4% of non-disabled adults.

Of the disabled adults aged 15 to 64 years who did not have a paid job, 72% (144,000 people) wanted one.

When asked which of seven specific factors might help them find a job:

- 77% of unemployed disabled adults aged 15 to 64 years said flexible work arrangements would help
- 68% said more positive attitudes towards disabled people and people with conditions or health problems
- 64% said more training, qualifications, or skills
- 60% said support or help at work
- 50% said help finding and applying for a suitable job
- 49% said suitable transport to and from work
- 43% said the availability of assistive equipment or technology (eg - modified tools or special seating).

Disability rates for the LGBTIQ+ (Rainbow) population

The disability rate for the LGBTIQ+ population (aged 15+ years) was 29%, compared with 17% of non-LGBTIQ+ people. This higher disability rate was driven by LGBTIQ+ people being more likely than others to have difficulties in the following areas:

- cognition
- mental health
- socialising
- fatigue
- sensory functions

The most common types of difficulties for NZers

For children, mental health difficulties (feelings of anxiety or depression) and difficulties accepting change to their routine were the most common types of difficulties, with 5 percent of children aged 5 to 14 years identified as disabled due to each of these respective difficulties.

For adults, physical difficulties (which included difficulties with walking, flexibility, or dexterity) were the most common:

- Almost 1 in 10 adults (9%) were identified as disabled due to physical difficulties.
- 5% of adults were identified as disabled due to sensory difficulties (seeing or hearing).
- 4% of adults were identified as disabled due to cognitive difficulties (remembering, concentrating, or learning).

"The two most common types of difficulty for adults, physical and sensory, are associated with ageing. Mobility, vision, and hearing often decline with age," StatsNZ said.

TREATY PRINCIPLES BILL - RUTH RICHARDSON

Source: Stuff, 28-Feb-25

Former National Finance Minister Ruth Richardson, the woman who, in 1991, introduced the "Mother of all Budgets" expressed her support for ACT's Treaty Principles Bill. Addressing the select committee hearing submissions on the bill, she stated that culture is a significant political issue. Richardson voiced her support for the bill, which contrasts with the views of her former colleague and former prime minister Jenny Shipley. Previously, Shipley compared ACT leader David Seymour to a second-hand car salesman, while Richardson praised his bill.

*"You've heard of the slogan, 'It's the economy, stupid,'" Richardson said. "That was the mantra that government and their challengers seek to observe if they want electoral success. Well, there's now a new rival on the block: '**It's the culture, stupid**.'"*

She said there was a new imperative on the cultural front in New Zealand - the need to correct Treaty overreach that was evidently "*wayward and wrong*". It was only proper to spell out in law the principles designed to conduct of Treaty policy. "*That in essence is why I support this bill, both as to its timing and its text*."

Richardson scorned the idea that partnership was a principle of the Treaty. "*Nowhere in the Treaty was the word partnership used, let alone defined*." This, she said, was an invention of the courts, which she said had become a platform for policy driven by separatism that trashed democratic norms.

"*I refer to the ill-fated establishment of the Māori Health Authority as an exercise in separatism, now unlamented and gone*." Richardson ridiculed the championship of "mātauranga" - correctly known as mātauranga - Māori, "which now passes as having the scientific equivalence" of the likes of gene editing technology.

WINSTON PETERS ON THE PARIS AGREEMENT

Source: The Country, 18-Feb-25

On 18th February Deputy Prime Minister Winston Peters told The Country radio show host Jamie Mackay that he thinks New Zealand should pull out of the Paris Agreement. Our current Deputy Prime Minister deviated from scripted questions lamenting the loss of politicians being able to think and speak on their feet and off the cuff. He also stuck with his long-held view that New Zealand should pull out of the Paris Climate Accord.

THE SURVEY WELLINGTON CITY COUNCIL HID

Source: Kiwiblog , 17-Feb-25

Wellington City Council does an annual survey of residents. In previous years they put the full results on their website but this year only did a summary which highlighted the positive. Someone requested the full report under LGOIMA. Some key trends:

- Wellington is a great place to live, work and play down from 95% to 72%
- I feel a sense of pride in the way Wellington looks and feels down from 85% to 50%

- The city centre is lively and attractive from 88% to 37%
- Satisfaction with Council decision making is only 20%
- Only 21% agree WCC made decisions in the best interests of the city (was once 50%)
- Overall Council performance is 29% satisfied and 56% dissatisfied
- Feeling safe in the CBD after dark down from 76% to 43%
- Easy to drive around the city down from 51% to 34%
- Local roads are in good condition down from 73% to 54%
- Satisfaction with central city lighting down from 84% to 66%
- Only 29% satisfied with availability of car parks during the week
- Stormwater management satisfaction down from 68% to 35%

A good question to those standing for election would be what policies they would support to improve these.

RESIGNATION OF RESERVE BANK GOVERNOR

ADRIAN ORR'S resignation is good news for NZ Inc, in my opinion. Orr's social agenda, while endorsed by the "Labour's Left", deliberately led us into 3 years of ruinous recessions. It's easy to just blame Jacinda Ardern and Grant Robertson, but Orr was equally guilty of unnecessarily destroying lives and livelihoods and led many of our best and brightest to flee overseas. It was amazing that a Reserve Bank Governor could see it as acceptable to get involved in "social engineering" as part of his mandate. I am very pleased to see him go.

RESERVE BANK GOVERNOR RESIGNS - Kiwiblog

Source: David Farrar, 5-Feb-25

Adrian Orr has resigned as Reserve Bank Governor. I normally try to highlight the good as well as the bad when someone resigns, but I have to admit in this case I struggle.

I welcomed his appointment in 2017. I noted the currency rose on his appointment and that he had a very good legacy at the NZ Super Fund. And this is true – I thought he did an exceptional job at NZSF, and thought he would do the same at the Reserve Bank.

I think he had a number of failings in his role as Governor. These were:

- BULLYING. I've lost count of how many stories I have heard about Orr acting in a threatening way to either RBNZ critics or senior bank executives. His behaviour would be unsuitable for any senior regulatory role – but especially one so powerful as Reserve Bank Governor. The more powerful the role, the more restrained you should be (unless you are Donald Trump it seems).
- A REFUSAL TO ADMIT ERRORS. When an analyst points out the Reserve Bank predictions have changed dramatically in a few months, the Governor lashed out at them. There was never any concession about errors made in the Covid-19 response. Admitting that you made mistakes is a strength, not a weakness.
- A NEAR TRIPLING OF STAFF NUMBERS at the Reserve Bank. Incredibly even after the change of Government when all other public agencies were reducing staff numbers, the Reserve Bank continued to expand massively. The number of staff earning over $100,000 has gone from 140 to 436.
- OPERATING EXPENDITURE has gone from $69m to $186m since 2016
- Inflation exceeded the 3% agreed limit for 13 consecutive quarters, or over three years – peaking at 7.3%
- AROUND $11 BILLION OF LOSSES in Covid-19 interventions
- A FOCUS ON POLICY AREAS that are at best tertiary concerns to the Reserve Bak such as Te Ao Māori and climate change, rather than the core focus of inflation
- EXCESSIVE REGULATION OF BANKS, increasing costs to consumers.

I hope the Reserve Bank Board recommends a new Governor who will concentrate on the following:

- Overwhelming focus on monetary policy and inflation
- Reduce staff numbers and operating costs
- Reduce regulatory costs on the financial sector
- Abolish their DEI and social policy focus
- Welcome constructive criticism.

CHINA MAIN AI CYBER ATTACK THREAT

More than a quarter of large NZ businesses consider cyber breaches generated by AI a top threat, with NZ lagging behind Australia and the UK in preparedness. A CyberCX report notes that China, from a geo-strategic perspective, is the main threat to NZ organisations. However, North Korea is another with expertise in cyber terrorism and they also need our attention,

THE WORLD AT A GLANCE – GLOBAL HEAT MAP JUNE-24

UNITED STATES
Trump "the delusional deal-maker"
Is risking the US economy

EUROPE
Europe is stepping up to
counter Trumps threats

INDIA
Can Luxon break the long
awaited FTA with India?

AUSTRALIA
Labour is in trouble
Election is coming this year

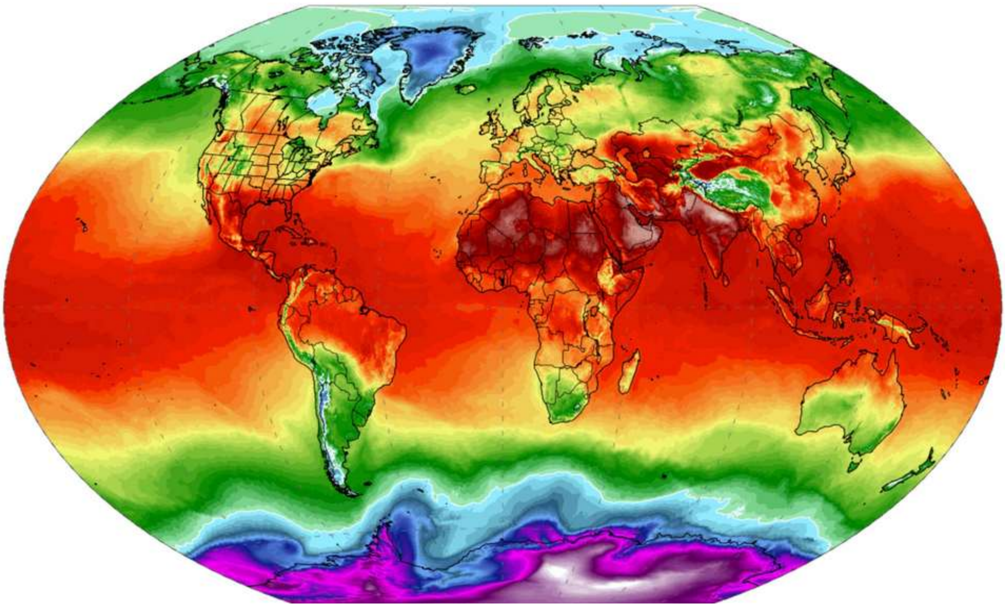
NEW ZEALAND
The media demonises Luxon. He
does need better media management

UNITED KINGDOM
UK is stepping up in
Support of Ukraine

RUSSIA
Trump is playing Putin's fiddle gamble
Time will tell if it is terminal for Ukraine

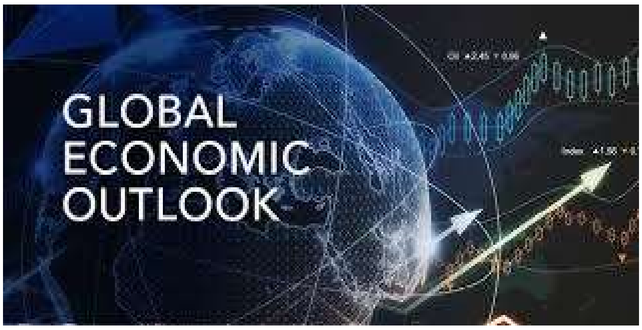
CHINA
China's economy is in trouble
There is no obvious quick fix

JAPAN
Japan is instrumental to peace
in South-East Asia



WORLD HEAT MAP (ABOVE)

New Zealand is very well placed to have an improving economy as a result of global warning. In 2006 NIWA produced a report that stated that New Zealand's economy would achieve a net 25% increased economic benefit from a warming climate. Countries closer to the equator will be the ones that are most adversely affected. This is not to say that "Storm effect" will not be a huge risk for parts of New Zealand going forward. Warming oceans means that climate change does remain a global risk – albeit cyclical. New Zealand is well positioned to be a net benefiter, positioned within the cooler zones.



The global landscape has become rockier and uncertain. Changes in US trade policy and related retaliatory actions in other regions could disrupt global trade and financial markets. That could impact New Zealand in complex ways and is likely to be especially reflected in a weak NZ dollar.

TRADING PARTNER REAL GDP

	Annual average % change			
	2023	2024	2025	2026
Australia	2.1	1.1	2.0	2.2
China	5.2	5.0	4.8	4.5
United States	2.5	2.8	2.6	2.0
Japan	1.9	-0.1	1.2	1.0
East Asia ex China	3.3	4.3	4.1	4.1
India	7.8	6.6	6.6	6.5
Euro Zone	0.4	0.7	0.9	1.0
United Kingdom	0.1	0.7	0.6	1.2
NZ trading partners	3.3	3.3	3.3	3.2
World	3.2	3.3	3.3	3.2

NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.37 million

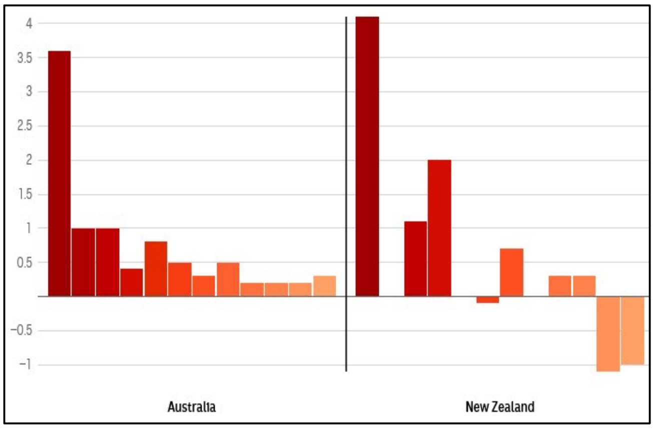
NZ ECONOMY

New Zealand's economy is in recession. It has 32,000 fewer employed people than a year ago, and thousands of Kiwis have been heading to Australia to escape their dreary economy. Australia's economy is not in recession. Its labour force has never been bigger, and it has a record number of people employed, with far more job vacancies than existed a few years ago. But inflation has fallen in both countries, and Australia's Reserve Bank is expected to start cutting interest rates soon.

ECONOMIC GROWTH – NZ VERSUS AUSTRALIA

What's happened to economic growth in both countries? The graph below shows quarterly growth rates for the past 12 quarters (with the most recent being the September quarter of 2024). In the past three years, Australia's economy hasn't recorded a single quarter of negative growth. But New Zealand has recorded three quarters of zero growth and three quarters of negative growth, and it's currently in recession (it's just experienced six consecutive months of negative growth).

QUARTERLY GDP GROWTH (%) OVER LAST 3 YEARS



Interest rates alone haven't caused those outcomes.

The structure of Australia's economy is very different to New Zealand's. It relies on different export markets. Different forces have been at play in both economies in recent years.

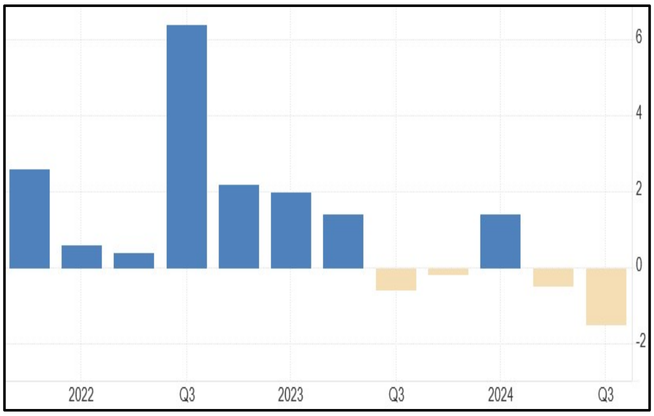
Australia's population (27.5 million) is also more than five times New Zealand's (5.3 million), and its labour force (15.2 million) is five times larger (3 million).

But the RBA has deliberately pursued a different inflation-fighting strategy to New Zealand's central bank, by putting more emphasis on employment.

"The [RBA] board's strategy over recent years has been to set monetary policy in a way that returns inflation sustainably to target in a reasonable time-frame, alongside a gradual easing in labour market conditions to levels consistent with sustainable full employment," RBA governor Michele Bullock said in November.

"The goal underpinning this strategy has been to preserve as many of the jobs that have been created over recent years as we can," she said. And thousands of Kiwis have revealed which strategy they prefer, by buying a plane ticket to Australia

NEW ZEALAND - ANNUAL GDP GROWTH RATE



Economic growth is forecast to accelerate to 2.5% in 2025 and 3.0% in 2026, with gradual increases in household spending and capital expenditure by businesses. The housing market is also expected to strengthen, supporting an eventual recovery in residential construction.

The next Monetary Policy Statement and OCR updates are on Wednesday 9th April.

INFLATION

Easier financial conditions are expected to underpin growth – with inflation now close to 2%, the RBNZ delivered 125bps of cuts in 2024, and a further 100bps of cuts is expected in 2025. Stronger primary sector earnings will also help to boost incomes and spending.

KEY ECONOMIC FORECASTS (DEC QUARTERS)

	2023	2024f	2025f	2026f
GDP growth (% year)	0.9	-1.4	2.5	3.0
Inflation (% year end)	4.7	2.2	2.6	2.0
Unemployment rate (%)	4.0	5.1	5.3	4.6
House prices (% year end)	-0.6	-1.2	7.2	5.1
Official Cash Rate (%)	5.50	4.25	3.25	3.75

	Last 3 months	Next 3 months	Next year
Global economy	→	→	→
NZ economy	→	↗	↑
Inflation	→	→	↗
2 year swap	↘	→	↗
10 year swap	→	→	↗
NZD/USD	↘	↘	↘
NZD/AUD	→	↘	↘

SOURCE: Westpac Bank

US TRADE RISK WITH TRUMP

The US accounts for around an eighth of NZ's goods exports – a relatively small share that will limit direct impacts of tariffs on GDP. For example, a 15% tariff on all NZ goods exported to the US would represent less than 0.3% of nominal GDP. And after accounting for the fact that exporting nations may not pay the full cost of higher tariffs (eg US consumers and firms are likely to absorb part of the cost via higher-than-otherwise prices and/or tighter-than-otherwise margins), the direct impact could end up quite a bit smaller than a simple share of exports calculation would suggest.

MAIN NZ GOODS EXPORTS TO THE US

	% of total	Value, billion
Meat	29.6	
Metals, Machinery, Equipment	22.7	
Dairy	13.6	
Beverages	8.5	
Processed Foods	7.0	
Forestry	4.4	
Seafood	4.3	
Chemicals	4.0	
Fruit & Veges	3.6	
Other	1.5	
Textiles	0.8	

Source: Stats NZ, Macrobond, ANZ Research

AUSTRALIAN ECONOMIC OUTLOOK

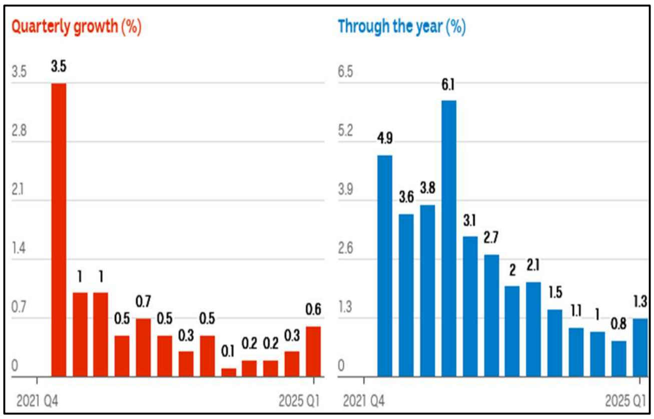
Population: 26.7million

Australian Economy

Australia's economy ends 21-month per capita recession as GDP grows faster than the population. Australia's economy grew by 0.6% in the December quarter, and 1.3% through the year, according to the Australian Bureau of Statistics (ABS). It means the economy's rate of growth picked up noticeably at the end of 2024. In the September quarter last year Australia's economy had been growing at the slowest pace witnessed since the 1990s recession (outside of the pandemic). But the pick-up in activity in the December quarter has arrested that trend.

Economists agree the data are positive "We forecast moderate [annual] growth of **1.6%** in 2025, before things pick up to 2.3% and 2.7% in 2026 and 2027, respectively," a Deloitte economist said.

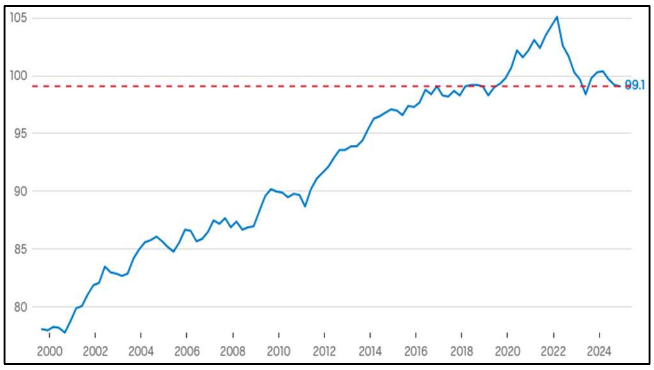
AUSTRALIA – QUARTERLY & ANNUALISED GDP GROWTH



Australian Productivity

Australians are no more "productive" today than they were in 2016 (nine years ago). "Business profits are up with gross operating surplus rising 1.1% for the quarter, and this is a welcome development following almost 18 months of contracting profits," said ACCI chief executive Andrew McKellar. "But productivity was again negative in the December quarter and has been for some time and we call on both sides of politics to address productivity as a priority," he said. Productivity remained a big concern for the Australian economy.

PRODUCTIVITY IN AUSTRALIA



UNITED STATES ECONOMIC OUTLOOK

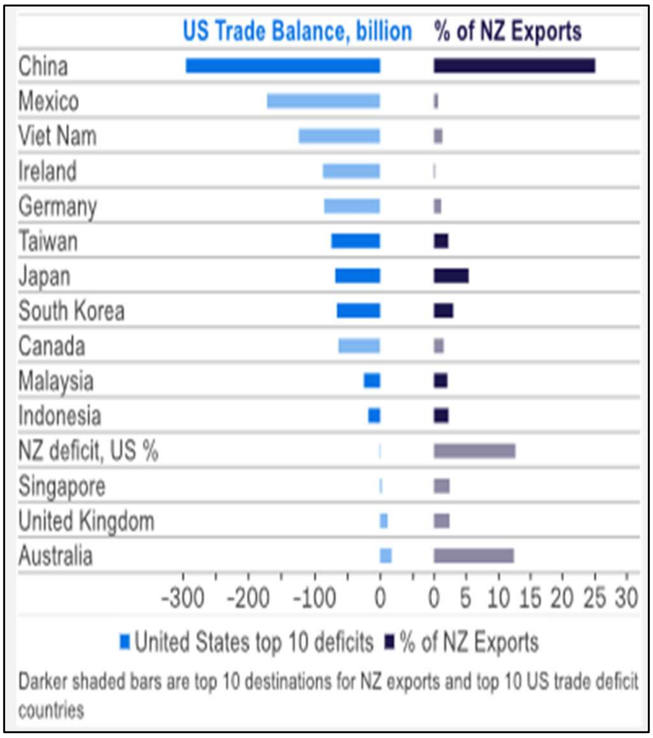
Population: 345.4 million

It is predicted that there are at least a further 11.7m undocumented (illegal) migrants in the US currently.

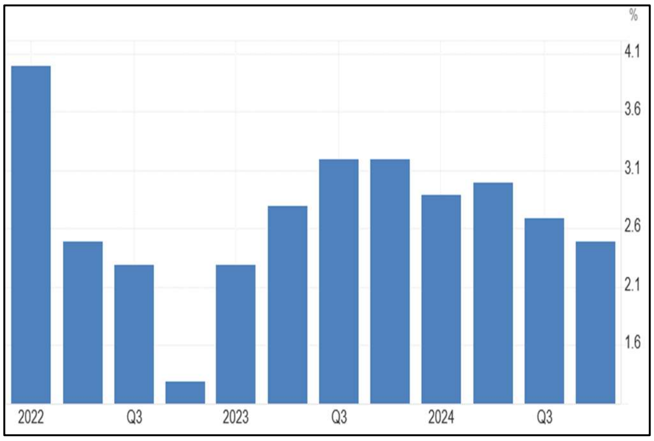
US Economy

Trump is a huge risk to global trade stability. US tariffs won't occur in isolation. Global policy makers could counter negative demand with fiscal and monetary stimulus. Higher US interest rates might address inflation, while retaliatory tariffs and exchange rate adjustments could occur. Exports may find new markets, leading to potential import bargains and increased competition in export markets.

Top US Trade Deficit Economies & NZ Export Destinations



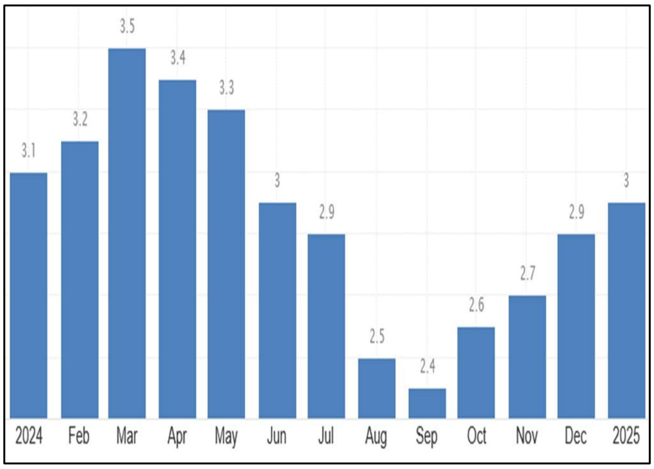
UNITED STATES – ANNUAL GDP GROWTH RATE



INFLATION

The US inflation rate rose to 3% in January 2025 from 2.9% in December 2024, surpassing market forecasts of 2.9%. Energy costs increased by 1% year-on-year after a previous decline, driven by changes in gasoline, fuel oil, and natural gas prices. Prices for used cars and trucks rebounded (1% vs -3.3%), transportation costs accelerated (8% vs 7.3%), and new vehicle prices fell slightly less (-0.3% vs -0.4%). Food inflation remained steady at 2.5%, while shelter inflation slowed to 4.4% from 4.6%.

US ANNUAL INFLATION RATE



INTERESTING CBS POLL IN THE US

Data in the early February CBS poll of over 2,000 Americans showed:

- Trump has 53% approval and 47% disapproval.
- 15% of Democrats approve of the way he is handling the presidency.
- 55% of Under 30s approve.
- 49% of Hispanics approve.
- His attributes are Effective 58%, Focused 60%, Competent 55%, Tough 69%, Energetic 63%, Compassionate 37%.
- Only 13% think the US taking over Gaza is a good idea.
- Support for tariffs is on China 56%, Mexico 44%, Europe 40%, Canada 38%.
- 59% approve of his deportation programme, including 23% of Democrats, 49% of Hispanics and 49% of Blacks.
- 64% support sending troops to the border to stop illegal crossings.

TRUMP'S RISK FOR EUROPE

NATO has been one of the world's most successful alliances. However, recent actions by former President Trump and JD Vance have raised concerns, particularly regarding their interaction with Volodymyr Zelenskyy during his visit to the White House. This situation has significantly increased Europe's vulnerability, reminiscent of the post-World War II era. Although the dissolution of NATO is difficult to envision, the current international order appears to be shifting.

Furthermore, Mr. Trump's approach extends beyond Ukraine, as he aims to rehabilitate Russian President Vladimir Putin, deviating from long-standing policies aimed at isolating him. Despite the lack of clear geopolitical advantages for the United States, there are efforts to restore diplomatic relations, possibly culminating in a high-profile summit. During discussions in Riyadh, US Secretary of State Marco Rubio emphasized cooperation and highlighted "historic economic and investment opportunities." Europe must recognize these potential risks and address them proactively to mitigate any future challenges.

CANADIANS GO FROM ANXIOUS TO ANGRY OVER TRUMP MOVES

Tariffs are damaging the Canadian economy and bilateral relations, but the rationale behind them is unclear. Trump's trade policies, seen as a response to liberal internationalism, include tariffs on Canada and Mexico, with possible extensions to the EU. These 'protectionist' measures reflect a strong nationalist stance. Additionally, Trump has suggested the U.S. should take over the Panama Canal, Greenland, and even make Canada the 51st state. The uncertainty from one day to the next from Trump's ravings has totally spooked global markets.

These proposals recall nineteenth-century imperialism and seem at odds with isolationist foreign policy linked to economic protectionism. The recent televised debate on Ukraine between President Zelensky, President Trump, and Vice-President Vance has heightened European fears about the reliability of US security guarantees from World War II. These contradictions may signal a broader crisis in liberal internationalism.

CHINESE ECONOMIC OUTLOOK

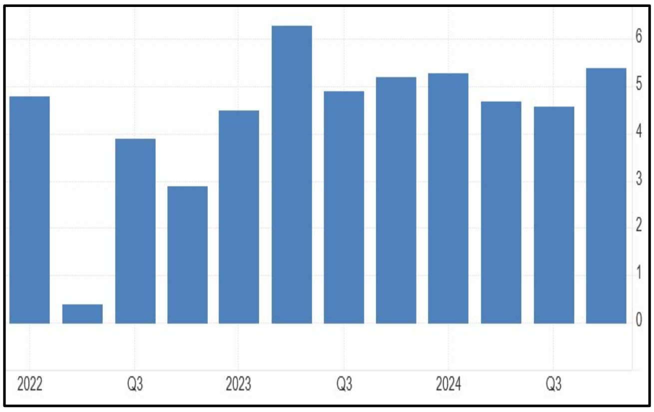
Population: 1.42 billion ↓

Chinese Economy

China is New Zealand's leading goods export market and the source of the largest US trade deficit. This makes developments in China critical for New Zealand, and it is important to consider that other key trading partners are similarly impacted by China. Evaluating US tariff policy requires understanding not only direct impacts but also indirect and secondary effects, adding complexity and uncertainty.

China's economy grew by 5.4% year-on-year in Q4 2024, up from 4.6% in Q3 and beating expectations of 5.0%. This was the highest growth rate in 1.5 years, thanks to stimulus measures since September. December saw industrial output at an 8-month high and retail sales recovering from a 3-month low, while the jobless rate peaked at a 3-month high. Exports rose double digits for the ninth consecutive month, hitting a 3-year high as companies expedited shipments before potential US tariff hikes.

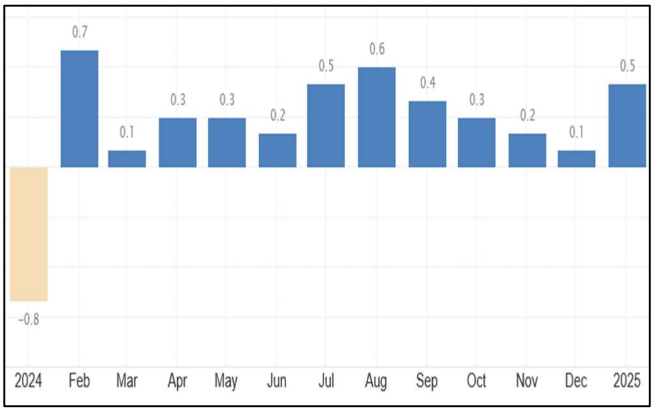
CHINA – ANNUAL GDP GROWTH RATE



Inflation Rate

China's inflation rate rose to 0.5% in January 2025, surpassing the expected 0.4%, and marking the highest level since August 2024. The Lunar New Year, government stimulus measures, and central bank policies contributed to the increase. Food prices rebounded to 0.4%, with significant rises in pork (13.8%) and fresh vegetables (2.4%).

CHINA – ANNUALISED INFLATION RATE



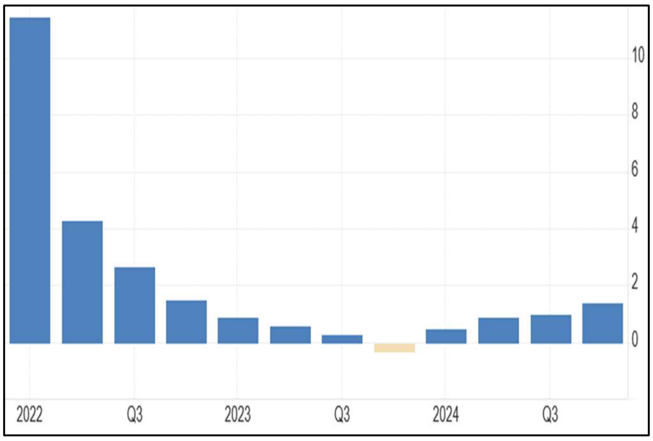
UNITED KINGDOM ECONOMIC OUTLOOK

Population: 69.1 million

UK Economy

he UK economy grew by 1.4% year-on-year in Q4 2024, up from 1.0% in the previous quarter and beating market expectations of 1.1%, according to a preliminary estimate. This marks the fastest GDP growth since Q4 2022, driven by increased household consumption (1.4% vs 1.3% in Q3) and government spending (2.1% vs 0.9%).

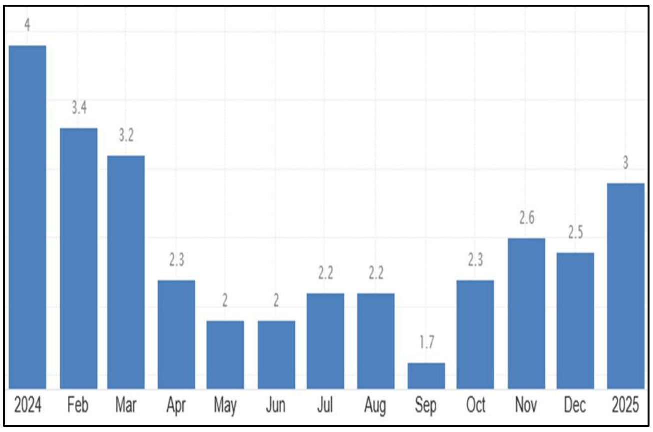
UNITED KINGDOM – ANNUAL GDP GROWTH RATE



Inflation Rate

The UK annual inflation rate surged to 3% in January 2025, the highest since March 2024, up from 2.5% in December and surpassing forecasts of 2.8%. Key drivers were transport (1.7% vs -0.6%), mainly air fares and motor fuels, partly offset by cheaper second-hand cars; and food and non-alcoholic beverages (3.3% vs 2.5%), especially meat and bread. Prices rose faster for recreation and culture (3.8% vs 3.4%) and education (7.5% vs 5%) due to a new 20% VAT on private school fees. Services inflation climbed to 5% from 4.4%, below the BoE's projection of 5.2%. Conversely, prices decelerated for restaurants and hotels (3.3% vs 3.4%) and housing and utilities (2.1% vs 3.1%). Core inflation increased to 3.7%, aligning with forecasts.

UNITED KINGDOM – ANNUAL INFLATION



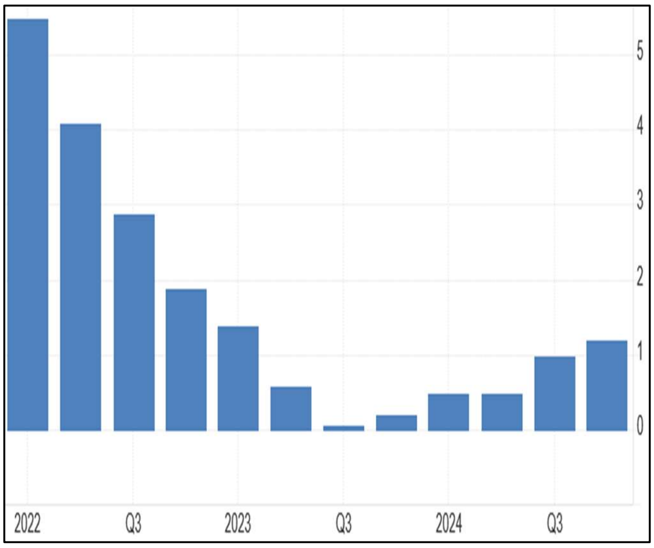
EUROZONE ECONOMIC OUTLOOK

POPULATION: 449.2 million

EU ECONOMY

The Eurozone's economy grew by 1.2% year-on-year in Q4 2024, surpassing initial estimates of 0.9% and accelerating from 1.0% in Q3. This was the fastest expansion since early 2023, driven by lower borrowing costs and easing inflation. Household consumption rose to 1.5%, government spending increased by 2.8%, while fixed investment fell by 2.1%. Exports grew by 1.1%, and imports by 1.2%. Spain led with 3.5% growth, followed by the Netherlands at 1.8%, France at 0.6%, and Italy at 0.6%. Germany contracted by 0.2%.

EUROZONE – ANNUAL GDP GROWTH RATE



DEEP DIVE INTO FRANCE   SOURCE: Pita Alexander

1. **Land area**:

France	551,695 km2
Germany	357,512 km2
Spain	506.030 km2
Italy	302.07 km2
Alaska	1,717,856 km2
Texas	695,662 km2
Australia	7,688,287 km2
New Zealand	268.021 km2 (48.6% of France)

2. **France's Population**: 2025: 66.65 million (12 times NZ)
3. Third largest country in Europe by area after Ukraine and Russia.
4. **National animal**: The rooster
5. **Capital**: Paris: Paris population 11,277,000 (6.6 times bigger than Auckland)
6. **Highest mountain**: Mt Blanc 4,809m
   (NZ Aoraki/Mt Cook 3,724m)
7. **Parliament:** 577 members
   (currently 208 women and 369 men - average age of members 49 years and 2 months)
   number of seats in parliament for a majority: 289
   Political parties following 2024 special general election
8. **Euro Currency** (15/2/2025) €1.00 = NZ$1.83
9. **Fiscal year**: 31st December (financial balance date)
10. **Estimated GDP for the top ten of the world's countries** for the 2025 year in $US

Rank	Country	GDP totals
1	USA	$30,337.20 billion
2	China	$19,534.9 billion
3	Germany	$ 4,921.6 billion
4	Japan	$ 4,389.3 billion
5	India	$ 4,271.9 billion
6	UK	$ 3,730.3 billion
7	France	$ 3,283.4 billion (approx. 13 times NZ)
8	Italy	$ 2,459.6 billion
9	Canada	$ 2,330.3 billion
10	Brazil	$ 2,307.2 billion

11. The French official unemployment rate is:

2020	8.0%	actual
2021	7.9%	actual
2022	7.3%	actual
2023	7.4%	actual
2024	7.5%	actual
2025	7.7%	estimate
2026	7.8%	estimate

12. **Average inflation** rates in France from 1980 to 2024 inclusive (45 years): 3.96% (a good figure).
13. **France leads the world on nuclear energy** (78% of its total energy requirements) and is a very low emitter of carbon dioxide.
14. **French consumption**: 12,500 tonnes of snails each year
    40 litres of wine per person each year.
15. France is the world's most popular tourist destination with the USA second. France expects around 80-90 million tourists per year.
16. The 24 day **'Tour de France'** covers 3500 km
    1st prize is €500,000, 2nd is €200,000 and 3rd prize is €100,000. Each stage win is worth €11,000.
17. **Housing** in France is approximately:
    57% owned
    40% rented
    3% provided free
18. It is hard to get a handle on overall French houses and their value partly because there is no central agency, partly because the value is often referred to in value per square foot or square metres and partly because of the currency changes. In principle they look more expensive than NZ but perhaps not greatly more - their interest rates also were lower - in March 2024 their new house loans were between 3.5% - 4.04%.
19. Due mainly to major political uncertainty the French government is now paying a higher interest borrowing rate than Greece which would have been impossible to foresee only a few years ago.
20. **Number of sheep** in France in December 2023:
    6,576,000
21. **Number of cattle** in France in December 2023:

Beef	13,642,900
Dairy cows	3,164,000
Total	*16,806,900*

    (In 1995 France had over 20 million cattle)
22. **Major exports**: aircraft, helicopters, spacecraft, wine and cheese.
25. Presently France has **significant budget problems** with the European Union in that it is well outside the key financial ratios the EU countries have all agreed with.
23. **Major problems in France** over the last two years have been: High energy costs, high interest rates, downturn

in domestic industry, falling consumer purchases, high welfare payments and high unemployment - a very, very unsound 'mix'.

24. **French Government overall debt** in December 2024: 3303 billion euro (approximately 34 times NZ debt)
25. **Estimated Government debt to GDP** in Feb 2025: 115% (NZ 45%)
26. **Main economic sector**: Services (that is retail, tourism, financial services and government spending - these account for close to 70% of the country's GDP).
27. **Government overall expenses** as a % of GDP in 2024: 57.24% (NZ is approximately 43.6%)
28. **Retirement age**: Proposed at 64 years (recently from 62 years but should have been increased to 67). Presently being reviewed perhaps back to 62 years by the coalition - but this is a very unsound move.
29. **New retirement pension**: approximately 85% of the French minimum wage (NZ is approx. 62%) interesting to compare what countries spend as a % of their GDP on their countries pension scheme in 2023.

Italy	15.9%
Greece	15.7%
France	14.5%
Spain	11.3%
Poland	10.9%
Belgium	10.7%
Germany	10.4%
Japan	9.7%
USA	7.5%
Sweden	7.8%
NZ	5.57%
Canada	5.3%
UK	5.1%
Netherlands	5.0%
Ireland	4.6%

Probably not sustainable in the long term

31. **Immigration**: Estimated net French immigration:
    - 2024 was 152,000
    - 2023 was 152,000
    - 2022 was 152,000
    - 2021 was 190,000
    - 2020 was 140,000
    - 2019 was 128,000
    - 2018 was 201,000

    Approximately 10%-11% of the total French population are immigrants.
32. France is second after the USA re worldwide agricultural exports.
33. French company Lactalis is the world's largest dairy products group.
34. In July 2020 France issued ten-year government bonds at a negative interest rate - that is investors lent the money to the French government and then also paid interest to the French government.
35. The French government has run a budget deficit since 1970 - some 54 years ago and still does. French government debt is currently around 115% of its GDP and looks as though it could gradually creep up further.
36. 49% of French exports go to other EU countries.
37. Current EU agricultural subsidies received by France farmers are around €11 billion euros (that is around NZ$20 billion).
38. Which countries now have relative to their populations the highest agricultural subsidies: South Korea and Taiwan.
39. Second longest high-speed train line (3,220 km) networks in the world after China.
40. Every day some 80,000 people travel to work in Luxembourg (Belgium) mainly due to higher wages.
41. Currently which of the world's countries have an estate/inheritance tax structure:

Japan	55%
South Korea	50%
France	45%
UK	40%
USA	40%
Spain	34%
Ireland	33%
Belgium	30%
Germany	30%
Switzerland	7%
Luxembourg	0%
Australia	0%
NZ	0%
Canada	0%
Norway	0%

Care is required here because different exemptions. 15 of the countries in the OECD have no taxes on property or property passed on to new heirs. Over recent years the actual taxes recovered have been declining from this tax source.

Suggested Summary

1. France and Germany are both struggling significantly in different ways. For years they have both been the two strongest and soundest countries in Europe - but not at the moment.
2. Both have near stagnant economies with both having generous social welfare systems.
3. It is hard to see how France can increase its tax income and hard to see how it could borrow much more.
4. Economic growth rates in France have slumped.
5. The original overall EU plan some years ago was to increase the EU economic growth and close the production and financial gap with the USA. The reverse in both cases is what has actually happened.
6. Neither Germany or France can compete with China on costs with hardly any manufacturing enterprise.
7. The present three-way party-political government in France is a long way from being a workable coalition - France has never been good at compromising and their present coalition is demonstrating exactly that.
8. France is a long way from honouring the EU finance rules re its expenses to GDP ratio.
9. Perhaps France will need a loan from the international monetary fund.
10. France needs growth but just how this could or would happen is not clear.
11. The present French pension scheme is quite unworkable for long.
12. It is hard to see how Trump will help.

13. A drop in the French standard of living would seem to have a place.
14. Hope is not a business or government strategy - but hope is the French main driver and strategy at the moment.
15. What might the present turmoil in France lead to:
    (a) Higher interest borrowing rates for the government
    (b) Higher unemployment
    (c) Major government budget problems
    (d) The debt to GDP ratio increasing further
    (e) The required growth issues will not take place
    (f) Major issues with its EU partners
    (g) Because the three political groups are so far apart on many issues, if one group became dominant; it would not be hard to see major civil unrest.

EUROPEANS GIVE DONALD TRUMP THE MIDDLE FINGER

European leaders and Canada held an emergency summit after the now infamous encounter in the Oval Office, to discuss a plan, led by Britain and France, to stop the fighting in Ukraine. This group have become galvanised on resisting Trump's (& JD Vances') disgraceful "bully-boy" tactics against Volodymyr Zelenskyy and Ukraine.

The European Commission later proposed the creation of a 150bn fund for EU countries to spend on defence. France's Emanuel Macron went further by offering to use French nuclear weapons to protect EU members.

The EU needed to step up and Trump's arrogance has solidified EU members, which is so good to see. World peace relies on it.

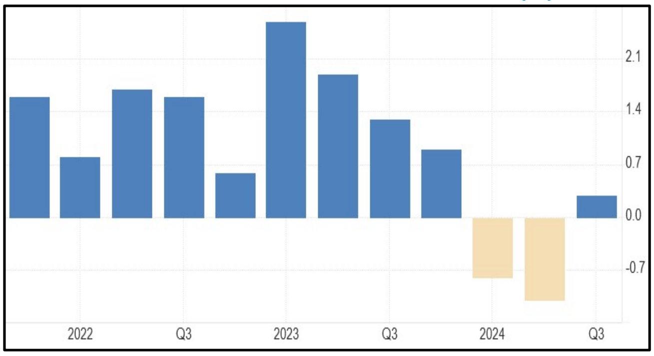
JAPAN'S ECONOMIC OUTLOOK

Population: 123.7 million

JAPANESE ECONOMY

Economist and government estimates predict real growth of 1.1-1.2% for 2025/26 financial year, with wage growth expected to be above inflation. This would help push Japan into the "virtuous cycle of growth" that the government has been aiming for.

JAPAN – ANNUAL GDP GROWTH RATE (%)



Japan has cleared the key threshold for the government to officially declare an end to long-term price deflation, economy minister Ryosei Akazawa said recently. The remark highlights the government's optimism over the economic outlook, which could affect the timing of the Bank of Japan's next interest rate hike.

INFLATION

While inflation has remained above the central bank's 2% target for nearly three years, the government has declared an end to Japan's "deflation," which it defines as more a prolonged period of economic stagnation where slow wage growth keeps consumption subdued.

INDIA'S ECONOMIC OUTLOOK

Population: 1.45 billion

India has now overtaken China as the highest population nation in the world.

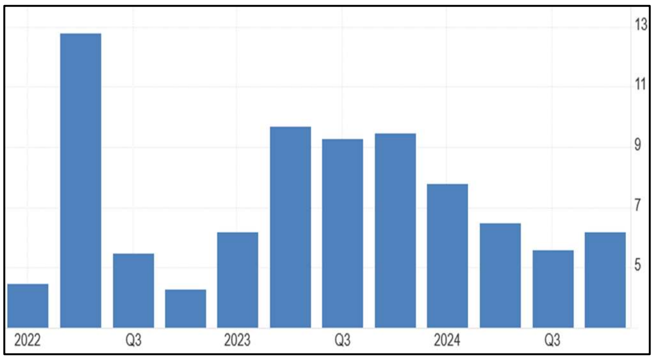
Indian PM Modi's party won most (48 of 70) seats in high-stakes New Delhi polls for first time in 27 years. This state election victory helps Mr Modi's political party boost their numbers in the upper house of parliament, which is key for decision-making.

INDIAN ECONOMY

To meet the growth estimate of 6.5% for the full financial year, India needs to grow at 7.6% in the January-March period. 2024 began with the Indian economy continuing to show remarkable resilience in the face of growing global uncertainties. The macroeconomic fundamentals were buoyant and India's economy continued to be the fastest growing of the major economies, registering growth of 8.2% during fiscal year 2023–24 (April–March).
But India's growth momentum was considerably dented in the second quarter of the current fiscal year, with its economy growing at a rate of 5.4%. This was the slowest growth in six quarters, almost three percentage points slower than the corresponding period of the previous fiscal year.
The slowdown of the Indian economy was confirmed by their National Statistics Office when its advance estimates of GDP for the 2024–25 fiscal year showed that the economy could grow by just 6.4%, nearly two percentage points slower than in the previous year. Even though at 6.4% India would continue to be the fastest growing major economy, sub-7% growth does cast a shadow over India's aspirations of joining the ranks of developed countries by 2047.

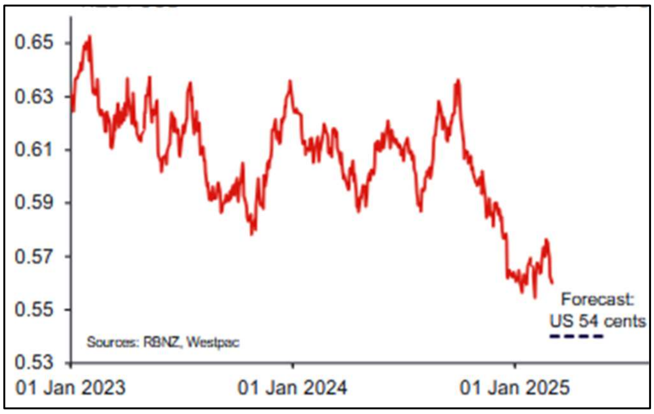
To get back on course, the Indian economy has to overcome a series of weaknesses, not the least of which is depressed consumer demand. Private consumption expenditure is the main driver of GDP, but this component has remained sluggish ever since the effect of the government stimulus packages provided during the COVID-19 pandemic wore out. Private consumption expenditure exceeded 60% in several quarters between 2021–23, while in the following period it mostly remained in the mid-50 per cent range, even declining to 53% in the third quarter of fiscal year 2023–24.

INDIA – ANNUAL GROWTH RATE



COMMODITIES

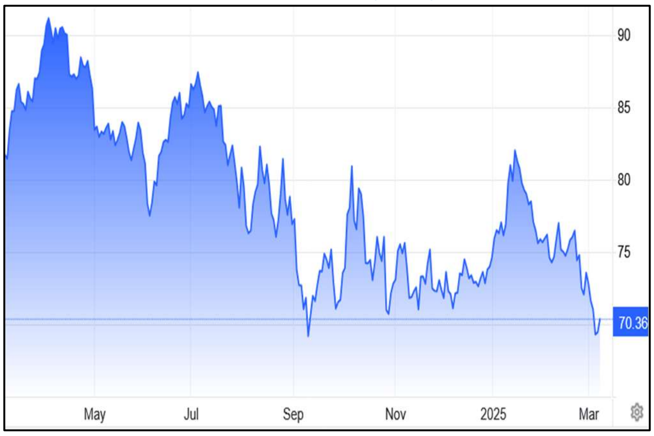
NZ EXCHANGE RATES – NZS / USD



OIL – BRENT CRUDE

Brent crude settled at $70.4 per barrel on 7th March, after US President Donald Trump threatened sanctions on Russia if it fails to reach a cease-fire with Ukraine. Trump mentioned he was "strongly considering" sanctions on Russian banks and tariffs on Russian goods due to ongoing attacks.

BRENT CRUDE (1-YR)



NOTE: New Zealand trades in Brent Crude Oil

GOLD

Gold traded around $2,910 per ounce on 7th March, remaining close to record highs as investors reacted to weaker-than-expected jobs data. The latest nonfarm payroll report showed the U.S. economy added 151,000 jobs in February, slightly missing expectations of 160,000. The precious metal was on track for a 1.8% weekly gain, bolstered by its safe-haven appeal amid shifting global trade policies. While President Donald Trump paused the 25% tariffs on most goods from Canada and Mexico, Canada's retaliatory tariffs remain in place, and China's measures are set to take effect next week

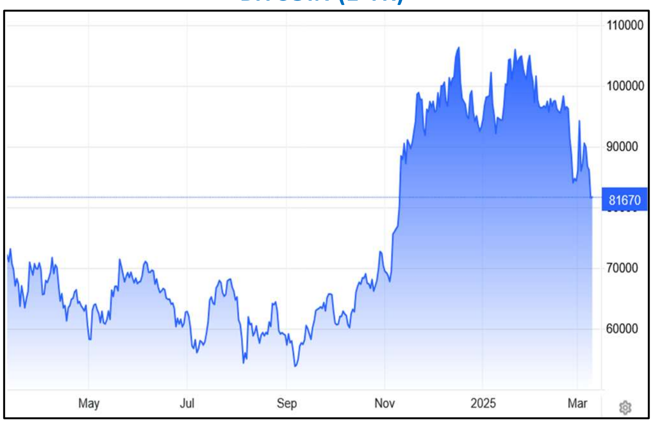
GOLD (1-YR)

BITCOIN

Since its launch, BlackRock's iShares Bitcoin Trust — the first spot Bitcoin ETF — has collected US$53 bn in assets, making it the fastest ETF to hit the US$50 bn mark. Many fund managers who once wrote off Bitcoin have changed their tune. BlackRock and Fidelity have both issued Bitcoin ETFs. Goldman Sachs quietly bought up $1.6 billion worth of Bitcoin ETFs in 2014.

Bitcoin US Dollar traded at 81,695 on 9th March, decreasing 5,037 or 5.8% since the previous trading session. Looking back, over the last four weeks, Bitcoin lost 15.2%. Over the last 12 months, its price rose by 19.2%. Looking ahead, the forecast is for Bitcoin US Dollar to be priced at 84,276 by the end of this quarter and at 79,901 in one year, according to Trading Economics global macro models projections and analysts expectations.

BITCOIN (1-YR)



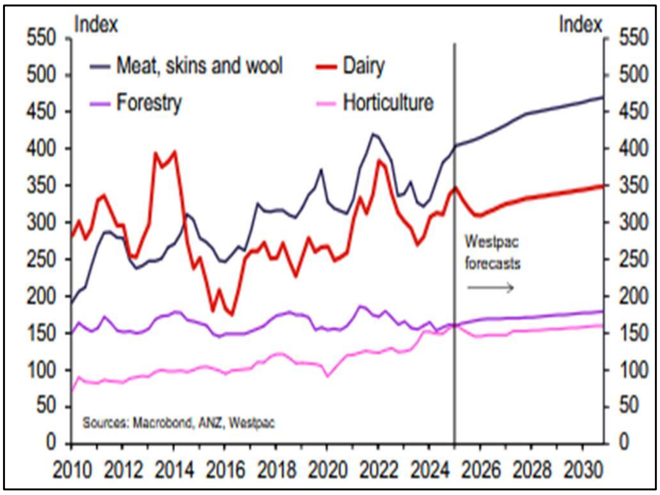
AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

COMMODITY PRICES TO EDGE HIGHER, BOLSTERED BY A SOFTER NZ DOLLAR SOURCE: Westpac Bank, 3-March 2025

Expect commodity prices in world price terms to moderate slightly in the near term, with favourable supply and demand fundamentals to support prices in the medium term. Currency weakness in 2025 will support NZ dollar prices.

- Westpac has lifted NZ farmgate milk price forecast to $10.30/kgMS for this season, reflecting the resilience in world dairy prices and a lower NZ dollar. The recent strength in demand has been partly driven by China's need to rebuild its inventories, which will eventually run its course. However, it is unclear to what extent this will continue to boost prices in the near term.
- Their opening forecast for the 2025/26 season is $10/kgMS. While world dairy prices are assumed to ease from current levels as global milk production picks up, this is partly offset by a lower average exchange rate over the season.
- Beef prices should edge higher this year, with production constrained in the US, EU and China. Sheep meat prices are set to lift on lower supply out of NZ and Australia as well as strong demand in the key EU, UK and US markets.
- Meanwhile, prices for apples and kiwifruit are set to remain elevated on the back of favourable supply and demand fundamentals.
- Subdued Chinese demand suggest flat log prices in the near term. An increase in building activity in China will help to support prices thereafter.

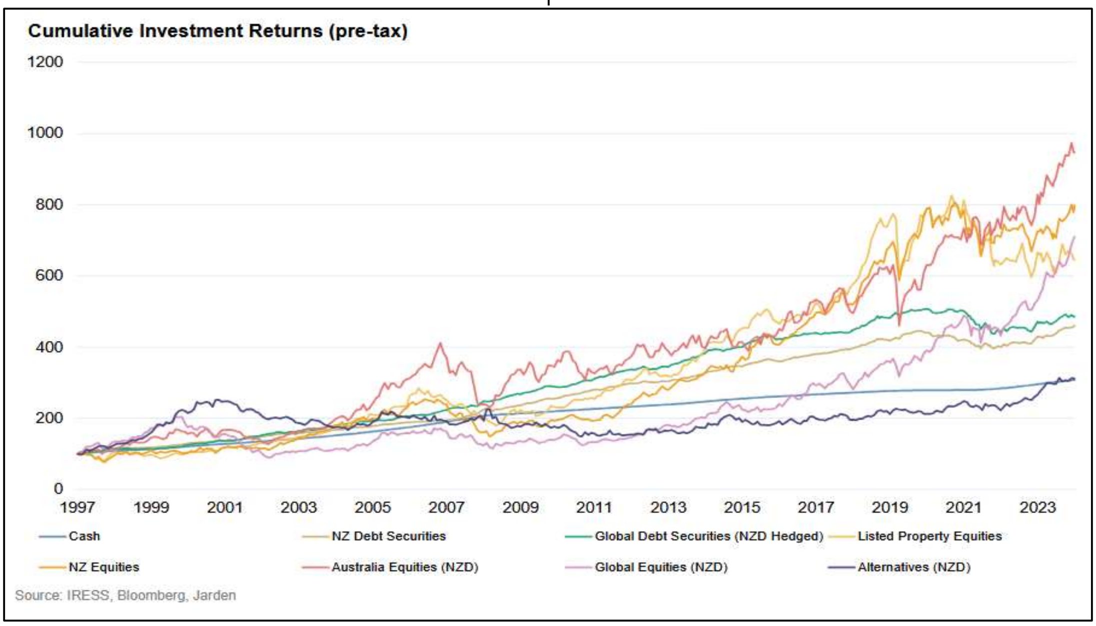
COMMODITY PRICES BY CATEGORY



SOURCE: Westpac Bank

NEW ZEALAND EQUITIES

The following chart shows the gross investment returns achieved by the major asset classes since 1992. The drop in value of equities that occurred from October 2007 to March 2009 and again in February to March 2020 shows up in the sharp decline in the investment return lines of both New Zealand and global equities (in local currency) – such periods are referred to as 'bear' markets. The rebound from March 2009 and subsequent equity market rally (referred to as a 'bull' market) is also shown on the chart.



ALL GRAPHS ARE ONE YEAR

A2 MILK

Research: 17th February

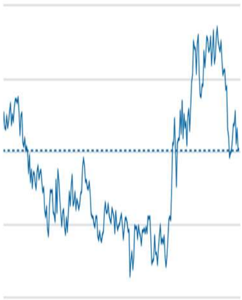
ATM has delivered a strong operating result with headline IMF revenues ahead of Jarden estimates. It has upped its first-half net profit by 7.6% to $91.7m, beating market expectations. The company, which listed on the NZX in 2004, announced its first dividend – 8.5¢ a share. Market expectations were for a net profit of about $83m. A2 Milk's revenue grew 10.1% to $893.8m compared with a market consensus of $870m. Earnings before interest, tax, depreciation and amortisation (ebitda) were up 5% to $118.9m, with an ebitda margin of 13.3%. A2 Milk ended the first half with a net cash position of $1.01 billion. "In our infant milk formula business in China, we are a top-five player and one of the best-performing brands, growing sales by 7% in a market that declined 6%," The CE said. A2 Milk claims its a2 beta protein products can be beneficial compared with regular milk, which contains both a1 and a2 beta proteins.

. 2025 P/E: 28.7 2026 P/E: 27.5

NZX Code:	**ATM**
Share Price:	**$8.85**
12mth Target:	**$7.75**
Projected return (%)	
Capital gain	-12.4%
Dividend yield (Net)	2.4%
Total return	**-10.0%**

Rating: **OVERWEIGHT**

52-week price range: 5.22-9.05



AUCKLAND INTERNATIONAL AIRPORTZ

Research: 21st February

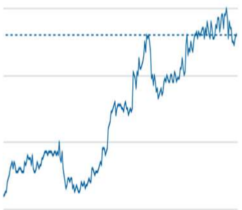
1H25 normalised NPAT of NZ$145.6m softer than expected: AIA has reported a softer-than-expected 1H25 result with underlying NPAT of $145.6m vs our incoming $160.5m (excluding interest income and flood-related income / expenses). While the result was a miss of ~$15m at underlying NPAT, the miss to our numbers was somewhat smaller at the EBITDAFI line - $331m vs $338m (Figure 2), and with Management highlighting a small amount of one-off costs (albeit choosing to not normalise these out). An opex miss of ~$6m was the main difference at EBITDAFI, while depreciation and tax were the key differences below the line. Revenue was broadly in line with our forecasts but with some differences in the mix. Aeronautical parking charges continue to sit below the PSE4 forecast (offshore airline recovery below forecast) and were ~$5m below our estimate for the half. Retail income was also softer than expected. Retail income per passenger was $10.16 - up on the pcp of $9.97 in 1H24 but down on the pcp of $9.97 in 1H24 but down on the $10.36 in 2H24, with the company noting softer income in some luxury categories (macro cycle) and FX (structural trend). The PSR was broadly flat (+0.3%) on 1H24 and likely softened vs 2H24.

2025 P/E: 43.1 2026 P/E: 38.7

NZX Code:	**AIA**
Share Price:	**$8.02**
12mth Target:	**$8.00**
Projected return (%)	
Capital gain	-0.2%
Dividend yield (Net)	1.6%
Total return	**1.4%**

Rating: **NEUTRAL**

52-week price range: 7.07-8.85



CHANNEL INFRASTRUCTURE NZ

Research: 28th February

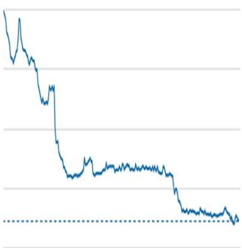
The FY24 result was in line with expectations, with the FY25 guidance leaning towards conservative on flat jet volumes. CHI reported EBITDA of $95.1m, +9% vs pcp ($87.2m) in line with consensus $95.0m. NPAT from continuing activities was $26.0m, only slightly below consensus $27.5m (pcp $27.6m). A final unimputed 6.6cps dividend was declared, bringing FY24 dividends to 11.0cps, just above Jarden and consensus 10.9cps (pcp 12.0cps). Net debt of $296m had been previously announced.

2025 P/E: 39.7 2026 P/E: 25.3

NZX Code:	**CHI**
Share Price:	**$1.94**
12mth Target:	**$1.99**
Projected return (%)	
Capital gain	2.1%
Dividend yield (Net)	5.6%
Total return	**7.7%**

Rating: **OVERWEIGHT**

52-week price range1.39-2.02



COMVITA

Research: 25th February

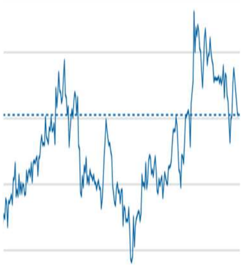
A poor but well flagged 1H25 result as CVT battled a difficult market backdrop, elevated inventory, and internal challenges. The sales decline slowed to -5% y/y in 1H25 as North America showed signs of bouncing off the lows, offset by ongoing weakness in China. The demand outlook is opaque with a number of moving parts creating uncertainty, however, CVT has expressed confidence in a flat y/y result in 2H25. North America recovery is expected to continue as CVT regains lost territory with Costco, while China is expected to stabilise with signs of improved trading through key sales events. Market share in China appears to have settled at c.50% (from c.60%).

2025 P/E: (4.4) 2026 P/E: 17.4

NZX Code:	**CVT**
Share Price:	**$0.73**
12mth Target:	**$0.80**
Capital gain	9.6%
Dividend yield (Net)	0.0%
Total return	**9.6%**

Rating: **NEUTRAL**

52-week price range: 7.86-9.80



CONTACT ENERGY

Research: 17th February

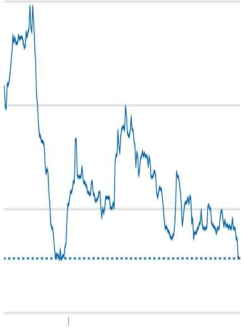
CEN reported its 1H25 results, with an EBITDAF of $404m (Jarden est $406m), reflecting a $70m increase from the previous year. FY25 guidance remains unchanged at $770m. The company declared a dividend of 16c (up from 14c in the pcp), in line with the guided 2c increase for FY25. Contact issued FY26 normalised EBITDAF guidance of $810m, representing a $40m uplift, driven by extra geothermal generation and costs normalising. However, the FY26 guidance is softer than Jarden expectations, mainly due to the company shifting load toward the lower risk summer months, which attract lower prices. As a result, Jarden has reduced FY26 EBITDA from $847m to $823m.

2025 P/E: 39.1 2026 P/E: 25.8

NZX Code:	**CEN**
Share Price:	**$9.00**
12mth Target:	**$10.70**
Capital gain	18.9%
Dividend yield (Net)	4.3%
Total return	**23.2%**

Rating: **BUY**

52-week price range: 7.86-9.80



DELEGAT GROUP

Research: 3rd March

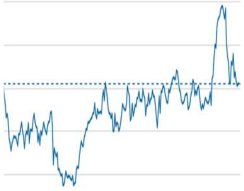
It was a tough 1H25 result for DGL as sales declined amidst channel destocking and heavy discounting. DGL case sales fell -15% y/y, with declines across all markets. Although the lower 2024 harvest was always going to put pressure on sales, the decline was more driven by negative market movements with retailers looking to destock inventory amid consumer pressures. DGL also faced challenges from a price relativity perspective, with peers choosing to hold price vs. DGL which put through increases and cheaper offerings participating in heavy discounting. Despite the lack of replenishment growth, DGL has indicated it achieved distribution and in-market depletion growth, suggesting brand health remains solid. DGL has a history of prioritising brand and value position over short-term volumes and has been successful at cementing its premium position. This round is no different, with DGL putting through underlying price increases of c. +6%, which has had a negative impact on short-term demand. Given the track record of the business and positive brand indicators, Jarden remains positive about the relative positioning.

2025 P/E: 9.0   2026 P/E: 7.6

NZX Code:	**DGL**
Share Price:	**$4.53**
12mth Target:	**$7.20**
Capital gain	58.9%
Dividend yield (Net)	4.2%
Total return	**63.1%**

Rating: **OVERWEIGHT**

52-week price range: 31.02-41.90



EBOS

Research: 11th February

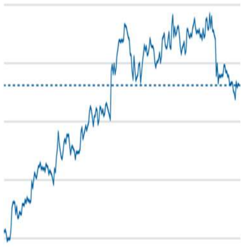
EBO share price has been flat in recent months. In January, UBS published a research report which saw forecast earnings increase, largely due to increases in Australian pharmacy wholesaler funding. Furthermore, the impact of the loss of the Chemist Warehouse contract is increasingly fading in the rear-view mirror. EBO reports its half-year profit result on 19 February.

2025 P/E: 25.6   2026 P/E: 24.4

NZX Code:	**EBO**
Share Price:	**$37.74**
12mth Target:	↑ **$39.00**
Capital gain	3.3%
Dividend yield (Net)	3.4%
Total return	**6.7%**

Rating: **OVERWEIGHT**

52-week price range: 31.02-41.90



FISHER & PAYKEL HEALTHCARE

Research: 26th February

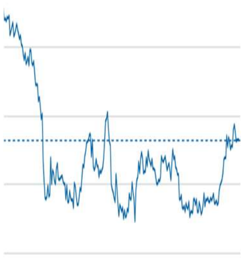
Mexico tariff uncertainty remains. News flow in this space remains somewhat of a rollercoaster, with announcement vs actions and, if actions eventuate, then timing and magnitude of tariffs. The latest update by President Trump suggests a 25% tariff for Mexico imports to begin 2-Apr-25 and notwithstanding the Mexican efforts to-date to strengthen its military presence along the border. If implemented, our prior analysis highlighted a 25% tariff would result in FPH additional costs of ~NZ$100mn to offset through a combination of price increases, some volume rebalancing and potentially some FX benefits. On an all else equal basis, Jarden expects any price increase response by FPH would need to be substantial and mostly shouldered by the Hospital business. Margin recovery back to FPH GM and EBIT level targets would likely also take longer to achieve and the ability for FPH to provide earnings guidance at the May result would be more difficult.

2025 P/E: 53.9   2026 P/E: 45.5

NZX Code:	**FPH**
Share Price:	**$41.00**
12mth Target:	**$30.10**
Projected return (%)	
Capital gain	-12.8%
Dividend yield (Net)	1.2%
Total return	**-11.6%**

Rating: **UNDERWEIGHT**

52-week price range: 2.64-4.31



FLETCHER BUILDING

Research: 22nd January

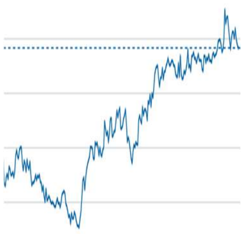
Since Feb-24, FBU had been running with temporary leadership much of that time, facing a downturn in construction materially deeper than anticipated. While there have been some small wins, that a strategy to unlock distinct value has yet to be announced may frustrate the investment case. The interim results, due on 19th February, could mark the cycle trough for the company, as it has clearly indicated a 1H/2H EBIT split of c.40%/60%. Jarden sees the lack of momentum in announcing a strategic plan to unlock value as delaying potential share price catalysts, particularly as they are of the view that there is value to unlock. After a period of restriction, Jarden is reinstating coverage with a Buy rating.

2025 P/E: 18.9   2026 P/E: 14.1

NZX Code:	**FBU**
Share Price:	**$3.27**
12mth Target:	**$3.76**
Projected return (%)	
Capital gain	15.0%
Dividend yield (Net)	0.0%
Total return	**15.0%**

Rating: **BUY**

52-week price range: 2.64-4.31



FREIGHTWAYS GROUP

Research: 17th February

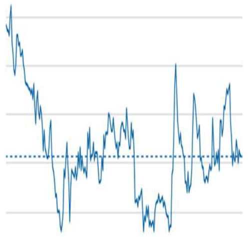
FRW delivered a solid result in a soft market (1H25 EBITDA up +11.9%), as it continues to generate share gains alongside above-inflation pricing, given its proven service offering. The company continues to benefit from increasing utilisation of previous capacity investment, with scope for further volume growth and margin expansion as macroeconomic conditions improve. Revenue was up 6.7% on the pcp and EBITDA up 11.9%, highlighting a broad-based improvement, albeit with some pockets of softness - primarily those premium products which are more exposed at this stage of the cycle. FRW remains focused on "pricing for effort" to ensure that margins are maintained / restored and each service offering generates an appropriate return. FRW has seen success in its NZ network courier business and expects to see further margin improvement on coming pricing system investment.

2025 P/E: 23.9   2026 P/E: 20.7

NZX Code:	**FRW**
Share Price:	**$10.87**
12mth Target:	**$10.39**
Projected return (%)	
Capital gain	-4.4%
Dividend yield (Net)	3.5%
Total return	**-0.9%**

Rating: **UNDERWEIGHT**

52-week price range: 2.64-4.31



GENESIS ENERGY

Research: 12th February

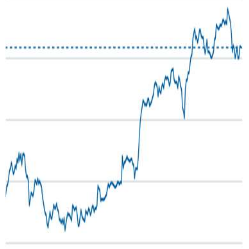
Supporting Jarden's Buy thesis for Genesis, it has been confirmed that the four large gentailers are in discussions regarding a long-term contract for Genesis' Rankine units. The operator of the well that Genesis has the option to use as a gas storage vessel announced that everything is on track to potentially be ready for injection by the end of this CY. The previous week, Genesis announced progress towards a biofuel source to be used in its Rankines. All of these developments support the long-term viability and value of Genesis' Huntly thermal assets and highlight the company's potential aspirations to exceed a $550m plus EBITDA target by FY28.

2025 P/E: 19.5 2026 P/E: 17.8

NZX Code:	**GNE**
Share Price:	**$2.23**
12mth Target:	**$3.14**
Projected return (%)	
Capital gain	40.8%
Dividend yield (Net)	6.6%
Total return	**47.4%**

Rating: **BUY**

52-week price range: 2.05-2.58



HALLENSTEIN GLASSON

Research: 17th January

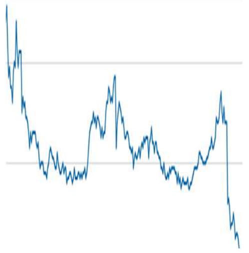
Jarden upgraded their earnings forecasts for HLG post its ASM update in December which indicated continued trading momentum and a greater appetite to pursue store openings, namely in Australia where the company is achieving traction with consumers. In the first 18 weeks of FY25E (to the week ended 8 December 2024), group revenue increased +10.1% y/y, albeit cycling a soft pcp where group revenue was down -4.7% y/y. Strength is likely being driven by Glassons Australia, where its products have resonated particularly well. Group gross margin has remained stable despite headwinds including FX, freight rates, and broader sector discounting activity. Jarden expects momentum to continue in Glassons Australia, with New Zealand recovering from a weak pcp, and forecast group revenue growth of +9.5%.

2025 P/E: 10.8 2026 P/E: 10.3

NZX Code:	**HLG**
Share Price:	**$8.14**
12mth Target:	**$8.75**
Projected return (%)	
Capital gain	7.5%
Dividend yield (Net)	7.6%
Total return	15.1%

Rating: **OVERWEIGHT**

52-week price range: 5.17-8.54



HEARTLAND GROUP HOLDINGS

Research: 28th February

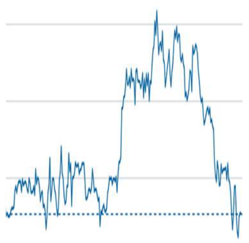
A very poor 1H25 result with elevated opex - HGH delivered reported NPAT of $3.6m against guidance of $2m-5m provided the previous week, with elevated impairments of ~$50m in the half. The 1H25 result clears up the mystery with operating costs ~$20m (~25%) above earlier forecasts, and $27m up on the pcp. Additionally, net interest income was lower than expected, with full-year NIM guidance materially weaker than that provided at FY24. Jarden saw a risk of higher opex and lower NIM in the Australian bank (HBA) during the funding transition, but were surprised by the extent of the cost increase in HBNZ, which saw underlying opex up ~$7m on the pcp (adjusted for reallocated head office costs)..

2025 P/E: 18.4 2026 P/E: 10.1

NZX Code:	**HGH**
Share Price:	**$0.84**
12mth Target: ↓	**$1.15**
Projected return (%)	
Capital gain	36.9%
Dividend yield (Net)	3.4%
Total return	**40.3%**

Rating: **NEUTRAL**

52-week price range: 5.17-8.54



INFRATIL

Research: 11th February

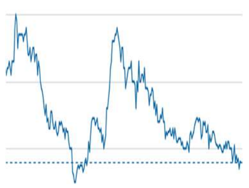
IFT's share price languished in January after four years of reasonably steady gains. President Trump's inauguration renewed the focus on the less certain outlook for Longroad's renewable energy strategy in the US. Investors are also concerned as to the outcome of Commonwealth Super's sale of a 12.5% shareholding in CDC. First bids for the CDC stake had to be submitted before Christmas 2024. These factors outweighed the positive news from CDC of 230MW of new customer contracts, which is up 153MW since September 2024. Further progress signing up the new customers is expected to be announced in 1H25. CDC now has 388MW of data centres under construction across multiple sites. The independent valuer increased its valuation of CDC by 2.3% to $4.485–$5.385 billion. Finaly, IFT put $433 million of equity into CDC in December and is expected to inject another $250 million of equity over the next 1-2 years.

2025 P/E: 286.6 2026P/E: 181.2

NZX Code:	**IFT**
Share Price:	**$10.45**
12mth Target:	**$12.70**
Projected return (%)	
Capital gain	21.5%
Dividend yield (Net)	1.7%
Total return	23.2%

Rating: **OVERWEIGHT**

52-week price range: 10.10-13.34



KMD BRANDS

Research: 24th January

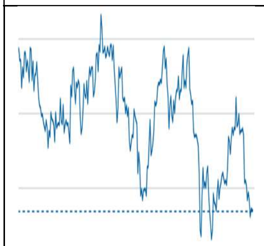
IFT's 1H24 proportionate EBITDA of $478.8m was above consensus ($458m), partly due to 1H/2H phasing for One NZ. Other asset contributions were broadly as expected, and FY25 EBITDA guidance changes were minor. Proportionate "operational" EBITDA is now guided $960-$1,000m (prev $962-$1,012m). CDC FY25 EBITDA guidance remains unchanged at A$320-$330m but now steered to the lower end, on contract starts delayed into 1H26.

2025 P/E: 162.0 2026P/E: 13.0

NZX Code:	**KMD**
Share Price:	**$0.38**
12mth Target:	**$0.60**
Projected return (%)	
Capital gain	58.9%
Dividend yield (Net)	0.0%
Total return	58.9%

Rating: **OVERWEIGHT**

52-week price range: 0.34-0.67



MERCURY ENERGY

Research: 11th February

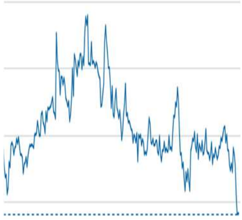
MCY rose over January having finished December at a low. The low finish to the year reflected an expectation that significant selling of MCY shares was possible in February 2025 due to changes to a share index followed by passive fund managers. MCY reported their first half operational statistics during the month, which implied $435 million first half EBITDA. This was marginally up on its guidance despite the expected $80 million negative impact from the July-August 2024 drought. Hydro electricity generation in the December quarter was lower at 872 GWh, with MCY indicating that Lake Taupo water storage was conserved to end the quarter with higher-than-average water levels. MCY reports on its half-year profit on 25 February.

2025 P/E: 32.9 2026P/E: 28.3

NZX Code:	**MCY**
Share Price:	**$5.91**
12mth Target:	**$7.62**
Projected return (%)	
Capital gain	28.9%
Dividend yield (Net)	3.8%
Total return	**32.7%**

Rating: **OVERWEIGHT**

52-week price range: 5.61-7.25



MERIDIAN ENERGY Research: 26th February

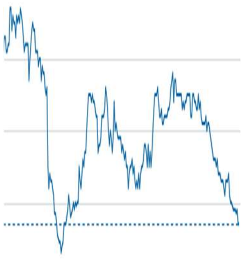
MEL reported 1H25 EBITDAF of $257m (Jarden estimate $257m), reflecting a significant decline of $186m from the prior comparative period. This decline is attributed to high costs incurred during drought conditions and low wholesale prices when the water finally flowed. The dividend was declared 6.15c, which aligns with pcp. On the back of a worse-than-expected hydro start to the year, Jarden has reduced their FY25 EBITDA estimate from $843m to $774m.

2025 P/E: (118.6) 2026P/E: 36.8

NZX Code:	**MEL**
Share Price:	**$5.46**
12mth Target:	**$6.30**
Projected return (%)	
Capital gain	15.4%
Dividend yield (Net)	3.6%
Total return	**19.0%**

Rating: **NEUTRAL**

52-week price range: 5.40-6.89



MICHAEL HILL INTERNATIONAL Research: 17th January

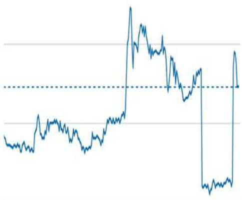
It was a disappointing holiday period for MHJ, which experienced a material slowdown in sales across all markets in 2Q25. Group sales, which had been tracking up +4.3% y/y in the first 14 weeks of 1H25E finished the half down -1.0%, led by a decline in Australia which saw 1Q25 sales go from a c. +6.5% run-rate to an estimated c. -2% in 2Q25, albeit with a number of store closures during the period. MHJ has guided to A$5m of cost-out achievable within 2H25E, which should then also partially annualise into FY26E. While the holiday trading was disappointing, channel checks suggest it was a function of broader consumer weakness rather than any brand issue. MHJ has indicated a return to improved trading trends in January, however, we retain a level of caution.

2025 P/E: 32.0 2026 P/E: 9.4

NZX Code:	**MHJ**
Share Price:	**$0.46**
12mth Target:	**$0.75**
Projected return (%)	
Capital gain	64.8%
Dividend yield (Net)	2.8%
Total return	**67.6%**

Rating: **BUY**

52-week price range: 0.43-0.90



PACIFIC EDGE Research: 28th February

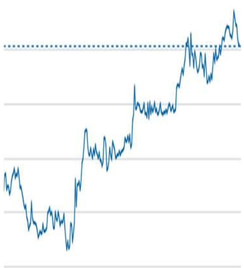
PEB has announced today that the American Urological Association (AUA) has updated their guidelines stating: "In appropriately counseled intermediate-risk patients who want to avoid cystoscopy and accept the risk of forgoing direct visual inspection of the bladder urothelium, clinicians may offer urine cytology or validated urine-based tumor markers (Figure 1) to facilitate the decision regarding utility of cystoscopy. Renal and bladder ultrasound should still be performed in these cases."

2025 P/E: (2.5) 2026 P/E: (2.8)

NZX Code:	**PEB**
Share Price:	**$0.127**
12mth Target:	**$0.08**
Projected return (%)	
Capital gain	-37.0%
Dividend yield (Net)	0.0%
Total return	**-37.8%**

Rating: **NEUTRAL**

52-week price range: 0.05-0.185



PORT OF TAURANGA Research: 28th February

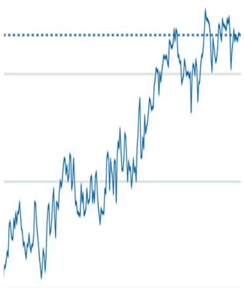
1H25 NPAT of $60.2m, up 27% on the pcp and ~3% above Jarden expectations. Against a soft macroeconomic backdrop, POT has delivered a solid improvement as it cycles a very weak 1H24 which was impacted by low volumes (inventory unwind, soft commodity exports, coastal shipping disruption) and cost pressures (labour efficiency, rail costs). Container terminal revenue was 14% up on the pcp on 10% higher container volumes and benefiting from recent price increases. POT estimates that effective price increases were ~6-8% but with some mix effects (low margin transhipments up 20%). In volume terms, the key drivers of improvement were a lift in high margin reefers linked to a strong kiwifruit season and a partial recovery in transhipment volumes linked to coastal shipping disruption in the pcp. Multi cargo revenue was ahead of our expectations driven by higher log volumes, while other breakbulk also performed well - notably kiwifruit and other forestry. Rental revenue also showed solid growth.

2025 P/E: 37.0 2026 P/E: 31.5

NZX Code:	**POT**
Share Price:	**$6.56**
12mth Target: ↑	**$6.30**
Projected return (%)	
Capital gain	-4.0%
Dividend yield (Net)	2.4%
Total return	**-1.6%**

Rating: **NEUTRAL**

52-week price range: 1.30-2.09



SCALES CORPORATION Research: 25th February

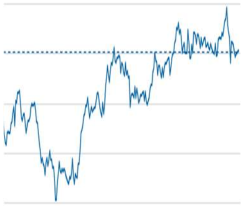
SCL delivered a strong FY24 result which should support confidence in the growth outlook. Horticulture exhibited margin recovery, with scope for further expansion as volumes grow and new orchards mature. Increasing capacity within Global Proteins is laying the foundation for further growth as SCL maps a path to its NZ$70m segment EBITDA target. Horticulture set up to deliver as volumes and margins recover. Horticulture's improving EBITDA margin was a highlight for us, with a stronger-than-expected recovery in FY24. While volume recovery provided operating leverage, limited cost growth and better-than-expected pricing were key drivers for the beat vs. our expectations. We expect the division to be the key source of earnings growth in FY25, with TCE growth up +12% and lower cost pressures than previous years - a reduction in inflationary pressures and changes to the RSE rules. We forecast a Horticulture FY25 Underlying EBITDA of NZ$44m, with annualization of 100% of Profruit ownership & underlying growth relating to Mr Apple.

2025 P/E: 18.7 2026 P/E: 16.8

NZX Code:	**SCL**
Share Price:	**$4.18**
12mth Target:	**$4.65**
Projected return (%)	
Capital gain	10.0%
Dividend yield (Net)	4.1%
Total return	**14.1%**

Rating: **OVERWEIGHT**

52-week price range: 1.30-2.09



SKELLERUP Research: 13th February

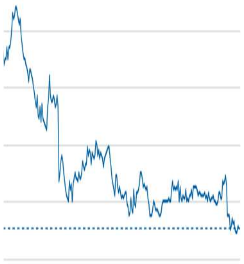
SKL delivered a robust 1H25 result, demonstrating earnings resilience amid cyclical and trade challenges. Agri margin expansion as volume returned within the diary segment was the highlight and drove segment EBIT up +31% y/y. SKL trimmed NPAT guidance -$1m at the top end to $52-56m (previously $52-57m), reflecting tariff impacts and greater trade uncertainty. However, in Jarden's view, management outlook commentary leaned positive with run-rates improving early in 2H25 and opportunities for margin expansion indicated.

2025 P/E: 18.7 2026 P/E: 16.8

NZX Code:	**SKL**
Share Price:	**$5.10**
12mth Target:	**$5.30**
Projected return (%)	
Capital gain	3.9%
Dividend yield (Net)	4.6%
Total return	**8.5%**

Rating: **OVERWEIGHT**

52-week price range: 1.30-2.09

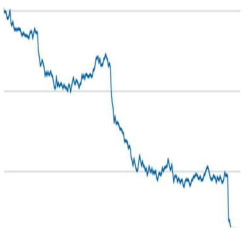


SKY CITY ENTERTAINMENT — Research: 28th January

SKC reports 1H25 on 20th February. By property, Auckland down -16% on pcp to $106m due to domestic economic pressures, with cuts to interest rates potentially providing some relief late 2H. Key to assessing Auckland's 1H25 performance will be commentary around wallet spend trends and the margin impact of management using their portfolio assets (car parking, food & beverage, hotels) to support visitation. We also forecast the Online segment to be down materially, -90% on pcp, the key driver of this being the new 12% gaming duty on gross betting revenue (effective 1-Jul-24). Jarden expects uEBITDA guidance to remain unchanged at $245-265m (Jarden standing estimate $251m).

2025 P/E: 17.0   2026 P/E: 16.1

NZX Code:	**SKC**
Share Price:	**$1.33**
12mth Target:	**$1.85**
Projected return (%)	
Capital gain	39.1%
Dividend yield (Net)	7.8%
Total return	**37.2%**
Rating: **OVERWEIGHT**	
52-week price range: 1.30-2.09	

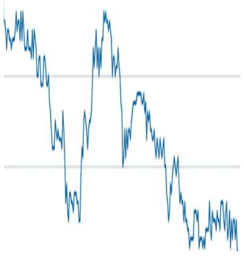


SPARK — Research: 21st February

Not the approach needed to a fourth downgrade in a row - and a meaningful one too. What's required to reignite the Spark in 2025? . While Jarden expected a number of issues to be dealt with later in the year, they believe the severity of this fourth downgrade required more clarity on a range of issues, regardless of how difficult they are to address - how has the IT business gone so wrong so quickly; capital management settings overhang; and transparency on SPK's exit from non-core businesses like Mattr. Where upside potential exists - such as data centres, we would have hoped for more detail at this juncture too with questions on SPK's current lack of investment in this key growth area ($14m in 1H25).

2025 P/E: 19.7   2026 P/E: 15.8

NZX Code:	**SPK**
Share Price:	**$2.22**
12mth Target: ↓	**$3.10**
Projected return (%)	
Capital gain	39.6%
Dividend yield (Net)	10.5%
Total return	**50.1%**
Rating: **OVERWEIGHT**	
52-week price range: 2.76-5.25	

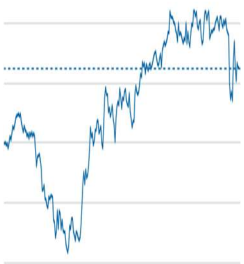


STEEL & TUBE — Research: 5th February

STU will report 1H25 earnings on the 24th February. Jarden expects a normalised EBITDA of $4.7m (down from $21.9m in pcp) and normalised EBIT of negative $6.1m (down from a positive $11.3m in the pcp). The company has already reported trading for the four months to October, with volumes down 18% on the pcp, Normalised EBIT was negative $5m (down from a positive $9.6m in the pcp), and Normalised EBITDA was $2.7m (down from $16.5m in the pcp). Jarden's forecast implies a continuation of the trend into FY1H25 end. Due to a softer economy than expected and lack of uplift in infrastructure opportunities, they have further softened their second-half expectation. As a result, they have reduced FY25E EBIT from $0m to negative $11.3m and have reduced FY25 dividend expectation from 2c to zero.

2025 P/E: (32.0)   2026 P/E: 41.9

NZX Code:	**STU**
Share Price:	**$0.79**
12mth Target:	**$1.04**
Projected return (%)	
Capital gain	31.6%
Dividend yield (Net)	0.0%
Total return	**31.6%**
Rating: **OVERWEIGHT**	
52-week price range: 0.80-1.16	

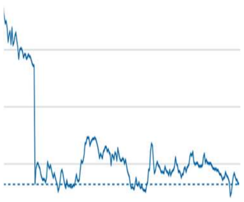


SUMMERSET GROUP HOLDINGS — Research: 25th February

Trading conditions and capital management settings to the fore at FY24 results. With share price weakness going into SUM's result on 28-Feb-25, we look at two issues likely to receive attention: trading conditions into CY25 and SUM's approach to capital management. On trading conditions, Figures 1-4 highlight the NZ housing market remains subdued. Recent commentary from the industry body, the RVA, indicates these issues are impacting the broader sector and it will be interesting to see SUM's position - we note it reported solid 4Q24 sales across both new and resales, albeit we still await more visibility on mix, level of buyback activity, and a 1Q25 update.

2025 P/E: 16.1   2026 P/E: 13.8

NZX Code:	**SUM**
Share Price:	**$12.22**
12mth Target:	**$13.85**
Projected return (%)	
Capital gain	13.3%
Dividend yield (Net)	2.1%
Total return	**15.4%**
Rating: **OVERWEIGHT**	
52-week price range: 0.80-1.16	

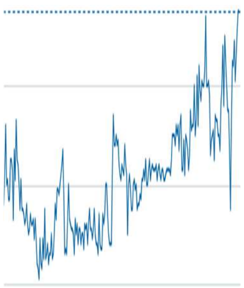


TOURISM HOLDINGS — Research: 24th February

1H25 earnings were well down but reasonable in context. While normalised NPAT was down -33% on the pcp, there were few surprises in what was seen as a reasonable result in context. THL had previously signalled that 1H25 earnings would be significantly below the pcp given the slowdown in vehicle sales and noting a tough comp to 1H24 when vehicle sales and margins were still going well. This slowdown was to be partly offset by some increase in rental revenue. This appears to have more or less played out.

2025 P/E: 7.5   2026 P/E: 5.8

NZX Code:	**THL**
Share Price:	**$1.77**
12mth Target: ↓	**$4.21**
Projected return (%)	
Capital gain	137.9%
Dividend yield (Net)	5.3%
Total return	**143.2%**
Rating: **BUY**	
52-week price range: 0.80-1.16	



VECTOR — Research: 27th February

VCT delivered a solid result with adjusted EBITDA (excl capital contributions, incl discontinued items) of $214m, up 11% on the pcp and +9% on Jarden's forecast of $196m. While there has been some change in segmentation which makes direct comparisons difficult, the largest uplift vs Jarden numbers was in EDB revenue, most likely related to higher-than-forecast inflation recovery. The ComCom issued its final decision on DPP4 allowable revenues in November 2024 (in line with the draft decision and Jarden expectations). With that additional clarity, VCT has issued FY25 earnings guidance for adjusted EBITDA of $400m - $415m. Jarden has made relatively modest changes to their forecasts which see their FY25 EBITDA sit in the middle of the guidance range. VCT has provided a long-awaited update to its dividend policy, settling on a 70%-100% free cash flow payout. The policy targets year on year dividend growth within a regulatory period, will provide flexibility to move up or down at regulatory resets.

2025 P/E: 16.2   2026 P/E: 13.9

NZX Code:	**VCT**
Share Price:	**$4.14**
12mth Target:	**$4.52**
Projected return (%)	
Capital gain	9.2%
Dividend yield (Net)	6.4%
Total return	**15.6%**
Rating: **OVERWEIGHT**	
52-week price range: 0.80-1.16	

JARDEN'S NEW ZEALAND EQUITIES WATCH LIST

AS AT 7TH MARCH 2025

NEW ZEALAND EQUITY WATCH LIST as at 7-March-2025		Jarden Rating	7-Mar-25 Price	Month % Change	Annual % Change	Target Price
AIA	Auckland International Airport	N	8.01	(8.0%)	0.5%	8.00
ATM	A2 Milk Company	O	8.87	36.5%	40.1%	7.75
CEN	Contact Energy	B	9.02	(1.1%)	15.8%	10.70
CHI	Channel Infrastructure	O	1.92	(1.0%)	41.5%	1.99
CNU	Chorus	U	8.06	(6.1%)	8.2%	8.17
EBO	Ebos Group	O	37.73	(7.8%)	7.4%	41.50
FBU	Fletcher Building	B	3.32	12.5%	(18.0%)	3.86
FPH	Fisher & Paykel Healthcare	U	34.50	(1.9%)	43.2%	30.10
FRW	Freightways	U	10.83	0.8%	35.0%	10.39
HGH	Heartland Group	N	0.82	(26.0%)	(29.3%)	1.15
IFT	Infratil	O	10.54	(5.6%)	2.6%	13.00
MCY	Mercury	O	5.85	(6.2%)	(11.2%)	7.39
MEL	Meridian Energy	N	5.41	(7.3%)	(4.2%)	6.30
MFT	Mainfreight	O	67.95	(3.9%)	3.0%	80.00
NZX	NZX	O	1.61	4.6%	69.7%	1.80
OCA	Oceania Healthcare	N	0.67	(16.3%)	6.4%	0.77
POT	Port of Tauranga	N	6.54	1.4%	26.3%	6.30
RYM	Ryman Healthcare	-	3.02	(24.5%)	(27.2%)	NULL
SCL	Scales Corporation	O	4.18	(1.0%)	41.6%	4.65
SKC	Sky City Entertainment Group	O	1.31	(8.4%)	(32.1%)	1.85
SKL	Skellerup	O	5.02	(0.6%)	22.1%	5.30
SPK	Spark	O	2.21	(23.3%)	(52.2%)	3.10
SUM	Summerset Group Holdings	O	12.25	(4.9%)	13.8%	13.48
THL	Tourism Holdings	B	1.82	(5.2%)	(42.9%)	4.21
VCT	Vector	O	4.15	6.4%	18.1%	4.52

If you are looking for a sharebroker
I recommend

GRAHAM NELSON AFA

Director, Wealth Management Advisor
Graham works out of Jarden's Wellington office. With modern communications you won't be disappointed...

JARDEN

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JARDEN'S AUSTRALIAN WATCH LIST

AS AT 7TH MARCH 2025

AUSTRALIAN EQUITY WATCH LIST as at 7-March-2025		Jarden Rating	7-Mar-25 Price (A$)	Monthly % Change	Annual % Change	Target Price (A$)
ALL.AU	Aristocrat Leisure	B	69.76	(5.4%)	52.9%	67.00
ALQ.AU	ALS	N	15.75	(6.0%)	23.8%	14.40
ANZ.AU	ANZ Banking Group	O	28.67	(7.6%)	4.6%	30.50
BHP.AU	BHP Billiton*	N	38.98	(1.8%)	(6.8%)	44.38
CBA.AU	Commonwealth Bank of Australia	N	148.50	(7.4%)	28.6%	110.00
CSL.AU	CSL	N	259.66	(3.8%)	(6.6%)	314.37
CWY.AU	Cleanaway Waste Management	O	2.53	(3.8%)	(0.7%)	3.05
IGO.AU	IGO	N	3.93	(21.1%)	(46.0%)	5.39
JHX.AU	James Hardie Industries	N	50.75	(6.0%)	(18.3%)	54.00
MQG.AU	Macquarie Group*	O	209.08	(9.1%)	10.7%	200.00
NAB.AU	National Australia Bank	N	34.26	(15.8%)	4.5%	38.00
NXT.AU	NEXTDC*	O	13.32	(13.5%)	(22.5%)	18.84
QBE.AU	QBE Insurance Group	B	20.78	5.4%	28.1%	23.65
RHC.AU	Ramsay Health Care	B	34.67	4.7%	(37.2%)	44.44
RIO.AU	Rio Tinto*	N	115.20	(1.7%)	0.8%	130.94
RMD.AU	Resmed	O	35.88	(4.6%)	25.6%	36.60
S32.AU	South32*	N	3.59	4.1%	25.7%	3.93
SEK.AU	Seek	B	23.26	(0.2%)	(10.9%)	28.00
TCL.AU	Transurban Group	U	12.95	(1.1%)	(0.3%)	12.40
TLS.AU	Telstra Group	B	4.15	8.3%	14.6%	4.30
WDS.AU	Woodside Energy	N	22.49	(5.4%)	(18.4%)	27.00
WES.AU	Wesfarmers	N	71.87	(4.5%)	11.1%	67.50
WOR.AU	Worley*	O	14.32	(0.8%)	(12.2%)	18.30
WOW.AU	Woolworths	O	28.66	(2.9%)	(7.8%)	37.00
XRO.AU	Xero	N	166.00	(9.1%)	24.4%	177.00

Note: Prices shown in local currency *Target price reflects consensus Source: Thomson Reuters, Jarden

JARDEN'S GLOBAL EQUITY WATCH LIST

AS AT 7TH MARCH 2025

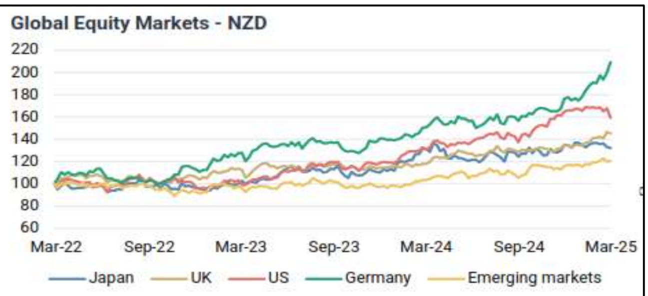
GLOBAL EQUITY WATCH LIST as at 7-March-2025	Ticker	7-Mar-25 Price	Monthly % Change	Annual % Change	12-month Target
Tencent Holdings	700.HK	533.50	24.6%	96.9%	519.14
Apple	AAPL.US	239.07	5.0%	41.8%	250.55
Amazon	AMZN.US	199.25	(13.1%)	12.7%	264.90
Amphenol	APH.US	62.93	(9.8%)	13.0%	85.03
Apollo Global Management	APO.US	132.40	(19.0%)	19.4%	184.69
ASML	ASML.NA	666.00	(5.3%)	(29.8%)	851.50
American Express	AXP.US	273.21	(13.8%)	22.3%	317.80
Berkshire Hathaway	BRK/B.US	495.62	4.8%	23.2%	526.00
CBOE	CBOE.US	213.00	0.9%	15.9%	214.79
ConocoPhillips	COP.US	90.63	(7.9%)	(19.6%)	130.67
Alphabet	GOOGL.US	173.86	(6.2%)	29.4%	215.32
Iberdrola	IBE.EU	13.59	0.6%	28.2%	14.34
JPMorgan	JPM.US	242.28	(12.1%)	29.0%	268.83
Eli Lilly	LLY.US	869.58	(1.0%)	11.5%	1018.55
Lululemon	LULU.US	344.36	(13.5%)	(24.7%)	402.20
MasterCard	MA.US	546.77	(2.8%)	17.0%	616.32
LVMH	MC.FR	634.70	(7.2%)	(24.4%)	759.42
Microsoft	MSFT.US	393.31	(4.0%)	(3.9%)	502.19
NVIDIA	NVDA.US	112.69	(13.2%)	23.6%	172.57
L'oreal	OR.FR	359.55	5.6%	(19.3%)	388.04
Oracle	ORCL.US	155.16	(11.1%)	35.5%	198.42
Schneider Electric	SU.FP	223.90	(5.6%)	6.0%	268.41
Tesla	TSLA.US	262.67	(27.4%)	47.0%	338.49
United Health	UNH.US	493.48	(6.4%)	3.1%	632.04
Walmart	WMT.US	91.72	(9.3%)	52.0%	110.06

Source: Thomson Reuters, Jarden. Target Prices reflect consensus

JARDEN'S INVESTMENT TRUST WATCH LIST

AS AT 7TH MARCH 2025

INVESTMENT TRUST WATCH LIST as at 7 March 2025	Ticker	Price £	Annual % Change		Ticker	Price £	Annual % Change
Schroder Asian Total Return	ATR	4.73	7.3%	JPM European Inv. Trust	JEGI	1.12	10.3%
Baillie Gifford Japan Trust	BGFD	7.54	(1.1%)	JPMorgan Japanese	JFJ	5.73	5.0%
Bankers Inv. Trust	BNKR	1.17	6.2%	JPM Global Growth	JGGI	5.44	(0.9%)
Blackrock World Mining	BRWM	4.84	(6.4%)	Mid Wynd International	MIDW	7.58	(1.6%)
City of London Investment Trust	CTY	4.45	12.7%	Monks ITC	MNKS	12.12	9.0%
Asia Dragon Trust	IAD	3.46	14.2%	Nth American Inc. Trust	NAIT	3.26	14.0%
Euro Small Comp. Trust	ESCT	1.85	12.9%	Polar Cap Tech	PCT	3.12	4.4%
F&C Investment Trust	FCIT	11.16	13.5%	RIT Cap Partners	RCP	19.44	10.2%
Global Smaller Companies Trust	GSCT	1.54	1.9%	Schroder Asia Pacific	SDP	5.39	12.1%
HarbourVest Global Private Eq.	HVPE	26.70	12.9%	Scottish Mortgage Trust	SMT	9.76	23.4%
JPM American	JAM	10.16	5.7%	Templeton Emerg.	TEM	1.73	14.3%
JPMorgan Eur Discovery Trust	JEDT	4.98	10.8%	Worldwide Health	WWH	3.14	(4.6%)



JARDEN'S FIXED INTEREST BONDS

AS AT 7TH MARCH 2025

Ticker	SECURITY	Credit Rating	Coupon Rate	Yield	Monthly Change	Maturity
BNZ150	Bank of New Zealand	AA-	1.88%	3.68%	0.22	8-Jun-26
AIA240	Auckland Airport	A-	3.29%	3.91%	0.14	17-Nov-26
TRP100	Transpower NZ	AA	4.63%	3.88%	(0.06)	16-Sept-27
CNU030	Chorus Limited	BBB	1.98%	4.29%	0.13	2-Dec-27
IFT310	Infratil	NR	3.60%	5.90%	0.39	15-Dec-27
ANB180	ANZ Bank New Zealand	AA-	5.22%	4.13%	(0.08)	16-Feb-28
FBI220	Fletcher Building Industries	NR	6.50%	7.60%	(1.76)	15-Mar-28
KPG050	Kiwi Property Group	BBB+	2.85%	5.07%	0.18	19-Jul-28
SBS020	Southland Building Society	BBB+	6.14%	4.84%	(0.24)	7-Mar-29
FCG060	Fonterra Co-Operative	A-	4.60%	4.40%	(0.18)	8-Nov-29
SUM050	Summerset Group Holdings	NR	6.43%	5.50%	(0.22)	8-Mar-30
MEL070	Meridian Energy	BBB+	5.40%	4.56%	(0.26)	23-Mar-30
LGF170	NZ Local Govt Funding Agency	AAA	4.50%	4.37%	0.09	15-May-30
LGF140	NZ Local Govt Funding Agency	AAA	2.25%	4.61%	0.31	15-May-31
SPF600	Spark Finance	A-	5.45%	4.70%	(0.38)	18-Sept-31
HYBRID	**SECURITY**	**Credit Rating**	**Coupon Rate**	**Price/ Yield**	**Monthly Change**	**Reset**
ANB170	ANZ Bank Subordinated Notes	A	3.00%	97.01	(0.60)	17-Sept-26
IFTHA	Infratil Perpetual Infrastructure Bond	NR	5.51%	62.52	(2.01)	1-yr swap rate
KWB1T2	Kiwibank Subordinated Notes	BBB	2.36%	101.50	(0.02)	12-May-28
VCT110	Vector Perpetual Capital Bonds	BB+	6.40%	101.46	0.05	15-Jun-27
WNZHA	Westpac Perpetual Preference Shares	BBB+	7.10%	105.35	1.76	-

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