Andrew von Dadelszen
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Economic, Political & Investment Pulse

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GOVT FINANCES BETTER THAN EXPECTED

The NZ Government's financial accounts for the 11 months to May show the economy is performing better than forecast in the 2026 Budget.

Core Crown revenue was $1.7 billion higher than expected, while Government spending came in $900 million below forecast. A major contributor was corporate tax revenue, which exceeded expectations by $700 million, suggesting New Zealand businesses are becoming more profitable as the economy recovers.

The Government's key operating balance measure (OBEGALx) recorded a deficit of $6.8 billion, which was $3 billion better than forecast.

THE GLOBAL OUTLOOK

The global economy continues to demonstrate remarkable resilience despite geopolitical tensions, elevated public debt and lingering inflationary pressures.

The IMF expects world economic growth of around **3.0% in 2026**, supported by strong investment in artificial intelligence, technology and infrastructure, although growth remains uneven across regions. Central banks are gradually easing monetary policy, but higher energy prices and geopolitical risks continue to cloud the outlook.

For investors, the environment continues to favour high-quality companies with strong balance sheets, dependable earnings and sustainable dividends. Maintaining diversified exposure while focusing on long-term fundamentals remains the most prudent investment strategy.

SHAREMARKETS	CODE	1 yr	5 yr/pa
New Zealand	^NZ50	8.9%	4.1%
Australia	^AXJO	4.7%	5.8%
United Kingdon	^FTSE	23.2%	9.3%
US - Dow Jones	^DJI	17.7%	12.1%
US - S&P500	^GSPC	18.4%	16.0%
US - NASDAQ	^IXIC	20.8%	20.2%

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STATISTICS NZ & TREASURY DATA

Estimated NZ population	at 29-July-26		5,372,965
Population: 1950: 1,911,608 2000: 3,855,266 Growth -1.87% this year			
(StatsNZ - 2025 to 2048) European 65.9% to 52.3%; Asian 20.8% to 33.3%; Māori 17.4% to 20%; Pac 9.1% to 11.4%; Indian 7.2% to 11.8%; Chinese 6.2% to 8.2%; Samoa 4.4% to 5.6% Mid East/Latin 2.2% to 3.8%			
Māori population	Est. Dec-25	(17.4 % of NZ total)	932,500
Births / Deaths	Dec-25 year	Births: 57,705	Deaths: 37,491
Deaths per 1,000 live births: Pasifika: 7.3 Māori: 5.7 European: 3.8			
Net Migration	April-26 yr		↓ 22,800
(NZ: -37,300; Non NZ: 60,100)			
NZer Migration	Apr-26 yr	(Depart: 63,400; Arriv: 26,300)	↑ (37,300)
Non NZ Migration	Apr-26 yr	(Depart: 48,400; Arriv: 108,500)	↓ 60,100
Net migration by country	India: 11,200; China: 11,800; Philippines: 7,900; Sri Lanka: 5,000 United Kingdom: 0; Australia: 800; United States:		
Annual GDP Growth	Mar-26 year	(Qtly Mar-26: 0.8%)	0.8%
Annual GDP Per Capita	Mar-25 year	(Qtly Mar-25: 0.8%)	0.8%
Size of NZ Economy (GDP)	Dec-25 year	(Auckland = $160 billion)	$445 bn
Size of Māori Economy	2025	(2013: $43bn; 2020: $69bn)	~ $126 bn
NZ Core Crown Revenue	FY2025	(FY2024: $167.3bn)	$169.8 bn
NZ Core Crown Expenses	FY2025	(FY2024: $180.1bn)	$182.2 bn
NZ Core Expenses/GDP	FY2025	(FY2024: 42.9%)	42.1%
NZ Core Govt Debt	FY2025	(FY2024: $175.7bn)	$183.5 bn
NZ Core Govt Debt/GDP	FY2025	(FY2024: 42.9%)	41.8%
Gross Disposable H/hold Income	Jun-25 year	(up 5.1% yoy)	$108,329
Inflation Rate (CPI)	Jun-26 year	(↓from 7.3% at 2022 peak)	↑ 4.1%
Non-Tradable Inflation	Jun-26 year	(Domestic)	↓ 3.4%
Food Price Inflation	Jun-26 year	(Feb-26 year: 4.5%)	↓ 2.8%
Household Cost of Living	Jun-26 year	(Sep-25 year: 2.4%)	↑ 3.2%
Retail Spending - Electronic trans	Jun-26 mth	Retail decreased 1.4% ($98m)	$6.996 bn
Minimum Wage	from 1-Apr-26	(up from $23.50)	$23.95
Living wage	from 1-Sep-25	(will go to $29.90 from 1/9/26)	$28.95
NZ Median Wage	Mar-26	(Jun-25: $33.56)	$35.00
Average Wages per hour	Mar-26	(Sep-25: $43.68)	$44.12
Annual Wage Inflation	Mar-26	(Dec-24 yr: 3.3%)	0.4%
Labour force participation rate	Mar-26	(Sept-25 qtr: 66.6%)	66.7%
Increase in total employed	Mar-26	(Dec-25 year: 15,000)	4,000
Total Unemployed	Mar-26	Pacifica 12.3% Maori 11.2% Asian 4.4% European 4.2%	163,000
Unemployment	Mar-26		5.3%
(Unemployment Mar-26 Men:5.4% Women: 5.3%)			
Youth Unemployment	Mar-26	(Dec-24: 23.8% Dec-25: 16.5%)	14.4%
Beneficiaries	Mar-26	(Jobseeker/Solo/Supported living)	↑ 427,236
Jobseeker Support numbers	Mar-26	(6.9% of working-age population)	↑ 223,512

LOCAL GOVERNMENT

BOPRC'S DECISION TO STOP ON-DEMAND SERVICE DESPITE STRONG PUBLIC SUPPORT

The Bay of Plenty Regional Council has confirmed the Baybus OnDemand trial will end in December, despite attracting more than five times the patronage of the fixed-route bus service it replaced and achieving customer satisfaction ratings above 90 percent.

The app-based service, introduced in March 2024, replaced Route 51 with flexible, electric minibuses operating across Tauranga South. Patronage stabilised at around 3,700 passenger trips per month (versus around 340 passengers/month under the previous large bus system), demonstrating strong demand for a more convenient, demand-responsive public transport model.

However, the council concluded the service's operating costs could not be justified long term. The trial cost approximately $1.1 million a year, requiring an average public subsidy of around $25 per passenger. Route 51 will now return at an estimated annual operating cost of $320,000.

As the former Public Transport Committee Chair, I championed the trial, described the decision as disappointing. Rather than abandoning the concept, I believe the lessons learned should be used to develop a more affordable model, with smaller electric buses (say 15-20 seater) feeding passengers into Tauranga's main bus corridors.

I also never understood why the trial included a "total Mobility" van, when this service is already catered for within the existing public transport system.

While the trial has come to an end, it has provided valuable data on travel patterns and customer demand. The challenge now will be whether those lessons can be incorporated into a more cost-effective public transport system that retains the flexibility and convenience passengers clearly valued.

COUNCILS RUSHING THROUGH CO-GOVERNANCE DEALS

The "scuttlebutts" say this – and local government has been clearly warned by the Minister not to try and pre-empt the upcoming legislation. Much care does need to be taken – but let's understand what is involved.

What are Mana Whakahono ā Rohe (iwi participation agreements)?

These are iwi participation agreements, introduced by the **Resource Legislation Amendment Act 2017** and were intended to improve the consistency and effectiveness of Māori participation in planning and resource consent processes. They were introduced by the National Government, led by then Prime Minister Bill English. They were established under the **Resource Management Act 1991 (RMA)** to formalise how local authorities and iwi or hapū work together on resource management matters.

In plain English, a Mana Whakahono ā Rohe agreement is essentially a **working agreement** between:

- An iwi authority, and
- A local authority (regional, district or city council).

It does **not** give iwi decision-making powers over councils or create a veto. Instead, it sets out **how the two parties will engage with each other**.

What can an agreement cover?

The parties can agree on matters such as:

- How they will communicate and consult.
- How iwi will be involved in preparing or changing district and regional plans.
- How resource consent applications affecting iwi interests will be managed.
- Timeframes for engagement.
- Sharing of information and technical expertise.
- Dispute resolution processes.
- Opportunities for joint training and relationship building.

What it cannot do

A Mana Whakahono ā Rohe:

- ✘ Does **not** transfer council powers to iwi.
- ✘ Does **not** allow iwi to approve or reject resource consents.
- ✘ Does **not** override the RMA or other legislation.
- ✘ Does **not** create ownership or property rights.

Councils remain the statutory decision-makers under the RMA.

How is one created?

An iwi authority can formally request negotiations with a council.

Once negotiations begin:

- Both parties must negotiate in good faith.
- The agreement is documented in writing.
- It becomes publicly available once completed.

Councils cannot simply refuse to negotiate if a valid request is made.

Why were they introduced?

The Government's objectives were to:

- Improve early engagement between councils and iwi.
- Reduce misunderstandings and litigation.
- Give greater certainty to applicants about when and how iwi should be involved.
- Help councils meet their Treaty-related obligations under the RMA.

Supporters say

Supporters argue the agreements:

- Encourage earlier collaboration rather than conflict.
- Improve environmental outcomes.
- Give clearer expectations for developers and councils.

- Recognise iwi as long-term kaitiaki (guardians) with local knowledge.

Critics say

Critics argue they:

- Can add another layer of process and cost.
- May increase delays for resource consent applicants.
- Can give iwi significant influence even if councils remain the legal decision-makers.
- Create inconsistency because agreements vary between regions.

The Bottom line

A **Mana Whakahono ā Rohe** is **not a co-governance arrangement or a transfer of decision-making authority**. It is a statutory agreement that formalises how councils and iwi will work together on resource management issues. In practice, however, the extent of iwi influence can vary depending on the content of the agreement and how individual councils implement it.

UNFORTUNATELY, TOO MANY IN LOCAL GOVERNMENT REMAIN WEDDED TO THE "JACINDA ARDERN MANTRA" OF UNBRIDLED SOCIALISM, AND CAN'T BE TRUSTED TO PROMOTE GENUINE DEMOCRACY – "ONE PERSON, ONE VOTE".

That has been the history of the RMA. The 1991 Act was a brilliant piece of environmental law, but risk averse Councils (and the judiciary) have set precedents that "bastardised" the original intent – and that is why we urgently need RM Reform.

STOP PRESS: On 20th July Cabinet has agreed that existing and initiated Mana Whakahono ā Rohe agreements **will not transfer into the new planning system**. Instead, councils will have the option of entering into new narrowly scoped iwi participation agreements to record how iwi authorities will participate in statutory planning processes and processes required to give effect to Treaty settlement redress. Clear guardrails will be included in the legislation to prevent scope creep.

MAYOR DRYSDALE TO JOIN PRESTIGIOUS GLOBAL LEADERSHIP PROGRAMME

Tauranga Mayor Mahé Drysdale has been selected to take part in the Bloomberg Harvard City Leadership Initiative, a prestigious nine-month programme run by US based Harvard University and Bloomberg Philanthropies.

He is one of just 46 mayors from 15 countries chosen this year, and one of only two New Zealand mayors invited to participate.

ONLY TWO NEW ZEALAND MAYORS ARE INCLUDED IN THIS YEAR'S COHORT – TAURANGA'S MAHÉ DRYSDALE AND DUNEDIN'S SOPHIE BARKER

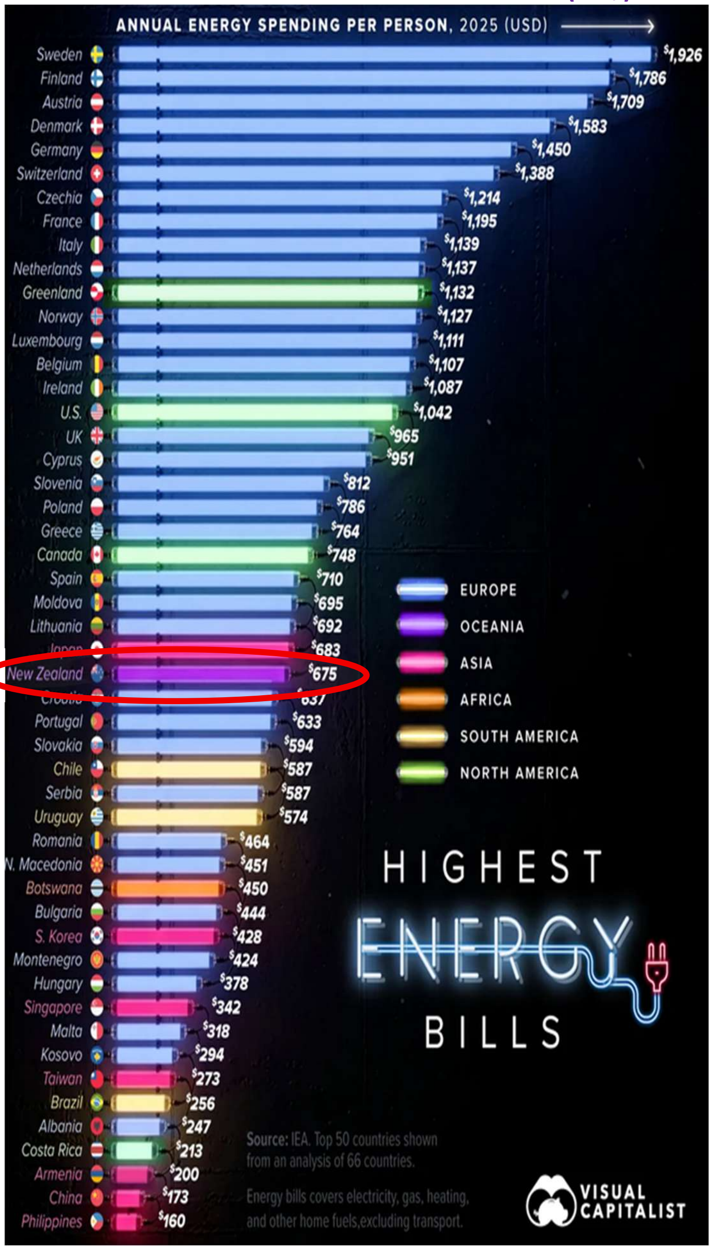
The programme, which is fully funded by Bloomberg Philanthropies, aims to help city leaders strengthen their leadership skills and improve local government performance through expert tuition, practical projects and collaboration with mayors from around the world.

Drysdale says the programme will help Tauranga tackle key challenges such as rapid population growth, housing affordability, transport congestion and creating vibrant city centres. It will also provide access to international best practice, leadership tools and an ongoing global network of city leaders.

This appointment is a significant recognition for Tauranga and provides the Mayor with an opportunity to learn from international experts and bring new ideas home.

THE REAL MEASURE OF SUCCESS, HOWEVER, WILL BE WHETHER THOSE LESSONS TRANSLATE INTO BETTER INFRASTRUCTURE, HOUSING, TRANSPORT AND SERVICES FOR TAURANGA RESIDENTS.

ENERGY SPENDING PER PERSON IN 2025 (US$)



The figures include electricity, gas, heating, and other fuels used in the home, but exclude transportation costs.

High household energy spending reflects a mix of factors rather than prices alone. Colder climates require more heating.

Pita Alexander
Mobile: 021 465 426

The actual estimated New Zealand beneficiary numbers are (including National superannuitants)

2021	1,563,000	actual
2022	1,562,000	actual
2023	1,603,000	actual
2024	1,632,000	actual
2025	1,709,000	actual
2026	1,761,000	estimate
2027	1,785,000	estimate
2028	1,796,000	estimate
2029	1,819,000	estimate
2030	1,847,000	estimate

What is the estimated New Zealand eligible population to vote in the 2026 election:		4,051,640
Number of people enrolled:	3,598,609	
Number of people not enrolled:	453,031	
Percentage enrolled:	88.82%	

The New Zealand government income and expenses for the year to end 30 June 2026

Estimated gross income		
Taxation revenue	$123.970 billion	
Other sovereign revenue	$48.020 billion	$171.990 billion
Less overall expenses		
Social welfare	$34.487 billion	
National superannuation	$24.730 billion	
Health	$31.894 billion	
Education	$23.069 billion	
Core government services	$6.277 billion	
Law and order	$7.861 billion	
Transport and communication	$17.612 billion	
Economic and industrial services	$15.580 billion	
Defence	$3.553 billion	
Heritage, culture and recreation	$3.452 billion	
Primary services	$2.960 billion	
Housing and community developments	$4.220 billion	
Environmental protection	$2.383 billion	
Interest	$10.161 billion	
GSF superannuation	$0.058 billion	
Other costs	$0.239 billion	
Special credit	($1.700) billion	$186.836 billion
Estimated (deficit)		($14.846 billion)

The 2026 gross income of $171.990 billion is an increase of $2.179 billion compared with the 2025 year or an increase of 1.283%.

The 2026 year expenses of $186.836 billion are an increase of $3.334 billion compared with the 2025 year or an increase of 1.816%.

The overall 2026 year government gross income represents: $471 million per day.
The overall government expense represents: $512 million per day.

Government 2026 Expenses	Total Cost	% of total expenses
Health	$31.894 Bn	17.07%
Welfare payments	$34.487 Bn	18.46%
National Superannuation	$24.730 Bn	13.26%
Education	$23.069 Bn	12.35%
Interest	$10.161 Bn	5.44%

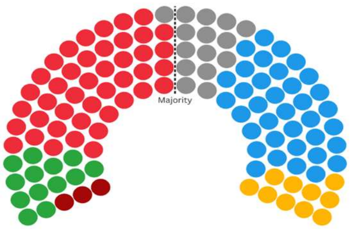
PLEASE NOTE: All political comments are my personal views, and do not purport to represent the views of the New Zealand National Party – of which I am a Board Director.

TAXPAYERS' UNION / CURIA July-26 POLL				
Party	Vote	Change*	Seats	Change**
National	30.5%	0.4%	39	(10)
ACT	6.9%	(0.9%)	9	(2)
NZ First	10.8%	(0.6%)	14	6
Labour	31.5%	(0.7%)	41	7
Green	10.4%	(1.1%)	13	(2)
Māori	3.4%	0.3%	4	(2)
TOP	3.3%	0.1%	-	nc
Other	3.2%		-	nc
* Change from May 2026		** Change since election		
Polling Period: 1st to 5th July 2026				

RNZ - REID RESEARCH POLL - jULY 2026				
	Vote	Change*	Seats	Change**
National	28.7%	(2.1%)	36	(13)
Act	7.8%	0.8%	10	2
NZ First	11.5%	0.9%	15	7
Labour	34.0%	(1.6%)	43	9
Green	10.3%	0.2%	13	(2)
Māori	2.3%	(0.9%)	3	(3)
Opportunity	4.7%	2.7%	-	nc
Other	0.7%		-	nc
* Change from March 2026		** Change since election		
Polling Period: 2nd to 9th July 2026				

TALBOT MILLS POLL - July 2026				
	Vote	Change*	Seats	Change**
National	31.0%	2.0%	39	(10)
Act	7.0%	1.0%	9	(2)
NZ First	12.0%	nc	15	7
Labour	33.0%	(1.0%)	42	8
Green	9.0%	(4.0%)	11	(4)
Māori	3.0%	nc	4	(2)
Opportunity	4.7%	1.4%	0	0
* Change from June		** Change since election		
Polling Period: July 2026				

POLLS - CURRENT GOVT RETAINS A SLIM MAJORITY



INDICATIONS ARE THIS WILL BE A VERY TIGHT ELECTION

NEW ZEALAND'S CHANGING ETHNIC MAKEUP

New Zealand is also a highly international country:

- **28.8% of residents were born overseas.**
- The largest overseas-born populations come from:
  - England — China
  - India — Philippines
  - South Africa — Australia
  - Fiji — Samoa

New Zealand has become markedly more diverse since the 1980s. In 1986, the country was still overwhelmingly European, with Māori the main minority population and relatively small Pacific and Asian communities. By the 2023 Census, European remained the largest group at **67.8%**, but Māori had risen to **17.8%**, Asian to **17.3%**, and Pacific peoples to **8.9%**. People can choose more than one ethnicity, so totals exceed 100%.

Census year	European	Māori	Pacific	Asian	MELAA / Other
1986	~83%	~12%	~4%	~1–2%	n/a
1996	~80%	~15%	~5%	~5%	small
2006	67.6%	14.6%	~6.9%	9.2%	~0.9%
2013	74.0%	14.9%	~7.4%	11.8%	~1.2%
2018	70.2%	16.5%	~8.1%	15.1%	~1.5%
2023	67.8%	17.8%	8.9%	17.3%	1.9%

The big story is the growth of Asian New Zealanders, driven mainly by migration from China, India and the Philippines. Māori and Pacific populations have also grown as shares of the population, while the European share has steadily declined.

International comparison		
Country	Latest broad measure	Overseas-born / immigrant share
New Zealand	European 67.8%, Māori 17.8%, Asian 17.3%, Pacific 8.9%	28.8%
Australia	Top ancestries: English 33.0%, Australian 29.9%, Irish 9.5%, Scottish 8.6%, Chinese 5.5%	27.6% in 2021; around 30%+ more recently
Canada	White about 69.8%, visible minority 26.5%, Indigenous 5.0%	23.0% immigrants in 2021
England & Wales	White 81.0%, Asian 9.6%, Black 4.2%, Mixed 3.0%, Other 2.2%	Not directly comparable
United States	White non-Hispanic 57.8%, Hispanic 18.7%, Black 12.1%, Asian 5.9%	Foreign-born about 14.3% in 2023

Bottom line: New Zealand is now one of the more ethnically diverse Western countries, with an overseas-born share (28.8%) similar to Australia and higher than Canada, the UK and the United States.

DATE	Polling Organisation	Sample size	NAT	ACT	NZF	LAB	GRN	TPM	TOP	Others
4-14 June 2026	OneNews/Verian	1,000	30.1	6	11	32	13	1.8	4.6	1.5
11-15 June 2026	Taxpayers'/Curia	1,000	29	7.8	11.4	32.2	11.5	3.1	3.2	1.8
May - 21st June 26	Roy Morgan	891	31	9.5	10.5	25.5	13.5	3	6.5	0.5
1-5 July 2026	Taxpayers'/Curia	1,000	30.5	6.9	10.8	31.5	10.4	3.4	3.3	3.2
2-9 July 2026	RNZ/Reid	1,000	28.7	6.9	11.5	34	10.3	2.3	4.7	0.7
Jul-26	Talbot Mills	1,000	31	7	12	33	9	2.3	4.7	1
Combined Average			30.1	7.4	11.2	31.4	11.3	2.7	4.5	1.5

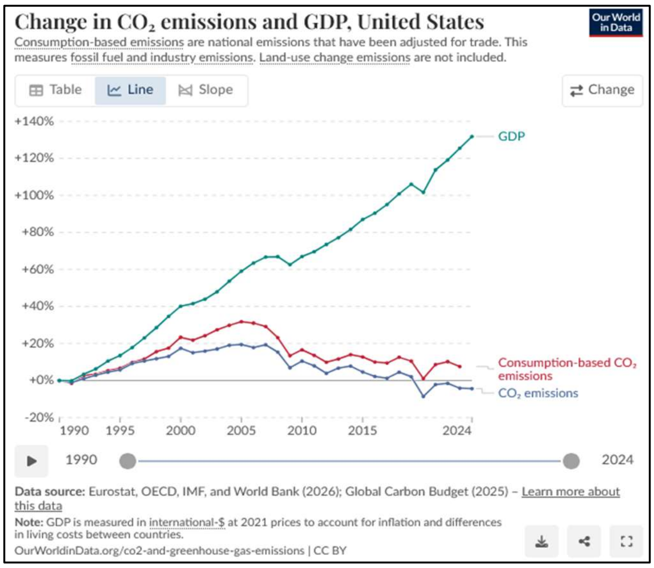
THE BIGGEST WINNERS AND LOSERS FROM THE 2015 PARIS CLIMATE AGREEMENT

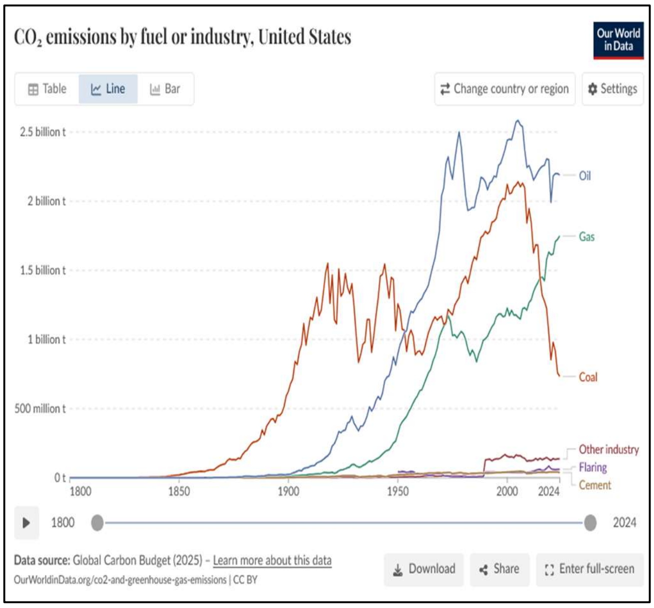
A decade after the **Paris Climate Agreement** was signed in 2015, it's becoming easier to see which countries have made the greatest progress in reducing greenhouse gas emissions—and which have gone in the opposite direction.

BIGGEST REDUCTIONS IN TOTAL EMISSIONS SINCE 2015

Country	Change (Million Tonnes CO_2-e)
United States	-451
Japan	-260
Germany	-230
United Kingdom	-141
Ukraine	-120
Venezuela	-96
France	-84
Italy	-62
Spain	-58
Netherlands	-56

The **United States** has achieved the largest absolute reduction in emissions since the Paris Agreement was signed.





BIGGEST INCREASES IN TOTAL EMISSIONS SINCE 2015

Country	Change (Million Tonnes CO_2-e)
China	2,605
India	1,060
Indonesia	470
Russia	327
Iran	261
Vietnam	240
Iraq	137
Türkiye	114
Pakistan	102
Saudi Arabia	86

By comparison, **New Zealand's emissions have fallen by around 10% (8.3 million tonnes)** since 2015—roughly **one three-hundredth of China's increase** over the same period.

LARGEST PERCENTAGE REDUCTIONS

Country	Reduction
Estonia	-45%
Equatorial Guinea	-43%
Lebanon	-42%
Ukraine	-38%
Venezuela	-36%
Netherlands	-28%
United Kingdom	-27%
Bulgaria	-26%
Germany	-25%
Czechia	-25%
New Zealand	-10%

LARGEST PERCENTAGE INCREASES

Country	Increase
Mongolia	97%
Laos	94%
Guyana	91%
Vietnam	70%
Chad	61%
Indonesia	55%
North Korea	54%
Iraq	50%
Mali	49%
Togo	49%

THE KEY TAKEAWAYS

These figures highlight the challenge facing global climate policy. While many developed economies have reduced emissions substantially, rapid industrialisation and economic growth in several developing nations—particularly **China and India**—have more than offset many of those gains.

It also illustrates why New Zealand's contribution, while commendable domestically, represents only a very insignificantly small fraction of the overall global emissions picture.

MORE KIWIS MOVING FROM BENEFITS INTO WORK

The latest Ministry of Social Development figures show a continued improvement in the number of New Zealanders leaving benefits and finding employment, despite challenging economic conditions.

MORE KIWIS MOVING FROM BENEFITS TO WORK			
Measure	Jun-25	Jun-26	Change
Annual exits from benefit to work	80,772	86,544	+5,772 (+7.1%)
Quarterly exits (June quarter)	19,596	21,261	+1,665 (+8.5%)

For the **year ending June 2026**, **86,544 people** moved from a main benefit into work - **5,772 more** than in the year ending June 2025. Quarterly results also improved, with **21,261 people** leaving a benefit for work during the **June 2026 quarter**, an increase of **1,665** compared with the same quarter last year.

While the total number of working-age beneficiaries rose by **1%** over the quarter, this reflects normal seasonal patterns, with employment opportunities typically easing after the stronger March quarter.

The Government says initiatives such as its **Traffic Light System**, **Kōrero Mahi – Let's Talk Work** seminars, and partnerships with employers are helping more people move into sustainable employment. More than **16,000 jobseekers** attended Kōrero Mahi seminars during the June quarter, while programmes with employers such as **Ventia**, Auckland Airport's **Ara Jobs and Skills Hub**, and **SkyCity** have helped connect jobseekers with vacancies.

The figures suggest that, although the labour market remains challenging, more New Zealanders are successfully transitioning from welfare into employment than a year ago.

TRANSPARENCY NEEDED - "NO-OBJECTION" PAYMENTS

Debate over the proposed expansion of the Port of Tauranga, highlighs a broader question about transparency in New Zealand's resource consent system.

Ngāti Kuku has sought significant annual compensation as part of negotiations over the project. The figures reported vary widely, but all amount to many hundreds of millions of dollars over the life of the proposed consent.

No one disputes that where development directly affects legitimate property rights or causes identifiable environmental or cultural impacts, appropriate mitigation or compensation should be considered. That is a well-established principle. However, there is a wider public interest issue. When payments are made as part of resource consent negotiations in return for withdrawing or not lodging objections, should those arrangements remain confidential?

Large infrastructure projects are ultimately paid for by consumers, businesses and taxpayers. If substantial sums are being paid to secure planning approvals, the public has a legitimate interest in knowing how often this occurs, who receives the payments, and their value.

One option would be to require applicants for major resource consents to disclose, in an annual public register, any payments, compensation agreements or other financial arrangements entered into with individuals, iwi, hapū or organisations in connection with obtaining planning approval. Such disclosure would not prevent agreements from being reached, but it would ensure greater accountability and public confidence in the consent process.

Transparency is one of the foundations of good governance. As the saying goes, **sunlight is the best disinfectant**.

COALITION TENSIONS EMERGE – PETERS NIGGLES

A rare exchange of official letters has exposed a significant policy difference within the Coalition Government, with Deputy Prime Minister Winston Peters and Finance Minister Nicola Willis taking opposing positions on funding for the Ministry of Foreign Affairs and Trade (MFAT).

While most government departments have been directed to find ongoing savings as part of the Government's drive to reduce public spending, Peters has instructed MFAT not to begin any baseline savings exercise before the November election. He argues New Zealand's diplomatic network and international development programme are already underfunded and that pursuing staff cuts during a period of geopolitical instability would be disruptive and counterproductive.

Budget 2026 assumes MFAT will eventually contribute around **$143 million in savings** between 2027 and 2029 as part of the Government's wider public sector efficiency programme. Although MFAT was exempted from this year's initial 2% savings target, it remains scheduled to find annual savings in subsequent years.

In response, Nicola Willis reminded Peters that Cabinet had agreed to reduce spending and public service headcount across government, including at MFAT. She acknowledged the pair have differing views on the appropriate size of the ministry and indicated the issue would become part of the election campaign and any post-election coalition negotiations.

The correspondence highlights one of the Coalition's more visible policy fault lines. Should New Zealand First again hold the balance of power after the election, Peters is expected to push strongly for increased investment in New Zealand's diplomatic service rather than further cuts.

The disagreement also questions whether the Government's planned **$2.4 billion of public sector savings will be delivered. This was a** key fiscal objective outlined in Budget 2026.

LUXON CALLS OUT NZ FIRST OIL & GAS U-TURN

National Party leader Christopher Luxon has accused coalition partner Winston Peters of political hypocrisy after NZ First unveiled a $1 billion election policy to restart the search for New Zealand's offshore oil and gas reserves.

Launching its election campaign, NZ First pledged to fund a nationwide programme to scientifically map offshore petroleum resources, arguing that New Zealand must identify, develop and use its own energy reserves to strengthen fuel security and reduce dependence on overseas supplies.

Peters said the policy was designed to address growing geopolitical uncertainty and would help restore New Zealand's energy independence and economic prosperity.

However, Luxon was quick to point out that NZ First was part of the Labour-led Government that introduced the 2018 ban on new offshore oil and gas exploration permits. Speaking on Newstalk ZB, he described the announcement as "deeply ironic", noting that Peters, as Deputy Prime Minister at the time, stood alongside Jacinda Ardern and Energy Minister Megan Woods when the exploration ban was announced.

The 2018 decision severely damaged New Zealand's energy sector and contributed to today's natural gas shortages and higher energy costs. While the current coalition has since repealed the exploration ban, he questioned NZ First's credibility in now campaigning on a policy to rebuild the very industry it helped shut down.

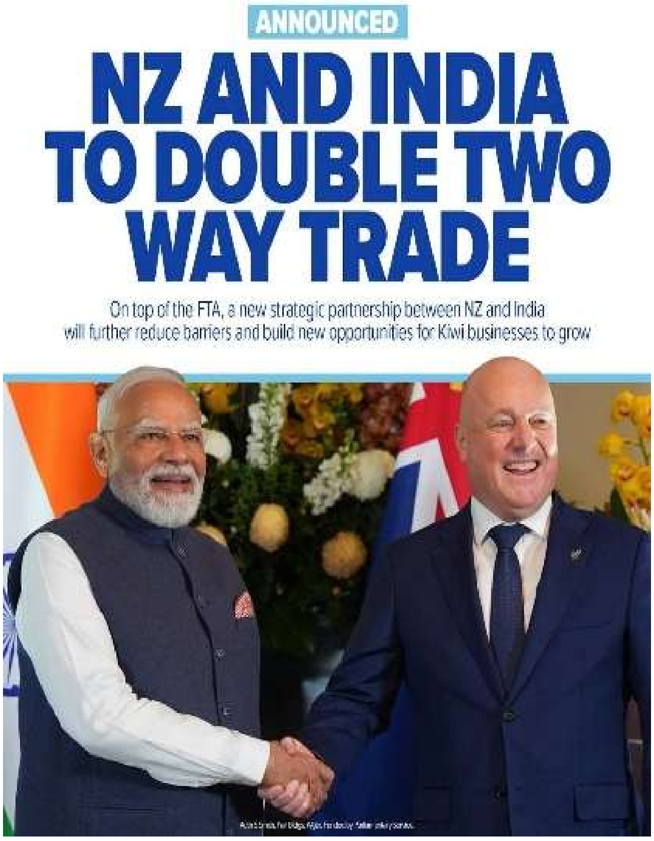
NZ FIRST HIGHLIGTS ITS OWN FAILURESON OIL & GAS

"NEW ZEALAND HAD A THRIVING OIL & GAS INDUSTRY BEFORE WINSTON PETERS AND SHANE JONES DID A DEAL WITH LABOUR AND THE GREENS TO BAN OFFSHORE EXPLORATION"

NEW ZEALAND FIRST WAS INVOLVED. **THE REALITY IS THAT IT DID NOT VETO THE MOVE, WHEN IT HAD THE POWER TO DO SO.**

WINSTON WRONG AGAIN OVER INDIA TRADE DEAL

Remember, Winston opposed the FTA with China too…. Fresh tensions have emerged within the Coalition Government over New Zealand's Free Trade Agreement with India, with New Zealand First and National publicly clashing over the deal's immigration provisions.



NZ First leader Winston Peters claims officials have advised the Government to introduce immigration restrictions that would apply specifically to Indian nationals while keeping those plans out of the public eye to avoid damaging relations with India.

National has strongly rejected the claims. Trade Minister Todd McClay accused Peters of spreading misinformation for political purposes, insisting no such discriminatory policy exists. However, neither side has released the briefing document at the centre of the dispute, leaving the public unable to verify either version of events.

The episode highlights the increasingly public policy differences within the Coalition as the election approaches. While the India FTA itself continues to progress through Parliament, the dispute over its immigration implications has exposed another fault line between National and New Zealand First.

"The price of apathy towards public affairs is to be ruled by evil men."

\- Plato

SHOULD ONLY NZ CITIZENS BE ALLOWED TO VOTE?

SOURCE: Kiwiblog, 6-July-26

New Zealand First has announced it will campaign to change the Electoral Act so that **only New Zealand citizens are eligible to vote**.

At present, permanent residents can vote after living in New Zealand for just two years. In some cases, people holding visas with no expiry date can qualify after only one year.

This places New Zealand among a very small group of countries that allow non-citizens to vote in national elections. In fact, our voting rules have often been described as among the most liberal in the world.

Supporters of the proposal argue that voting is one of the fundamental rights of citizenship and that becoming a New Zealand citizen should be an important milestone for those choosing to make this country their permanent home. They also point out that around **one in five (20%) New Zealand residents is not a citizen**, compared with around **one in ten (10%)** in countries such as Australia and the United Kingdom.

The proposal is not about reducing immigration. Rather, it is about encouraging migrants who have made New Zealand their home to take the final step and become New Zealand citizens.

Given that most democracies restrict voting in national elections to citizens, this proposal is likely to generate considerable debate during the election campaign, but it also raises a fundamental question:

SHOULD THE RIGHT TO VOTE BE RESERVED FOR THOSE WHO HAVE MADE A FORMAL COMMITMENT TO NEW ZEALAND THROUGH CITIZENSHIP?

NZERS TOO SICK TO WORK – WHY THE SURGE?

The number of New Zealanders receiving sickness or disability-related benefits has continued to climb, raising concerns about both the human and financial cost.

Over the past decade, the number of people receiving either **Jobseeker Support for health** conditions or the **Supported Living Payment has increased from 141,465 to 194,157—an increase of more than 52,000 people.** Today, around 5% of New Zealand's working-age population receives one of these payments, compared with around 4% a decade ago.

The cost to taxpayers is substantial. Annual benefit payments now total more than $5 billion, with a further $837 million spent each year on programmes designed to help beneficiaries return to work.

One of the biggest drivers has been the rapid growth in mental health-related claims, particularly since the COVID-19 pandemic. Increasing numbers of young New Zealanders are reporting anxiety, depression and other psychological conditions, while mental health services remain under significant pressure.

The issue has become politically contentious. ACT has proposed replacing family doctors with Government-appointed medical assessors for determining eligibility, arguing that independent assessments would create greater consistency and reduce the risk of inappropriate approvals. Critics, however, argue that GPs know their patients best and warn that removing them from the process could create unnecessary bureaucracy and reduce trust in the system.

However, there is no clear evidence that GPs are the primary cause of rising beneficiary numbers. Instead, experts point to a combination of factors including worsening mental health, an ageing population, more complex long-term illnesses, and ongoing shortages in health and rehabilitation services.

Internationally, New Zealand sits around the middle of the OECD in the proportion of working-age people receiving sickness or disability benefits—suggesting the trend is not unique to this country.

The challenge for policymakers is finding the right balance: ensuring genuinely unwell New Zealanders receive the support they need, while helping as many people as possible return to employment where appropriate. With benefit costs continuing to rise, the debate over how to achieve that balance is likely to become a significant issue in the lead-up to the election.

NZ MUST START INVESTING IN ITSELF AGAIN

New Zealand was once one of the richest countries in the world, ranking third for income per person in 1950.

We have missed an opportunity with offshore oil & gas, unlike the likes of Norway, which has massively grown its national wealth through exploration investment.

TODAY, WE HAVE SLIPPED TO AROUND 34TH GLOBALLY AND 20TH WITHIN THE OECD

This decline is not because New Zealanders have become less productive or innovative, but because successive governments have failed to invest sufficiently in the country's long-term productive capacity.

Billions of dollars leave New Zealand every year to pay for imported fuel, overseas technology, defence equipment and foreign digital services. Rather than creating jobs and wealth here, that spending strengthens other economies.

A key solution would be to accelerate investment in New Zealand's renewable energy advantage. With around 90% of electricity already generated from renewable sources, greater electrification of transport and industry could dramatically reduce the country's dependence on imported oil. Within a decade this could keep $1.5-$2.5 billion a year circulating in the NZ economy, rising to around $5 billion annually over time.

There are growing concerns about our national resilience. New Zealand now imports all its refined fuel, relies heavily on overseas digital infrastructure, and has critical supply chains that remain vulnerable to international disruption. Building more energy generation, storage, digital capability and manufacturing at home would improve both economic security and national resilience.

Companies such as Rocket Lab demonstrate that New Zealand can compete successfully in advanced technology industries. The author argues the Government should become a stronger supporter of local innovation by adopting a "New Zealand First" approach to procurement, ensuring public spending develops domestic businesses, skills and strategic capability wherever practical.

New Zealand's economic decline is not inevitable

By investing more in local energy, technology, manufacturing and infrastructure, the country can rebuild productivity, improve resilience and create higher living standards for future generations.

ARE DATA CENTRES KEY TO NZ'S FUTURE?

The Government's new investment agency, Invest New Zealand, is aiming to attract **$25–30 billion** of overseas investment into data centres and related infrastructure over the next five years, arguing it could generate up to **$70 billion** in wider economic activity and create thousands of construction jobs.

New Zealand has several competitive advantages, including abundant renewable electricity, a cool climate, political stability, fast-track consenting, and strong links to Asian markets. Data centres could accelerate AI adoption, boost exports and encourage investment in new renewable electricity generation.

However, critics question whether the economic benefits justify the enormous electricity demand. Wellington technology entrepreneur Don Christie argues that hyperscale data centres create relatively few permanent jobs while consuming large amounts of renewable energy that could instead support local manufacturing and higher-value New Zealand businesses. He also warns that much of the economic return and profits would flow offshore to multinational technology companies.

The debate comes as several overseas jurisdictions have slowed or paused new data centre developments because of concerns over electricity demand, water use and community impacts. New Zealand's stricter planning rules and renewable energy system may reduce some of those risks, but significant questions remain over infrastructure, power supply and long-term economic value.

LOWER ELECTRICITY PRICES ON THE HORIZON – BUT DON'T EXPECT BIG HOUSEHOLD SAVINGS YET

There is encouraging news for New Zealand electricity users, with wholesale power prices falling sharply as billions of dollars of new renewable generation comes online. Meridian Energy says forward wholesale electricity prices for 2027 have fallen by more than 35% since April, while prices for 2028 and 2029 are down around 15%, reflecting a surge in new wind, solar and battery projects.

Commercial customers are already starting to benefit as electricity contracts are renewed, and households should eventually see lower generation costs when fixed-price contracts are reviewed.

Current wholesale electricity prices are around $16 per megawatt hour, compared with about $150/MWh during recent winters and the extraordinary $820/MWh price spike in winter 2024.

The improved outlook has been helped by exceptionally strong hydro lake levels. National hydro storage is sitting at 136% of the historical average, with Meridian reporting the highest annual hydro inflows since 1998. However, there is a catch.

The generation component accounts for only 38.5% of a typical household power bill. The rest is made up of transmission (8%), local distribution networks (24.5%), retail costs (11%), and GST, metering and other levies (18%).

With Transpower and local electricity lines companies investing billions in network upgrades through to at least 2030, these charges are expected to continue rising.

The bottom line is that New Zealand's investment in renewable energy is finally putting downward pressure on wholesale electricity prices - which is good news for businesses and, eventually, households.

However, rising network charges mean consumers should expect only modest reductions in their overall power bills, rather than dramatic savings, over the next few years.

ARDERN'S LEGACY WAS A SHIFT AWAY FROM FREEDOM

SOURCE: Matthew Horncastle

Former Prime Minister Jacinda Ardern's greatest impact was not any single policy but a fundamental change in New Zealand's political culture.

BEFORE ARDERN, NEW ZEALAND VALUED PERSONAL RESPONSIBILITY, INDIVIDUAL FREEDOM, SELF-RELIANCE AND LIMITED GOVERNMENT.

Her emphasis on "kindness" transformed these values into a justification for greater state intervention, higher redistribution and increased government control.

COVID-19 is presented as the defining example. The then Labour Government assumed unprecedented powers over people's lives by deciding who could work, travel, operate a business and even return home. It argues that the Government's description of itself as the "single source of truth" became a symbol of a broader shift towards centralised authority, discouraging debate and independent thinking.

ARDERN'S LEADERSHIP NORMALISED DEPENDENCE ON GOVERNMENT, REWARDED COMPLIANCE AND EXPANDED THE ROLE OF THE STATE AT THE EXPENSE OF INDIVIDUAL LIBERTY.

Rather than empowering New Zealanders to make their own decisions, her Labour Government increasingly expected citizens to seek permission and accept official direction – and Ardern only took the government benches because of the support of Winston Peters.

Drawing on the philosophy of Ayn Rand, sacrificing the rights of the individual for the perceived good of the collective inevitably erodes freedom.

ARDERN'S LASTING LEGACY IS A NEW ZEALAND THAT IS LESS FREE, MORE DEPENDENT ON GOVERNMENT AND MORE ACCEPTING OF STATE INTERVENTION THAN THE COUNTRY SHE INHERITED.

FIVE YEARS PAID-LEAVE – AT TAXPAYERS' EXPENSE

One of the more extraordinary stories of recent times raises serious questions about accountability in the public service.

According to media reports, a Ministry of Justice employee (Rotorua based Ex-Lotto presenter – Russell Harrison) who was later **convicted of money laundering** remained on the Government payroll for **five years** after being arrested as part of an international organised crime investigation.

During that time, he was suspended from duties but continued to receive his salary (after just one week of employment) , reportedly costing taxpayers hundreds of thousands of dollars.

The Ministry's explanation was that, because the employee was presumed innocent until proven guilty, it could not terminate his employment until the criminal case had been resolved. That defence deserves closer scrutiny.

Harrison delivered **six bars of gold bullion to the Comancheros' "International Commander" in Turkey** and **was suspended on full pay** from his government job after he was arrested as part of a global FBI sting targeting organised crime.

THE PRESUMPTION OF INNOCENCE IS A CORNERSTONE OF OUR CRIMINAL JUSTICE SYSTEM, BUT EMPLOYMENT LAW IS DIFFERENT.

Employers are not generally required to wait years for the outcome of criminal proceedings before taking employment action. They can conduct their own investigation, follow due process, and make decisions based on whether an employee can continue in their role or whether the employment relationship has broken down.

It is difficult to imagine a private sector employer continuing to pay a suspended employee for five years while serious criminal charges worked their way through the courts.

THIS CASE HIGHLIGHTS A BROADER ISSUE ACROSS PARTS OF THE PUBLIC SECTOR.

Taxpayers rightly expect government departments to manage public money with the same care and discipline expected of any well-run business.

The Ministry of Justice should explain why this situation was allowed to continue for so long, whether existing employment policies need to change, and what safeguards will be put in place to ensure taxpayers are not left carrying the cost of similar cases in the future.

WHY SUPERANNUATION MATTERS

Australia continues to offer better economic opportunities for young Kiwis. This isn't simply about higher wages or Australia's mining wealth.

The key difference is Australia's compulsory superannuation system. Since its introduction in 1992, Australians have accumulated around A$5 trillion in retirement savings. Those funds have not only strengthened individual retirement security but have also created a deep pool of domestic investment capital, helping build sophisticated financial markets, support business investment and lift productivity and wages across the economy.

By comparison, New Zealand abandoned a compulsory savings scheme in 1975 and has never fully replaced it. The result is a country that remains overly dependent on foreign capital while many of its brightest young people continue to seek greater opportunities overseas.

Migration statistics underline the challenge. During 2025, more than 47,500 New Zealanders moved permanently to Australia, while only about 19,000 returned—a net loss of around 28,500 people. Most are likely to be young, skilled and ambitious workers beginning their careers.

New Zealand should stop viewing Australia simply as a richer neighbour and instead ask why the economic gap continues to widen. While trade, tourism and selective resource development all have important roles to play, increasing national savings through compulsory retirement savings could become one of the most significant long-term reforms available.

Ultimately, the concern is not simply that young New Zealanders leave. It is whether New Zealand can create the economic opportunities that encourage them to return home. That, the author argues, will depend on making better long-term policy decisions today.

STUFF BACKTRACKS ON LUXON HIT JOB

SOURCE: David Farrar, 18-July-26

Christopher Luxon said in Whangarei that “I don’t need to do this job” and ““I choose to do this job because actually I want the potential in this great country of ours to be realised for the benefit of our kids and our grand kids.”

Quite an unremarkable statement. But Stuff decided that they had to manufacture a story so went around asking random people what they thought of Luxon saying he doesn’t need “a” job - and ran a story that was 100% negative on Luxon.

They then deleted the story, but only after the damage was done.

POLITICAL BLOGGER DAVID FARRAR, HAS SUGGESTED THE EPISODE WARRANTS A COMPLAINT TO THE MEDIA COUNCIL

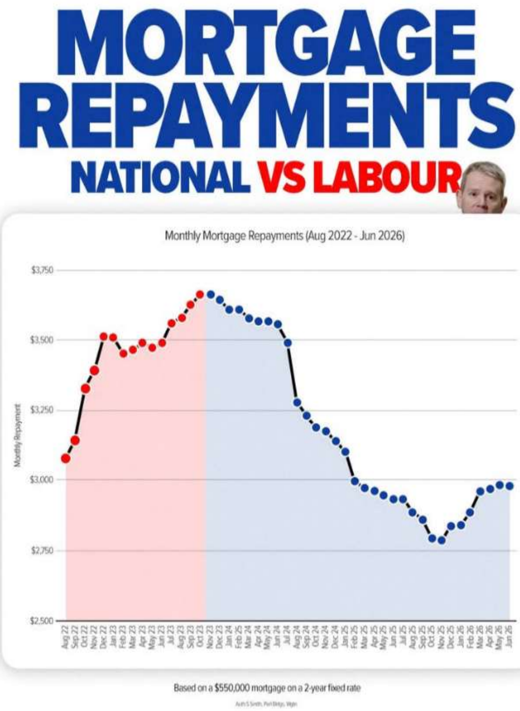
FURTHER ELECTRICITY SUPPLY REFORM

The Government is proposing major reforms to improve New Zealand's electricity security after the winter 2024 energy crisis, when wholesale power prices briefly surged to $820/MWh.

Energy Minister Simeon Brown wants large generators and major electricity users to secure sufficient backup generation and fuel ahead of potential dry years, backed by tougher penalties of up to $10 million, 10% of annual turnover, or three times any commercial gain for serious breaches.

The proposals have divided the sector. Generator lobby group Erganz, representing companies supplying almost 90% of New Zealand's electricity, argues the reforms are unnecessary, saying the industry is already investing around $10 billion in new wind, solar and battery projects. It believes growing renewable capacity and lower forward electricity prices indicate the market is correcting itself and warns the new rules could actually increase consumer costs.

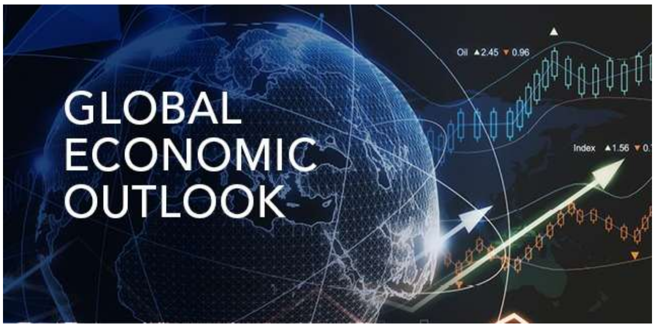
However, Entrust, the majority owner of Vector, strongly supports the reforms, arguing the market has failed consumers by allowing repeated supply shortages and price spikes. It says the dominance of the four major gentailers has discouraged sufficient investment in reliable backup generation and supports measures to strengthen competition and improve long-term energy security.



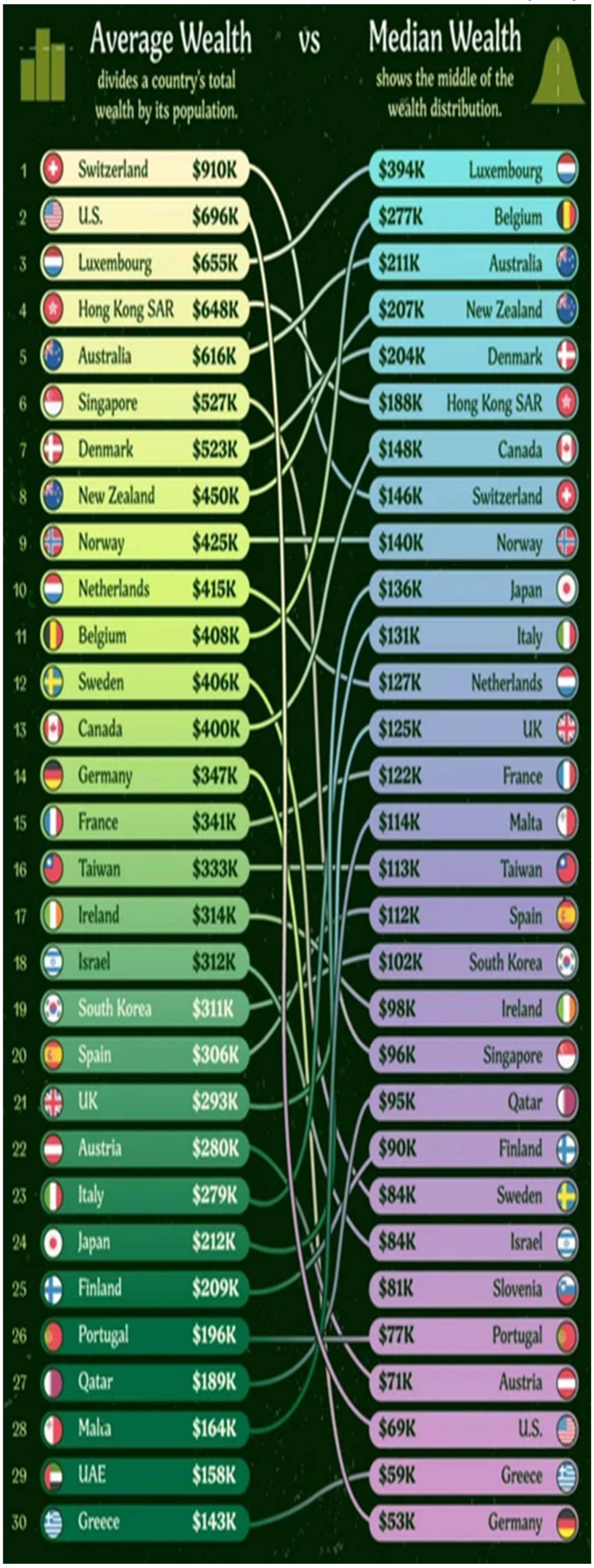
2026 NBR RICH LIST – TOP 50

2026 Rank	Name	2026 billion $	2024 billion $	Industry	Growth pa over 2 yrs
1	Matt & Nick Mowbray	20.0	20.0	Make & Sell	0.0%
2	Graeme Hart	14.1	12.1	Investment	8.3%
3	Sir Peter Beck	11.0	0.600	Investment	866.7%
4	Goodman Family	5.5	3.8	Property	22.4%
5	Todd Family	3.5	4.3	Investment	(9.3%)
6	Sir Peter Jackson & Dame Fran Walsh	2.6	3.0	Tech & Services	(6.7%)
7	Sir Michael Friedlander	2.1	1.9	Property	5.3%
8	Rod Drury	1.8	1.5	Tech & Services	12.1%
9	Talley Family	1.8	1.6	Agribusiness	4.7%
10	Peter Cooper	1.7	1.5	Property	6.7%
11	Fukutake Family	1.6		Property	
12	James Cameron	1.6		Tech & Services	
13	Andy Cullen	1.3		Tech & Services	
14	Anne & David Norman	1.3	1.1	Make & Sell	9.1%
15	Masfen Family	1.3	0.950	Investment	18.4%
16	Mark Stewart	1.2	1.1	Make & Sell	4.5%
17	Farmer Family	1.2	0.950	Property	13.2%
18	Alwx Kendall	1.1		Tech & Services	
19	Stewart Family	1.1		Make & Sell	
20	Berridge Spencer	1.1	1.0	Investment	5.0%
21	Zhang Family	1.1		Property	
22	Manson Family	1.1	1.1	Property	0.0%
23	Bruce Plesed	1.05	1.3	Tech & Services	(9.6%)
24	Gibbs Family	1	0.850	Investment	8.8%
25	Guy Haddleton	1	0.800	Tech & Services	12.5%
26	Lucy Lui	1		Tech & Services	
27	Green Family	0.950	0.800	Property	9.4%
28	Ross Green	0.900	0.750	Investment	10.0%
29	Richardson O'Donnell Family	0.900	0.500	Tech & Services	40.0%
30	Kirkpatrick Family	0.900	0.800	Property	6.3%
31	Brendan & Jo Lindsay	0.875	0.825	Investment	3.0%
32	Cliff Cook	0.850	0.820	Property	1.8%
33	Rod Drury	0.850	1.5	Tech & Services	(20.7%)
34	Wright Family	0.800	0.400	Tech & Services	50.0%
35	Ben Cook	0.750	0.475	Property	28.9%
36	Sam Morgan	0.750	0.700	Investment	3.6%
37	Wyborn Family	0.750	0.720	Property	2.1%
38	Lawrence Railton	0.700		Make & Sell	
39	Douglas Family	0.650	0.430	Make & Sell	25.6%
40	Tim Edney	0.650		Property	
41	Chris & Michaela Mehhan	0.625	0.400	Property	28.1%
42	Craig Heatley	0.600	0.600	Investment	0.0%
43	Eyal Aharoni	0.600	0.550	Property	4.5%
44	McGuinness Family	0.600		Investment	
45	Paul Copplestone	0.600		Tech & Services	
46	Peter & Anya Hutson	0.600	0.550	Make & Sell	4.5%
47	Huljich Family	0.600	0.560	Investment	3.6%
48	Gallagher Family	0.600		Tech & Services	
49	Higgins Family	0.570	0.570	Property	0.0%
50	Sir Own Glenn	0.570	0.560	Investment	0.9%

Check out the per annum returns that some of our high net-worth citizens are achieving.



THE RICHEST COUNTRIES PER ADULT 2026 (US$)



Average wealth measures the overall size of a country's household balance sheet, while median wealth reflects what a typical adult owns. Looking at both provides a more complete picture of how wealth is distributed across an economy.

That is why countries such as Luxembourg, Belgium, Australia, and **New Zealand**, known for their comparatively lower levels of wealth inequality, outperform much larger economies when wealth is measured this way.

Many countries climb the rankings when wealth is measured by the median because household assets are spread more broadly across the population.

One of the largest shifts is seen in the United States. While it ranks second globally by average wealth, it falls to 28th by median wealth, indicating that a relatively large share of household wealth is concentrated among the country's wealthiest residents.

GLOBAL ECONMIC OUTLOOK

The IMF's latest global outlook note that growth is projected at 3.0% for 2026 and 3.4% for 2027, broadly unchanged cumulatively from the April 2026 *World Economic Outlook*.

		PROJECTIONS	
(Real GDP, annual percent change)	2025	2026	2027
World Output	3.5	3.0	3.4
Advanced Economies	1.9	1.7	1.8
United States	2.1	2.3	2.2
Euro Area	1.4	0.9	1.2
Germany	0.2	0.7	1.0
France	0.9	0.6	0.9
Italy	0.5	0.5	0.5
Spain	2.8	2.1	1.8
Japan	1.1	0.6	0.7
United Kingdom	1.4	1.0	1.3
Canada	1.9	1.1	1.7
Other Advanced Economies	3.0	2.8	2.3
Emerging Market and Developing Economies	4.5	3.8	4.5
Emerging and Developing Asia	5.6	5.0	4.8
China	5.0	4.6	4.1
India	7.7	6.4	6.7
Emerging and Developing Europe	2.0	1.9	2.1
Russia	1.0	1.1	1.1
Latin America and the Caribbean	2.4	2.4	2.7
Brazil	2.3	2.4	2.2
Mexico	0.5	1.2	1.9
Middle East and Central Asia	3.7	0.7	6.5
Saudi Arabia	4.6	1.7	5.5
Sub-Saharan Africa	4.5	4.3	4.5
Nigeria	4.0	4.1	4.3
South Africa	1.1	1.1	1.3
Memorandum			
Emerging Market and Middle-Income Economies	4.4	3.7	4.4
Low-Income Developing Countries	4.8	4.8	4.9

The modest slowdown reflects the effects of the war in the Middle East being partly offset by accelerated demand-driven momentum in the global technology cycle thanks to advances in artificial intelligence (AI) and its adoption. The impact varies widely based on countries' exposure to the war and position in the technology value chain. Energy exporters outside the conflict zone benefit from favourable terms of trade, whereas economies plugged into the technology-led upturn experience stronger activity even if they are energy importers.

In contrast, activity weakens for energy importers with limited participation in the technology value chain, a group that includes many low-income countries. Global headline inflation is expected to increase from 4.1% in 2025 to 4.7% in 2026 before declining to 3.9% in 2027. Slightly revised upward from April, these projections indicate that the disinflation trend in place since the beginning of 2024 has stalled.

The outlook is uneven: The war shock is weighing on energy importers and vulnerable economies, while AI-driven demand is lifting countries integrated into the global technology value chain.

NZ TRADING PARTNER REAL GDP (calendar years)

	Annual average % change			
	2025	2026	2027	2028
Australia	2.0	1.5	1.3	2.2
China	5.0	4.7	4.6	4.4
United States	2.1	2.0	1.8	1.9
Japan	1.1	0.6	0.8	0.9
East Asia ex China	4.7	4.8	4.2	4.2
India	7.6	6.7	6.7	6.6
Euro Zone	1.5	0.2	1.1	1.5
United Kingdom	1.4	1.1	1.1	1.5
NZ trading partners	3.2	2.8	2.7	2.9
World	3.4	3.2	3.3	3.3

Annual inflation international comparisons	12-mth inflation rate	Time reference
New Zealand	**4.1%**	**Jun-26**
Australia	4.0%*	May-26
United Kingdom	2.8%**	May-26
United States	3.5%	Jun-26
OECD average	4.6%	May-26
European Union	3.3%	May-26

* Australia's inflation rate is taken from the monthly indicator release.

** United Kingdom's CPI figure is not their headline figure, which is 'Consumer Prices Index - including owner occupiers' housing costs (CPIH)'.

SAFEST COUNTRIES FOR INVESTORS IN 2026

Where is capital safest in 2026? Explore the countries best positioned to withstand inflation, geopolitical risks, and market shocks.

Countries scored out of 100 based on risk exposure and resilience to shocks.

Rank	Country	Global Risk & Resilience Score 2026
1	Switzerland	88.4
2	Denmark	85.1
3	Norway	83.5
4	Singapore	83.4
5	Sweden	83.2
6	Luxembourg	83.0
7	Finland	82.1
8	Netherlands	80.8
9	Germany	80.7
10	Iceland	79.8
11	Canada	78.5
12	Austria	78.5
13	Estonia	78.4
14	Czechia	78.0
15	Ireland	77.9
16	New Zealand	77.8
17	Hong Kong SAR	76.5
18	Slovenia	75.7
19	UK	75.2
20	South Korea	74.8
21	Belgium	74.4
22	Lithuania	74.4
23	France	74.2
24	U.S.	73.0
25	Brunei	73.0
26	Latvia	72.9
27	Japan	71.7
28	Malta	71.5
29	UAE	71.3
30	Slovakia	70.7
31	Croatia	69.8
32	Australia	69.6
33	Poland	69.5
34	Uruguay	69.3
35	Israel	69.1
36	Italy	68.6
37	China	68.5
38	Qatar	68.1
39	Georgia	68.0
40	Bulgaria	67.9
41	Malaysia	67.4
42	Hungary	67.4
43	Chile	67.1
44	Saudi Arabia	67.0
45	Kuwait	66.5
46	Spain	66.4
47	Cyprus	66.1
48	Portugal	65.2
49	North Macedonia	65.0
50	Panama	64.8

NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.36 million

THE ECONOMIC OUTLOOK

New Zealand's economy delivered a stronger-than-expected performance in the March 2026 quarter, growing almost three times faster than Australia and around twice the pace of the United States.

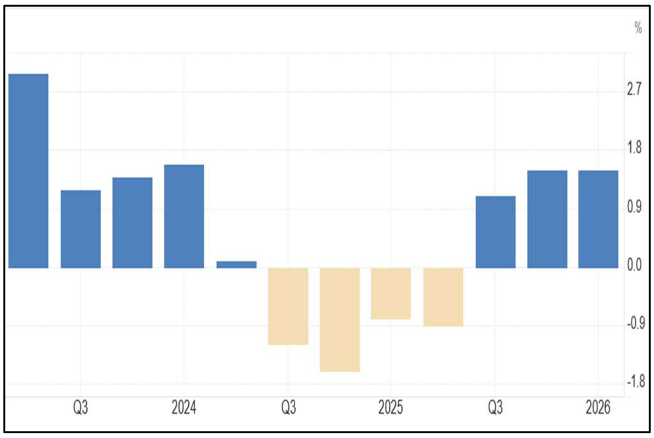
The result reflects the resilience of New Zealand businesses, farmers, exporters, tradespeople and workers who have continued to invest and produce despite difficult economic conditions over the past two years.

The March quarter marked the third consecutive quarter of economic growth, with GDP expanding 2.1% over the nine months to March—more than double the growth forecast by Treasury in Budget 2026. Living standards also showed signs of improvement, with GDP per person rising 0.5% and real purchasing power increasing 0.4% during the quarter.

While the outlook is subject to elevated uncertainty, the IMF expects the economic recovery to resume in the second half of 2026.

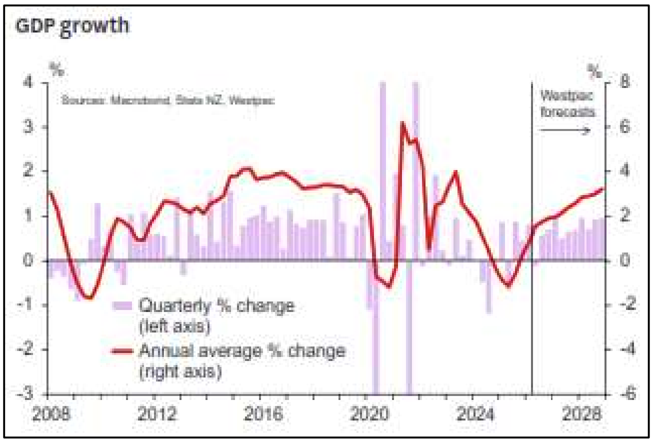
Conditions in global energy markets are expected to continue normalizing. Output in New Zealand is estimated to have contracted in 2026 Q2 but is projected to recover in subsequent quarters, with growth projected at 2% in 2026. Growth is expected to strengthen further to 2.7% in 2027 as pent-up demand and business confidence recovers, supported by continued strong exports of agricultural products and tourism.

NEW ZEALAND ANNUAL GDP GROWTH



INFLATION is projected to rise temporarily to around 4% in mid-2026 and remain above the RBNZ's target band until end-2026. It is then expected to return to the midpoint in the second half of 2027, as the oil shock dissipates and the negative output gap helps contain domestic price pressures.

THE CURRENT ACCOUNT DEFICIT is expected to continue to narrow over the medium term as the terms of trade strengthen and fiscal consolidation boosts domestic savings.



SOURCE: Westpac, 20-July-26

New Zealand is among a small group of countries that responded with targeted, temporary cash transfers financed within existing budget envelopes, while avoiding generalized price subsidies. The measure effectively supports vulnerable households with children while prices are elevated, preserving price signals that incentivize energy demand adjustment—which helps prevent shortages from occurring—and its modest cost avoids creating inflationary pressures and preserves fiscal space.

ADDRESSING AGING-RELATED SPENDING PRESSURES WILL BE IMPORTANT TO SAFEGUARD LONG-TERM FISCAL SUSTAINABILITY, ACCORDING TO THE LATEST IMF REPORT.

Under current settings, NZS costs are projected to rise significantly over the long term, with additional pressures from health and elderly care.

A gradual and balanced reform package should include changes to NZS settings and further strengthening of KiwiSaver, including further increases in contribution rates and measures to boost participation. Such reforms need to be signaled early and carefully designed to distribute the adjustment across generations, preserve retirement-income adequacy, and support capital market deepening by mobilizing long-term private savings.

OCR

The **RBNZ raised the OCR 25bp** as widely expected to **2.50%**. The decision described as one of "consensus" rather than unanimous, implying that whilst the Governor didn't need to use her casting vote as she did in May, there was still some level of disquiet on the committee. **The Committee retained a tightening bias, signalling further increases are likely though the timing is uncertain.**

The BNZ see a September hike as near certain, and think October or November should be too, but see some chance the RBNZ won't move in October just ahead of the election.

INFLATION

Annual inflation in New Zealand accelerated to **4.1%** in Q2 2026, from 3.1% in Q1, and was above forecasts of 4.0%, surpassing the RBNZ's 1–3% target range, marking the highest rate since Q4 2023.

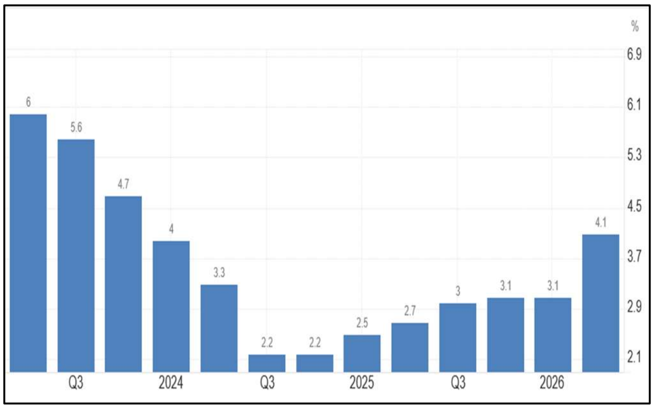
Within the 4.1% increase in the CPI in the 12 months to the June 2026 quarter, higher prices were recorded for:

- petrol, up 27.5% (23.5% contribution to the 4.1% rise for all groups)
- electricity, up 12.0% (8.4% contribution to all groups)
- other vehicle fuels and lubricants, up 71.0% (7.7% contribution to all groups).

Lower prices were recorded for:

- oils and fats, down 9.1% (-0.9% contribution to all groups)
- real estate services, down 4.6% (-0.7% contribution to all groups).

NEW ZEALAND – ANNUAL INFLATION RATE



Tradeable inflation measures final goods and services that are influenced by foreign markets.

Within the 4.9% increase in tradeable inflation in the 12 months to the June 2026 quarter, higher prices were recorded for:

- petrol, up 27.5% (46.4% contribution to the 4.9% rise for all groups tradeable)
- other vehicle fuels and lubricants, up 71.0% (15.1% contribution to all groups tradeable).

Lower prices were recorded for:

- oils and fats, down 9.1% (-1.7% contribution to all groups tradeable)
- audio-visual equipment, down 18.4% (-1.4% contribution to all groups tradeable).

Non-tradeable inflation measures final goods and services that do not face foreign competition and is an indicator of domestic demand and supply conditions. However, the inputs of these goods and services can be influenced by foreign competition.

Within the 3.4% increase in non-tradeable inflation in the 12 months to the June 2026 quarter, higher prices were recorded for:

- electricity, up 12.0% (17.0% contribution to the 3.4% rise for all groups non-tradeable)
- local authority rates, up 8.8% (13.6% contribution to all groups non-tradeable).

Lower prices were recorded for:

- milk, cheese, and eggs, down 9.0% (-1.7% contribution to all groups non-tradeable)
- real estate services, down 4.6% (-1.5% contribution to all groups non-tradeable).

NEXT CONSUMERS PRICE INDEX RELEASE:
September 2026 quarter will be released on 22 October 2026.

Household living costs remain well below headline inflation. According to Stats NZ, the average New Zealand household's cost of living rose 2.1% over the year to March 2026.

Manufacturing Roars Back as NZ Leads the World

New Zealand's manufacturing sector has delivered its strongest performance in almost five years, with the BNZ–BusinessNZ Performance of Manufacturing Index (PMI) surging to **59.7 in June**, up from **51.3 in May**. It is the highest reading since July 2021 and comfortably above the long-term average of 52.5, signalling a rapidly expanding manufacturing sector.

The result was driven by a sharp increase in **new orders (64.1)**, indicating a strong pipeline of future work, while **production (59.4)** and **employment (55.8)** also posted solid gains. BNZ's Head of Research, Stephen Toplis, described the size of the increase as "staggering".

Manufacturing remains one of New Zealand's most important industries, employing more than **220,000 people**, contributing around **8% of GDP**, and generating approximately **60% of the country's merchandise exports**. The latest figures reinforce the sector's role as a key driver of the economic recovery after it was the largest contributor to GDP growth in the March quarter.

The Government says the strength of the sector reflects improving business confidence and expects initiatives such as its Investment Boost policy to encourage manufacturers to invest in new machinery and technology, helping lift productivity further.

International Manufacturing PMI Comparison (June 2026)

Economy	Manufacturing PMI
New Zealand	**59.7**
Japan	54.8
United States	53.9
United Kingdom	52.5
Global Average	52.2
China	51.7
Australia	51.5
Eurozone	51.4

New Zealand's PMI now comfortably leads every major developed economy surveyed, suggesting domestic manufacturers are currently enjoying one of the strongest periods of expansion anywhere in the world. If sustained, this momentum should support stronger employment, increased business investment and higher export earnings over the coming months.

AUSTRALIAN ECONOMIC OUTLOOK

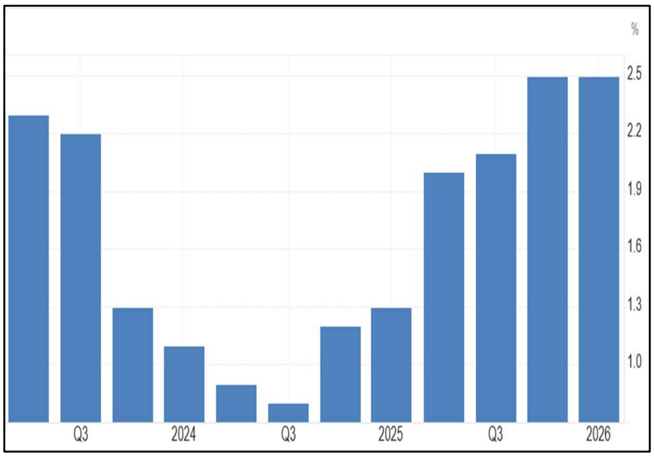
Population: 28.0 million

Australia's Economy

Australia's economy has **avoided recession**, despite higher interest rates and global uncertainty.

Employment remains relatively strong, with unemployment still low by historical standards (4.4% in May).

AUSTRALIA –ANNUAL GDP GROWTH



Australia's economy remains in better shape than many advanced economies, supported by strong population growth, mining exports and investment. However, the combination of persistent inflation, high interest rates and weak household spending means growth is likely to remain modest through the rest of 2026.

Business investment is robust, particularly in **AI infrastructure, renewable energy and data centres**, which is helping offset weaker household spending.

Mining exports continue to provide a solid underpinning to national income.

Challenges include Inflation remaining stubbornly above the Reserve Bank's target, largely due to services inflation and higher energy costs.

Consumer spending remains subdued as households cope with high mortgage repayments and living costs, and

House prices have softened in some regions.

Productivity growth remains disappointing, a concern shared by many developed economies.

Interest rates – a restrictive monetary policy has seen the Reserve Bank keeping the cash rate at **4.35%**, but policymakers have made it clear that **further increases remain possible** if inflation does not continue to ease.

Financial markets remain focused on upcoming inflation data, which will largely determine the next move.

Outlook for 2026 - Most economists expect:

- GDP growth to slow to around **1.8–2.0%** over the remainder of 2026.
- Inflation to gradually decline but remain above target for much of the year.
- Unemployment to drift towards **4.7–4.9%** over the next 12–18 months.
- Interest rates to stay relatively high until there is clearer evidence inflation is under control.

UNITED STATES ECONOMIC OUTLOOK

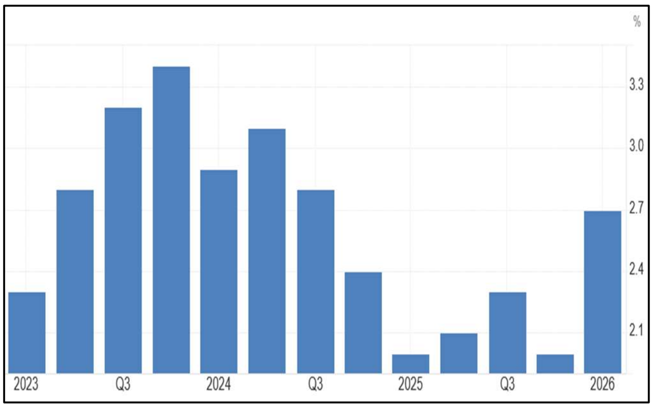
Population: 349 million

On top of this, it is estimated that there are around 14 million undocumented (illegal) migrants in the US currently.

US Economy

The US economy expanded **2.7%** year-on-year in the first quarter of 2026, slightly above the previous period's growth of 2.0%. Personal consumption expenditure increased 2.1%, the same as in the previous period. Exports accelerated (3.7% vs 1.1%) while imports shrank 7% (vs -1.9%). Government spending and investment also rebounded (0.2% vs -1.2%). In contrast, gross private domestic investment contracted 1.2%, following a 2.1% rise in the previous period.

UNITED STATES – ANNUAL GDP GROWTH RATE



The recent anniversary **America's Declaration of Independence (250 years)** provide a timely reminder of how long-term national decisions shape economic fortunes. USA remains the world's dominant economic powerhouse despite repeated predictions of its decline.

Over the past century the US has overcome the Great Depression, high inflation, financial crises, Covid-19 and growing geopolitical tensions, yet it has consistently reinvented itself and emerged stronger.

America's enduring strengths extend well beyond Silicon Valley. It benefits from abundant natural resources, a vast integrated domestic market, deep capital markets, the world's reserve currency, leading universities, a culture of entrepreneurship and an ability to attract global talent.

Challenges remain, including rising government debt, competition from China and high sharemarket valuations. However, history suggests the US has repeatedly adapted to changing circumstances.

Since 1990, the **S&P 500 has delivered an average annual return of 10.9% (including dividends)** despite numerous recessions, wars and market crashes—reinforcing the value of maintaining a long-term investment perspective rather than reacting to short-term uncertainty.

"Never bet against the United States"
Warren Buffett

TRUMP'S DIFFICULTY AS IRAN CEASEFIRE UNRAVELS

President Trump's hopes of delivering lasting peace in the Middle East have suffered a major setback after the ceasefire between the United States and Iran began to unravel less than a month after it was announced.

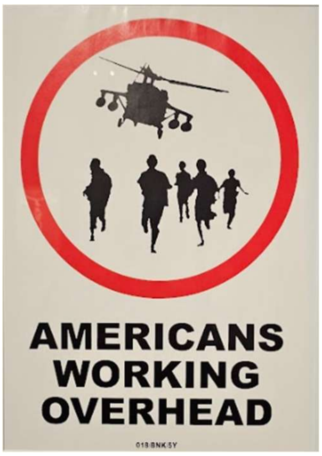
The ceasefire left unanswered questions over Iran's nuclear programme, ballistic missile capability, support for terrorist organisations, and its influence over shipping through the strategically vital Strait of Hormuz.

A return to a major conflict appears politically risky, with limited support in the United States and mid-term elections only months away.

The most likely outcome is neither full-scale war nor lasting peace, but an extended period of intermittent military exchanges, fragile ceasefires and ongoing diplomatic efforts. Such instability would continue to threaten global oil supplies and keep energy markets on edge.

The conflict is also becoming increasingly expensive. The Pentagon has reportedly requested around **US$70 billion** to fund operations already undertaken, with costs continuing to rise.

The renewed tensions underline the complexity of dealing with Iran. Rather than the quick resolution initially promised, the region now appears headed for a prolonged cycle of limited military clashes, diplomatic negotiations and recurring instability that could persist for years.



CHINESE ECONOMIC OUTLOOK

Population: 1.413 billion

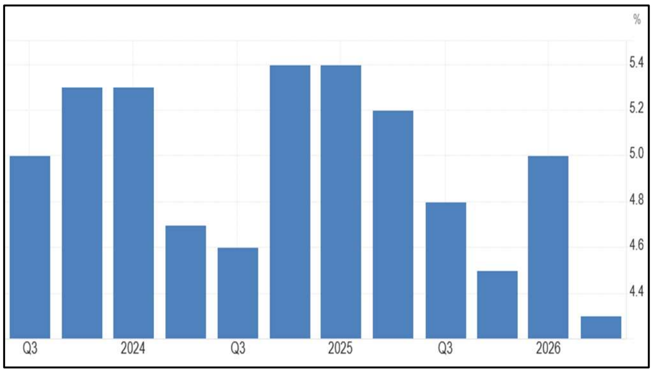
CHINESE ECONOMY

China's economy expanded **4.3%** year-on-year in Q2 2026, slowing from 5.0% in Q1 and missing market expectations of 4.5%.

It marked the weakest annual growth since Q4 2022, as soft domestic demand, subdued private investment, and the prolonged property downturn outweighed continued support from resilient AI-related exports.

The latest reading also fell below the lower end of Beijing's 4.5%–5.0% annual growth target, underscoring the uneven recovery and reinforcing expectations of further policy support. The National Bureau of Statistics (NBS) said in a statement that external uncertainties remained elevated, while the economy continued to face an imbalance between robust supply and weak demand.

CHINA – ANNUAL GDP GROWTH RATE



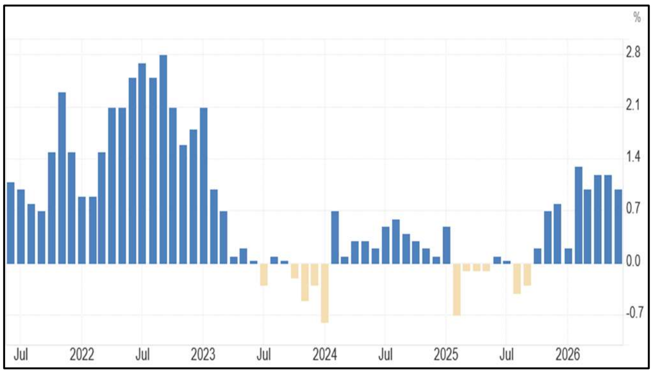
INFLATION

China's annual inflation eased to **1.0%** in June 2026 from 1.2% in both April and May, slightly below market expectations of 1.1%, marking the softest increase in three months.

Non-food inflation slowed (1.5% vs 1.9% in May) due to a moderation in transport costs (4.1% vs 5.4%), as the government cut domestic retail gasoline and diesel prices in June amid lower energy prices following an easing of the Middle East conflict.

On a monthly basis, consumer prices fell 0.3% after edging down 0.1% in May, compared with market forecasts of a 0.2% decline.

CHINA – ANNUAL INFLATION RATE (5 YR)



UNITED KINGDOM ECONOMIC OUTLOOK

Population: 69.9 million

Andy Burnham replaces Keir Starmer as the UK's Prime Minister. Burnham, the former Mayor of Greater Manchester, taken over the Leadership in a swift, bloodless succession to Downing Street.

With Starmer departing and Burnham in Number 10, Westminster faces a major shake-up. The arrival of "Manchesterism" signals a new era of regional devolution and shifted power. The question is - Can Burnham navigate markets and fix public services without breaking the bank?

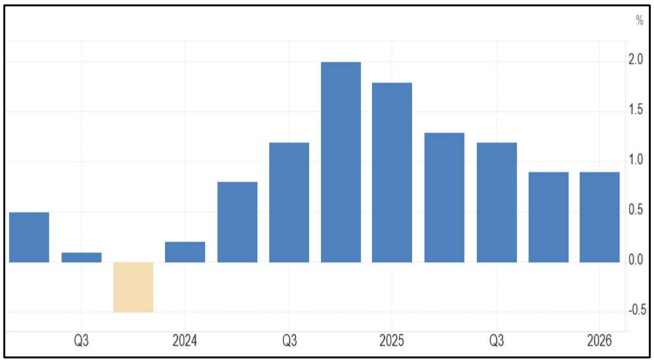
Nigel Farage (Reform UK leader) has announced his resignation of his parliamentary seat and will contest a by-election in Clacton, seeking a fresh mandate from voters while facing parliamentary investigations into allegations involving undeclared donations, including claims surrounding a £5 million (NZ$11.5m) gift from a cryptocurrency investor - Christopher Harborne in 2024. This was not a donation to Reform but a personal gift to Farage. That is a staggering amount of money for a politician to accept as a personal gift. Farage denies wrongdoing and says the by-election will allow voters to decide whether they still support his leadership.

UK Economy

The UK economy remains stuck in a period of sluggish growth, persistent inflation and increasing pressure on household and government finances.

The IMF expects UK GDP to grow by only around 1% in 2026. Higher energy prices are eroding household purchasing power, while elevated borrowing costs and weak business confidence are restraining investment and consumer spending.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE

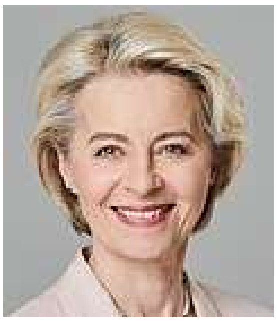


Inflation

Inflation remains the immediate challenge. The Bank of England's latest published figures put inflation above its 2% target, while the IMF expects it to peak above 3.5% toward the end of 2026 before falling back during 2027. The Bank has consequently kept its main interest rate at 3.75%, despite signs that the labour market and wider economy are weakening.

EUROPEAN UNION ECONOMIC OUTLOOK

Population: 451.8 million

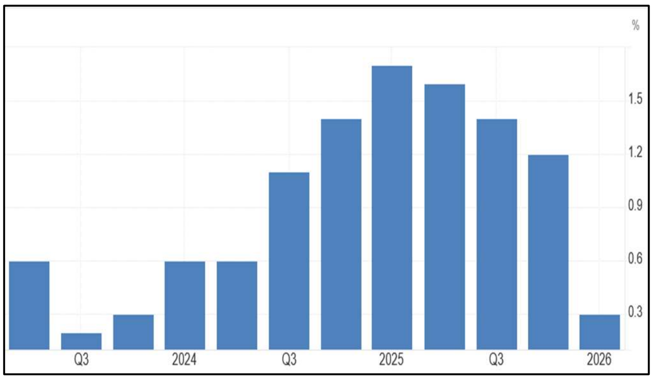


EU Economy

The European Union remains one of the world's largest and wealthiest economic blocs, but its immediate outlook is dominated by weak growth, higher energy costs and declining competitiveness.

The European Commission forecasts EU economic growth of approximately 1.1% in 2026, rising modestly to 1.4% in 2027. The euro area is expected to perform slightly worse, expanding by only 0.9% in 2026 and 1.2% the following year.

EUROZONE – ANNUAL GDP GROWTH RATE



Europe is falling behind in technology, artificial intelligence and capital-market development. Private investment remains fragmented along national lines, while promising European companies frequently turn to American markets for finance and expansion.

Europe's Populist Right Faces Defining Political Tests

Europe's best-known conservative-populist leader, **Marine Le Pen** in France, has launched a high-stakes political campaign that could determine the future of the right in France. Le Pen has confirmed she will contest the 2027 presidential election after an appeals court significantly reduced a ban on holding public office that followed her conviction in an embezzlement case. While the conviction remains, the revised ruling clears the way for her to challenge President Emmanuel Macron's successor. Le Pen has also appealed to France's highest court.

Le Pen has been a central figure in Europe's growing nationalist and anti-immigration movement, steadily expanding her support for France's National Rally over three presidential campaigns.

The coming months will be critical. A strong showing by Farage (in the UK) would reinforce Reform UK's challenge to Britain's traditional parties, while Le Pen enters the French presidential race as one of the leading contenders. Together, their fortunes will be closely watched as indicators of whether Europe's shift toward more conservative, nationalist politics continues to gather momentum.

JAPAN’S ECONOMIC OUTLOOK

Population: 122.4 million

The Japanese Economy

Japan's economy is continuing its gradual recovery after several years of slow growth, although it remains one of the weakest performing major developed economies.

Economic growth is expected to be close to 1% in 2026, supported by stronger consumer spending, record corporate profits, rising tourism and modest wage growth. GDP expanded by 0.6% year-on-year in the first quarter of 2026, following a 0.2% growth in the previous period.

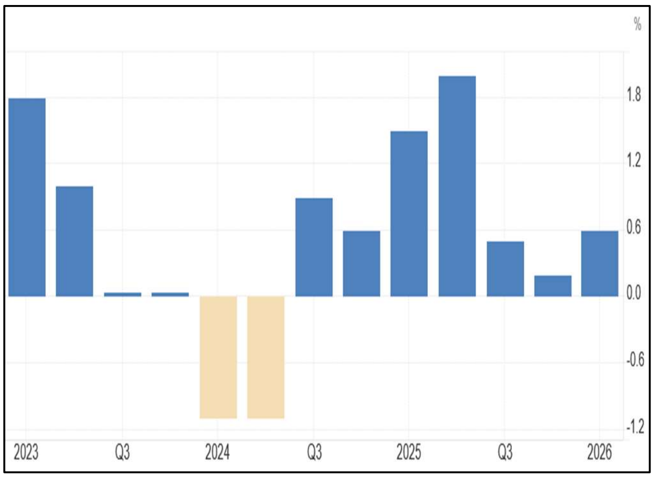
Inflation

One of the most significant changes has been the return of inflation after decades of near-zero price growth. Inflation has remained above the BoJ's long-standing 2% target, prompting the central bank to gradually move away from its ultra-low interest rate policy for the first time in many years. Higher wages negotiated by major employers have helped support household spending, although rising food and energy prices continue to squeeze many consumers.

Exports remain a cornerstone of Japan's economy, particularly in automobiles, machinery, robotics, semiconductors and advanced manufacturing. Japan is investing heavily in artificial intelligence, semiconductor production and clean energy technologies to strengthen its future competitiveness. Tourism has become another major growth engine.

Despite these positives, Japan faces significant structural challenges. It has one of the world's oldest populations and one of the lowest birth rates, resulting in a shrinking workforce and increasing pressure on healthcare, pensions and government finances. Public debt remains the highest among developed nations, exceeding 230% of GDP, although most of that debt is held domestically.

JAPAN – ANNUAL GDP GROWTH RATE



INDIA’S ECONOMIC OUTLOOK

Population: 1.477 billion

Fastest Growth

India continues to stand out as one of the brightest performers in the global economy. While many advanced economies are struggling with sluggish growth, India is expected to expand by around 6.4–6.9% in 2026, making it one of the fastest-growing major economies in the world. Domestic consumption, infrastructure investment and a rapidly expanding middle class remain the key drivers of growth.

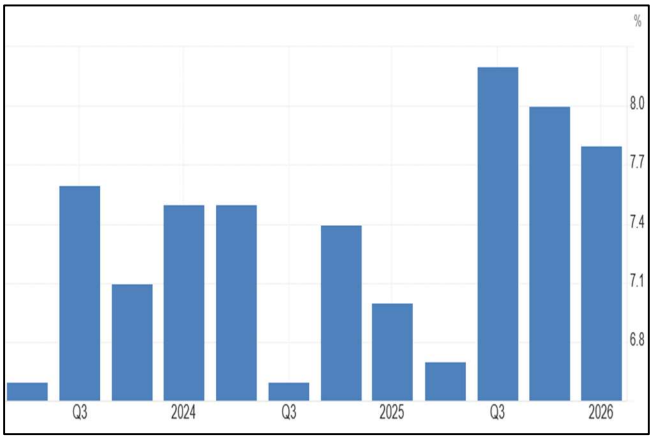
Prime Minister Narendra Modi's government has continued investing heavily in roads, railways, ports, airports, manufacturing and digital infrastructure.

At the same time, India has become an increasingly attractive destination for global manufacturers seeking to diversify supply chains away from China. Companies in electronics, pharmaceuticals, defence and renewable energy continue to expand production in India.

GDP Growth

The India’s real GDP expanded by **7.8%** from the previous year in the March quarter of 2026, slowing slightly from the upwardly revised 8% growth from the earlier period, but still well ahead of market expectations of 7.2%.

INDIA – ANNUAL GROWTH RATE



Inflation has moderated compared with recent years, although higher global oil prices remain a significant risk because India imports around 85% of its crude oil. Rising energy prices and geopolitical tensions in the Middle East have placed pressure on both inflation and the Indian rupee, prompting close monitoring by the Reserve Bank of India.

Prime Minister Christopher Luxon and Indian Prime Minister Shri Narendra Modi have signalled their two countries’ ambition to do more together by elevating their relationship to a Strategic Partnership.

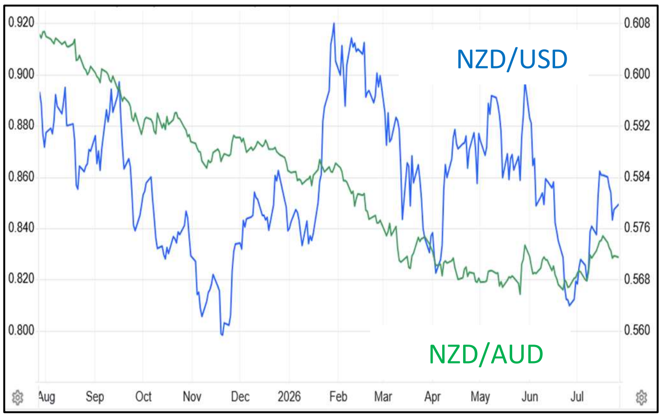
“This is a major step in the relationship between New Zealand and India, and signals our shared ambition to do more together,” Mr Luxon said.

NZ FOREIGN EXCHANGE

For the quarter ahead, Westpac retains a neutral bias, pending an enduring resolution of the Iran war. A positive outcome could lift the NZD above the 0.5900 area, while a fullscale war could cause a decline to 0.5600. NZD/AUD continues to correct its year-old trend decline, catalysed mostly by the RBNZ OCR hike.

As long as it remains above 0.8345, they are targeting 0.8550 for the month ahead. NZ-AU yield spreads are expected to rise further.

NZ EXCHANGE RATES – NZD/USD/AUD (1-yr)



SOURCE: Trading Economics, 27-July-26

BITCOIN

Bitcoin traded at US$65,239 this Monday July 27th. Looking back, over the last four weeks, Bitcoin lost 9.6%. Over the last 12 months, its price fell by 44.7%. Looking ahead, Trading Economics forecast Bitcoin US Dollar to be priced at 65,578 by the end of this quarter and at 72,196 in one year, according to global macro models projections and analysts expectations.

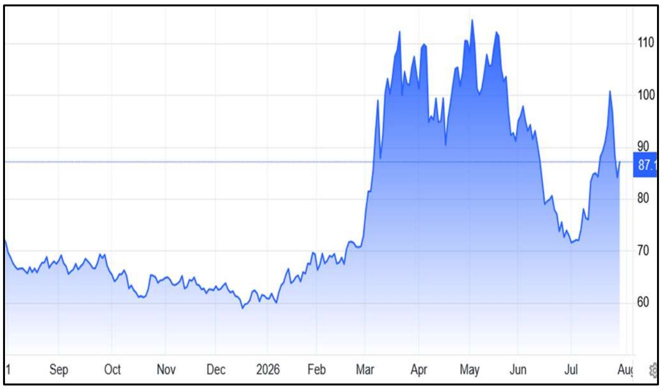
BITCOIN (1-YR)

OIL – BRENT CRUDE

Markets were encouraged by reports that the US and Iran will continue technical and peace talks despite renewed military exchanges and uncertainty over the ceasefire. However, shipping through the Strait of Hormuz, a critical route for around 20% of the world's oil and gas trade, remains significantly disrupted, keeping a risk premium in oil prices.

The market expects the conflict to remain limited, but reduced tanker traffic and possible supply interruptions continue to support prices. Meanwhile, the International Energy Agency warned that prolonged tensions could delay rebuilding global oil inventories and disrupt the expected oil market balance.

BRENT CRUDE (1-YR)

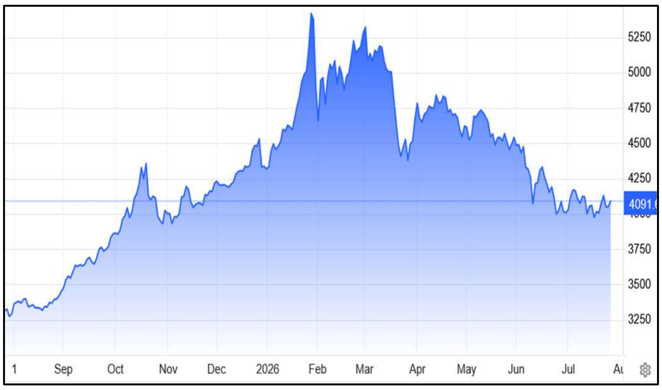


NOTE: New Zealand trades in Brent Crude Oil

GOLD

Gold climbed 1% toward $4,100 an ounce on Monday, moving away from nine-month lows as oil prices dropped sharply following a pause in hostilities between the US and Iran over the weekend, reducing concerns over supply disruptions and inflation. Gold struggled in recent weeks amid escalating hostilities in the Middle East, with supply disruption spreading from the Strait of Hormuz to the Red Sea.

GOLD (1-YR)



"Currencies are like reputations—years to build, moments to lose."

"Exchange rates don't predict the future—they reveal what markets believe about it."

AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN



GREEN PARTY DECLARES A NEW WAR ON FARMERS

The Green Party's latest environmental policy has all the familiar slogans—clean rivers, safe drinking water and healthy fisheries. Few New Zealanders would disagree with those goals. The problem is how the Greens intend to achieve them.

Behind the feel-good language lies one of the most aggressive anti-farming, anti-development and anti-growth agendas ever put before New Zealand voters.

THE REAL QUESTION IS -
WHO PAYS THE PRICE, AND WHY AREN'T CITY DWELLERS
(WHO ALLOW SHOCKING ENVIRONMENTAL DEGRADATION)
NOT BEEN SINGLED OUT?

The Green Party's proposal to phase out the use of synthetic nitrogen fertiliser has sparked an immediate and strongly critical response from farming leaders, who argue the policy risks reducing agricultural production, increasing food prices and damaging NZ's export economy.

Synthetic nitrogen fertiliser remains an important tool for maintaining pasture growth and food production, particularly in dairy, horticulture and vegetable growing. Removing it without practical alternatives would likely reduce farm productivity, lower export earnings and place further upward pressure on grocery prices at a time when many households are already facing cost-of-living pressures.

Another major criticism has been the lack of detail accompanying the proposal. The policy provides little information on implementation, including the timeframe for any phase-out, how farmers would transition to alternative farming systems, or what the economic impact would be on rural communities.

The Greens are also proposing to reduce livestock numbers in catchments they deem "over-stocked", review the Quota Management System, expand marine protected areas to cover 30% of New Zealand's waters, and ban more commercial fishing methods.

This is less an environmental plan than another ideological attack on New Zealand's primary industries. Agriculture and food production generate around **$64 billion in export earnings each year**, supporting hundreds of thousands of jobs and funding the hospitals, schools and public services New Zealanders depend on.

National's Todd McClay has labelled the package a renewed **"war on farmers"**, warning that forced reductions in stocking rates would mean fewer cows, lower production, reduced exports and fewer jobs in provincial New Zealand.

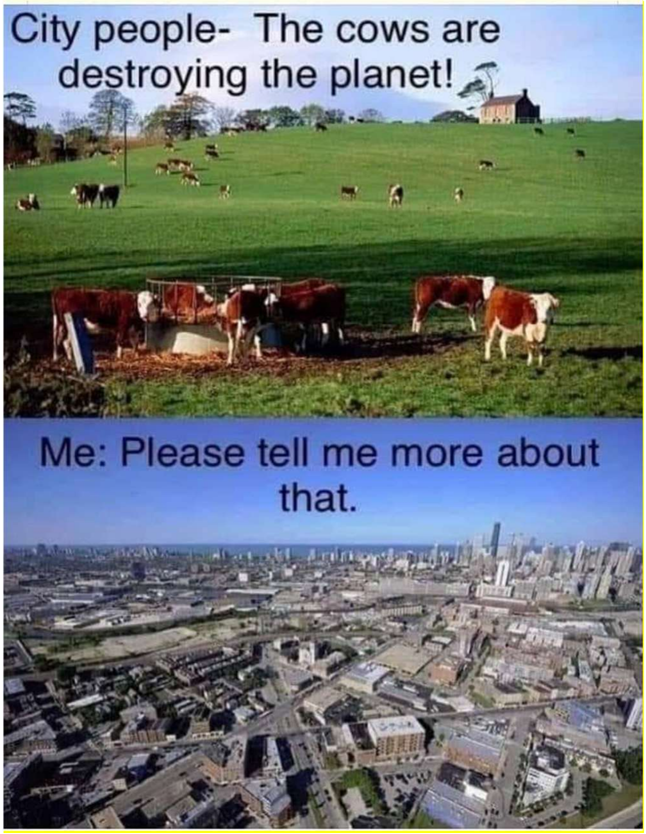
At a time when the country desperately needs faster economic growth, higher incomes and stronger productivity, this policy package looks less like environmental stewardship and more like an economic brake on the industries that keep New Zealand afloat.

Billions of dollars have been invested in fencing waterways, planting riparian margins, improving irrigation systems and reducing nutrient losses. Environmental performance continues to improve in many regions, yet the Greens continue to portray farmers as the problem rather than recognising them as part of the solution.

The Greens also continue to promote the false choice that New Zealand must choose between a healthy environment and a strong economy. The reality is we need both.

A PROSPEROUS ECONOMY PROVIDES THE WEALTH NEEDED TO INVEST IN CONSERVATION, CLEAN WATERWAYS AND BETTER ENVIRONMENTAL OUTCOMES.

Policies that deliberately reduce production, discourage investment and make exporting harder won't save the environment—they will simply make New Zealand poorer.



MCCLAY PRAISES CHANGES TO RM REFORM

The Government says the Select Committee's report on the Planning Bill and Natural Environment Bill marks another major step towards replacing the Resource Management Act with a simpler, more practical planning system. Agriculture Minister Todd McClay says the reforms will reduce unnecessary costs, delays and uncertainty that have frustrated farmers and slowed economic growth.

A key change is a more risk-based approach to freshwater farm plans. Farmers undertaking lower-risk activities will still need to prepare a farm plan but will no longer be required to have it certified or audited, reducing compliance costs. Only higher-risk farms will require certified and audited plans. The Government says the new system will better protect freshwater while providing greater certainty, flexibility and lower compliance costs for farmers, landowners and rural communities.

CAN KIWIFRUIT HELP RESCUE NEW ZEALAND'S ECONOMY?

SOURCE: Keith Woodford

New Zealand's economic challenge runs far deeper than inflation or high interest rates. The country's biggest long-term problem is that **we consistently spend more overseas than we earn**, leaving us with one of the largest current account deficits in the OECD.

New Zealand's economy remains heavily dependent on the food and fibre sector, which generates around **80% of our merchandise exports**. Yet growing imports, overseas travel, interest payments and dividends flowing offshore mean the country now runs annual current account deficits of **$25–30 billion**.

This cannot continue indefinitely. Unless New Zealand earns substantially more from exports, the country will become increasingly reliant on foreign investment to fund its lifestyle, resulting in greater overseas ownership of productive assets and, ultimately, downward pressure on the New Zealand dollar.

One industry that could help narrow the gap is **kiwifruit**. After two difficult seasons affected by quality issues and Cyclone Gabrielle, the outlook for the industry is bright. **Zespri expects New Zealand kiwifruit production to increase by around 50% by 2028**, driven largely by continued expansion of the highly profitable **SunGold** variety, with the newer **RubyRed** variety also showing promising long-term potential.

China has become Zespri's largest export market, accounting for more than a quarter of sales, and demand continues to grow strongly. To maintain year-round supermarket supply and protect market share from competitors, Zespri is also expanding licensed production in the Northern Hemisphere.

The biggest strategic opportunity lies in **China**. Rather than fighting a costly legal battle against unlicensed growers, Zespri should develop carefully managed partnerships that protect its intellectual property while strengthening its position in the world's largest market.

However, caution is required, noting that kiwifruit alone will not solve New Zealand's economic problems. Even if export earnings from the industry doubled, they would still be only a fraction of dairy exports and would cover less than **10% of New Zealand's annual current account deficit**.

If New Zealand wants higher living standards and a stronger economy, it must place far greater emphasis on growing high-value exports.

SYNLAIT'S FALL FROM STAR PERFORMER TO SURVIVAL MODE

SOURCE: Keith Woodford

SML was once one of New Zealand's great dairy success stories. Today, it is fighting for survival. Just seven years ago, SML shares traded above $12. Today they sit at around 38 cents, wiping out more than 95% of shareholder value. For a company operating in New Zealand's most profitable export industry, it is a remarkable collapse.

The problems stem from a series of strategic missteps, operational failures and bad luck.

The first major mistake was SML's decision to borrow heavily to build its Pōkeno processing plant in the North Island. The company expected to attract large numbers of new dairy suppliers, but competition from other processors meant the factory never secured enough milk to operate efficiently.

The second blow came with COVID-19. Synlait's fortunes were closely tied to a2 Milk Company, whose infant formula business relied heavily on Chinese "daigou" traders purchasing products in Australia for resale into China. When the pandemic disrupted that distribution model, both companies suffered badly.

Since then, the relationship between Synlait and a2 Milk has deteriorated. a2 Milk has progressively shifted production to its own factory, leaving Synlait increasingly dependent on a shrinking customer base and facing uncertainty over its future in infant formula.

SML's problems have been compounded by manufacturing and quality-control failures. Hygiene issues reportedly forced the destruction of significant quantities of infant formula, while processing bottlenecks resulted in excess milk being dumped during the 2025 production season—an extraordinary outcome in a country where dairy exports are one of our largest earners.

Financially, the picture remains bleak. SML reported an after-tax loss exceeding $80 million in the first half of the 2026 financial year, with further losses expected. At the same time, the company has committed to paying suppliers premiums above the Fonterra milk price in an effort to retain farmer loyalty, placing even more pressure on its finances.

SML now urgently needs fresh capital, but even its majority shareholder, China's Bright Dairy, is under financial pressure after reporting losses linked to its SML investment.

STOCKS TO WATCH NEW ZEALAND PRICES AS AT 29TH JULY 2026

ALL GRAPHS ARE ONE YEAR

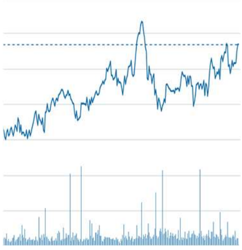
THE A2 MILK COMPANY ★★★☆☆ Hold

ATM's fourth-quarter infant formula sales in China were hit by supply chain disruptions, including production delays, freight problems, customs requirements and strong prior demand. China label infant formula sales fell about 14% compared with 2025 as some customers switched brands. ATM says these issues have now been largely resolved, with stock levels returning to normal. Strong growth in its other product lines means ATM still expects to deliver 2026 revenue and profit at, or slightly above, previous guidance. It is due to report its FY (30th June) result on 17th August.

2026 P/E: 26x 2027 P/E: 23x 2026 EPS: 34.0 2027 EPS: 38.0

NZX Code:	**ATM**
Share Price:	**$8.65**
12mth Target:	**$9.45**
Projected return (%)	
Capital gain	9.2%
Dividend yield (Net)	1.8%
Total return	**11.0%**

Rating: **NEUTRAL +**
52-week price range: 11.90-6.25



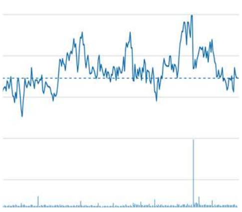
AUCKLAND INTERNATIONAL AIRPORT ★★★☆☆ Hold

AIA remains one of NZ's highest-quality infrastructure investments, benefiting from steadily recovering international passenger numbers, resilient domestic travel and expanding aeronautical and retail revenues. AIA is undertaking its largest-ever capital investment programme, including a new domestic terminal and major airfield upgrades, which should support long-term earnings growth. Investors continue to value AIA for its predictable earnings, inflation-linked revenue streams and long-term growth potential rather than short-term capital appreciation.

2026 P/E: 47x 2027 P/E: 42x 2026 EPS: 19.0 2027 EPS: 21.0

NZX Code:	**AIA**
Share Price:	**$8.84**
12mth Target:	**$8.60**
Projected return (%)	
Capital gain	-2.7%
Dividend yield (Net)	1.6%
Total return	**-1.1%**

Rating: **NEUTRAL**
52-week price range: 9.18-7.48



CONTACT ENERGY ★★★★★ Strong Buy

CEN continues to be one of the preferred electricity utilities on the NZX. Strong operating performance, a diversified portfolio of geothermal, hydro and thermal generation, and continued investment in renewable energy projects support a favourable long-term earnings outlook. The company is also well positioned to benefit from NZ's accelerating electrification of transport and industry, increasing electricity demand over time. An attractive fully imputed dividends continue to appeal to income investors.

2026 P/E: 28x 2027 P/E: 26x 2026 EPS: 33.0 2027 EPS: 35.0

NZX Code:	**CEN**
Share Price:	**$9.23**
12mth Target:	**$10.95**
Projected return (%)	
Capital gain	18.6%
Dividend yield (Net)	4.3%
Total return	**22.9%**

Rating: **BUY**
52-week price range: 9.99-8.71

EBOS GROUP ★★★★★ Strong Buy

EBOS continues to justify its reputation as one of the highest-quality companies listed on the NZX. Its healthcare and animal care businesses generate consistent earnings growth across Australia and New Zealand, supported by defensive demand and a long record of successful acquisitions. Management continues to execute well, maintaining strong cash generation and a conservative balance sheet. Analysts expect further earnings growth in FY27 as recent acquisitions are integrated and organic growth continues.

2026 P/E: 27x 2027 P/E: 25x 2026 EPS: 81.0 2027 EPS: 87.0

NZX Code:	**EBO**
Share Price:	**$21.62**
12mth Target:	**$30.00**
Projected return (%)	
Capital gain	38.8%
Dividend yield (Net)	2.5%
Total return	**41.3%**

Rating: **BUY**
52-week price range: 41.59-19.00

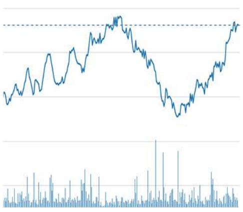
FISHER & PAYKRL HEALTHCARE ★★★☆☆ Hold

FPH remains NZ's premier global healthcare company, with leading positions in respiratory care, sleep apnoea and hospital humidification products. Demand continues to be supported by ageing populations and increasing rates of chronic respiratory disease, while ongoing investment in research and product innovation provides further long-term growth opportunities. Expect another year of solid earnings growth, although the shares continue to trade on one of the highest valuation multiples on the NZX.

2026 P/E: 28x 2027 P/E: 25x 2026 EPS: 51.0 2027 EPS: 57.0

NZX Code:	**FPH**
Share Price:	**$40.75**
12mth Target:	**$42.00**
Projected return (%)	
Capital gain	3.1%
Dividend yield (Net)	1.2%
Total return	**4.3%**

Rating: **NEUTRAL**
52-week price range: 41.87-32.16



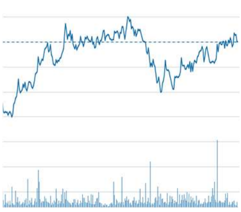
FLETCHER BUILDING ★★★★☆ Buy

Housing and commercial construction remain weak, but earnings are close to the bottom of the cycle. Recovery depends on interest rates and residential activity improving during 2027. Management has focused on cost reductions, improving operating efficiency and strengthening the balance sheet, while benefiting from lower input cost inflation. Expect earnings to improve meaningfully through FY27 as housing construction gradually recovers, infrastructure spending accelerates and commercial activity strengthens.

2026 P/E: 17x 2027 P/E: 14x 2026 EPS: 23.0 2027 EPS: 28.0

NZX Code:	**FBU**
Share Price:	**$3.81**
12mth Target:	**$4.10**
Projected return (%)	
Capital gain	7.6%
Dividend yield (Net)	3.0%
Total return	**10.6%**

Rating: **OVERWEIGHT**
52-week price range: 3.97-2.65



FREIGHTWAYS ★★★☆☆ Hold

FRW remains one of New Zealand's most dependable transport and logistics businesses. Parcel volumes have begun recovering as economic conditions gradually improve, while growth in courier, information management and medical logistics continues to diversify earnings. Management has maintained its disciplined acquisition strategy and operational efficiency despite softer trading conditions. Expect earnings to strengthen progressively through FY27 as business confidence and freight activity recover.

2026 P/E: 28x 2027 P/E: 25x 2026 EPS: 51.0 2027 EPS: 57.0

NZX Code:	**FRW**
Share Price:	**$14.00**
12mth Target:	**$15.20**
Projected return (%)	
Capital gain	8.6%
Dividend yield (Net)	3.8%
Total return	**12.4%**

Rating: **OVERWEIGHT**
52-week price range: 15.25-10.96

INFRATIL ★★★★☆ Buy

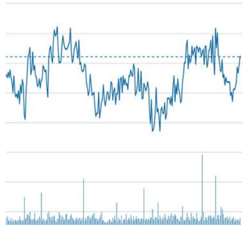
IFT remains one of the NZX's premier long-term growth companies. Its diversified portfolio spans digital infrastructure, renewable energy, airports and healthcare, with rapidly expanding data centre investments becoming an increasingly important earnings driver. Recent capital recycling and asset sales have strengthened the balance sheet while providing funding for further expansion opportunities. IFT's earnings growth is expected to accelerate over coming years.

2026 P/E: 31x 2027 P/E: 27x 2026 EPS: 50.0 2027 EPS: 57.0

NZX Code:	**IFT**
Share Price:	**$15.22**
12mth Target:	**$17.47**
Projected return (%)	
Capital gain	14.8%
Dividend yield (Net)	2.4%
Total return	**17.2%**

Rating: **BUY**

52-week price range: 16.14-10.52



MERIDIAN ENERGY ★★★★☆ Buy

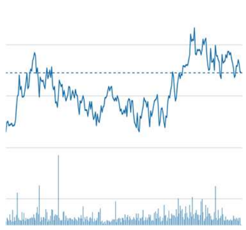
MEL remains one of New Zealand's premier renewable electricity companies, with a high-quality hydro and wind generation portfolio, a strong retail customer base and an attractive, fully imputed dividend. Exceptionally high hydro inflows during FY26, together with increased retail sales volumes, delivered a strong operating performance, although abundant hydro storage has also pushed wholesale electricity prices sharply lower. Management has continued to invest in new renewable generation and solar projects.

2026 P/E:24x 2027 P/E: 22x 2026 EPS: 24.0 2027 EPS: 26.0

NZX Code:	**MCY**
Share Price:	**$5.84**
12mth Target:	**$6.50**
Projected return (%)	
Capital gain	11.3%
Dividend yield (Net)	5.3%
Total return	16.6%

Rating: **OVERWEIGHT +**

52-week price range: 6.05-5.30



MERCURY ENERGY ★★★★☆ Buy

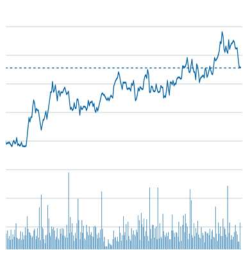
MCY has delivered one of the strongest operating performances in NZ's electricity sector. Favourable hydro inflows, improved wholesale electricity trading and disciplined cost management prompted management to upgrade FY26 EBITDAF guidance to **$1.05bn**, while several analysts expect the company to comfortably exceed that figure. New renewable projects, including Ngā Tamariki geothermal and the Kaiwera Downs and Kaiwaikawe wind farms, provide further long-term earnings growth.

2026 P/E:25x 2027 P/E: 23x 2026 EPS: 27.0 2027 EPS: 29.0

NZX Code:	**MCY**
Share Price:	**$6.73**
12mth Target:	**$7.45**
Projected return (%)	
Capital gain	10.7%
Dividend yield (Net)	4.4%
Total return	15.1%

Rating: **OVERWEIGHT +**

52-week price range: 7.16-6.08



PORT OF TAURANGA ★★★☆☆ Accumulate/Hold

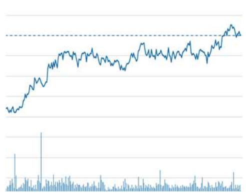
POT remains one of the NZX's highest-quality infrastructure investments, underpinned by resilient cash flows, strong market positioning and an improving domestic economy. POT has upgraded FY26 underlying net profit guidance to **$142–152m** after reporting a **16.6% increase** in first-half net profit to **$70.2m**, with revenue rising **8.5%**. Import volumes continue to strengthen, although softer log exports remain a headwind. Expect another year of solid earnings growth, supported by pricing initiatives, productivity improvements and growing import demand.

2026 P/E: 30x 2027 P/E: 27x 2026 EPS: 28.0 2027 EPS: 31.0

NZX Code:	**POT**
Share Price:	**$8.28**
12mth Target:	**$8.30**
Projected return (%)	
Capital gain	0.2%
Dividend yield (Net)	4.3%
Total return	**4.5%**

Rating: **NEUTRAL**

52-week price range: 9.15-6.88



SCALES CORPORATION ★★★★☆ Buy

SCL is one of the most under-appreciated companies on the NZX. Diversified earnings from horticulture, logistics and food ingredients provide resilience. Kiwifruit and apple exports continue to support earnings growth. SCL has reiterated market guidance for the twelve months to 31 December 2026, of an Underlying Net Profit after Tax Attributable to Shareholders range of $50.0m to $55.0m.

2026 P/E: 18x 2027 P/E: 17x 20266 EPS: 37.0 2027 EPS: 39.0

NZX Code:	**SCL**
Share Price:	**$6.50**
12mth Target:	**$6.80**
Projected return (%)	
Capital gain	4.6%
Dividend yield (Net)	3.5%
Total return	**8.1%**

Rating: **BUY**

52-week price range: 6.84-4.48

SKY CITY ENTERTAINMENT ★★★★☆ Speculative Buy

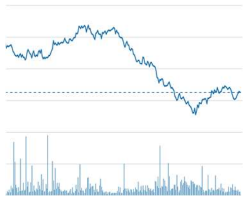
The market is pricing in excessive pessimism. Recovery depends on Auckland tourism, and regulatory certainty. SkyCity has endured one of the most difficult periods in its history. Regulatory reforms, mandatory carded play, higher compliance costs, subdued discretionary spending and a weak NZ economy have all weighed heavily on earnings. SKC has reduced FY26 EBITDA guidance to $180–190m, reflecting softer trading, particularly in Auckland and Adelaide.

2026 P/E: 13x 2027 P/E: 11x 20266 EPS: 5.0 2027 EPS: 6.0

NZX Code:	**SKC**
Share Price:	**$0.63**
12mth Target:	**$0.95**
Projected return (%)	
Capital gain	50.8%
Dividend yield (Net)	0.0%
Total return	**50.8%**

Rating: **SPEC BUY**

52-week price range: 1.06-0.46



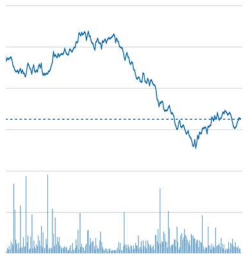
SUMMERSET GROUP ★★★★☆ Buy

Retirement village demand remains underpinned by ageing demographics. Lower interest rates should improve sales activity during FY27. Q1 2026 new sales up 34%, resales up 19% vs Q1 2025. YTD tracking well; some NZ sales softening in April -June (geopolitical uncertainty). Regional divergence emerging – Auckland softer, rest of NZ on track. Sales mix skewing to care-based over independent units. 2026 P/E: 19x 2027 P/E: 17x 20266 EPS: 45.0 2027 EPS: 50.0

NZX Code:	**SUM**
Share Price:	**$8.50**
12mth Target:	**$12.00**
Projected return (%)	
Capital gain	41.2%
Dividend yield (Net)	2.3%
Total return	**43.5%**

Rating: **BUY**

52-week price range: 12.80-4.48



TOURISM HOLDINGS ★★★★☆ Buy

THL has upgraded its FY26 earnings guidance, expecting NPAT of **~$46m**, up from its previous forecast of **$40–43m**, reflecting a strong rebound in trading. The improvement has been driven by late booking demand, stronger-than-expected New Zealand vehicle sales and favourable interest outcomes. Year-end net debt was **$436m**, lower than forecast. Forward bookings remain encouraging, with North American bookings well ahead of last year (+50%). THL also remains the subject of two indicative takeover proposals, priced between $3.10 and $3.40 per share, with full-year results due on 25th August.

2026 P/E: 13x 2027 P/E: 11x 2026 EPS: 23.0 2027 EPS: 27.0

NZX Code:	**THL**
Share Price:	**$2.86**
12mth Target:	**$3.50**
Projected return (%)	
Capital gain	22.4%
Dividend yield (Net)	4.6%
Total return	**27.0%**

Rating: **BUY**

52-week price range: 2.94-1.96

NEW ZEALAND EQUITIES WATCH LIST

AS AT 28TH JULY 2026

Code	Company	Price ($)	FY26 P/E	FY27 P/E	FY26 EPS	FY27 EPS	FY26 Net Yield	12-mth Target	Upside	Broker View
AIA	Auckland Airport	$8.73	46	41	0.19	0.21	1.6%	$8.60	-2.0%	★★★☆☆ Hold
ATM	a2 Milk	$8.73	26	23	0.34	0.38	1.8%	$9.45	8.0%	★★★★☆ Buy
CEN	Contact Energy	$9.16	28	26	0.33	0.35	4.3%	$10.95	20.0%	★★★★☆ Buy
CHI	Channel Infrastructure	$3.40	20	19	0.17	0.18	7.0%	$3.20	-6.0%	★★★☆☆ Hold
EBO	EBOS Group	$21.70	27	25	0.81	0.87	2.5%	$30.00	38.0%	★★★★★ Strong Buy
FBU	Fletcher Building	$3.83	17	14	0.23	0.28	3.0%	$4.10	7.0%	★★★☆☆ Hold
FPH	Fisher & Paykel Healthcare	$40.31	46	40	0.88	1.01	1.2%	$42.00	4.0%	★★★☆☆ Hold
FRW	Freightways	$14.26	28	25	0.51	0.57	3.8%	$15.20	7.0%	★★★☆☆ Hold
HGH	Heartland Group	$1.23	9x	8x	0.14	0.16	5.8%	$1.29	5.0%	★★★☆☆ Hold
IFT	Infratil	$15.39	31x	27x	0.50	0.57	2.4%	$17.47	14.0%	★★★★☆ Buy
MCY	Mercury NZ	$6.70	25x	23x	0.27	0.29	4.4%	$7.20	7.0%	★★★☆☆ Hold
MEL	Meridian Energy	$5.76	24x	22x	0.24	0.26	5.3%	$6.50	13.0%	★★★★☆ Buy
MFT	Mainfreight	$63.75	26x	23x	2.49	2.77	2.7%	$73.50	15.0%	★★★★☆ Buy
NZX	NZX Limited	$1.51	19x	18x	0.08	0.09	5.0%	$1.52	1.0%	★★★☆☆ Hold
POT	Port of Tauranga	$8.35	30x	27x	0.28	0.31	4.3%	$8.30	−0.2%	★★★☆☆ Hold
SCL	Scales Corporation	$6.60	18x	17x	0.37	0.39	3.5%	$6.15	−7.0%	★★★☆☆ Hold
SKC	SkyCity Entertainment	$0.64	N/M	11x	-0.01	0.06	0.0%	$1.00	56.0%	★★★★☆ Speculative Buy
SKL	Skellerup	$6.76	20x	18x	0.34	0.37	4.2%	$7.00	4.0%	★★★☆☆ Hold
SPK	Spark NZ	$1.99	15x	13x	0.13	0.15	7.4%	$2.40	21.0%	★★★☆☆ Hold
SUM	Summerset Group	$8.50	19x	17x	0.45	0.50	2.3%	$11.96	41.0%	★★★★☆ Buy
THL	Tourism Holdings	$2.92	13x	11x	0.23	0.27	4.6%	$3.20	10.0%	★★★★☆ Buy

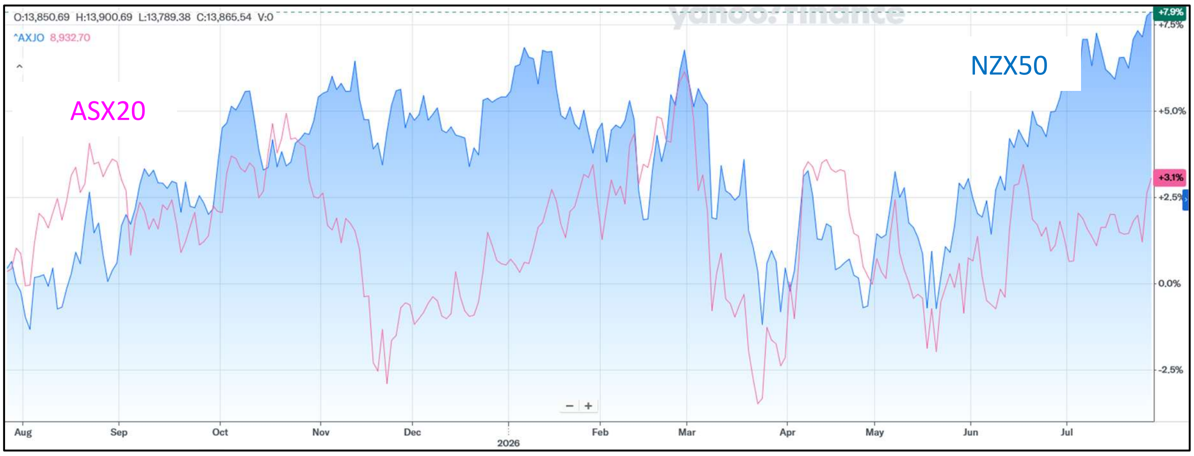
MARKET VIEW

Among these stocks, the strongest broker conviction currently sits with **EBOS, Infratil, Mainfreight, Contact Energy, Meridian, Mercury, Scales, Skellerup** and **Tourism Holdings**.

Most analysts are neutral on **Auckland Airport, Fisher & Paykel Healthcare, Port of Tauranga** and **Freightways**, believing they are high-quality businesses but already fairly valued.

The main recovery/value opportunities are **Fletcher Building, Spark, SkyCity** and **Heartland**, where earnings are expected to improve but execution risk remains higher.

COMPARISION OF NZX50 INDEX v ASX200 (1-year)



"The stock market is a device for transferring money from the impatient to the patient."
— Warren Buffett

AUSTRALIAN EQUITIES WATCH LIST

AS AT 29TH JULY 2026

AUSTRALIAN EQUITY WATCH LIST as at 29-July-2026		Rating	29-July-26 Price (A$)	30-Jun-26 Price (A$)	31-July-25 Price (A$)	Monthly % Change	Annual % Change	12-month Target (A$)
ALL.AX	Aristocrat Leisure	B	64.66	61.25	70.04	5.6%	(7.7%)	69.40
ALQ.AX	ALS	O	21.52	22.87	18.24	(5.9%)	18.0%	24.00
ANZ.AX	ANZ Banking Group	N	37.63	35.43	30.72	6.2%	22.5%	35.00
BHP.AX	BHP Billiton*	O	60.18	59.27	39.25	1.5%	53.3%	60.00
CBA.AX	Commonwealth Bank of Australia	S	180.09	165.05	177.91	9.1%	1.2%	142.00
CSL.AX	CSL	O	126.86	114.85	270.90	10.5%	(53.2%)	283.00
CWY.AX	Cleanaway Waste Management	O	2.43	2.37	2.88	2.7%	(15.6%)	3.10
IGO.AX	IGO	N	6.74	7.14	4.43	(5.6%)	52.1%	7.20
JHX.AX	James Hardie Industries	O	37.92	38.19	41.31	(0.7%)	(8.2%)	39.00
MQG.AX	Macquarie Group*	O	258.64	252.9	217.38	2.3%	19.0%	245.00
NAB.AX	National Australia Bank	N	41.6	38.09	38.91	9.2%	6.9%	38.00
NXT.AX	NEXTDC*	O	13.18	14.74	14.51	(10.6%)	(9.2%)	18.00
QBE.AX	QBE Insurance Group	N	25.86	25.19	23.20	2.7%	11.5%	24.50
RHC.AX	Ramsay Health Care	O	44.66	44.18	38.77	1.1%	15.2%	44.00
RIO.AX	Rio Tinto*	N	166.52	172.51	111.70	(3.5%)	49.1%	177.00
RMD.AX	Resmed	O	30.01	29.01	42.12	3.4%	(28.8%)	35.00
S32.AX	South32*	O	4.56	3.89	2.94	17.2%	55.1%	5.00
SEK.AX	Seek	B	14.33	13.44	24.24	6.6%	(40.9%)	22.00
TCL.AX	Transurban Group	N	14.95	14.90	13.82	0.3%	8.2%	15.00
TLS.AX	Telstra Group	O	5.06	5.09	4.97	(0.6%)	1.8%	5.10
WDS.AX	Woodside Energy	O	32.35	28.24	26.59	14.6%	21.7%	30.00
WES.AX	Wesfarmers	N	90.72	90.92	85.75	(0.2%)	5.8%	85.00
WOR.AX	Worley*	O	10.52	10.97	13.35	(4.1%)	(21.2%)	16.77
WOW.AX	Woolworths	O	40.48	40.43	31.40	0.1%	28.9%	38.00
XRO.AX	Xero	B	69.83	72.38	179.02	(3.5%)	(61.0%)	130.00

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

SKS TECHNOLOGIES (SKS.AX) A$8.71

- BUILDING THE BACKBONE OF THE AI INFRASTRUCTURE BOOM

SKS is emerging as one of Australia's most attractive ways to invest in the AI and hyperscale data centre boom without buying software or semiconductor stocks. The company designs and installs the electrical, communications and audiovisual infrastructure that underpins mission-critical data centres and continues to win major contracts across Australia and New Zealand.

Its order book has grown to around A$350 million, providing strong earnings visibility into FY27. At its FY26 half-year result, revenue reached A$132 million while profit before tax jumped 52.8% to A$9.7 million, prompting management to upgrade full-year guidance to around A$340 million in revenue.

Backed by specialist expertise, strong execution and growing AI infrastructure demand, SKS appears well placed to deliver sustained long-term growth.

MEGAPORT (MP1.AX) A$19.12

- POWERING THE GLOBAL AI CLOUD REVOLUTION

MP1 is becoming a key beneficiary of the rapid expansion in cloud computing and artificial intelligence through its Network-as-a-Service platform.

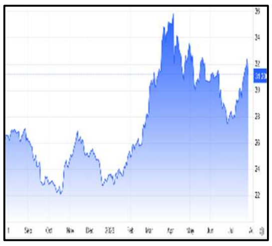
Its software-defined network allows businesses to connect securely to major cloud providers in minutes, replacing slower and more costly traditional telecommunications solutions.

The company has strengthened its position through the acquisitions of Latitude.sh and Extreme IX, while securing around A$459 million in AI infrastructure contracts. In the FY26 half-year, revenue reached a record A$134.9 million and annual recurring revenue exceeded A$338 million, supported by more than 37,000 services across 1,100 global locations.

Strong customer retention and a highly scalable subscription-based business model provide a solid foundation for future earnings growth as AI infrastructure investment continues to accelerate.

WOODSIDE ENERGY (WDS.AX) A$31.23

WELL POSITIONED FOR THE NEXT PHASE OF LNG GROWTH



WDS remains one of the world's leading liquefied natural gas (LNG) producers and Australia's largest independent energy company. The business is entering an important growth phase, with its flagship Scarborough Energy Project now around 96% complete and on track to deliver its first LNG cargo later this year. The company has also approved its major Louisiana LNG project in the United States, broadening its global production footprint.

Woodside's financial position remains strong. In 2025 it generated US$13 billion in revenue, US$2.65 billion in underlying profit and US$7.2 billion in operating cash flow, while maintaining a conservative level of debt. Its extensive oil and gas reserves and long-term LNG supply contracts across Asia and Europe provide a solid foundation for future earnings.

Despite recent volatility in global energy markets, Woodside continues to demonstrate resilience. With two major LNG developments nearing completion and a robust balance sheet, the company appears well placed to benefit from growing global demand for cleaner-burning natural gas over the coming decade.

GLOBAL EQUITIES WATCH LIST

AS AT 25ST JULY 2026

GLOBAL EQUITY WATCH LIST as at 31-July-2026		Rating	25-July-26 Price	30-Jun-26 Price	31-July-25 Price	Monthly % Change	Annual % Change	12-month Target	Target potential
80700.HK	Tencent Holdings	B	375.80	379.8	505.50	(1.1%)	(25.7%)	670.00	78.3%
AAPL	Apple	N	333.02	281.74	207.57	18.2%	60.4%	320.00	(3.9%)
AMZN	Amazon	O	232.11	240.14	231.40	(3.3%)	0.3%	310.00	33.6%
APH	Amphenol	O	152.67	166.42	106.63	(8.3%)	43.2%	165.00	8.1%
APO	Apollo Global Management	O	122.61	114.83	145.32	6.8%	(15.6%)	165.07	34.6%
ASML	ASML	B	1,757.09	1,883.11	694.71	(6.7%)	152.9%	2250.00	28.1%
AXP	American Express	N	326.17	340.88	299.31	(4.3%)	9.0%	374.53	14.8%
BRK-B	Berkshire Hathaway	N	494.93	496	471.88	(0.2%)	4.9%	537.00	8.5%
CBOE	CBOE	N	285.07	231.51	241.04	23.1%	18.3%	278.45	(2.3%)
COP	ConocoPhillips	B	120.26	104.2	95.34	15.4%	26.1%	125.00	3.9%
GOOGL	Alphabet	O	319.74	353.65	191.90	(9.6%)	66.6%	415.00	29.8%
IBE.MC	Iberdrola	O	21.21	21.82	15.35	(2.8%)	38.2%	22.00	3.7%
JPM	JPMorgan	O	353.21	329.39	296.24	7.2%	19.2%	355.00	0.5%
LLY	Eli Lilly	O	1,196.03	1,229.93	740.07	(2.8%)	61.6%	1300.00	8.7%
LULU	Lululemon	O	114.28	114.29	200.53	(0.0%)	(43.0%)	210.00	83.8%
MA	MasterCard	B	539.66	509.64	566.47	5.9%	(4.7%)	655.89	21.5%
MC.PA	LVMH Moet Hennessy	O	461.70	492.3	472.35	(6.2%)	(2.3%)	645.92	39.9%
MSFT	Microsoft	N	381.70	368.57	533.50	3.6%	(28.5%)	560.00	46.7%
NVDA	NVIDIA	O	206.84	194.97	177.87	6.1%	16.3%	295.00	42.6%
OR	L'oreal Royalties	O	29.20	31.98	27.71	(8.7%)	5.4%	39.56	35.5%
ORCL	Oracle	N	114.99	147.76	253.77	(22.2%)	(54.7%)	270.00	134.8%
SU.PA	Schneider Electric	O	268.05	278.1	228.25	(3.6%)	17.4%	300.00	11.9%
TSLA	Tesla	N	313.03	411.84	308.27	(24.0%)	1.5%	395.05	26.2%
UNH	United Health	O	420.74	419.82	249.56	0.2%	68.6%	450.00	7.0%
WMT	Walmart	N	109.47	114.6	97.98	(4.5%)	11.7%	122.39	11.8%

Source: Thomson Reuters Target Prices reflect consensus

ASML HOLDINGS NV (Nasdaq: ASML) TARGET: 2250.00

ASML is the leading supplier of lithography equipment for the manufacture of semiconductor devices. A Philips and ASMI spin-off established in 1984, ASML has progressively gained market share to become the leading supplier of lithography equipment to the semiconductor industry, with few able to compete at the leading edge. The company's products are critical to the ongoing advances in semiconductor technology. ASML supplies all major semiconductor manufacturers, including Samsung, TSMC, Intel and Hynix.

Competition primarily comes from Nikon and Canon.

INVESTMENT TRUST WATCH LIST

AS AT 27TH JULY 2026

INVESTMENT TRUST WATCH LIST as at 27th July 2026		27-July-26 Price £	30-Jun-26 Price £	31-Jul-25 Price £	Month % Change	Annual % Change
ATR.L	Schroder Asian Total Return	6.09	6.90	5.00	(11.7%)	21.8%
BGFD.L	Baillie Gifford Japan Trust	9.88	9.73	8.35	1.5%	18.3%
BNKR.L	Bankers Invest. Trust	1.47	1.49	1.23	(1.3%)	19.5%
BRWM.L	Blackrock World Mining	8.76	8.95	5.64	(2.1%)	55.3%
CTY.L	City of London Investment Trust	5.86	5.65	4.93	3.7%	18.9%
IAD.L	Asia Dragon Trust	4.75	4.89	3.73	(2.9%)	27.3%
ESCT.L	Euro Small Companies Trust	2.31	2.31	2.15	0.0%	7.4%
FCIT.L	F&C Investment Trust*	3.33	3.47	2.92	(4.0%)	14.0%
GSCT.L	Global Smaller Companies Trust	1.93	1.94	1.66	(0.5%)	16.3%
HVPE.L	HarbourVest Global Private Eq.	33.80	33.70	27.10	0.3%	24.7%
JAM.L	JPM American	12.00	12.10	10.84	(0.8%)	10.7%
JEDT.L	JPMorgan Eur Discovery Trust	6.20	6.42	5.86	(3.4%)	5.8%

Ticker		27-July-26 Price £	30-Jun-26 Price £	31-Jul-25 Price £	Month % Change	Annual % Change
JEGI.L	JPM European Inv. Trust	1.46	1.48	1.25	(1.4%)	16.8%
JFJ.L	JPMorgan Japanese	7.93	8.13	6.42	(2.5%)	23.5%
JGGI.L	JPM Global Growth	6.06	6.00	5.77	1.0%	5.0%
MWY.L	Mid Wynd International	7.72	7.42	7.8	4.0%	(1.0%)
MNKS.L	Monks ITC	15.82	16.20	13.62	(2.3%)	16.2%
NAIT.L	Nth American Inc. Trust	4.34	4.32	3.41	0.5%	27.3%
PCT.L	Polar Cap Tech	6.29	6.86	4.02	(8.3%)	56.5%
RCP.L	RIT Capital Partners	24.40	22.95	19.50	6.3%	25.1%
SDP.L	Schroder Asia Pacific	7.96	8.40	5.93	(5.2%)	34.2%
SMT.L	Scottish Mortgage Trust	13.29	14.24	10.98	(6.7%)	21.0%
TEM.L	Templeton Emerg.	3.06	3.26	2.00	(6.1%)	53.0%
WWH.L	Worldwide Health	3.88	3.86	3.15	0.5%	23.2%

FIXED INTEREST BONDS

AS AT 29TH JULY 2026

Ticker	SECURITY	Credit Rating	Coupon Rate	29-July-26 Yield %	30-Jun-26 Yield %	Monthly Change	Maturity
AIA240	Auckland Airport	A-	3.29%	3.21%	3.06%	(4.9%)	17-Nov-26
TRP100	Transpower NZ	AA	4.63%	3.79%	3.50%	(8.3%)	16-Sept-27
CNU030	Chorus Limited	BBB	1.98%	4.19%	3.92%	(6.9%)	2-Dec-27
IFT310	Infratil	lot rate	3.60%	5.41%	5.60%	3.4%	15-Dec-27
ANB180	ANZ Bank New Zealand	AA-	5.22%	3.95%	3.65%	(8.2%)	16-Feb-28
FBI220	Fletcher Building Industries	lot rate	6.50%	5.50%	5.90%	6.8%	15-Mar-28
KPG050	Kiwi Property Group	BBB+	2.85%	4.75%	4.37%	(8.7%)	19-Jul-28
SBS020	Southland Building Society	BBB+	6.14%	4.36%	4.08%	(6.9%)	7-Mar-29
FCG060	Fonterra Co-Operative	A-	4.60%	4.55%	4.07%	(11.8%)	8-Nov-29
SUM050	Summerset Group Holdings	lot rate	6.43%	5.45%	5.05%	(7.9%)	8-Mar-30
MEL070	Meridian Energy	BBB+	3.73%	4.65%	4.30%	(8.1%)	23-Mar-30
LGF170	NZ Local Govt Funding Agency	AAA	3.74%	4.18%	3.88%	(7.7%)	15-May-30
LGF140	NZ Local Govt Funding Agency	AAA	4.50%	4.39%	4.05%	(8.4%)	15-May-31
SPF600	Spark Finance	A-	5.45%	4.75%	4.48%	(6.0%)	18-Sept-31
HYBRID	**HYBRID SECURITY**	**Credit Rating**	**Coupon Rate**	**Price/ Yield**	**Price/ Yield**	**Monthly Change**	**Reset**
ANB170	ANZ Bank Subordinated Notes	A	3.00%	4.20%	4.06%	(3.4%)	17-Sept-26
IFTHA	Infratil Perpetual Infrastructure Bond	lot rate	5.51%	$0.69	$0.67	(3.0%)	1-yr swap rate
KWB1T2	Kiwibank Subordinated Notes	BBB	2.36%	5.10%	4.65%	(9.7%)	12-May-28
VCT110	Vector Perpetual Capital Bonds	BB+	6.40%	5.40%	5.30%	(1.9%)	15-Jun-27
WNZHA	Westpac Perpetual Preference Shares	BBB+	7.10%	$1.03	$1.03	0.1%	-

LIMITATIONS and DISCLAIMER