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INVESTMENT STRATEGIES

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VERSUS

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NEW ZEALAND IS INTO RECESSION

With a mild contraction in the September and December quarters, the New Zealand economy entered a double-dip recession.

Goods producing sectors, transport, wholesale, and retail activities suffered the most in the December quarter, while business and government services performed well.

While economic activity was undoubtedly tepid in the December quarter, a large decline in business inventories overstated overall softness. On the positive side, household consumption help up reasonably well and exports surged.

The latest economic data will likely give the Reserve Bank some comfort that its more balanced view on inflation and economic risks at its February meeting was justified.

TAURANGA'S HOUSING CRISIS SOLVABLE

Tauranga can quickly overcome its housing crisis, as long as this current Government reverses the refusal of Labour to help Accessible Properties to modernise its 1,120 housing stock – bought from the previous National Government, when it sold all of its Housing NZ stock in Tauranga.

National did so because private social housing providers have a proven track record as better landlords than Kiana Ora (Housing NZ).

National had agreed to provide finance rates equivalent to the Government rate so that these 1,120 state houses could be converted to 5,000 to 6,000 affordable social housing flats. It wasn't rocket-science, but Labour and Kianga Ora refused Accessible Properties help. Accessible Properties is a Charitable Trust owned by the IHC.

Redeveloping these state houses is a "no-brainer" – just do it

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STATISTICS NZ DATA

Estimated NZ population at 22-Mar-24 **5,336,888**
Population: 1950: 1,911,608 2000: 3,855,266 Growth 2.7% this year
Births / Deaths: Births: **56,955** Deaths: **37,884** Dec-23 year
Māori population Estimate Nov-23 (17.3% of NZ pop) **904,100**
Net Migration Jan-24yr (**Non NZ: 180,700; NZ Citz: -46,900**) ↑ **133,835**
Total Non-NZ Migration Arrivals Dec-23yr ↑ **226,900**
Net migration by country Jan-24yr India: 51,000; Philippines: 36,500 China: 28,800; Fiji: 11,300; Sth Africa: 8,700; UK: 7,600
Annual GDP Growth Dec-23 year (Qtly Sep-23 -0.3% Dec -0.1%) **0.6%**
Inflation Rate (CPI) Dect-23 year (↓ from 5.6%) **4.7%**
Household Cost of Living Dec-23 year **7.0%**
NZ Gross Govt Debt at Jun-23 CEIC Data ↑ **$141 bn**
Debt per person (public+private) Jun-23 ↑ **$151,080**
Minimum Wage (up 45 cents from 1st April 2024) **$23.15**
Living wage 1-April-23 **$26.00**
NZ Median IWage from February 2024 **$31.61**
Annual Wage Inflation (private sector) Dec-23 year **6.6%**
Annual Wage Inflation (public sector) Dec-23 year **7.4%**
Wages average per hour Jun-23 qtr (↑7.4% yoy) **$39.60**
Labour force participation rate Sep-23 qtr (↓ from 72.4%) **71.8%**
Unemployment Jan-24 year **4.0%**
Youth Unemployment Dec-23year **12.4%**
Beneficiaries (Job seeker/Solo/Supported living) Dec-23 ↑ **351,759**
(10.2% of working-age population as at 31-Mar-23)
Jobseeker Support numbers 5.4% (Mar-18 118,753 4.0%) **168,498**

Weekly per person cost of living	Auckland	Christchurch	Hamilton	Tauranga
Food for 1 person	$114.00	$110.00	$89.00	$60.00
Clothes	$15.00	$8.60	$12.40	$12.40
Housing & household utilities	$274.50	$219.00	$184.00	$164.00
Household contents & services	$35.10	$34.00	$21.00	$15.00
Entertainment	$72.00	$51.00	$56.00	$36.00
Transport	$91.70	$83.00	$85.00	$50.00
Total	**$602.30**	**$505.60**	**$447.40**	**$337.40**

All comments regarding Local Government are my personal views, and do not purport to represent the views of our Regional Council – of which I am an elected representative.

TRANSPORT GPS (GOVT POLICY STATEMENT) OUT

The previous Labour government took at least four years to produce their draft GPS (and in 6 years they never finalised it). Minister Simeon Brown has produced the latest GPS in just 100 days. It is fantastic to get some certainty and a clear understanding of where this National Coalition Government is heading. Yes – some won't like it, but there is a clear determination to get rid of the wasteful and (often) woke thinking of Labour and the Greens.

The vast majority of New Zealanders, whatever their age of lifestyle, will leave their homes most days, and almost all of them use the transport system when they do, whether it be a footpath, cycleway, bus, train, local road or State Highway. It means the $20bn GPG just released by Minister Brown is an intensely political document.

The main job of the GPS, which is really a draft transport budget, sets out how much money the Government will take from road users and what programmes they intend to fund. Minister Brown's plan would see between $4.8bn and $6.2bn spent each year (local government transport spending will add billions more). It's not a lot compared to the likes of health and education, which is probably why these spending decisions are so bitterly contested.

Minister Brown has already indicated that that he will be very targeted in his transport spending and public transport is an example. He stated that when Labour came into power in 2017 the farebox recovery rate for PT was at 40%, and this fell under their watch to just 13%.

In my March Newsletter I identified that in the Bay of Plenty's Urban Bus Services (ie Tauranga, Rotorua & Whakatane) the farebox recovery is currently just 6% ($2.28m) - with local ratepayers (100% targeted rate) paying 42% ($16.87m) and Central Government paying 49% ($19.94m). This is clearly not sustainable over the longer term.

The Western Bay of Plenty will do very well out of the announced 13 RONS (Roads of National Significance). This will not be funded out of NZTA's Budget, but with separate Government funding. They have allocated $1.9 billion for State Highway 29 (over the Kaimai's) and $627 million for the second stage of State Highway 2 (Te Puna to Omokoroa) in the next three years.

The big question facing NZTA will be their ability to deliver these programmes – on time and within budget.

Roads of National Significance	National ($m)	NZTA ($m)
Whangārei to Port Marsden	1,310	1,850-2,450
Warkworth to Wellsford	2,200	2,900-3,750
Cambridge to Piarere	721	1,300-1,700
Tauriko West SH 29	1,900	2,550-3,200
Mill Road Stage 1	1,300	1,450-1,950
East-West Link	1,850	2,350-3,100
Southern Links - Hamilton	600	1,750-2,750
Petone to Grenada Link Rd & Cross Valley Link	1,800	2,000-3,250
North West Alternative State Highway	2,325	2,500-4,000
Tākitimu Northern Link Stage 2	627	900-1,400
Second Mt Victoria Tunnel and Basin Reserve upgrade	2,200	1,750-2,750
Hope Bypass	250	400-700
Pegasus to Belfast Motorway and Woodend Bypass	270	550-1,000
Public transport		
North-West Rapid Transit	2,900	5,000-9,000
Eastern Busway	717	450-700
Airport to Botany	1,071	3,100-4,700
Rebuilding regions and improving resilience		
Second Ashburton Bridge	113	100-200
Total	*22,154*	*30,900-46,600*

NOTE: This is over $7bn a year for the next 3 years.

2024/25 TRANSPORT PLANS ($m)	Labour - Parker's plan	National - Brown's plan	Difference
State highway operations	$1,360	$1,460	$100
State Highway Maintenance	$1,420	$1,950	$530
Road Safety Improvements	$600	$600	$0
Public transport services	$850	$750	($100)
Public transport Infrastructure	$1,010	$680	($330)
Walking and cycling improvements	$330	$250	($80)
Rail network operations	$590	$550	($40)
Local road Improvements	$400	$400	$0
Local Road Maintenance	$400	$400	$0
	$6,960	$7,040	$80

NOTE: National's plan for 2024/25 is to spend $160m more than Labour planned for Transport.

David Parker's Labour Plan had 36% of land transport spending going on public transport, rail, walking, cycling etc. The Brown plan has that reduced to 28%, which is still quite generous. The big winner is state highway improvements up 37% and local road maintenance up 14%.

TAURANGA RATES CONTINUE HIGHER

Tauranga City Council Rates

Ratepayers are facing higher rates than initially proposed by Tauranga City Council after the ditching of planned Three Waters reforms. But homeowners are being told their rise will be less steep thanks to a new industrial rating category.

The draft overall average rates will be 13.1% for the 2024/25 financial year, up from the 10.3% proposed during consultation on the 2024-34 Long-Term Plan. Including the Transport System Plan Infrastructure Funding and Financing (IFF) Levy, the average rate rise would be 15.8%. This is the average for all rates, including commercial, so residential rates would be lower. The median residential rates rise would be 8.9%, up from 6.7% consulted on in the LTP.

That did not include the IFF levy of 2.2%. Including the levy, the total median rates rise for residential ratepayers would be 11.1%, up from 8.8%. An IFF levy is a loan from Crown infrastructure partners, paid back through a targeted rate over 30 years.

Bay of Plenty Regional Council Rates

BOPRC Rates are currently out for consultation. The proposed rate rise in the consultation document is based on an average median 1,000m^2 property. The actual median rate increase for Tauranga properties is 12.1% in year one of the LTP.

- Tauranga's proposed rate is made up by a real general rate increase of 4.1% + Inflation of 4.5% + growth of 1.3% + a targeted transport rate of 2.2% = 12.1%.

BOPRC's Key LTP Messages

- Our Long-Term Plan (LTP) 2024-2034 sets out the big challenges for the Bay of Plenty, what we plan to do over the next 10 years, what it will cost, how we will fund it and the results we will deliver for our communities. We are now looking for our community to provide feedback on our draft plan.
- We're going through a legislative process and no decisions have been made by Council in relation to the proposals in the LTP. Decisions will only be made after rigorous community consultation process which includes consultation, hearings and deliberations.
- As a Councillor I want to listen with an open mind and consider all feedback before making a decision.
- Submissions open 8th March and close 9th April 2024.

Across New Zealand

Councils across Aotearoa collected $7.97 billion from rates in the year to June 2023, according to Stats NZ. That was up from $7.36bn a year earlier, and $6.74bn in the year to June 2021.

It is difficult to make comparisons between councils because councils used various mixes of rates, levies and user charges.

BOPRC LTP 2024 - 2034	MEDIAN PROPERTY RATE RISE - Dollars				Year on Year % INCREASES		
	Year 0	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	2023/24	2024/25	2025/26	20026/27	2024/25	2025/26	20026/27
Kawerau	$346	$392	$418	$442	13.3%	6.6%	5.7%
Opotiki	$900	$944	$1,035	$1,101	4.9%	9.6%	6.4%
Rotorua	$601	$719	$697	$658	19.6%	-3.1%	-5.6%
Tauranga	**$596**	**$668**	**$740**	**$753**	**12.1%**	**10.8%**	**1.8%**
Western Bay	$452	$521	$572	$619	15.3%	9.8%	8.2%
Whakatane	$815	$962	$1,047	$1,143	18.0%	8.8%	9.2%

QUESTION ONE
HOW SHOULD WE PAY FOR BUSES?

How should we fund Public Transport in urban centres, for example Tauranga and Rotorua, across the region?

OPTION 1: Rates funding for public transport in urban areas across the Bay of Plenty comes 100% from targeted rates (status quo).

OPTION 2: Rates funding for public transport in urban centres comes from 90% targeted and 10% general rates (BOPRC preferred option).

QUESTION TWO
WHETHER TO ENABLE THE SALE OF SOME PORT OF TAURANGA SHARES?

Do you agree we should enable a managed sell down in our Port of Tauranga Limited shareholding to no less than 28%?

QUESTION THREE
NEW REGIONAL PARKS

Should we investigate new opportunities for regional parks?

Message to Local Government from

Minister Simeon Brown and Prime Minister Christopher Luxon

Cohesion of voice and pick your battles -

Don't come to the with problems, come with solutions.

SOURCE: Alexanders Accounting, 7-Mar-24

LET'S BE HONEST ABOUT WHAT IS WORKING AROUND THE WORLD, WHAT IS NOT WORKING AROUND THE WORLD, AND WHERE IS ALL THIS LEADING FROM A NEW ZEALAND PERSPECTIVE.

A FEW ISSUES, THINKING AND PLANNING THAT ARE NOT WORKING VERY WELL:

1. Despite lots of media and lots of countries financial input, wind power and solar power are only presently providing 3% of the world's energy requirements - even if they get to 50% they still have a lot of back up energy requirements from somewhere because they are so completely weather dependent. Coal will be with us for many, many years.

2. The world is finding it just cannot cope with going green on any real scale. The overall financial cost and required political will is simply not available.

3. Climate control concerns are not in the first six priorities now for most of the world's countries - many countries presently have much more pressing issues.

4. The funding model for New Zealand Councils is broken - they need a substantial increase in their rates income plus probably regular Government support to achieve what their ratepaying citizens and their councillors feel is the minimum required - let alone build a surplus for a rainy day. Probably a regular annual rate increase of, say, 6% a year is all that ratepayers can reasonably afford - this means that New Zealand household rates costs will double every 12 years. The possible 13.24% increase talked about for the Christchurch City Council for the next 12 months represents close to $84 million - even a 6% increase would represent around $38 million of an increase.

5. Coping with COVID etc did demand special actions by Government - no argument. But on a so-called normal basis the New Zealand Government needs to get its fiscal ship in much better order - that is its annual tax income needs to cover its total outgoings and, on average, also have a 1% surplus of its gross domestic product (GDP) - that is around $4 billion at present (based on a present GDP of around $400 billion). All of this is easy to say but it very much needs to happen.

6. The Treasury Report to Government (called Pre-Election Economic and Fiscal Update) prior to the October 2023 year election estimated that the New Zealand Government gross debt on its pathway at that time, would increase from $141.224 billion as at 30 June 2023 to $223.719 billion on 30 June 2027 - that is an increase of $82.495 billion over the four years - an increase of 58.38%. The gross New Zealand debt ten years earlier (30 June 2013) was $77.984 billion. We cannot keep increasing at this sort of level - it confirms the comments in the previous point.

7. New Zealand has very good natural fresh water - some of the best in the world. But we seem to have a stalemate re our water management.

8. We must get on top of our immigration strategy - certainly we need seasonal workers from overseas but as regards permanent immigrants, this needs to be thought through much better - a 20,000-30,000 limit would seem sensible. Australia, United Kingdom and the USA have all got themselves into major immigration tangles – we need to put some real brain power into this issue - not just political brain power.

9. For 80% of New Zealand businesses an ongoing interest rate of 8%-9% just does not work - this comment probably applies at present at anything above about 6%. Government and the New Zealand Reserve Bank are very aware of this issue and the current inflation rate of 4.7%. The major follow on from this is that if employers have to face a wage increase as from, say, 1 April 2024 of, say, 6% (it needs to be 1.5%-2% above the inflation rate because of the tax cost to employees) then quite a number of employers will really struggle with this. These employers are already New Zealand's unsung heroes and some really wonder why they bother to continue.

10. The present house building consents are well down due mainly to high interest costs. But if immigration continues at anything close to the present level, then New Zealand will be well short of houses. Auckland median rents are now $680/week ($35,360/year). It is hard to see section prices reducing (they average around 45%47% of the cost of The average house).

11. At present 63% of New Zealand households own a house and 33% rent a house. New Zealand is going to have perhaps a 20% group who will be "forever renters" - we must start accepting this as New Zealand people and New Zealand politicians - at present the latter group cannot get this point into their head. The offset to this is that Government must help this 20% group as much as it can - Government is presently assisting this 33% group around $6.50 million a day re rental subsidies - this cost will double over the next 10 years but will be necessary.

12. The present New Zealand Government welfare payments are just over $40 billion a year - $20 billion is for National Superannuation and $20 billion is for other welfare payments. Some people have been unlucky in all sorts of ways re their health, accidents etc, but in a broad sense around 25%-30% of New Zealand people/households are living beyond their income and have been for some time - it is hard to see this changing greatly. Personally, I feel the New Zealand Government will struggle to reduce its outgoings greatly - any real success it may have will have to come from the income side.

13. While there can always be a price increase - to a significant extent the only two key worldwide competitive New Zealand industries, that is agriculture and tourism, are reasonably mature - that is a 5% annual increase each year is possible but a 20% increase is very unlikely. Talk of doubling the income from these two industries needs to be very carefully stated - current regulations are restricting both industries to some extent.

14. Almost every Council and Government around the world is short of money. Consequently, there is almost no allowance for unforeseen issues in their budgeting process. But since 1900 there has been a "worldwide Black Swan" event every 11.5 years (that is a major worldwide problem/disaster of some kind of another – often financial but not always). New Zealand will strike this again and again, and this is why every New Zealand household needs an emergency fund of $3,000 as a minimum - Government needs 1% of its GDP as mentioned of $4 billion.

15. Several New Zealand Government agencies /branches are not performing well, such as Pamu Farms of New Zealand (Land Corp) and Kainga Ora (Housing Corp) both need a thorough straighten up - both have significant Government assets and while these two are quite different businesses, they need to be preforming much, much better - or gradually sold down in some way.

WHAT ABOUT SOME FEATURES THAT ARE LOOKING POSITIVE:

1. The change of New Zealand Government on 14 October 2023 has improved the outlook at least in New Zealand people's minds - people feel a little more confident, which is always positive.

2. The inflation pathway is looking downward - getting this down to, say, 2% is more than important.

3. The new Government is looking closely at tightening up a number of New Zealand departments which is also healthy (the Christchurch City Council, which is independent of Government has, for example, 25.1% of its 2,808 employees earning in excess of $100,000 each in its year end 30 June 2023 - this is around 60% above the New Zealand median wage/salary).

4. The real key for the New Zealand Government is going to be to increase its income, which is going to be crucial - a few possibilities as from, say, 1 April 2024:

(a) Increase GST from 15% to 17.5%.

(b) Increase the Corporate Tax rate from 28% to 30%.

(c) Improve the tax brackets for individual taxpayers to say:

- $0 to $20,000 at 12.0%
- $20,000 to $60,000 at 17.5%
- $60,000 to $100,000 at 30.0%
- Above $100,000 at 33.0%

This will be a cost to Government, but it is long overdue - it is really close to theft by Government of their citizens.

(d) All New Zealand ratepayers to pay water charges (some already do).

(e) Increase Government charges/services charge out costs.

(f) Liquidate Pamu Farms Limited over a five-year period and sell farms at market values to New Zealand farmers (we are talking about 84 farms here).

(g) Look at selling some houses from Kainga Ora and leaving Government with a debt owed to Government rather than a house owned by Government - we are talking about 72,000 houses in total here owned (or managed) by Government.

(h) Move some organisations/entities onto a "user pays" basis - the developed world is going to see this "user pays" basis used much more often - the key being that they will be standalone and must balance their own budget. People are comfortable with 'user pays' because if they do not use it they do not pay.

(i) The KiwiSaver Scheme is now some 17 years old and has $100 billion invested. From the point of view of our children and grandchildren, it needs to be compulsory at ,say, 10% from the employee and 3% from the employer and with the employee's percentage moving to 15% with 1% increases over the following five years.

(j) Government needs to get much closer to balancing or more than balancing its budget, which means:

(1) Increasing its income.
(2) Reducing its expenses.
(3) Borrowing.
(4) A combination of all three.

It is no good you and I saying we don't like these suggested increases/changes - this is your and my Country and Government and we all need to face these financial issues.

5. New Zealand is probably in a better place than many countries as regards climate control issues.

6. Our relatively small New Zealand population (5,269,939) is much more a positive than a negative - our big blue moat is a plus.

7. If the new Government gets itself on the right pathway here it will need probably six years to turn the corner well - a three year term is a bit short. The USA has a four year term and the UK has a five year term.

8. New Zealand has good fresh water - this is a real plus but there needs to be a value on water - people understand things much better if there is a value involved.

9. Climate migration is getting closer and could be a real worldwide issue - this migration though will be 90% north not south of the Equator.

10. 'To know the road ahead, ask those coming back' - an old Chinese proverb that makes sense - New Zealand needs top people running Government, which a democratic system does not really achieve. We should not look aghast at a $1,000,000 salary for some person who has very special abilities - really good decisions can arise from this. The USA Government seconds key people from the private sector and pays them a much lower salary for usually a two year period.

11. New Zealand can only feed about 40-50 million people - that is a very small portion of the 4.9 billion people (around 1%) in Asia who import a lot of food and who can afford to pay for it - New Zealand has a reputation for quality - a major positive - an attribute we must focus on and market on.

12. What about a bit of lateral thinking for the New Zealand Government:

- The USA has 38 States that have an average of 10 road toll plaza - that is 380 toll plazas with the average toll being $5 US ($8 in NZ$).
- Let's say New Zealand puts in three road tolls in the South Island and six in the North Island.
- All tolls proposed don't require manning and cost, say, $500,000 each to put in place ($4.5 million).
- Let's say each toll plaza averages 10,000 vehicles a day at an average toll cost of $2 - that is each plaza would generate $20,000/day or $7.3 million a year.
- Total income generated from the nine tolls sector and other costs would be $65.7 million a year.

13. Assuming the New Zealand inflation rate comes down to 2%, what is a neutral bank interest rate for New Zealand people:
- Neutral in the sense that borrowers are prepared to borrow and lenders (depositors) are prepared to lend.
- Let's say it is 4.5% - the banks would need to add, say, 1.75%, so their sound secured lending rate would be 6.25% and depositors would receive 4.5% for a 12-month bank deposit.

14. If the borrowing rate for the purchase of a New Zealand house came back to 5.75%-6.25% (lower than my 6.25% because of bank competition) then I think there would be an increase in house purchases and an increase in house values. The present house values appear to be:

Overall New Zealand average	$908,853
Auckland	$1,261,776
Wellington City	$1,018,078
Christchurch City	$741,178
Dunedin City	$615,784

If house values increased by, say, 4% a year this would mean, for example, that Christchurch city houses would double in 18 years to $1,482,356. At 5% the Christchurch house would double in 14.4 years, at 6% in 12 years, at 7% in 10.3 years.

15. I don't expect you to like all this and parts of it I don't like either, but this is our country and our Government (for the moment) and we need to make sure the Government approach and result makes sense and works well.

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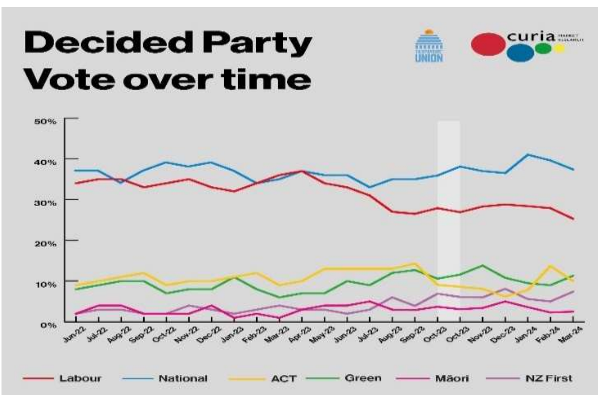
PS: It is apparent from the media and letters to The Press Editor that many New Zealand citizens do not yet appreciate that the New Zealand Government and organisations like Regional Councils simply do not have the money to follow through on what is effectively a serious and well intentioned wish list - something has to give - just like many New Zealand households are having to deal with - 'cutting one's cloth' is a fundamental action in these times.

LATEST POLITICAL POLL

CURIA/TAXPAYERS' UNION March-24 POLL				
	Vote	Change*	Seats	Change**
National	37.4%	(2.2%)	48	(1)
Labour	25.3%	(2.6%)	32	(2)
ACT	10.0%	(3.7%)	13	2
Green	11.3%	2.3%	15	nc
NZ First	7.4%	2.4%	9	1
Māori	2.5%	0.2%	6	nc
* Change from Feb-24 ** Change since election				
Polling Period: 3rd to 5th March 2024				



RECESSION ARRIVED IN THE 2nd HALF OF 2023

New Zealand is back in a technical recession. Gross domestic product fell by 0.1% in the December quarter, after a 0.3% drop in September. That's despite the country's population increasing sharply – on a per capita basis, GDP dropped 0.7%.

Stats NZ said wholesale trade was the biggest driver of the decline, led by falls in grocery and liquor wholesaling, as well as machinery and equipment wholesaling. Retail trade activity also fell, driven by furniture, electrical, and hardware retailing, and food and beverage services.

LABOUR'S CREDIBILITY WOES – BRUCE COTTERIL

SOURCE: NZ Herald, 2-Mar-24

Cotteril wrote... The last Labour Government was more radical than others. Their policies around water management, health, education, and crime were more extreme than we had seen before and as a result, drew criticism from many. Their approach to issues of race was difficult to fathom. The ability of many of their ministers to execute policy was shown to be inadequate and sometimes incompetent. Their spectacular failures around housing, mental health and child poverty will not be easily forgotten. Their financial mismanagement was such that some four months after their departure, the fiscal surprises are still being unearthed.

In the past few weeks, we've seen them lamenting the loss of their policy framework, much of it idealistic and ultimately undeliverable. They've been given plenty of airtime to sound off about how disgraceful are the policies of the new Government. They would prefer to see their old policies retained. Of course they would.

But here's the problem. In doing so they are defending their policies of the past, policies that resulted in them being voted out. The challenge for the opposition parties is to put up new ideas. The same old faces might get away with it if they had new ideas. But new faces and new ideas are even better.

Meanwhile, the new Government is getting on with it. Largely untroubled by the opposition's predictable approach of opposing everything, they're getting stuck into the mess they've inherited. Their first 100 days are nearly up and they have made good progress on their 100-day plan. Are they there yet? No. Are they close? Closer than many, including me, thought they would be.

Winston is playing ball. Seymour is predictably unflappable. And while he still trips up every now and then, the new Prime Minister seems to be getting more right than wrong. His team looks comfortable, too. Erica Stanford looks controlled as she seeks to clean up Jan Tinetti's education mess, and Shane Reti is doing a good job fronting the very difficult health portfolio, including the unravelling of the incomplete reforms of his predecessors. Nicola Willis has a few big weeks ahead and we'll get to see how she handles that. But, for the moment, despite the depth of our troubles, everything feels a lot more comfortable than it has for a long time. Competence, confidence and a clear, well-communicated plan can do that.

Bruce Cotterill is a professional director and adviser to business leaders.

WINSTON PETERS – OPINION PIECE ON MEDIA

SOURCE: KiwiBlog, 6-Mar-24

Winston Peters Wrote:

Over the past four years the sign-up of media outlets to receive $55 million of public funding through the Public Interest Journalism Fund has cemented that mistrust from the public for obvious reasons – most of which, it seems, is lost on the very media outlets that received those funds.

It is a plain fact that for media organisations to be eligible for funding they had to sign up to certain criteria and conditions – including forcing certain narratives of the Labour government at the time. …

One of those conditions is based on a purely political view that is not supported by many New Zealanders or many political parties. It states that the media organisation must "actively promote the principles of partnership, participation and active protection under Te Tiriti o Waitangi acknowledging Māori as a Te Tiriti partner". And have a "commitment to Te Tiriti o Waitangi and to Māori as a Te Tiriti partner".

If they didn't sign up to this condition, they wouldn't get the money. How can a politically neutral and independent media organisation give balanced political commentary, analysis and in particular "opinions", when this is the basis for the funds they receive for their very survival?

This is the sinister incentivised seed that provides the platform for political bias. It is a preposterous state of self-denial when they cannot see that the contract they signed is a recipe for bias and corruption.

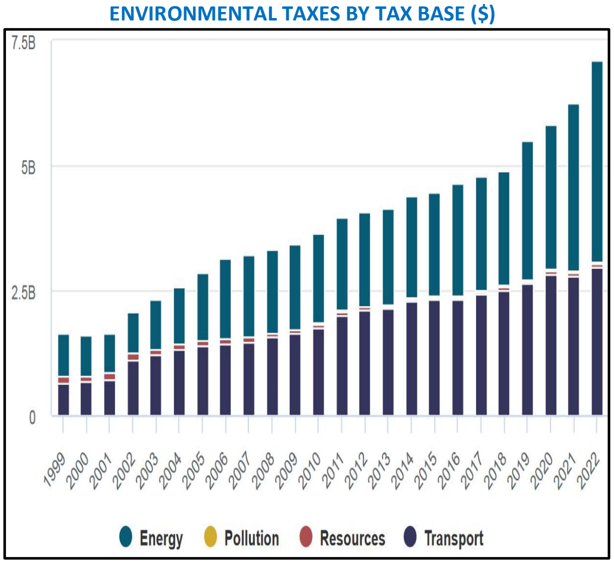
It has created a media environment where certain leftwing political narratives and agendas have seeped into much of what the media presents to the public – where any opposing views are shutdown, cancelled and labelled as "far right" or "fringe".

ENVIRONMENTAL TAXES FROM ENERGY USE UP 19%

The increase in environmental taxes in the year to March 2022 was primarily due to a $650 million increase (19%) from the energy tax base. This was driven by an increase in taxes on greenhouse gases, according to the NZ Stats website.

In the same period, total annual greenhouse gases decreased 1.3% (1,041 kilotonnes), primarily due to increased use of renewable energy sources for electricity generation.

ENVIRONMENTAL TAXES BY TAX BASE ($)

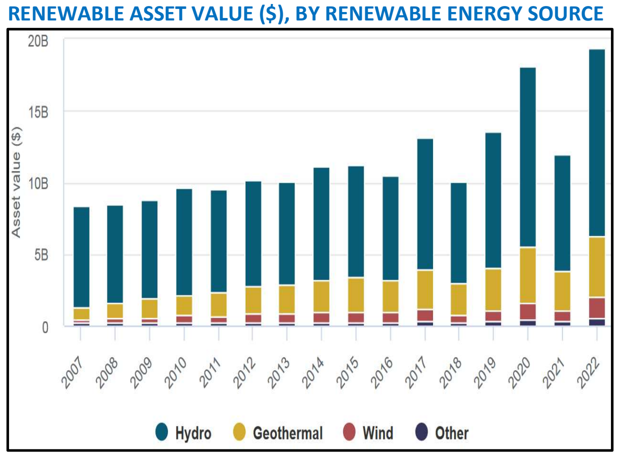


ASSET VALUE OF RENEWABLE SOURCES OF ELECTRICITY GENERATION UP 62%

An increase in the share of electricity generation from renewables contributed to a 62 percent increase in asset value (the market price of an asset if it were sold) of all sources of renewable inputs to electricity generation. This $7.4 billion increase took the total to $19.4 billion in the year to March 2022. During the same period, the proportion of electricity generation coming from renewable energy sources was 83 percent, up 3 percent from the previous year.

In 2022, 68% of the asset value of renewables came from hydrogeneration, 22% from geothermal, 7.6% from wind, 1.3% from wood, 0.7% from biogas. Solar at 0.6% was the smallest contribution to total renewable asset value in the year to March 2022, but had the largest annual increase in value, up 105% as solar generation increased.

RENEWABLE ASSET VALUE ($), BY RENEWABLE ENERGY SOURCE



ENVIRONMENTAL PROTECTION EXPENDITURE UP 10.5%

In the year to March 2022, final consumption expenditure on environmental protection by local and central government increased $234 million (10.5%) to just under $2.5 billion. Local government contributed nearly two-thirds (65%) and central government contributed 35%.

Total local government environmental protection expenditure increased $111 million (7.4%), representing 21 percent of total local government final consumption expenditure. Total central government environmental protection expenditure increased $123 million (17%), representing 1.3% of total central government final consumption expenditure.

BISHOP'S CABINET HOUSING PAPER

Chris Bishop has released a paper on Housing he recently has taken to Cabinet. Some key extracts:

- My goal is to flood urban housing markets for Tier 1 and 2 Councils with land for development. Abundant zoned and serviced land within and at the edge of our cities for housing will moderate land prices and increase competition among land-owners to stop land banking

- Pricing should play a greater role in infrastructure funding. Growth bottlenecks have emerged precisely where prices do not reflect costs. Infrastructure should earn sufficient lifetime revenue from service charges to recover its whole-of-life costs.
- Communities are more likely to support housing growth if they share in its benefits. Under existing funding rules, water and roads infrastructure in developments may be partly funded by existing ratepayers. This acts as a disincentive for Councils to approve new subdivisions. I intend to report back on options to improve Council incentives for growth, including potentially sharing a portion of the GST from developments with Councils.
- Land protection can dramatically lower infrastructure costs by purchasing options to buy land years before developments begin. For example, a recent study by the Infrastructure Commission found land for the North-South Opaheke Arterial in Auckland would cost $78 million if purchased today but would cost an estimated $1 billion if purchased immediately before the start of the development.

The problem for a "high growth" city like Tauranga is that due to its topography there is limited room for sensible expansion of our city limits. We are already "land constrained" which helps to make us one of the most expensive cities in the world to own a house (especially when compared to average incomes).

A STATE HOUSE IS A PRIVELAGE – NOT A RIGHT

Any Kāinga Ora (Housing NZ) tenant that continually makes other people's (often their neighbours) lives hell should be dealt with swiftly and in the best interest of others. They should be evicted for their neighbours safety but also if they they don't respect the property that they are renting. Every gang member who keeps on terrorising their neighbours is blocking someone else from that state house who won't. There are more than 25,000 people on the Social Housing waitlist.

There must be self-responsibility and consequences for inappropriate actions - and one of those actions should be eviction – as National said it would do in the run up to the 2023 election. This was the status quo until Labour changed it in 2017. It has proved to be yet another of Labour's disastrous experiments.

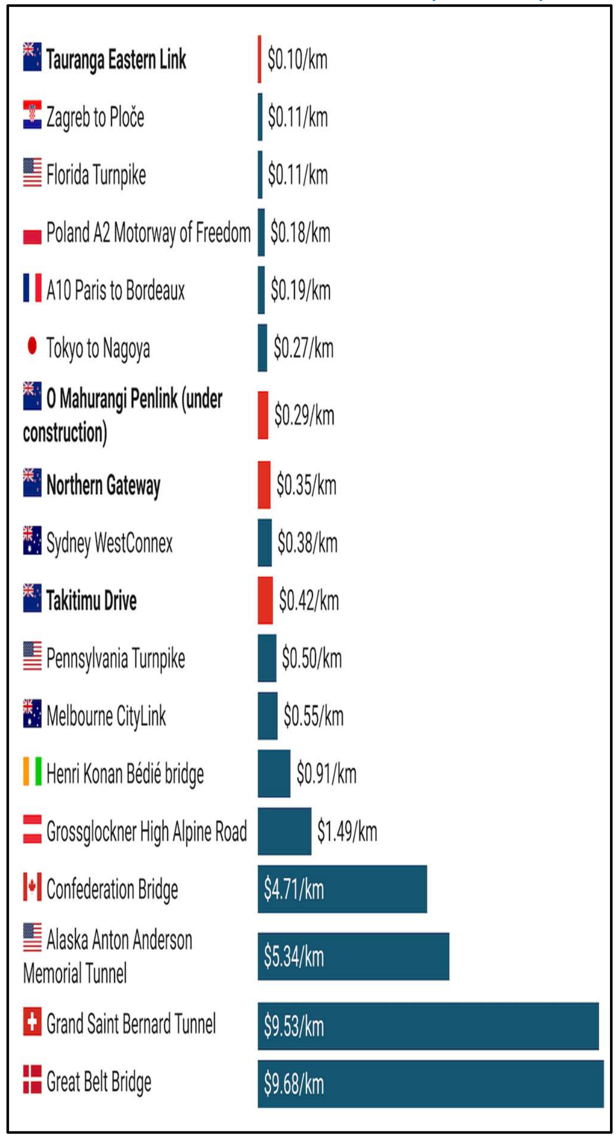
Tenants need to understand that if they don't want to be evicted then it is quite simple. Don't terrorise and threaten your neighbours and treat the home with respect. A state-funded cheap home is not yours by right and if you are lucky enough to be in one then you should take responsibility for your actions.

$5 TOLL ROADS NEEDED - ECONOMISTS SAY

SOURCE: Newsroom Pro, 6-Mar-24

The Government plans to toll users of its new "roads of national significance" to help pay their construction bills, estimated at $22bn to $32bn by NZ Transport Agency. "Tolling provides an opportunity for an additional source of revenue and will support infrastructure which provides reduced travel times compared to alternative routes," says the new government policy statement.

COST OF TRAVELLING ON TOLL ROADS (NZD PER KM)



In the past, tolls have been used to pay for Auckland Harbour Bridge and Lyttelton Tunnel, then have ceased once the debt is paid. Now, NZTA is relying on tolling of the Tauranga Eastern Link to help pay down an outstanding $107m loan to build that road – but at just $2.30 to drive the road's 23km length, transport economists say the toll is a a drop in the bucket. That road works out at 10c/km, making it one of the cheapest tolls in the developed world; the country's other toll roads aren't much more.

Economists say if we're serious about tolling as a funding tool, NZ motorists must be willing to pay more. Echoing Auckland Mayor Wayne Brown's proposal for time-of-use charging on busy part's of Auckland's motorway networks, independent transport economist Neil Douglas says the starting point for tolls on the new roads must be $5 a trip.

JUDICIAL SYSTEM NEEDS A COMPLETE OVERHAUL

We have a massive problem with the Judicial system. National's Minister of both Police and Corrections has recently announced that the coalition Government has taken the first steps to ensure prisoners on remand can access the rehabilitation and reintegration support they need to turn their lives around.

Mitchell stated "*The number of people on remand has increased by 146% over the past 10 years. With almost 45% of the prison population now on remand, the corrections system needs to adapt to support their needs so we can reduce re-offending and keep the public safe.*

"That's why, as part of this Government's 100-day plan, we are taking steps to make it explicit in the Corrections Act 2004 that prisoners who are on remand and convicted of a crime will be provided with rehabilitation that helps address the causes of their offending."

This must be but the first step in the overhaul of out judicial system. Our courts are clogged, leaving far too many "on remand" for far too long. This is expensive and inefficient, and the judiciary need to also look more closely at their processors and procedures if we are to make our courts effective.

SHANE RETI ANNOUNCED FIVE HEALTH TARGETS

- FASTER CANCER TREATMENT – 90% of patients to receive cancer management within 31 days of the decision to treat.
- IMPROVED IMMUNISATION FOR KIDS – 95% of children to be fully immunised at 24 months of age.
- SHORTER STAYS IN EMERGENCY DEPARTMENTS – 95% of patients to be admitted, discharged or transferred from an ED within six hours.
- SHORTER WAIT TIMES FOR FIRST SPECIALIST ASSESSMENT – 95% of patients to wait less than four months for an FSA.
- SHORTER WAIT TIMES FOR TREATMENT – 95% of patients to wait less than four months for elective treatment.

If you don't measure, you can't manage

This is a 101 of best practice, and National's reinstatement of targets is an excellent first step.

The removal of targets was the biggest health blunder that the previous Labour Government enacted.

AUCKLAND GRAMMAR HEADMASTER BLASTS NZ'S EDUCATION SYSTEM

SOURCE: NZ Herald, 15-Mar-24

The Grammer Headmaster, Tim O'Connor doesn't hold back when asked to describe the current state of New Zealand's education system. "*In disarray, colloquially buggered, we're heading towards rock bottom*."

"*The profession, from my point of view, isn't as valued as it was and we're not doing ourselves any favours by the lowering standards that are occurring within our national qualification framework. Nor are we with the way the curriculum has headed in the last few years ... in fact, the last time we actually had a formal New Zealand curriculum was in 2007*."

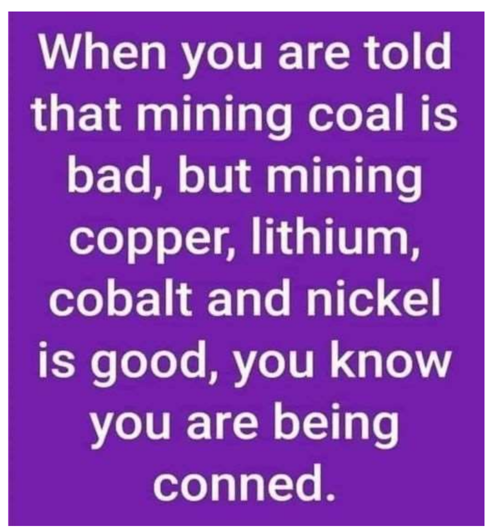
This is indeed a damning insight from one of New Zealand's top educators.

NZ'S ETHIC CURRENT BREAKDOWN (ESTIMATE)

NZ is still awaiting the 2023 Census results

- 70.2% European (3,297,860 people)
- 16.5% Māori (775,840 people)
- 15.1% Asian (707,600 people)
- 8.1% Pacific peoples (381,640 people)
- 1.5% Middle Eastern, Latin American and African (70,330 people).

NOTE: 39% of Aucklanders were born overseas.



For Health: we can choose form or function I choose function.
We can choose activism or actions I choose actions.
We can choose outrage or outcomes I choose outcomes.
Health Minister Shane Reti

LABOUR'S FINAL REPORT CARD – DAVID FARRAR

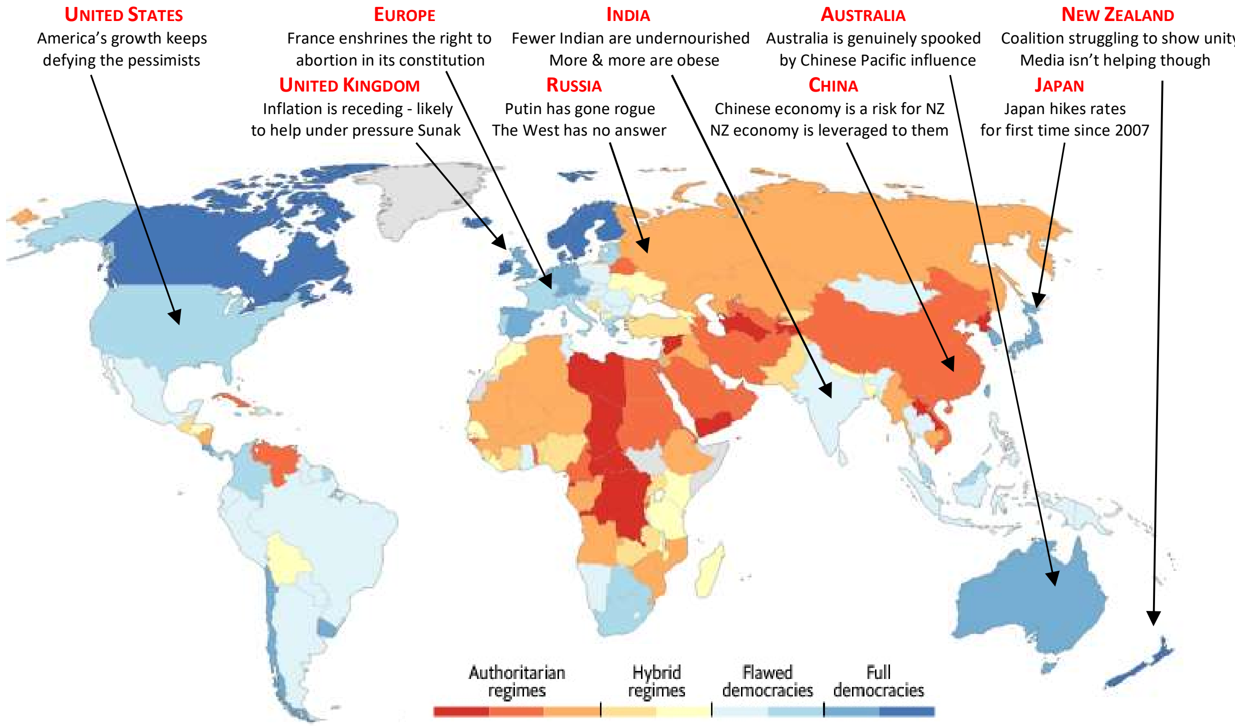
SOURCE: KiwiBlog, 18-Mar-24

David Farrar has posted an update to his annual table of how Labour went against its promises. He calls this "*basically their final report card*".

The promise	The result
Build **100,000 affordable homes** over 10 years	2,025 built (**2.0%**)
Fund the planting of **one billion trees** over 10 years	41.4 million trees funded (**4.1%**)
Govt **vehicles emission free** by 2026	2,693 electric vehicles (**15.76%**) out of 17,089
End homelessness	Priority A waiting list has **increased 481% from 4,054 to 23,568**
Net zero emissions by 2050	**Net emissions increased by 3.2%**from 54.0 KT to 55.7 KT
Reduce child poverty	The number of children in material deprivation was 139,600 in June 17 and 143,700 in June 23 – an **increase of 4.1%**
Start construction of Dunedin Hospital in 1st term	0 bricks laid (**0.0%**) intheir first term
Complete light rail from Auckland CBD to Mt Roskill by 2021	0 kms done (**0.0%**) in their 1st and second terms
Relocate Government functions to the Regions	Proportion of public service outside Wellington is **2.7% lower** than in 2017 (down from 58.3% to 55.6%)
100% renewable electricity by 2035	Share did increase from 83.7% to 88.1% in Dec 23 or 4.4 percentage points. Under previous government share increased by 18 percentage points.
Free tertiary fees (estimated to lead to 15% enrolment boost)	1st year enrolments **dropped 2.7%** from 63,695 in 2017 to 61,960 in 2022

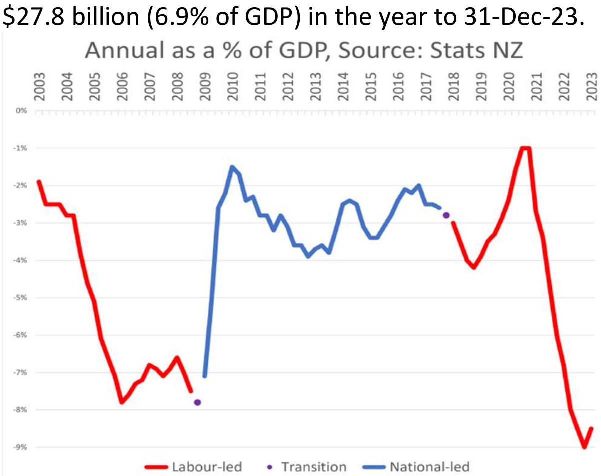
David summarised this as:

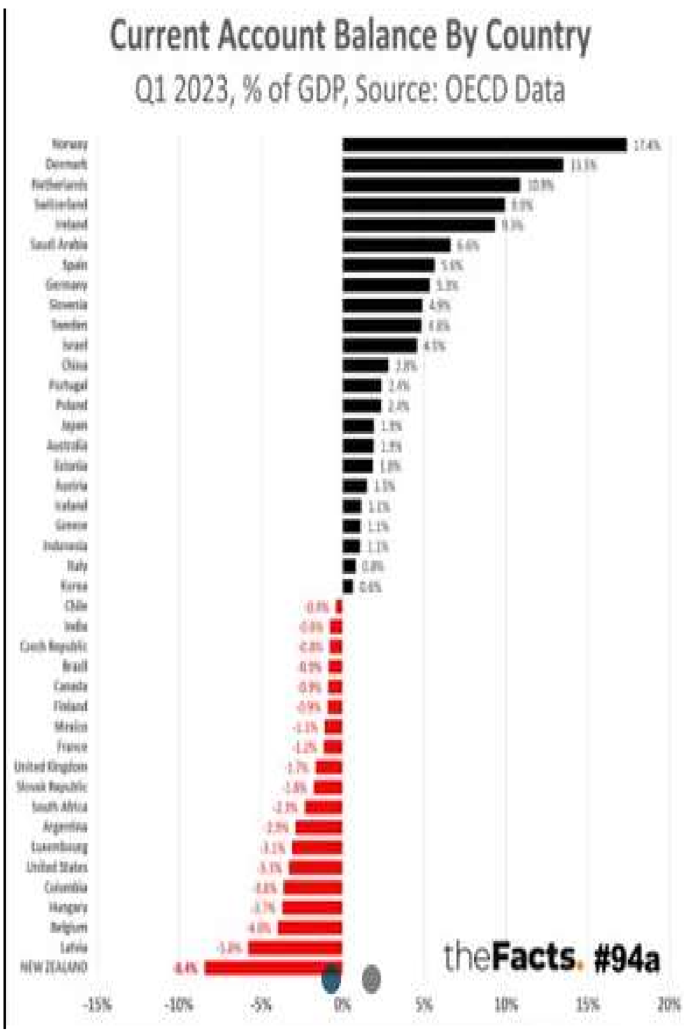

- Labour achieved 2% of their Kiwibuild target.
- Labour achieved 4% of their billion trees target.
- Labour achieved 16% of their emissions free government vehicles target.
- Labour pledged got end homelessness - and the priority A housing waiting list increased 481%.
- Labour pledged to cut NZ's net greenhouse gas emission to zero - but increased them 3.2%.
- Labour pledged to reduce child poverty - but saw a 4% increase in the number of children in material deprivation.
- Labour promised to start construction of Dunedin Hospital in its first term - No bricks were laid.
- Labour promised 13 km of completed light rail in Auckland by 2021 - At the end of their second term, a business case wasn't even completed.
- They promised to relocate Government functions to the region and increased the Wellington share of the public service by 3%.
- They promised 100% renewable electricity by 2035 - and did manage a modest 4% increase in the renewable share compared to an 18% increase under the previous Government.
- They said free tertiary fees would lead to a 15% increase in enrolments - 1st year enrolments dropped 3%.



OECD CURRENT ACCOUNT BALANCE

New Zealand's current account deficit was the worst in the OECD (at 8.4% of GDP) in the first quarter of 2023. This was far worse that in the height of the Global Financial Crisis (2008). Just released by Stat NZ, New Zealand's annual current account deficit was $27.8 billion (6.9% of GDP) in the year to 31-Dec-23.





NEW ZEALAND'S ECONOMIC OUTLOOK

Population: 5.2 million

NZ Economy

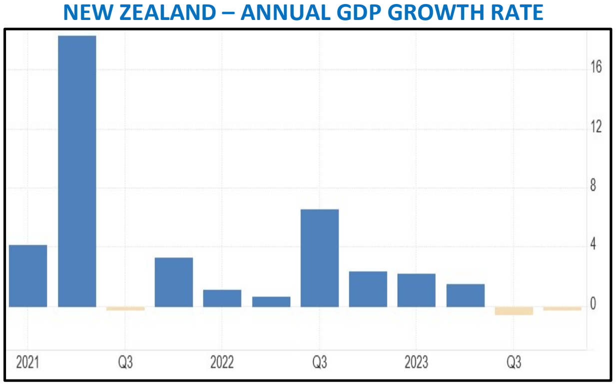
Prior to last year's election, there should have been little surprise that the NZ economy was heading south. It's now official – New Zealand has gone into a recession, with both the September and December's GDP being negative (albeit marginally).

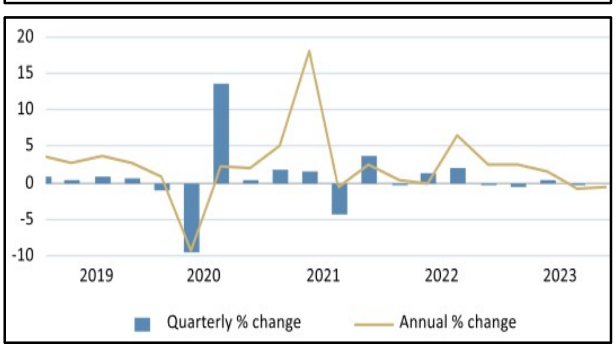
While undoubtedly soft, overall economic activity may not be in as bad shape as the headline GDP numbers suggest. Recent indicators suggest activity may be improving to a degree, with early spending and employment numbers holding up reasonably well. The latest economic data will likely give the Reserve Bank some comfort its more balanced view on inflation and economic risks at its February meeting was justified. They will likely continue to take a cautious approach to future Official Cash Rate cuts.

The reality is that the Crown accounts are looking worse – the tax take will drop this year. The issue will be whether the new Coalition government can mitigate this with efficiency and effectiveness gains in the public sector.

Minister Willis' proposed tax cuts look unaffordable when balanced against basic infrastructure needs. However, we will have to await the 30th May Budget for more clarity. While It is unlikely National can ditch such a central plank in its election policy, it can delay them for up to one year.

NEW ZEALAND – ANNUAL GDP GROWTH RATE





Interest Rates

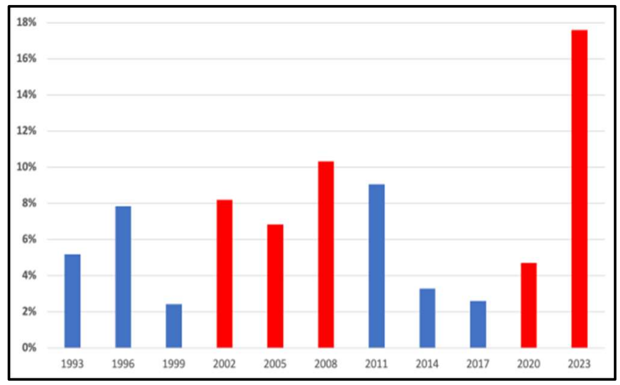
Interest rates have landed about where they were expected to and the economy is in about as good a shape as expected - which is to say, not healthy.

Inflation

Inflation continues to slowly subside. As the "cost of living" continues to bite, retail spending by Kiwis dropped 1.8%, or $120 million, in February compared with January, new figures from Stats NZ show. The biggest fall was in fuel consumption — down 3.7%, but spending on apparel also fell significantly, down 1.5%. The non-retail (excluding services) category decreased by $55m (2.4%) from January 2024. This category includes medical and other healthcare, travel and tour arrangements, postal and courier delivery, and other non-retail industries.

CUMULATIVE NZ INFLATION

IN THREE YEAR PARLIAMENTARY TERMS TO 30TH JUNE



The cumulative inflation in the last three years is greater than the total inflation in nine years from 1990 to 1999 and from 2008 to 2017. And that includes a GST increase in 2010 which had compensating tax cuts. We have never had sustained inflation like these last 3 years (under Labour) in the last 30 years. An 18% increase over three years is unprecedented.

NZ House Prices

The house market has flattened out with diminishing demand expected to continue, as interest rates and other costs remain high, according to the latest QV House Price Index. The index indicates property values fell 2% over the three months ended in February - but were up 1.3% on the same quarter a year earlier.

That was the first annual increase in the price of residential property since August 2022, bringing the national average home value to $925,812.

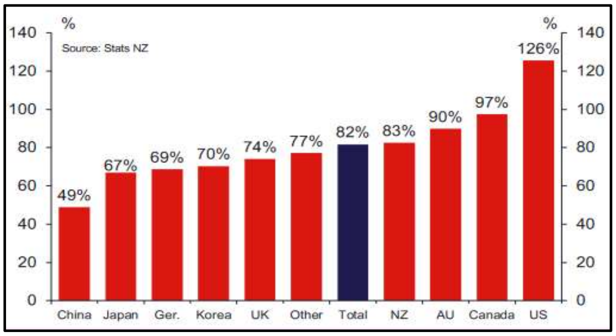
Just three of the main urban areas had positive home value growth in the three months ended January, including Tauranga (3.1%), Nelson (1.2%) and Marlborough (3.1%). Auckland's three-month rolling average fell into negative territory (-0.1%) for the first time since August last year.

Tourism Data

Tourism data points to a pick-up in foreign visitor arrivals in January. However, arrivals continue to track a little lower than had been expected, with overall inflows just 82% of their January 2019 level. Boosted by increased flights into New Zealand and arrivals from the US were 126% of their January 2019 level. However, overall arrivals continue to be weighed down by weak activity from Asia (China sitting at just 49%) and Europe (the UK sitting at 74%).

By contrast, short-term departures by New Zealand residents now stand at 102% of their January 2019 level. This implies that the net impact of tourism on the New Zealand economy presently remains much smaller than prior to the pandemic.

TOURIST ARRIVALS – JANUARY 2024 VS JANUARY 2019



SOURCE: Westpac

AUSTRALIAN ECONOMIC OUTLOOK

Population: 26.4 million

AUSTRALIAN ECONOMY

Australian Insolvency specialists continue to see a pickup in insolvency activity but it is not dramatic outside of the construction sector. Importantly they noted that the published ASIC insolvency numbers don't tell the full story as many companies were dormant, so had little meaningful economic impact. However, they are now starting to see a rise in business stress for operational/trading companies, which could have a more meaningful impact on the economy. Looking forward, they expected a further rise in insolvencies and business stress, albeit nothing dramatic. A key driver of this was expected to be a softening in demand, particularly for the construction and retail sectors. Importantly, while business conditions/stress are expected to remain challenging, they also noted that for banks, credit generally remains well secured (particularly in the smaller end) given the resilience in asset prices (both real estate as well as equipment).

AUSTRALIA's GDP ANNUAL GROWTH RATE

GDP GROWTH

Economic growth in Australia is expected to remain subdued in the near term as inflation and higher interest rates continue to weigh on demand. The forecast for GDP growth is softer than three months ago, largely reflecting a weaker outlook for household consumption in the near term. From late 2024, growth is expected to pick up gradually as inflation declines and the pressures on household incomes ease.

INFLATION

Inflation continues to moderate and is expected to return to the target range of 2–3 per cent in 2025 and reach the midpoint in 2026. The forecasts are based on the technical assumption that the cash rate will remain around the current level until the middle of 2024. Inflation is anticipated to decline a little quicker than previously thought, because goods price inflation has declined more than expected and domestic demand is also a little softer than previously anticipated.

UNITED STATES ECONOMIC OUTLOOK

Population: 340.9 million

It is predicted that there are at least a further 12m undocumented (illegal) migrants in the US currently.

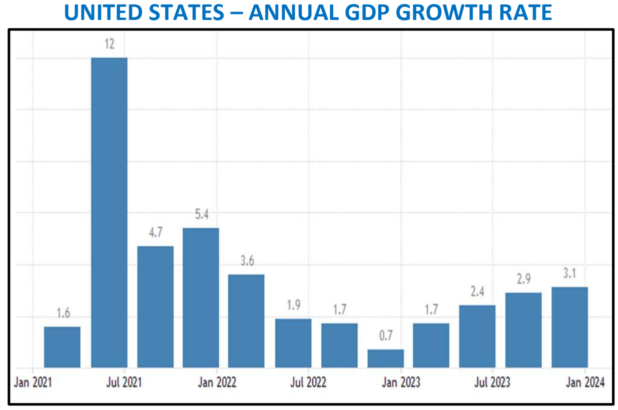
US ELELCTIONS – NOV 2024

President Biden is fending off an internal rebellion from those Democrats who oppose his staunch backing of Israel in its Gaza war. To those outside the United States, it may seem extraordinary that Americans aren't demanding new solutions, from new leaders. But there's a crisis of confidence in democracy. Large parts of the Republican Party now treat the Russian autocrat Vladimir Putin as if he were an ideological ally, the New York Times reported recently.

US ECONOMY

The economy is moving in the right direction for Biden. The International Monetary Fund projected a "soft landing" recently. Inflation continues to moderate. The US added 353,000 jobs in February. But relying on global economic recovery and attacks on his opponent is a sad last resort for an incumbent who once ran under that "hope" banner; his state of the union will promise little new. Rather, he will promise to "stay the course". He will boast of an economic recovery for which, to be blunt, he deserves little credit.

UNITED STATES – ANNUAL GDP GROWTH RATE



CHINESE ECONOMIC OUTLOOK

Population: 1.425 billion

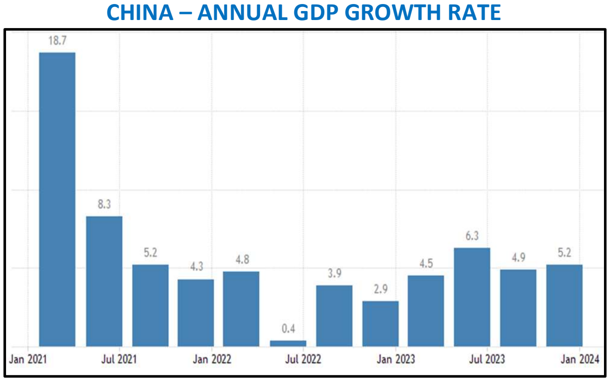
MASSIVE INCREASE IN DEFENCE BUDGET

China recently announced a 7.2% increase in its defence budget, which is already the world's second-highest behind the United States at 1.6 trillion yuan (US$365 billion), roughly mirroring last year's rise. Tensions with the US, Taiwan, Japan and neighbours with competing claims to the South China Sea are seen as furthering growth in high-tech military technologies from stealth fighters to aircraft carriers and a growing arsenal of nuclear weapons. The official budget figure announced at the opening of the legislature's annual meeting is considered only a fraction of spending by the People's Liberation Army, the military wing of the ruling Communist Party, once spending on research and development and foreign weapons purchases are considered.

CHINESE ECONOMY

China's property downturn continues to weigh on the outlook. Almost all China observers agree that the economy is on a structural growth downtrend, citing ageing demographics, diminishing returns to capital, and rising risks of geopolitical tensions that threaten to compound China's longer-term productivity challenges.

CHINA – ANNUAL GDP GROWTH RATE



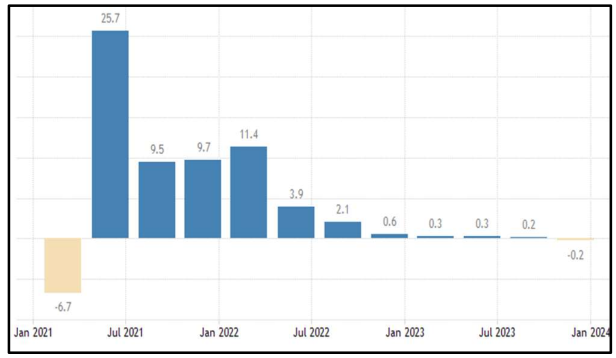
UNITED KINGDOM ECONOMIC OUTLOOK

POPULATION: 67.7 million

UK ECONOMY

While trends in prices and wages have improved conditions for many households, the economy has contracted since early 2022. Prospects for renewed growth are positive but weak. The annual growth rate of average weekly earnings (excluding bonuses) from the third quarter of 2023 to the fourth quarter of 2023 was 6.2%. This rate has been on a decreasing trend since peaking at 7.9% in August 2023. That said, it remains well above its series average of 3.2%.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



INFLATION

UK inflation has fallen to 3.4% after a slow-down in food price rises. Food price inflation in February, was down from 7% in January and a peak of 19.1% in March last year.

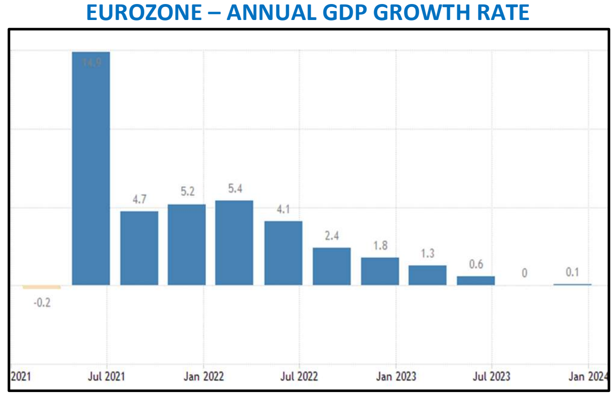
EUROZONE ECONOMIC OUTLOOK

POPULATION: 447.7 million

EU ECONOMY

Following subdued growth last year, the EU economy has entered 2024 on a weaker footing than expected. The European Commission's Winter Interim Forecast revises growth in both the EU and the euro area down to 0.5% in 2023, from 0.6% projected in the Autumn Forecast, and to 0.9% (from 1.3%) in the EU and 0.8% (from 1.2%) in the euro area in 2024. In 2025, economic activity is still expected to expand by 1.7% in the EU and 1.5% in the euro area.

EUROZONE – ANNUAL GDP GROWTH RATE



INFLATION

Inflation is set to slow down faster than projected in the autumn. In the EU, Harmonised Index of Consumer Prices (HICP) inflation is forecast to fall from 6.3% in 2023 to 3.0% in 2024 and 2.5% in 2025. In the euro area, it is expected to decelerate from 5.4% in 2023 to 2.7% in 2024 and to 2.2% in 2025.

REPORT INTO CLIMATE RISK FINDS EUROPE UNPREPARED

Europe is unprepared for the growing climate risks it faces, the European Environment Agency said in its first ever risk assessment for the bloc. The agency in March said Europe was prone to more frequent and more punishing weather extremes, including increasing wildfires, drought and flooding, and needed to immediately address them to protect its energy, food security, water and health. These climate risks are growing faster than our societal preparedness, the Report stated.

The report identified 36 major climate risks for the continent, such as threats to ecosystems, economies, health and food systems. It classified eight as needing urgent attention – such as conserving ecosystems, protecting people against heat, protecting people and infrastructure from floods and wildfires, and securing disaster relief.

The report said Europe was the world's fastest-warming continent and had been heating up twice as fast as other regions since the 1980s. The heat has been linked to more intense rains and floods, and the report predicts rainfall decline and more severe droughts in southern Europe.

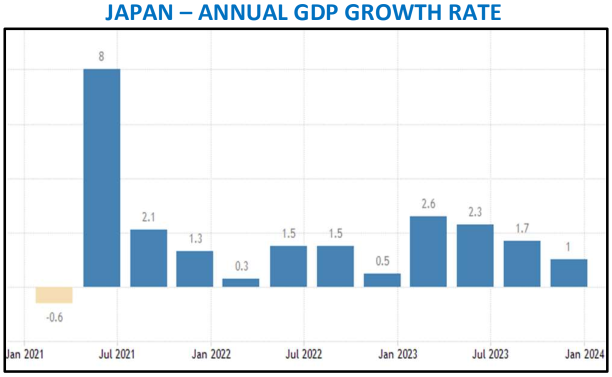
JAPAN'S ECONOMIC OUTLOOK

Population: 122.9 million

Japanese economy

Although 2024 will be politically windless due to the absence of major national elections, there is a risk of rising market volatility impacted by the political situation due to the LDP's leadership election in September 2024.

JAPAN – ANNUAL GDP GROWTH RATE



Japan should be doing well. It boasts a well-educated and disciplined workforce and outdoes most other industrialised countries on both investment and spending on research and development. In fact, at 3.3 per cent of GDP, Japanese R&D expenditure was higher even than that of the United States until recently. And yet, Japan's relative decline continues.

In the 1980s and 1990s, Japan was the world's second-largest economy, not least because of its seemingly unbeatable industrial sector. Today, however, it is the world's fourth-largest economy, with data showing that it recently fell behind Germany, a country with a much smaller population – 83 million, compared to 123 million – that is subject to unfavourable demographic trends, much like those seen in Japan.

INDIA'S ECONOMIC OUTLOOK

Population: 1.435 billion

India's population is `18% of the total world population, and now surpasses China as the country with the world's largest population.

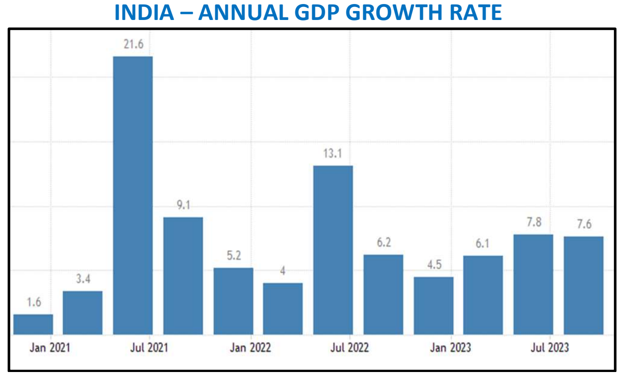
Indian Economy

CRISIL, a leading rating agency, released the Indian Outlook report on 6-Mar-24, stating that India's GDP growth is estimated to remain at 6.8% in FY25 and the economy could reach up to $7 trillion by 2031. Additionally, this growth will be driven by improvements in domestic growth and capital expenditure. The report suggests that this growth will make India an upper-middle-income country by 2031.

What Does Upper-Middle Income Country Mean? According to the World Bank, countries with a per-capita income ranging from US$1,000 to US$4,000 are termed as lower-middle-income countries, while those with a per capita income ranging from US$4,000 to US$12,000 fall under the category of upper-middle-income countries.

Over the past few years, the Indian government has made several reforms to ease doing business and attract investments. These reforms will help boost the economy. India's manufacturing sector is growing rapidly, and CRISIL estimates that it will grow at a rate of 9.1% over the next seven years. The service sector also plays a vital role in India's GDP, and it is expected to grow at a rate of 6.9% over the next seven years.

INDIA – ANNUAL GDP GROWTH RATE



CURRENCIES

	Historical data				F'cast
	Spot	3mth range	5yr range	5yr avg	Dec-24
USD	0.609	0.605-0.635	0.555-0.743	0.651	0.64
AUD	0.928	0.923-0.944	0.873-0.992	0.933	0.91
EUR	0.559	0.558-0.572	0.517-0.637	0.584	0.56
GBP	0.478	0.478-0.497	0.464-0.544	0.507	0.50
JPY	90.7	88.1-93.1	61.3-93.1	78.3	88.3

Source: Westpac

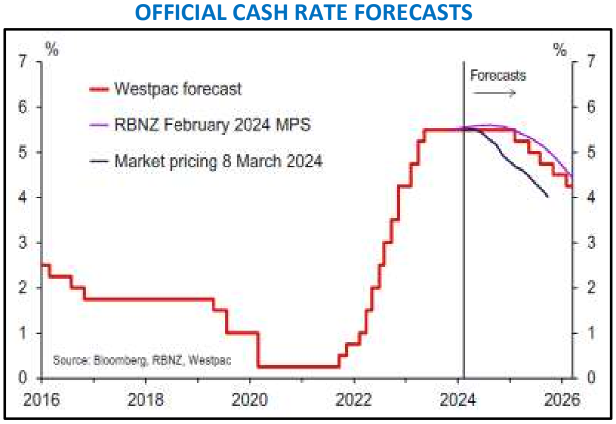
	Last 3 months	Next 3 months	Next year
Global economy	→	→	↗
NZ economy	→	→	↗
Inflation	↘	↘	↓
2 year swap	→	→	↘
10 year swap	↘	→	↘
NZD/USD	↘	↗	↗
NZD/AUD	→	→	↘

SOURCE: Westpac

INTEREST RATES

NZ swap rates have just reversed their fall, led by US yields which responded to Fed Chair Powell's testimony reiterating rate cuts were likely this year. That update compounded the dovish surprise from the RBNZ the previous week and helped push the 2yr swap down another 10bp to 4.9%. There is potential for swap rates to fall further over the next month, but probably not as quickly as they have done of late. That is because markets have already priced in plenty of easing compared to our economists' forecast of the first cut in February 2025. Markets continue to price 100% chance of OCR cuts at the next three meetings in October, November and February.

OFFICIAL CASH RATE FORECASTS

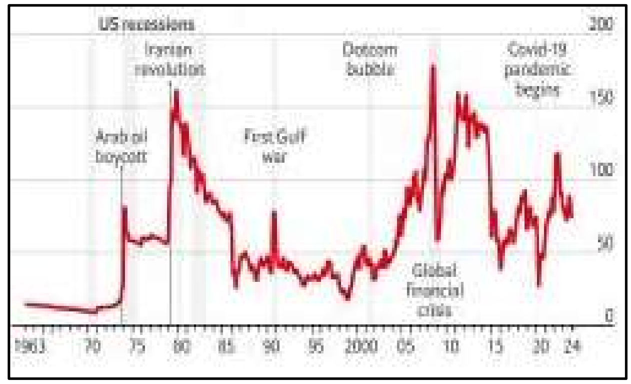


SOURCE: Westpac

OIL – BRENT CRUDE

Brent crude futures Brent crude futures rose to its highest price since October. The rise was underpinned by lower crude exports from Iraq and Saudi Arabia, alongside indications of stronger demand and economic growth in both China and the United States. Iraq announced it would reduce crude exports to 3.3 million bpd in the coming months to compensate for exceeding its OPEC+ quota since January. Also, Saudi Arabia saw its crude exports decline for the second straight month, falling to 6.297 million bpd in January (vs 6.308 million bpd in December). On the demand side, China's factory output and retail sales surpassed expectations in the January-February period. Last week, IEA raised its global demand outlook for 2024. Still, heightened geopolitical risks continued to spark supply concerns after Ukraine stepped up drone strikes on Russian oil refineries over the last week, idling 7% of Russian refining capacity in the first quarter.

BRENT CRUDE

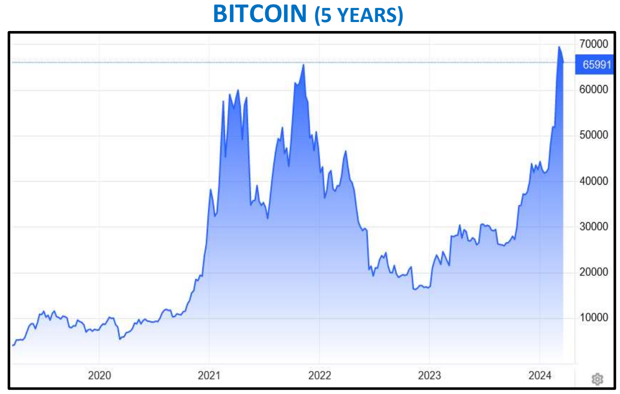


NOTE: New Zealand trades in Brent Crude Oil

BITCOIN

As bitcoin hovers around the US$67,000 mark and there's still widespread speculation about the potential for its price to climb even higher. Some analysts suggest that "exponential growth" is expected to "continue. My advice is that Bitcoin remains highly speculative, so only invest if you are prepared to lose most of your capital.

BITCOIN (5 YEARS)



NZ CARBON

New Zealand first Emissions ETS auction of the year has partially cleared at the $64 price floor. The secondary market price dropped by c. 22%, from $65.40 at last close to $51 following the auction. The sale of these credits creates a higher likelihood that New Zealand Units (NZUs) are sold across auctions in 2024 versus 2023 where consecutive unsuccessful auctions saw supply roll over and accumulate. A full clearance and high bid coverage ratio would have been a more bullish signal but partial clearance is a better outcome for the market than a fifth consecutive auction being passed over. Regulatory risk remains and there are conflicting signals in the market because: 1) National has committed to no major ETS reforms and forestry's i1clusion in the scheme but 2) they need the scheme to be effective to support New Zealand's climate ambitions and generate auction revenue to support funding for tax cuts.

The next auction will be on 19th June 2024.



BEEF + LAMB NZ'S LATEST REPORT IS GLOOMY

SHEEP AND BEEF FARM PROFITS FORECAST TO PLUNGE 54%

Times are tough according to the latest Beef + Lamb New Zealand mid-season update 2023-24, that shows the outlook has worsened significantly since its forecasts in October, because there has been no recovery in China, and Australian exports of red meat have been bigger than originally forecast.

The report said an excellent lamb crop last spring meant more lambs to sell, but this couldn't compensate for lower per-head prices and unavoidably high costs. Farm profits are forecast to be down 54 per cent to an average of $62,600 per farm.

This is a 67% fall in farm profit from the 2021-22 year to levels not seen since the 1980s, except for during the Global Financial Crisis.

China's economic recovery remains slow, resulting in decreased demand and lower farm-gate prices, especially for lamb and mutton. Increased supply from Australia into international meat markets also contributed to a global reduction in prices. Both of these dynamics were not expected to change much before the end of the season.

The annual weighted average all classes lamb price for 2023-24 is estimated at 651 c/kgCW1, down 12% on 2022-23 and 13% lower than the five-year average. The annual weighted average all classes mutton price for 2023-24 is estimated at 241 c/kgCW, down 34% on 2022-23 and 49% lower than the five-year average.

New Zealand's export receipts for lamb and mutton are forecast to be down 4.8% and nearly 20% respectively on last year.

However, there are some positive trends. Beef has held up much better, driven by significant demand out of the United States as it rebuilds its herd post-drought. All beef is forecast to average $5.15 per kgCW for the season, which is 2.9% down on last year, but 2% higher than the five-year average.

Demand for lamb in Europe and the US has also been strong which is expected to continue for the rest of the season.

Certain farm classes, such as high country, hard hill country, and South Island hill country, are hardest hit with profitability due to their heavier reliance on sheep revenue. The East Coast region, still recovering from Cyclone Gabrielle and ongoing wet weather setbacks in 2023, is projected to have the lowest regional profitability.

Input costs remained "stubbornly high".

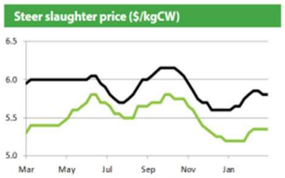
Cattle

Beef

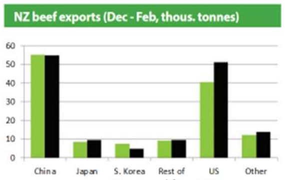
Slaughter price (NZ$/kgCW)	Last week	Last year
North Island P2 steer (300kg)	5.80	5.95
North Island M2 bull (300kg)	5.85	5.80
North Island M cow (190kg)	3.95	4.15
South Island P2 steer (300kg)	5.35	5.30
South Island M2 bull (300kg)	5.40	5.20
South Island M cow (190kg)	3.80	3.65
Export markets (NZ$/kg)		
US imported 95CL bull	9.66	9.68
US domestic 90CL cow	11.65	9.56

NOTE: Slaughter values are weighted average gross operating prices including premiums but excluding breed premiums for cattle.

Steer slaughter price ($/kgCW)



NZ beef exports (Dec - Feb, thous. tonnes)



Sheep

Sheep Meat

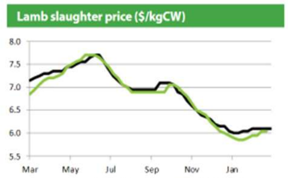
Slaughter price (NZ$/kgCW)	Last week	Last year
North Island lamb (18kg)	6.10	7.15
North Island mutton (25kg)	2.70	4.00
South Island lamb (18kg)	6.00	6.85
South Island mutton (25kg)	2.50	3.70
Export markets (NZ$/kg)		
China lamb flaps	8.44	11.22

Wool

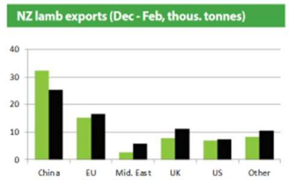
(NZ$/kg clean)	01-Mar	Last year
Crossbred fleece	3.17	2.77
Crossbred lamb	3.20	3.20

Courtesy of www.fusca.co.nz

Lamb slaughter price ($/kgCW)



NZ lamb exports (Dec - Feb, thous. tonnes)



Deer

Venison

Slaughter price (NZ$/kgCW)	Last week	Last year
North Island AP stag (60kg)	8.70	8.80
South Island AP stag (60kg)	8.65	8.80

Fertiliser

Fertiliser

NZ average (NZ$/tonne)	Last week	Last year
DAP	1264	1594
Super	474	442
Urea	897	1135
Urea (Coated)	946	1184

Forestry

Exports

NZ Log Exports (tonnes)	Jan	Last year
China	1,329,909	1,041,421
Rest of world	89,317	149,487
Carbon price (NZ$/tonne)	**Last week**	**Last year**
NZU	66.0	66.8

Stag Slaughter price ($/kgCW)

Data provided by AgriHQ

Dairy

Data provided by NZX

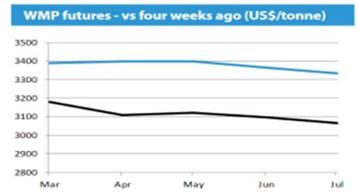
Milk price futures ($/kgMS)

Dairy Futures (US$/t)

Nearest contract	Last price*	Prior week	4 weeks prior
WMP	3180	3185	3415
SMP	2570	2725	2850
AMF	6600	6300	6150
Butter	6200	6300	6350
Milk Price	7.80	7.78	7.94

* price as at close of business on Wednesday

WMP futures - vs four weeks ago (US$/tonne)



JARDEN'S NZ ENERGY SECTOR REVIEW AS AT 14TH MARCH 2024

Key financial metrics	Rating	Price (NZ$)	12m target price (NZ$)	Projected return	Price to earnings (x)	Dividend yield
Contact Energy Limited	Buy	8.23	10.65	33.7%	30.4	4.3%
Meridian Energy Limited	Neutral	5.68	5.67	3.2%	42.3	3.4%
Mercury NZ Limited	Overweight	6.85	7.63	14.8%	35.5	3.4%
Genesis Energy Limited	Overweight	2.47	2.88	22.3%	32.1	5.7%
Manawa Energy Limited	Buy	4.17	5.39	33.2%	17.2	3.8%

Source: Jarden Research

The recent reporting season operating results showed solid evidence of organic performance improvements. Contact Energy provides stronger comfort that its Tauhara project remains on track for 3QCY24 commissioning. Tiwai negotiations were an expected talking point across management calls, with Jarden's conclusion being a deal is likely in the offing but it will still take a few months to iron out the residual complexities. Gentailers pointing to longer timelines to next builds plus further country gas shortages have seen us adjust our medium-term wholesale price path upward, lowering the risk of near-term overbuild, resulting in us materially lifting our near- to medium-term forecasts for companies that benefit from newbuild volumes or Tiwai contract changes needing a retail price point off which to leverage. Contact Energy remains Jarden's sector top pick and they have increased their 12-month target price to $10.65 (from $10.22) and retain a Buy rating. We increase our Mercury NZ 12-month target price to NZ$7.63 (from NZ$7.37) and retain an Overweight rating. We, increase our Meridian Energy 12-month target price to NZ$5.67 (from NZ$5.60) and retain a Neutral rating. We increase our Genesis Energy 12-month target price to NZ$2.88 (from NZ$2.90) and retain an Overweight rating. We increase our Manawa Energy 12-month target price to NZ$5.39 (from NZ$5.15) and increase our rating to Buy (previously Overweight).

OVERWEIGHT RECOMMENDATIONS

CONTACT ENERGY

BUY, 12MTH TARGET PRICE: $10.65

CEN provides stronger comfort that its Tauhara project remains on track for 3QCY24 commissioning. Around 84% of customers received a price increase in the past 12 months. However, this was largely offset by CPI. The company expects the increase in network costs that are pass-through to customers from lines cost increases from 1 April 2024 and the 1 April 2025 price regulation reset to send retail pricing above CPI for a length of time. A shock of 10% network cost real increase plus long-term inflation of 2% translates to the need for retailers to increase retail pricing 5-6% nominal per year to recover the higher network costs.

MANAWA ENERGY

BUY, 12MTH TARGET PRICE: $5.39

Manawa Energy is currently selling 2,000GWh of shaped generation at c.$105/GWh, whilst if it sold it down the retail C&I channel, it would be getting c. $125-130/MWh, so a $40-50m differential return by channel. The volume starts to roll off from this October, 120GWh in Manawa Energy FY25, 200GWh in FY26 and broadly 250GWh per year thereafter until depleted in FY32. Manawa Energy has already sold the first roll off tranche and hence is likely to get c. $3m uplift in FY25 and assuming similar pricing for FY26, then c. $5m further uplift in that year.

MERCURY ENERGY

OVERWEIGHT, 12MTH TARGET PRICE: $7.63

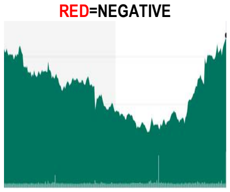
The 14-month, eight well, geothermal drilling campaign commenced in June 2023 to sustain capacity of the Kawerau, Ngā Tamariki and Rotokawa fields, offsetting the natural decline in the performance of the wells. Mercury NZ has experienced delays and has terminated the drilling services contract and is currently negotiating an alternative drilling rig contractor to complete the campaign. There is some risk if the new contractor does not get going again before end-FY24 that there could be an output decline in geothermal generation, albeit over a short period only.

GENESIS ENERGY

OVERWEIGHT, 12MTH TARGET PRICE: $2.88

Genesis Energy reported 1H24 EBITDA of $202m, down $96m on pcp, with the decline driven mainly by c. 500GWh lower renewable generation, as hydro reverted to an average half year, Kupe downtime for drill works and costly thermal generation as the Huntly Unit 5 outage required the more expensive to run Rankines to operate as well as higher coal use. The interim dividend of 7.0cps, 50% of FY24 guided 14cps, is in line with Jarden's estimate and the recent dividend policy change. The company retained its EBITDA outlook at $430m for FY24, $500m for FY25 and $550m+ for FY26-FY28. Genesis Energy's FY25 EBITDA outlook of $500m assumes average hydrology.

ALL GRAPHS ARE ONE YEAR
GREEN=POSITIVE
RED=NEGATIVE



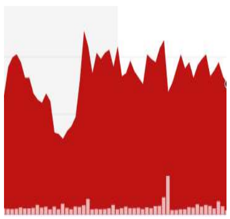
THE A2 MILK COMPANY
Research: 20th February

Strong operating result, slightly ahead of Jarden's estimate (top line driven) with IMF mix in line. At NPAT, larger beat due to materially higher net interest income and deeper MVM losses. Against the backdrop of a difficult China IMF market (1H24 value -15% YoY), this has been another strong execution effort, with new China Label (CL) transition ahead on internal plan, evidence English label (EL) sales are stabilising and progress made on new products, O2O distribution and supply chain diversification.

2024 P/E: 25.8 2025 P/E: 23.4

NZX Code:	**ATM**
Share Price:	**$6.74**
12mth Target:	**$6.50**
Projected return (%)	
Capital gain	-3.4%
Dividend yield (Net)	0.0%
Total return	**-3.4%**

Rating: **OVERWEIGHT**
52-week price range: 4.00-6.77



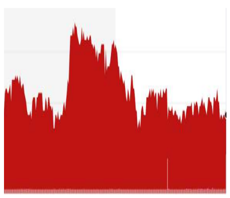
BRISCOE GROUP
Research: 13th March

Another period of delivery consistent with expectations as BGP reports an FY24 result with limited surprises. Group revenue increased +0.8% on the prior period, with both segments reporting positive growth. However, sales progression through the year was mixed with a further slowing of activity through November/December. Looking forward, Jarden expects pressures to remain in place over the short term, with potential for improvement in the second half of the year. They forecast modest sales increases across both segments. BGP continues to take market share with revenue growth outpacing broader segment activity, cementing its leading position.

2025 P/E: 12.5 2026 P/E: 12.3

NZX Code:	**BGP**
Share Price:	**$4.46**
12mth Target:	**$5.15**
Projected return (%)	
Capital gain	11.0%
Dividend yield (Net)	6.3%
Total return	**17.3%**

Rating: **OVERWEIGHT**
52-week price range: 4.05-4.85



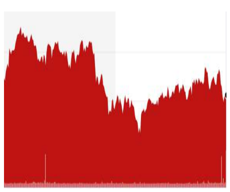
CHANNEL INFRASTRUCTURE NZ
Research: 1st March

CHI's FY23 result and dividends were modest beats, reporting $87.2m EBITDA from continuing operations (above JARDe $85.9m) and declared an unimputed 6.3cps final plus 1.5cps special dividends, for a robust 12cps FY23 total (beating consensus and JARDe 10.5cps). Net debt of ~$315m had been pre-announced, benefitting from sale of 73k surplus NZUs ($5.1m) plus receipt of US$4.5m (NZ$7.256m) option premiums from US-based Seadra Energy Inc to secure a call over CHI's retired hydrocracker and related refining assets.

2024 P/E: 18.1 2025 P/E: 13.8

NZX Code:	**CHI**
Share Price:	**$1.44**
12mth Target:	**$1.63**
Projected return (%)	
Capital gain	13.2%
Dividend yield (Net)	7.6%
Total return	**20.8%**

Rating: **OVERWEIGHT**
52-week price range: 1.39-1.66



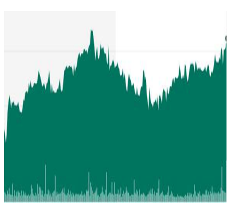
CHORUS
Research: 18th March

CNU has managed to lift its ARPU from ~$45/month to ~$55/month on the back of regulatory allowances (inflation in key products, so long as CNU remains under its maximum allowable revenue [MAR] cap, which is supportive following a period of significant recent investment) and product mix shift, with CNU successfully lifting penetration of the 1Gbps product to 25% of its residential base.

2024 P/E: 329.1 2025 P/E:

NZX Code:	**CNU**
Share Price:	**$7.70**
12mth Target:	**$7.56**
Projected return (%)	
Capital gain	-1.6%
Dividend yield (Net)	6.1%
Total return	**4.5%**

Rating: **UNDERWEIGHT**
52-week price range: 7.03-8.87



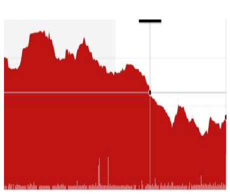
CONTACT ENERGY
Research: 25th January

CEN reported normalised 1H24 EBITDA of $325m, up 26% on pcp, and a dividend of 14.0cps. It raised the outlook for FY24 EBITDA from $600m to $620m - normalising for hydro and one-offs implies $638m, a 16% increase in organic earnings. Jarden raises their FY24 EBITDA forecast from $617m to $636m. There is c.$29m of gas storage non-cash writeback not included in the above numbers, which is included in the company's reported earnings. Jarden raises their 12-month target price from $9.96 to $10.22 on the back of an extra 50GWh geothermal resource p.a. and for a generally better operating performance flowing into the numbers.

2024 P/E: 30.9 2025 P/E: 29.7

NZX Code:	**CEN**
Share Price:	**$8.49**
12mth Target:	**$10.21**
Projected return (%)	
Capital gain	26.5%
Dividend yield (Net)	4.3%
Total return	**30.8%**

Rating: **BUY**
52-week price range: 7.22-8.64



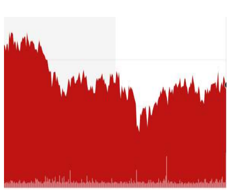
DELEGAT GROUP
Research: 14th March

Post-COVID, DGL has gone from being a reliable smaller cap grower to facing ongoing challenges through cost inflation and customer destocking. This has also coincided with management and board changes as well as opportunistic investment in future vineyard capacity. As a result, earnings expectations have rebased lower and the stock has significantly derated. Near-term pressures are priced in and Jarden sees strong valuation support as DGL returns to growth.

2024 P/E: 10.2 2025 P/E: 9.6

NZX Code:	**DGL**
Share Price:	**$6.40**
12mth Target:	↑ **$7.75**
Projected return (%)	
Capital gain	21.1%
Dividend yield (Net)	3.3%
Total return	**24.4%**

Rating: **OVERWEIGHT**
52-week price range 5.68-9.72



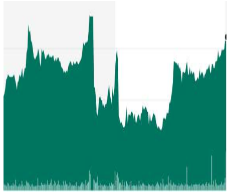
FREIGHTWAYS GROUP
Research: 20th February

FRW delivered a solid 1H24 in a challenging market albeit clouded by the Allied Express (AEx) acquisition in the pcp. At the headline level, revenue was up 12.4%, with EBITDA lifting 5.1%. On a pro forma basis (assuming a full contribution from AEx in the pcp), Jarden estimates that revenue was up 1.1%, with EBITDA down ~3% - still a pleasing result given a continuation of the soft volume backdrop and ongoing cost pressures. FRW declared an interim dividend of 18cps - flat on the pcp. It reiterated that it continues to assess M&A opportunities to leverage the recent capacity investment in Australia but with gearing near the top of the target range, Jarden thinks any acquisition would require further equity.

. 2024 P/E: 19.5 2025 P/E: 17.2

NZX Code:	**FRW**
Share Price:	**$8.46**
12mth Target:	**$9.48**
Projected return (%)	
Capital gain	12.1%
Dividend yield (Net)	2.5%
Total return	**14.6%**

Rating: **OVERWEIGHT**
52-week price range: 7.31-9.60



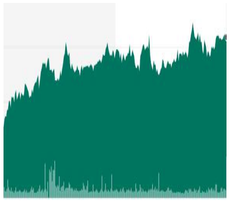
FONTERRA SHAREHOLDERS' FUND UNITS Research: 22nd March

Strong 1H result with EPS of 43c from continuing operations vs FY24F unchanged guidance at 50-65c, with FSF pointing to expectations that margins will contract in the 2H. Seasonality, a higher 2H milk price input and relativities are all reasons why 2H should be weaker. Jarden has upgraded their FY24F EPS slightly to 64.1c (prev 62.5c) and continue to factor in a normalisation of earnings. In the meantime, the impact of these strong results on the balance sheet is very positive. They remain constructive as long as FSF continues to demonstrate a focus on the core business.

2024 P/E: 5.6 2025 P/E: 7.8

NZX Code:	**FSF**
Share Price:	**$3.69**
12mth Target:	↑ **$4.05**
Projected return (%)	
Capital gain	9.8%
Dividend yield (Net)	10.1%
Total return	**19.9%**

Rating: **OVERWEIGHT**
52-week price range: 2.94-3.88



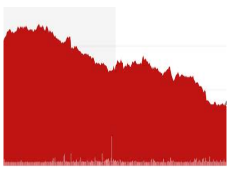
INFRATIL Research: 15th March

Portfolio uplift expected over the next 2 years. These include **CDC** (48% held) expects its current growth phase to continue at pace. Its current 268MW data centre capacity is already set to reach 650MW upon completion of previously announced 368MW build underway. Asian renewable startup platform **Gurin** (95% held) has seen its renewable energy goals occur at ~5x the pace originally expected. It is sensibly targeting its focus across six investment-grade markets with good contract structures and value-accretive greenfield opportunities. Gurin now has 6.6GW of projects in development. **Longroad Energy** maintained its previously guided 6GW renewables and battery growth target from 2024 to 2027. Jarden expects IFT's valuation to be supported if CDC can prove accelerating EBITDA growth from FY25 above the previous 20-30% track whilst maintaining rack utilisations >60%.

2024 P/E: 78.1 2025 P/E: 61.8

NZX Code:	**IFT**
Share Price:	**$10.50**
12mth Target:	↑ **$11.30**
Projected return (%)	
Capital gain	7.1%
Dividend yield (Net)	1.9%
Total return	**9.0%**

Rating: **OVERWEIGHT**
52-week price range: 8.63-11.00



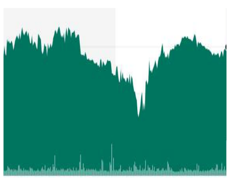
KMD BRANDS Research: 21st March

KMD Brands, with extensive retail stores in Australia and New Zealand, said its underlying earnings before EBITDA came to $15.1m, down 66.8% year-on-year due to lower sales. Group CEO and MD Michael Daly said the company continued to experience the effects of weakness in consumer sentiment. Sales were 14.5% below last year's record result; and decreased for all three of its brands.

2024 P/E:51.7 2025 P/E: 15.3

NZX Code:	**KMD**
Share Price:	**$0.53**
12mth Target:	**$0.85**
Projected return (%)	
Capital gain	60.4%
Dividend yield (Net)	3.6%
Total return	**64.0%**

Rating: **BUY**
52-week price range: 0.47-1.14



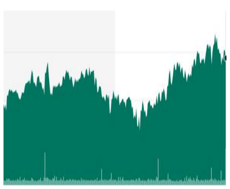
MAINFREIGHT Research: 14th March

Freight rates are likely to lift from current levels and volumes are likely to increase with inventories largely normalised. A&O margins are likely to moderate back towards pre-COVID levels, seeing forecasts relatively flat, with A&O earnings over FY25E-FY27E at ~$115-120m. Whilst down on the elevated levels seen over the past three years (including FY24E of $142m), this represents a material step up from ~$50m prior to COVID. At the group level, our forecasts show FY24 as a trough earnings year, with FY25 NPAT expected to lift ~13% on a broader footprint expansion.

2024 P/E: 22.8 2025 P/E: 20.2

NZX Code:	**MFT**
Share Price:	**$69.44**
12mth Target:	↑ **$80.30**
Projected return (%)	
Capital gain	15.6%
Dividend yield (Net)	2.5%
Total return	**18.1%**

Rating: **OVERWEIGHT**
52-week price range: 55.37-73.80



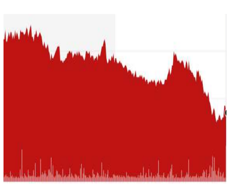
MERCURY NZ Research: 21st February

MCY reported a well-guided 1H24 EBITDA of $434m, down 4% on $451m in pcp. The 1H24 dividend is 9.3cps, up 7% on pcp, with retained dividend guidance of 23.3cps for FY24. The positive surprise was the uplift in FY24 EBITDA from $835m to $880m but it did come with a few offsetting negatives. The uplift is due mainly to one-off benefits, some lingering beyond FY24, from a wet North Island vs a dry South Island and elevated wholesale pricing. FY23-FY25 maintenance drilling programme costs have risen from $128m to $160m, neutralising most of the c.$45m cash benefit in FY24 guidance outcome.

2024 P/E: 34.1 2025 P/E: 36.0

NZX Code:	**MCY**
Share Price:	**$6.68**
12mth Target:	↑ **$7.37**
Projected return (%)	
Capital gain	8.7%
Dividend yield (Net)	3.4%
Total return	**12.1%**

Rating: **OVERWEIGHT**
52-week price range: 5.66-6.99



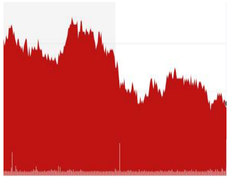
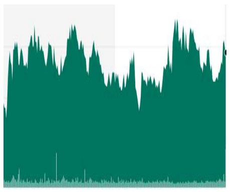
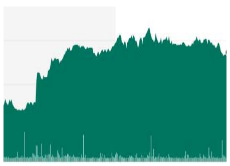
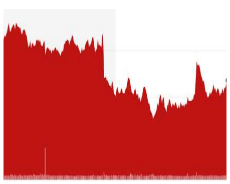
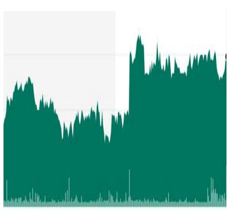
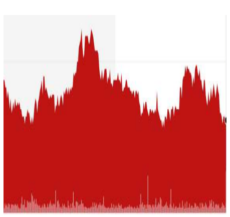
MICHAEL HILL INTERNATIONAL Research: 26th February

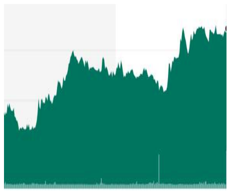
1H24 was a challenging period for MHJ, characterised by declining sales and margin contraction. 1H24 revenue fell -0.2%, despite the first-time inclusion of the Bevilles business through the Christmas period. Adjusting for acquisitions, Jarden estimates underlying brand sales fell c.-10%, with New Zealand and Australia particularly weak. Silver linings include the relative market performance of Canada, with the market showing signs of stabilisation and continued market share gains across New Zealand and Australia. Whilst sales were disappointing, they were broadly in line to a touch ahead of industry benchmarks, supportive of ongoing brand health. A trading update for the first seven weeks of 2H24 showed New Zealand sales down -9% against a soft pcp, Canada sales were down -1% and Australia was up.

2024 P/E: 14.5 2025 P/E: 9.6

NZX Code:	**MHJ**
Share Price:	**$0.74**
12mth Target:	**$1.05**
Projected return (%)	
Capital gain	41.9%
Dividend yield (Net)	4.1%
Total return	**46.0%**

Rating: **OVERWEIGHT**
52-week price range: 0.76-1.16

	**NZX** Research: 27th February NZX delivered a solid FY23 result, with normalised EBITDA $40.1m, up 9.6% on the prior year despite soft markets. Revenue growth of $12.7m was driven primarily by Funds Management (+$12.5m), with a 10-month contribution from the Quay Street acquisition in February 2023. Revenue was down 1% in the core Markets business, with trading volumes at a 10-year low and subdued issuance skewed to lower fee debt. Despite improvement at the EBITDA level, underlying NPAT was down 5.5% with higher D&A (ongoing Wealth Tech investment) and interest costs (June rate reset) weighing on the bottom line. Dairy derivative revenue was up 88% to $3.6m (volumes +35%). 2024 P/E: 22.7 2025 P/E: 19.1	NZX Code: **NZX** Share Price: **$1.00** 12mth Target: **$1.45** Projected return (%) Capital gain 45.0% Dividend yield (Net) 6.0% Total return **51.0%** Rating: **OVERWEIGHT** 52-week price range: 0.97-1.25
	**SCALES CORPORATION** Research: 22nd February FY23 underlying NPAT after minorities was $19m versus Jarden's $17m estimate and at the top end of the $14-19m guidance range - the beat was largely on lower tax. By division, Horticulture was ahead due to lower costs than expected, whilst Global Proteins was a miss from product mix as well as extra start-up costs from the new joint ventures. FY24 guidance remains for underlying NPAT after minorities of $30-35m (EBITDA $81-91m), mainly reflecting a strong bounce back in Horticulture, noting supportive outlook comments today. Andy Borland also recommitted as Managing Director for a further five years. 2024 P/E: 13.9 2024 P/E: 11.3	NZX Code: **SCL** Share Price: **$3.15** 12mth Target: **$4.00** Projected return (%) Capital gain 23.8% Dividend yield (Net) 4.6% Total return **28.4%** Rating: **OVERWEIGHT** 52-week price range: 2.75-3.49
	**SERKO** Research: 14th March Jarden has upgraded SKO to Overweight (from Neutral). SKO has an important year ahead with the renewal of its Booking.com agreement and potential FCF positive milestone. The Booking.com for Business (B4B) platform has illustrated strong momentum in recent periods and management has suggested operating metrics are approaching parity with the leisure platform. However, in order to meet its FY25 financial targets, SKO needs to accelerate customer acquisition. 2024 P/E: (25.8) 2024 P/E: 396.8	NZX Code: **SKO** Share Price: **$3.81** 12mth Target: ↑ **$4.95** Projected return (%) Capital gain 14.2% Dividend yield (Net) 0.0% Total return **14.2%** Rating: **OVERWEIGHT** 52-week price range: 2.00-4.99
	**SKY CITY ENTERTAINMENT** Research: 14th March NZ Government signals in-principle decision to regulate online casino gambling. "Currently, the only tax that applies to offshore online casinos is GST. This means that casinos physically present in New Zealand face significantly higher taxes than offshore online casinos. That's unfair." "From 1 July offshore operators will be required to pay gaming duty of 12 per cent on gross betting revenue." Simon Watts says Cabinet has also made an in-principle decision to regulate online casino gambling. 2024 P/E: 11.5 2025 P/E: 10.4	NZX Code: **SKC** Share Price: **$1.90** 12mth Target: **$2.90** Projected return (%) Capital gain 45.0% Dividend yield (Net) 5.9% Total return **50.9%** Rating: **BUY** 52-week price range: 1.66-2.48
	**SKY TELEVISION** Research: 22nd February Sports events help drive a strong 1H, with only modest changes to full-year forecasts with EBITDA guidance unchanged. While ongoing softness in SkyBox subs is a source of disappointment, SKT is maintaining revenues with a return to price increases that are driving ARPU. The result highlights were strong performance in Sky Sport Now and Advertising revenues which helped deliver 3.7% revenue growth on the pcp. With costs contained on the back of SKT's initiatives, EBITDA was up 11.1% on pcp. Jarden continues to take the same cautious approach to long-term forecasts which essentially continue to capture only modest revenue growth (high margin customers being replaced by lower margin customers). Those forecasts assume SKT gives up little margin in the next rights renewal cycle but doesn't recapture it either while Jarden sees capex returning to the low end of a 7-9% of revenue range from FY26E. 2024 P/E: 7.7 2025 P/E: 8.14	NZX Code: **SKT** Share Price: **$2.77** 12mth Target: **$3.03** Projected return (%) Capital gain 8.6% Dividend yield (Net) 6.3% Total return **14.9%** Rating: **OVERWEIGHT** 52-week price range: 2.31-2.98
	**STEEL & TUBE** Research: 21st February STU's 1H24 result was well guided with volume declining 22% vs pcp while GP$/tonne grew 9% to $926/tonne vs 1H/2H23. which is a positive takeaway from this result. 1H dividend 4.0cps, fully imputed, at 125% payout and above the 60-80% EPS payout policy range, signalling management confidence in the business already passed the bottom of the cycle, and its current net cash position. Trading was soft in December and January. Whilst management sees signs of demand coming back from the start of February, the recovery outlook is now delayed to mid-2024. Jarden has reduced their FY24 EBIT from $29.5m to $25.7m, factoring in demand recovery being delayed to mid-2024, number of trading days in 2H24 and partial offset from higher GP$/tonne. 2024 P/E: 12.3 2025 P/E: 8.7	NZX Code: **STU** Share Price: **$1.04** 12mth Target: **$1.26** Projected return (%) Capital gain 21.2% Dividend yield (Net) 7.2% Total return **28.4%** Rating: **OVERWEIGHT** 52-week price range: 0.97-1.30



SUMMERSET GROUP HOLDINGS Research: 27th February

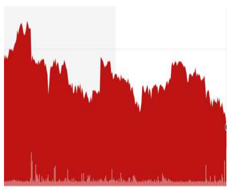
Solid momentum in sales and delivery against peers. Jarden views the momentum in SUM's business on the development and sales front as continuing to provide sufficient differentiation against peers to support it as our preferred pick, noting that its asset mix and development outcomes are also sector leading. That does not mean SUM is immune from other sector pressures and Jarden continues to highlight growing debt, a lack of visibility on the degree of financial risk to which investors are exposed and significant cash deficits ex-turnover as things investors need to consider.

2023 P/E: 12.5 2024 P/E: 12.7

NZX Code:	**SUM**
Share Price:	**$11.15**
12mth Target:	**$12.02**
Projected return (%)	
Capital gain	8.0%
Dividend yield (Net)	2.4%
Total return	**10.4%**

Rating: **OVERWEIGHT**

52-week price range: 8.04-11.27



TOURISM HOLDINGS Research: 21st February

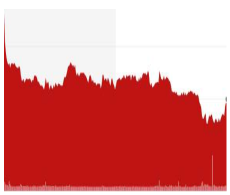
1H24 NPAT of $39.7m down ~5% vs JARDe: THL's result was impacted by slower vehicle sales in a "challenging global sales environment", with NPAT -5% vs Jarden's expectations (like-for-like basis). North American sales remained soft through the period with Aus/NZ also now seeing materially lower sales volumes in a weak macroeconomic backdrop. Vehicle margins ex-NZ continued to normalise but at a faster pace, down to 11%-19% from 27%-38% in the pcp. NZ margins held up well, lifting from 36% to 37%, reflecting the older, lower cost base fleet. At the global average level, margins fell from ~33% (~$36k) to ~18% (~$19k). Pleasingly, yield growth continued in the period - up 9% on the pcp on average, book-ended by NZ / Canada (double digit % growth) and the US (broadly stable). Looking ahead, NZ and the UK forward bookings suggest 2H growth vs the pcp, with Australia flat, while NAm is showing some early signs of softening around the upcoming shoulder seasons.

2024 P/E: 9.7 2025 P/E: 8.2

NZX Code:	**THL**
Share Price:	**$3.30**
12mth Target:	**$4.97**
Projected return (%)	
Capital gain	62.4%
Dividend yield (Net)	4.4%
Total return	**66.8%**

Rating: **BUY**

52-week price range: 3.06-4.34



THE WAREHOUSE Research: 21st March

WHS is moving on from its loss-making businesses, including Torpedo7 in February. WHS has also indicated its intention to "sell or close" TheMarket.com by the end of the financial year. This is likely to cause a positive change in investor sentiment and we hope signals a more disciplined approach to capital by the company, with greater focus on its core brands. This is also a positive for near-term earnings, with the company removing two large earnings drags from the business. Over the past 5 years, the two divisions have contributed an operating loss of $134m (c.39cps). Whilst the balance sheet has also been reset lower with net debt of $19m, Jarden does not expect WHS to deploy capital outside its core brands in the near term.

2024 P/E:13.0 2025 P/E: 9.0

NZX Code:	**WHS**
Share Price:	**$1.53**
12mth Target:	**$1.60**
Projected return (%)	
Capital gain	46%
Dividend yield (Net)	5.5%
Total return	**101%**

Rating: **NEUTRAL**

52-week price range: 1.22-2.16

New Zealand Watch List as at 20 March 2024	Ticker	Close	Daily % Change	Monthly % Change	Annual % Change	Jarden Rating	Jarden Target
Auckland Int. Airport	**AIA**	8.27	0.85%	3.79%	-3.44%	NEUTRAL	8.44
Air New Zealand	**AIR**	0.60	-0.83%	0.82%	-12.29%	NEUTRAL	0.63
A2 Milk Company	**ATM**	6.56	1.23%	9.88%	2.02%	**OVERWEIGHT**	6.50
Contact Energy	**CEN**	8.35	-0.12%	5.41%	15.68%	**BUY**	10.65
Chorus	**CNU**	7.68	1.19%	-3.44%	2.54%	UNDERWEIGHT	7.56
Ebos Group	**EBO**	35.77	-2.08%	1.53%	-17.74%	NEUTRAL	38.96
Fletcher Building	**FBU**	4.08	-3.32%	16.24%	0.29%	**BUY**	4.39
Fisher & Paykel Healthcare	**FPH**	23.95	0.04%	0.88%	-1.74%	UNDERWEIGHT	22.00
Freightways	**FRW**	8.60	-0.58%	5.47%	-3.77%	**OVERWEIGHT**	9.48
Heartland Group	**HGH**	1.15	-3.36%	-5.29%	-21.36%	**OVERWEIGHT**	1.92
Infratil	**IFT**	10.61	0.28%	2.61%	25.42%	**OVERWEIGHT**	11.30
Kathmandu	**KMD**	0.53	3.92%	-3.64%	-42.28%	**BUY**	0.85
Mercury	**MCY**	6.90	2.37%	3.17%	16.76%	**OVERWEIGHT**	7.63
Meridian Energy	**MEL**	5.76	-0.69%	4.54%	16.00%	NEUTRAL	5.67
Mainfreight	**MFT**	68.97	0.41%	0.10%	2.89%	**OVERWEIGHT**	80.30
Oceania Healthcare	**OCA**	0.62	0.00%	1.64%	-13.63%	NEUTRAL	0.69
Pacific Edge	**PEB**	0.09	0.00%	-4.44%	-80.23%	NEUTRAL	0.16
Port of Tauranga	**POT**	5.23	-0.19%	-0.95%	-11.88%	NEUTRAL	5.67
Ryman Healthcare	**RYM**	4.56	-1.08%	0.22%	-10.94%	UNDERWEIGHT	5.29
Scales Corporation	**SCL**	3.31	0.61%	5.08%	13.83%	**OVERWEIGHT**	4.00
Sky City Entertainment	**SKC**	1.94	0.00%	4.87%	-10.23%	**BUY**	2.90
Skellerup	**SKL**	4.20	0.00%	-6.32%	-8.00%	**OVERWEIGHT**	5.20
Serko	**SKO**	3.74	0.00%	-11.37%	55.83%	**OVERWEIGHT**	4.95
Spark	**SPK**	5.00	1.42%	-2.06%	5.46%	NEUTRAL	5.12
Summerset Group	**SUM**	11.10	0.91%	2.87%	28.81%	**OVERWEIGHT**	12.02

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD

AS AT 15TH MARCH 2024

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
NZME	O	$0.90	13.9%	13.9%	15.4%	16.2%	0.8x	0.9x	1.1x	1.2x	70.9%
Steel and Tube	O	$1.06	10.5%	10.5%	12.5%	14.3%	1.3x	1.2x	1.4x	1.4x	31.9%
Heartland Group	O	$1.31	12.2%	10.1%	12.2%	13.8%	1.4x	1.4x	1.3x	1.3x	-67.0%
My Food Bag	B	$0.14	22.2%	-	11.1%	14.8%	1.1x	-	1.5x	1.4x	38.2%
Sky Network Television	O	$2.68	7.8%	9.1%	10.4%	13.0%	2.4x	2.1x	1.7x	1.3x	2.9%
Michael Hill	O	$0.71	13.7%	6.4%	10.0%	11.8%	1.2x	1.4x	1.4x	1.4x	87.0%
Kiwi Property Group	O	$0.84	10.1%	10.1%	9.8%	9.8%	1.2x	1.0x	1.0x	1.1x	62.9%
Sky City	B	$1.90	8.8%	8.0%	9.5%	11.0%	1.5x	1.5x	1.4x	1.2x	50.2%
Channel Infrastructure	O	$1.44	8.3%	7.7%	9.2%	9.2%	0.5x	0.7x	0.8x	0.8x	47.3%
Stride	N	$1.30	9.2%	9.2%	9.2%	9.2%	1.3x	1.3x	1.0x	1.0x	42.5%
Investore Property	O	$1.10	10.7%	9.8%	8.8%	9.2%	1.1x	1.1x	1.1x	1.2x	65.4%
Briscoe Group	O	$4.67	8.3%	8.6%	8.6%	8.9%	1.4x	1.3x	1.3x	1.3x	36.0%
Argosy Property	N	$1.10	8.4%	8.4%	8.4%	8.4%	1.1x	1.0x	1.1x	1.1x	61.1%
Fonterra	O	$3.33	14.1%	10.6%	8.3%	9.6%	1.6x	1.7x	1.7x	1.4x	43.8%
NZX	O	$1.03	8.2%	8.2%	8.2%	8.2%	0.7x	0.7x	0.9x	1.0x	39.2%
Skellerup	O	$4.08	7.5%	7.8%	8.2%	8.9%	1.2x	1.1x	1.2x	1.2x	21.2%
Turners	O	$4.70	6.8%	7.4%	8.1%	8.9%	1.6x	1.6x	1.6x	1.6x	132.7%
Scales Corporation	O	$3.13	3.8%	6.7%	8.0%	8.9%	1.6x	1.5x	1.6x	1.5x	5.0%
Precinct Properties	N	$1.18	8.5%	8.6%	7.9%	7.9%	1.0x	1.1x	1.1x	1.1x	62.0%
Genesis Energy	O	$2.47	9.2%	7.3%	7.5%	7.7%	1.1x	0.6x	0.8x	0.7x	54.7%
Spark	N	$4.97	7.6%	7.7%	7.1%	7.4%	0.9x	0.9x	0.9x	1.0x	127.3%
Freightways	O	$8.45	6.1%	6.1%	6.9%	7.8%	1.2x	1.2x	1.2x	1.2x	136.0%
Tourism Holdings	B	$3.31	5.4%	5.4%	6.9%	8.7%	1.8x	2.3x	2.2x	2.0x	87.9%
Vital Healthcare	U	$2.16	6.8%	6.8%	6.8%	6.8%	1.2x	1.1x	1.1x	1.1x	72.2%
Chorus	U	$7.88	5.4%	6.0%	6.7%	7.0%	0.2x	0.0x	0.1x	0.2x	316.8%
PGG Wrightson	U	$2.10	14.6%	3.3%	6.6%	7.9%	1.0x	1.3x	1.1x	1.3x	42.6%
The Warehouse Group	U	$1.36	20.4%	8.2%	6.1%	9.7%	1.3x	1.5x	1.7x	1.6x	266.7%
Contact Energy	B	$8.38	4.7%	5.2%	6.1%	6.2%	0.8x	0.8x	0.7x	1.0x	69.7%
Vulcan Steel	N	$8.41	8.4%	3.6%	6.1%	6.8%	1.2x	1.5x	1.3x	1.3x	261.3%
NZ Rural Land Co	N	$0.91	3.1%	-	6.0%	6.9%	1.3x	-	1.7x	1.8x	45.5%
Property For Industry	N	$2.25	5.5%	2.8%	5.6%	5.8%	1.1x	1.2x	1.2x	1.3x	53.6%
Vector	O	$3.82	6.0%	5.5%	5.5%	5.5%	1.0x	0.8x	1.1x	1.2x	55.4%
Manawa Energy	B	$4.21	5.3%	5.4%	5.5%	5.6%	2.0x	1.5x	1.2x	1.3x	39.5%
Mercury	O	$6.85	4.4%	4.7%	5.4%	6.1%	(0.1x)	0.8x	0.7x	0.8x	36.6%
Air New Zealand	N	$0.60	14.0%	7.0%	5.2%	6.1%	2.1x	1.2x	1.8x	1.7x	107.5%
Sanford	N	$3.81	3.6%	4.4%	5.1%	5.8%	2.3x	2.5x	2.8x	2.6x	27.4%
Delegat's Group	O	$5.96	4.7%	4.7%	4.9%	5.4%	2.9x	3.0x	3.0x	2.9x	77.4%
Kathmandu	B	$0.52	11.5%	3.8%	4.8%	7.7%	1.0x	0.5x	1.5x	1.5x	44.6%
Arvida	N	$0.98	4.9%	3.5%	4.2%	4.8%	2.5x	3.4x	3.1x	3.3x	49.4%
Goodman Property	U	$2.28	3.9%	4.1%	4.1%	4.4%	1.3x	1.4x	1.4x	1.4x	47.3%
Port of Tauranga	N	$5.34	4.1%	4.1%	4.1%	4.7%	1.1x	1.0x	1.1x	1.1x	22.9%
Comvita	N	$2.40	3.2%	1.7%	4.1%	5.2%	2.5x	2.7x	2.6x	2.5x	34.1%
Meridian Energy	N	$5.70	3.2%	3.4%	3.8%	4.3%	0.7x	0.7x	0.8x	0.9x	21.5%
Mainfreight	O	$68.49	3.5%	3.5%	3.5%	3.3%	2.5x	1.6x	1.8x	2.0x	48.5%
Ebos	N	$37.10	2.7%	2.9%	3.1%	3.4%	1.5x	1.5x	1.2x	1.3x	52.1%
Infratil	O	$10.50	2.4%	2.3%	2.6%	2.7%	1.9x	0.9x	0.4x	0.7x	91.2%
Summerset	O	$10.95	2.2%	2.4%	2.4%	2.5%	3.3x	3.4x	3.5x	3.9x	56.3%
Fisher & Paykel Healthcare	U	$24.31	2.3%	2.4%	2.4%	2.5%	1.1x	1.1x	1.4x	1.6x	9.4%
Auckland Airport	N	$8.15	0.7%	2.3%	2.4%	3.0%	2.6x	1.4x	1.4x	1.4x	31.6%
AFT Pharmaceuticals	U	$3.13	0.4%	0.5%	0.6%	1.3%	9.9x	9.5x	7.4x	4.9x	36.2%
Asset Plus	N	$0.23	-	-	-	7.8%	-	-	-	1.4x	20.7%
a2 Milk	O	$6.42	-	-	-	-	-	-	-	-	-63.1%
Eroad	N	$0.78	-	-	-	-	-	-	-	-	15.4%
Gentrack	U	$7.80	-	-	-	-	-	-	-	-	-25.8%
New Zealand King Salmon	N	$0.27	-	-	-	-	-	-	-	-	-11.3%
Oceania Healthcare	N	$0.60	5.3%	-	-	6.3%	2.6x	-	-	3.1x	59.8%
Pacific Edge	N	$0.09	-	-	-	-	-	-	-	-	-87.4%
Restaurant Brands	N	$3.25	-	-	-	-	-	-	-	-	310.0%
Ryman Healthcare	U	$4.60	1.9%	-	-	-	6.6x	-	-	-	51.0%
Seeka	U	$2.75	-	-	-	-	-	-	-	-	88.9%
Serko	N	$3.80	-	-	-	-	-	-	-	-	-74.9%
Synlait	O	$0.74	-	-	-	-	-	-	-	-	47.5%
Vista Group	O	$1.76	-	-	-	-	-	-	-	-	6.7%
MEDIAN			**5.3%**	**4.2%**	**5.5%**	**6.3%**	**1.3x**	**1.3x**	**1.3x**	**1.3x**	**0.5%**

NOTE: 1. The Net Debt/Equity ratio is calculated as Gross Debt less cash holdings divided by Total Equity. Negative ratios indicate a net cash position.

2. Ratings: B – Buy, O – Overweight, N – Neutral, U – Underweight, S – Sell, R – Restricted.

3. FY0 represents the current financial year

SHAREMARKETS	CODE	YTD	5 yr/pa
New Zealand	^NZ50	1.7%	6.8%
Australia	^AXJO	2.0%	7.1%
United Kingdon	^FTSE	2.5%	2.9%
US - Dow Jones	^DJI	5.6%	13.4%
US - S&P500	^GSPC	9.6%	20.8%
US - NASDAQ	^IXIC	8.7%	28.0%

Australia Watch List as at 20 March 2024	Ticker	Close (A$)	Daily % Change	Monthly % Change	Annual % Change	Jarden/Cons Target
Ampol*	ALD.AU	39.64	1.23%	9.91%	44.26%	38.92
Aristocrat Leisure	ALL.AU	44.34	-0.23%	-0.02%	30.58%	47.20
Amcor	AMC.AU	13.97	-3.25%	2.54%	-8.41%	14.40
ANZ Banking Group	ANZ.AU	28.69	-0.38%	2.91%	37.09%	28.80
BHP Billiton*	BHP.AU	43.81	0.50%	-1.39%	7.52%	47.13
Brambles	BXB.AU	15.13	0.93%	0.50%	20.70%	15.70
Commonwealth Bank of Aust.	CBA.AU	115.65	-0.11%	0.74%	25.58%	102.00
Computershare	CPU.AU	25.21	0.68%	-3.15%	26.78%	27.90
CSL	CSL.AU	278.87	-0.11%	-0.58%	-0.75%	296.02
Cleanaway Waste Managemt	CWY.AU	2.59	-0.38%	0.17%	6.04%	2.85
James Hardie Industries	JHX.AU	60.00	-0.18%	6.12%	100.53%	57.00
Magellan Financial Group	MFG.AU	9.87	1.54%	11.40%	43.08%	8.40
Macquarie Group*	MQG.AU	196.73	-0.30%	2.99%	22.21%	187.02
National Australia Bank	NAB.AU	33.91	-0.09%	1.25%	29.33%	33.80
Origin Energy*	ORG.AU	9.08	-0.33%	8.02%	20.17%	9.35
QBE Insurance Group	QBE.AU	17.43	0.29%	4.77%	32.07%	19.10
Rio Tinto*	RIO.AU	121.30	0.76%	-2.18%	12.49%	133.43
Resmed	RMD.AU	29.19	0.10%	6.42%	-4.78%	31.22
Transurban Group	TCL.AU	12.87	-0.62%	-2.20%	-4.73%	12.70
Telstra Group*	TLS.AU	3.77	-0.26%	-2.05%	-4.78%	4.40
Westpac Banking Corp*	WBC.AU	26.18	-0.27%	1.08%	32.42%	23.41
Wesfarmers	WES.AU	66.16	0.15%	5.00%	41.79%	58.60
Worley*	WOR.AU	16.59	0.55%	5.55%	26.73%	18.45
Woolworths	WOW.AU	31.73	-1.06%	-10.27%	-10.35%	40.40
Xero	XRO.AU	132.20	-0.85%	16.29%	47.94%	110.00

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

Portfolio Constituents as of 1 March 2024			
Company Name	Ticker	Weight	Sector
ALS	ALQ.AU	6.4%	Industrials
ANZ Banking Group	ANZ.AU	9.2%	Financials
ASX	ASX.AU	6.4%	Financials
BHP Group	BHP.AU	9.4%	Materials
CSL	CSL.AU	8.7%	Health Care
Corporate Travel	CTD.AU	4.6%	Consumer Discretionary
Goodman Property Group	GMG.AU	9.1%	Real Estate
IGO	IGO.AU	5.2%	Materials
QBE Insurance	QBE.AU	8.6%	Financials
Seek	SEK.AU	5.5%	Communication Services
Telstra	TLS.AU	6.7%	Communication Services
Wesfarmers	WES.AU	5.5%	Consumer Discretionary
Worley	WOR.AU	6.8%	Industrials
Xero	XRO.AU	7.9%	Info Tech
Source: Jarden		100.0%	

Objective

To recommend a portfolio for direct investment in Australian equity securities, providing a broadly-based exposure to the major companies listed on the Australian stock exchanges. The performance benchmark for the portfolio will be calculated on the change in the S&P/ASX 200 Accumulation Index expressed in NZ dollars.

COMMENT

In February, the S&P/ASX 200 Accumulation Index increased 0.7% in Australian dollars. The NZ dollar appreciated by 0.6% against the Australian dollar (AUD) over the month, which decreased the investment return from Australian equities when expressed in NZ dollars. Consequently, the benchmark (which is reported in NZ dollars) increased 0.2% in January. The Diversified portfolio outperformed the benchmark, returning 2.1% in NZD.

THE BEST PERFORMING STOCKS DURING FEBRUARY WERE:

GOODMAN GROUP (GMG, +16.8% in AUD) delivered another very strong result in February which included an upgrade to its full year earnings growth guidance to +9-11% (to where market consensus already was). What appears to have excited the market is the growth in its data center pipeline – increasing 0.3 GW to 4.0 GW (circa ~$50 billion end value) across 12 major global cities. To date, the company has delivered 0.6 GW of data centers.

WESFARMERS (WES, +16.2% in AUD) which produced a solid 1H24 result with net profit coming in above expectations ($1.4 billion versus $1.3 billion) and a dividend of $0.91 versus expectations for $0.88. The key drivers of the result were Bunnings and Kmart, with Kmart's strong momentum continuing into the first 5 weeks of 2H24. The company is pointing to low unemployment and strong population growth as underpinning consumer spending.

XERO (XRO, +14.9% in AUD) appeared to benefit from several positive financial results from both Australian and US technology companies, which improved sentiment for technology company valuations in general.

WORLEY (WOR, 12.9% in AUD) where the company reiterated FY24 earnings margin guidance of 7.5-8.0% despite delays in the very large CP2 LNG terminal project. This shows the underlying business has solid momentum. Importantly, margins continue to improve with the company flagging "new work is routinely being won at higher average margins" which supports "further margin expansion in FY24 and beyond".

THE WORST PERFORMING STOCKS DURING FEBRUARY WERE:

CORPORATE TRAVEL (CTD, -21.7% in AUD) after the company produced a disappointing 1H24 profit result which came in 7% below consensus expectations with management citing a material slowing in the December quarter. This was contrary to an upbeat annual shareholders meeting held back in October. As a result, management have cut its FY24 earnings guidance by circa 15% at the midpoint. Looking forward, management painted a more positive story, citing a strong January, but the market is likely going to take some time to rebuild confidence given how expectations have been managed in the past.

BHP GROUP (BHP, -7.1% in AUD) reflecting the 11% decline in the iron ore price to US$116/t. Construction activity in China has been slow to pick up post the Chinese New Year due to cold weather and weak property data.

Australian Equities Reference Portfolio									
Company Name	Ticker	31-Jan	29-Feb	PE Ratio (x)*		Div Yield %*		Gross Returns %	
		Price ($)	Price ($)	Current FY	Next FY	Current FY	Feb-24	1 Year	2 Year pa
ALS	ALQ.AU	12.67	11.93	18.1	17.0	3.4	-5.8	-2.8	3.6
ANZ Banking Group	ANZ.AU	27.20	28.45	12.8	13.1	5.7	4.6	24.0	12.0
ASX	ASX.AU	65.66	65.77	26.5	25.5	3.2	0.2	0.3	-7.5
BHP Group	BHP.AU	47.27	43.93	15.5	16.4	3.6	-7.1	2.9	9.3
CSL	CSL.AU	301.70	286.24	47.5	40.5	0.9	-5.1	-2.1	6.2
Corporate Travel	CTD.AU	20.48	15.86	18.5	15.0	2.4	-21.7	-9.0	-13.5
Goodman Group	GMG.AU	25.60	29.90	27.9	25.2	1.0	16.8	52.6	17.7
IGO	IGO.AU	7.56	7.94	11.7	21.9	2.0	5.0	-36.0	-12.0
QBE Insurance	QBE.AU	15.85	17.29	14.3	13.8	3.7	9.1	18.1	26.1
Seek	SEK.AU	25.45	26.23	46.8	35.9	1.5	3.1	10.7	1.1
Telstra	TLS.AU	4.04	3.82	21.6	19.8	4.6	-3.2	-2.0	3.6
Wesfarmers	WES.AU	58.17	66.64	29.5	26.8	3.0	16.2	42.8	21.9
Worley	WOR.AU	14.82	16.73	22.3	18.1	3.1	12.9	11.9	21.3
Xero	XRO.AU	110.79	127.31	116.9	74.8	0.0	14.9	63.8	16.5

Prices and returns are in Australian dollars. Source Jarden
* The PE ratio and dividend yield (net) forecasts above reflect consensus.

AUSTRALIAN EQUIYIES REFERENCE PORTFOLIO - 5YR GROSS PERFORMANCE IN NZD

AUSTRALIAN EQUITIES

TELSTRA GROUP

BUY, 12MTH TARGET PRICE: A$4.40

TELSTRA GROUP (AX:TLS)				
Market cap	A$44.0 Bn		LOW	HIGH
Previous close	A$3.83	52-wk range	A$3.74	A$4.46
FINANCIALS	2023A	2024F	2025F	2026F
NPAT Adjust (A$m)	1,928.00	1,968.40	2,247.70	2,662.60
EPS norm (Ac)	16.7	17	19.4	23
P/E (x)	25.8	22.9	20.1	16.9
Dividend - Net yield	4.0%	4.6%	5.1%	5.9%

TLS has often chosen to 'buy rather than build' across the last decade in NAS (TLS' Network, Applications & Services business is a provider of ICT services. Its core products cover Networks, Cloud, Security and Unified Communications) to expand capabilities and keep pace with an evolving technology landscape, spending ~$800m. Jarden estimates NAS' EBIT contribution was ~$50m in FY23, implying a ROIC of ~3%, which could fall to a -$100m EBIT loss in FY24E (ex-restructuring costs). Short term, They see headcount reductions as a way to extract costs, noting NAS was not included in T22 productivity initiatives. Ironically, this may result in TLS achieving closer to its targeted $500m net cost savings under T25 than the market is estimating (JARDe ~$350m).

Jarden maintains their Buy rating ($4.40 target price), believing the market is underestimating the momentum in TLS' mobile business (JARDe 2% above consensus FY25E EBITDA).

QANTA AIRWAYS

BUY, 12MTH TARGET PRICE: A$7.00

QANTAS AIRWAYS (AX:QAN)				
Market cap	A$8.812 Bn		LOW	HIGH
Previous close	5.11	52-wk range	A$4.67	A$6.94
FINANCIALS	2023A	2024F	2025F	2026F
NPAT Adjust (A$m)	1,928.00	1,968.40	2,247.70	2,662.60
EPS norm (Ac)	16.7	17	19.4	23
P/E (x)	6.7	5.7	5.0	6.2
Dividend - Net yield	0.0%	0.0%	5.0%	6.2%

Qantas delivered a 1H24 underlying profit before tax (PBT) in line with Visible Alpha Consensus (A$1.24bn). With the company guiding a return to historical seasonality in earnings (1H 60%/2H 40%) and a more favourable skew to cost declines in 2H24E (~$600mn cost tailwind), Jarden questions whether operational decisions (proactively lowering pricing, lower cost pass-through) from Qantas impacted profitability more than competitive tension or reinvestment initiatives through 1H24. Visible Alpha Consensus PBT forecasts have been revised on average -6% over the forecast period to FY26E and, interestingly for investors, the outlook for the PBT margin has also fallen markedly following the 1H24 results. Based on discussions with investors, the key drivers for the share price from here are comfort that (1) the demand environment can remain strong, (2) the balance sheet can support the capex and distributions forecast ahead and (3) key markets (domestic and international) can remain rational throughout Qantas' capex investment peak.

SOURCE: NZ Herald, 8-Mar-24
Graeme and wife Robyn Hart in Amsterdam with their new 103m megayacht

Pactiv Evergreen Inc	2023	2022	Change
Total net revenue	US$5.5b	US$6.2b	▼ -11%
Gross profit	US$733m	US$997m	▼ -26%
Net income profit (loss)	(US$223m)	US$318m	▼ -170%
Reynolds Consumer Products Inc	**2023**	**2022**	**Change**
Total net revenue	US$3.7b	US$3.8b	▼ -2.6%
Gross profit	US$942m	US$776m	▲ +21%
Net income profit	US$298m	$US258m	▲ +15.5%

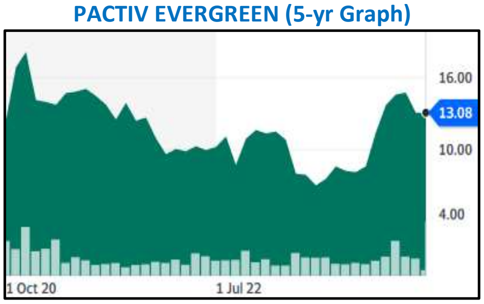
Years to December 31 / Herald Network graphic

The challenging global economy pushed down revenue from two listed United States companies majority-owned by New Zealand's richest man Graeme Hart but they still made a combined US$9.2 billion (NZ$15bn), new annual accounts showed.

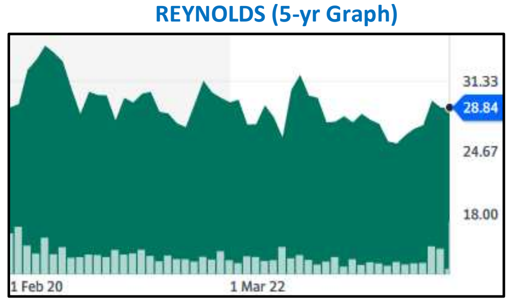
PACTIV EVERGREEN INC, a packaging business that publicly listed on the Nasdaq in September 2020, made total net revenue of US$5.5bn for the year to 31-Dec-23, while **REYNOLDS CONSUMER PRODUCTS INC**, also Nasdaq-listed, made US$3.7bn (NZ$6bn) in the same year. But earnings are down. Pactiv had previously reported net revenue of US$6.2bn (NZ$10.1bn) in the year to 31-Dec-22, its annual report showed. The 2022 net profit of US$318m became a US$223m net loss in 2023 partly due to lower revenue but also interest expenses rising from US$218m to US$245m.

Pactiv Evergreen Inc.		Reynolds Consumer Products Inc.	
(NASDAQ:PTVE)	Currency in USD	(NASDAQ: REYN)	Currency in USD
Previous close	US$13.08	Previous close	US$28.84
52-week range	US$6.85 – US$15.25	52-week range	US$24.80 - US$30.54
Market cap	US$2.336 Bn	Market cap	US$6.06 Bn
PE ratio (TTM)	N/A	PE ratio (TTM)	20.31
EPS (TTM)	-1.28	EPS (TTM)	1.42
Earnings date	6-May-24 to 10-May-24	Earnings date	8-May-24 to 13-May-24
Dividend & yield	0.40 (3.06%)	Dividend & yield	0.92 (3.20%)
1yr target estimate	US$16.43	1yr target estimate	US$30.86

PACTIV EVERGREEN (5-yr Graph)



REYNOLDS (5-yr Graph)



Reynolds Consumer Products Inc's total net revenue also fell from US$3.7 bn in 2022 to US$3.67 bn in the year ended 31-Dec-23. Net income rose from US$258m to US$298m partly because the cost of sales dropped pushing up gross profit from US$776m to US$942m.

Reynolds makes aluminium foil, parchment paper, plastic wrap, oven bags, slow cooker liners, rubbish bags, slider bags, plates and cups with brands including Reynolds Wrap, Alcan and Diamond.

"*The company continued to gain market share in 2023 as retail volume decreased 2% compared to a weighted average category decline of 4% for the year,*" Reynolds said in a press release with accounts.

Lance Mitchell, Reynolds' president and chief executive, said last month: "*Reynolds Consumer Products is performing very well in a challenging economic environment and I am extremely proud of all that our team accomplished in 2023.*

"We increased market share in our largest categories, restored operational stability in the Reynolds cooking and baking business, outperformed our earnings expectations and drove record cash flows, resulting in leverage of less than three times adjusted EBITDA at year end.

"Our integrated brand and store brand model remains a competitive advantage and we will build upon these accomplishments to drive further earnings growth and financial flexibility in 2024."

Hart companies own 78% of Pactiv Evergreen and 74% of Reynolds.

Pactiv Evergreen says it is one of the United States' top manufacturers of packaging for fresh food and beverages, employing 14,000 staff at 51 manufacturing sites and 41 distribution centres, producing 14,000 unique products. It said it demonstrated resilience in the face of challenging market conditions by delivering full-year diluted earnings per share of US$1.77, net income from continuing operations of US$319 million and adjusted EBITDA from continuing operations of US$785 million, exceeding full-year guidance.

Food containers, plates and bowls, cups for hot and cold drinks, lids, wraps, cutlery, meat and poultry trays, egg cartons and reclosable beverage cartons made by the company are supplied to full and quick service restaurants. They also supply food service distributors, supermarkets, shops, food and beverage producers, food packaging and processing businesses.

GLOBAL DIRECT EQUITIES REFERENCE PORTFOLIO

AS AT 15TH MARCH 2024

Objective

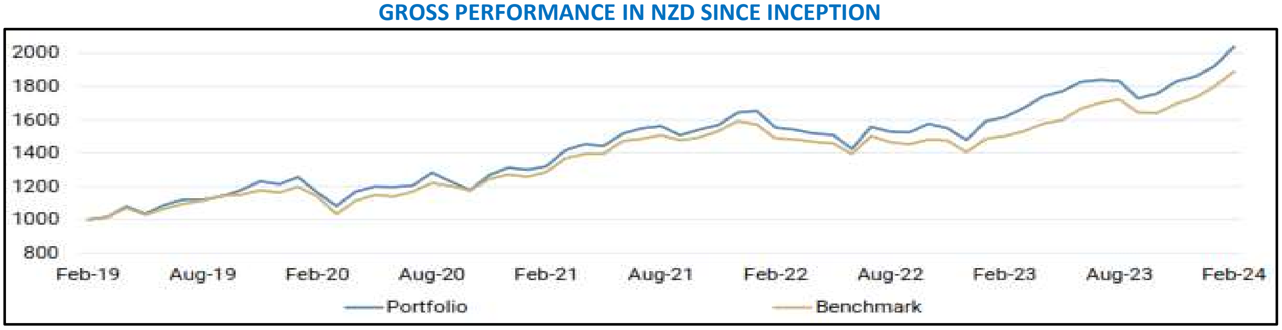
To provide exposure to global equity markets via investment in a restricted number of listed stocks. The stocks selected will provide some diversification across markets and industries, while differing significantly from its benchmark. Performance is measured against the MSCI All Country World Index expressed in NZ dollars.

Global Direct Equities Reference Portfolio

Security Name	Ticker	31-Jan	15-Mar	PE Ratio (x)*	Div Yield %*	Gross Returns %**			Weight	Sector
		Price ($)	Price ($)	Current FY	Current FY	Feb-24	1 Year	3 Year pa		
Tencent	700.HK	HKD270.60	HKD283.80	17.4	0.6	2.8	-17.2	-18.5	5.7%	Comm. Serv
Apple	AAPL.US	USD184.40	USD172.62	27.46	0.6	-1.4	25.2	21.7	4.4%	Info Tech
Air Liquide	AI.FP	EUR173.68	EUR195.98	27.31	1.8	8.6	32.0	23.1	6.2%	Materials
Amazon	AMZN.US	USD155.20	USD174.42	41.83	0.0	14.5	90.6	10.8	9.1%	Cons Discretionary
Amphenol Corp	APH.US	USD101.10	USD109.30	32.79	0.8	8.6	44.6	28.7	5.3%	Info Tech
ASML Holding	ASML.NA	EUR798.20	EUR856.60	46.21	0.8	9.7	56.2	27.0	9.5%	Info Tech
CBOE Global Markets	CBOE.US	USD183.85	USD183.52	22.81	1.2	5.2	56.7	34.1	6.8%	Financials
ConocoPhillips	COP.US	USD111.87	USD120.04	13.6	2.6	1.8	15.0	42.4	5.5%	Energy
Hersheys	HSY.US	USD193.54	USD193.54	19.60	2.8	-1.7	-18.1	17.6	4.9%	Cons Staples
JPMorgan Chase	JPM.US	USD174.36	USD190.30	11.67	2.3	7.2	35.6	17.8	6.5%	Financials
Lululemon	LULU.US	USD453.82	USD464.94	32.5	0.0	3.4	53.5	21.2	5.7%	Cons Discretionary
Mastercard	MA.US	USD449.23	USD475.83	32.96	0.5	6.2	36.6	17.5	6.2%	Financials
Microsoft	MSFT.US	USD397.58	USD416.42	35.42	0.7	4.7	69.9	29.5	7.5%	Info Tech
Schneider Electric	SU.FP	EUR182.90	EUR215.95	25.13	1.8	15.2	46.1	24.6	8.8%	Industrials
UnitedHealth Group	UNH.US	USD511.74	USD490.82	17.77	1.6	-3.1	7.0	22.6	7.9%	Health Care
Total Portfolio Performance						**6.1**	**26.3**	**15.6**	**100.0%**	

*The PE ratio and dividend yield (net) forecasts above reflect consensus ** NZ dollar adjusted including dividends Source: Jarden

GROSS PERFORMANCE IN NZD SINCE INCEPTION



JARDEN'S FIXED INTEREST BONDS BBB+, BBB, BBB-

AS AT 15TH MARCH 2024

Issuer	NZDX Code	Coupon	Maturity/ Reset Date*	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield
Meridian Energy	MEL040	4.880	20/03/2024	2	BBB+	Senior	5,000	5.770
Heartland Bank	HBL020	3.550	12/04/2024	2	BBB	Senior	5,000	6.646
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	6.089
GMT Bond Issuer	GMB040	4.540	31/05/2024	2	BBB+	Senior	5,000	6.545
Wellington Intl Airport	WIA040	4.000	5/08/2024	2	BBB	Senior	10,000	6.500
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	5.951
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	6.811
Wellington Intl Airport	WIA060	4.000	1/04/2025	2	BBB	Senior	10,000	6.605
Vector Limited	VCT090	3.450	27/05/2025	2	BBB+	Senior	5,000	5.900
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	6.244
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	5.725
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	6.510
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	5.812
Wellington Intl Airport	WIA080	3.320	24/09/2026	2	BBB	Senior	10,000	6.520
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	5.480
SBS Bank	SBS010	4.320	18/03/2027	4	BBB+	Senior	5,000	5.770
GMT Bond Issuer	GMB060	4.740	14/04/2027	2	BBB+	Senior	5,000	6.136
SkyCity Entertainment	SKC050	3.020	21/05/2027	4	BBB-	Senior	5,000	7.110
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	5.250
Oceania Healthcare	OCA010	2.300	19/10/2027	4	BBB-(NR)	Senior	5,000	7.600
Vector Limited	VCT100	3.690	26/11/2027	2	BBB+	Senior	5,000	5.441
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	5.300
GMT Bond Issuer	GMB1227	3.656	20/12/2027	2	BBB+	Senior	50,000	6.110
Genesis Power	GNE060	4.170	14/03/2028	2	BBB+	Senior	5,000	5.385
Contact Energy	CEN070	5.820	11/04/2028	4	BBB	Senior	5,000	5.250
Air New Zealand	AIR030	6.610	27/04/2028	2	BBB+	Senior	5,000	-
Christchurch International Airport	CHC020	5.180	19/05/2028	2	BBB+	Senior	5,000	5.270
Mercury NZ	MCY060	5.640	19/06/2028	2	BBB+	Senior	5,000	5.353
Kiwi Property Group Limited	KPG050	2.850	19/07/2028	2	BBB+	Senior	5,000	-
Wellington Intl Airport	WIA090	5.780	24/08/2028	2	BBB	Senior	10,000	-
GMT Bond Issuer	GMB0928	2.262	4/09/2028	2	BBB+	Senior	50,000	-
Meridian Energy	MEL060	5.910	20/09/2028	2	BBB+	Senior	5,000	5.279
Chorus	CNU020	6.380	6/12/2028	4	BBB	Senior	5,000	5.498
SBS Bank	SBS020	6.140	7/03/2029	4	BBB+	Senior	5,000	-
Contact Energy	CEN080	5.620	6/04/2029	4	BBB	Senior	5,000	5.190

BBB+ (NR), BBB (NR), BBB- (NR)

Issuer	NZDX Code	Coupon	Maturity/ Reset Date*	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield
Investore Property	IPL010	4.400	18/04/2024	4	BBB(NR)	Senior	5,000	7.005
Z Energy	ZEL060	4.000	3/09/2024	4	BBB-(NR)	Senior	5,000	-
Precinct Properties	PCT020	4.420	27/11/2024	2	BBB+(NR)	Senior	5,000	6.865
Property for Industry	PFI010	4.590	28/11/2024	4	BBB(NR)	Senior	5,000	6.718
Fletcher Building Industries	FBI190	3.900	15/03/2025	2	BBB-(NR)	Subordinated	5,000	8.084
Summerset	SUM020	4.200	24/09/2025	4	BBB-(NR)	Senior	5,000	6.445
Property for Industry	PFI020	4.250	1/10/2025	4	BBB(NR)	Senior	5,000	6.400
Fletcher Building Industries	FBI200	2.800	15/03/2026	2	BBB-(NR)	Subordinated	5,000	7.838
Argosy Property	ARG010	4.000	27/03/2026	4	BBB+(NR)	Senior	5,000	6.710
Manawa Energy	MNW180	3.350	29/07/2026	4	BBB-(NR)	Senior	5,000	5.714
Precinct Properties	PCTHB	7.560	21/09/2026	4	BBB-(NR)	Subordinated	5,000	-
Metlifecare	MET010	3.000	30/09/2026	4	BBB-(NR)	Senior	5,000	7.174
Argosy Property	ARG020	2.900	29/10/2026	4	BBB+(NR)	Senior	5,000	6.834
Ryman Healthcare	RYM010	2.550	18/12/2026	4	BBB-(NR)	Senior	5,000	6.645
Investore Property	IPL030	4.000	25/02/2027	4	BBB(NR)	Senior	5,000	6.737
Fletcher Building Industries	FBI210	4.750	15/03/2027	2	BBB-(NR)	Subordinated	5,000	8.030
Channel Infrastructure	CHI020	5.800	20/05/2027	2	BBB-(NR)	Senior	5,000	6.355
Precinct Properties	PCT030	2.850	28/05/2027	2	BBB+(NR)	Senior	5,000	6.694
Investore Property	IPL020	2.400	31/08/2027	4	BBB(NR)	Senior	5,000	6.855
Manawa Energy	MNW190	5.360	8/09/2027	4	BBB-(NR)	Senior	5,000	5.701
Precinct Properties	PCTHC	7.530	21/09/2027	4	BBB-(NR)	Subordinated	5,000	-
Summerset	SUM030	2.300	21/09/2027	4	BBB-(NR)	Senior	5,000	6.251
Argosy Property	ARG030	2.200	27/10/2027	4	BBB+(NR)	Senior	5,000	6.909
Arvida Group	ARV010	2.870	22/02/2028	4	BBB-(NR)	Senior	5,000	7.370
Fletcher Building Industries	FBI220	6.500	15/03/2028	2	BBB-(NR)	Subordinated	5,000	7.500
Napier Port Holdings	NPH010	5.520	23/03/2028	4	BBB+(NR)	Senior	5,000	5.620
Precinct Properties	PCT040	5.250	9/05/2028	2	BBB+(NR)	Senior	5,000	6.665
Oceania Healthcare	OCA020	3.300	13/09/2028	4	BBB-(NR)	Senior	5,000	-
Manawa Energy	MNW170	6.560	22/02/2029	4	BBB-(NR)	Senior	5,000	5.812
Summerset	SUM040	6.590	9/03/2029	4	BBB-(NR)	Senior	5,000	6.295

LIMITATIONS AND DISCLAIMER