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INVESTMENT STRATEGIES

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Authorised by AJ von Dadelszen, 115 Fourth Avenue, Tauranga

Xmas 2022

VERSUS

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GOVERNOR PUSHES NZ TOWARDS RECESSION

It was incredible to watch the Reserve Bank Governor, Adrian Orr not only accept the blame for over-stimulating NZ's economy, but also that he is now in the process of forcing a recession to combat inflation. Jarden's chief strategist believes that the Reserve Bank has gone too far. Jarden's John Carran said: "*Monetary policy changes impact the economy with a considerable lag. Recent rapid OCR increases, which have led to sharp rises in retail borrowing costs, have yet to have their full effect*." The central bank appeared to be giving low weight to clear signs global inflation pressures are easing, with sustained falls in commodity prices and shipping costs. "*In addition, the chances of global economic recession have materially increased, which could put further downward pressure on commodity prices and reduce demand for New Zealand's exports*," Carran noted that the economy of New Zealand's largest trading partner, China, was struggling. "*Because of these influences, there is a significant risk the RBNZ over-tightens monetary policy causing more economic pain than is necessary to sufficiently control inflation over the medium-term*."

This highlights a brazenly overconfident Treasurer (Grant Robertson), and a Labour Government that just isn't listening to middle New Zealand – and more so, provincial New Zealand.

This country is in big trouble, mainly because a woke Government is driven by flawed ideology, combined with an overly influential Māori dominated Caucus.

Wishing you all a very Merry Christmas

CONTENTS

STATISTICS NZ DATA

Estimated population at 5-December-2022	**5,133,136**
Māori population 0June 2022 (17.4% of nat population)	**892,200**
Fertility Rate (births per woman)	**1.69**
Births less **Deaths** Sept-22 year ↓	**12,400**
Net Migration Sept-22 yr (NZ citz -12,700; non-NZ 4,200)	**-8,446**
Annual GDP Growth June-22 year	**1%**
Quarterly GDP June-22 quarter	**1.7%**
Inflation Rate (CPI) Sept-22 year (**7.3%** in Jun yr)	**7.2%**
Debt per person (public+private) 2022 (↑9%yoy)	**$140,861**
Minimum wage current	**$21.20**
Living wage 1-Sept-22	**$23.65**
Average hourly earning increase Sept-22 ↑	**7.4%**
Annual Wage Inflation Sept-22 Year ↑ (3.4% in Jun yr)	**3.7%**
Wages average per hour Sept-22 qtr (↑7.4% yoy)	**$37.86**
Employment rate Sept-22 qtr (↑0.8% since Jun-22)	**68.5%**
Unemployment Sept-22 year n/c	**3.3%**
Underutilisation rate Sept-22 qtr	**9.0%**
Beneficiaries (Job seeker/Solo/Supported living)	**348,339**
(11.1% of working-age population – up 2.2%, as at 31-Mar-22)	
Size of Māori Economy 2020 (2013: $42bn)	**$70 bn**
Size of NZ Economy Oct-22 year	**$359.52 bn**

NZX50 INDEX (1 year)

LOCAL ISSUES

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

THE PLANETARY EMERGENCY WE MUST AVOID (SPOILER ALERT: IT'S NOT CLIMATE CHANGE)

SOURCE: Newsroom Pro, 28-Nov-22

Purchasing an EV is something more people are doing to reduce the worst impacts of climate change. EVs are attractive and increasingly convenient. But is this reaction to the climate crisis an example of the wrong solution to the wrong problem? Even if we stopped emitting greenhouse gases today, we would still face a range of environmental existential threats. Part of the problem is we haven't defined the problem correctly. Rather than trying to deal with specific issues such as climate change, biodiversity loss, pollution and so on, there is an underlying cause that connects these threats. Rather than expanding our renewable electricity production and developing an EV fleet, a degrowth approach would be to initiate a massive energy conservation program and investing in cities where we can live, work and play within 15 minutes walking or biking.

Personally, I believe that we can have "our cake and eat it", but growth does have to be sustainable. When Government Ministers politicise roading and transport decision-making, we are certainly not getting "sustainable growth".

PARKER PUSHES BACK AGAINST CO-GOVERNANCE

SOURCE: NZ Herald, 26-Nov-22

Environment Minister David Parker has revealed he came under "strong pressure" to ensure New Zealand's new planning regime was governed 50:50 with Māoridom. But the Government instead opted for a "National Māori Entity" to monitor whether government bodies used their powers in accordance with Te Tiriti o Waitangi.

Parker's clearly been thinking deeply on the tensions emerging between New Zealand's democracy and the steady march of 50:50 co-governance with Māoridom.

This is welcome as there has been precious little public indication that this is an issue which the Labour Government - which rules with an absolute parliamentary majority - is engaged in.

At the recent Infrastructure NZ conference, Parker was open about the pressure he had come under "*to go 50:50 with Māoridom*" on the makeup of the new regional planning committees that will be set up once the resource management legislation is replaced by two bills which have been in front of Parliament this week.

The Waitangi Tribunal had earlier suggested co-governance was in order.

But in a speech in September, Parker said the committees would include regional representatives from all *local authorities and representatives of Māori groups. "The Government is not proposing co-governance. Regional planning committees will have a legal minimum of two Māori representatives. Local councils and Māori in a region can then agree on whether they want more*."

On 22nd November, Parker took matters further by first referencing the many instances of co-governance for the management of natural resources already in place as a result of Treaty of Waitangi settlements. The most well-known of these is the Waikato River Authority, a 50:50 co-governance entity which was established by the last National-led Government. "*We're promising to carry all of those forward but once you get to high levels of the overall system you come up with this tension between democracy and Treaty*."

But moving forward required a different approach in his view. His public rationale to the infrastructure sector went like this. "*The Treaty has three articles. Article 1 covers the right of governments to govern and some of those functions are delegated under resource legislation to local government, but they are still Article 1 rights. It very clearly affects Māori interests in respect of Article 2 interests relating to their control of not just their lands but fisheries. Their interests in water etc.*

"And then Article 3. We're all supposed to move together as one country. We decided with all of these things in balance that we would pursue a system where we had co-operation brought about by participation rather than a 50:50 co-governance model."

Parker is known as probably the deepest thinker within the Labour Cabinet. Nevertheless, it is no easy matter for a minister to speak openly on these issues given the power that **Labour's 15-strong Māori caucus** currently exerts within the Government.

And the fact that opposition political parties like National, Act and NZ First, which has re-emerged as a potential political force, have clear concerns about the expansion of co-governance and are all opposed to the Three Waters legislation where Māori have a co-governance role on the regulatory side.

That pressure is compounded as arguably, Labour is already running a system of "co-governance" within its own Government with the 15-strong Māori caucus having chalked up considerable policy victories.

Led by deputy Labour leader Kelvin Davis, it comprises 15 members - **what Justice Minister Kiri Allan refers to as the "first 15."** Labour's Māori caucus also holds six of the seven Māori electorate seats and boasts six ministers.

It's known that Parker had to face down that vigorous Māori caucus - which had lined up with powerful iwi interests - to ensure co-governance was not inserted into the Resource Management Act replacement legislation.

That said, he did tell the Infrastructure NZ conference there would be a codified list of iwi and hapū which developers could consult with locally on plans.

The Government has made some concessions. Under the Natural and Built Environments Bill, a "**National Māori Entity**" will be established to monitor whether government bodies use their powers in accordance with Te Tiriti o Waitangi. The problem for Māori is while the National Māori Entity has the power to consult, investigate and submit on matters of the environment and Te Tiriti, it cannot force anyone to do anything.

JACKSON BACKING DOWN ON CO-GOVERNANCE

SOURCE: Newsroom Pro, 1-Dec-22

Willie Jackson says he's leaning towards putting the Government's co-governance work on hold next year.

An election-year halt on co-governance work is the likely outcome when Cabinet meets this month to decide the next steps to fulfil commitments under the United Nations' Declaration on the Rights of Indigenous Peoples.

Māori Development Minister Willie Jackson received the first draft of a declaration plan in June, which was expected to be signed off by Cabinet and then publicly released for consultation with all New Zealanders.

But Jackson wasn't comfortable with the proposals put forward and knew Cabinet wouldn't agree to it, so asked the governance group set up to consult and draw up the plan to go back and try again.

In the past six months the governance group has continued working to come up with a more palatable version, but Jackson told Newsroom on 30th November he was increasingly less convinced it was the right time to be pushing ahead with the work.

"**My inclination is that I'm leaning towards putting the work on hold**," he stated.

Jackson said it would likely be the final Cabinet meeting of the year on December 19th when he makes his recommendation.

Given he will continue to meet with both iwi and the governance group over the next three weeks, Jackson can't completely rule out recommending pushing ahead with New Zealand's response to the UN declaration (UNDRIP) if he can be convinced the time is right.

Part of the reason for Jackson's concern is the ongoing confusion amongst both Māori and non-Māori as to what the declaration is.

Either way, Jackson says a decision on next steps will be made by Cabinet before Christmas and he will communicate that publicly before the end of the year.

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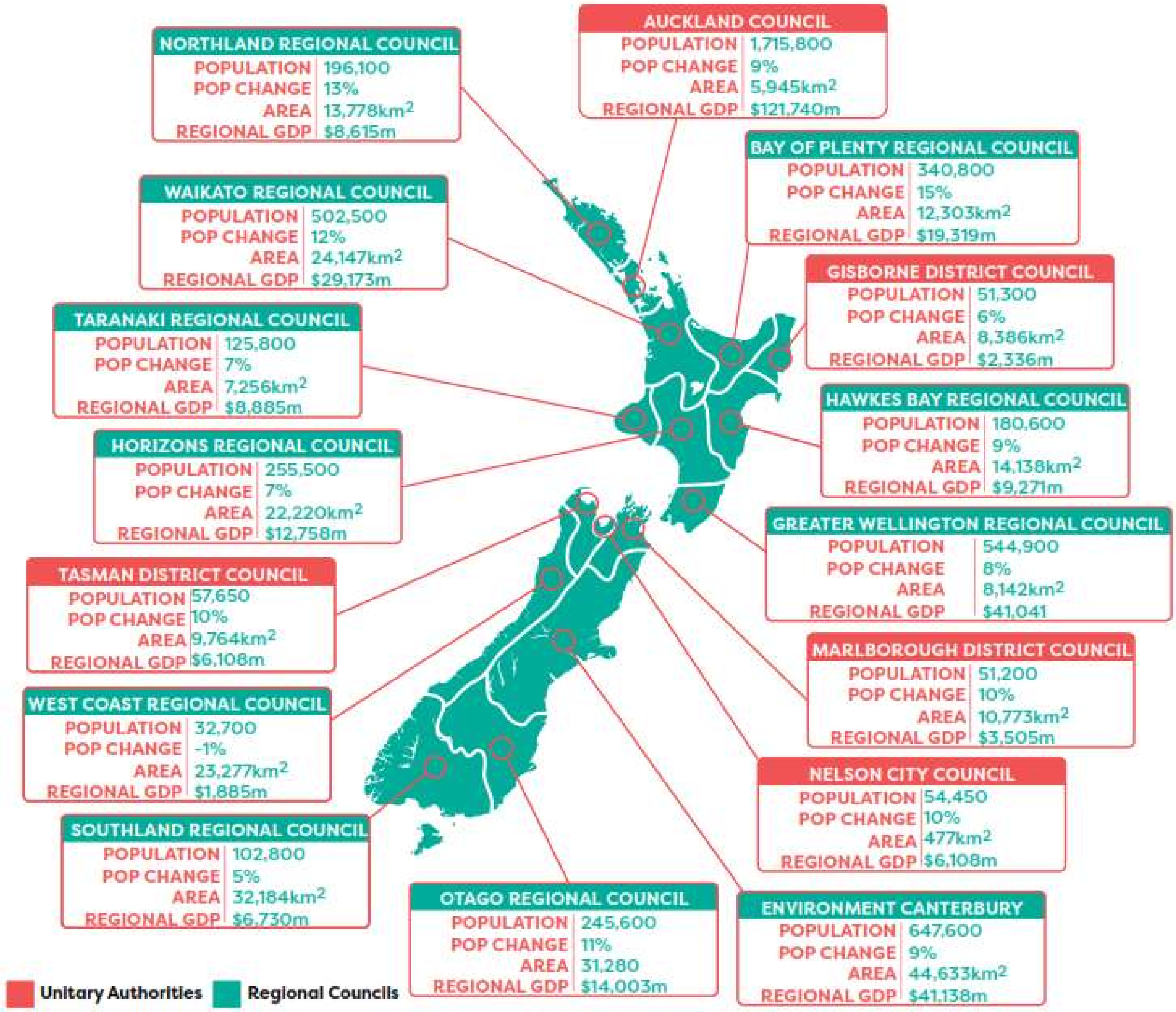
REGIONAL SNAPSHOT 2021/2022

SOURCE: Te Uru Kahika Regional & Unitary Councils 2021/2022 Compliance Monitoring & Enforcement Metris



Regionally, New Zealand is diverse; contextually there are large differences between regions population, growth rates, areas and Gross Domestic Product (GDP). The graph below illustrates the diversity of the regions reported on. The growth figure is for the 2016-2021 period. NOTE – BOP Region has been the highest growth region over this period.

Auckland has the highest population; it's home to 1/3 of New Zealanders, in comparison to the West Coast, home to only 1% of all New Zealanders. Northland, Waikato and BOP are seeing the largest growth rates. Population growth rates have slowed in Auckland, Canterbury and Otago this year.

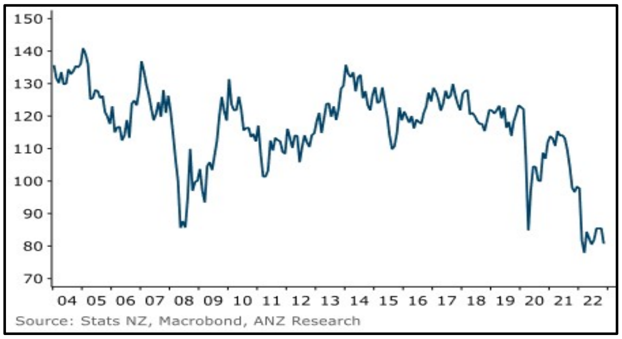
POPULATION GROWTH RATE BY REGION

Year at 30 June	2019		2020		2021		2022	
Tauranga city	146,800	3.0%	153,000	4.2%	156,100	2.0%	158,300	1.4%
Western Bay of Plenty district	54,400	2.6%	57,000	4.8%	58,500	2.6%	59,700	2.1%
Rotorua district	75,700	1.2%	77,100	1.8%	76,900	-0.3%	76,800	-0.1%
Whakatane district	37,500	1.1%	38,000	1.3%	38,200	0.5%	38,300	0.3%
Kawerau district	7,550	1.2%	7,620	0.9%	7,690	0.9%	7,760	0.9%
Opotiki district	9,950	2.9%	10,250	3.0%	10,400	1.5%	10,500	1.0%
Major Metros								
Auckland	1,681,300	1.6%	1,714,200	2.0%	1,704,100	-0.6%	1,695,200	-0.5%
Wellington city	212,900	0.8%	216,500	1.7%	215,400	-0.5%	213,100	-1.1%
Christchurch city	387,200	0.9%	391,600	1.1%	390,000	-0.4%	389,300	-0.2%
Hamilton city	172,500	2.3%	177,400	2.8%	179,100	1.0%	179,900	0.4%

OUR POLITICAL CLIMATE

ANZ-ROY MORGAN CONSUMER CONFIDENCE

NOVEMBER 2022



Consumer confidence fell 5 points in November to 80.7, its lowest level since June – and now a the 2008 GFC levels. Sharp increases in the cost of living and interest rates (not to mention falling house prices) are clearly hurting confidence, but excellent job security and strong wage growth have so far seen spending hold up far better than this level of confidence would normally imply. This dynamic is likely to be on borrowed time, according to ANZ Economist Sharon Zollner. New Zealanders have no confidence in the economic outlook, and most believe that this Labour Government has its "head in the sand" and are only listening to the Wellington beltway - which has no recognition of what is happening in the real world.

Canvassing in the Hamilton West electorate last week, I continually heard "anyone but Labour" when asking about their voting intentions. I am expecting a very big "blood nose" for Labour in the by-election.

LABOUR THUMBS NOSE AT DEMOCRACY

Unbeknownst to most, and ignored by the mainstream press, the **Three Waters** has become **Five Waters** - with the inclusion of Geothermal water assets and coastal waters out to 50 miles.

But it gets worse than this – they also used urgency to inserted a clause to **require a 60% vote** within Parliament to overturn this legislation. This is plainly OUTRAGEOUS and will insert a huge (and undesirable) precedent, if it is allowed to proceed.

Former Judge and Law Lecturer Anthony Willy summed it up very well (and this was before the 60% clause was inserted), saying: *"Quite simply we are witnessing a coup designed to dismantle our democracy and the Rule of Law and replace it with the worst form of tribalism coupled with **the greed of those who want what they have not earned**."*

"The rollout of the Government's He Puapua plan to establish Māori sovereignty by 2040 is proceeding at breath-taking speed.

"We are living in revolutionary times. It is a coup, by a small number of iwi elite who have their hands on the levers of power thanks to our Prime Minister's willingness to sacrifice New Zealand democracy for totalitarian tribal rule.

*"Virtually every facet of our society is now subjected to their influence with their latest 'conquest', **the legal system**, by replacing Western Common law that has evolved over hundreds of years with Māori tribal practices.*

"Replacing democracy with tribal rule is so extreme, that Jacinda Ardern knew she would lose the 2020 General Election if her plan became known. As a result, she kept He Puapua hidden from her New Zealand First coalition partner – and from the public – until after she had secured the power to govern alone.

"None of the significant changes, which are undermining democracy and our Kiwi way of life that are being introduced through He Puapua, have received a mandate from the public.

*"The restructuring of health, polytechnics, our legal system, and water services are all illegitimate policy changes designed to pass control to the tribal elite. **None have public approval.***

"In this climate of division created by Jacinda Ardern, key institutions are being corrupted from their original purpose of serving all New Zealanders as equals, to prioritising and privileging those of Māori descent. Under her leadership, democracy is being replaced by apartheid.

"Jacinda Ardern is not doing this alone. Supporting her are the powerful members of Labour's 15-strong Māori Caucus."

TAX UP 55% UNDER LABOUR

SOURCE: Stuff, 1-Nov-22

Inflation is adding significantly more to the Government's tax take than its new top tax rate, data shows. Inland Revenue annual reports show the tax take has increased sharply over the past five years.

In 2017, total tax revenue was $69.2 billion, of which individual taxpayers contributed $33.2bn. By the 2022 financial year, tax revenue had hit $100.6bn, of which individual tax was $51.4bn.

YEAR	TOTAL INDIVIDUAL TAX COLLECTED	% OF TOTAL TAX	TOTAL GST COLLECTED	GST % OF TOTAL TAX
2022	$51.4bn	51	$24.7bn	25
2021	$44.8bn	48	$26.0bn	28
2020	$40.0bn	51	$20.6bn	27
2019	$37.8bn	49	$19.4bn	25
2018	$35.2bn	49	$18.7bn	26
2017	$33.2bn	48	$17.9bn	26

Deloitte tax expert Robyn Walker said personal tax paid by individuals had always made up the largest share of tax revenue - it is currently at 51%.

Between 2017 and 2022, the population increased from about 4.8 million to about 5 million. The unemployment rate dropped from 4.74% to 3.3%.

She said there had also been a big increase in the amount of GST collected. While this tax is collected and paid by businesses, the actual cost sits with the consumers buying the goods or services.

Big spending, greedy Governments (Like Labour) love inflation – it pushes people up into higher tax brackets, and the tax take explodes.

NZ Initiative chief economist Eric Crampton said Government revenue would increase when the real economy expanded, when inflation increased the measured size of the economy and when inflation pushed people into higher tax brackets.

“All three have been at play, along with a new top marginal tax rate which has also added a bit of new tax revenue.”

He said a Treasury tax calculator indicated the Government had earned about $2.3b extra since 2017 due to more income falling into higher tax brackets thanks to inflation.

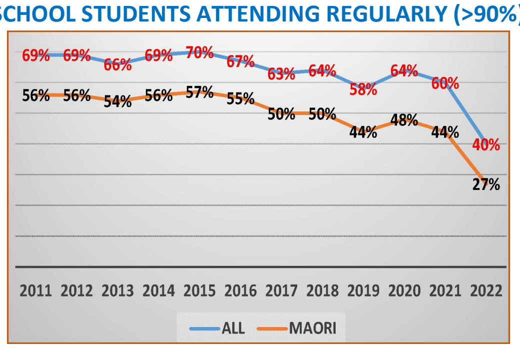
Inflation-indexing the tax thresholds going forward is not a tax cut though – it simply prevents taxes from automatically ratcheting up whenever the Reserve Bank lets inflation run hot.

SCHOOL ATTENDANCE IS A HUGE CRISIS

Labour is asleep at the wheel. Unless we urgently address our school truancy rates we will have and underbelly of society that can only accept benefits, and more concerning - will gravitate to become hardened criminals – for generations to come.

This has to be addressed now, because uneducated youth have no hope of meaningful employment in their future.

SCHOOL STUDENTS ATTENDING REGULARLY (>90%)



When you look at the graph above, it is easy to just blame Covid. The reality is that the cause doesn’t matter – but the outcome does, and the current Labour Government just believe their own spin, and yet we are watching this country drift towards mediocracy.

We have to become ambitious for our children, and ensuring they have basic maths, reading and writing is a core fundamental for everyone.

If we continue on this track we will be heading for a deeply divided community, with an angry, disaffected youth who will terrorise our community.

It is past worrying about the cause - everyone needs to step up and take responsibility. We need to ensure our entire youth have strong values, and a self-belief that they can achieve like everyone else.

The Māori economy is now more than 25% of our total New Zealand economy, so there is no excuse for blaming colonialisation for the underperformance of Māori children.

GOVT’S OWN SURVEY SHOWS NET OPPOSITION TO LOWERING SPEED LIMITS

Source: KiwiBlog, 21-Nov-22

NZTA (in a response to a PO by Act MP Simon Court) as they found only 32% of NZers support lowering speed limits to improve road safety, with 40% opposed.

The way to improve road safety is to stop stealing money from motorists on cycle bridges and the like and spent it on improving actual roads. Labour seems determined to take us back to the 1970s with an 80 km/hr speed limit on open roads.

Here is the speed limit in other countries:

- **137 km/hr – US**
- **130 km/hr – Netherlands, Serbia, France, Greece**
- **120 km/hr – Canada, Belgium, Finland, Switzerland, Israel**
- **112 km/hr – UK**

Farrar says that there are many more he could list at well above 100 km/hr - let alone 80 km/hr. You can design roads that are safe at these speeds, as seen in those countries. So again, the answer is to spend more on roads.

“What we have in New Zealand is a culture of excuses. You cannot tell me in 2022, in a developed country, that having only 40% your kids going to school regularly and 100,000 chronically absent is a success for New Zealand going forward,’’ said Christopher Luxon.

“It’s a social failure, it’s a moral failure and it’s a future economic crisis.’’

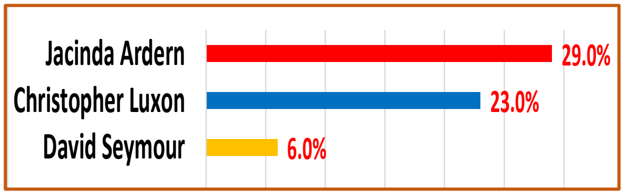
LATEST POLITICAL POLLS

ONE NEWS/KANTAR POLL - NOVEMBER 2022				
Party	**Vote**	**Change***	**Seats**	**Change****
National	38%	1%	49	16
Labour	33%	nc	42	(23)
Act	11%	nc	14	4
Green	9%	nc	11	1
māori	2%	nc	3	1
NZ First	4%	1%	-	-
* Change from August 2022 ** Change since election				
Polling Period: 26th to 30th November 2022				

This Poll was released on 5th December 2022.

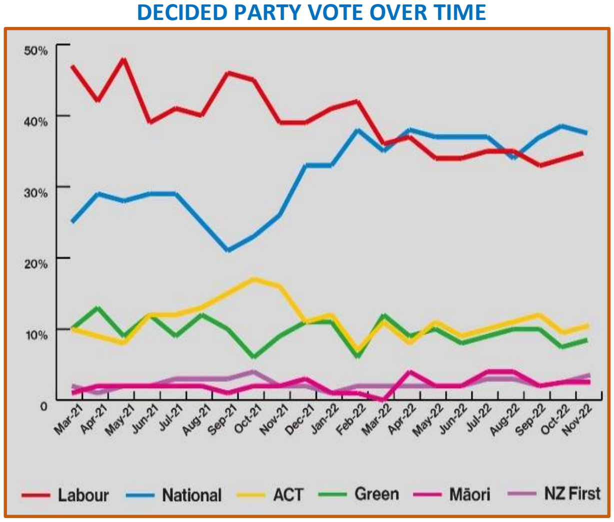
NEWSHUB - REID RESEARCH POLL - November 2022				
	Vote	**Change***	**Seats**	**Change****
National	40.7%	0.2%	52	19
Labour	32.3%	(5.9%)	41	(24)
Act	10.0%	3.6%	13	3
Green	9.5%	1.1%	12	2
māori	1.9%	(0.6%)	2	nc
NZ First	3.3%	1.6%	-	nc
Top	1.2%	0.3%	-	nc
* Change from May ** Change since election				
Polling Period: 25th October to 3rd November 2022				

PREFERRED PRIME MINISTER NOVEMBER 2022

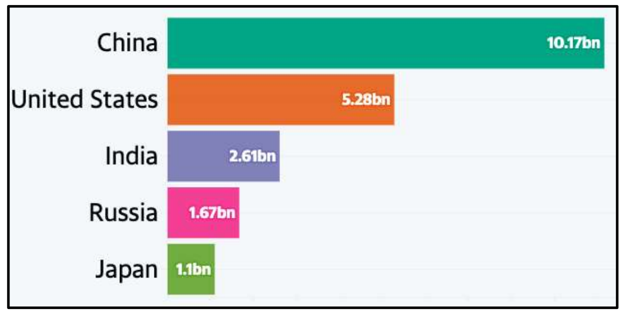


CURIA/TAXPAYERS' UNION NOVEMBER 2022 POLL				
	Vote	**Change***	**Seats**	**Change****
National	37.6%	(1.6%)	49	16
Labour	35.3%	0.9%	46	(19)
Act	9.9%	0.5%	13	3
Green	7.8%	0.6%	10	(1)
māori	1.6%	(0.5%)	2	nc
NZ First	3.8%	1.7	-	-
Other	4.0%	-1.7	-	-
* Change from October ** Change since election				
Polling Period: 3rd to 8th Novembert 2022				

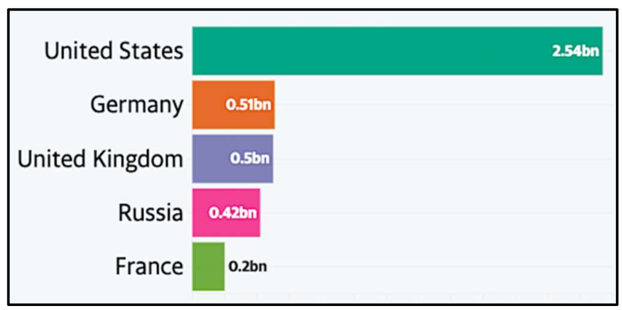
DECIDED PARTY VOTE OVER TIME



CARBON EMISSIONS BY COUNTRY - 2019

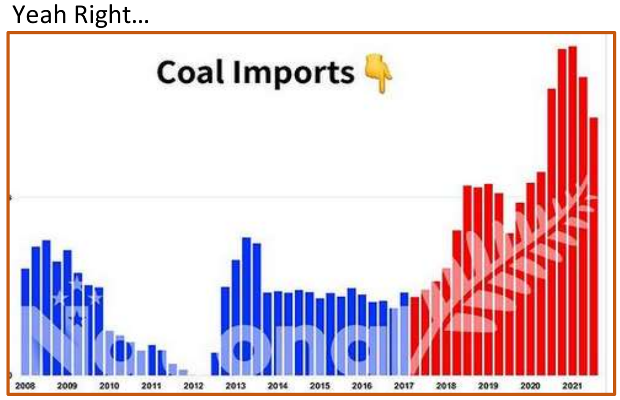


ANNUAL EMISSIONS BY COUNTRY - 1950



LABOUR – WE WILL FIGHT CLIMATE CHANGE

Yeah Right…



Labour is all spin. They make the big announcement, but the graph above (on the use of imported [dirty] coal) proves that their commitment to climate change is just fluff.

THE PERILS OF RMA REFORMS

Hardly anyone is arguing against reforming the RMA. While it was ground-breaking in its day, over time risk averse Council officers have interpreted it (setting precedents) that have seen it weakened – and in fact now broken.

Switching out the Resource Management Act with the new legislation recently released is conceptionally a good thing. The RMA is not fit for purpose. But replacing it with 3 different sets of legislation seems a step too far. Many argue that, while the intentions are good, this new model might be equally as flawed as the legislation that it is replacing. Critical pieces of the future system are still missing and in particular the Government needs to change the perverse incentives that mean councils often fight against urban growth with restrictive district plans.

The problem is this - when cities grow, central government enjoys the increase in income tax, company tax, and GST. But councils experience urban growth as a cost to be mitigated, rather than a benefit to be sought. And councils at or near their debt limits have extreme difficulty in funding and financing the infrastructure necessary to support growth. Without changes enabling councils to share in the benefits of urban growth, there remains a high-risk council representatives will bring existing planning cultures to the new regional planning committees, that will set regional spatial strategies. There they may well be looking for new ways to frustrate, not encourage, much-needed urban growth.

ARE WE BECOMING TOO DEPENDENT ON CHINA?

2021 TOP TEN NZ LARGEST EXPORTS	
China	32.6%
Australia	12.5%
United States of America	10.5%
Japan	5.1%
South Korea	2.6%
United Kingdom	2.4%
Indonesia	2.3%
Taiwan	2.2%
Singapore	2.2%
Thailand	2.0%

IT IS TIME TO LOOK AT CHARITABLE & MĀORI TAX

Sanitarian makes around $200m net profit annually, and yet (as a church) pay no tax. Likewise, many Iwi organisations compete commercially using either a charitable status, or under legislation with a tax rate that is set at 14%. Both these examples have an unfair advantage over corporate NZ.

THE MĀORI ECONOMY

Today, few would disagree with the Treaty Settlement process. It was appropriate that Iwi received compensation. Taxation rates were also seen at the time as an appropriate method of redress. However, the Māori economy is now worth in excess of $70bn and expected to pass $100bn this decade. This is actually around 25% of the New Zealand economy, well ahead of the 17% of the New Zealand population that Māori comprises.

Inequality within New Zealand is primarily because there is very little trickle down in the Treaty Settlement process.

That said, poverty in New Zealand is not particularly an ethnicity issue. For Māori, the rate was **17.8%** (52,600) in the year ended June 2021, down from 22.4% (66,200) two years earlier. The rate dropped to 16.3%t (23,800) from 21.5% (30,300), for Pacific children, and for all New Zealand children, the rate was determined to be **16.3%.**

The Eight Richest Iwi		Original Crown redress	Year settled	2017 value	2021 value ($bn)	Years since settled	Gain per year ($m)	Gain per year (%)
Ngai Tahu	South Island	$170m	1997	$1.66bn	$1.923	25	$70.1	41.2%
Ngati Whatua Orakei	Auckland	$18m	2011	$1.08bn	$1.550	11	$139.3	773.7%
Waikato-Tainui	Waikato	$170m	1995	$1.22bn	$1.529	27	$50.3	29.6%
Tuhoe	Te Urewera	$169m	2012	$348m	$0.420	10	$25.1	14.9%
Ngati Porou	Wast Cape	$90m	2010	$232m	$0.286	12	$16.3	18.1%
Raukawa	South Waikato	$50m	2012	$149m	$0.208	10	$15.8	31.6%
Ngati Pahauwera	Nthn Hawke's Bay	$20m	2010		$0.103	12	$6.9	34.6%
Ngapuhi	Northland	Yet to settle		$58m	$0.071			

NGĀTI WHĀTUA ŌRĀKEI UPDATE

Ngāti Whātua Ōrākei had a very small settlement of $18m in 2011, but because most of their assets were in Auckland housing, their capital gain since settlement has been colossal.

Ngāti Whātua Ōrākei has recently declared a record result, with assets up 6.4% to $1.6bn. Accounts for the year to June 30th 2021, showed a $243m net gain from its investment property assets, up on the far more conservative $43m gain the previous year for the tangata whenua of central Tāmaki Makaurau.

Total debt now stands at $238m, up on the $222m last year, "reflecting the investment in our development programme on the North Shore", the business said. Borrowings are conservative standing at just 16%.

Last year's bottom-line profits were boosted by nearly quarter-of-a-billion-dollar asset growth in the powerhouse real estate asset class, where Ngāti Whātua Ōrākei holds many of its assets.

Investment property assets are now valued at $1.4bn, up from $1.1bn previously and the iwi is conservatively geared against rising interest rates with only a 16% loan-to-value ratio.

But pre-tax profit dropped from $254.5m last year to $91.2m this year. That was due to real estate revaluations rising $243.7bn in value in 2021 but only $89.2m in the latest year.

Total revenue also fell from $73.4m to $64.8m. A net pre-tax loss was declared of $4.5m, down on last year's $5.4m net profit.

The trust said there were 6575 members, with 1293 living overseas. It issued $1.2m in education grants and scholarships, $714,000 in te reo and cultural support, and $252,000 in kaumātua support.

HOME OWNERSHIP DROP A CONCERN

High home ownership rates have traditionally enabled NZers to buy businesses, pay for their children's education and, most of all, to support themselves in retirement. It has underpinned the economy. But according to the Retirement Commission, only 55% of NZers now own their own home. For Māori it's just 35%; for Pasifika it's 20%.

Housing intensification was meant to help close those gaps – but experts say it may do so by lowering the home ownership rate for everyone and turning the next generation of NZers into lifelong renters.

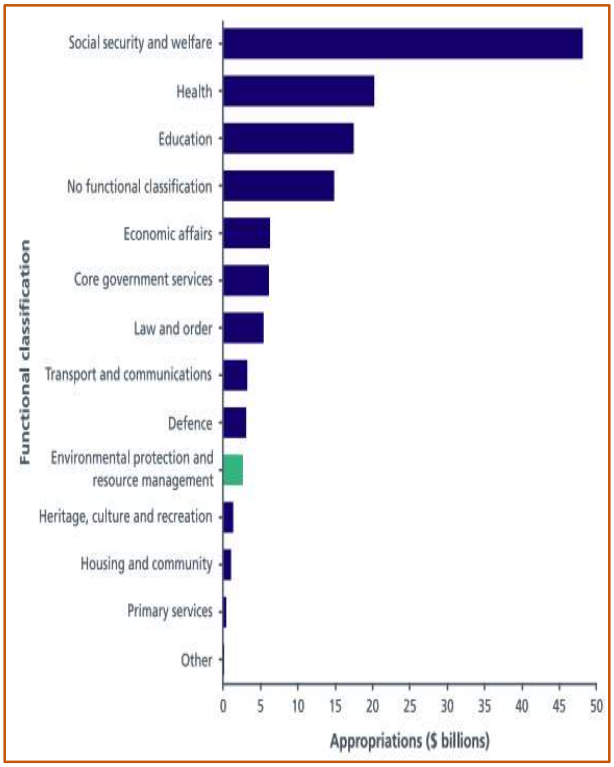
The graph to the right shows the steady deterioration in home ownership ever since the early 1990's. This is not just a recent issue.

Year	Owner-Occupied	Rented	Provided Free	Population
1991	73.5%	23.2%	3.4%	3,495,100
1992	73.0%	23.5%	3.5%	3,531,700
1993	72.4%	24.0%	3.6%	3,572,200
1994	71.7%	24.5%	3.7%	3,620,000
1995	71.1%	25.0%	3.9%	3,673,400
1996	70.5%	25.6%	3.9%	3,732,000
1997	69.9%	26.3%	3.7%	3,781,300
1998	69.4%	27.1%	3.6%	3,815,000
1999	68.8%	27.8%	3.4%	3,835,100
2000	68.2%	28.6%	3.2%	3,857,700
2001	67.8%	29.0%	3.2%	3,880,500
2002	67.6%	29.0%	3.4%	3,948,500
2003	67.4%	29.0%	3.7%	4,027,200
2004	67.2%	28.9%	3.9%	4,087,500
2005	67.0%	28.9%	4.1%	4,133,900
2006	66.8%	29.0%	4.2%	4,184,600
2007	66.5%	29.4%	4.2%	4,223,800
2008	66.2%	29.7%	4.1%	4,259,800
2009	65.9%	30.1%	4.0%	4,302,600
2010	65.6%	30.5%	3.9%	4,350,700
2011	65.3%	30.9%	3.9%	4,384,000
2012	65.0%	31.2%	3.8%	4,408,100
2013	64.5%	32.0%	3.4%	4,442,100
2014	64.5%	32.0%	3.4%	4,516,500
2015	64.5%	32.0%	3.4%	4,609,400
2016	64.5%	32.0%	3.4%	4,714,100
2017	64.5%	32.0%	3.4%	4,813,600
2018	64.5%	32.0%	3.4%	4,900,600
2019	64.5%	32.0%	3.4%	4,979,200
2020	64.5%	32.0%	3.4%	5,090,200
2021	64.5%	32.0%	3.4%	5,111,300
2022	64.5%	32.0%	3.4%	5,119,400

"If waterways and freshwater in this country were unequivocally recognised in law as the life blood of the land, which cannot be owned by humans but only held in trust for future generations, then legal devices such as 'entrenchment' would not be needed. The spectre of 'privatisation' would vanish."

Dame Anne Salmond

This is Simon Upton's best estimate of how much is at stake, in terms of the fiscal footprint of environmental spending. How this estimate compares with other functional areas of government expenditure is indicated in the year ending June 2020 figures below:



THE report states "The footprint represented by environmental expenditure may pale in comparison with that of spending in other sectors. But it still represents a serious claim on government finances, albeit one that is likely to be dwarfed by the fiscal liabilities we are accruing through the erosion of natural capital."

RECOMMENDATIONS

Simon concluded: If I was asked to sum up the problems exposed by the three reports that preceded this one in a single sentence each, I would level the following charges:

- We have an opportunistic environmental reporting system that relies on fragmented and patchy environmental monitoring and, as a result, is unable to provide a reliable picture of the state of our environment.
- The funding of environmental research is largely detached from the endless strategies and roadmaps we invent and from the output of environmental monitoring and reporting systems.
- We have a budget process that lacks the capability to consistently raise and address the long- term environmental challenges that we face.

This final report draws on the learnings of Simon Upton's prior reports and calls for:

- foundational investments in environmental information
- clarity about why we are prioritising certain environmental issues (and not others)
- transparency about what environmental outcomes the Government is aiming for, what the
- Government plans to do to achieve them and how much it spends as part of that response
- accountability for the results of that spending.

Environmental expenditure 2020	**Sum of amount $ (000)**
Disaggregated by enduring and specific outcomes	
Reducing greenhouse gas emissionsi	**$815,411**
New Zealand's per person emissions are declining	$813,326
Indeterminate	$2,085
Improving the efficiency and effectiveness of institutions designed to manage human interventions in the environment	**$491,722**
–	$491,722
Improving Aotearoa's land and freshwater, including sustainmanagement of resourcesii	**$287,021**
Land management is improved to enhance soil and water quality	$168,904
Mineral and energy resources are managed sustainably	$102,908
Management of water takes is improved to ensure sustainability offreshwater ecosystems	$15,209
Reducing pollution and waste	**$247,885**
Indeterminate	$152,428
Pollution in farming areas is reduced and waterways in farming arecleaned up	$52,484
Waste and pollution in urban areas are reduced	$42,973
Improving Aotearoa's coastal and marine environment, inclusustainable management of resources	**$108,897**
Fish stocks are managed sustainably to improve the health of our oceans	$107,291
Indeterminate	$1,606
Total	**$2,564,273**

Notes:

* The analysis of appropriations did not identify any expenditure related to the specific outcome 'New Zealand is effectively adapting to the impacts of climate change'.

* The analysis of appropriations did not identify any expenditure related to the specific outcome 'urban growth is managed without affecting versatile land and native biodiversity'.

SIMON BRIDGES - 5 WAYS TO FIX AUCKLAND'S TRANSPORT PROBLEMS

Source: NZ Herald, 22-Nov-22 (Simon talks a lot of sense)

Auckland Mayor Wayne Brown has entered office on a promise to shake things up, and there's plenty of anticipation — and speculation — about what this will mean for council decision-making, particularly when it comes to transport infrastructure.

So far, Mayor Brown has put Auckland Transport on notice, and identified a handful of policy priority areas — some sensible, some a little confused — but he is yet to put forward anything approaching a programme.

As a transport infrastructure policy and advocacy organisation, the Auckland Business Forum is less interested in the detail of the mayor's plans, and more interested in the strategic thinking that underpins it.

As far as we're concerned, fixing Auckland's transport system should start with the following five principles.

1. Focus on the outcomes, not the projects

Too many times over the last decade, we've seen politicians champion a favourite large-scale project, without saying what problem it's meant to be solving. This approach is completely back to front and never ends well.

The starting point must instead be to identify a set of desired outcomes (economic, social, environmental) for the city, and develop a set of projects that best deliver those outcomes. Mayor Brown is not big on visions — and to be fair, many Aucklanders have had a gutful of them too — but he still needs to paint a picture of the future he wants for Auckland, so we can work out the best mix of infrastructure projects to get us there.

2. Get more out of the existing network

Before investing in large-scale new roads and rail lines, greater effort must be made to improve the performance of the existing network. This means dealing with chronic delivery failures like the bus driver shortage and the rail shutdown; investing in smaller-scale interventions (like intersection upgrades) that can get the road network humming and moving ahead with demand management tools like congestion pricing.

3. Maintain the investment pipeline

Squeezing more juice out of the lemon is good, but it can't be all that we do. Auckland is still badly in need of new infrastructure — to fill the gap created by years of under-investment, to prepare the city for an inevitable return to population growth post-Covid, and to ready ourselves for a low-carbon transport future. Mayor Brown's apparent scepticism towards "transformational" investment is laudable, especially given the current economic climate, but it must not translate into a situation where we shut up shop on building critical big-ticket projects. We can't lose sight of the cost of under-investment for future generations.

4. Greater emphasis on infrastructure as an enabler of growth

There is a critical role for quality infrastructure to play in stimulating Auckland's economic recovery post-pandemic, and its growth into the future. But for that role to be fulfilled, economic benefits will need to be given much more weight within the project assessment process. Over recent years, an increasing focus on non-transport objectives such as climate change, public health, and place-making, has crowded out the consideration of growth- and productivity-related objectives. Travel-time benefits for general traffic and freight, and other metrics that speak to the contribution of an efficient transport network to economic performance, need to be brought back to the centre.

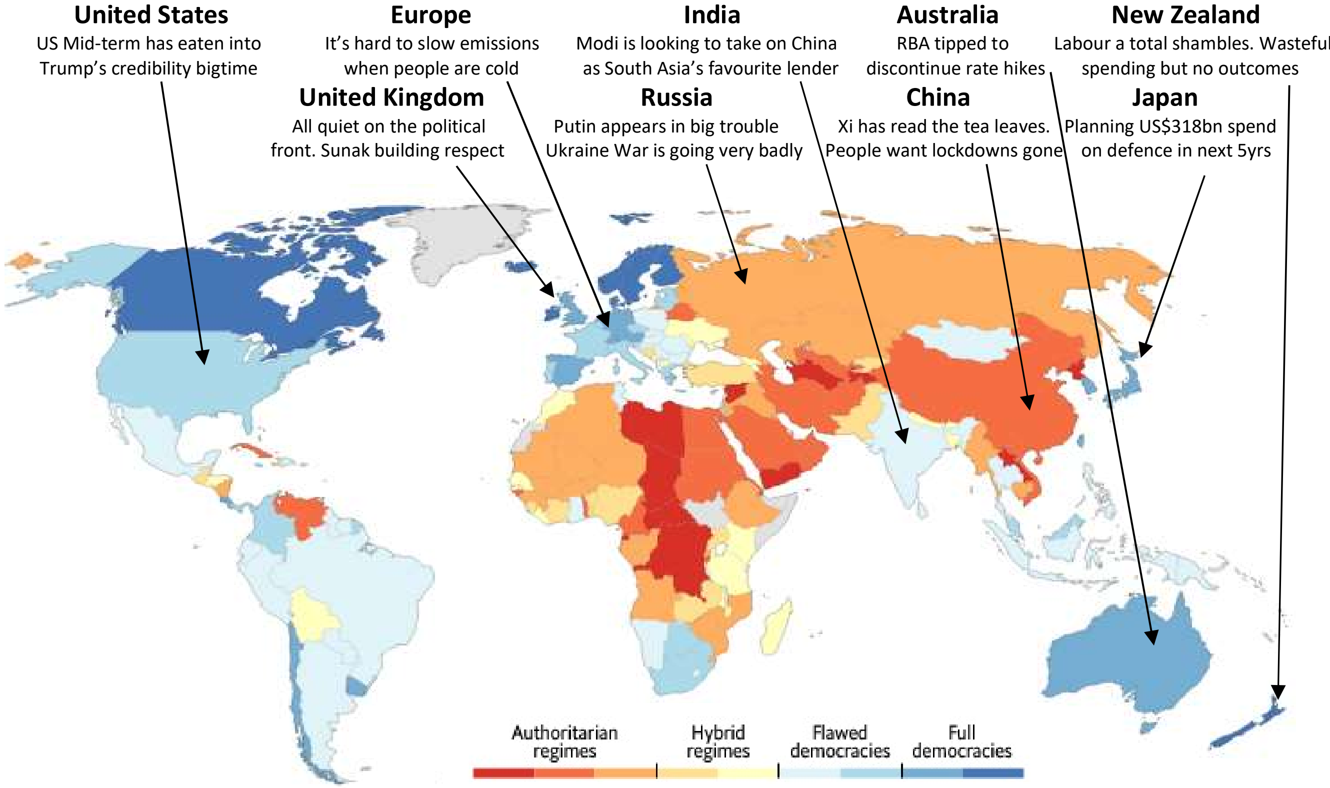
5. Put customer benefits front and centre

Infrastructure isn't about making concrete and steel objects it's about providing solutions that make people's lives better. Mayor Brown's calls for Auckland Transport to be guided by a much stronger understanding of customer needs and expectations are right on the money, and this needs to flow through to investment decisions. Project performance must be regularly measured through post-implementation reviews, and user benefits proactively fed back to the public (who, of course, are also the funders). This is how decision-makers earn the right to keep investing in the future.

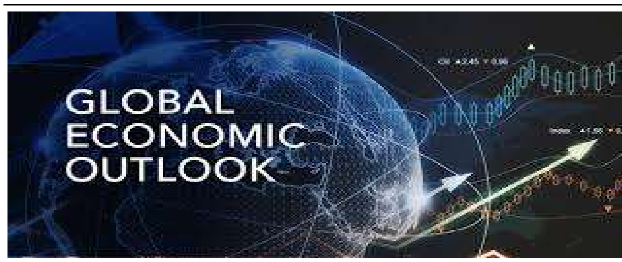
Simon Bridges is CEO of the Auckland Business Chamber and Chair of the Auckland Business Forum, a policy and advocacy organisation focused on Auckland transport infrastructure.

THE WORLD AT A GLANCE

GLOBAL DEMOCRACY INDEX



THE GLOBAL ECONOMIC OUTLOOK



Despite the best efforts of central banks, global inflation is still running red hot. In Europe and the UK, annual inflation has cracked double figures, posting whopping 10.7% and 10.1% increases, respectively, in the latest reads. In Australia, it hit 7.3% in the September quarter. Only in the US is it showing signs of abating, down to 7.7% in October from a peak of 9.1% in June.

GLOBAL CONSUMER CONFIDENCE REMAINS MUTED

Expectations Index continues its decline as sentiment remains low among the world's most advanced economies, according to the latest Ipsos Global Consumer Confidence Index (October 2022).

GLOBAL GROWTH ON THE DECLINE

There are some important offsets in play. The weak global growth outlook is going hand in hand with a weak New Zealand dollar, boosting New Zealand's export receipts in NZD terms. Similarly, global food markets remain very tight, offsetting some of the weakness in global demand. Lastly, the rebound in tourism is due to the reopening of the border and pent-up demand for travel and is therefore less dependent on the global growth outlook.

The longer inflation stays high and the more central banks hike, the larger the likely slowdown in the global economy. Indeed, over the past year, Westpac has stepped down their trading partner growth forecast for 2023 from 4.2% in February to an anaemic 3.5% now.

In addition, as the risks to the global growth outlook have increased, financial markets have become more risk averse. Notably, global sharemarkets have slumped, with the MSCI (an index representing the major sharemarkets in developed countries) falling by more than 20% from its peak.

GLOBAL SHAREMARKETS

The flipside of slumping global sharemarkets has been the rise in the value of safe haven assets such as the US dollar. Indeed, the New Zealand dollar traded as low as US$0.55 in October.

Expect the weak short-term picture for Chinese economic growth to be an ongoing drag on the demand for New Zealand's goods exports. Elsewhere around the globe, expect that relatively low growth will also add to the downward pressure on the demand and prices for many New Zealand exports. In the medium term, anticipate that Chinese demand will pick up over the course of 2023 as the Chinese economy improves.

There are some important offsets in play. The weak global growth outlook is going hand in hand with a weak New Zealand dollar, boosting New Zealand's export receipts in NZD terms. Similarly, global food markets remain very tight, offsetting some of the weakness in global demand. Lastly, the rebound in tourism is due to the reopening of the border and pent-up demand for travel and is therefore less dependent on the global growth outlook.

GLOBAL COMPETITIVENESS

The table to the right indicates where the Top 50 Countries sit, measured by the World Bank, in terms of Gross Domestic Product (GDP), measured in US Dollars.

New Zealand sits currently at #50 (accounting for just 0.26% of global economic activity), and Australia is currently #13 (at 1.64%). While India is expected to surpass China in population, it remains well behind in the size of its economy.

The Table below was the previously published (June 2022) IMD World Competitiveness Centre Data, measuring competitive performance of Economic Performance, Government Efficiency, Business Efficiency and Infrastructure. Unfortunately, in this data set, New Zealand has slipped overall from 16th in the Globe in 2017 (just before Labour came into Government) to 31st in 2022. In comparison, Australia (in the same time period) improved from 21st to 19th – noting that in 2017 New Zealand was rated 4 positions ahead of Australia!

TOP 50 GLOBAL ECONOMIES - GDP IN US DOLLARS

Rank	Country	2022 (US$ bn)	% of world total
1	United States	24,796.08	24.26%
2	China	18,463.13	18.06%
3	Japan	5,383.68	5.27%
4	Germany	4,557.35	4.46%
5	United Kingdom	3,442.21	3.37%
6	India	3,250.08	3.18%
7	France	3,140.03	3.07%
8	Italy	2,272.27	2.22%
9	Canada	2,189.79	2.14%
10	South Korea	1,907.66	1.87%
11	Brazil	1,810.61	1.77%
12	Russia	1,703.53	1.67%
13	Australia	1,677.45	1.64%
14	Spain	1,570.91	1.54%
15	Mexico	1,371.64	1.34%
16	Indonesia	1,247.35	1.22%
17	Iran	1,136.68	1.11%
18	Netherlands	1,070.75	1.05%
19	Saudi Arabia	876.15	0.86%
20	Switzerland	862.82	0.84%
21	Taiwan	850.53	0.83%
22	Turkey	844.53	0.83%
23	Poland	720.35	0.70%
24	Sweden	660.92	0.65%
25	Belgium	619.16	0.61%
26	Thailand	585.59	0.57%
27	Nigeria	555.35	0.54%
28	Ireland	550.52	0.54%
29	Austria	520.34	0.51%
30	Israel	501.41	0.49%
31	Argentina	483.77	0.47%
32	Norway	458.40	0.45%
33	Egypt	438.35	0.43%
34	South Africa	435.21	0.43%
35	United Arab Emirates	427.93	0.42%
36	Vietnam	415.49	0.41%
37	Malaysia	415.38	0.41%
38	Denmark	414.55	0.41%
39	Philippines	406.11	0.40%
40	Singapore	397.00	0.39%
41	Bangladesh	390.61	0.38%
42	Hong Kong	389.98	0.38%
43	Chile	352.66	0.34%
44	Colombia	319.29	0.31%
45	Romania	314.88	0.31%
46	Finland	314.54	0.31%
47	Czech Republic	302.06	0.30%
48	Pakistan	282.33	0.28%
49	Portugal	271.19	0.27%
50	New Zealand	267.64	0.26%
	World Total	102,227.96	

	Overall Ranking				Economic Performance					Government Efficiency				
COUNTRY	2022	2021	CHANGE		2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Denmark	1	3	2	↑	26	26	21	17	**13**	6	6	4	7	**6**
Switzerland	2	1	-1	↓	25	23	18	7	**30**	2	4	2	2	**1**
Singapore	3	5	2	↑	7	5	3	1	**2**	3	3	5	5	**4**
Sweden	4	2	-2	↓	24	21	22	16	**21**	11	16	14	9	**9**
Hong Kong SAR	5	7	2	↑	9	10	28	30	**15**	1	1	1	1	**2**
Netherlands	6	4	-2	↓	6	13	1	2	**19**	8	9	11	12	**12**
Taiwan	7	8	1	↑	14	15	17	6	**11**	12	12	9	8	**8**
Finland	8	11	3	↑	43	35	43	34	**44**	15	17	16	14	**10**
Norway	9	6	-3	↓	40	32	30	25	**25**	5	7	6	4	**5**
USA	10	10	nc		1	1	2	5	**3**	26	23	26	28	**27**
Ireland	11	13	2	↑	11	6	12	22	**7**	13	11	13	13	**11**
UAE	12	9	-3	↓	3	7	4	9	**6**	4	2	3	3	**3**
Luxembourg	13	12	-1	↓	4	4	8	10	**1**	17	10	12	10	**13**
Canada	14	14	nc		13	12	10	14	**10**	9	14	10	15	**18**
Germany	15	15	nc		12	9	5	3	**5**	19	22	24	23	**21**
Iceland	16	21	5	↑	57	54	58	55	**56**	16	15	17	17	**14**
China	17	16	-1	↓	2	2	7	4	**4**	46	35	37	27	**29**
Qatar	18	17	-1	↓	5	3	6	11	**9**	10	5	7	6	**7**
Australia	**19**	**22**	**3**	**↑**	19	14	23	19	**16**	14	13	15	16	**16**
Austria	20	19	-1	↓	17	20	15	20	**24**	32	28	25	29	**34**
Belgium	21	24	3	↑	44	37	25	24	**14**	35	36	35	37	**33**
Estonia	22	26	4	↑	32	44	35	29	**33**	21	27	19	18	**15**
United Kingdom	23	18	-5	↓	45	22	24	26	**23**	18	19	18	19	**26**
Saudi Arabia	24	32	8	↑	23	30	20	48	**31**	30	18	22	24	**19**
Israel	25	27	2	↑	37	40	39	36	**36**	20	30	27	33	**32**
Czech Republic	26	34	8	↑	16	17	16	23	**18**	27	34	36	36	**22**
Korea Rep.	27	23	-4	↓	20	27	27	18	**22**	29	31	28	34	**36**
France	28	29	1	↑	30	34	32	28	**17**	39	48	46	39	**40**
Lithuania	29	30	1	↑	36	39	33	33	**43**	31	29	33	31	**23**
New Zealand	**31**	**20**	**-11**	**↓**	**33**	**36**	**40**	**32**	**47**	7	8	8	11	**17**

	Business Efficiency					Infrastructure				
COUNTRY	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Denmark	3	7	1	1	**1**	3	3	2	3	**2**
Switzerland	9	9	9	5	**4**	2	2	3	1	**1**
Singapore	11	5	6	9	**9**	8	6	7	11	**12**
Sweden	4	6	3	2	**2**	5	4	1	2	**3**
Hong Kong SAR	1	2	2	3	**7**	23	22	14	16	**14**
Netherlands	6	4	4	4	**3**	9	8	9	7	**5**
Taiwan	20	14	12	7	**6**	22	19	15	14	**13**
Finland	16	13	13	12	**5**	6	5	4	5	**4**
Norway	5	8	8	6	**10**	4	7	6	4	**6**
USA	12	11	14	10	**12**	1	1	5	6	**7**
Ireland	10	3	5	11	**11**	21	23	23	20	**23**
UAE	2	1	7	8	**17**	36	33	28	28	**26**
Luxembourg	8	12	17	13	**20**	24	25	24	24	**24**
Canada	7	16	10	16	**13**	7	12	8	8	**11**
Germany	19	26	25	23	**21**	11	10	11	10	**9**
Iceland	22	19	15	14	**8**	17	13	17	9	**8**
China	15	15	18	17	**15**	19	16	22	18	**21**
Qatar	13	10	11	15	**14**	38	40	40	40	**38**
Australia	24	24	21	34	**26**	16	17	18	23	**19**
Austria	14	17	16	18	**18**	14	11	10	12	**10**
Belgium	23	28	22	20	**19**	20	21	19	19	**20**
Estonia	27	33	27	31	**22**	32	34	33	30	**27**
United Kingdom	21	31	20	19	**28**	10	14	12	13	**18**
Saudi Arabia	45	25	19	26	**16**	44	38	36	36	**34**
Israel	18	21	26	29	**27**	13	18	20	21	**17**
Czech Republic	32	37	38	41	**29**	30	31	32	31	**28**
Korea Rep.	43	34	28	27	**33**	18	20	16	17	**16**
France	31	38	43	36	**35**	12	9	13	15	**15**
Lithuania	30	23	24	30	**25**	29	30	34	34	**32**
New Zealand	28	22	30	22	**36**	25	24	25	25	**29**

ECONOMIC INDICATORS BY COUNTRY

LAST UPDATED 6-DECEMBER-2022

Ranked by GDP	Country	GDP US$bn	GDP YoY	GDP QoQ	Interest Rate	Inflation Rate	Jobless Rate	Govt Budget	Debt/GDP	Current Account	Population
1	United States	22,996	1.9	2.9	4.0	7.7	3.7	(16.7)	137.2	(3.6)	332.4
2	China	17,734	3.9	3.9	3.7	2.1	5.5	(3.1)	71.5	1.8	1412.6
3	Euro Area	14,493	2.1	0.2	2.0	10.0	6.5	(5.1)	95.6	2.5	342.56
4	Japan	4,937	1.8	(0.3)	(0.1)	3.7	2.6	(5.3)	262.5	4.0	125.31
5	Germany	4,223	1.3	0.4	2.0	10.0	5.6	(3.7)	69.3	7.4	83.16
6	United Kingdom	3,187	2.4	(0.2)	3.0	11.1	3.6	(5.7)	97.4	(2.0)	67.53
7	India	3,173	6.3	(1.4)	5.9	6.8	8.0	(6.9)	89.3	(1.7)	1380
8	France	2,937	1.0	0.2	2.0	6.2	7.3	(6.5)	112.9	0.4	67.63
9	Italy	2,100	2.6	0.5	2.0	11.8	7.8	(7.2)	150.8	2.5	59.24
10	Canada	1,991	3.9	0.7	3.8	6.9	5.1	(4.7)	112.8	0.1	38.44
11	South Korea	1,799	3.1	0.3	3.3	5.0	2.8	(5.6)	46.9	4.9	51.74
12	Russia	1,776	(4.0)	(0.8)	7.5	12.6	3.9	0.8	18.2	6.8	145.55
13	Brazil	1,609	3.6	0.4	13.8	6.5	8.3	(4.5)	80.3	(1.8)	213.32
14	Australia	1,543	3.6	0.9	3.1	7.3	3.4	(7.8)	36.1	3.2	25.77
15	Spain	1,425	3.8	0.2	2.0	6.8	12.7	(6.9)	118.4	0.9	47.4
16	Mexico	1,293	4.3	0.9	10.0	8.4	3.3	(3.8)	49.6	(0.4)	126.25
17	Indonesia	1,186	5.7	1.8	5.3	5.4	5.9	(4.7)	41.2	0.3	272.7
18	Netherlands	1,018	3.1	(0.2)	2.0	14.3	3.7	(2.6)	52.4	9.0	17.48
19	Saudi Arabia	834	8.6	2.6	4.5	3.0	5.8	(2.3)	30.0	6.6	34.11
20	Turkey	815	3.9	(0.1)	9.0	84.4	10.1	(2.7)	42.0	(1.7)	84.68
21	Switzerland	813	0.5	0.2	0.5	3.0	1.9	(0.7)	41.4	9.3	8.67
22	Taiwan	775	4.0	1.8	1.6	2.4	3.6	(0.5)	28.2	14.8	23.38
23	Poland	674	3.6	1.0	6.8	17.4	5.1	(1.9)	53.8	(0.7)	37.84
24	Sweden	627	2.5	0.6	2.5	10.9	7.1	(0.2)	36.7	5.3	10.38
25	Belgium	600	1.9	0.2	2.0	10.6	5.4	(5.5)	108.2	(0.4)	11.55
26	Thailand	506	4.5	1.2	1.3	6.0	1.2	(4.9)	59.6	(2.2)	66.17
27	Ireland	499	10.9	2.3	2.0	9.2	4.4	(0.1)	56.0	13.9	5.01
28	Argentina	491	6.9	1.0	75.0	88.0	6.9	(4.5)	80.5	1.0	45.81
29	Israel	482	5.8	0.5	3.3	5.1	4.1	(5.5)	68.8	4.7	9.45
30	Norway	482	2.5	1.5	2.5	7.5	3.2	9.1	43.2	15.0	5.43
31	Austria	477	1.7	0.2	2.0	10.6	6.2	(5.9)	82.8	(0.5)	8.93
32	Nigeria	441	2.3	9.7	16.5	21.1	33.3	(4.7)	37.0	(2.8)	211.4
33	South Africa	420	4.1	1.6	7.0	7.6	32.9	(5.7)	69.9	3.7	60.14
34	Bangladesh	416	5.5	5.5	5.8	8.9	5.2	(6.2)	33.9	(1.1)	166.3
35	Egypt	404	5.4	9.8	13.3	16.2	7.4	(6.1)	87.2	(4.6)	104.26
36	Denmark	397	3.4	0.5	1.3	10.1	2.2	3.6	36.7	8.8	5.84
37	Singapore	397	4.1	1.1	2.7	6.7	2.0	(0.9)	160.0	18.1	5.45
38	Philippines	394	7.6	2.9	5.0	8.0	5.0	(8.6)	60.4	(1.8)	110.2
39	Malaysia	373	14.2	1.9	2.8	4.0	3.6	(6.5)	63.3	3.5	32.6
40	Hong Kong	368	(4.5)	(2.6)	4.3	1.8	3.8	(3.6)	38.4	11.2	7.41
41	Vietnam	363	13.7	6.9	6.0	4.4	2.3	(3.4)	39.6	(2.0)	98.51
42	United Arab Emirates	359	3.9	2.0	3.9	6.8	3.9	0.8	38.3	11.7	9.99
43	Pakistan	346	3.9	5.8	16.0	23.8	6.5	(7.1)	84.0	(4.6)	225.2
44	Chile	317	0.3	(1.2)	11.3	12.8	8.0	(7.5)	36.3	(6.6)	19.69
45	Colombia	314	7.0	1.6	11.0	12.5	9.9	(7.1)	64.5	(5.7)	51.41
46	Finland	299	1.0	(0.3)	2.0	8.3	5.8	(2.7)	72.4	0.9	5.55
47	Romania	284	4.0	1.3	6.8	15.3	5.5	(7.1)	48.8	(7.0)	19.2
48	Czech Republic	282	1.7	(0.2)	7.0	15.1	3.5	(5.9)	41.9	(0.8)	10.5
49	Portugal	250	4.9	0.4	2.0	9.9	5.8	(2.8)	127.4	(1.1)	10.3
50	New Zealand	250	0.4	1.7	4.3	7.2	3.3	(1.3)	30.1	(6.5)	5.12
51	Iran	232	(5.7)		18.0	52.2	9.2	(3.9)	41.5	2.0	84.1
52	Peru	223	1.7	3.5	7.3	8.5	7.2	(2.6)	36.0	(2.9)	32.78
53	Greece	216	7.7	1.2	2.0	9.1	11.6	(7.4)	193.3	(5.9)	10.68
54	Iraq	208	5.9		4.0	5.3	14.2	(0.8)	59.3	5.9	41.2
55	Ukraine	200	(37.2)	(19.2)	25.0	26.6	10.6	(3.4)	48.9	(1.3)	41
56	Kazakhstan	191	2.8	1.3	16.8	19.6	4.9	(4.0)	27.4	(3.0)	19.12
57	Hungary	182	4.0	(0.4)	13.0	21.1	3.6	(6.8)	76.8	(2.9)	9.73
58	Qatar	180	6.3	3.6	5.0	6.0	0.1	0.2	58.5	(14.7)	2.75
59	Algeria	168	1.6	0.8	3.0	8.7	12.7	(8.0)	62.5	(2.8)	44.7
60	Morocco	133	2.0	1.1	2.0	8.1	11.4	(5.9)	77.9	(2.3)	36.31

New Zealand's Economic Outlook

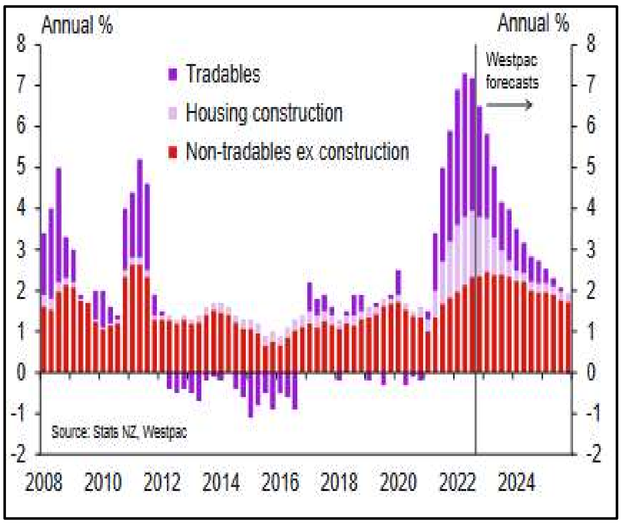
POPULATION: 5.2 MILLION

LABOUR SINKING DEEPER INTO AN ELECTION QUAGMIRE

The country's economic outlook in 2023 will be dominated by a fight over inflation that will push interest rates up as a majority of property owners have to refix mortgages - even as their house values fall. This pathway is also forecast to almost double unemployment from 3.3% to 5.7% as the cost-of-living squeeze continues and people look to cut expenses.

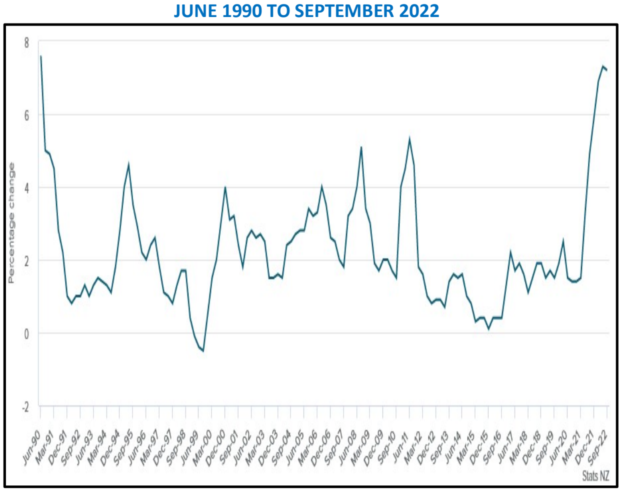
The RB Governor's statements with the increase in the Official Cash Rate made this trajectory clearer. That was followed by the horrific fatal stabbing after a dairy robbery in Sandringham, bringing the issue of law and order to the forefront in the most distressing way possible.

Contribution to Annual Inflation



Inflation remains stubbornly high, and the pressure on wages has significantly escalated. The Reserve Bank is increasingly at risk of finding itself in the situation that it aimed to avoid – a self-perpetuating cycle of rising prices that would be painful to break. The rise in the OCR to date will have a more meaningful impact on the economy over the year ahead, but Westpac thinks that further increases will still be needed.

CONSUMER PRICE INDEX, ANNUAL % CHANGE
JUNE 1990 TO SEPTEMBER 2022



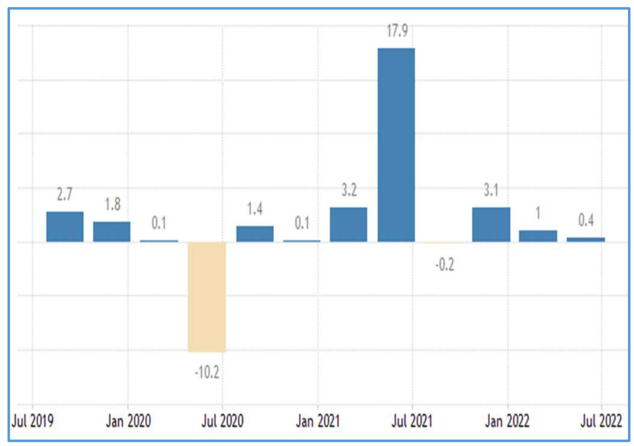
With those international price pressures easing, we expect to see a more meaningful drop in the overall inflation rate over the next few years, to 6.5% by the end of this year and to around 4% by the end of 2023. That would still put it outside the Reserve Bank's 1-3% target range for an extended period but would at least provide the RBNZ some comfort that inflation is on the right path.

However, that path is increasingly dependent on what happens with non-tradables – prices that are largely determined by local conditions. This group is strongly weighted towards services, and crucially, to more labour-intensive activities. And it's clear that wage pressures are playing an increasing role in the rise in inflation.

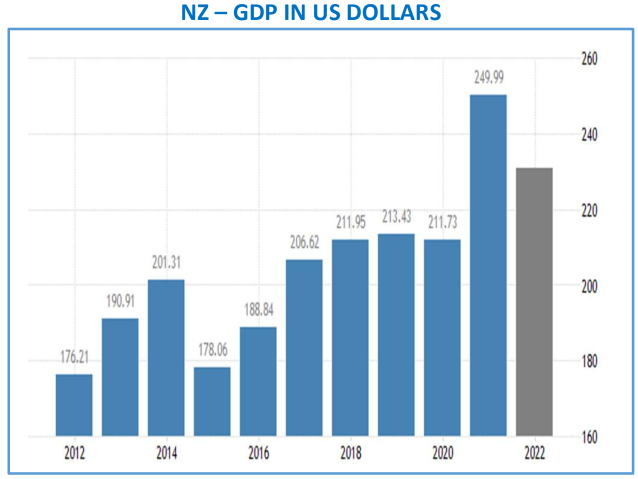
GDP GROWTH

New Zealand's economy expanded by 0.4% from a year earlier in the second quarter of 2022, but is now expected to head back into nagative teritory through 2023. The outlook looks exceedingly bleak until at least mid 2024.

NZ – ANNUAL GDP GROWTH RATE



NZ – GDP IN US DOLLARS



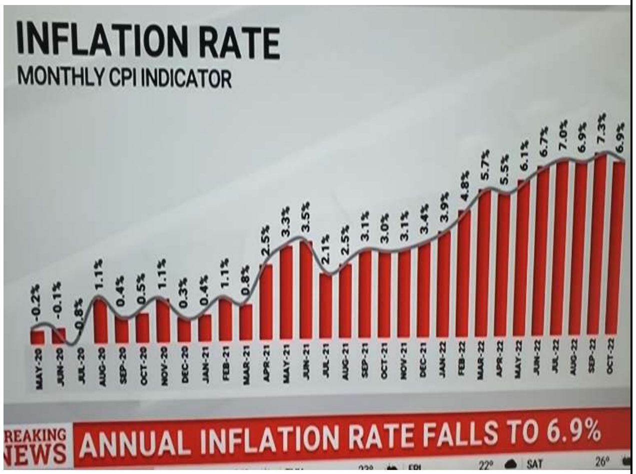
2021 saw a strong rebound in GDP (in US Dollar terms) but this is expected to retract to around US$233bn for the 2022 year.

The chance of moving into recession (two consecutive quarters of negative growth) in 2023.

Australian Economic Outlook

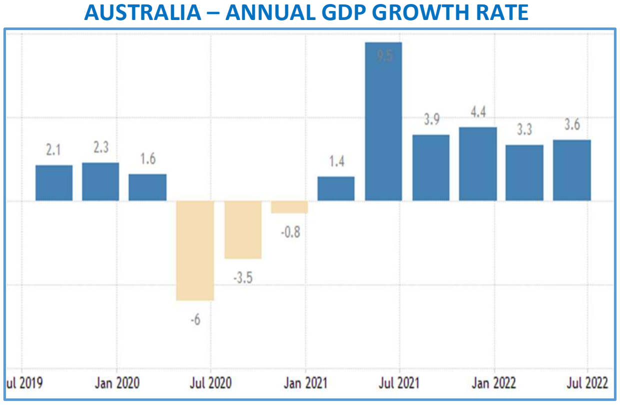
POPULATION: 27.1 MILLION

INFLATION



Australia's Annual Inflation Rate has just been released. Previously it was 7.3%, and good news for all Australians – as at 30th November, it has come down slightly and is currently sitting 0.4% lower – at 6.9%.

AUSTRALIA – ANNUAL GDP GROWTH RATE



THIS OVERPRINT GIVES AN INDICATION OF THE SIZE OF AUSTRALIA IN RELATION TO EUROPE

United States Economic Outlook

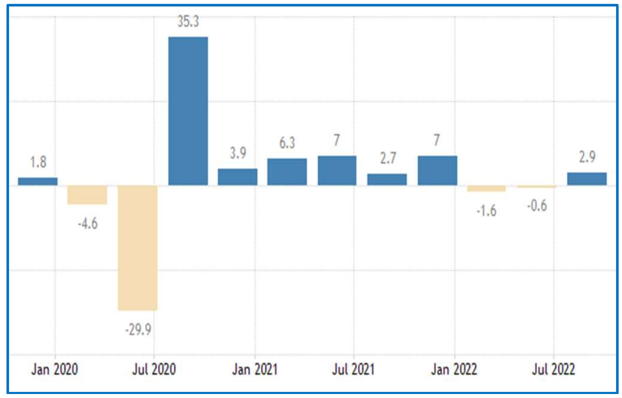
POPULATION: 335.2 MILLION

It is predicted that there are at least a further 10.3m undocumented (illegal) migrants in the US currently.

US Economy

The US economy grew an annualized 2.9% on quarter in Q3 2022, better than an initial estimate of 2.6%, and beating forecasts of 2.7% reflecting upward revisions to consumer and business spending and net trade. Despite 2 negative quarters Biden stated that the US didn't move into recession!

UNITED STATES – ANNUAL GDP GROWTH RATE



Chinese Economic Outlook

POPULATION: 1.43 BILLION

India is set to overtake China as the world's most populous country next year, according to UN forecasts. Between 1990 and 2022, China's population rose by 24%, whereas India's jumped 63% from 861m to 1.41bn.

CHINESE ECONOMY

The Chinese economy continues to march to the beat of its own drum, with its Covid Zero policy crimping demand for New Zealand exports. GDP in China was worth US$17,734.06bn in 2021, according to official data from the World Bank. The GDP value of China represents 1.85% of the world economy.

CHINA – ANNUAL GDP GROWTH RATE

THE POPULATION IS BEGINNING TO PUSH BACK

Protests against China's restrictive Covid-19 controls are spreading from city to city, sparked by anger at a deadly fire in the Uyghur region of Xinjiang. "*It's game on,*" says one NZ citizen, locked down in Beijing. Again, it's university students to the fore. Hundreds in Beijing and Nanjing defied restrictions to rally at their campuses recently, chanting "*freedom will prevail*".

These follow demonstrations in Shanghai, China's most populous city, to commemorate the deaths in the Urumqi fire. Police moved in with pepper spray as a large group began shouting, "*down with the Chinese Communist Party, down with Xi Jinping*", according to witnesses and video footage.

UNITED KINGDOM ECONOMIC OUTLOOK

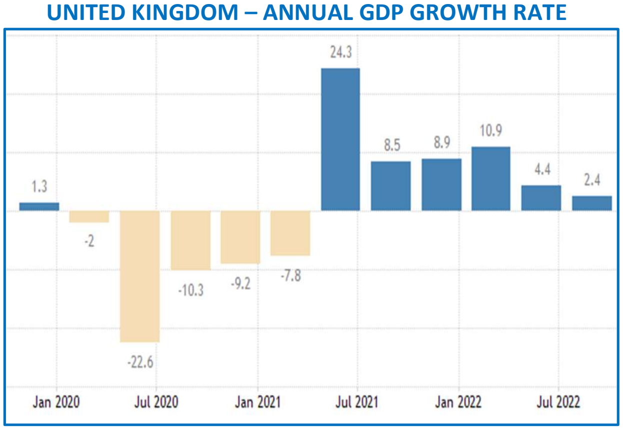
POPULATION: 68.4 MILLION

UK ECONOMY

The British economy expanded 2.4% year-on-year in the third quarter of 2022, the lowest reading since the contraction in Q1 2021, but slightly above market expectations of 2.1%, preliminary estimates showed. Household spending slowed sharply (0.8% vs 4.3% in Q2), business investment rose less (3.5% vs 5.2%) and government expenditure stalled. Meanwhile, exports jumped 18% and imports increased at a slower 7.2%.

GDP in the United Kingdom was worth US$3,186.86bn US dollars in 2021, according to official data from the World Bank. The GDP value of the United Kingdom represents 2.38% of the world economy.

UNITED KINGDOM – ANNUAL GDP GROWTH RATE



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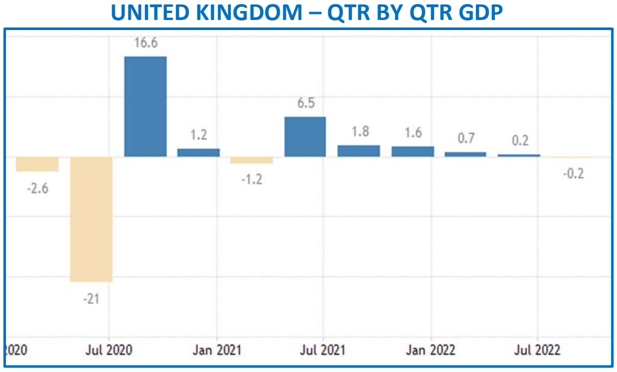
UNITED KINGDOM – QTR BY QTR GDP



Looking at GDP (Quarter by Quarter) the UK economy has really struggled over the past 2 quarters. This is the time since the demise of Boris Johnson as Prime Minister. The effects of the Ukrainian War is also another massive cause.

INFLATION – 10.1% IN AUGUST

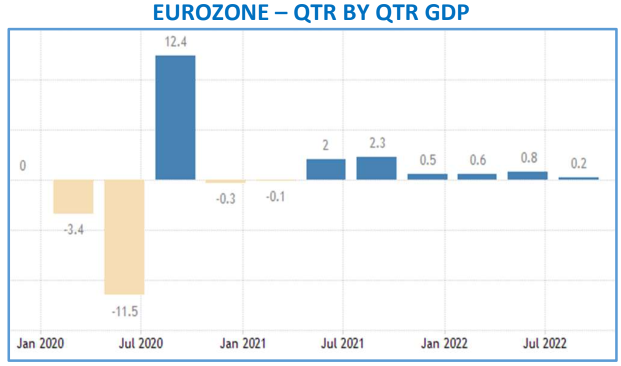
Inflation is at a 40-year high, with Citibank already forecasting UK inflation of 15%+ in January — the highest since 1976 — the last thing needed was another (Truss's previously proposed) £45bn stimulus.

EU ECONOMIC OUTLOOK

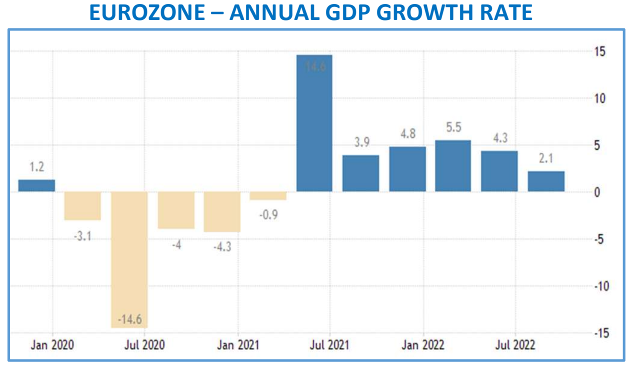
POPULATION: 447.7 MILLION

The Eurozone economy expanded 0.2% on quarter in the three months to September of 2022, in line with the first estimate. It marks a sixth straight quarter of expansion but the weakest in the current sequence. Among the biggest economies, German GDP grew faster (0.3% vs 0.1% in Q2), while France (0.2% vs 0.5%), Italy (0.5% vs 1.1%) and Spain (0.2% vs 1.5%) slowed. Meanwhile, the Euro Area is set to fall into recession in the last quarter of the year and first three months of 2023, while returning to growth in spring next year, according to the European Commission. High inflation and the ongoing energy crisis is eroding households' purchasing power and cutting production while high interest rates and tighter financing conditions are also weighing.

EUROZONE – QTR BY QTR GDP



EUROZONE – ANNUAL GDP GROWTH RATE



EU INFLATION

Inflation in Europe reaches a Record 10.7%. Twelve months ago, it was 4.1%. Despite rapid interest rate increases by the European Central Bank, more than half of the 19 eurozone countries see double-digit rises in consumer prices.

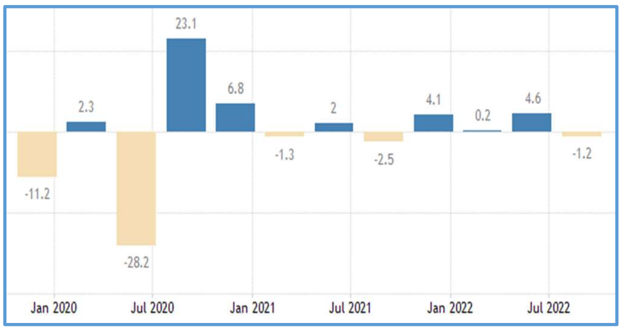
JAPAN'S ECONOMIC OUTLOOK

POPULATION: MILLION

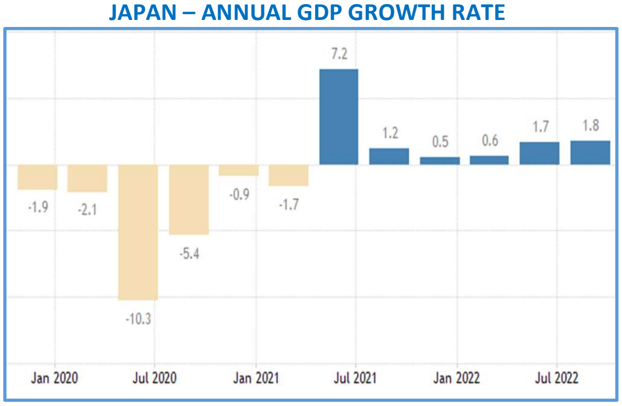
GDP GROWTH REMAINS POSITIVE

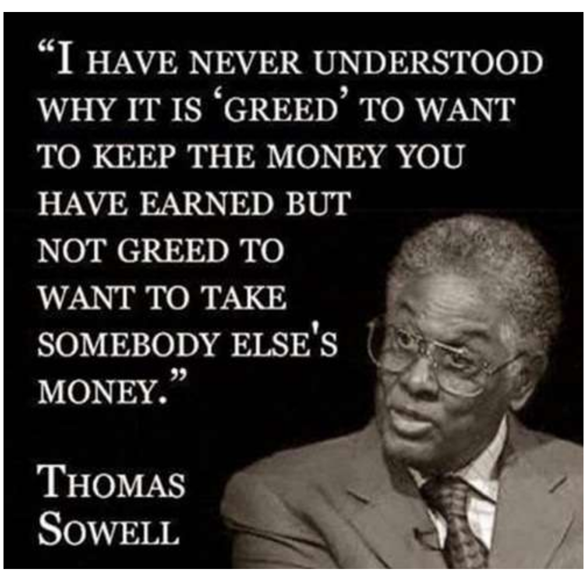
The Japanese economy contracted 1.2% on an annualized basis during the third quarter of 2022, missing market forecasts of a 1.1% growth and shifting from an upwardly revised 4.6% expansion in the previous period, a preliminary reading showed. This was the first contraction in a year, reflecting weak private consumption amid rising cost pressures, a marked slowdown in business investment, and the fastest growth in imports in seven quarters due to a historic slide in the yen that triggered an intervention in currency markets.

JAPAN –GDP GROWTH RATE ANNUALISED



JAPAN – ANNUAL GDP GROWTH RATE





CURRENCIES

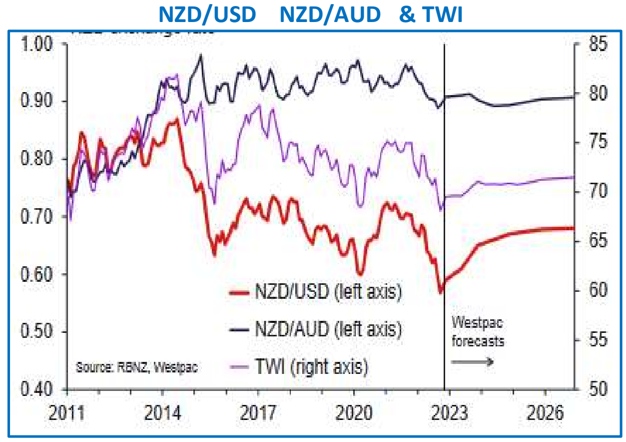
RBNZ – OCR RECORD INCREASE - NOV 22

The RBNZ's uber hawkish 75bp rate hike and Monetary Policy Statement are intended to quickly quell inflation and further restore the RBNZ's inflation-fighting credentials. In Jarden's view, the collateral damage to the economy will likely be an economic recession and materially higher unemployment next year. The RBNZ's aggressive actions risk overdoing the short-term economic harm, particularly as disinflation pressures loom on the horizon.

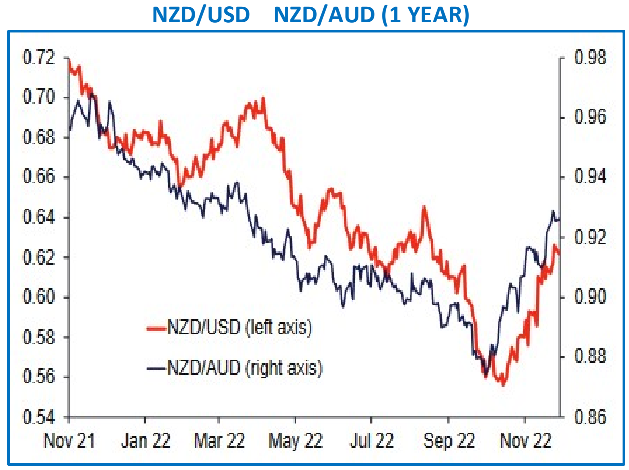
RBNZ Monetary Policy Committee (MPS) raised the Official Cash Rate (OCR) by 75 basis points to 4.25%, largely as expected. This is the largest OCR increase since the RBNZ instituted it as its primary monetary policy tool in March 1999.

The aggressive tone was emphasised in the RBNZ's outlook for the OCR, with a peak OCR of 5.5% expected by December 2023. This is around 150 basis points higher than the peak expected in its August Monetary Policy Statement and around 40 basis points higher than the peak OCR expected by financial markets before this latest announcement. Underscoring the forceful tone, the MPC even considered raising the OCR by 100 basis points at this meeting.

NZD/USD NZD/AUD & TWI



NZD/USD NZD/AUD (1 YEAR)



SOURCE: Westpac

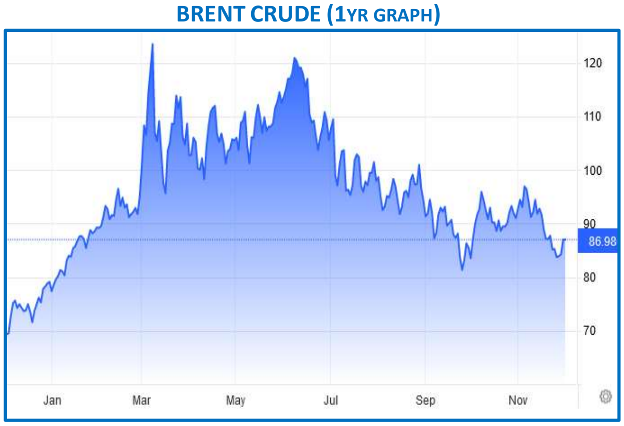
Interest rates have been rising for a year now, and further large increases are on the cards. Households have yet to feel the full impact of those hikes.

However, over the coming year many households will face large increases in their borrowing costs. That will see the recent strength in activity give way to a period of subdued economic growth and rising unemployment.

OIL

Investors await an OPEC+ meeting on December 4th amid recent speculation of more production cuts, despite little likelihood of a policy change. In November, the cartel curbed supplies by just over 1m barrels a day, the most since 2020. Traders also await any developments on an agreement for a cap for Russian oil, with EU governments tentatively setting a $60 a barrel price cap, although it still needs to be agreed by unanimity. Meanwhile, China has signalled a softening stance in the fight against the coronavirus, sparking hopes that the world's top crude importer could be swifter reopening its economy while offering an upbeat outlook for oil.

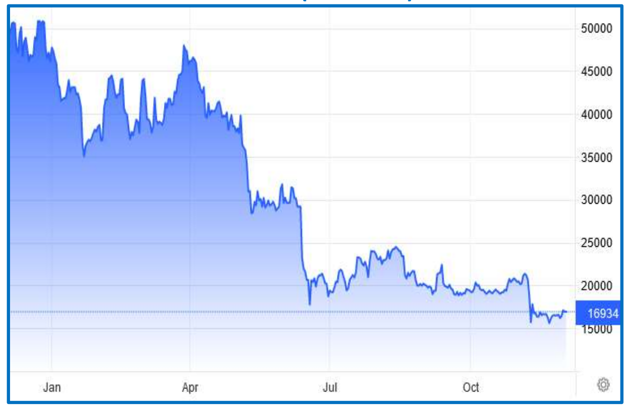
BRENT CRUDE (1YR GRAPH)



CRYPTO

Over the last 12 months, Bitcoin’s price fell by 70%. Looking ahead, Trading Economics forecast. They expect Bitcoin to be priced at US$14,925 by the end of this quarter and at US$11,012 in one year, according to their global macro models projections and analysts’ expectations.

BITCOIN (1YR GRAPH)



AGRIBUSINESS – LOOKING FROM THE OUTSIDE IN

PROTECTING MAORI DATA WAS MORE IMPORTANT THAN MAXIMISING MEAT & DAIRY EXPORTS IN EU TRADE DEAL

SOURCE: Farmers Weekly, 28-Nov-2022

It is very disturbing that negotiators were told by Labour Ministers to ease up in the "Free Trade" negotiations with the EU, to ensure a better deal for Māori – in building better protection for Māori data in their trade agreements.

Trade Minister Damien O'Connor dismissed suggestions the government had not pushed hard enough for the best possible market access for NZ's primary producers. However, **insiders are adamant that this was the case, and New Zealand, as a result, left "*a lot of potential money on the table*."**

SECTOR LEADERS UNITE OVER EMISSIONS PRICING – VERY DISAPPOINTED THAT THEIR CONCENCUS VIEW WAS IGNORED

Primary sector partners have united to oppose the government's changes to the He Waka Eke Noa proposal on emissions pricing.

Leaders of DairyNZ, Beef + Lamb New Zealand (BLNZ) and Federated Farmers met to discuss emissions pricing and to reaffirm common position between the three organisations, to enable them to move forward together and advocate strongly on behalf of farmers.

DairyNZ chair Jim van der Poel said a united voice on emissions pricing is the best way to ensure positive policy outcomes for farmers.

"All three organisations have reaffirmed nine core principles that we will all be raising in our submissions and through the He Waka Eke Noa partnership."

They say the government's emission pricing proposal differs significantly from the He Waka Eke Noa recommendations, which were designed as a whole-farm system approach to reduce emissions, meet targets and give fair recognition and reward for on-farm planting.

"Our organisations are all united in our determination to get the best possible outcome we can and will continue to work closely together as we advocate for farmers," B+L NZ chair Andrew Morrison says.

Federated Farmers president Andrew Hoggard said individual organisations would continue to raise sector specific issues.

The nine core principles that will be raised directly with the government are:

The current methane targets are wrong and need to be reviewed. Targets should be science-based, not political, and look to prevent additional warming.

The methane price should be set at the minimum level needed and be fixed for a five-year period to give farmers certainty.

Any levy revenue must be ringfenced and only be used for the administration of the system, investment in R&D, or go back to farmers as incentives. Administration costs must be minimised.

The future price should be set by the Minister on the advice of an independent oversight board appointed by all He Waka Eke Noa partners.

The system must incentivise farmers to uptake technology and adopt good farming practices that will reduce global emissions.

All sequestration that can be measured and is additive should be counted. We stand by what was proposed by the He Waka Eke Noa partnership on sequestration.

Farmers should be able to form collectives to measure, manage, and report their emissions in an efficient way.

Farmers who don't have access to mitigations or sequestration should be able to apply for temporary levy relief if the viability of their business is threatened.

We will not accept emissions leakage. The way to prevent that happening is by getting the targets, price, sequestration, incentives, and other settings right.

Sector	Trend	Current level[1]	Next 6 months
Dairy	We have cut our 2022/23 milk price forecast to $8.75/kg on ongoing demand weakness. However, with global dairy supply very weak and Chinese dairy demand set to rebound, we have set our 2023/24 forecast at $10.00/kg.	High	↓
Beef	Farmgate beef prices peaked at around $6.80/kg this spring. From here, we expect prices to soften as global demand remains weak, global supply remains high, and processing capacity tightens.	Average	↓
Lamb/Mutton	Farmgate lamb prices have peaked at around $9.50/kg this spring as meat processing capacity issues have returned. From here, we expect prices to decline further on weak global demand.	Above Average	↓
Forestry	With soft activity in China's construction sector, we expect forestry export prices to remain relatively low. Prices should improve modestly over 2023 as Chinese growth rebounds on the back of easing Covid restrictions.	Below average	→
Horticulture	Kiwifruit orchard gate prices have fallen on issues with fruit quality. Apple prices, though, are up on last season's levels, although that's on the back of a disappointingly small crop as well as the weak NZD.	Average	→

SOURCE: Westpac, November Economic Overview

BROKER PICKS FOR 2022 – still one month to go

AS AT 1ST DECEMBER 2022

AvonD Portfolio		Jarden		Craigs IP		Forsyth Barr		Hamilton Hindin		Hobson Health		MSL Capital Markets		Share Trader	
Comvita	(6.4%)	Comvita	(6.4%)	Contact Energy	(2.2%)	Arvida Group	(33.0%)	a2 Milk	14.5%	Heartland Group	(20.9%)	AFT Pharmaceuticals	(13.9%)	Ebos Group	2.9%
Contact Energy	(2.2%)	Contact Energy	(2.2%)	Ebos Group	2.9%	Ebos Group	2.9%	Fletcher Building	(22.0%)	Mainfreight	(22.4%)	Fletcher Building	(22.0%)	Heartland Group	(20.9%)
Infratil	12.4%	Heartland Group	(20.9%)	Fletcher Building	(22.0%)	Channel Inf (NZR)	52.0%	F&P Healthcare	(24.0%)	Sky Network TV	(8.2%)	Heartland Group	(20.9%)	Scott Technology	(15.9%)
Port of Tauranga	(3.7%)	Infratil	12.4%	Pushpay Holdings	(3.0%)	Sky City	(6.7%)	Freieghtways	(18.9%)	Trade Window	(71.7%)	NZ Rural Land	(6.8%)	Warehouse Group	(21.3%)
Pushpay Holdings	(3.0%)	Skellerup	(6.5%)	Summerset	(28.7%)	Vulcan Steel	(13.6%)	Infratil	12.4%	Manawa Energy	(25.6%)	Promisia Healthcare	0.0%	Wellington Drive	(100.0%)
TOTAL CHANGE	(0.6%)		(4.7%)		(10.6%)		0.3%		(7.6%)		(29.8%)		(12.7%)		(31.0%)
NZ50 Index	(10.6%)		(10.6%)		(10.6%)		(10.6%)		(10.6%)		(10.6%)		(10.6%)		(10.6%)
+/- NZ50 Index	10.0%		5.9%		(0.0%)		10.9%		3.0%		(19.2%)		(2.1%)		(20.5%)

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

NEW ZEALAND EQUITIES

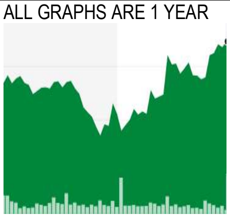
RETIREMENT VILLAGE SHARES ON A MAJOR SLIDE

Investors are dumping retirement stocks in the face of rising interest rates that will negatively affect property values and increase debt servicing costs. Ryman Healthcare shares fell below the March 2020 low of the Covid-19 selloff, as investors again dumped their stock. And fellow retirement village operator Summerset saw more than 10% wiped from its valuation.

STOCKS TO WATCH NEW ZEALAND

Prices as at 1st December 2022

ALL GRAPHS ARE 1 YEAR



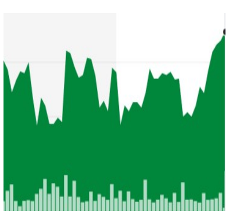
The A2 Milk Company

Research: 22nd November

Revenue growth guidance for FY23E was upgraded to low double-digit growth vs FY22, up from guidance for high single-digit growth at the FY22 result. This upgrade was well priced into market and Jarden expectations, with Their FY23E revenue implying a +14% uplift on pcp. Key drivers were also likely well understood, with NZD currency weakness being highlighted by management as the key driver of the stronger top line (with 1Q23 update), and US FDA entry also likely contributing. Company reiterating that 1H23E revenue growth (on 1H22) is expected to be significantly higher than 2H23E growth.

2023 P/E: 7.3 2024 P/E: 9.3

NZX Code: ATM
Share Price: $6.79
12mth Target: $5.70
Projected return (%)
Capital gain 28.8%
Dividend yield (Net) 0.0%
Total return **37.6%**
Rating: NEUTRAL
52-week price range: 4.20-6.84



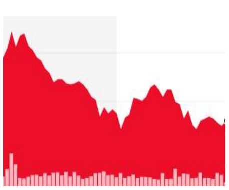
Auckland International Airport

Research: 22nd November

Over the next 10 years, Jarden expects AIA to spend $6bn on aeronautical capex. They expect the scale of this investment to lead to a fundamental shift in earnings composition compared with the 10-years pre-COVID. Expect this investment to see aeronautical EBITDA grow at a 9.7% CAGR over FY19-32E. While this rate of growth is clearly attractive, it is growth driven by capital investment, which will also drive large increases in depreciation and interest costs. Together, these should deliver a more modest NPAT CAGR of 5.7%. This is in contrast to the 10 years pre-COVID, when AIA's earnings benefitted from modest capital investment, falling interest rates and robust volume growth driving strong non-aeronautical earnings leverage.

2023 P/E: 95.8 2024 P/E: 43.6

NZX Code: AIA
Share Price: $8.14
12mth Target: ↑ $7.00
Projected return (%)
Capital gain -12.1%
Dividend yield (Net) 1.0%
Total return **-11.1%**
Rating: UNDERWEIGHT
52-week price range: 6.88-8.14



Argosy Property

Research: 23rd November

Outside of a $3m receipt for settlement for the failed sale of Albany Lifestyle Centre (subsequently sold), ARG's results were in line on both NPI and AFFO. In addition to the $3m one-off settlement, AFFO also got a boost in 1H23 ($32m versus 1H22 $25.5m) on much lower maintenance capex. Notwithstanding portfolio under-renting at 6.3% (weighted to Auckland industrial at double-digit under-renting), we expect AFFO growth to be more moderate over the next couple of years as increased interest rates impact. ARG maintained its dividend guidance for FY23 at 6.65cps in line with our expectation and equating to 1.5% growth on FY22. ARG completed an internal valuation exercise, which it had independently reviewed. Valuation was down $23.5m, with this weighted to Industrial. While cap rates were not disclosed, ARG noted some expansion, which was partially offset by rental growth (like-for-like rental growth was 3.6% on pcp).

2023 P/E: 16.7 2024 P/E: 18.1

NZX Code: ARG
Share Price: $1.19
12mth Target: ↓ $1.19
Projected return (%)
Capital gain 0.0%
Dividend yield (Net) 5.6%
Total return **5.6%**
Rating: NEUTRAL
52-week price range: 1.12-1.65

Arvida Group

Research: 30th November

Underlying NPAT of $37.7m (adjusted for consistent Village at the Park accounting) was 8% below Jarden's estimate, due almost entirely to joint venture profit excluding fair value gains. Importantly, revenue ($109.0m versus JARDe $108.9m) and operating costs ($103.6m versus $102.5m) were in line with their estimates. The $27.1m realised resale gain was in line with estimates on margins and volumes, while the $14.9m development margin was 10% ahead on a better % margin. In addition, NTA/share rose 5% to $1.95, benefitting from $88.6m of fair value gains.

2023 P/E: 10.6   2024 P/E: 8.4

NZX Code:	**ARV**
Share Price:	**$1.23**
12mth Target: ↓	**$1.50**
Projected return (%)	
Capital gain	20.0%
Dividend yield (Net)	4.6%
Total return	**24.6%**

Rating: OVERWEIGHT

52-week price range: 1.10-1.99

Asset Plus

Research: 30th November

AFFO down on pcp in 1H23 due to divestments and higher funding costs. Net rental income was $2.3m, down ~46% on the pcp (JARDe $2.9m) with Graham Street still incurring operating expenses prior to divestment (not included within their forecasts). AFFO was down ~$2.6m on the pcp, coming in at breakeven (also below estimate of $1.0m) with higher base fees and funding costs contributing to the decline. With interest rates remaining elevated, debt and funding costs are another priority that APL is navigating as it undergoes this transitory phase, extending its bank facilities to FY25 and covenants are replaced with a lockbox mechanism (starting at $5m cash). With no hedging, rising interest rates are continuing to be a drag. Gearing is now at 22.9% (FY22 25.7%), ultimately reducing to ~10% post Graham Street divestment. No FY23E guidance was provided and the dividend remains suspended (subject to quarterly review until "sufficient operating earnings are restored").

2023 P/E: (92.0)   2024 P/E: 111.9

NZX Code:	**APL**
Share Price:	**$0.24**
12mth Target:	**$0.34**
Projected return (%)	
Capital gain	54.5%
Dividend yield (Net)	0.0%
Total return	**54.5%**

Rating: OVERWEIGHT

52-week price range: 0.20-0.32

Channel Infrastructure NZ

Research: 22nd November

Strong Sept quarter PPI print confirmed a 6.3% escalator for CHI's FY23F contract prices (modestly above our 5.5% forecast). CHI also announced an additional marine fuel private storage contract, receiving $25m revenue over a 5-year contract term (including $4m in FY23F) and requiring $7m outlay for tank and linework capex and minor opex increases. Unfortunately, the company also guided to a large FY23F opex increase, due mainly to higher electricity costs. Guidance for FY23F EBITDA and dividends has been upgraded - $82-86m FY23F EBITDA (prev $76-84m) and 9-11cps (prev 8-11cps). Target price NZ$1.33 (prev NZ$1.37) - higher capex and bond yields more than offset PPI escalation and new marine fuel storage deal.

2022 P/E: 19.3   2023 P/E: 21.5

NZX Code:	**CHI**
Share Price:	**$1.39**
12mth Target: ↓	**$1.33**
Projected return (%)	
Capital gain	-10.1%
Dividend yield (Net)	4.1%
Total return	**-6.0%**

Rating: NEUTRAL

52-week price range: 0.84-1.50

Comvita

Research: 22nd November

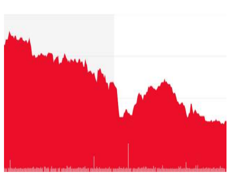
CVT has provided a short update and maintained its guidance for double-digit EBITDA growth in FY23, which compares with Jarden's FY23 growth estimate of +12% ($33.7m versus $30.1m reported EBITDA in FY22). This is despite ongoing disruption to the offline store network and CBEC into China (a large part of which is daigou), which will likely persist for the remainder of 2Q23. CVT also reiterated that FY23 will be 2H weighted, noting new distribution agreements should help offset current headwinds. Jarden notes it is good to see CVT maintaining guidance against a challenging macro backdrop - again demonstrating its improved earnings stability under new management and simplified model. Jarden's DCF-based 12-month target price for CVT is $4.50 after applying a 25% execution discount to Jarden's spot valuation of $5.50.

2023 P/E: 7.3   2024 P/E: 9.3

NZX Code:	**CVT**
Share Price:	**$3.23**
12mth Target:	**$4.50**
Projected return (%)	
Capital gain	28.8%
Dividend yield (Net)	2.9%
Total return	**37.6%**

Rating: BUY

52-week price range: 2.98-3.78



Delegat Group

Research: 6th December

DGL has provided a guidance update, with their FY23 operating NPAT ranging between $60m and $64m and they revised down their forward case volume guidance for FY24E and FY25E to 3,826k and 3,947k, respectively, from 3,910 and 4,080, respectively, or -2% and -3%, respectively, as they focus on "value growth in addition to volume growth".

2023 P/E: 16.2   2024 P/E: 14.6

NZX Code:	**DGL**
Share Price:	**$10.00**
12mth Target: ↓	**$12.50**
Projected return (%)	
Capital gain	25.0%
Dividend yield (Net)	2.1%
Total return	**27.1%**

Rating: OVERWEIGHT

52-week price range: 9.83-14.71

Eroad

Research: 26TH November

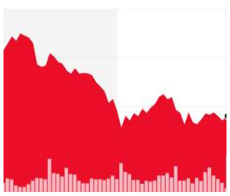
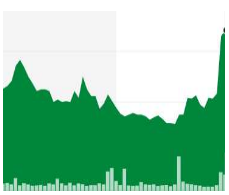
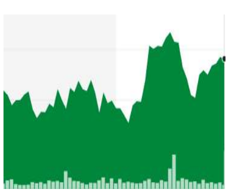
ERD delivered a messy 1H23 result with a number of abnormal costs and other non-cash items relating to the integration of Coretex and FX swings. On an adjusted basis, ERD's 1H23 revenue of $78.4m was in line with Jarden's estimate. However, a higher cost base drove a small absolute miss of their normalised EBIT forecast. ERD has begun a process of cost-out, reducing its headcount by c.-10% and reviewing its office footprint, which should help alleviate cost pressures in the second half. ERD reiterated its recently updated FY23 guidance for revenue of $154-164m (JARDe $160m) and normalised EBIT of breakeven to a loss of $5m (JARDe -$2.7m). The company reported net debt of $43.1m, higher than expected in part due to inventory build ahead of large enterprise contracts. ERD has $41.8m available headroom under existing banking facilities.

2023 P/E: (9.7)   2024 P/E: (791.7)

NZX Code:	**ERD**
Share Price:	**$1.22**
12mth Target: ↓	**$1.45**
Projected return (%)	
Capital gain	22.9%
Dividend yield (Net)	0.0%
Total return	**22.9%**

Rating: NEUTRAL

52-week price range: 1.18-5.52

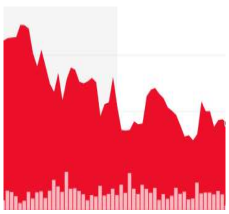
	**Fisher & Paykel Healthcare** Research: 24th November Solid 1H23 operating result, with revenue -23% to $691m, c.3% ahead of pre-guidance, with the key variance higher Hospital Consumables. NPAT was -57% to $96mn(+7% vs JARDe, above pre-guidance range), reflecting stronger revenues and a lower effective tax rate, the latter benefiting from FX translation benefit being exempted in certain regions (not disclosed in release). The interim dividend is +3% to 17.5c (in line with JARDe), fully imputed and with a DRP reintroduced at a 3% discount to maintain balance sheet flexibility over the coming infrastructure investment period. Outlook comments are encouraging, with management signalling a proportion of Hospital customers have worked through Optiflow overstocking and signalling GM pressures (freight rates, manufacturing inefficiencies) bottoming in 1H. FPH has leased a new Chinese manufacturing site, consistent with its distributed manufacturing strategy and likely captured within previously announced capex programme. 2023 P/E: 60.6 2024 P/E: 45.4	**NZX Code:** **FPH** **Share Price:** **$24.32** **12mth Target:** **$24.00** **Projected return (%)** Capital gain 5.3% Dividend yield (Net) 1.8% **Total return** **7.1%** **Rating: OVERWEIGHT** 52-week price range: 18.02-33.40
	**Fletcher Building** Research: 26th October FBU has reiterated that FY23 guidance for EBIT at $855m+ (Jarden $838m). Jarden had been concerned that NZ housing slowdown in September was pointing to an earlier-than-expected market downturn, however, management indicated that post-September, spring trading is showing a pick up in customer visitations. While the company continues to see unbroken momentum in most of its businesses, what Jarden liked in particular was the company referencing that it is preparing for a slowdown, whether it be the back end of FY23 or into FY24, in their view a positive update. 2023 P/E: 7.3 2024 P/E: 9.3	**NZX Code:** **FBU** **Share Price:** **$5.07** **12mth Target:** ↓ **$6.30** **Projected return (%)** Capital gain 28.8% Dividend yield (Net) 8.8% **Total return** **37.6%** **Rating: BUY** 52-week price range: 4.65-7.44
	**Fonterra Shareholder's Fund** Research: 28th November FSF announced two positive catalysts for a potential rerate in the stock in 2023. First, its divestment of Chile for ~$1b. This will take around six months to complete but represents a major milestone in Fonterra's move to exit non-core businesses (non-NZ milk) and should also support a substantial capital return. Chile generated ~$100m of EBIT and Jarden views the sale price achieved as broadly fair. With Fonterra likely to retire $300-400m of debt associated with the sale, they believe a capital return of the order of $600-700m (~$0.40 per share) is likely later in CY23. Jarden expects Fonterra farmer shareholders and unitholders to view this as positive and for the capital return to highlight the benefits of a disciplined approach to the group's capital intensity and, in time, its focus. 2022 P/E: 8.5 2023 P/E: 5.6	**NZX Code:** **FSF** **Share Price:** **$3.00** **12mth Target:** **$3.81** Capital gain 15.8% Dividend yield (Net) 10.0% **Total return** **19.7%** **Rating: OVERWEIGHT** 52-week price range: 2.75-3.90
	**Gentrack Group** Research: 30th November GTK reported a solid FY22 result in line with expectations, having recently upgraded its guidance. Utilities was a key standout with revenue growth, excluding contributions from insolvent companies up +24% on the prior year period and supported by recent customer wins. GTK has illustrated strong momentum in recent periods, as it cycles disruption in the UK, recently launched its new g2.0 product and announced key customer wins. EBITDA of NZ$8.1m fell on the prior year figure, with a well-flagged reset of the cost base driven by a meaningful step up in R&D. 2023 P/E: 193.5 2024 P/E: 20.6	**NZX Code:** **GTK** **Share Price:** **$2.45** **12mth Target:** ↓ **$2.25** **Projected return (%)** Capital gain 12.5% Dividend yield (Net) 0.0% **Total return** **12.5%** **Rating: NEUTRAL** 52-week price range: 1.32-2.55
	**Infratil** Research: 16th November IFT reported robust 1H23 earnings, with $275.6m proportionate EBITDA (vs pcp $248.4m), $1,012m parent net debt (pcp $622.6m) and $1.4bn potential liquidity including $405m cash held and $906m of undrawn bank facilities. It declared a fully imputed interim 6.75cps dividend, representing 4% growth over the previous interim dividend, with a similar rate of progression suggested for future distributions. 2023 P/E: 10.7 2024 P/E: 211.8	**NZX Code:** **IFT** **Share Price:** **$8.81** **12mth Target:** ↓ **$9.65** **Projected return (%)** Capital gain 14.7% Dividend yield (Net) 2.2% **Total return** **16.9%** **Rating: OVERWEIGHT** 52-week price range: 7.33-9.65
	**Investore Property** Research: 16th November In-line 1H23 result with net rental income $30.2m (JARDe $30.9m). Revaluations for the period were -$42.7m, bringing gearing up to 32.6% (FY22 29.5%), with the portfolio cap rate expanding 20bps to 5.0% in line with our estimate. FY23F dividend guidance at 7.9cps (flat on FY22) was reiterated and Jarden reduces down to this level from 8.1cps previously, as they reflect a subdued outlook for earnings growth. IPL noted the share buyback programme would remain on pause (~$1.1m to date) - not a surprise in this environment. 2023 P/E: 17.6 2024 P/E: 16.4	**NZX Code:** **IPL** **Share Price:** **$1.50** **12mth Target:** ↓ **$1.48** **Projected return (%)** Capital gain 0.0% Dividend yield (Net) 5.3% **Total return** **5.3%** **Rating: NEUTRAL** 52-week price range: 1.43-2.00

Kiwi Property Group Research: 29th November

Bouncing back from COVID with level of relief less than previously allowed for. KPG produced a stronger-than-expected result with Adjusted Funds From Operations **(**AFFO) at $65.2m versus Jarden's estimate of $56.0m. The quality of the beat was varied, with it positively supported by an NPI beat at $100.0m (JARDe $95.3m); release of COVID-related abatement accruals of $3.8m not required with potential for a small amount of additional 2H23 release; and maintenance capex/incentives of $2.7m). Net property income was +6.4% on 1H22, while AFFO was up 36%, with over half of the increase related to COVID abatements swing (-$6.4m 1H22, +$3.8m release 1H23). KPG called out $2.1m of one-off costs related to SaaS digital implementation costs and other project costs, with expenses otherwise broadly flat on 1H22 and in line with our forecasts. It expects expenses associated with ERP implementation to be elevated through to the end of FY24. KPG reiterated its FY23 dividend guidance of 5.70cps, with KPG looking through some of the one-offs given 1H23 AFFO of 4.15cps.
2023 P/E: 14.1 2024 P/E: 15.0

NZX Code:	**KPG**
Share Price:	**$0.93**
12mth Target:	**$0.96**
Projected return (%)	
Capital gain	5.5%
Dividend yield (Net)	6.3%
Total return	**11.8**

Rating: OVERWEIGHT
52-week price range: 0.82-1.24



Mainfreight Research: 10th November

1H23 result in line with recent trading update. MFT's revenue of $3,003.3m (+32% YoY, +26% excl. FX), PBT of $301.7m (+66% YoY, +58% excl. FX) and NPAT of $217.2m (+66% YoY, +58% excl. FX) were all in line with the trading update provided at the company's investor day in October. Reflecting this strong growth in earnings, MFT declared an interim dividend of $0.85 (+55% YoY). In addition, the company provided a trading update for the first five weeks of 2H23, with revenue +2% YoY and PBT +11%. Jarden believes this run-rate is supportive of market earnings expectations.
2023 P/E: 15.1 2024 P/E: 17.0

NZX Code:	**MFT**
Share Price:	**$70.50**
12mth Target:	**$88.00**
Projected return (%)	
Capital gain	22.2%
Dividend yield (Net)	2.5%
Total return	**24.7%**

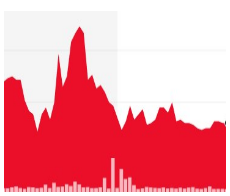
Rating: OVERWEIGHT
52-week price range: 64.50-94.99

Manawa Energy Research: 15th November

Investor Day highlighted an ongoing focus on the core business and discipline on capital management. The strategy remains unchanged with NZM targeting a combination of legacy optimisation/digital growth across three areas of focus: Audio, Publishing and OneRoof. Uncertainty is likely to be a factor in FY23F, with NZM downgrading FY22 ahead of the investor day on activity levels, particularly in Property. In the absence of a more stable economic backdrop, Jarden expects NZM to be conservative on capital management, having returned the best part of $45m to shareholders over the past 12 months (FY22F debt ~$10m). Jarden continues to highlight strong cash generation and NZM's repositioning.
2023 P/E: 22.9 2024 P/E: 20.5

NZX Code:	**MNW**
Share Price:	**$5.25**
12mth Target: ↓	**$5.34**
Projected return (%)	
Capital gain	5.1%
Dividend yield (Net)	3.1%
Total return	**8.2%**

Rating: NEUTRAL
52-week price range: 5.00-7.50



NZME Research: 16th November

Investor Day highlighted an ongoing focus on the core business and discipline on capital management. The strategy remains unchanged with NZM targeting a combination of legacy optimisation/digital growth across three areas of focus: Audio, Publishing and OneRoof. Uncertainty is likely to be a factor in FY23F, with NZM downgrading FY22 ahead of the investor day on activity levels, particularly in Property. In the absence of a more stable economic backdrop, Jarden expects NZM to be conservative on capital management, having returned the best part of $45m to shareholders over the past 12 months (FY22F debt ~$10m). Jarden continues to highlight strong cash generation and NZM's repositioning.
2022 P/E: 8.0 2023 P/E: 8.2

NZX Code:	**NZM**
Share Price:	**$1.18**
12mth Target:	**$1.27**
Projected return (%)	
Capital gain	8.5%
Dividend yield (Net)	12.0%
Total return	**20.5%**

Rating: OVERWEIGHT
52-week price range: 1.09-1.79

NZX Research: 25th November

NZX has announced the acquisition of the management rights of QuayStreet Asset Management Limited ($1.6bn Funds Under Management - FUM) from Craigs Investment Partners alongside a broader distribution agreement for NZX's suite of passive products. NZX will pay initial consideration of $31.25m (cash and scrip), with an earn-out of up to $18.75m assuming additional net FUM inflows of $1.2bn from the Craigs network over a three-year period. NZX expects the initial acquisition to generate EBITDA of ~$3.5m implying an acquisition multiple of ~9x EBITDA or 13-14x P/E on Jarden estimates. The company expects to transition the management of QuayStreet funds to its Smartshares business, effecting a shift from active to passive management consistent with its current passive ETF product suite. Jarden believes that the initial acquisition represents a full price for the initial $1.6bn of FUM but with the potential for modest accretive value. At $8.75m of equity, they estimate a return on equity of ~15% broadly consistent with returns across NZX's existing business. However, it appears that NZX sees the real value relating to the earn-out component as part of the product support and distribution agreement and its expectation for synergies linked to the sale of products developed for Craigs advisers to the broader market. Jarden sees some risk around potential FUM outflow during the transition phase to passive management and it remains to be seen as to the take-up of new Smartshares products by the Craigs adviser network.
2022 P/E: 25.5 2023 P/E: 21.7

NZX Code:	**NZX**
Share Price:	**$1.23**
12mth Target: ↓	**$1.45**
Projected return (%)	
Capital gain	17.9%
Dividend yield (Net)	5.0%
Total return	**20.5%**

Rating: OVERWEIGHT
52-week price range: 1.14-1.85

Oceania Healthcare

Research: 24th November

OCA delivers mixed 1H23 results. While underlying earnings of $23.4mn (incl. care suite depreciation; +3% YoY) were below our forecast of $27.7mn, this was driven entirely by a weaker-than-expected development margin ($12.7mn versus $21.6mn). This margin reflected soft new sales volumes, down 40% YoY and 46% below our forecast, reflecting the late delivery of the Lady Allum project and slow sales momentum at Awatere. However, the resales margin was better than expected ($16.4mn versus $13.9mn) and core operating EBITDA was also ahead at $9.7mn versus $7.6mn. We consider this operating result particularly pleasing, as OCA delivered opex growth in line with revenue growth.

2023 P/E: 10.1 2024 P/E: 8.1

NZX Code:	**OCR**
Share Price:	**$0.84**
12mth Target: ↓	**$1.10**
Projected return (%)	
Capital gain	39.2%
Dividend yield (Net)	5.1%
Total return	**44.3%**
Rating: OVERWEIGHT	
52-week price range: 0.76-1.39	

Pacific Edge

Research: 25th November

There was little surprise in PEB's 1H23 results given volumes were preannounced and investment in the go-to-market strategy means costs have ramped up faster than revenue - leading to higher cash burn - which was broadly in line with Jarden forecasts. More time is needed for the investment to have an impact, so at this stage their main takeaway is that PEB appears to be executing well against the plan set out in May, building out the human resource (highlighting early success from the virtual sales team) and progressing clinical studies to meet the clinical guideline timelines.

2023 P/E: (15.3) 2024 P/E: (13.9)

NZX Code:	**PEB**
Share Price:	**$0.44**
12mth Target:	**$0.75**
Projected return (%)	
Capital gain	53.1%
Dividend yield (Net)	0.0%
Total return	**53.1**
Rating: OVERWEIGHT	
52-week price range: 0.40-1.39	

Port of Tauranga

POT, NZ's largest port, at its AGM reported steady container volumes for the first quarter of the 2023 financial year. Total trade was down 7% compared with the previous year, to 6.4m tonnes, reflecting a weaker log export market and a challenging end to the kiwifruit season. Container volumes increased 1.8% compared with the previous corresponding period, helped by a 7% increase in dairy volumes. However, only six out of 16 weekly services are currently arriving on time to Tauranga. Cruise ships have returned for the first time since March 2020, with 103 expected this season. Based on the first quarter's results, and notwithstanding any significant changes to market conditions, POT expects full-year earnings to be in the range of $115m to $120m. "*The results over the last year reflected our strong diversity of cargoes and resilient operational performance. We expect these factors, along with our long-term freight agreements with key partners, to continue to provide stability*," CEO Sampson said. At the end of August, Jarden increased their FY23-25E revenue forecasts by +10.6%/+11.2%/+11.5%, reflecting the combination of higher pricing to offset inflation; further, they have incorporated the company's $20 / TEU infrastructure levy. These positives are partly offset by adjustments to our forecasts for storage revenue. With these changes, Jarden's underlying NPAT forecasts increase by +6% / +10% / +14% for FY23-25E.

2021 P/E: 38.7 2022 P/E: 36.4

NZX Code:	**POT**
Share Price:	**$6.27**
12mth Target:	**$6.55**
Projected return (%)	
Capital gain	3.1%
Dividend yield (Net)	2.3%
Total return	**5.4%**
Rating: NEUTRAL	
52-week price range: 5.96-7.37	

Precinct Properties

Research: 30h November

Nearly $1bn funds under management against challenging backdrop highlights quality of PCT's assets and platform. The timing in which PCT established a fund with GIC was fortuitous but its ability to establish a further partnership highlights quality in its assets and platform. The GIC partnership has responded to the disappointment of its inability to buy Defence House from PCT with the acquisition of PCT's Wynyard Quarter Stage 3 development asset. G the announcement of a separate joint venture with global investor PAG. Against the backdrop of significant development commitments and cap rate expansion pressure, this is an important step in bringing PCT's gearing to a more comfortable level, with forecast gearing at FY25 reducing from 41% to ~34% (factoring in $250m of fair value loss over this period on cap rate expansion).

2023 P/E: 18.5 2024 P/E: 18.5

NZX Code:	**PCT**
Share Price:	**$1.27**
12mth Target:	**$1.18**
Projected return (%)	
Capital gain	-3.3%
Dividend yield (Net)	5.5%
Total return	**2.2%**
Rating: NEUTRAL	
52-week price range: 1.15-1.69	

Pushpay Holdings

Research: 10th November

PPH reported soft 1H23 results as slower customer acquisition weighed on revenue growth. The results contained few surprises, with headline revenue/earnings pre-released and customer numbers broadly in line with our estimate. Underlying EBITDAF of US$26.8m in 1H23 was down -10% on the prior year period, as the company invests ahead of growth in other markets, namely Catholic. PPH reported 1H23 net customer adds of +94 over the six month period. With +153 net new Catholic customers during the period, PPH delivered a decline in its core Protestant market of -59. Church losses were largely in the medium-size church market, where pricing pressure saw customers opt for low-cost options and the uncertain environment reduced switching activity (a trend that likely benefitted PPH in the large church market). A net protestant customer loss is disappointing, but PPH has now largely completed its go-to-market strategy reset, with many of the senior sales roles refreshed. Indicative of the price sensitivity at that end of the market, Jarden's M&A-derived 12m target price is NZ$1.34, with PPH under offer at NZ$1.34 per share. The next update is likely to be in 1Q23, with the release of the independent adviser's report and the shareholder vote.

2022 P/E: 43.6 2023 P/E: 27.2

NZX Code:	**PPH**
Share Price:	**$1.28**
12mth Target:	**$1.34**
Projected return (%)	
Capital gain	4.7%
Dividend yield (Net)	0.0%
Total return	**4.7%**
Rating: NEUTRAL	
52-week price range: 0.90-1.50	

Ryman Healthcare

Research: 22nd November

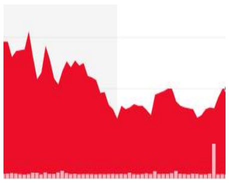
A tough result, partly timing and reflective of a strategy that RYM is starting to tilt away from. Most features of RYM's 1H23 results met expectations and in line with trends (care challenging, good demand and refinancing margins, low AFFO, debt up). Debt at $3bn did surprise - this partly reflects a need to push on with developments in progress (and settle land commitments) as well as the impact of market conditions on settlement timing. Importantly, demand is high, but this does not deal with the poor cash outcomes coming off a very large established asset base. RYM is now 50% hedged on debt, which signals an improvement in approach, but it was not enough at this point to stop cash interest costs, which grew 60% on pcp.

2023 P/E: 11.7   2024 P/E: 10.8

NZX Code:	**RYM**
Share Price:	**$6.70**
12mth Target: ↓	**$7.87**
Projected return (%)	
Capital gain	3.3%
Dividend yield (Net)	3.3%
Total return	**6.2%**

Rating: UNDERWEIGHT

52-week price range: 6.15-12.75



Sanford

Research: 16th November

SAN reported FY22 EBIT of $40.2m in line with our $40.5m estimate and ahead of Eikon consensus ($38m). The results came with little surprise as earnings recover post COVID-19, which should continue to support near-term earnings momentum. The capex profile seems to have been pushed a year to FY27 but despite this, SAN reaffirmed its $85-105m EBIT target by FY26. It resumed a final dividend of 10cps.

2023 P/E: 12.5   2024 P/E: 11.6

NZX Code:	**SAN**
Share Price:	**$4.40**
12mth Target: ↑	**$4.35**
Projected return (%)	
Capital gain	3.6%
Dividend yield (Net)	2.9%
Total return	**6.5%**

Rating: NEUTRAL

52-week price range: 4.03-5.30

Seeka

Research: 22nd November

Downgraded FY22 NPBT guidance to $6.5-9.0m (from $9.0-11.0m) thanks primarily to higher fruit loss than expected. Jarden also notes that FY23 could suffer from variable bud-burst and low flowering, in addition to the significant frost event in October. Jarden's forecast NPBT changes are -24% for FY22E, -12% for FY23E and 0% for FY24E, after factoring in guidance and potential lower volumes in FY23 from sub-optimal growing conditions. There is no change from FY24 given volumes are expected to normalise.

2022 P/E: 27.7   2023 P/E: 13.6

NZX Code:	**SEK**
Share Price:	**$3.30**
12mth Target: ↓	**$3.65**
Projected return (%)	
Capital gain	4.9%
Dividend yield (Net)	7.8%
Total return	**4.9%**

Rating: UNDERWEIGHT

52-week price range: 3.52-5.36

Sky City Entertainment

Research: 31st October

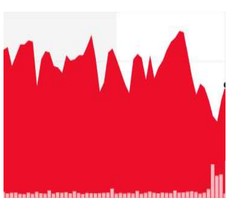
1Q23 revenue and EBITDA noted to exceed internal expectations, with normalised EBITDA c.10% above pre-Covid levels on a like-for-like basis. Outperformance being driven by stronger recovery in hospitality sites, as well as positive gaming performance across Auckland and Hamilton (especially EGMs). Adelaide also achieved its highest ever revenue across the 1Q, benefiting from visitation on the rise. We estimate 1Q EBITDA of NZ$80-85m, which was c.NZ$10m above Jarden's prior expectation. Looking forward, management remained cautious on extrapolating the above 1Q result across the balance of the year given both global and domestic macroeconomic uncertainties.

2023 P/E: 16.7   2023 P/E: 14.5

NZX Code:	**SKC**
Share Price:	**$2.79**
12mth Target: ↑	**$3.40**
Projected return (%)	
Capital gain	21.9%
Dividend yield (Net)	3.9%
Total return	**25.8%**

Rating: BUY

52-week price range: 2.47-3.21



Synlait Milk

Research: 14th November

Jarden's Overweight rating on SML reflects their confidence that earnings have stabilised and are back in growth mode, coupled with the recent price weakness placing the company in strong value territory around NTA. Stronger earnings and FCF generation should be underpinned by rising utilisation of SML's high-value plant. Key milestones to support this thesis include a combination of (1) ATM's performance including FDA uplift, (2) SMAR registration for ATM, (3) commissioning of a new multinational customer for Pokeno and (4) domestic dairy operations demonstrating stronger profitability. Key risks are (1) China macro risks, including ATM SAMR renewal, (2) commodity price volatility and (3) execution of the residual turnaround plan.

2023 P/E: 18.5   2023 P/E: 26.3

NZX Code:	**SML**
Share Price:	**$3.16**
12mth Target: ↑	**$3.80**
Projected return (%)	
Capital gain	7.6%
Dividend yield (Net)	4.1%
Total return	**11.7%**

Rating: OVERWEIGHT

52-week price range: 2.76-3.58

Turners Automotive Group

Research: 23rd November

TRA delivered a solid result modestly ahead of 1H22 ($23.2m) and in line with recent guidance. The Auto Retail segment continues to benefit from network expansion and marketing, with vehicle volumes up on the pcp despite a 7.5% decline in the broader market. This strength was partly offset by softer margins down from the COVID peak. As previously signalled, earnings in the Finance segment were impacted by NIM compression given the rapid increase in interest rates and TRA's funding costs being 50% unhedged, while receivables growth (+$20m versus FY22) was muted as TRA prioritises margin and loan quality over growth. Insurance earnings lifted 8% supported by market share gains, steady claims and opex ratios and higher earnings on financial assets. Credit Management earnings remain subdued on lower debt loads from credit providers. TRA declared a dividend of 10.0cps in the half consistent with 1H22.

2023 P/E: 9.6   2023 P/E: 9.8

NZX Code:	**TRA**
Share Price:	**$3.54**
12mth Target: ↑	**$4.29**
Projected return (%)	
Capital gain	19.8%
Dividend yield (Net)	6.4%
Total return	**26.2%**

Rating: OVERWEIGHT

52-week price range: 3.39-4.61

New Zealand Listed Companies Earnings Table at 5-December-2022	Ticker	Rec.	Market Cap	Price 5-Dec-22	Target Price	Adjusted NPAT			Adjusted EPS			Price Earnings		pbook	EV/EBITDA		Net Yield		Gross Yield	
			NZ$m	NZ$	NZ$	FY1	FY2	FY3	FY1	FY2	FY3	12MF	24MF	FWD	12MF	24MF	12MF	24MF	12MF	24MF
COMMUNICATION SERVICES																				
Chorus	CNU	N	3,614.0	8.12	7.15	54.2	69.0	81.3	12.1	15.4	18.2	60.0x	53.9x	4.2x	9.8x	9.7x	5.5%	5.7%	5.5%	5.7%
NZME	NZM	O	221.4	1.19	1.27	27.0	26.0	26.2	14.4	14.0	14.1	8.5x	1.5x	1.5x	5.0x	4.9x	8.6%	8.1%	12.0%	11.3%
SKY Network Television	SKT	N	336.3	2.31	2.63	50.3	41.6	41.8	31.2	28.2	28.3	7.7x	7.9x	0.7x	1.8x	1.9x	6.9%	6.9%	6.9%	6.9%
Spark New Zealand	SPK	O	9,693.6	5.18	5.26	470.6	502.0	519.3	25.5	27.6	28.7	19.6x	19.0x	4.9x	9.5x	9.3x	5.2%	5.3%	7.2%	7.4%
CONSUMER DISCRETIONARY																				
Restaurant Brands New Zealan	RBD	O	829.6	6.65	9.50	32.6	43.3	57.2	26.2	34.7	45.8	19.5x	14.7x	2.1x	9.0x	8.5x	-	-	-	-
KMD Brands	KMD	B	768.3	1.08	1.40	63.7	82.9	88.3	9.0	11.7	12.4	10.9x	9.9x	0.9x	7.9x	7.3x	6.4%	7.0%	6.6%	7.5%
Michael Hill International	MHJ	O	444.2	1.24	1.50	50.2	55.0	56.5	13.4	14.9	15.3	8.8x	8.5x	2.3x	3.6x	3.5x	8.0%	8.2%	11.1%	11.4%
My Food Bag	MFB	B	99.4	0.41	0.70	12.9	13.6	14.0	5.3	5.6	5.8	7.4x	7.3x	1.6x	4.9x	4.8x	14.6%	14.6%	14.6%	14.6%
SKYCITY Entertainment Group	SKC	B	2,105.8	2.77	3.40	127.5	146.4	158.1	16.7	19.3	20.8	15.5x	14.7x	1.3x	8.3x	7.9x	4.8%	5.5%	6.6%	7.6%
The Warehouse Group	WHS	N	1,040.5	3.00	3.15	91.4	104.8	105.8	26.5	30.3	30.6	10.8x	10.3x	2.4x	5.9x	5.7x	6.5%	6.8%	9.0%	9.4%
Tourism Holdings	THL	RES	796.1	3.72																
CONSUMER STAPLES																				
Delegat Group	DGL	O	1,011.3	10.00	13.40	62.4	70.1	80.0	61.7	69.3	79.2	15.4x	14.4x	1.8x	10.8x	10.3x	2.2%	2.4%	3.1%	3.3%
Comvita	CVT	B	222.9	3.19	4.50	15.5	20.7	28.2	22.2	29.7	40.4	12.5x	10.7x	0.9x	7.2x	6.5x	4.2%	5.4%	4.2%	5.4%
Fonterra Shareholders' Fund U	FSF	O	324.4	3.02	3.81	882.5	678.3	656.9	54.7	42.1	40.7	6.0x	6.6x	0.0x	0.2x	0.2x	9.6%	9.3%	9.6%	9.3%
New Zealand King Salmon Inve	NZK	N	124.5	0.23	0.21	(17.6)	8.0	9.6	(3.3)	1.5	1.8	30.6x	18.4x	0.8x	9.7x	9.7x	-	1.8%	-	2.5%
Sanford	SAN	N	416.1	4.45	4.35	31.4	33.9	37.1	33.6	36.3	39.7	13.1x	12.5x	0.6x	7.0x	7.0x	2.8%	3.1%	2.8%	3.1%
Scales Corporation	SCL	N	659.4	4.62	4.60	26.6	32.1	38.3	18.7	22.5	26.8	20.8x	19.0x	1.7x	9.2x	9.2x	4.1%	4.5%	5.7%	6.3%
Seeka	SEK	U	138.6	3.30	3.65	5.3	10.7	19.3	12.6	25.5	46.1	13.4x	9.5x	0.5x	6.7x	6.1x	3.6%	6.1%	3.6%	6.1%
Synlait Milk	SML	O	695.1	3.18	3.80	53.9	76.2	85.9	24.7	34.9	39.3	11.3x	9.8x	0.8x	6.5x	6.0x	-	1.1%	-	1.5%
The A2 Milk Company	ATM	N	4,941.9	6.71	5.70	152.3	165.4	189.1	20.8	23.0	26.3	30.8x	29.1x	3.9x	17.9x	17.1x	-	-	-	-
ENERGY																				
Channel Infrastructure NZ	CHI	N	533.0	1.43	1.33	28.0	25.2	38.3	7.6	6.8	10.3	20.9x	16.9x	1.0x	8.8x	7.9x	7.2%	8.3%	9.1%	9.4%
FINANCIALS																				
NZX	NZX	O	387.1	1.23	1.45	14.9	18.0	18.4	4.8	5.7	5.7	21.8x	21.7x	3.2x	10.5x	10.1x	5.0%	5.0%	6.9%	6.9%
Heartland Group Holdings	HGH	O	1,297.8	1.84	2.09	104.2	108.7	124.8	15.2	15.3	17.4	12.1x	11.7x	1.2x	20.8x	20.0x	6.2%	6.5%	8.6%	9.0%
Insurance																				
Turners Automotive Group	TRA	O	303.5	3.50	4.29	31.3	30.6	36.1	36.4	35.5	41.9	9.8x	9.3x	1.1x	8.5x	8.1x	6.6%	7.0%	9.1%	9.7%
HEALTH CARE EQUIPMENT & SUPPLIES																				
AFT Pharmaceuticals	AFT	B	388.0	3.70	4.80	28.1	28.8	36.1	26.8	27.5	34.4	13.6x	12.4x	3.9x	11.0x	9.7x	3.1%	3.7%	3.1%	3.7%
Ebos Group	EBO	N	7,968.5	41.80	39.00	283.0	295.9	306.1	149.4	156.2	161.7	27.4x	26.9x	3.3x	15.0x	14.7x	2.6%	2.8%	2.8%	3.0%
Fisher & Paykel Healthcare Cor	FPH	O	13,890.1	24.05	24.00	216.6	289.1	406.9	37.5	50.0	70.4	52.3x	43.7x	8.2x	30.0x	25.8x	1.7%	1.7%	2.4%	2.4%
Pacific Edge	PEB	O	364.6	0.45	0.75	(25.7)	(28.2)	(20.2)	(3.2)	(3.5)	(2.5)	(13.2x)	(14.5x)	6.1x	(9.8x)	(11.0x)	-	-	-	-
HEALTH CARE PROVIDERS																				
Arvida Group	ARV	O	911.7	1.26	1.50	81.6	103.9	109.6	11.4	14.5	15.3	9.3x	8.8x	0.6x	143.3x	116.6x	4.9%	5.2%	4.9%	5.2%
Oceania Healthcare	OCA	O	600.8	0.84	1.10	55.7	69.6	68.7	7.8	9.8	9.7	9.2x	8.9x	0.6x	45.5x	38.7x	5.9%	6.1%	5.9%	6.1%
Ryman Healthcare	RYM	U	3,320.0	6.64	7.87	325.8	354.2	376.5	65.0	70.1	73.7	9.7x	9.4x	40.7x	130.3x	106.8x	3.4%	3.4%	3.4%	3.4%
Summerset Group Holdings	SUM	O	2,228.3	9.60	15.29	173.3	196.1	223.9	75.2	84.5	95.9	11.5x	10.7x	0.9x	85.5x	68.2x	2.0%	2.0%	2.0%	2.0%
TRANSPORT & LOGISTICS																				
Air New Zealand	AIR	N	2,661.1	0.79	0.76	285.9	236.8	266.3	8.5	7.0	7.9	10.1x	10.4x	1.4x	3.9x	3.9x	2.1%	3.8%	2.1%	3.8%
Auckland International Airport	AIA	U	11,841.5	8.04	7.00	120.8	265.2	320.3	8.2	18.0	21.8	64.6x	50.1x	1.4x	28.1x	23.7x	1.4%	1.7%	1.9%	2.3%
Freightways	FRE	O	1,764.8	9.95	11.75	86.5	97.8	110.4	49.7	55.2	62.4	19.1x	18.0x	3.3x	9.5x	9.1x	4.2%	4.3%	5.8%	6.0%
Mainfreight	MFT	O	7,109.3	70.60	88.00	452.3	402.1	418.3	449.1	399.3	415.4	17.0x	17.1x	3.8x	9.3x	9.2x	2.8%	2.9%	3.9%	4.0%
Port of Tauranga	POT	N	4,265.9	6.27	6.35	119.9	131.1	143.2	17.8	19.5	21.3	33.8x	32.3x	2.0x	22.2x	21.3x	2.7%	2.8%	3.7%	3.9%
INFORMATION TECHNOLOGY																				
EROAD	ERD	N	137.4	1.24	1.45	(13.6)	(0.2)	4.9	(12.2)	(0.1)	4.3	(31.4x)	(237.6x)	0.6x	4.5x	4.1x	-	-	-	-
Gentrack Group	GTK	N	251.0	2.48	2.25	1.0	9.7	15.3	1.0	9.7	15.3	23.2x	19.5x	1.5x	10.0x	9.1x	-	-	-	-
Pushpay Holdings	PPH	N	1,460.7	1.28	1.34	21.6	34.6	42.2	1.9	3.0	3.7	48.3x	41.8x	6.8x	17.0x	16.2x	-	-	-	-
Serko	SKO	N	319.2	2.65	3.15	(41.0)	(27.9)	(6.4)	(34.2)	(23.3)	(5.3)	(9.9x)	(14.0x)	3.5x	(9.9x)	(15.6x)	-	-	-	-
Vista Group International	VGL	O	368.4	1.58	1.90	(6.9)	0.5	9.4	(3.0)	0.2	4.1	(5,654x)	83.3x	2.5x	22.3x	15.6x	-	-	-	-
CONSTRUCTION MATERIALS																				
Fletcher Building	FBU	B	3,946.5	5.04	6.30	519.4	411.3	451.1	66.6	52.7	57.8	8.3x	8.7x	1.0x	5.5x	5.6x	7.8%	7.3%	10.8%	10.2%
Steel & Tube Holdings	STU	N	213.6	1.28	1.45	23.5	18.7	19.6	14.2	11.3	11.8	9.9x	10.5x	1.0x	6.4x	6.6x	7.5%	7.0%	10.5%	9.8%
INDUSTRIALS																				
Metro Performance Glass	MPG	O	35.2	0.19	0.39	1.1	1.5	2.3	0.6	0.8	1.2	25.8x	21.0x	0.4x	5.5x	5.5x	-	-	-	-
PGG Wrightson	PGW	N	314.8	4.17	4.60	24.1	24.7	25.3	32.0	32.7	33.5	12.9x	12.8x	1.8x	6.5x	6.5x	7.3%	7.4%	7.3%	7.4%
Skellerup Holdings	SKL	O	1,117.6	5.70	6.10	52.9	58.4	64.5	27.1	29.9	33.0	20.1x	19.1x	4.9x	12.9x	12.3x	4.2%	4.4%	4.9%	5.1%
REAL ESTATE																				
Asset Plus	APL	O	83.4	0.23	0.34	(0.8)	0.7	6.9	(0.2)	0.2	1.9	315.6x	32.1x	0.5x	32.5x	23.2x	-	2.2%	-	3.1%
Argosy Property	ARG	N	1,024.5	1.21	1.19	61.3	56.5	59.6	7.2	6.7	7.0	17.6x	17.6x	1.2x	16.7x	16.2x	5.6%	5.6%	5.6%	5.6%
Goodman Property Trust	GMT	U	2,848.6	2.03	1.91	108.9	112.0	114.0	7.8	8.0	8.1	25.6x	25.4x	1.7x	24.4x	22.5x	2.9%	3.0%	2.9%	3.0%
Investore Property	IPL	N	547.6	1.49	1.48	30.9	33.3	31.8	8.4	9.1	8.6	16.8x	16.9x	1.0x	17.4x	16.8x	5.3%	5.4%	5.4%	5.4%
Kiwi Property Group	KPG	O	1,461.2	0.93	0.96	101.8	95.6	97.9	6.5	6.1	6.2	14.9x	15.0x	0.9x	16.8x	16.3x	6.2%	6.2%	6.2%	6.2%
New Zealand Rural Land Comp	NZL	O	122.5	1.06	1.14	5.4	5.1	6.0	4.7	4.4	4.4	23.2x	22.8x	0.7x	20.4x	20.1x	4.6%	4.6%	4.6%	6.4%
Precinct Properties New Zealan	PCT	N	2,022.0	1.28	1.18	105.3	105.3	108.8	6.6	6.6	6.9	19.3x	19.1x	1.2x	24.0x	22.3x	5.3%	5.3%	5.3%	5.3%
Property for Industry	PFI	N	1,188.7	2.37	2.30	50.8	50.3	55.0	10.1	10.0	10.9	23.6x	22.7x	0.8x	19.9x	19.4x	3.5%	3.5%	3.5%	4.9%
Stride Property & Stride Investm	SPG	N	783.5	1.45	1.54	57.4	57.2	58.2	10.6	10.4	10.4	13.9x	13.9x	0.9x	14.9x	14.6x	5.5%	5.5%	5.5%	5.5%
Vital Healthcare Property Trust	VHP	U	1,541.9	2.35	2.27	59.3	68.7	71.8	11.4	10.9	10.9	21.0x	21.1x	0.7x	20.7x	18.9x	4.2%	4.2%	4.2%	5.8%
UTILITIES																				
Contact Energy	CEN	B	5,991.9	7.65	10.33	165.5	210.5	222.7	21.2	27.1	28.6	32.2x	29.7x	2.2x	11.8x	11.1x	4.7%	5.0%	5.9%	6.2%
Genesis Energy	GNE	N	2,749.1	2.60	3.02	154.6	89.7	92.8	14.7	8.5	8.8	21.6x	25.2x	1.2x	8.8x	9.2x	7.0%	7.1%	9.0%	9.1%
Infratil	IFT	O	6,371.1	8.80	9.65	570.4	28.7	79.8	78.8	4.0	11.0	31.7x	48.2x	1.6x	18.2x	20.3x	2.2%	2.3%	(4.0%)	(3.3%)
Manawa Energy	MNW	N	1,652.5	5.28	5.34	59.5	77.7	79.0	22.2	24.8	25.2	22.0x	21.5x	1.3x	14.8x	14.4x	3.1%	3.1%	3.1%	3.1%
Mercury NZ	MCY	B	7,692.3	5.55	6.99	184.0	220.3	294.8	13.3	15.9	21.3	38.5x	34.0x	1.7x	14.8x	13.9x	4.1%	4.3%	5.6%	5.9%
Meridian Energy	MEL	O	12,854.2	4.98	5.68	346.4	331.6	446.5	13.4	12.9	17.3	37.8x	35.6x	2.4x	17.4x	16.7x	3.6%	3.8%	4.8%	5.1%
Vector	VCT	O	4,110.0	4.11	4.40	198.5	205.3	223.5	19.9	20.5	22.4	20.4x	19.8x	1.7x	10.2x	9.9x	4.1%	4.1%	4.5%	4.5%

JARDEN'S NZ LISTED COMPANIES GROSS DIVIDEND YIELD AS AT 1ST DECEMBER 2022

COMPANY	RATING	PRICE (NZ$)	GROSS DIVIDEND YIELD				DIVIDEND COVER				NET DEBT/ EQUITY
			FY-1	FY0	FY1	FY2	FY-1	FY0	FY1	FY2	CURRENT
My Food Bag	B	$0.42	16.7%	14.3%	14.3%	14.3%	1.2	0.9	0.9	1.0	-3.7%
Michael Hill	O	$1.26	8.9%	11.3%	12.5%	12.5%	1.6	1.3	1.3	1.4	-49.1%
NZME	O	$1.18	9.4%	16.5%	11.8%	10.6%	1.6	1.0	1.4	1.6	-8.6%
The Warehouse Group	N	$2.93	9.5%	8.8%	10.0%	10.2%	1.4	1.4	1.4	1.4	9.8%
Fletcher Building	B	$4.95	11.2%	12.1%	9.5%	10.1%	1.5	1.5	1.6	1.6	18.4%
Channel Infrastructure	N	$1.41		5.9%	9.5%	9.7%		1.3	0.6	0.8	37.1%
Genesis Energy	N	$2.54	8.9%	9.1%	9.3%	9.5%	0.6	0.8	0.5	0.5	58.3%
Kiwi Property Group	O	**$0.93**	**9.0%**	**9.1%**	**9.3%**	**9.3%**	**1.1**	**1.1**	**1.1**	**1.1**	**49.5%**
Steel and Tube	N	$1.30	10.9%	11.2%	9.1%	8.8%	1.3	1.4	1.3	1.4	20.5%
Turners	O	$3.52	9.1%	9.1%	9.1%	10.9%	1.6	1.6	1.5	1.5	158.2%
Heartland Group	O	$1.84	8.3%	8.3%	9.1%	9.8%	1.5	1.4	1.3	1.3	726.6%
Fonterra	O	$3.10	6.5%	9.7%	8.9%	8.4%	1.8	1.8	1.5	1.6	72.1%
Argosy Property	N	$1.17	8.3%	8.5%	8.7%	8.7%	1.2	1.1	1.0	1.0	47.2%
Sky City	B	$2.76		5.5%	8.1%	9.6%		1.5	1.2	1.1	38.3%
Kathmandu	B	$1.10	6.9%	5.6%	8.0%	8.6%	0.9	1.5	1.4	1.4	4.7%
Investore Property	N	$1.50	7.9%	7.9%	8.0%	8.0%	1.0	1.1	1.1	1.1	40.3%
Stride	N	$1.50	9.9%	8.0%	8.0%	8.1%	1.1	1.3	1.3	1.3	26.3%
Precinct Properties	N	$1.28	7.8%	7.8%	7.8%	7.8%	1.0	1.0	1.0	1.0	50.7%
PGG Wrightson	N	$4.15	7.2%	7.2%	7.5%	7.7%	1.1	1.1	1.1	1.0	19.0%
Spark	O	$5.15	6.7%	7.3%	7.3%	7.8%	0.9	0.9	1.0	1.0	98.6%
Sky Network Television	N	$2.29	3.2%	7.0%	7.0%	7.0%	3.9	2.0	1.8	1.8	-27.9%
NZ Rural Land Co	O	$1.05	5.1%	6.8%	7.0%	7.2%	1.5	1.0	0.9	1.0	53.5%
NZX	O	$1.23	6.9%	6.9%	6.9%	6.9%	1.0	0.8	0.9	0.9	-14.3%
Oceania Healthcare	O	$0.81	5.1%	4.9%	6.7%	6.5%	1.8	2.0	1.8	1.8	39.0%
Contact Energy	B	$7.49	6.1%	5.8%	6.3%	6.9%	0.7	0.6	0.7	0.7	32.8%
Vital Healthcare	U	$2.32	6.2%	6.3%	6.3%	6.4%	1.3	1.1	1.1	1.1	45.8%
Scales Corporation	N	$4.38	6.0%	6.0%	6.0%	7.3%	1.1	1.0	1.2	1.2	-21.0%
Freightways	O	$10.00	5.1%	5.5%	6.0%	6.6%	1.2	1.2	1.3	1.3	42.7%
Mercury	B	$5.50	5.1%	5.5%	5.9%	6.4%	0.5	0.6	0.7	0.8	39.8%
Chorus	N	$8.15	4.3%	5.2%	5.8%	6.1%	0.3	0.3	0.3	0.4	215.3%
Comvita	B	$3.24	1.7%	3.1%	5.6%	7.6%	3.6	2.2	1.7	1.6	11.2%
Property For Industry	N	$2.33	5.1%	5.2%	5.3%	5.4%	1.4	1.2	1.2	1.3	38.2%
Arvida	O	$1.23	4.5%	4.6%	5.3%	5.6%	2.1	2.0	2.2	2.2	33.1%
Skellerup	O	$5.59	4.3%	4.8%	5.2%	5.8%	1.2	1.2	1.2	1.2	11.9%
Air New Zealand	N	$0.77			5.1%	6.1%			1.8	1.7	-18.5%
Meridian Energy	O	$4.89	4.7%	4.8%	5.0%	6.0%	1.5	0.8	0.7	0.8	14.5%
Vector	O	$4.18	4.4%	4.4%	4.4%	4.4%	1.1	1.2	1.2	1.3	132.0%
Goodman Property	U	$2.08	3.9%	4.2%	4.3%	4.4%	1.3	1.3	1.3	1.3	27.7%
Mainfreight	O	$71.50	2.8%	3.5%	4.0%	4.1%	2.5	2.5	2.0	2.0	-1.8%
Seeka	U	$3.28	11.6%		3.9%	9.1%	0.7		2.0	1.5	40.8%
Port of Tauranga	N	$6.34	3.2%	3.5%	3.9%	4.2%	1.1	1.1	1.1	1.1	21.0%
AFT Pharmaceuticals	B	$3.70		1.8%	3.7%	4.6%		4.0	2.0	2.0	51.7%
Sanford	N	$4.40	2.3%	2.7%	3.4%	3.9%	2.3	2.8	2.4	2.3	21.9%
Ryman Healthcare	U	$6.65	3.4%	3.4%	3.4%	3.4%	2.3	2.9	3.1	3.3	74.2%
Infratil	O	$8.85	3.0%	3.2%	3.4%	3.5%	-0.1	3.9	0.2	0.5	69.4%
Delegat's Group	O	$10.00	2.8%	2.9%	3.3%	3.9%	2.9	2.9	2.9	2.8	49.8%
Ebos	N	$40.95	2.5%	3.0%	3.3%	3.7%	1.4	1.3	1.2	1.2	38.0%
Manawa Energy	N	$5.20	14.7%	3.1%	3.1%	3.2%	0.6	1.4	1.5	1.5	70.9%
Auckland Airport	U	$8.04		1.4%	2.5%	3.0%		1.0	1.3	1.3	17.8%
Fisher & Paykel Healthcare	O	$23.60	2.3%	2.4%	2.4%	2.4%	1.7	0.9	1.2	1.7	-0.9%
Summerset	O	$9.35	2.0%	2.0%	2.1%	2.1%	3.3	4.0	4.4	4.8	38.4%
Asset Plus	O	$0.23	7.1%			9.7%	1.0			1.3	32.1%
a2 Milk	N	$6.65									-66.1%
Eroad	N	$1.25									1.4%
Gentrack	N	$2.38									-17.1%
Pacific Edge	O	$0.46									-97.2%
Pushpay	N	$1.28									29.1%
Restaurant Brands	O	$6.61	6.7%				1.2				69.6%
Serko	N	$2.45									-82.5%
Synlait	O	$3.05				8.9%				2.0	45.4%
Vista Group	O	$1.52									-27.3%
MEDIAN			**4.6%**	**4.8%**	**5.3%**	**6.4%**	**1.3**	**1.3**	**1.3**	**1.3**	**33.1%**

Source: Jarden

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

Santos — Research: 29th November

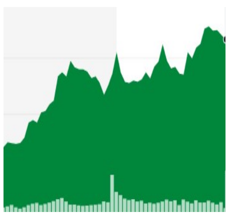
Changes to the Safeguard Mechanism could impact WDS and STO. The Australian Government has committed to a 43% emissions reduction target (versus the 2005 level) by 2030 and net-zero by 2050. To support these targets, Jarden expects the Government to release a draft bill on proposed Safeguard Mechanism reforms by end-2022. These reforms are set to incentivise facilities that emit more than 100,000 tonnes of CO_2e a year to cut emissions over time. Jarden looks at the valuation impact on WDS and STO from possible reforms to the Safeguard Mechanism and conclude STO (1.5-6.0% valuation impact) will likely be more impacted than WDS (1-2% valuation impact), even if Moomba CCS credits are used to offset emissions. However, the scale of impact will depend on the baseline emissions decline trajectory and cost of procuring Australian Carbon Credit Units (ACCUs) to meet shortfall obligations. The devil (as always) will be in the policy detail. Will changes to the Safeguard Mechanism (and higher ACCU prices) incentivise WDS and STO to move ahead with new CCS projects?

STO: 2023 P/E: 13.0

ASX Code:	**STOAX**
Share Price:	**A$7.43**
12mth Target:	**A$8.05**
Projected return (%)	
Capital gain	9.7%
Dividend yield (Net)	5.8%
Total return	**9.7%**

Rating: OVERWEIGHT

52-week price range: 6.05-8.85



Woodside Petroleum — Research: 1st December

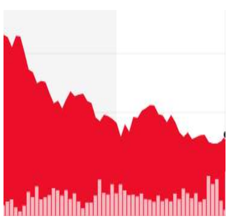
WDS outlined a clear, disciplined growth strategy to maintain production above 200 mmboe out to 2027 and beyond. The company expects to invest A$17bn to achieve this goal from 2023-27, with a further A$5bn in unsanctioned growth projects identified through this period. Jarden's main issue with WDS is the disconnect between this guidance and market expectations. Visible Alpha Consensus data shows A$17bn cumulative capex from 2023-27, either implying no allowance for new growth projects or an underestimation of sanctioned growth capex. WDS's 2023-27 FCF forecast aligns with consensus of A$21bn but the company expects under A$1bn FCF in 2023 at forward oil and LNG prices versus (admittedly stale) consensus of A$4.5bn. Jarden's valuation increases on the back of WDS's lower than we expected capex outlook and higher group production over 2025-27.

WDS: 2022 P/E: 13.4   2023 P/E: 14.0

ASX Code:	**WDS.AX**
Share Price:	**A$36.65**
12mth Target:	**A$36.65**
Projected return (%)	
Capital gain	-8.0%
Dividend yield (Net)	10.5%
Total return	**2.5%**

Rating: NEUTRAL

52-week price range: 20.96-39.58



Xero — Research: 11th November

Jarden makes the following estimate changes. (1) Subscribers: They factor in XRO's guidance for the UK and North America net subscriber additions to be similar or better than in pcp. They lower their future subscriber estimates given a lower base to grow forecast on, a change in sales model in the UK being unclear whether it will recover momentum, macro headwinds and a change of CEO, which may make navigating these challenges harder. Jarden needs evidence of a resumption of net adds before they factor these into their forecasts again. (2) ARPU came in higher in ANZ than JARDe, driven by strong pricing increases and add on products. Jarden lifts their ARPU estimates, which helps partially to offset the softer subs growth at the revenue line. (3) They adjust their 2H forecasts to account for the 1H23 higher actual costs but keep in line with the guidance for FY23 operating expenses to be at the lower end of 80-85% (we sit at 82%). (4) They adjust their finance expense estimate to reflect the higher interest as shown in the 1H23 results. This weighs most materially on EPS.

2023 P/E: 420.9   2024 P/E: 202.6

ASX Code:	**XRO.AX**
Share Price:	**A$74.99**
12mth Target: ↓	**A$71.00**
Projected return (%)	
Capital gain	9.7%
Dividend yield (Net)	0.0%
Total return	**9.7%**

Rating: OVERWEIGHT

52-week price range: 62.85-146.77

JARDEN'S AUSTRALIAN EQUITY RECOMMENDATIONS

SELL		UNDERWEIGHT		NEUTRAL		OVERWEIGHT		BUY	
		EDV	MQG	AMC	APA	BSL	ALL	IAG	QAN
			ANZ	CBA	BHP	COH	BXB	SCG	QBE
			ASX	ORG	COL	JHX	CPU	SUN	
			DXS	SGP	FMG	LLC	CSL	XRO	
			GPT	TLC	GMG	MPL	MIN		
			MGR		SHL	NAB	RMD		
			TCL			NCM	S32		
			WBC			NST	SEK		
						RHC	TLS		
						RIO	TWE		
						STO			
						WDS			
						WES			
						WOW			

JARDEN'S GLOBAL EQUITY RECOMMENDATIONS

SELL		UNDERWEIGHT		NEUTRAL		OVERWEIGHT		BUY	
BABA.US	700.HK	TSLA.US	BAC.US	GS.US	BLK.US	ABT.US	AAPL.US	AMZN.US	PYPL.US
MMM.US	XOM.US	T.US	JNJ.US	5930.KS	C.US	BRK/B.US	AI.FP	ASML.NA	MC.FR
	WMT.US	STMN.SW	BP/.LN	DE.US	LULU.US	EW.US	SIE.GE	DHR.US	JPM.US
	7203.JP	MU.US	ADBE.US	CRM.US	NFLX.US	GOOGL.US	HSY.US	MSCI.US	MA.US
		2330.TW	ZTS.US	BX.US	DIS.US	NVDA.US	COP.US	MS.US	ENPH.US
			VOW3.GE	GSK.LN	MRK.US	V.US	NKE.US	IBE.SP	
				CAT.US	META.US	MDLZ.US	UNH.US	MSFT.US	
						1299.HK	SU.FP		
							LLY.US		

JARDEN'S FIXED INTEREST BONDS

AS AT 1ST DECEMBER 2022

BBB+, BBB, BBB-

Issuer	NZDX Code	Coupon	Maturity Date	CPN Freq	Credit Rating	Type	Min. Size	Best Offer Yield	Best Price/ $100
Manawa Energy	MNW150	4.010	15/12/2022	4	BBB-(NR)	Senior	5,000	4.746	100.87
Meridian Energy	MEL030	4.530	14/03/2023	2	BBB+	Senior	5,000	4.747	100.95
Wellington Intl Airport	WIA030	4.250	12/05/2023	2	BBB	Senior	10,000	5.579	99.70
Summerset	SUM010	4.780	11/07/2023	4	BBB-(NR)	Senior	5,000	6.000	100.00
GMT Bond Issuer	GMB050	4.000	1/09/2023	2	BBB+	Senior	5,000	5.762	99.79
Kiwi Property Group Limited	KPG020	4.000	7/09/2023	2	BBB+	Senior	5,000	5.829	99.65
Z Energy	ZEL050	4.320	1/11/2023	4	BBB-(NR)	Senior	5,000	5.940	98.98
Meridian Energy	MEL040	4.880	20/03/2024	2	BBB+	Senior	5,000	5.650	100.07
Heartland Bank	HBL020	3.550	12/04/2024	4	BBB	Senior	5,000	5.850	97.55
Investore Property	IPL010	4.400	18/04/2024	4	BBB(NR)	Senior	5,000	6.100	98.35
Christchurch International Airport	CHC010	4.130	24/05/2024	2	BBB+	Senior	5,000	5.600	98.08
GMT Bond Issuer	GMB040	4.540	31/05/2024	2	BBB+	Senior	5,000	5.949	98.09
Wellington Intl Airport	WIA040	4.000	5/08/2024	2	BBB	Senior	10,000	-	-
Contact Energy	CEN050	3.550	15/08/2024	4	BBB	Senior	5,000	5.670	96.79
Z Energy	ZEL060	4.000	3/09/2024	4	BBB-(NR)	Senior	5,000	6.018	96.70
Precinct Properties	PCT020	4.420	27/11/2024	2	BBB+(NR)	Senior	5,000	-	-
Property for Industry	PFI010	4.590	28/11/2024	4	BBB(NR)	Senior	5,000	-	-
Kiwi Property Group Limited	KPG030	4.330	19/12/2024	2	BBB+	Senior	5,000	6.000	98.84
Vector Limited	VCT090	3.450	27/05/2025	2	BBB	Senior	5,000	5.650	95.05
Wellington Intl Airport	WIA050	5.000	16/06/2025	2	BBB	Senior	10,000	-	-
Meridian Energy	MEL050	4.210	27/06/2025	2	BBB+	Senior	5,000	5.450	98.92
Summerset	SUM020	4.200	24/09/2025	4	BBB-(NR)	Senior	5,000	5.950	96.34
Property for Industry	PFI020	4.250	1/10/2025	4	BBB(NR)	Senior	5,000	5.950	96.36
Kiwi Property Group Limited	KPG040	4.060	12/11/2025	2	BBB+	Senior	5,000	-	-
Argosy Property	ARG010	4.000	27/03/2026	4	BBB+(NR)	Senior	5,000	6.072	94.59
Manawa Energy	MNW180	3.350	29/07/2026	4	BBB-(NR)	Senior	5,000	5.650	92.80
Wellington Intl Airport	WIA070	2.500	14/08/2026	2	BBB	Senior	10,000	-	-
Mercury NZ	MCY040	2.160	29/09/2026	2	BBB+	Senior	5,000	5.500	89.04
Metlifecare	MET010	3.000	30/09/2026	4	BBB-(NR)	Senior	5,000	6.450	88.94
Argosy Property	ARG020	2.900	29/10/2026	4	BBB+(NR)	Senior	5,000	6.045	89.44
Ryman Healthcare	RYM010	2.550	18/12/2026	4	BBB-(NR)	Senior	5,000	6.100	87.93
Investore Property	IPL030	4.000	25/02/2027	4	BBB(NR)	Senior	5,000	6.150	92.17
SBS Bank	SBS010	4.320	18/03/2027	2	BBB+	Senior	5,000	5.550	96.29
GMT Bond Issuer	GMB060	4.740	14/04/2027	2	BBB+	Senior	5,000	5.733	96.89
Channel Infrastructure	CHI020	5.800	20/05/2027	2	BBB-(NR)	Senior	5,000	-	-
SkyCity Entertainment	SKC050	3.020	21/05/2027	4	BBB-	Senior	5,000	6.210	87.77
Precinct Properties	PCT030	2.850	28/05/2027	2	BBB+(NR)	Senior	5,000	6.179	87.20
Investore Property	IPL020	2.400	31/08/2027	4	BBB(NR)	Senior	5,000	6.120	84.84
Manawa Energy	MNW190	5.360	8/09/2027	4	BBB-(NR)	Senior	5,000	5.680	98.59
Mercury NZ	MCY030	1.560	14/09/2027	2	BBB+	Senior	5,000	5.441	84.23
Summerset	SUM030	2.300	21/09/2027	4	BBB-(NR)	Senior	5,000	6.150	84.59
Oceania Healthcare	OCA010	2.300	19/10/2027	4	BBB-(NR)	Senior	5,000	6.580	82.57
Argosy Property	ARG030	2.200	27/10/2027	4	BBB+(NR)	Senior	5,000	6.066	83.97
Vector Limited	VCT100	3.690	26/11/2027	4	BBB	Senior	5,000	5.604	91.83
Chorus	CNU030	1.980	2/12/2027	4	BBB	Senior	5,000	5.600	84.35
GMT Bond Issuer	GMB1227	3.656	20/12/2027	2	BBB+	Senior	50,000	5.856	92.19

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